

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, OCTOBER 5, 2011
10:00 A.M.**

DIRECTORS PRESENT:

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

DIRECTOR ABSENT:

Gene Koopman

STAFF PRESENT:

Thomas A. Love, General Manager
Craig Miller, Assistant 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
Greg Barron, Compost Facility Superintendent
Kathleen Baxter, Supervising Contracts and Programs Administrator
Chris Berch, Manager of Planning and Environmental Compliance
Andrea Carruthers, Community Outreach and Educational Coordinator I
Tina Cheng, Budget Officer
Gabriel DeSaddi, Manager of Construction Management
Parivash Dezham, Manager of Pretreatment and Source Control
Martyn Draper, Senior Pretreatment and Source Control Inspector
Sondra Elrod, Administration and Public Affairs Officer
Gaspar Garza, Deputy Manager of Operations
Arturo Landeros, Staff Internal Auditor I
Cameron Langner, Manager of Contracts and Procurement
Randy Lee, Manager of Operations
Mark Lopez, Training Officer
Craig Parker, Manager of Engineering
Craig Proctor, Pretreatment and Source Control Supervisor
Ryan Shaw, Associate Engineer
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary

OTHERS PRESENT:

Jack Allingham, Retiree
Desi Alvarez, CBWM
Ryan Aqui, Niagara Bottling, LLC
Walter Aristondo, Envision
Brian Bailey, Temple Inland
Susan Barajas, Temp
Brent Bond, PAC Rancho
Craig Bond, Niagara Bottling, LLC
Scott Bruer, Unifirst Corporation
Pat Carrigan, American Beef Packers, Inc.
Jean Cihigoyenette, Cihigoyenette, Grossberg & Clouse

Richard Conti, California Steel Industries
Tony Cordero, GenOnWest, LP
Steve Delaney, Temple Inland
Pat Farris, TI Wire
David Flatten, Inland Powder Coating
Glenn Franco, Nestle Waters North America
Alisa Hasbrouck, Ontario
Axel Hernandez, Carlisle Tire & Wheel
June Hizon, Temple Inland
Tim Jackson, Discus Dental
Geoffrey Kamansky, Niagara Bottling LLC
Jeff Lamoureaux, California Steel Industries
Jorge Magana, Carlisle Tire & Wheel
Paul Mitchell, Redistricting Partners
Lee Moore, GenOn West, LP
Rebeca Morales, Vista Metals
Darrel Pike, Unitech
Adeliano Servellon, Coca-Cola North America
George Shaw, Schlosser Forge
Jose Silva, Carlisle Tire & Wheel
Michael Sigsbee, Ontario
Susie Spears, Retiree
David Thomas, Envision
Dennis Weber, Schlosser Forge
Dale Young, TI Wire

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 one desiring to address the Board.

REQUIREMENTS FOR CALENDAR YEAR 2010

Pretreatment and Source Control Supervisor Craig Proctor stated that the IEUA, in collaboration with the County Sanitation Districts of Los Angeles County, have recognized the NRW North System SIU's annually for compliance with pretreatment standards and requirements. He stated that each year, IEUA, with the Santa Ana Watershed Project Authority (SAWPA) and the member agencies are also recognizing those SIU's who discharge to the SARI System and Regional System for their outstanding compliance record. He stated that this presentation is to recognize fifteen Non-Reclaimable Wastewater System (NRWS) industries, and twelve Regional System Significant Industrial Users (SIU's) for their 100% compliance record in 2010.

General Manager, Thomas A. Love, on behalf of the IEUA, recognized and presented a certificate to the following industries:

SIU's Selected to Receive Certificates of Recognition for Compliance Calendar Year 2010

NRW North System Industries

California Steel Industries
Carlisle Tire and Wheel
Coca-Cola North America

GenOn West LP (Formerly RRI Energy)
Inland Empire Regional Composting Authority
Inland Empire Utilities Agency (RP-1 Filtrate)
Nestle Waters North America, Inc.
Niagara Bottling, LLC
Praxair, Inc. - Absent
Temple-Inland Inc.
TI Wire
Unifirst Corporation
Unitech Services Group
Vista Metals Corporation

NRW South System Industries

OLS Energy - Absent

Regional System Industries

American Beef Packers, Inc. (Chino)
Aquamar, Inc. (Rancho Cucamonga) - Absent
Coca Cola USA (Ontario)
Discus Dental, LLC (Ontario)
Envision Plastics Industries (Chino)
Inland Powder Coating (Ontario)
Nestle Waters North America (Ontario)
Pac Rancho, Inc. (Rancho Cucamonga)
Parco, Inc. (Ontario) – Absent
Schlosser Forge Company (Rancho Cucamonga)
State Circuit Boards (Chino) - Absent
Wing Lee Farms, Inc. (Chino) - Absent

President Catlin congratulated the SIU's who received recognition today. He stated that this a big achievement to obtain 100% compliance and he appreciates the efforts of those who were recognized today. He said that he realized this effort takes time and money to accomplish 100% compliance.

CALIFORNIA STRATEGIES REDISTRICTING PRESENTATION

Mr. Paul Mitchell from Redistricting Partners (California Strategies) gave a PowerPoint presentation on the State and Local Redistricting. He highlighted the major changes in the political landscape, and its impact on the Inland Empire. He concluded his presentation by showing how the traditional redistricting principles impact the redistricting of Inland Empire Utilities Agency's five districts.

CONSENT CALENDAR

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

Director Elie requested that Consent Calendar Item 3C, SUPPORT FOR APPOINTMENT OF BILL B. DENDY TO THE STATE WATER RESOURCES CONTROL BOARD, be tabled until the October 19, Board of Directors' meeting. He stated that there was insufficient information provided on Mr. Dendy's qualifications for the Board to determine a support position for Mr. Dendy's appointment to the State Water Resources Control Board. Director Elie requested that staff re-submit this item with Mr. Dendy's resume, to the October 19, Board of Directors' meeting.

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

M2011-10-1

MOVED, to approval of the Consent Calendar.

- A. The Board approved the minutes from the September 21, 2011, regular Board meeting.
- B. The Board approved the Treasurer's Report on General Disbursements.
- C. PULLED AND TABLED TO THE OCTOBER 19, BOARD OF DIRECTORS' MEETING.

ACTION ITEMS

EMERGENCY REPAIR WORK ON COLUMN AND BEAMS AT IERCF, CONSULTING ENGINEER CONTRACT AMENDMENT, PROJECT NO. RA12010

Manager of Construction Management Gabriel DeSaddi reviewed the July 21, 2011, incident where a loader working in the IERCF collided with a support column causing significant damage to the column and the roof support structured. He stated that, at that time, staff retained the services of RMS Engineering and Design in the amount of \$33,600, to perform an assessment, provide a design and shoring plan, and to make a recommendation for the repairs. He stated that it was determined that additional damage had occurred, which required structural engineering assistance. He stated that the additional work is estimated at \$86,400; therefore, staff is recommending approval of an engineering services contract amendment with RMS Engineering and Design, Inc. for \$86,400, which would increase the contract value to \$120,000. Mr. DeSaddi stated that this will be the maximum amount for these services. He stated that the work is 75 percent complete.

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

M2011-10-2

MOVED, to:

- 1. Approve an engineering services contract amendment with RMS Engineering and Design, Inc. for \$86,400; and
- 2. Authorize Agency staff to execute the contract amendment.

ADOPTION OF RESOLUTION NO. 2011-10-3, APPROVING THE PERSONNEL MANUAL FOR EXECUTIVE MANAGEMENT EMPLOYEES AND RESOLUTION NO. 2011-10-4, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) TO CALPERS FOR EXECUTIVE MANAGER EMPLOYEES

ADOPTION OF RESOLUTION NO. 2011-10-5, APPROVING THE PERSONNEL MANUAL FOR UNREPRESENTED EMPLOYEES AND RESOLUTION NO. 2011-10-6, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) TO CALPERS FOR UNREPRESENTED EMPLOYEES

ADOPTION OF RESOLUTION NO. 2011-10-1, APPROVING THE MOU FOR THE OPERATORS' ASSOCIATION, AND RESOLUTION NO. 2011-10-2, PROVIDING FOR

EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) TO CALPERS FOR THE OPERATORS' ASSOCIATION

General Manager Thomas A. Love stated that he will make a presentation for Action Items 4B, 4C, and 4D, all together. Mr. Love stated that staff is requesting that the Board adopt Resolutions, which would approve the Personnel Manual and provide for Employer Paid Member Contributions to CalPERS for Executive Manager employees, and the Unrepresented employees. He also stated that staff is requesting that the Board adopt Resolutions, which would approve the Memorandum of Understanding and provide for Employer Paid Member Contributions to CalPERS for the Operators' Association employees. He stated that the negotiation process has concluded with the Operators' Association and a majority of their members have voted to ratify the MOU. Mr. Love highlighted the substantive changes to the terms and conditions of employment for the Executive Managers, Unrepresented, and Operators' Association employees, and the substantive changes made exclusively to the Operators' Association MOU, and the Unrepresented Employees. He reported that there was a cost savings of approximately \$500,000 to the Agency. He concluded his presentation by thanking the negotiating teams that worked with the Agency's negotiating team to reach an agreement.

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

M2011-10-3

MOVED, to:

1. Adopt Resolution No. 2011-10-3, approving the Personnel Manual for Executive Management employees; and

RESOLUTION NO. 2011-10-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE PERSONNEL MANUAL FOR EXECUTIVE MANAGEMENT EMPLOYEES (for full text, see Resolution Book).

2. Resolution No. 2011-10-4, providing for Employer Paid Member Contributions (EPMC) to CalPERS for Executive Management employees.

RESOLUTION NO. 2011-10-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR EXECUTIVE MANAGEMENT EMPLOYEES (for full text, see Resolution Book).

MOVED, to:

1. Adopt Resolution No. 2011-10-5, approving the Personnel Manual for Unrepresented employees; and

Continued....

RESOLUTION NO. 2011-10-5
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE PERSONNEL MANUAL FOR UNREPRESENTED EMPLOYEES (for full text, see Resolution Book).

2. Resolution No. 2011-10-6, providing for Employer Paid Member Contributions (EPMC) to CalPERS for Unrepresented employees.

RESOLUTION NO. 2011-10-6
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR UNREPRESENTED EMPLOYEES (for full text, see Resolution Book).

MOVED, to:

1. Adopt Resolution No. 2011-10-1, approving the Memorandum of Understanding for the Operators' Association employees; and

RESOLUTION NO. 2011-10-1
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING FOR OPERATORS' ASSOCIATION EMPLOYEES (for full text, see Resolution Book).

2. Resolution No. 2011-10-2, providing for Employer Paid Member Contributions (EPMC) to CalPERS for Operators' Association employees.

RESOLUTION NO. 2011-10-2
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR OPERATORS' ASSOCIATION EMPLOYEES (for full text, see Resolution Book).

INFORMATION ITEMS

LEGISLATIVE REPORTS

Executive Manager of Policy Development Martha Davis reported that staff is in the process of scheduling briefings to the Board of Directors from the Agency's legislative representatives in Sacramento and Washington DC.

(Director Camacho left the meeting room at 10:45 a.m.)

REPLENISHMENT UPDATE

Assistant General Manager Craig Miller gave a PowerPoint update on the Replenishment Program. He highlighted the replenishment water deliveries, CBWM/IEUA Storage Agreement, and the MWD Replenishment Program.

(Director Camacho re-entered the meeting room at 10:55 a.m.)

Legal Counsel Jean Cihigoyenette reported that he had discussions with CBWM Legal Counsel Scott Slater regarding the Storage Agreement.

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

RECYCLED WATER PROGRAM UPDATE

The Recycled Water Program Update was received and filed by the Board.

GENERAL MANAGER'S REPORT

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

General Manager Thomas A. Love reported that on October 1, the Agency received the first monthly payment of \$20,000 from Environ for the lease of RP-5 Solids Handling Facility. He reported that Environ is continuing to work on their design, testing and other work.

Chief Financial Officer Christina Valencia reported that Dexia Bank was recently in the news. They are a bank that the Agency previously used as a Letter of Credit provider for the 2008B Variable Rate Bonds. She reported that in December, the Agency changed providers. She stated that the contract with Dexia Bank was to expire in April 2011; however, the Agency took pre-emptive action and went with Lloyds Bank; therefore, the Agency is not impacted.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS

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

BOARD OF DIRECTORS' COMMENTS

Director Camacho reported that he hosted, as the Agency's MWD representative, a MWD Hoover Dam Inspection Tour this past weekend. He stated that it was a very informative trip. He thanked staff who participated in the tour. Director Camacho recognized and thanked Administration and Public Affairs Officer Sondra Elrod for her efforts in coordinating the trip and making it a big success.

CLOSED SESSION

The Board went into closed session at 11:20 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; (5) IEUA vs. Ontario Redevelopment Agency, Case No CIVRS1100454. B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two (2) cases C. 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 D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS (1) General Manager; (2) Manager of Internal Audit; (3) Board Secretary; E. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYEE DISMISSAL/DISCIPLINE/RELEASE

The meeting resumed at 12:05 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:

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

IEUA vs. Ontario Redevelopment Agency, Case No. CIVRS1100454

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

Upon motion by Director Elie, seconded by President Catlin, and unanimously carried:

M2011-10-4

MOVED, to retain the services of Attorney Wanda Dorgan and her firm, to represent the Inland Empire Utilities Agency and Mr. Richard W. Atwater in the case of Dean Martin vs. IEUA, Case No. CIVRS 1000767.

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

The Board did not discuss these items.

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.

Regarding Personnel Matters

- (1) General Manager
- (2) Manager of Internal Audit
- (3) Board Secretary

The Board took no reportable action.

Regarding Public Employee Dismissal/Discipline/Release

The Board took no reportable action.

With no further business, President Catlin adjourned the meeting at 12:07 p.m.

Secretary

APPROVED: OCTOBER 19, 2011