



Regional Sewerage Program Technical Committee Meeting

AGENDA

Thursday, November 7, 2013

4:00 p.m.

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Thursday, November 7, 2013

Call to Order and Roll Call

1. Approval of Minutes

A. Minutes of October 3, 2013 Meeting

2. Informational Items

A. 4th Quarter Budget Variance (Written)

B. Sewer Lift Station Opportunity (PowerPoint)

C. Self-Regenerating Water Softener Local Ordinance Implementation Update (Oral)

D. Pretreatment Local Limits RFP (Written)

E. Tech/Policy Meeting Scheduling (Written)

3. Receive and File

A. Pretreatment Summary Report

B. Building Activity Report (YTD)

C. Recycled Water Operations Summary

D. IEUA Quarterly Water Newsletter

E. 2013 IEUA Business Goals

F. IEUA Agency Wide Organizational Chart

G. San Onofre Nuclear Generating Station Status and Economic Impacts

4. Other Business

A. IEUA General Manager's Update

B. Committee Member Requested Agenda Items for Next Meeting


C. Committee Member Comments

D. Next Meeting – December 5, 2013

5. Adjournment

DECLARATION OF POSTING

I, Cheyanne Reseck-Francis, Administrative Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, October 31, 2013.



Cheyenne Reseck-Francis

**APPROVAL OF
MINUTES**

1A



Regional Sewerage Program Technical Committee Meeting

MINUTES OF October 3, 2013 MEETING

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, October 3, 2013, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Jim Hill, City of Chino called the meeting to order at 4:00 p.m.

ATTENDANCE

Committee Members:

Jim Hill	City of Chino
Steve Nix	City of Chino Hills
Tony Mata	City of Fontana
Mike Hudson	City of Montclair
Scott Burton	City of Ontario <i>(Entered at 4:14 p.m.)</i>
Rosemary Hoerning	City of Upland
Braden Yu	Cucamonga Valley Water District
Christina Valencia	Inland Empire Utilities Agency

Absent Committee Members:

P. Joseph Grindstaff	Inland Empire Utilities Agency
Chuck Hays	City of Fontana
John Bosler	Cucamonga Valley Water District

Others Present:

Cheyenne Reseck-Francis	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Craig Parker	Inland Empire Utilities Agency
Ernest Yeboah	Inland Empire Utilities Agency
Kathy Tieg	Cucamonga Valley Water District
Ryan Shaw	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Nicole Greene	City of Montclair
LeAnne Hamilton	Inland Empire Utilities Agency
Rebecca Long	Inland Empire Utilities Agency

1. APPROVAL OF MINUTES**A. Minutes of August 1, 2013 Meeting**

Motion: By Steve Nix/City of Chino Hills, and seconded by Mike Hudson/City of Montclair, to approve the revised minutes of the August 1, 2013 Technical Committee meeting.

Motion carried: Unanimously.

2. ACTION ITEMS**A. Montclair Lift Station Upgrades Project Construction Contract Award**

Craig Parker/IEUA gave a presentation stating that this station in particular was built in 1976 and has had significant issues with rags or baby wipes not being able to pass through the station, reducing pump output and causing staff to have to de-rag the pumps three times per week. Mr. Parker stated that this project will: provide a design to mitigate rag build-up, replace electrical switch gear, replace backup generator automatic transfer switch, install a redundant level monitoring system, replace the system with a variable frequency drive (VFD) system, and provide remote control enhancement. He stated that the project is anticipated to be completed by December 2014. Mr. Parker stated that the current capacity of the lift station varies between two to three MGD and he doesn't anticipate much growth in the area.

Motion: By Mike Hudson/City of Montclair, and seconded by Rosemary Hoerning/City of Upland, to approve the award of the construction contract for the Montclair Lift Station Upgrades, Project No. EN13054, for a not-to-exceed amount of \$3.3 million.

Motion carried: Unanimously.

3. INFORMATIONAL ITEMS**A. Recycled Water Update**

Sylvie Lee/IEUA gave a presentation highlighting several recycled water projects. She gave an overview of the recycled water deliveries for last year, stating that last year brought the highest numbers in the history of the program, with about 32,300 acre-feet delivered, recycled water groundwater recharge at about 10,500 acre-feet, and direct use at about 22,000 acre-feet.

B. Annual Water Use Report

Ryan Shaw/IEUA gave a presentation summarizing the Annual Water Use Report for FY 12/13.

C. Ten Year Growth Forecast

LeAnne Hamilton/IEUA gave a presentation on the Ten Year Growth Survey Results, which are the basis for comparing projected versus actual EDU's.

D. IEUA Planning Documents Update

Chris Berch/IEUA gave a presentation highlighting the progress on the Integrated Resources Plan, Recharge Master Plan, Facilities Master Plan, Asset Management Plan, Recycled Water Program Strategy, and Finance Plan.

E. Recharge Master Plan Update

Ryan Shaw/IEUA gave a presentation on the status of the Recharge Master Plan. He stated that the final version of the document will be submitted on October 9, 2013 to the IEUA Committees, and on October 16, 2013 to the IEUA Board, prior to submission to the court.

4. RECEIVE AND FILE**A. Pretreatment Summary Report**

The Pretreatment Summary Report was received and filed by the Committee.

B. Building Activity Report – Final FY 12/13 and FY 13/14 YTD

The Building Activity Report – Final FY 12/13 and FY 13/14 YTD was received and filed by the Committee.

C. Recycled Water Operations Summary

The Recycled Water Operations Summary was received and filed by the Committee.

5. OTHER BUSINESS**A. IEUA General Manager's Update**

Christina Valencia/IEUA reported on the following:

- BAR YTD FY 13/14 was page handed out and indicates 323 new EDU's through the end of July.
- RW Operations distribution report shows that plants were at capacity and indicates a tremendous amount of growth.
- Jason Gu asking for input for possibly completing a joint regional application for Proposition 84 Stormwater Grant Program funding on projects that will reduce or prevent stormwater contamination, such as bio-retention basins, rain gardens, vegetative swales, filter strips, etc.
- IEUA Business Goals are complete and will be submitted to the IEUA Board for approval on October 16, 2013.
- There will be an item going to the Technical and Policy Committee meetings in November regarding scheduling of these meetings. It will be suggested that the meetings be scheduled one week apart (e.g. Technical Committee to meet on the first Thursday and the Policy Committee on the second Thursday of the month), or to simply move the Technical Committee from 4:00 p.m. to 3:00 and the Policy Committee to 4:00 p.m.

B. Committee Member Requested Agenda Items for Next Meeting

Scott Burton/City of Ontario requested an item pertaining to the pretreatment compliance inspections, ordinance revisions, and local limit changes.

C. Committee Member Comments

Rosemary Hoerning/City of Upland wanted to thank Chris Berch, Greg Barron, and Agustin Nieto for the personal tour she received, stating that it was very informative.

Mike Hudson/City of Montclair thanked IEUA for their assistance when Montclair had an SSO caused by vandalism a few weeks ago.

D. Next Meeting – November 7, 2013

6. ADJOURNMENT - Meeting was adjourned at 4:56 p.m.

Transcribed
by:

Cheyenne R. Reseck-Francis
Administrative Assistant, IEUA

**INFORMATION
ITEM
2A**



Date: November 7, 2013
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: 4th Quarter Budget Variance for FY 2012/13

RECOMMENDATION

This is an information item for the Regional Committees to receive and file.

BACKGROUND

This item was presented at the IEUA Board of Directors meeting on October 16, 2013.



Date: October 16, 2013

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (10/09/13)

From P. Joseph Grindstaff
General Manager

Submitted by: Christina Valencia
Chief Financial Officer

Paddy Mwembu
Manager of Financial Planning

Subject: FY 2012/13 Fourth Quarter Budget Variance, Performance Goals Updates,
and Budget Transfers

RECOMMENDATION

It is recommended that the Board of Directors approve reclassification of FY 2012/13 costs, pursuant to the Agency's Fiscal Ordinance No. 90, as part of the year-end reconciliation resulting from the annual audit process. The costs to be reclassified are:

1. \$5.0 million of capital expenditures to operation and maintenance costs (O&M) primarily due to reimbursable costs from the City of Chino for the restoration of the Magnolia Channel (EN06020 – RP-5 Upgrade) and from Carson Company for street improvements performed in the city's right of way (EN12012 – El Prado Road Improvements); and
2. \$2.4 million of O&M costs to capital expenditures primarily from professional fees and services expenses to Capital Project EN08018, 1630 W. Recycled Water Pipeline in the Recycled Water (WC) Fund.

BACKGROUND

Budget Transfers

In accordance with the Agency's Fiscal Ordinance 90, any reclassification/transfer between Operating and Capital appropriations shall require Board approval. Total costs to be reclassified are \$7.4 million which consists of \$5.0 million of capital expenditures to be reclassified as operations and maintenance expenses and \$2.4 million of construction costs to be reclassified as capital expenditures. Exhibit D shows the itemized listing of costs to be reclassified. In addition,

Exhibit C presents a summary of intra-fund Capital and O&M budget transfers processed during the fourth quarter within management authority.

Budget Variance Report

FY 2012/13 Fourth Quarter Budget Variance report presents preliminary results of the Agency's financial performance through June 30, 2013. Exhibit A provides a comparison of preliminary actual revenues and expenses to the FY 2012/13 Amended Budget, including an explanation of significant variances by categories. Also included are the projected actual amounts reported in June as part of the FY 2013/14 budget adoption process. Upon conclusion of the annual audit, a supplemental report will be provided to the Board identifying any material changes.

Total Sources and Uses of Funds Highlight

Overall, the Agency received total revenues and other funding sources of \$146.6 million or 17.3% higher than the Amended budget of \$125.0 million (exhibit A detail). Total expenditures were \$115.6 million or 26.3% lower than the Amended budget of \$156.8 million. Total expenditures include operating, capital, and debt service costs.

Revenues and Other Funding Sources

The Agency's total revenues and other funding sources at the end of the fourth quarter were \$146.6 million, or 17.3% higher than the Amended Budget. The following section highlights key Agency revenue sources:

- **Connection Fees** – Total new Equivalent Dwelling Unit (EDU) connections reported through the end of the fourth quarter were 2,997 for total connection revenues of \$14.6 million. Compared to the Amended Budget of 1,100 new connections, the end of the year total of 2,997 units represents 170.6% favorable variance. New connections are primarily from residential, retail stores, restaurants, and industrial facilities developments. Cucamonga Valley Water District, City of Montclair, and City of Chino reported a combined number of new connections of approximately 2,312 EDU units, or 78% of the Agency-wide total.
- **User Charges** – User charges were \$52.5 million, or 104.1% of the Amended Budget. The favorable variance is accounted for by a 3% growth in EDU volumetric fees or \$39.3 million actual fees paid by users discharging to the regional wastewater system. The user charges also include \$6.7 million for Non-Reclaimable Wastewater pass-through fees paid by industrial and commercial users connected to the brine line system; \$3.6 million for imported water meter service charges to meet the Readiness-to-Serve obligation from MWD and water use efficiency programs. Water purchased from MWD was \$34.0 million or 58,853 AF which was directly passed through to member agencies. The Agency, as a result of the pass-through service collected \$0.7 million for imported potable water surcharge. Table 1 below shows the imported water deliveries/purchased in FY 2011/12 and FY 2012/13.

**Table 1: MWD Imported Water
 Pass-Through Deliveries**

Fiscal Year	Acre Feet (AF)	MWD Pass-Thru Purchases (\$Millions)	IEUA AF Surcharge (\$Millions)
2012/13	58,853	\$34.0	\$.709
2011/12*	77,348	\$38.4	\$.927

*Includes 25,982 AF of replenishment water purchases for \$10.5 million

- **Recycled Water Sales** – Actual direct and groundwater recharge sales were \$3.8 million for 21,840 Acre-Feet (AF) and \$2.1 million for 10,479 AF, respectively, for total sales of \$5.9 million or 32,319 AF. The total actual recycled water deliveries of 32,319 AF at the end of FY 2012/13 were approximately 98% of Amended Budget of 33,000 AF.
- **MWD LPP Rebate** –MWD LPP rebate is based on the recycled water sales in excess of 3,500 AF up to 17,000 AF at a rate of \$154/AF, for a maximum of \$2.1 million a year. The Agency received the full rebate of \$2.1 million or 100% by April 2013.
- **Property Taxes** – Total property tax receipts were \$47.9 million or 148% of the Amended budget. The receipts include \$25.2 million of general ad-valorem property tax, \$21.7 million of RDA taxes, and \$1.1 million from the City of Fontana for extra-territorial tax receipts. Included in the \$21.7 million of RDA tax receipts were \$11.5 million for pass-through collections and \$10.2 million in one-time payment for the Agency’s share of the unobligated funds returned by the Successor Agencies for redistribution to eligible taxing agencies. The “one-time” receipts are the result of the dissolution of redevelopment agencies which took effect on February 1, 2012.
- **Grants** – Total grant receipts were \$3.2 million or 89.3% of the Amended Budget of \$3.5 million (Table 2). The delay in Southern and Central/Wineville Areas impacted the actual grant receipts from SWRCB.

**Table 2: FY 2012/13 Grants Receipts
 (\$Thousands)**

Projects	Grantor	Amended Budget	Actual	% of Actual
Recycled Water Distribution System	SWRCB/USBR	\$3,333	\$2,494	79
Multi-Family Program	DWR	147	590	19
Chino Creek and Greater Prado	SWRCB	0	26	1
CA Dept. of Parks & Recreation	DPR	49	42	1
Total		\$3,529	\$3,152	100%

- **Loans** – Actual SRF Loan proceeds were \$7.9 million or 59.5% of the Amended Budget of \$13.3 million (Table 3). SRF loan receipts are directly correlated to capital project spending; therefore, the delay in Southern and Central/Wineville Areas impacted the actual grants and loan receipts. SRF Loan proceeds of \$7.9 million received from the State Water Resources Control Board (SWRCB) were for the following capital projects:

Table 3: FY 2012/13 SRF Loan Proceeds
 (\$Thousands)

Project	Amended Budget	Actual	% of Actual
Southern Area Recycled Water (Phase VI)	\$7,164	\$4,805	61
Central/Wineville Recycled Water (Phase VII)	6,168	1,221	15
RP-1 Dewatering Facility	0	1,901	24
Total	\$13,332	\$7,927	100%

- **Cost Reimbursement/Other Revenues** – The Agency received \$3.3 million from Inland Empire Regional Composting Authority (IERCA), \$1.4 million from Chino Basin Desalter Authority (CDA), and \$1.1 million from Chino Basin Watermaster (CBWM) for reimbursement of administrative, operating and debt service costs. Other revenues included \$4.7 million received as full payment from Chino Holding Company, LLC (by assignment from Lewis Investment Company) for the Co-Composter Relocation Mitigation fee and \$411,000 from Environ for RP-5 Solids Handling Facility/REEP lease.

Expenses

Total expenses for FY 2012/13 were \$115.6 million or 74% of Amended Budget. Total expenses include \$70 million of administration & operating expenses, \$24.2 million of capital expenditure, and \$21.4 million of financial and other expenses.

The Amended Budget of \$156.8 million includes Board approved encumbrances and budget carry forward from FY 2011/12 to FY 2012/13 in the amount of \$12.7 million; \$11.1 million for capital projects and \$1.6 million for O&M expenses. In January 2013, a total of \$838,815 in unexpended carry forward encumbrances were cancelled (\$818,372 for projects and \$20,443 for O&M expenses) and corresponding budget returned to the prior fiscal year. In September 2013, a total of \$8.5 million is expected to be carried forward to FY 2013/14 (\$7.3 million for capital projects and \$1.2 million for O&M expenses). The following section highlights key Agency expenditure categories:

- **Employment Expenses** – The employment expenses at the end of the fourth quarter were \$32.8 million, or approximately 96.8% of the Amended Budget. The favorable variance is due to a significantly higher vacancy factor of 8.0% compared to the target of 5.0%. The high number of vacancies was primarily due to cost containment and a temporary hiring freeze put in place in January 2013 and lifted in late April.

- ***Office and Administrative Expenses*** – This category expended \$1.0 million or 70.7% of the Amended Budget. Favorable variance was due to lower than anticipated costs for director’s expenses; computer software & licenses fees; training and related travel expense; sponsorship contributions; subscriptions & publications; advertising; and agency wide membership expenses. Included in this category is the GM Contingency account originally budgeted at \$400,000 in the Regional Wastewater Operations & Maintenance (RO) Fund. In January 2013, the Board approved a transfer of \$300,000 from Election Expenses, increasing the total budget to \$700,000. Through the end of the fourth quarter, the GM Contingency was fully expended in support the following expenses:
 - \$578,000 to support legal fees in Regional Wastewater (RC & RO) Fund, Non-Reclaimable Wastewater (NC) Fund, and Recycled (WC) Fund.
 - \$77,000 to the Administrative Services (GG) Fund for consulting services
 - \$25,000 for RP-1 Fuel Cell consulting services (RO) Fund
 - \$20,000 to the Recharge Water (RW) Fund to support completion of construction of the Hickory Basin Arizona crossing
- ***Professional Fees & Services*** – This category expended \$5.5 million, or 79.8% of the Amended Budget. The favorable variance is due to effective cost containment measures implemented in monitoring contract services for laboratory, landscape, security, consultants, janitorial, and software support.
- ***Chemicals*** – Total chemical expenses for the year were \$3.6 million or 79.5% compared to the Amended Budget of \$4.6 million. Favorable variance is due to process control augmentation to reduce overall chemical usage and to maintain permit compliance at a reduced cost. The application of key performance measures (KPIs) to monitor consumption at various facilities continues to be an effective tool in reducing chemical usage. This category supports facility operations such as process control, solids thickening, odor control, coagulation, disinfection, and dechlorination.
- ***Utilities*** – This category expended \$8.8 million or 90.6% of the Amended Budget. The favorable variance in this category can be attributed to lower actual energy costs for electricity and natural gas and also the delayed commissioning of the fuel cell and RP-1 Dewatering facilities. The combined average cost per kWh of direct access and SCE electricity was \$0.113 compared to a budget rate of \$0.125/kWh. The cost of natural gas averaged \$0.503/therm compared to a budgeted rate of \$0.80/therm.
- ***Operating Fees*** – Total operating fees were \$7.1 million or 89.4% of the Amended Budget of \$8.0 million. The favorable variance was due to lower than budgeted non-reclaimable wastewater strength and imbalance and SAWPA’s revision of TSS formation calculation.
- ***Financial Expenses*** – Financial expenses for the year were \$21.3 million or 92.5% of the Amended Budget. This category was below budget due to the low interest rates on the

2008B Variable Rate Demands Bonds which averaged at 0.14% compared to the budgeted 3% rate. These savings were partially offset by the full recording of the deferred financing or cost of issuance relative to the 2005A and 2010A refinancing which is in compliance with GASB 62 regulation. FY 2012/13 outstanding debt is approximately \$500 million which consists of \$329 million in principal and \$171 million in interest. As illustrated in Table 4, breakdown for the \$500 million outstanding debt is \$386 million in bonds, \$103 million in SRF loans, and \$10 million in notes payables.

**Table 4: FY 2012/13 Debt Summary
 (\$ Millions)**

	Debt Issue Par			FY 2012/13 Debt Service Costs			FY 2012/13 Outstanding Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Bonds	\$251.1	\$216.0	\$467.1	\$6.7	\$9.0	\$15.7	\$228.7	\$157.6	\$386.3
SRF Loans	104.2	15.0	119.2	3.0	0.8	3.7	91.8	11.5	103.3
Notes Payable	15.1	1.6	16.7	0.7	0.1	0.8	8.5	1.5	10.0
Financial Expenses						1.0			
Total	\$370.4	\$232.6	\$603.0	\$10.4	\$9.9	\$21.3	\$329.0	\$170.6	\$499.6

- **Capital** - Capital project expenditures through the end of the fourth quarter were \$24.2 million, or 41.1% of the \$58.7 million Amended Budget. Lower capital spending through the end of the quarter is attributed to delays in the Southern Area Recycled Water project. Delays resulted from lengthy bid processes and prolonged approval process of construction projects by the State Water Resources Control Board. Construction on the Southern area projects began in early July. In addition, the Central/Wineville construction originally delayed due to contractors' concerns will begin the bid process in late September and October 2013. Approximately 53% of the Amended Budget is allocated to Recycled Water capital improvement plan (CIP) and 28% to the Regional Wastewater CIP program. Of the total CIP in the Amended Budget, \$10.3 million is carry forward commitments from FY 2011/12. Based on current projections, over \$6.6 million or nearly 12%, of the FY 2012/13 CIP Amended Budget of \$58.7 million is expected to be carried forward to FY 2013/14.

Fund Balance

Based on preliminary year-end results, total revenues and other funding sources exceeded expenses and other uses of funds by approximately \$31.1 million. As a result, the FY 2012/13 preliminary ending fund balance is approximately \$139.2 million or 29% higher than beginning fund balance of \$108.2 million.

Goals and Objectives

Exhibit B provides a progress status of the Division and related Department goals and objectives (G&O) through the end of the fiscal year. Key performance indicators (KPIs) are used by management to measure and track the achievement of their department G&O.

PRIOR BOARD ACTION

On May 15, 2013, the Board reviewed the Agency's variance report for FY 2012/13 Third Quarter Ending March 31, 2013.

IMPACT ON BUDGET

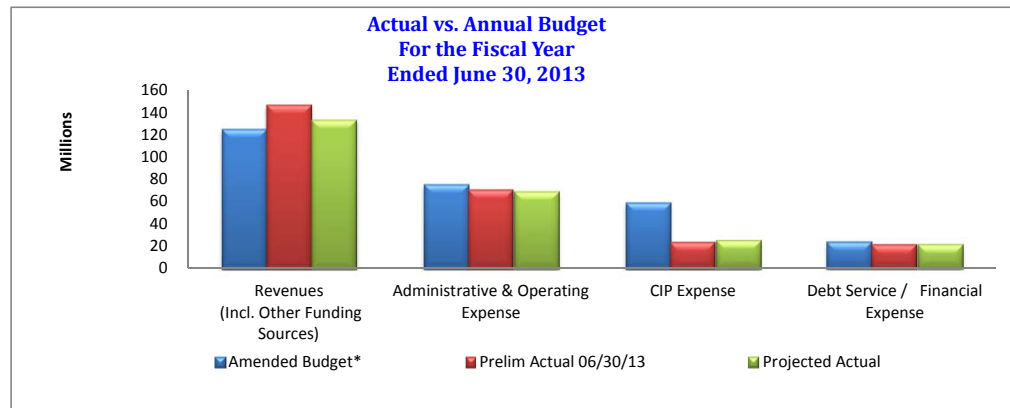
The increase in total revenues over total expenses in the amount of \$31.1 million results in a total estimated ending fund balance of \$139.2 million in FY 2012/13.

I. Actual vs. Budget Summary:

Fourth Quarter Ended June 30, 2013

	Adopted Annual Budget	Amended Annual Budget*	Projected Actual reported June 2013	Preliminary Actual Quarter Ended 06/30/13	Amended Budget* vs. Prelim Actual	% Prelim Actual vs Amended Budget
Revenues	\$67,553,835	\$67,553,835	\$67,642,986	\$71,504,399	\$3,950,564	105.8%
Other Sources of Funds	57,480,318	57,480,318	65,392,191	75,124,675	17,644,357	130.7%
Administrative & Operating Expense	(73,494,922)	(74,655,322)	(68,333,879)	(70,047,511)	4,607,811	93.8%
CIP Expense	(43,409,774)	(58,736,556)	(25,644,041)	(24,163,379)	34,573,177	41.1%
Debt Service / Financial Expense	(23,330,036)	(23,448,314)	(21,082,583)	(21,352,832)	2,095,482	91.1%
Surplus/(Deficit)	(15,200,579)	(31,806,038)	17,974,674	31,065,354	62,871,392	
Beginning Fund Balances	91,982,593	108,164,350	108,164,350	108,164,350	108,164,350	
Ending Fund Ending Balances	\$76,782,014	\$76,358,312	\$126,139,024	\$139,229,704	\$62,871,392	

*Before Carry Over to FY 2013/14



2. Actual Revenue vs. Budget:

	Adopted Annual Budget	Amended Annual Budget*	Projected Actual reported June 2013	Preliminary Actual Quarter Ended 06/30/13	Amended Budget* vs. Prelim Actual	% Prelim Actual vs Amended Budget
Operating Revenues:						
User Charges	\$50,422,734	\$50,422,734	\$50,223,682	\$52,481,756	\$2,059,022	104.1%
Recycled Water Sales	5,675,000	5,675,000	5,050,000	5,872,605	197,605	103.5%
MWD LPP Rebate	2,079,000	2,079,000	2,079,000	2,079,000	0	100.0%
Property Tax - O&M	2,980,493	2,980,493	3,774,990	4,386,207	1,405,714	147.2%
Cost Reimbursement from JPA	5,428,555	5,428,555	5,166,578	5,892,044	463,489	108.5%
Interest Revenue	968,053	968,053	985,101	792,787	(175,266)	81.9%
Other Sources of Fund (Non-Operating):						
Property Tax - Debt, Capital	\$29,626,761	\$29,626,761	\$43,412,387	\$43,599,871	\$13,973,110	147.2%
Connection Fees	\$5,399,900	\$5,399,900	\$8,345,300	\$14,614,387	9,214,487	270.6%
Grants & Loans	16,861,589	16,861,589	5,377,330	11,079,265	(5,782,324)	65.7%
Other Revenue	5,592,068	5,592,068	8,620,809	5,831,152	239,084	104.3%
Total Revenues & Other Sources of Fund	\$125,034,153	\$125,034,153	\$133,035,177	\$146,629,075	\$21,594,922	117.3%

*Before Carry Over to FY 2013/14

User Charges	User charges were \$52.5 million, or 104.1% of the Amended Budget. Favorable variance was accounted by 3% growth in monthly EDU volumetric fees, resulted in \$39.3 million actual fees paid by users discharging to the regional wastewater system. The actual also includes \$6.7 million for Non-Reclaimable Wastewater fees paid by industrial and commercial users connected to the brine line system; \$3.6 million for water meter service charge to meet our Readiness-to-Serve obligation from MWD and water use efficiency programs. MWD water purchased is \$34.0 million or 58,853 AF which was directly pass-thru to our member agencies and the agency collected \$0.7 million for imported potable water surcharge.
Property Tax/ AdValorem	Total of \$47.9 million for property tax receipts, operating and non-operating combined, included \$25.2 million of general ad-valorem property tax, \$21.7 million of RDA taxes, and \$1.1 million from the City of Fontana for extra-territorial tax receipts. Included in the \$21.7 million RDA tax receipts are \$11.5 million for "pass through" collections and a one-time payment of \$10.2 million for the Agency's share of the unobligated funds returned by the Successor Agencies for re-allocation to eligible taxing agencies (as required by "due diligence" audit under redevelopment). The "one-time" receipts are the result of the dissolution of redevelopment agencies (RDAs) which took effect on February 1, 2012.
Cost Reimbursement from JPA/CBWM	Total revenue receipts for labor reimbursement from CDA and IERCA at \$1.4 million and \$3.3 million, respectively for a total of \$4.7 million. We have also received \$1.1 million from CBWM for their share of the recharge basins facilities costs and debt service payments.
Recycled Water	Actual direct and groundwater recharge sales are \$3.8 million or 21,840 AF and \$2.1 million or 10,479 AF, respectively for a total of \$5.9 million or 32,319 acre-feet (AF), represented 98% of the Amended Budget of 33,000.
Interest Revenue	Interest Revenue is \$0.80 million or approximately 81.9% of the annual budget due to lower actual average interest rate of 0.46%, compared to the budgeted interest rate of 0.75%.
MWD LPP Rebates	MWD LPP rebate is based on recycled water sales in excess of 3,500 AF up to 17,000 at a rate of \$154, for a maximum of \$2.1 million per year. Total allowable rebate was 100% achieved in April 2013.
Connection Fees	Member agencies reported a total of 2,997 new connections through the end of the fourth quarter. Total revenue of \$14.6 million for new EDU connection fees reported are 270.6% of the budgeted amount of \$5.4 million. Favorable variance is mainly due to 2,312 new connections collectively reported by Cucamonga Valley Water District, City of Montclair, and City of Chino.
Grants and Loans	Actual receipts were \$3.2 million grants and \$7.9 million of SRF loan proceeds for a total of \$11.1 million or 65.7% of Amended Budget. SRF Loan proceeds for \$7.9 million were from SWRCB for the RP-1 Dewatering Facility Expansion for \$1.9 million, Recycled Water Program Southern for \$4.8 million, and Recycled Water Program Central/Wineville for \$1.2 million. Conversely, SRF Loan debt service payment total is \$3.7 million, principal for \$3.0 million and interest for \$0.7 million. Total budget of \$16.9 million is comprised of \$3.6 million grant receipts and \$13.3 million of SRF loans proceeds.
Other Revenues	Total actual other revenue was \$5.9 million or 104.6% of the Amended Budget of \$5.6 million. Favorable variance is primarily due to \$4.7 million received as full payment from Chino Holding Company, LLC (by assignment from Lewis Investment Company) for the Co-Composter Relocation Mitigation fee; \$425,000 from Black & Veatch as final litigation settlement for RP-4 Liquid Expansion project; and \$411,000 from Environ for RP-5 Solids Handling Facility/REEP lease.

3. Actual Operating and Capital Expense vs. Budget:

	Adopted Annual Budget	Amended Annual Budget*	Projected Actual reported June 2013	Preliminary Actual Quarter Ended 06/30/13	Amended Budget* vs. Prelim Actual	% Prelim Actual vs Amended Budget
Operating Expenses:						
Employment	\$33,415,050	\$33,900,050	\$32,712,648	\$32,818,435	\$1,081,615	96.8%
Admin & Operating	40,079,872	40,755,272	35,621,231	37,229,076	\$3,526,196	91.3%
Other Uses of Fund (Non-Operating):						
Capital	43,409,774	58,736,556	25,644,041	24,163,379	\$34,573,177	41.1%
Debt Service	23,330,036	23,448,314	21,083,583	21,352,832	\$2,095,482	91.1%
Total Expenses & Other Uses of Fund	\$140,234,732	\$156,840,191	\$115,061,503	\$115,563,721	\$41,276,470	73.7%

*Before Carry Over FY 2013/14

Employment Expense

Employment 96.8%

The employment expenses at the fourth quarter were \$33.8 million, or 96.8% of the Amended Budget. The favorable variance is due to a significantly higher vacancy factor of 8% compared to the budgeted 5.0%. The high number of vacancies was primarily due to a temporary hiring freeze put in place in January 2013 and lifted in late April.

Administrative & Operating Expense

Office and Administrative 70.7%

This category expended \$1.0 million or 70.7% of the Amended Budget. Favorable variance was due to lower than anticipated costs for directors expenses; computer software & licenses fees; training and related travel expense; sponsorship contributions; subscriptions & publications; advertising; and agency wide membership expenses. Included in this category is the GM Contingency account originally budgeted at \$400,000 in the Regional Wastewater Operations & Maintenance (RO) Fund. In January 2013, the Board approved a transfer of \$300,000 from Election Expenses, increasing the total budget to \$700,000. Through the end of the fourth quarter, the GM Contingency amount has been fully exhausted to support unplanned costs, including legal, management consulting, recruitment, and capital project expenditures.

Insurance Expenses - 95%

This category expended \$0.5 million, or 95% of Amended Budget and is slightly under the budgeted amount as a result of limited liability and property claims as well as limited internal property damage losses.

Professional Fees & Services 79.8%

This category expended \$5.5 million, or 79.8% of the Amended Budget. The favorable variance is due to effective cost containment measures implemented in monitoring contract services for laboratory, landscape, security, consultants, janitorial, and software support.

Biosolids Recycling 95%

Total expense for the category was \$3.3 million or 95.0% of the amended budget. Construction delays affecting the RP-1 Dewatering project have contributed to increased biosolids hauling and processing costs. The increased cost resulting from the delay were justified as capital expenditures which brought this category to line up closely with the amended budget.

Chemicals 79.5%

This category supports facility operations such as process control, solids thickening, odor control, coagulation, disinfection and dechlorination. Favorable variance is due to ferric chloride dosing point from CCWRF directly at RP-2 into the anaerobic digester which increased the efficiency of controlling hydrogen sulfide and have no adverse impact to settleability at CCWRF. There was also reduction in sodium hypochlorite usage in addition to the increased use of recycled water which reduced the usage of sodium bisulfite.

Utilities 90.6%

This category expended \$8.8 million or 90.6% of the budget. Favorable variance in this category can be attributed to lower actual energy costs for electricity and natural gas; the delay commissioning of the fuel cell and RP-1 Dewatering facilities; lower production from solar panel and wind power. The combined average cost per kWh of direct access and SCE electricity was \$0.113 compared to a budget rate of \$0.125/kWh. The cost of natural gas averaged \$0.503/therm compared to a budgeted rate of \$0.80/therm.

Special and Reimbursable Projects 44.9% and 52.8%

Special and reimbursable project expenditures are lower than budgeted. Combined actual costs were \$1.5 million or 50% compared to a combined annual budget of \$3.0 million. The table below provides a summary of the major projects and current status.

Financial Expenses

Financial Expense 92.5%

This category is below budget due to the low interest rates on the 2008B Variable Rate Demands Bonds with an average of 0.14% compared to 3% budget. These savings were partially offset by the full recording of the deferred financing or cost of issuance related to the refinancing of the 2005A and 2010A which is in compliance with GASB 62 regulation. FY 2012/13 outstanding debt is approximately \$499.6 million which consists of \$329.0 million in principal and \$170.6 million in interest. Furthermore, outstanding bond debt is \$386.3 million, SRF loan is \$103.3 million, and notes payable is \$10.0 million.

Capital Expense

Capital Costs 41.1%

Capital project expenditures through the end of the fourth quarter were \$24.2 million, or 41.1% of the \$58.7 million Amended Budget. Lower capital spending through the end of the quarter is attributed to delays in the Southern Area Recycled Water project. The delays resulted from lengthy bid processes, and prolonged approval process of construction projects by the State Water Resources Control Board. Construction on the Southern area projects began in early July. In addition, the Central/Wineville construction originally delayed due to contractors' concerns, will begin the bid process in late September and October 2013. Approximately 53% of the Amended Budget is allocated to Recycled Water capital improvement plan (CIP) and another 28% allocated to Regional Wastewater CIP program. Of the total CIP Amended Budget, \$10.3 is carry forward commitments from FY 2011/12. Based on current projections, approximately \$6.6 million or 12%, of the FY 2012/13 CIP Amended Budget of \$58.7 million is expected to be carried forward to FY 2013/14.

Summary of major capital and special project expenses and status as of June 30, 2013

Capital Project	Amended 2012/13	FY	YTD Expenditure	Budget Amount Remaining
EN06015	RP-1 Dewatering Facility Expansion	2,288,565	2,201,450	87,115
	The 14 day continuous field test was successfully completed with the Contractor, Manufacturers representative and Agency staff during this period. The 45 day system acceptance demonstration period began following completion of the 14 day performance test. The Contractor SSC Construction will continue to address open punch list items and finalize project close out activities with Construction Management staff.			
EN06025	Wineville Extension Recycled Water Pipeline	4,256,785	518,574	3,738,212
	The final design package and securing permits were reviewed in July, 2013. The bid package will be advertised in mid-Sep once the permit from SBCFC is secured.			
EN07010	CCWRF RW Pump Station Expansion	3,636,277	2,938,127	698,150
	Olsson Construction's subcontractor for systems integration is proceeding with development of PLC programming, a follow up software and programming workshop will be scheduled with the Contractors systems integrator and agency staff.			
EN08023	RP-1 Asset Replacement	2,554,000	2,181,525	372,475
	An examination of the Western effluent line revealed that the existing bladder valve had failed and was partially blocking the opening. It was decided that we needed to remove the valve to remove the damaged bladder. It was discovered that extreme corrosion had occurred on the top of the outlet pipe and we are evaluating the pipe. They are fabricating the new covers for the actuator pits. We are planning to allow flow from the clarifiers 1 through 4 to flow along the effluent channel and out the eastern outlet pipe. The Contractor will then be able to complete the work in the remaining primary clarifiers.			
EN11042	RP-1 Flare & RP1/RP2 Boiler Replacements	1,051,522	470,978	580,544
	Southern California Boiler has completed the installation of both boilers at the Regional Water Recycling Plant No.1. Startup and commissioning activities are ongoing at RP-1 and anticipated to be completed by the end of June 2013. The RP-1 boilers are currently in operation and controlled manually with remote alarm capability. The Regional Water Recycling Plant No. 2 boiler construction is substantially complete. Programming and final startup and commissioning for both RP-1 and RP-2 boiler systems is expected to complete by end of August 2013.			
IS12010	HCM System	2,053,754	1,718,986	334,768
	Replacement of the current payroll system addressing labor data recording & and reporting, payroll, and time evaluation. Also includes the replacement of the IFAS system and implementation of time evaluation functions.			
EN12012	El Prado Road Improvements	1,208,032	1,167,126	40,907
	The final invoice, releasing retention, was processed. The project is complete.			

Special & Reimbursable Projects	Amended 2012/13	FY	YTD Expenditure	Budget Amount Remaining
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EC13019	Water Softener Removal Rebate Program	150,000	68,721	81,279
	The Water Softener Removal Rebate Program, Project No, EC 13019 has a total budget of \$200,000 within the Recycled Water Capital Fund (WC) for FY 2012/13. Approximately 600 residential water softener had been removed thus far. The up-to-date total expended on this project is approximately 27% with a projected use of \$100,000 through June 2013. Therefore, staff has proposed to budget \$125,000, \$100,000, and \$75,000 for FY 2013/14, FY 2014/15, and FY 2015/16 respectively.			
PL05007	Facility Master Plan	84,778	57,229	27,549
	This project is for the preparation of the Facility Master Plan, water rights projects and staff labor charges. The project budget has been carried over to FY 2013/14.			
PL07001	Cleanup Prado	1,844	1,834	10
	This grant related budget is for staff labor expenses for the preparation of final reporting to occur in the second semester. Once complete, this project will be closed.			
WR13013	Sponsorships and Public Outreach	35,382	35,382	-
	The program funds agency and retail member agency memberships, public outreach activities for WUE Programs, BMP support grants for member agencies, and special events activities. The majority of sponsorship expenses were received in the fourth quarter of the fiscal year.			
PK11001	Water Discovery Field T	62,196	64,701	(2,505)
	The Water Discovery Field Trip Program is designed to meet the growing need of integrating children with the natural world by using the wetlands to create real life experiences. This program has been a great success reaching over 4,000 students throughout the Inland Empire and will come to end March of 2014.			

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2012/13
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fourth Quarter Ended June 30, 2013

	Adopted FY 2012/13 Annual Budget	Amended FY 2012/13 Annual Budget *	Projected Actual reported June 2013	Preliminary Actual Quarter Ended 6/30/2013	YTD Variance Favorable (+) Unfavorable(-)	YTD % Budget Used
* Before Carry Over to FY 2013/14						
OPERATING REVENUES						
User Charges	\$50,422,734	\$50,422,734	\$50,223,682	\$52,481,756	\$2,059,022	104.1%
Recycled Water	5,675,000	5,675,000	5,050,000	5,872,605	197,605	103.5%
MWD LPP Rebates	2,079,000	2,079,000	2,079,000	2,079,000	-	100.0%
Property Tax - O&M	2,980,493	2,980,493	3,774,990	4,386,207	1,405,714	147.2%
Cost Reimbursement from JPA	5,428,555	5,428,555	5,166,578	5,892,044	463,489	108.5%
Interest Revenue	968,053	968,053	985,101	792,787	(175,266)	81.9%
TOTAL OPERATING REVENUES	\$67,553,835	\$67,553,835	\$67,279,351	\$71,504,399	\$3,950,564	105.8%
NON-OPERATING REVENUES						
Property Tax - Debt/Capital/Reserves	\$29,626,761	\$29,626,761	\$43,412,387	\$43,599,871	\$13,973,110	147.2%
Connection Fees (CCRA)	5,399,900	5,399,900	8,345,300	14,614,387	9,214,487	270.6%
Grants & Other Loans	3,529,589	3,529,589	1,687,636	3,151,918	(377,671)	89.3%
SRF Loan Receipts	13,332,000	13,332,000	3,689,694	7,927,348	(5,404,652)	59.5%
Project Reimbursements	1,071,527	1,071,527	1,072,814	6,751	(1,064,776)	0.6%
Other Revenue	4,520,541	4,520,541	7,547,995	5,824,401	1,303,860	128.8%
TOTAL NON OPERATING REVENUES	\$57,480,318	\$57,480,318	\$65,755,826	\$75,124,675	\$17,644,357	130.7%
TOTAL REVENUES	\$125,034,153	\$125,034,153	\$133,035,177	\$146,629,075	\$21,594,922	117.3%
ADMINISTRATIVE and OPERATING EXPENSES						
EMPLOYMENT EXPENSES						
Wages	\$19,678,838	\$20,288,838	19,426,505	\$21,121,670	\$832,832	104.1%
Benefits	13,736,212	13,611,212	13,286,143	11,696,765	(1,914,447)	85.9%
TOTAL EMPLOYMENT EXPENSES	\$33,415,050	\$33,900,050	\$32,712,648	32,818,435	(\$1,081,615)	96.8%
ADMINISTRATIVE EXPENSES						
Office & Administrative	\$1,984,633	\$1,435,296	\$1,244,529	\$1,015,356	(\$419,940)	70.7%
Insurance Expenses	523,500	494,621	483,500	469,771	(\$24,850)	95.0%
Professional Fees & Services	6,034,620	6,953,344	6,305,515	5,547,190	(\$1,406,154)	79.8%
Special Projects	958,500	1,181,485	440,428	530,668	(\$650,817)	44.9%
Reimbursable Projects	1,284,153	1,800,926	608,236	950,164	(850,762)	52.8%
TOTAL ADMINISTRATIVE EXPENSES	\$10,785,406	\$11,865,673	\$9,082,208	\$8,513,150	(\$3,352,523)	71.7%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2012/13
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fourth Quarter Ended June 30, 2013

	Adopted FY 2012/13 Annual Budget	Amended FY 2012/13 Annual Budget *	Projected Actual reported June 2013	Preliminary Actual Quarter Ended 6/30/2013	YTD Variance Favorable (+) Unfavorable(-)	YTD % Budget Used
* Before Carry Over to FY 2013/14						
OPERATING EXPENSES						
Material & Supplies/Leases	\$2,791,465	\$3,174,541	\$2,370,565	\$2,607,985	(\$566,556)	82.2%
Biosolids Recycling	3,556,523	3,468,581	3,501,380	3,294,960	(\$173,620)	95.0%
Chemicals	4,575,080	4,575,080	3,784,686	3,638,785	(\$936,295)	79.5%
CSDLAC & SARI, Operating Fees/Water	7,986,909	7,986,909	7,311,604	7,142,557	(\$844,352)	89.4%
Utilities	10,384,489	9,684,489	9,110,393	8,773,465	(911,024)	90.6%
TOTAL OPERATING EXPENSES	\$29,294,466	\$28,889,599	\$26,078,628	\$25,457,752	(\$3,431,847)	88.1%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$73,494,922	\$74,655,322	\$67,873,484	\$66,789,337	(\$7,865,985)	89.5%
<u>NON-OPERATING EXPENSES</u>						
CAPITAL OUTLAY	\$43,409,774	\$58,736,556	\$25,644,041	\$24,163,379	(\$34,573,177)	41.1%
FINANCIAL EXPENSES						
Principal, Financial and Interest Expenses TI	22,955,326	23,073,604	21,082,583	21,352,832	(\$1,720,772)	92.5%
OTHER NON OPERATING EXPENSES	374,710	374,710	460,396	3,258,174	\$2,883,464	869.5%
TOTAL NON-OPERATING EXPENSES	\$66,739,810	\$82,184,870	\$47,187,020	\$48,774,384	-\$33,410,486	59.3%
TOTAL EXPENSES	\$140,234,732	\$156,840,191	\$115,060,504	\$115,563,721	(\$41,276,470)	73.7%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$15,200,579)	(\$31,806,038)	\$17,974,673	\$31,065,354	\$62,871,392	
FUND BALANCE SUMMARY						
Beginning Balance, July 01	\$91,982,593	\$108,164,350	\$108,164,350	108,164,350	-	
Surplus/ (Deficit)	(15,200,579)	(31,806,038)	17,974,673	31,065,354	62,871,392	
ENDING BALANCE, June 30	\$76,782,014	\$76,358,312	\$126,139,023	\$139,229,704	\$62,871,392	

Inland Empire Utilities Agency
Goals and Objectives Update
Fourth Quarter, FY 2012/13
Agency Management Division

Dept	Division Goal	Department Goal	Department Objectives	Status
Agency Management	<p>A. Water Conservation & Quality A-1 Encourage local and regional agencies to promote efficient use of water and assist in meeting the regions future water requirements.</p>	<p>Actively participate in MWD, SAWPA, activities to ensure IEUA maintains "best practices" in the industry</p>	<p>Actively participate in benchmarking and best practice surveys to ensure IEUA keeps pace with water/wastewater trends</p>	<ul style="list-style-type: none"> • Staff attends and participates in all of MWD's water use efficiency related meetings on a monthly basis.
	<p>A. Water Conservation & Quality A-2 Encourage local and regional agencies to promote efficient use of water and assist in meeting the regions future water requirements.</p>	<p>IEUA shall continue to be an active leader in California water policy issues</p>	<p>Maintain leadership roles on various water associations (e.g., ACWA, Water Reuse Association, SCAP, and CASA)</p>	<ul style="list-style-type: none"> • Staff is participating on DWR's Urban Stakeholders Committee to update methodologies for compliance with the Water Conservation Act of 2009 (20%/X2020) • Staff is monitoring and tracking the progress of DWR's Independent Technical Panel on Demand Management Measures (ITP) that will update the Urban Water Management Planning Act.
	<p>A. Water Conservation & Quality A-4 Promote protection of high quality water supplies through implementation of local source protection programs that prevent the introduction of pollutants into the regional wastewater system.</p>	<p>Coordinate and collaborate with other water agencies on programs within the Santa Ana River Watershed.</p>	<p>Actively participate in the "One Water-One Watershed" planning process</p>	<ul style="list-style-type: none"> • Staff participate in the SAWPA OWOW 2.0 planning process, and actively attends, tracks, and participates in the SAWPA Beneficial Use, TMDL, Basin Monitoring, and Emerging Constituents Task Forces. • Staff also actively promote wastewater pollutant protection programs, such as the national "No Drugs Down the Drain" initiative.
	<p>A. Water Conservation & Quality A-6 Partner with local and regional agencies to implement conjunctive use storm water capture, and other groundwater programs that will increase operational yield and protect the integrity of the groundwater basin.</p>	<p>Work closely with the Chino Basin Watermaster (CBWM) to implement the Optimum Basin Management Plan.</p>	<p>Support implementation of Chino Basin Desalter Phase 3 expansion with staff resources and grant support</p>	<ul style="list-style-type: none"> • On-going, IEUA will be developing an Integrated Resources Plan over the next fiscal year, with significant input and participation from its stakeholders.
	<p>C. Rate Stabilization & Cost Effectiveness C-1 Establish financial targets and policies on rates and charges to ensure the Agency's financial health.</p>	<p>In collaboration with our member contracting agencies and consistent with the Agency's Long Range Plan of Finance, moderate rate increases will be imposed as necessary to maintain stable revenue basis sufficient to meet operating and maintenance requirements, as well as to maintain fund balances at a level that ensures the Agency's financial health.</p>	<ul style="list-style-type: none"> • Implement annual moderate rate increases to support operating and maintenance costs for all Agency programs, with the ultimate goal of meeting full cost of service rates for all Agency programs. • Maintain adequate reserves and increase the Agency's debt coverage ratio to achieve IEUA Board's objective of 1.50 and 1.70 by end of FY 2013/14 and 2014/15, respectively in order to maintain the Agency's credit rating. • Develop a dynamic financial model to effectively plan for and better position the Agency to respond to short and long term economic, demographic, and environmental changes. 	<ul style="list-style-type: none"> • Ongoing
	<p>C. Rate Stabilization & Cost Effectiveness C-2 Strive to maintain a stable rate structure while ensuring that rate increases are reasonable and justified.</p>	<p>Direct the efforts of all Agency staff to ensure prudent fiscal practices, efficient operations, and adequate capital planning and implementation.</p>	<ul style="list-style-type: none"> • Quarterly budget variance review with all managers to ensure all cost containment objectives are achieved • Identify opportunities to streamline the budget process, improve data accuracy, and reduce bureaucracy to expedite approvals while maintaining fiscal control and oversight. 	<ul style="list-style-type: none"> • Ongoing
	<p>C. Rate Stabilization & Cost Effectiveness C-4 Efficiently manage Agency's assets to ensure optimal productivity and cost effective operating and maintenance strategies and practices.</p>	<p>Implement Asset Management System for all IEUA facilities.</p>	<ul style="list-style-type: none"> • Continue to complete business case analysis on all engineering projects and maintenance programs • Complete facility condition assessments and utilize SAP plant maintenance equipment master data to monitor critical assets • Continue to refine the "cradle to grave" process to ensure capitalization and disposal of assets is appropriately administered and recorded in the SAP system 	<ul style="list-style-type: none"> • Ongoing
	<p>E. Strategic Planning and Capital Implementation E-1 Update the Long Range Plan of Finance consistent with the 10 Year Capital Improvement Plan to adequately prepare for future growth. Update should be based on a collaborative process and should be widely disseminative.</p>	<p>Plan and direct 10-year capital development and implementation activities to ensure growing needs of member agencies are adequately addressed.</p>	<ul style="list-style-type: none"> • Collaborate with contracting member agencies to standardize and automate tracking and reporting of new or revised EDU connection permits by contracting member agencies currently reported in the monthly Building Activity Report (BAR). • Leverage technology, such as GIS, to better track changes 	<ul style="list-style-type: none"> • Ongoing
	<p>F. Waste Management & Resource Utilization F-5 Optimize and maximize power generation using renewable energy sources and Agency facilities.</p>	<p>Implement Energy Management Strategy to be self sufficient by going "gridless" by 2020.</p>	<ul style="list-style-type: none"> • Administer generation of bio-gas energy from commercial food waste at RP-5 Solids Handling and Renewable Energy Efficiency Project (REEP) facilities. Total energy to be generated is 1.5MW in FY 2012/13 (Phase 1) • Identify opportunities to implement elements of "Grid less by 2020" work plan 	<ul style="list-style-type: none"> • Ongoing

Inland Empire Utilities Agency
Goals and Objectives Update
Fourth Quarter, FY 2012/13
Agency Management Division

Dept	Division Goal	Department Goal	Department Objectives	Status
Agency Management	<p>G. Interagency Relationships and Community Partnerships G-1 Promote and sustain effective communication between the Agency and its stakeholders through use of various media, including the Agency's website.</p>	<p>Ensure ready accessibility and availability for the Board Members, Executive Management and staff of all agendas and related documentation.</p>	<ul style="list-style-type: none"> • Ensure that all agendas and related documentation are posted to the Agency's intranet/PiPES within 24 hours after Board package is distributed 	<ul style="list-style-type: none"> • Ongoing
	<p>G. Interagency Relationships and Community Partnerships G-4 Foster a coordinated approach to the review, analysis, and development of positions on all legislation and regulations that impact the Agency's programs, and collaborate in acting to implement these positions.</p>	<p>IEUA should continue to be an active leader in California water policy issues.</p>	<ul style="list-style-type: none"> • Continue to pursue legislative support for the Agency's programs • Conduct annual program updates with federal and state legislative delegations 	<ul style="list-style-type: none"> • Ongoing
	<p>H. Fiscal Accountability and Regulatory Compliance H-2 Maintain a safe healthy work environment for all employees consistent with federal and state law regulations</p>	<p>Meet all statutory and regulatory requirements</p>	<ul style="list-style-type: none"> • Achieve 100 percent compliance at all regional water recycling plants for FY 2012/13 • Meet Title 22 water recycling requirements as established by the Department of Health and California Code Regulations. • Comply with the Sewer System Management Plan (SSMP) adopted by the IEUA Board in April 2009 	<ul style="list-style-type: none"> • Ongoing
	<p>H. Fiscal Accountability and Regulatory Compliance H-4 Operate all facilities in compliance with Federal and State rules and regulations.</p>	<p>Develop Internal Audit plans and procedures.</p>	<ul style="list-style-type: none"> • To comply with the Brown Act requirements, and other laws pertaining to special districts, and consult with General Counsel 	<ul style="list-style-type: none"> • Ongoing
	<p>I. Staff Training, Development, and Wellbeing I-1 Require and maintain highest of ethical conduct from Directors, Executive Management, Managers and all Agency staff.</p>	<p>Adhere to the Agency's mission, values, and goals, and comply with the Agency's adopted ethics policies.</p>	<ul style="list-style-type: none"> • Require Board of Directors, Agency Management and personnel to demonstrate the highest standards of integrity and accountability • Promote employee development programs such as: Southern California Local Government Leadership Academy and Supervisory Program, Teams Phase II, MindLeaders Personal Learning Plans 	<ul style="list-style-type: none"> • Ongoing
Internal Audit	<p>H. Fiscal Accountability and Regulatory Compliance H-3 Safeguard Agency assets with prudent risk management policies and strategies</p>	<p>Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations.</p>	<p>Provide a Report for the Audit Committee on the status of all outstanding recommendations after all Follow-Up reviews have been completed</p> <ul style="list-style-type: none"> • Provide on-going support and incorporate audit procedures during operational audits to review security configuration of SAP • Assist Fiscal Management Department by reviewing the CAFR to ensure accurate and professional presentation • Assist Agency management and department managers with reviewing contracts or performing special projects or analysis as requested so long as independence is not compromised and resources allow • Conduct internal projects/reviews or investigations requiring audit services by the Internal Audit Department • Prepare reports and documents for the Audit Committee as required under the Internal Audit Department and the Audit Committee Charters • Maintain professional, independent and objective staff 	<ul style="list-style-type: none"> • Completed *In June 2013, submitted a report of all outstanding recommendations and the status of each. *During each audit, IA evaluates SAP role authorization roles for potential conflicts and ensure adequate segregation of duties exist. Results are reported to the departments affected, in the final report to management and the Audit Committee and Board and in the IA quarterly status report. *In December 2012 assisted Fiscal Management with the quality control review of the annual CAFR. *On an on-going basis, IA is available to assist managers with any questions or analysis or special requests. Time spent on special requests/projects and the results are communicated to the Audit Committee and the Board through the IA quarterly status report. *IA completed the responsibilities required under the Charters. *IA is committed to on-going professional development.

Inland Empire Utilities Agency
Goals and Objectives Update
Fourth Quarter, FY 2012/13
Agency Management Division

Dept	Division Goal	Department Goal	Department Objectives	Status
Internal Audit	<p>H. Fiscal Accountability and Regulatory Compliance H-4 Operate all facilities in compliance with Federal and State rules and regulations.</p>	<p>Develop Internal Audit plans and procedures.</p>	<ul style="list-style-type: none"> Update the Risk Assessment of Agency operations by September 2012 Develop the FY 2012/13 Audit Plan based on the Risk Assessment and present to the Audit Committee for approval and submission to the Board of Directors Complete all projects proposed in the Board-approved Annual Audit Plan Amend as deemed necessary the Annual Audit Plan when higher priority projects arise or are assigned to and communicate to the Audit Committee for Board approval Revise as deemed necessary the Internal Audit Department Policies and Procedures and submit for Audit Committee evaluation Revise and update the Audit Committee Charter and the Internal Audit Department Charter by December 2012, to ensure compliance with best practices, industry standards and required policy changes Revise as appropriate all IAD SOP's. 	<ul style="list-style-type: none"> Completed. In June 2013, completed and submitted to the Audit Committee and the Board of Directors the FY 2013/14 Annual Audit Plan and the corresponding Risk Assessment. Completed all projects proposed in the Board-approved Annual Audit Plan a status of all proposed projects is also presented during the IA quarterly status plans. This year completed 3 audits: Information Technology Equipment Audit, Medical Payments Audit and the Pre-Treatment Source Control Invoicing and Inspection Review. Also completed 5 follow-up audits: Construction Management, Contracts and Procurement, Payroll, Petty Cash, and IT Equipment 3mo. follow-up review. Completed a review of the IAD Charter, the Audit Committee Charter, and the IAD Policies and Procedures, no changes were necessary or proposed for this review period.
	<p>H. Fiscal Accountability and Regulatory Compliance H-5 Require the highest levels of fiscal accountability for all Agency financial transactions and records</p>	<p>Require the highest levels of fiscal accountability for all Agency financial transactions and records</p>	<ul style="list-style-type: none"> Annually coordinate efforts between the External Auditors and Agency staff to ensure the required annual financial audits are in time for Board review and approval by December 2012 Conduct audits identified in the FY 2012/13 Annual Audit Plan. It is anticipated that the proposed plan will include: <ul style="list-style-type: none"> On-going Petty Cash Audits Follow-up audits of previously audited business units Provide on-going feedback and support when requested, and called upon All major projects Ensure IA managed contracts are current and adequate procurement/contracting processes occur timely and presented to the Audit Committee for Board approval, this includes the current contract with the external auditors for financial audit services, the Audit Committee Advisor and the EthicsPoint contracts. 	<p>Completed.</p> <ul style="list-style-type: none"> On an on-going basis and as necessary, coordinate efforts between the External Auditors and Agency staff for the annual audit and schedule the auditors to present at periodic Audit Committee/Board Meetings. Completed audits scheduled in the FY 2012/13 Annual Audit Plan and as communicated to the Audit Committee through the quarterly status reports. Completed all on-going projects including the Petty Cash Audits, scheduled follow-ups, provide on-going feedback and support as deemed necessary and when called-upon. On an on going basis and as deemed necessary communicate to the Audit Committee the status of the Audit Committee Advisor's contract and the External Auditors Contract and ensure the contracts are current and all contract deliverables and services are met.
Public Information	<p>G. Interagency Relationships and Community Partnerships G-1 Promote and sustain effective communication between the Agency and its stakeholders through use of various media, including the Agency's website.</p>	<p>Strengthen relationships and improve upon communication with Agency's stakeholders.</p>	<ul style="list-style-type: none"> Expand community and K-6th grade schools water education outreach GIFS with our conservation partners to include Jr. High and High Schools Provide a monthly written report to stakeholders (Chino e-Basin update) Schedule plant tours and plan IEUA open house during the month of April (Earth Day Event) and the annual Water Fair that is held in October each year. Provide written reports to the Board of Directors and Executive Management Working with Agency's departments to promote awareness of water conservation, recycled water and compost. For example, prepare public service announcements for annual compost week scheduled for the first week each May. Provide quarterly report (oral or written) to Executive Management Continue hosting IEUA's Water Leadership Breakfast, distribution of IEUA news releases, and host water facility tours in coordination with the Metropolitan Water District Represent the Agency at local chamber, government agencies and professional/community groups and organization 	<ul style="list-style-type: none"> Ongoing Agency internal and external newsletters have been distributed on a needed basis. - Held Annual earth Day Event; scheduled various tours throughout the quarter for interested parties; partnered with local agencies to promote summer messaging campaign along with campaign focusing on water-energy nexus; held dedication for Composting award.
	<p>G. Interagency Relationships and Community Partnerships G-2 Develop a communication strategy and explore new communication tools to educate and interact with an increasingly diverse public about water conservation and capital infrastructure / replacement needs.</p>	<p>Increase IEUA's identity through public recognition.</p>	<ul style="list-style-type: none"> Produce 29 full page ads as part of our 2013 community outreach campaign with Chino Basin Watermaster and Chino Basin Water Conservation District in the Inland Valley Daily Bulletin newspaper Produce the monthly Water Conservation Ad campaign in the Inland Valley Daily Bulletin newspaper 	<ul style="list-style-type: none"> Ongoing - Annual Report along with monthly ads were formatted and distributed through various media outlets.

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Public Information	<p>G. Interagency Relationships and Community Partnerships G-4 Foster a coordinated approach to the review, analysis, and development of positions on all legislation and regulations that impact the Agency's programs, and collaborate in acting to implement these positions.</p>	<p>Cultivate positive relationships with local and regional/media.</p>	<ul style="list-style-type: none"> • Circulate regular press releases on Agency accomplishments and milestones • Schedule meeting with editorial boards for the Inland Valley Daily Bulletin and provide an oral report to the Board of Directors and Executive Management 	<ul style="list-style-type: none"> • Ongoing
Planning and Environmental Compliance	<p>H. Conservation & Water Quality A-1 Continue to encourage efficient use of water supplies and demonstrate best practices throughout the Agency</p>	<p>Support, promote and participate in local and regional water conservation programs</p>	<ul style="list-style-type: none"> • Effectively coordinate and promote IEUA and MWD water conservation programs with member agencies • Maintain IEUA grant eligibility through reporting and compliance with AB 1420 and SBX77 • Track and implement impending conservation legislation as it impacts IEUA grant compliance and water reduction requirements • Pursue and coordinate conservation grant programs 	<ul style="list-style-type: none"> • Staff completed the Agency's DWR/MWD grant funded regional high efficiency toilet installation program by retrofitting 22,500 toilets throughout the service area (\$1,650,000 scope of work). • Staff completed the DWR grant funded Chino Prison Flush Valve Retrofit Program including 5-year post water use monitoring (\$2,020,035 scope of work). • Staff submitted a proposal to USBR's Field Services Grant Program for obtaining possible funding for the Agency's regional Water Use Efficiency Business Plan update.
	<p>I. Conservation & Water Quality A-3 Partner with local cities and local and regional agencies in developing and implementing efficiency programs that provide incentives and support to the regions customers to conserve water</p>	<p>Actively support the implementation of local and regional water supply planning, projects and programs.</p>	<ul style="list-style-type: none"> • Effectively coordinate and interact with MWD staff • Effectively implement and manage the Dry Year Yield program • Establish and/or maintain strong coordination and partnerships with all regional stakeholders • Maintain, develop and/or improve the reliability and availability of local water supplies • Actively participate in the development of enhanced groundwater recharge within the Chino Basin 	<ul style="list-style-type: none"> • Staff has been meeting and working with the Agency's member agencies on developing a regional summer messaging campaign that will incorporate energy savings with water savings and to help alleviate the potential for rolling blackouts during extreme heat episodes. • Staff is currently serving on MWD's water use efficiency annual program advisory committee that reviews existing programs and develops new ones to be added to the next fiscal year's customer menu of options for the southern California region. • Staff continues to attend the Committee & Board Meetings and the Rate Refinement/Replenishment Workgroup meetings at MWD. • Staff continues to negotiate the Dry Year Yield Program with MWD. The participants proposal (developed in March) has been reviewed and commented on by MWD. The participants will bring final comments to the July meeting, followed by a meeting in August with MWD. • Staff continues to work with Watermaster and participate in the development of the Groundwater Recharge Master Plan Update.
	<p>H. Fiscal Accountability and Regulatory Compliance H-2 Maintain a safe and healthy work environment for all employees consistent with federal and state laws and regulations.</p>	<p>Ensure Agency readiness through effective monitoring and planning for regional growth and resultant capital expansion</p>	<ul style="list-style-type: none"> • Effectively coordinate with member agencies to develop a detailed and accurate Ten Year Capital Improvement Plan • Maintain an accurate tracking report of service area building activity (projected vs. actual) report • Ensure track and coordinate all agency environmental permitting (CEQ/NEPA, 401, 404 and 1600) 	<ul style="list-style-type: none"> • During the fourth quarter IEUA staff finalized the amended Exhibit J and brought it to both the Technical and Policy Committees for review. On June 19, 2013, the Board of Directors unanimously approved the amended Exhibit J after a public comment hearing was held. The amended Exhibit J was effective July 1, 2013. Staff continued to refine the dedicated BAR database with the ESS department and collaborated with GIS staff to generate monthly maps showing building activity.
Laboratory	<p>A. Operational & Maintenance Efficiency A-5 Operate treatment facilities that meet all required environmental laws and standards and produce beneficially reusable commodities where possible</p> <p>D. Operational & Maintenance Efficiency D-1 Design and implement programs which improve the knowledge and skill levels of the Agency's workforce.</p>	<p>Effective and accurate sample analysis and data collection</p> <p>Conduct laboratory interdepartmental training</p>	<ul style="list-style-type: none"> • Achieve less than 1% quality control failure rate • Meet established turnaround times >99% of the time for compliance and >95% of the time for process control samples. • Conduct annual sample collection training sessions to Operations and SC&PT in May 2013 • Conduct annual Laboratory Information Management System (LIMS) training for non-laboratory users in February 2013 	<ul style="list-style-type: none"> • Less than 1% quality control failure rate met. • Turnaround times are met 97% for compliance and >95% of the time for process control samples. • Annual sample collection training sessions for Operations and PT&SC are scheduled for April 10, 2013. • Annual Laboratory Information Management System (LIMS) training for non-laboratory users held in May 2013.

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Laboratory	D. Operational & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity	Maintain Environmental Laboratory Certification Program (ELAP) Accreditation	<ul style="list-style-type: none"> 100% compliance with Performance Evaluation samples by study closing date Conduct annual internal audit of procedures and documentation by Jan. 1, 2013 Incorporate new analysis methods to the IEUA laboratories ELAP certification, in order to perform additional testing in house by Oct. 31, 2012 	<ul style="list-style-type: none"> 100% compliance with Performance Evaluation samples was achieved for Waste Water and Drinking Water samples, completed 10/30/12. Internal audit of procedures and documentation is completed by Jan. 10, 2013. ELAP inspection occurred Jan. 16 & 17, corrective action response for a couple of follow-up items was submitted in March, lab is awaiting final letter from ELAP to add additional test procedures to Lab's certification.
	D. Operational & Maintenance Efficiency D-3 Develop and implement best maintenance management practices that ensure optimal reliability, efficiency and safety at all facilities	Effectively develop and conduct documented procedures and technology training	<ul style="list-style-type: none"> Conduct 5 specific procedures and technology training tailgates per year Conduct annual review of laboratory SOP's and quality control procedures by Jan. 1, 2013 	<ul style="list-style-type: none"> Five training tailgates have been completed on new procedures and EPA method update rule have been completed. Annual review of laboratory SOP's and quality control procedures completed Jan. 10, 2013.
	D. Operational & Maintenance Efficiency D-6 Efficient tracking and modifications of Key Performance (KPIs) as necessary to promote focus on established operational goals and targets	Effective monitoring and refinement of established Laboratory Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> Achieve >90% laboratory KPIs Conduct monthly KPI reviews 	<ul style="list-style-type: none"> >90% laboratory KPIs achieved. KPI reviews are ongoing.
	H. Fiscal Accountability & Regulatory Compliance H-4 Operate all facilities in compliance with Federal and State rules and regulations.	Maintain Environmental Laboratory Certification Program (ELAP) Accreditation.	<ul style="list-style-type: none"> Conduct annual review of protocols for immediate notification of non-compliance of permit by Jan. 1, 2013 Conduct annual reviews of sampling/testing requirement by Mar. 1, 2013 Review data daily/weekly/monthly to ensure all required analyses are performed as required Coordinate monitoring of Constituents of Emerging Concern (CECs) Continuously monitor CDPH and NPDES regulations for changes 	<ul style="list-style-type: none"> Annual review of protocols for immediate notification of non-compliance of permit is updated upon any changes in staff requiring notifications. Annual reviews of sampling/testing requirements are ongoing. Daily/weekly/monthly reviews of data is ongoing to ensure all required analyses are performed. Backlog report for the laboratory was recently automated to more efficiently review analysis backlogs. Monitoring of Constituents of Emerging Concern (CECs) occurred in June 2013 for SAWPA. Monitoring of CDPH and NPDES regulations is ongoing; new Recycled Water and Toxicity policies are both still in the draft phases.

PERFORMANCE MEASURES/WORKLOAD INDICATORS

	FY 2011/12	Target FY 2012/13	FY 2012/13 Status
AGENCY MANAGEMENT			
Budgeted Operating Expenses	\$95,953,004	\$77,644,437	
Public Speeches	48	48	48
Staffing (Agency-Wide)	273	295	295
Employment Expense Ratio	\$91,457	\$134,132	
INTERNAL AUDIT			
Audit Plan Completion	September 2011	September 2012	September 2012
Scheduled audits completed	2 of 2	2	3
Follow up of completed audits	4 of 4	5	5
Audits completed within Budgeted	6 of 6	7	8
Special Projects completed	1 of 1	2	1
PUBLIC INFORMATION			
No. of Agency Tours	72	48	60
No. of Agency Brochures Produced	1	1	1
No. of Press Releases	Numerous	As Needed	8
Circulation of Annual Reports	Annual Report goes out in the Inland Valley Daily Bulletin, Chino Champion, and Fontana Herald News	Annual Report goes out in the Inland Valley Daily Bulletin, Chino Champion, and Fontana Herald News	Daily Bulletin, Fontana Herald News, Champion Newspapers, LA Times
Circulation of newspaper inserts	29	29	29
Speeches	12	As Needed	15
PLANNING & ENVIRONMENTAL COMPLIANCE			
	FY 2011/12	Target FY 2012/13	FY 2012/13 Status

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Financial Planning	<p>B. Technological Innovation B-2 Ensure the workforce is productive and efficient, "works smarter" by employing current technological enhancements including use of the internet and web based products.</p>	<p>Financial System Enhancements – work with Enterprise System Services department to complete significant enhancements to increase efficiencies and performance.</p>	<ul style="list-style-type: none"> Work with Enterprise System Services staff to develop additional financial reports through Crystal Report software as a supplement to the standard SAP reports to provide end users with more effective analytical tools; sample reports to develop includes: labor distribution summary, budget summary by cost center, or by cost elements, weekly cash summary, plan vs. actual comparison, etc. (The above supports the Agency's Financial Policy, under the sub-section of Auditing, Accounting, and Financial Reporting) Continue to evaluate the SAP Grants Management (GM) module to prepare for full implementation starting July 2013 Establish a focus task team to assist in the evaluation of the GM module and overall grants administration process; the task team will consist of key stakeholders from project management, contracts management, accounting and billing, and ESS Business Analysts to ensure key integration points are addressed effectively Document grants administration SOP by June 2013 following the completion of the GM module implementation Continue to maintain centralized grant contract filing system for both the hard copy and electronic version grant documents 	<ul style="list-style-type: none"> Worked with Maintenance Group in updating the changes in cost centers at a higher level and the respective budget for FY 2013/14 Uploaded the FY 2013/14 O&M budget and projects budget Grants staff continued working with the BIS Department on the SAP Grants Module enhancements. Additional work is scheduled after the BIS Department completes the SAP HCM payroll module. Once the SAP Grants Module implementation is completed, the Grants staff will start using the Grant Module for billing and commence the SOP completion process for Agency grant administration.
		<p>Strengthen the Grant Management process.</p>	<ul style="list-style-type: none"> Further develop the 10 year financial model to streamline the Long Range Plan of Finance revision process Identify a rate structure that ensures rate increases are equitable and supports the Agency's level of service 	<ul style="list-style-type: none"> Continue to work with the consultants in the development of the Long Range Plan of Finance (LRPF) model and provided them the FY 2013/14 O&M and TYCIP budget and forecast data, and key financial assumptions, drivers and factors
	<p>C. Rate Stabilization and Cost Effectiveness C-2 Strive to maintain a stable rate structure while ensuring that rate increases are reasonable and justified.</p>	<p>Budgeting and Budgetary Control - the department will continue to assume the leading role and ensure budget monitoring, timely completion and adoption of the Agency's annual budget.</p>	<ul style="list-style-type: none"> Monitor the performance of grant and SRF loan funding to ensure full grant compliance with State and Federal grantor agencies Provide notification to Executive Management, Department Managers, and Project Managers for possible grant funding sources Assist Agency management and staff to understand grant compliance requirements Function as the lead group in billing and collection tasks of the MWD LPP Rebate program and the DVR Urban Drought Assistance Grant program Maintain a grant management database, update the grant status report monthly, and prepare a monthly General Manager's Report on grants 	<ul style="list-style-type: none"> SWRCB: Submitted a revised SRF loan and grant application to the SWRCB for the Central/Wineville Recycled Water Distribution Project. The revised application increased the total estimated project cost from \$25 million to \$30.5 million. This application includes a \$4 million grant. Successfully coordinated a final project inspection with the SWRCB for the RP1-Dewatering Facility Expansion Project SRF Loan. The Agency fully utilized 100% of the ARRA funding. Completed timely filing of the ARRA Federal and State cost reports. On-going support of the IEUA Administration of CDA California Department of Public Health \$52 Million Prop 50 Grant for the CDA III Expansion Project. The first grant claim invoice will be submitted to the CDPH in August 2013, in the amount of \$7 million for planning, design, administration and construction costs incurred since March 2005. Ongoing support of the Agency's external grants funding needs for the Agency's Recycled Water, Groundwater Recharge, SCADA System Upgrades, Wastewater Treatment, Operating Laboratory and the "Gong Girdless" Task Force Programs.
	<p>C. Rate Stabilization and Cost Effectiveness C-3 Aggressively seek grant funding and State Revolving Fund low interest loans as a supplementary revenue source to finance capital projects.</p>	<p>Focus on American Recovery and Reinvestment Act (ARRA) Grant and SRF loan funding opportunities for Agency capital projects, and ensure compliance, accurate record keeping and timely submission of applications and invoices.</p>	<ul style="list-style-type: none"> Work with Business Analyst and key subject matter experts to improve functionality and reporting of the Budget Preparation module Evaluate the labor and expense allocation process to simplify the process and leverage system functionality where available Evaluate the assessment cycle process to incorporate statistical data in the distribution of expense allocation 	<ul style="list-style-type: none"> Reviewed with the Business Analyst to prepare for the update on FY 2013/14 wages budget allocation and the respective assessment cycle process, due to changes in the payroll (HCM) system
	<p>D. Operations & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity.</p>	<p>Enhance the Budget preparation process.</p>	<ul style="list-style-type: none"> Further develop the 10 year financial model to streamline the Long Range Plan of Finance revision process Identify a rate structure that ensures rate increases are equitable and supports the Agency's level of service 	<ul style="list-style-type: none"> Presented the FY 2013/14 Budget and TYCIP to the Regional Committees and to the IEUA in June. Continue to provide support to Pretreatment and Source Control on the rate structure scenarios and proposals for the NRW North system including the CSDI, AC 4Rs related costs Requested all departments to provide input on various sections of the FY 2013/14 budget document; program funds, departments, capital projects, etc.
	<p>E. Strategic Planning & Capital Implementation E-2 Update the Long Range Plan of Finance consistent with the 10 Year CIP to adequately prepare for future growth. Updates should be based on a collaborative process and should be widely disseminated.</p>	<p>Strategic Financial Planning – update the long range financial plan to reflect current assumptions and conditions.</p>	<ul style="list-style-type: none"> Work with Board of Directors and Executive Management to update target reserves levels and report status on a quarterly basis 	<ul style="list-style-type: none"> Presented to the IEUA Board of the Directors, the FY 2013/14 Operating Budget and Capital Improvement Plan on IEUA, IERCA, and SAWPA in May and June 2013
	<p>G. Interagency Relationships and Community Partnerships G-1 Promote and sustain effective communication between the Agency and its stakeholders through the use of various media, including the Agency's website</p>	<p>External Financial and Accounting Services – provide full financial and accounting services to two Joint Powers Authorities</p>	<ul style="list-style-type: none"> Monitor daily cash balances to minimize bank service charges and maximize interest earnings Ensure monthly reconciliations are performed on all bank accounts Confirm account balances are accurately reported in the Treasurer's Report of Financial Affairs 	<ul style="list-style-type: none"> Assisted and coordinated with CDA staff in the gradual transition of the banking, cash and investment management responsibilities from IEUA to CDA Completed the monthly Financial Affairs reports on time and provided presentation on IEUA investment highlights and yields comparison to the Finance, Legal, and Administration Committee each month.
	<p>H. Fiscal Accountability & Regulatory Compliance H-5 Require the highest levels of fiscal accountability for all Agency financial transactions and records.</p>	<p>External Financial and Accounting Services – provide full financial and accounting services to two Joint Powers Authorities.</p>		

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Fiscal Management	B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions.	Replace the current payroll system	<ul style="list-style-type: none"> Develop a plan to successfully replace the legacy payroll system by April, 2013 	<ul style="list-style-type: none"> Implementation of new SAP payroll completed.
	G. Interagency Relationships and Community Partnerships G-1 Promote and sustain effective communication between the Agency and its stakeholders through the use of various media, including the Agency's website	External Financial and Accounting Services – provide full financial and accounting services to two Joint Powers Authorities.	<ul style="list-style-type: none"> Complete annual audit of both China Basin Desalter Authority and Inland Empire Regional Composting Authority by November 30, 2012. Complete Annual Financial Reports for both entities by January 31, 2013 	<ul style="list-style-type: none"> CDA and RCA annual financial reports completed on time and without opinion from external auditors.
	H. Fiscal Accountability & Regulatory Compliance H-5 Require the highest levels of fiscal accountability for all Agency financial transactions and records.	Financial and Accounting Services – provide accounting services to all agency departments.	<ul style="list-style-type: none"> Complete FY 2011/12 audit of Inland Empire Utilities Agency by November 30, 2012 Complete and issue Comprehensive Annual Financial Report by December 21, 2012 Receive GFOA CAFR award for FY 2012/13 Leverage SAP and other technology to enhance business processes Continue cross training plan Complete each staff's individualized training program using Mindleader program by November 30, 2012 	<ul style="list-style-type: none"> IEUA Annual financial report was completed on time, with no opinion from external auditors. On June 14 GFOA notified that FY 2011/12 CAFR deserved GFOA award. Cross training on new SAP payroll. Training in new GASB requirements for FY 12/13.
Contracts & Procurement	B. Technological Innovation B-1 Explore, pursue, and implement innovative technology with a cost effective approach to operating practices and administrative functions	Identify new contracting and cost containment opportunities through streamlined procurement business processes.	<ul style="list-style-type: none"> In collaboration with ESS, implement a business process enhancement to streamline the process by November 1, 2012; thus reducing the cost to process procurements Further automate online solicitation and administrative processes that capture all critical steps, from posting to award 	<ul style="list-style-type: none"> Stakeholder meetings conducted to review P2P Consultant's findings and summary recommendations. In collaboration with BIS, OCI functionality completed and CAP is identifying additional vendor catalogs for connection. Vesta's primary recommendation for material master update is currently on hold pending additional data collection on highest use materials to reduce cost for the update.
	B. Technological Innovation B-2 Ensure the workforce is productive and efficient --"works smarter"-- by employing current technological enhancements including use of the internet and web based products.	Provide timely, efficient, and cost effective management of supply, service and support requirements.	<ul style="list-style-type: none"> Maintain Average processing time within CAP's published service levels objectives > 85% Materials are received on or before the Requestor's need-by date > 80% of time Contracts are within audit compliance >95% 	<ul style="list-style-type: none"> Approximately 90 percent of purchase orders were issued during FY 2013/14, were processed within CAP's service level objectives lead-time.
	E. Strategic Planning & Capital Implementation E-5 Promote contracting opportunities which recognize the diversity of the area served through the use of appropriate tools including relevant contract software to track diversity results and aggressive outreach efforts	Further streamline the business process and achieve greater compliance with requisitioning requirements.	<ul style="list-style-type: none"> Enhance end user training to improve the quality of purchasing data entered for a 15% reduction in process exceptions for follow-up Investigate new technologies that will further streamline the business process within the established process rules Establish a strategic plan and obtain executive leadership and stakeholder buy-in Demonstrate an increase in service level as measured by the Customer Satisfaction Survey results over the previous year, as well as ongoing customer feedback Enhance interdepartmental outreach by increasing the frequency and time spent in the field by management and supervision 	<ul style="list-style-type: none"> Procurement Ordinance training for key stakeholders has been completed. Upon Board approval of the updated/revised Procurement Ordinance (No. 95), staff will schedule refresher training. CAP's Six-Point Plan designed to improve interdepartmental coordination and cooperation was presented to Executive and Maintenance management July 2012. CAP remains on track, working the plan. Issuance of the customer satisfaction survey has been placed on hold until FY 2013/14. Supervision and Management continue to meet with Maintenance Management weekly to discuss upcoming requirements, issues, etc. Upon Maintenance staff relocating to the newly procured office trailer, additional CAP staff will commence outreach efforts.
Fiscal Management	G. Interagency Relationships and Community Partnerships G-1 Promote and sustain effective communication between the Agency and its stakeholders through the use of various media, including the Agency's website	Increase competition to exercise fiscal responsibility and control of Agency expenses	<ul style="list-style-type: none"> Through the competitive solicitation process, award to the best value source of supply, thus reducing overall cost to the Agency 	<ul style="list-style-type: none"> Realized a total of approximately \$164,652 cost savings for FY 2013/14.
	H. Fiscal Accountability and Regulatory Compliance H-6 Promote effective and ethical contract and procurement processes, procedures, and practices consistent with Agency policy and public law	Commensurate with the number of assigned cellular and smart phones, decrease expenditures for service by at least 5%	<ul style="list-style-type: none"> Conduct periodic analysis of individual plans, identifying opportunities to make changes commensurate with usage Review monthly statements to ensure accuracy, identifying exceptions Keep abreast of promotional opportunities offered Provide quarterly and annual reports to executive management and the Board, respectively 	<ul style="list-style-type: none"> Staff continues to closely monitor cellular and smart phone spend, adjusting individual plans accordingly. Despite the transition from cellular to smart phones in recent years, year-to-date expenditures remain below budget and well under the peak FY 2007/2008 spend.
	H. Fiscal Accountability and Regulatory Compliance H-3 Safeguard Agency assets with prudent risk management policies and strategies	Provide effective administration of assigned contracts, ensuring compliance with terms and conditions.	<ul style="list-style-type: none"> As required, facilitate contract kickoff meetings with key (internal/external) stakeholders Routinely solicit stakeholder feedback to gauge satisfaction with contractor performance, identify problems requiring corrective action, etc. Perform quarterly field inspections to ensure performance standards are adhered to. Provide quality assurance reports, as required 	<ul style="list-style-type: none"> Through outreach efforts and frequent interaction with staff, the monitoring of contractor performance is ongoing. When periodic problems or issues arise, every reasonable effort is made to ensure corrective action is taken. The responsibility for quarterly field inspections was transferred to the PM's within the Safety, Risk, and Support Services Department, effective September 2012.

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Dept	Division Goal	Department Goal	Department Objectives	Status
<p>Business Information Services</p>	<p>B. Technological Innovation B-3 Utilize IT-rich equipment and devices for asset management, strategies, operating and maintenance practices which result in cost containment and improved customer service.</p>	<p>Provide Agency users reliable information systems, providing high performance applications and data integrity</p>	<ul style="list-style-type: none"> Review SAP system performance, growth, & system capacity status. Identify risks and mitigation plans. Develop quarterly performance analysis reports. Monitor system for compliance with security and system management best practices. Develop quarterly assessment and action plan. Ensure system stability, ongoing vendor product support, and enable Agency to take advantage of new product enhancements and functionality. Perform periodic (typically 1-2 year) vendor version upgrades to SAP & ESRI/GIS. Develop assessment of data base growth and put in place a management plan, including considering implementation of an archiving project plan. Develop a data governance business case and plan. 	<ul style="list-style-type: none"> SAP version upgrade completed. Completed Upgrade & HCM Project Quality Check and identified critical pre-go-live and post-go-live updates to apply. Pre-go live updates applied. Post-go-live updates for HCM are planned after myPT project completed and system moved to regular support environment (May). Database growth assessed and capacity determined to be sufficient for production system through FY14. Will reassess in December 2013 relative to growth driven by new HCM system and payroll. Data governance assessment relative to procurement is being included in Procure-to-Pay process analysis and roadmap. In process of implementing new security fixes provided by SAP (to be completed by 7/19). Implementing monthly security note review practice.
<p>B. Technological Innovation B-4 Develop and periodically monitor a strategic technology plan to stay abreast of new developments and to ensure that information technology and automation impact all areas of the Agency's business and operations.</p>	<p>Ensure that the Agency's information assets and systems are properly safeguarded from inappropriate use and access, protected from disasters, and available to conform to public information access rights.</p>	<ul style="list-style-type: none"> Develop analysis and implement safeguards to limit access to sensitive human resources information as part of the implementation of the new human capital management and payroll systems (by January 2013). Develop new SAP user roles in order to create a more focused set of required transactions (project to be done incrementally and completed by June 2013). 	<ul style="list-style-type: none"> HR data security planning included in HCM/Payroll project activities. Staff trained in both "scrambling" sensitive data on non Production system and also developing Structural Authorizations that consider both the user's role and where they are located in the organization structure (e.g., Finance vs. Ops.). New security approach implemented as part of the myPT project. New SAP user roles created for the maintenance department staff. Will be deployed for use with new easy to use SAP application interface. Maintenance Planners are currently using the new roles and interface. Other maintenance staff to begin using after HCM project goes live and changes to the system can be implemented without endangering myPT project functions. After rolled out in Maintenance, new roles will be developed for other departments and user roles, e.g., Operations. 	<ul style="list-style-type: none"> HR data security planning included in HCM/Payroll project activities. Staff trained in both "scrambling" sensitive data on non Production system and also developing Structural Authorizations that consider both the user's role and where they are located in the organization structure (e.g., Finance vs. Ops.). New security approach implemented as part of the myPT project. New SAP user roles created for the maintenance department staff. Will be deployed for use with new easy to use SAP application interface. Maintenance Planners are currently using the new roles and interface. Other maintenance staff to begin using after HCM project goes live and changes to the system can be implemented without endangering myPT project functions. After rolled out in Maintenance, new roles will be developed for other departments and user roles, e.g., Operations.
<p>C. Rate Stabilization and Cost Effectiveness C-3 Aggressively seek grant funding and State Revolving Fund low interest loans as a supplementary revenue sources to finance capital projects</p>	<p>Facilitate Agency operational performance through appropriate and cost effective use of evolving information technologies and practices</p>	<ul style="list-style-type: none"> Roll out SAP NetWeaver Business Client technology Agency-wide to provide an easier to use interface to SAP Implement enhancements to streamline Grants expense certification function 	<ul style="list-style-type: none"> Roll out SAP NetWeaver Business Client technology Agency-wide to provide an easier to use interface to SAP Implement enhancements to streamline Grants expense certification function 	<ul style="list-style-type: none"> SAP NetWeaver Business Client pilot on track. Design and testing completed. Initial rollout to Maintenance planners occurred in October. Next phase to occur as part of the myPT rollout of Employee & Manager Self Service. Now that myPT project has been implemented, working with Maintenance Dept. on new roles to be implemented to create role based interface for users in Maintenance. This will be implemented by August for Maintenance managers, supervisors and seniors. Grants work on hold, based on assignment of key resources to HCM project and after the HCM project, key department resource will be on loan to HR Dept. during employee's maternity leave (returning Summer 2013).
<p>D. Operational & Maintenance Efficiency D-1 Design and implement programs which improve the knowledge and skill levels of the Agency's workforce</p>	<p>Control the cost of supporting the Agency's increasingly complex information systems</p>	<ul style="list-style-type: none"> Develop ESS staff skills to enable greater self-sufficiency in core technology areas, with the objective of minimizing external support costs, while getting optimal value from Agency ESS staff. Leverage user groups and social networking technologies to research business challenges, solution options, and best practice opportunities with other organizations. Control external expenditures for consultant support by staying within the FY 2012/13 professional services budget 	<ul style="list-style-type: none"> As part of the myPT project, key skills developed in Security, Forms development, and key functional areas. Agency will plan on cross training in key areas, such as security and develop plan for cross training on functional module support (Payroll, Benefits, Org Mgmt, Personnel Admin) after system stabilization. 	<ul style="list-style-type: none"> As part of the myPT project, key skills developed in Security, Forms development, and key functional areas. Agency will plan on cross training in key areas, such as security and develop plan for cross training on functional module support (Payroll, Benefits, Org Mgmt, Personnel Admin) after system stabilization.
<p>D. Operational & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity.</p>	<p>Provide exceptional and responsive customer service.</p>	<ul style="list-style-type: none"> Track all support and development issues and requests, documenting findings and root-cause analysis for key issues. (Ongoing) All proposed changes are documented in a Change & Request Management (CharM) request and required preparation is performed per plan to support changes prior to being moved into the production environment. Utilize CharM requests to identify business issue, proposed improvements, and value proposition. Report on resulting value generated from projects. (Ongoing) 	<ul style="list-style-type: none"> All development & key support issues being documented. BIS team is evaluating method for recording and tracking issues, with the objective of minimizing number of systems in use. Currently, team uses SAP Solution Manager, TrackIT, and SharePoint. 	<ul style="list-style-type: none"> All development & key support issues being documented. BIS team is evaluating method for recording and tracking issues, with the objective of minimizing number of systems in use. Currently, team uses SAP Solution Manager, TrackIT, and SharePoint.

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Dept	Division Goal	Department Goal	Department Objectives	Status
<p>Business Information Services</p>	<p>D. Operational & Maintenance Efficiency D-4 Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency.</p>	<p>Provide exceptional and responsive customer service.</p>	<p>• Lead Agency-wide team to research and implement supplier network collaboration to speed delivery of POs, vendor product delivery date status, maintenance of vendor master data (e.g., shipping/billing address, contact name), enhance warehouse efficiency, and reduce manual administrative activities using options such as eCatalogue integration, ehvoice processing, and Vendor Self-Service • Work with Financial Planning & Fiscal Management to evaluate restructuring of the Agency's cost centers • Work with the Financial Planning & Fiscal Management to evaluate restructuring of the labor burden and overhead cost allocation method in SAP • Working with key user groups (Maintenance, Procure-to-Pay, Projects, Finance & Accounting, and GIS) develop and maintain roadmaps to enhance business system functionality, process performance, and reporting and analytics to support those group business plans and priorities. Execute roadmap schedules as agreed upon with users groups. (Ongoing) • Meet quarterly with key process owners and participants to review status of development roadmaps and key issues, discuss new requirements, and reach agreement on priorities, responsibilities, and due dates. (Ongoing) • Facilitate organization of Projects User Group, and develop roadmap for enhancements • Create draft Business Intelligence (BI) roadmaps and schedule for one or more key function or process, e.g., Finance/Budgeting, Maintenance/Inventory, Project Management, and Procurement (Execute roadmaps per identified schedule.)</p>	<p>• Identified key functionality and data requirements to support the eCatalogue and ePO functionality. Completed technical description on how to automatically create Purchase Orders for a subset of Purchase requests, as well as a method of reducing PO printing from eight steps to one. • Supporting Financial Planning Dept. review of cost center structure and provided options and ideas for changes. Implemented changes to support Maintenance Department's reorganization. • Identified for Financial Planning five options for simplifying calculation of labor allocation. • Worked with Planning & Compliance, as well as other departments to identify GIS project support requirements. Plan is to quantify support needs and develop options for delivering that support, e.g., use of external consultants, and user friendly tools to empower users. Determined that workload sufficient to justify a year long contract employee. Job is in the process of being advertised to applicants. • Coordinated meetings with vendors on the use of mobility tools (e.g., tablets for field staff). Objective is for Maintenance Dept. to develop better understanding of solution value and dependencies from which Agency will then refine the technical/SAP roadmap for the Maint. Dept. • Utilizing low cost tool, extracted data from SAP so end user could more easily analyze data. Currently developing an end user "workbench" that will enable users to track status of purchases and their relationships to budget, maintenance work orders and projects. • As part of the myPT project, a Power Users team was created</p>
<p>Human Resources</p>	<p>E. Strategic Planning and Capital Implementation E-3 Maintain long-term and strategic planning and policy development in support of the Agency's mission and goals</p>	<p>Facilitate Agency operational performance improvement through appropriate and cost effective use of evolving information technologies, functionality, and practices</p>	<p>• Lead Agency-wide team to implement a Human Capital Management solution to perform labor data capture, time management (compliance with Agency MOU and regulations), staff scheduling, and payroll processing. Implement solution by January 2013 to enable elimination of the legacy IFAS and ABRA systems and their related costs • Support implementation of the Long Range Financial Planning Model project</p>	<p>• myPT Human Capital Mgmt. project implemented and system went live on March 28th. Users now entering their labor time and leave requests into SAP. Agency HR department maintaining HR data in and Payroll being processed in SAP. Project completed per schedule. • Supported Financial Planning Dept. development of RFI for LRRP model. Vendor selected and system under design. • Selected and employed consulting firm to provide direction on Procure to Pay process improvement. Developing a roadmap with other internal stakeholders to implement recommendations, including better tracking of what is purchased and online order integration with key vendors.</p>
<p>Human Resources</p>	<p>B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions.</p>	<p>Enhance Agency productivity by promoting a paperless environment.</p>	<p>• Continue designing and creating HR related forms utilizing software aimed at promoting a paperless environment • Continue streamlining the recruitment process to reduce steps, increase use of technology, and increase focus on selection methods • Continue to increase the use of new technologies such as social networking, web 2.0 applications, and web-based testing to expand the Agency's ability to attract, recruit, and hire a high quality workforce • Continue to utilize technology to improve information access and enable employee self-service on the TEAMS and Human Resources website on PIPES by facilitating interactive web access to information, resources, links and documents • Implement the Onboarding module in NeoGov to streamline the onboarding process by eliminating new hire paperwork, processes and training • Continue to assist in the development and implementation of electronic time sheets</p>	<p>• Ongoing - HR website is regularly updated with information and links to valuable information to employees. • Ongoing - Implementation for the OnBOARD module kicked off in June, new hire forms that will be digitally signed are being evaluated, appropriate HR staff have been given access and data is being transferred from Insight to the OnBoard. Full implementation is expected in the first quarter of FY 13 14.</p>
<p>Human Resources</p>	<p>I. Staff Training, Development, and Wellbeing I-2 Reward employees for participation, initiative, and performance resulting in significant contribution to Agency goals.</p>	<p>Maintain a working environment that recognizes a dedicated staff in support of the Agency's mission and goals.</p>	<p>• Promote and sustain open communication with all levels of staff in order to effectively resolve work related issues in a harmonious manner • Continue to develop creative and cost-effective ways to reward and recognize outstanding and dedicated staff for their contributions by updating the Agency's various award recognition programs to reflect the Agency's cost containment strategies</p>	<p>• Ongoing - Published an answer to a Connection Corner Question in the April May 2013 Wave Newsletter - Ongoing. Electronic timesheets and time evaluation go live date achieved by projected date.</p>

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Dept	Division Goal	Department Goal	Department Objectives	Status
Human Resources	<p>I. Staff Training, Development, and Wellbeing I-3 Encourage and maintain a highly motivated and trained staff.</p>	<p>Design, implement, foster and support a learning environment which encourages growth and development of Agency staff</p>	<ul style="list-style-type: none"> Increase by 10% the use of Personal Learning Plans (PLPs) into the performance appraisal process Develop and facilitate independent developmental workshops on an as needed basis Increase the effectiveness of the supervisory skills for first time supervisors by continued participation in the Southern California Local Government Supervisory Program, in collaboration with Cal Poly Pomona and other local cities As an element of succession planning, utilize participation in the Leadership Academy in collaboration with Cal Poly Pomona and other local cities Evaluate and reassess the effectiveness of the On-boarding Program for new employees 	<ul style="list-style-type: none"> Ongoing - Staff participation in self-paced customized E-learning through Mindleaders. Conducted 12 days of onsite Microsoft Office computer training in May and June for all interested staff. Ongoing - Supervisor/manager participation in Liebert Cassidy Whitmore employment law workshops in April and May.
	<p>I. Staff Training, Development, and Wellbeing I-5 Recruit, retain, and promote a diverse and qualified workforce committed to the Agency's mission</p>	<p>Implement strategies and modern recruitment practices that provide flexible and responsive recruiting solutions that will assist the Agency in filling positions in a timely and effective manner.</p>	<ul style="list-style-type: none"> Continue exploring NEOGOV's capabilities and functionality to streamline/accelerate data flow for applicants and hiring managers Continue to promote creative approaches to recruitment practices (i.e., recruitment video, virtual job fairs, etc.) As needed, continue to utilize websites, publications, and other resources to increase exposure of employment opportunities Continue to incorporate efficient and cost effective methods of job related testing tools 	<ul style="list-style-type: none"> Ongoing—continue to explore NeoGov (applicant tracking program) features. Advertised positions through Careers in Government, bewatejobs.com and several colleges including UCR, CalPoly Pomona, and Cal State SB.
	<p>I. Staff Training, Development, and Wellbeing I-6 Create and sustain a working environment that recognizes an dedicated staff and attracts qualified individuals to the Agency as "Employer of Choice".</p>	<p>Promote IEUA as an Employer of Choice within the Inland Empire</p>	<ul style="list-style-type: none"> Continue to develop strategies to brand/advertise IEUA as an employer of choice to potential qualified candidates Expand college recruiting and maintain partnerships with key universities to build on relationships that will identify talent early and expand internship program to create a pool of quality talent Develop creative communication methods and continue education of employee benefits to increase employee knowledge of benefit programs and services Records management will purge electronic documents from the LibertyNet system according to the records retention schedule 	<ul style="list-style-type: none"> Ongoing, staff attended the Last Chance Career Fair at UCR in May Continued to advertise internships for HR, Engineering, Financial Planning, Construction Management and Public Information with several southern California colleges Published articles in the April/May Wave regarding Health Care Reform Update and Fun Express which offers discounts to amusement parks and other attractions in Southern California.
Safety, Risk, & Support Services	<p>B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions.</p>	<p>Enhance Agency productivity by promoting a paperless environment.</p>	<ul style="list-style-type: none"> Records management will purge electronic documents from the LibertyNet system according to the records retention schedule 	<ul style="list-style-type: none"> Ongoing, identification of records to be deleted from the LibertyNet system continues into the new fiscal year, including identify folders and subfolders and data input into spreadsheets. Ongoing, Facilities management staff has coordinated with ISS staff to update the service request system to assist Agency staff with items related to facilities. The system will assist the Maintenance department with the proper entry of Work Notifications by minimizing and coordinating tasks appropriately prior to the entry of notifications.
	<p>D. Operational & Maintenance Efficiency D-1 Design and implement programs which improve the knowledge and Skill levels of the Agency's workforce.</p>	<p>Develop a consensus-building approach of the development of effective policies and procedures</p>	<ul style="list-style-type: none"> As an ongoing process, revise current policies; develop new policies, procedures, and new standard operating procedures (SOPs) to ensure best practices in Human Resources and Records Management 	<ul style="list-style-type: none"> Ongoing, Policy A-72 has been distributed to appropriate departments for review and comment. The policy will be included into the "Lean Policy Process Review." Ongoing, Safety, Risk & Facilities staff work to ensure the needs of the Agency facilities are met in a timely matter, to allow facility and administrative staff to focus on their core duties rather than issues outside their normal duties.
	<p>H. Fiscal Accountability and Regulatory Compliance H-3 Safeguard Agency assets with prudent risk management policies and strategies.</p>	<p>Minimize Agency and public liability through comprehensive risk management and security practices.</p>	<ul style="list-style-type: none"> Ensure Agency insurance programs provide proper and adequate coverage to protect both the Agency and the public Enhance the vendor insurance tracking program to ensure appropriate coverage is maintained Effectively manage the Agency's workers' compensation program through continuous comprehensive review and monitoring of open claims and new workplace activity Enhance Agency-wide security programs through technological improvements 	<ul style="list-style-type: none"> Ongoing, In addition to reviewing insurance requirements for various Agency projects, staff participates in project meetings to assist with any potential issues. Ongoing, Staff regularly conducts site inspections at all Agency facilities to ensure compliance with State and Federal regulations. Additionally, staff evaluates the work performed by field staff to ensure a safe work environment. Ongoing, Staff evaluated and renewed the Agency's insurance policies, ensuring appropriate coverage against losses. Additionally staff is finalizing the loss experienced at the Agency HQ-A facility involving flooding from the fire sprinkler riser damage.
	<p>I. Staff Training, Development, and Wellbeing I-3 Encourage and maintain a highly motivated and trained staff.</p>	<p>Design, implement, foster and support a learning environment which encourages growth and development of Agency staff</p>	<ul style="list-style-type: none"> Records management staff will continue the administrative management, monitoring and upkeep of the Liberty Net system Records management staff will develop a taxonomy for managing all Agency records both hard copy and electronic. The taxonomy will facilitate storage, filing, classifying, indexing, browsing and navigator, search and retrieval of documents. 	<ul style="list-style-type: none"> Ongoing, RM staff continues the administrative cleanup of LibertyNet. Ongoing, RM staff continues efforts into the new fiscal year to develop plans for records management taxonomy. Ongoing, Safety staff continues efforts into the new fiscal year to ensure compliance with Safety related training sessions, including hands-on classroom sessions and tailgate topics.

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Dept	Division Goal	Department Goal	Department Objectives	Status
PERFORMANCE MEASURES/WORKLOAD INDICATORS				
	FINANCIAL PLANNING			
	Average Size of Investment Portfolio	FY 2011/12 \$63,000,000	Target FY 2012/13 \$75,622,310	FY 2012/13 Status \$95,106,300
	Average Rate of Return on Investments	1.4%	1.0%	1.00%
	Budget Preparation and reports generated Training (O&M/Capital) sessions			
	Open Houses	8, 4, 4	8, 2, 7	8, 2, 7
	Workshops	8	8	9
	Grant/ Loan applications submitted	30%/50%	30%/50%	30%/50%
	Grants awarded national average rate/IEUA rate	32,000,000	32,000,000	8,562,669
	Grant/ Loan Billings	85	187	156
	Average number of days to file grant/ loan billing	30	30	30
	Average number of days to collect grant/ loan billing	120	120	120
	Amount of stimulus funding received under ARRA	63,000,000	0	0
	On time submittal of Quarterly Budget Variance report	100%	100%	100%
	On time submittal of Treasurer's Report of Financial Affairs	100%	100%	100%
	On time submittal of Quarterly Capital Call Report	100%	100%	100%
	FISCAL MANAGEMENT			
	Accounts Payable Transactions	FY 2011/12 63,772	Target FY 2012/13 75,000	FY 2012/13 Status 77,756
	Accounts Payable Checks/ACH/Writes	10,105	9,500	9,214
	Accounts Receivable Transactions	13,971	12,900	12,886
	Cash Receipts Transactions	32,865	33,000	31,334
	Fixed Asset Transactions	14,505	10,000	10,523
	General Ledger Transactions	498,322	480,000	507,197
	Payroll and Secondary Labor Transactions	659,626	800,000	751,642
	General Ledger # of Account Analysis	640	640	640
	Payroll Processing - # of Employees	300	306	292
	CONTRACTS AND PROCUREMENT			
	AEP Award	FY 2011/12 Yes	Target FY 2012/13 Yes	FY 2012/13 Status Submitted & Awarded
	% Customer Satisfaction Greater Than or Equal to Good/Exceeds	88%	90%	90%
	PR's Processed within Service Level Objectives	95%	95%	90%
	BUSINESS INFORMATION SERVICES			
	Keep average time spent performing maintenance per year below 40%	FY 2011/12 20%	Target FY 2012/13 30%	FY 2012/13 Status Within parameters. BIS team is implementing more detailed tracking of work effort (as a result of new myPT HCM functionality). Will be rolled out in FY14.
	Refresh the SAP QA environment with new test data at least twice per year	1	2	1 in QA environment and 1 in Sandbox
	Keep system to no more than five support packs behind the vendor's current version	-5	-5	Within parameters. Current plan is to perform next upgrade after myPT HCM solution stabilized (CY14 Q1)
	HUMAN RESOURCES			
	New Hires	FY 2011/12 14	Target FY 2012/13 15	FY 2012/13 Status 34
	Average Recruitment Processing Time	40 Days	40	49,25
	Average New Hire Processing Time	13 days	14	14,031
	Separations	30	30	45
	Turnover Ratio	5.0%	5%	15.6%
	Open Enrollment Transactions Processed	150	150	54
	FMLA Requests	36	36	32
	Customer Satisfaction Surveys	8	5	5
	Training Hours per Employee	20	20	0%
	Satisfaction Rating of On-boarding Process	75%	75%	48%
	Personal Learning Plan (PL) Participation	1	1	6
	Grievances Filed	1	1	2
	Grievances Resolved at Appeals Committee Level	4	5	10
	Disciplinary Actions Processed	0	0	3
	SAFETY, RISK & SUPPORT SERVICES			
	Workplace Safety/Lost Time Accidents	FY 2011/12 11	Target FY 2012/13 1	FY 2012/13 Status 0
	Workers' Compensation Claims	5	10	9
	Vehicle Accidents	70	90	83
	Public Records Requests	400	600	no records were destroyed due to legal hold
	Destruction of Records	200	200	149
	Electronically Stored Information (LibertyNet)			

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Dept	Agency Goal	Department Goal	Department Objectives	Status
<p>Construction Management</p>	<p>B. Technological Innovation B-3 Utilize IT-rich equipment and devices for asset management strategies, operating and maintenance practices which result in cost containment and improved customer service.</p>	<p>Expand knowledge of current technologies and construction management practices.</p>	<ul style="list-style-type: none"> Continue to provide staff workshops, presentations, and meetings Expand the Web Based Document Control Construction Program Continue to conduct department SOP Training 	<ul style="list-style-type: none"> Two staff members completed the SWPPP QSP and QSD course and are preparing for certification testing. New Daily Report CIPO Module implemented. Estimating Software specific to water treatment will be implemented. CPM Training Management Plan has been completed. CPM continuing with ongoing project schedule support and mentoring with Consultant.
	<p>D. Operational & Maintenance Efficiency D-2 Design and implement programs which improve the knowledge and skill levels of the Agency's workforce.</p>	<p>Improve and streamline the design process.</p>	<ul style="list-style-type: none"> Provide engineering support by attending project design meetings Provide value engineering services during design reviews to maximize quality and minimize cost Continue to work with the Engineering Department on the as-built process 	<ul style="list-style-type: none"> CM continued to participate in design review meetings and provided comments Staff was encouraged to focus on constructability, is the project "biddable" and "buildable".
	<p>E. Strategic Planning & Capital Implementation E-2 Implement and maintain state of the art infrastructure to maximize efficiency and productivity while meeting needs of area constituencies.</p>	<p>Provide high quality project management for the completion of Capital Improvement Projects.</p>	<ul style="list-style-type: none"> Continue to implement effective project management protocols and focus on meeting schedules and budgets Minimize the cost of change orders for construction contracts by performing thorough cost analysis Hold construction management costs below 10% of total construction costs (excluding outside consulting) for projects over \$2 million; hold construction management costs below 20% of total construction costs (excluding outside consulting) for projects under \$2 million Manage projects to levels which maximize quality and operational effectiveness, by providing in-house construction management quality design reviews while holding added or omitted change orders below 10% of original construction contract amount; Non added or omitted change orders will be held under 10% of original construction contract amount for projects with a total budget of under two million dollars and added or omitted change orders below 7% of original construction contract amount; Non added or omitted change orders will be held under 7% of original construction contract amount for projects with a total budget of over two million dollars. Transfer as-built drawings and complete project close out procedures including project acceptance within 60 days of completion of construction Provide seamless project transfers to Operations Complete all training and transfer all O&M manuals to operations and maintenance prior to facility start-up on all projects 	<ul style="list-style-type: none"> Staff has been encouraged to develop good working relationships with the contractors and to be firm but fair. Due to several staffing changes, additional SOP and Policy training sessions are being held. Completed training in communication and effective organization. Additional training will be scheduled for the next Quarter includes CM Staff Project Roles, Customer Service, and Project Turnover to Operations, and New CM Primavera Database. Recruitment has begun for additional CM staff which includes construction project managers, inspectors, and interns. Construction Mgmt. Cost on projects <\$2M = 4% Construction Mgmt. Cost on projects >\$2M = 7% Added or Omitted Change orders on projects <\$2.M= 1.15% Added or Omitted Change orders on projects >\$2.M= 29.13% Non-Added or Omitted Change orders< \$2.M = 15.6% Non-Added or Omitted Change orders> \$2.M = 2.27%
<p>Engineering Administration</p>	<p>B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions</p>	<p>Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions</p>	<ul style="list-style-type: none"> Provide Engineering Division team member support and perspective for ERP Payroll implementation in association with CAP, review The Network electronic bid system for renewal or replacement 	<ul style="list-style-type: none"> Provided power user support and issue resolution following 3-26 go-live. Assisted with design of reports including time and attendance. The Network contract was extended for three years
	<p>B. Technological Innovation B-1 Ensure the workforce is productive and efficient – "works smarter" – by employing current technological enhancements including use of the internet and web based products</p>	<p>Ensure the workforce is productive and efficient – "works smarter" – by employing current technological enhancements including use of the internet and web based products</p>	<ul style="list-style-type: none"> Create Asset Management web site for internal Agency staff Complete gap analysis for Recycled Water Database meter connections vs. report parameters and implement enhancements Implement CIPO enhancements for daily logs and reporting Maintain monthly / quarterly / annual postings of Division metrics Maintain postings for knowledge based documents including SOP's, conference papers, financial and reporting documents Maintain monthly protocol for production of recycled water invoicing and reports 	<ul style="list-style-type: none"> Asset Management website created in Sharepoint. Pages under quality review. Recycled Water database review completed. Implemented revised user interface to query meter numbers directly. Documented in SOP "Monthly RW Billing Procedure" Training and implementation of CIPO daily logs and reporting completed. Monthly metrics and Recycled Water invoicing and reporting completed per monthly requirements

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 Engineering Division

Dept	Agency Goal	Department Goal	Department Objectives	Status
Engineering Administration	D. Operational & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity	Manage projects to levels which maximize quality and operational effectiveness	<ul style="list-style-type: none"> Coordinate the project closure process to ensure timely recording of assets, including attributes and financial valuation Complete critical condition assessment reports for IERCF and CDA facilities Complete Agency's Asset Management Plan by January 2014 	<ul style="list-style-type: none"> Nine closures received and processed. Completed updates to Project Closure Workbook for year end processing. Asset Management Plan and program responsibility transitioned to Technical Services Department. Engineering completed a section on critical assets for the draft plan in process by Technical Services.
Engineering	D. Interagency Relationships and Community Partnerships G-1 Promote and sustain effective communication between the Agency and its stakeholders through use of various media, including the Agency's website	Provide high quality project management administrative support for the completion of CIP	<ul style="list-style-type: none"> Coordinate and complete annual update for standard boilerplates including Request for Proposal and Plans and Specifications Maintain appropriate documentation and production schedules for all bid and award notifications 	<ul style="list-style-type: none"> Plans and Specifications review complete. Three electronic bids completed with no complications: one bid in-process
Engineering	C. Rate Stabilization & Cost Effectiveness C-4. Efficiently manage Agency's assets to ensure optimal productivity and cost effective operating and maintenance strategies and practices.	Improve and streamline the design process	<ul style="list-style-type: none"> Survey the effectiveness and responsiveness of Engineering Administration to respond and comply to administrative issues for other Agency departments; issue survey to CAP, Financial Planning, Fiscal Management and Human Resources; target goal is >=90% rating on surveys Process all newly completed project as-built drawings within 30 days of receipt Process for approval / rejection, 70% of all invoices received in the department within 14 calendar days Attend project transfer meetings to ensure appropriate budgets, purchase orders and contracts are identified. 	<ul style="list-style-type: none"> Quality survey rating increased 5% to 89% for 3Q. FY12/13 4Q survey results pending. Completed as-builts <30 days = one set with 286 sheets, also 5 sets with 202 sheets drawn and pending signature approval Invoices processed = 61%, showing 5% increase over previous quarter 100% attendance achieved for all project transfer meetings
Engineering	C. Rate Stabilization & Cost Effectiveness C-4. Efficiently manage Agency's assets to ensure optimal productivity and cost effective operating and maintenance strategies and practices.	Manage projects to levels which maximize quality and operational effectiveness	<ul style="list-style-type: none"> Provide value engineering services during design reviews to maximize quality and minimize cost Holding added or omitted change orders below 7% of total construction cost. Non added or omitted Change Orders will be held under 3% of total construction cost. Total of all Change Orders should be held under 10% of total Construction Cost Provide seamless project transfers to Construction Management Design a project quality survey to measure the effectiveness of completed projects; issue survey to internal project clients; target goal is 90% rating on 90% of the projects completed. 	<ul style="list-style-type: none"> Design reviews include different engineering disciplines and all departments to ensure quality and standardization. Added or Omitted Change Orders = 9.96% Non-added or Omitted Change Orders = 2.64% Departments are involved with the project from inception through successful operation for project consistency and progress. FY12/13 3Q rating = 78%. 4Q results pending
Engineering	D. Operational & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity.	Improve and streamline the design process	<ul style="list-style-type: none"> Work with operation and maintenance, and construction management through design sessions and post project implementation feedback sessions to identify and incorporate improvements Develop design standards for engineering projects Minimize paper copies and improve electronic filing systems 	<ul style="list-style-type: none"> Working effectively with operations, maintenance and construction management throughout all phases of project delivery. Feedback is incorporated into projects in the design phase and lessons learned are implemented in subsequent projects. Design standards are continually being updated. Engineers collaborated and approved a revised electronic filing structure. Implementation to transition to paperless files is underway.
Engineering	D. Operational & Maintenance Efficiency D-4 Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency.	Expand knowledge of current technologies and engineering practices	<ul style="list-style-type: none"> Present two papers on IEUA engineering activities at conferences Increase attendance at local professional group meetings Continue to provide technology transfer workshops, presentations, and meetings with other Southern California public agencies 	<ul style="list-style-type: none"> Attended Aquifer Recharge Conference Presented and awarded for Cintas Recycled Water Customer of the Year by WaterReuse CA chapter The whole department received training on Construction Management Scheduling and claims analysis Hosted SARBS dinner meeting at IEUA on IEUA Capital Improvement Program Abstract on "GenOn Successful Public/Private Partnership with IEUA" accepted for 2013 Industrial Water Reuse specialty Conference in December 2013
Engineering	E. Strategic Planning & Capital Implementation E-2 Implement and maintain state of the art infrastructure to maximize efficiency and productivity while meeting needs of area constituencies.	Provide high quality project management and design for the completion of Capital Improvement Projects	<ul style="list-style-type: none"> Currently implementing effective project management protocols and remaining focused on meeting schedules and budgets Minimize the number and cost of change orders for construction contracts by performing high quality designs The number of request-for-information (RFIs) less than 25 for every million spent during the construction process Provide high quality designs to ensure cost effective, efficient, and ease of operations Implementing in-house design for new projects based on staff availability 	<ul style="list-style-type: none"> The project managers SOP is complete and is constantly updated for improvements. Staff has been fully tasked with in-house designs projects that produce a higher quality product. In-house designs have outside Professional Engineers provide QA/QC on the documents

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Engineering Division

Dept	Agency Goal	Department Goal	Department Objectives	Status
	<p>F. Waste Management & Resource Utilization F-1 Provide for the maximum public benefit from the use of recycled water supplies produced by IEUA.</p>	<p>Recycled Water: Provide the maximum public benefits from the use of recycled water supplies available from wastewater treatment facilities owned by the Agency</p>	<ul style="list-style-type: none"> • Contribute to obtaining SRF Loan funding for the Central Area of the Recycled Water Business plan • Complete the Recycled Water Business Plan on schedule and within budget 	<ul style="list-style-type: none"> • Anticipate obtaining the loan for Central Area by 2013.
	<p>F. Waste Management & Resource Utilization F-2 Provide for and encourage the use of recycled water for uses including, but not limited to, landscape, irrigation, commercial etc. and other uses as permitted by California law.</p>	<p>Continue to expand Recycled Water System to increase use and reliability</p>	<ul style="list-style-type: none"> • increase recycled water connected usage to 50,000 AF by FY 2021/22 • Continue to work with contracting agencies to maximize Recycled Water use and implement demand management strategies 	<ul style="list-style-type: none"> • Estimated RW Usage through June 2013 is 31,500 AFY. • Periodic meetings with the member agencies are still conducted to provide the assistance needed to increase the connected demand and beneficial reuse of the recycled water. • The revised sales projection for the FY is 30,000 AFY.

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 Engineering Division

Dept	Agency Goal	Department Goal	Department Objectives	Status
PERFORMANCE MEASURES / WORKLOAD INDICATORS				
	CONSTRUCTION MANAGEMENT DEPARTMENT	FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	Capital Spending (millions)	\$32	\$36	\$17
	Added or Omitted Change Orders	8.16%	7%/10%	1.15% / 29.13%
	Non Added or Omitted Change Orders	3.52%	7%/10%	15.60% / 2.27%
	Actual Expenditures as a Percentage of Budgeted Expenditures	82%	>80%	72%
	Construction Managements Costs	5.61%	<10%/<20%	4% / 7%
	ENGINEERING ADMINISTRATION DEPARTMENT	FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	Invoices Processed	64%	70% <14 Days	61%
	Administrative Quality Survey	90%	>90%	89%
	As-Built Processed within 30 Days of Receipt	95%	100%	100%
	ENGINEERING DEPARTMENT	FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	Capital Spending (millions)	\$32	\$36	\$17
	Total Recycled Water connected demand (AFY)	26,000	33,000	31,500
	# of RFI's Generated/\$1 Million Spent	16.94	<25	23
	Added or Omitted Change Orders	8.16%	<7%	9.96%
	Non Added or Omitted Change Orders	3.52%	<3%	2.64%
	Actual Expenditures as a Percentage of Budgeted Expenditures	82%	>80%	72%
	Project Quality Survey	94%	>90% rating on 90% of projects completed	78%

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Operations and Maintenance Division

Dept	Agency Goal	Department Goal	Department Objectives	Status
Maintenance	<p>B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions.</p>	<p>Leverage investment in Microsoft products, Microwave technology, and virtualization software to provide an efficient infrastructure which can be centrally and proactively managed</p>	<ul style="list-style-type: none"> • Migrate Agency's electronic gates and doors to a single sign-on solution • Utilize VM Ware cloning capabilities for disaster recovery • Begin implementation of Sharepoint, the Agency's replacement to the current intranet site PIPES. Phase 1 will add new electronic forms to enhance document functionality. Phase 1 to be completed by December 2012 	<ul style="list-style-type: none"> • A plan has been developed to implement FOBs and network gates for future building/projects. • VMWare cloning has been implemented on the PACNet and BIZNet servers that are virtualized. • IEUA staff members have been trained on Sharepoint. • Subscribed to a cloud-based FTP solution, which provides staff with a secure solution for transferring files using the internet.
	<p>C. Rate Stabilization and Cost Effectiveness C-4 Efficiently manage Agency's assets to ensure optimal productivity and cost effective operating and maintenance strategies and practices</p>	<p>Provide support to the Agency's Asset Management Program</p>	<ul style="list-style-type: none"> • Ensure that all non-linear assets are in SAP • Tag all the Agency's assets at the field level with their SAP numbers 	<ul style="list-style-type: none"> • Equipment tagging at all facilities has been completed.
	<p>D. Operational & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity.</p>	<p>Optimize energy usage at all facilities</p>	<ul style="list-style-type: none"> • Implement sub-metering on all equipment with high energy usage • Replace all the membranes at the RP-1 aeration basins 	<ul style="list-style-type: none"> • EnerNOC has completed installation of sub-metering equipment at RP-2, RP-5 and CCWRF. RP-1 is 70% complete and RP-4 is 60% complete. The project is now expected to be completed in August 2013. • All the membranes at the RP-1 aeration basins have been replaced.
	<p>D. Operational & Maintenance Efficiency D-3 Develop and implement best maintenance management practices that ensure optimal reliability, efficiency and safety at all facilities.</p>	<p>Increase the reliability of the Agency's assets</p>	<ul style="list-style-type: none"> • Optimize the maintenance strategy of critical assets • Implement Phase II of the Vibration Analysis program • Develop a comprehensive Lube Oil Management and Oil Analysis program 	<ul style="list-style-type: none"> • Workshops with Maintenance and Operations have been scheduled to optimize the maintenance strategy of critical assets. • Completed formal vibration training for five maintenance staff members. Building the vibration analysis equipment database on the new Asset Health Management Software has begun. • Implementation of the lube oil management and oil analysis program is currently underway. Initial assessment and formal training of 17 maintenance employees have been completed. Procurement of two lubrication storage and filtration systems has been initiated.
	<p>D. Operational & Maintenance Efficiency D-4 Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency.</p>	<p>Provide technical support for the Agency's renewable energy project</p>	<ul style="list-style-type: none"> • Provide technical support for the Agency's "Go Gridless" project 	<ul style="list-style-type: none"> • Technical support has been provided for the Fuel Cell project.

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Dept	Agency Goal	Department Goal	Department Objectives	Status
Operations	<p>A. Conservation & Water Quality A-6 Partner with local and regional agencies to implement conjunctive use, storm water capture, and other groundwater programs that will increase operational yield and protect the integrity of the groundwater basin.</p>	<p>Maximize Diluent Water Recharge.</p>	<ul style="list-style-type: none"> • Track and effectively communicate availability, demand, and use of the State Water Project water to CBWM and MWD • Prepare pre-storm forecasts 3 days prior to each event and post storm summaries 2-days after each event • Conduct pre-storm planning and storm response site inspections, sample collection and post-storm data interpretation • Support Financial Planning in the development of a draft budget for CBWM by March 1, 2013 • Prepare accurate quarterly variance reports to GRCC 	<ul style="list-style-type: none"> • No imported water was purchased by CBWM for GWR. • No storm events occurred during 4Q. • Diluent sampling was conducted for dry weather flow.
	<p>B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions.</p>	<p>Effectively and appropriately administer all Groundwater Recharge O&M agreements.</p>	<ul style="list-style-type: none"> • Conduct annual alarm historian audits by June 1, 2013 • Provide identification of automation opportunities, document and provide information to the Maintenance Department by June 2013 	<ul style="list-style-type: none"> • A GWR Budget was prepared on time in 3Q. • A 4Q variance was completed for FY12/13 in 1Q of FY 13/14
	<p>D. Operational & Maintenance Efficiency D-1 Design and implement programs which improve the knowledge and skill levels of the Agency's workforce.</p>	<p>Promote optimized use of automation within all facilities.</p>	<ul style="list-style-type: none"> • Complete timely and complete review of design documentation • Actively participate in design review meetings and workshops 	<ul style="list-style-type: none"> • Ongoing and continuous. • Meeting to review task will be scheduled and completed prior to due date. Attendees will include Senior Operators, Sups, DMOs, and OAs. Operations also review the opportunities during process meetings, KPI meetings, and staff meetings. • Northern and Southern Operations groups review and provide feedback as appropriate and attend design/CM meetings.
	<p>D. Operational & Maintenance Efficiency D-3 Develop and implement best maintenance management practices that ensure optimal reliability, efficiency and safety at all facilities.</p>	<p>Effectively support the development of Project Scope and Design.</p>	<ul style="list-style-type: none"> • Continue to implement the cross training plan for each facility. • Recycled Water (RW) distribution and Ground Water Recharge (GWR) • 90% of certified operations staff trained to operate more than 1 facility by June 2013. • Conduct annual operator rounds and spreadsheet reviews and updates by March 1, 2013 • Conduct annual laboratory analysis schedule/needs assessment by February 1, 2013 	<ul style="list-style-type: none"> • Staffing cross training plan was implemented and is continued to be worked on and adjusted as needed. • Operations has met this goal.
	<p>D. Operational & Maintenance Efficiency D-4 Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency.</p>	<p>Accurate and efficient data collection and management</p>	<ul style="list-style-type: none"> • Reduce after hour facility call-outs by 5% • Conduct a daily review of the automated on-call tracking report to reduce unnecessary call-outs • Develop annual Basin Maintenance Plan by April 1, 2013. Clearly identify, prioritize and estimate costs for recommended basin maintenance activities for FY 2013/14 • Conduct 10 facility specific process, technology or equipment training tailgates per year • Conduct annual review of facility O&M manual - provide documented deficiencies to TS by March 1, 2013 	<ul style="list-style-type: none"> • All facility round sheets and spreadsheets have been reviewed and updated as needed. In addition, as new processes come on line we adjust to streamline the round sheets. • Sample analysis/schedule needs assessment is consistently reviewed and adjusted. • Ongoing and continuous for Northern and Southern Operations. Operations overtime ended approximately 70 % of budget. • Daily reports are reviewed by DMO, Ops Sup., Sr. Operators. • A basin plan was developed and budgeted for initiation in 1Q of FY 13/14.
	<p>D. Operational & Maintenance Efficiency D-4 Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency.</p>	<p>Effective basin maintenance.</p>	<ul style="list-style-type: none"> • North and South Operations have identified and scheduled 10 tailgate topics. All process tailgate trainings were accomplished. • Continuous and ongoing. In addition, Operations is working with our TS group on the O/M Capital Project. 	<ul style="list-style-type: none"> • North and South Operations have identified and scheduled 10 tailgate topics. All process tailgate trainings were accomplished. • Continuous and ongoing. In addition, Operations is working with our TS group on the O/M Capital Project.

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Dept	Agency Goal	Department Goal	Department Objectives	Status
Operations	D. Operational & Maintenance Efficiency D-6 Efficient tracking and modifications of Key Performance (KPI's) as necessary to promote focus on established operational goals and targets	Effective monitoring and refinement of established facility Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> Achieve >90% facility KPIs Conduct monthly KPI review meetings 	<ul style="list-style-type: none"> KPI achievement is reviewed daily and adjusted accordingly. Targets met. Scheduled and ongoing, both North and South Operations teams meet and review attainment.
	E. Strategic Planning and Capital Implementation E-2 Implement and maintain state of the art infrastructure to maximize efficiency and productivity while meeting needs of are constituencies.	Provide support to Construction Management to ensure appropriate and timely equipment/process start-up.	<ul style="list-style-type: none"> Attend appropriate weekly construction management meetings Process all Shut-Down Tie-In requests within 14-days Attend all appropriately scheduled, contract required equipment training 	<ul style="list-style-type: none"> Northern and Southern Ops attend as appropriate, ongoing. Ongoing and continuous when we receive them. Attending as scheduled for Northern and Southern Operations.
	E. Strategic Planning and Capital Implementation E-3 Maintain long-term and strategic planning and policy development in support of the Agency's mission and goals.	Establishment and monitoring of staff performance objectives.	Develop a Staff Objective matrix to support established Division/ Department goals & objectives	<ul style="list-style-type: none"> Operations division meeting scheduled to discuss, goals and objectives are/will be identified in staff appraisals. As management rolls out the G/O's they are quickly discussed with staff.
	F. Waste Management and Resource Utilization F-1 Provide for the maximum public benefit from the use of recycled water supplies produced by IEUA.	Maintain maximum system designed reliability.	<ul style="list-style-type: none"> Supply 33,000 AF of recycled water Develop and implement a phased RW demand management plan from May thru September Implementation of RW pipeline asset management and RW transmission system preventive maintenance programs Achieve 10,000 AF of recycled water recharge during dry years Maintain Recycled Water Management plan - update on a monthly basis and adjust recycled water recharge as necessary 	<ul style="list-style-type: none"> Approximately 32,000 AF of recycled water was supplied. Weekly demand management meetings were conducted. A PM program was initiated utilizing SAP.
	F. Waste Management and Resource Utilization F-3 Maximize Agency revenue potential through the effective use and/or marketing of wastewater residual products.	Recycle all Agency biosolids at IERCF.	<ul style="list-style-type: none"> Market 100% of compost produced Obtain long term, high value contract(s) for finished compost 	<ul style="list-style-type: none"> 211,692 cubic yards were sold during the fiscal year to over 100 customers 5 1 year contracts were secured obtaining best value for compost produced
	F. Waste Management and Resource Utilization F-4 Operate all facilities in compliance with Federal and State rules and regulations.	Provide excellent customer service.	<ul style="list-style-type: none"> No RW interruptions due to lack of transmission line preventive maintenance Develop professional relationships with Contracting Agency's assigned RW staff Provide timely and professional emergency assistance to Contracting Agencies Provide a minimum of 7-day written notice to all Contracting Agencies for any scheduled service interruption Appropriately track and report RW use, emergency response, and maintenance activities through recurring RW reports 	<ul style="list-style-type: none"> No RW interruptions occurred in FY12/13 due to lack of transmission line preventive maintenance Professional relationships with contracting Agency's are ongoing and continuous. Emergency assistance for RW was coordinated through Contracting Agencies Contracting Agencies were given 2-week written and verbal notices for all scheduled service interruptions RW reports for RW use, emergency response, and maintenance activities are ongoing and continuous.
	F. Waste Management and Resource Utilization F-5 Optimize and maximize power generation using renewable energy sources at Agency facilities.	Cost effective biosolids management	<ul style="list-style-type: none"> Achieve 138,000 wet/year biosolids throughput at IERCF Increase Total Solids (TS) percentage in biosolids produced at RP-1 and RP-2 Maintain biosolids production to less than 65,000 wet ton/year through efficient dewatering and sludge drying bed management 	<ul style="list-style-type: none"> IERCF received 141,885 wet tons of biosolids throughput during the fiscal year
	F. Waste Management and Resource Utilization F-6 Optimize and maximize power generation using renewable energy sources at Agency facilities.	Effective energy management.	Develop and implement a peak period Recycled Water Management Plan	<ul style="list-style-type: none"> Peak period RW management plan for FY12/13 was developed and implemented
	H. Fiscal Accountability and Regulatory Compliance H-4 Operate all facilities in compliance with Federal and State rules and regulations.	Maximize digester gas production.	<ul style="list-style-type: none"> Optimize digester loading, mixing and heating operation through routine inspection and maintenance 	<ul style="list-style-type: none"> Performance is monitored and adjusted accordingly for Northern and Southern operations group. Adjustments are made to accommodate goals or project commitments.
	H. Fiscal Accountability and Regulatory Compliance H-5 Maintain 100% compliance with all Permits.	Maintain 100% compliance with all Permits.	<ul style="list-style-type: none"> Conduct annual reviews of sampling/testing requirements by February 1, 2013 Conduct annual reviews of AQMD permit compliance with Environmental Compliance Department by November 1, 2012 	<ul style="list-style-type: none"> Ongoing and continuous, and completed by goal date. This was completed for Northern and Southern facilities within the month of May 2012. AQMD goal complete.
	I. Staff Training, Development, and Wellbeing I-4 Sustain a clean, safe, and healthy working environment for all Agency employees.	No employee work related accidents.	<ul style="list-style-type: none"> Conduct all required safety tailgate trainings Conduct intra-departmental annual safety audits Conduct annual emergency response drills 	<ul style="list-style-type: none"> Northern and Southern Operations are complete. Our ERDs are coordinated with our Agency's Safety department, training complete.

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Pre-Treatment & Source Control	<p>A. Conservation & Water Quality A-4 Promote protection of high quality water supplies through implementation of local source protection programs that prevent the introduction of pollutants into the regional wastewater system.</p>	<p>Implementation of Agency-wide Salinity Reduction Program.</p>	<ul style="list-style-type: none"> • Work with the contracting agencies to minimize the salt loading from commercial, industrial, and residential self-regenerating water softeners • Water Softener Prohibition Ordinance • Identify Regional industrial users suitable for connection to the NRWS 	<ul style="list-style-type: none"> • Repeat in the City of Chino and K-Pure Waterworks in the City of Rancho Cucamonga have both been issued permits to discharge high TDS flow into the NRWS. • The water softener rebate program is continuing. To date over 600 softeners have been removed. • Contracting Agencies Ordinances have been revised and approved to prohibit the future installation of the water softeners by the Cities of Montclair, Fontana, and Upland.
	<p>D. Operational & Maintenance Efficiency D-2 Devise and implement operating strategies which minimize costs and optimize productivity.</p>	<p>Minimize overtime use.</p>	<ul style="list-style-type: none"> • Reduce after hour call-outs by 10% 	<ul style="list-style-type: none"> • After hour call outs have been restricted to emergency only.
	<p>B. Operational & Maintenance Efficiency D-4 Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency.</p>	<p>Effectively develop and conduct documented procedures and technology training</p>	<ul style="list-style-type: none"> • Conduct annual review of PT&SC SOP's and quality control procedures 	<ul style="list-style-type: none"> • Department SOPs have been developed for industries sampling, inspection, and review of industry self-monitoring reports. The SOP for the routine calibration of pH and flow meter at the Brine Line Collection Station has been completed.
	<p>B. Operational & Maintenance Efficiency D-5 Effective management of Unit Production Cost (UPC) computation and tracking system</p>	<p>Improve accuracy of data collection for invoicing and revenue to recover all expenses related to NRW operations</p>	<ul style="list-style-type: none"> • Increase calibration frequency of critical flow meters • Improve sample collection and analysis for accurate billing of customers 	<ul style="list-style-type: none"> • Industries are conducting flow meter calibrations as required and certified by PE. IEUA owned meters are being calibrated per manufacturers specifications by instrumentation staff. • Industry monitoring and analysis are being conducted for accurate billing of NRW customers.
	<p>E. Strategic Planning & Capital Implementation E-2 Implement and maintain state of the art infrastructure to maximize efficiency and productivity while meeting needs of area constituencies.</p>	<p>Support the development of project scope and design related to the Regional and NRW sewer system</p>	<ul style="list-style-type: none"> • Actively participate in design review meetings, workshops, and assist during construction 	<ul style="list-style-type: none"> • Pretreatment is actively working with engineering staff on the Philadelphia and Montclair Pump Station rehabilitation projects. Staff has also been participating in the final phases of the NRW north system center trunk repairs.
	<p>F. Waste Management and Resource Utilization F-4 Promote and support a regional approach to community wastewater collection and management.</p>	<p>No Sanitary Sewer Overflows (SSO) due to lack of maintenance</p>	<ul style="list-style-type: none"> • Populate all collection system PM's into CMMS by December 2012 • Conduct all routine and on-demand cleaning of the Regional and NRW sewer system and treatment plants • Respond to all Sanitary Sewers Overflows (SSO) and treatment plant emergencies in a timely manner and provide assistance to other contracting agencies 	<ul style="list-style-type: none"> • The populating collection system PM's into CMMS has been completed for the NRWS and Regional pipelines. • The cleaning and CCTV inspection of the NRWS North System south trunk was completed last Dec. 2012. All siphon maintenance is being completed per the department schedule. • Staff response time for treatment plant emergencies has been outstanding. There have been no SSO's over the last quarter.
	<p>G. Interagency Relationships & Community Partnerships G-3 Partner with the cities, local and regional agencies and the broader community on common issues to create integrated and innovative solutions.</p>	<p>Maintain 100% compliance with established Pre-Treatment Regulations and Permits</p>	<ul style="list-style-type: none"> • Conduct bi-annual routine, as needed on-demand inspections and sampling activities • Process late notices, deficiency letters and reporting violations as necessary • Review and update the "No Drugs Down the Drain" program and conduct public outreach • No Wipes Flush 	<ul style="list-style-type: none"> • Industry inspection and sampling activities are being completed on schedule. • Enforcement of non-compliant industries is being completed within the required time frames specified in the department's Enforcement Response Plan. The department ERP is being reviewed and will be revised as needed based on the recent internal and outside audits.
	<p>I. Staff Training, Development, and Wellbeing I-4 Sustain a clean, safe, and healthy working environment for all Agency employees.</p>	<p>No employee work related accidents</p>	<ul style="list-style-type: none"> • Conduct all required safety tailgate trainings 	<ul style="list-style-type: none"> • P&SC staff are actively attending and are in compliance with all required safety tailgate meetings.

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<p>Technical Services</p>	<p>B. Technological Innovation B-1 Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions.</p>	<p>Evaluate new and emerging technologies</p>	<p>Evaluate emerging technologies for introducing oxygen into the activated sludge process in a more efficient manner than currently used</p>	<p>• TS staff continues to evaluate technologies for introducing oxygen to aeration basins that may prove to be more efficient than fine bubble diffusers. • TS continues evaluating approaches for quantifying aeration system performance by developing appropriate KPI's. • TS has been tasked with developing an Agency Asset Management Plan, which will limit the time available for technology evaluations.</p>
	<p>D. Operational & Maintenance Efficiency D-1 Design and implement programs which improve the knowledge and skill levels of the Agency's workforce.</p>	<p>Standardize and update all operating procedures</p>	<p>• Lead efforts on the updating of the RP-1, CCWRF, and RP-2 O&M Manuals • Conduct training for Operations staff on the proper use of O&M Manuals within two months of the completion of the manuals</p>	<p>• Proposals for consulting services for updating the facility O&M Manuals have been evaluated.</p>
	<p>H. Fiscal Accountability and Regulatory Compliance H-2 Maintain a safe and healthy work environment for all employees consistent with federal and state laws and regulations</p>	<p>Ensure staff is fully aware of new rules and regulations</p>	<p>• Encourage staff participation in local water/wastewater/air regulatory and association committee meetings as measured by documented attendance</p>	<p>• Department staff recommended and the Board approved Agency participation in a Technology Approval Group lead by Isle Utilities for FY 13/14. Note: Energy Analysis responsibilities have been moved to the Planning & EC Dept, so Tech Serv staff won't be attending SCAP Energy meetings in the future.</p>
	<p>B. Operational & Maintenance Efficiency D-5 Effective management of Unit Production Cost (UPC) computation and tracking system</p>	<p>Monitoring and refinement of Unit Production Costs (UPC) data</p>	<p>• Create and distribute monthly UPC reports • Address adverse process/cost trends and identify any efficiency opportunities. Document in a report to Executive Management on a quarterly basis</p>	<p>• TS staff compiles and transfers UPC data each month to the database that creates the UPC reports. This work currently can't be done due to the incomplete status of the Operations Database project being done by the ESS group. The Operations Database project is expected to be complete by October 2013.</p>
	<p>I. Staff Training, Development, and Wellbeing I-4 Sustain a clean, safe, and healthy working environment for all Agency employees.</p>	<p>No lost time accidents</p>	<p>• Conduct all required safety tailgate trainings</p>	<p>• All safety tailgate training is up-to-date. No lost time incidents documented.</p>

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PERFORMANCE MEASURES / WORKLOAD INDICATORS				
	MAINTENANCE	FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	PMI Schedule Compliance	96%	>95%	72.50%
	CM Schedule Compliance	99.5%	>90%	39.50%
	Emergency Work Order Hours	12.7%	<10%	9.70%
	Overtime Labor Costs	6.5%	<5%	3.20%
	Safety - Lost Time Accidents	0	0	0
	Agency-wide Area Network Availability During Business Hours	99%	99%	98.5%
	OPERATIONS	FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	Major Capital Projects Commissioned	7	4	17
	Number of Workplace Safety/Lost Time Accidents	0	0	0
	Agency Wide Chemical Expenditures	4,561,355	4,580,925	4,596,332
	Groundwater Recharge (AF)	38,000	25,000	15,750
	Compost Production (Cubic Yards)	190,000	230,000	220,000
		FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	PRE-TREATMENT AND SOURCE CONTROL			
	Processing Time/NRWS Capacity Contracts	70 days	60 days	60
	NRWS Industries Monitoring Events	840	840	1012
	NRWS Industries Inspection Events Audited	104	110	120
	Regional Contracting Agency Program			
	Regional SIUs Monitoring Events	2	2	2
	Regional SIUs Inspected	140	140	150
	NRW System Pipeline cleaned (miles)	80	80	68
	NRW System Pipeline CCTV (miles)	15	20	10.6
	Regional System Pipeline cleaned (miles)	18	20	16.7
	Regional System Pipeline CCTV (miles)	10	15	13.7
		10	15	13.7
		FY 2011/12	Target FY 2012/13	FY 2012/13 Status
	TECHNICAL SERVICES			
	Number of monthly KPI reports created and distributed	12	12	12
	Number of quarterly UPC reports created and distributed	4	4	1

Inland Empire Utilities Agency
Intra-Fund Transfers FY 2012/13

Budget Amendment

Fund	SAP Date	Category	O & M Transfer From	Amt Transfer Out	Category	O & M Transfer To	Amount Transfer In	Description	QTR
10800	4/4/2013	Material & Supplies	521130	\$10,000	Reimbursable O&M Projects	570002	\$10,000	Out Svs Janitorial to PK11001	4
10800	4/4/2013	Material & Supplies	512110	\$4,000	Reimbursable O&M Projects	570002	\$4,000	Supplies General to PK11002	4
10700	4/11/2013	Special Projects WW Fund	124100	\$1,657,943	Special Projects WW Fund	570005	\$1,657,943	Multiple project transfer funds from Ctr 124100 to 113100	4
10200	4/29/2013	Other Contractual Services	521080	\$2,000	Other Contractual Services	521080	\$2,000	Transfer from Ctr 114100 to 115100	4
10800	5/6/2013	Material & Supplies	512110	\$2,000	Reimbursable O&M Projects	570002	\$2,000	To supplement budget to cover Earth Day expenses for the remainder of FY 2012/13	4
10800	5/6/2013	ResDisp - Grit/Screen	526130	\$45,000	Transportation Costs to RCA	526520	\$45,000	Grit Screen to Transp. To RCA (bi-solids)	4
10800	5/6/2013	Sodium Hypochlorite - GLL	530016	\$100,000	Transportation Costs to RCA	526520	\$100,000	Sodium Hyp to Transp. To RCA (bi-solids)	4
10700	5/7/2013	Workers Comp - Treatment	509720	\$50,000	Other Contractual Services	521080	\$50,000	Temp. Supplement for AP to process invoice	4
10200	5/9/2013	Other Contractual Services	521080	\$100,000	Other Contractual Services	521080	\$100,000	Transfer for repair cost to HQ flooding	4
10800	5/30/2013	Other Materials & Supplies	512910	\$7,160	Uniforms/Throw Rugs	512140	\$7,160	To cover hats purchased (uniforms) for the division	4
10200	6/7/2013	Prof. Services- Public Info	520930	\$6,000	Promotional & Giveaway Items	512950	\$6,000	Transfer funds to the correct GL account code for promotional items and giveaways	4
10600	6/13/2013	Contract Labor	521010, 521050	\$30,000	Special Projects WC Fund	570005	\$30,000	Purchase new air relief valves due to limited clearance in vaults	4
10200	6/19/2013	Prof. Services- Public Info	520930	\$17,000	Promotional & Giveaway Items	512950	\$17,000	Transfer to cover printing and promotional items	4
10800	6/20/2013	Outside Svcs - Janitorial	521130	\$500	Contract Services	570002	\$500	To supplement budget to cover Earth Day expenses for the remainder of FY 2012/13	4
10200	6/27/2013	Admin & Materials	51910	\$12,479	Prof. Svcs - TrnCrsit	520950	\$12,479	Training Construction Mgmt in schedule analysis	4
10800	8/5/2013	ResDisp - Grit/Screen	526130	\$45,000	Transportation Costs to RCA	526520	\$45,000	Grit Screen to Transp. To RCA (bi-solids)	4
10800	8/5/2013	Sodium Hypochlorite - GLL	530016	\$100,000	Transportation Costs to RCA	526520	\$100,000	Sodium Hyp to Transp. To RCA (bi-solids)	4
10200	8/7/2013	Prof. Svcs - TrnCrsit, etc	511130, 520950, 520980, 521080	\$53,000	Professional Services - Other	520980	\$53,000	Transfer to cover legal fees	4
10800	8/16/2013	GM Contingency Fund	519010	\$175,000	Legal Settlements	520290	\$175,000	Transfer GM Contingency to WC fund litigation	4
			Total O&M Transfers Out	\$2,417,082		Total O&M Transfers In	\$2,417,082		

Fund	Date	Project Number	Project Description	Project Number	Project Description	Amount Transfer In	Justification	QTR
10500	5/15/2013	EN07011	NRW System Upgrades	EN13039	Philly PS Force Main Cleanout Install	\$20,000	Pay additional fees to consultant for modification of existing design	4
			Subtotal NC	Subtotal NC		\$20,000		

10300	4/3/2013	519010	GM Contingency Fund	EN12025	Hickory Basin	\$20,000	GM Contingency to EN12025 Hickory Basin	4
			Subtotal RW	Subtotal RW		\$20,000		

Inland Empire Utilities Agency
Intra-Fund Transfers FY 2012/13

Budget Amendment

10600	5/3/2013	EN13019	Water Softener removal	EN13057	Recycled Water Hydraulic Model	\$50,000	Establish a new project for on-call RW hydraulic modeling support	4
10600	5/13/2013	EN13029	Turner 1 Turnout & Deer Creek Drop-Inlet Mods	EN11050	Turner Basin Capacity Improvements	\$30,000	Provide additional funds to finalize	4
10600	6/26/2013	EN12028	RP-4 Power Distribution	EN13055	RP-4 Power Distribution	\$199,550	Support the completion of the RP-4 Power Dist. Assessment and repair	4
			Subtotal WC		Subtotal WC	\$279,550		
10200	6/5/2013	SR12002	CCTV Equipment Replacement	SR12002	CCTV Equipment Replacement	\$11,472	Change functional area assignment 100000 to 105000	4
10200	6/26/2013	EP12003	General Repair/Replace Projects	EP13003	General Repair/Replace Projects	\$31,382	Purchase replacement Electric carts or vehicles	4
			Subtotal GG		Subtotal GG	\$42,854		
10700	7/25/2013	WR12009	Cil Rebate Incentives	WR12007	Residential Rebate I	\$8,862	WR12007 was exceeded by \$8862 from MWD invoice for standard rebate incentives.	4
			Subtotal WW		Subtotal WW	\$8,862		
10800	5/22/2013	EP13002	Major Facilities Rep	EN13053	RP-2 GT Splitter Box	70000	Budget transfer from EP13002 to EP13053	4
			Subtotal RO		Subtotal RO	\$70,000		
10900	4/1/2013	EN13006	Misc. Wastewater Construction	EN05050	RP2 Digester Gas Sys Mods	\$125,000	To complete construction phase of project	4
10900	4/9/2013	EN12026	Montclair Lift Station	EN13054	Montclair Lift Station	\$385,000	Transfer from EN12026 to EN13054 (RC to RO fund)	4
10900	5/1/2013	EN11036	HVAC and Server Room Suppression	EN13056	Agency Wide HVAC Improvements	\$100,000	Project is being split into a 2nd project to provide better project management	4
10900	5/6/2013	EN13300	Regional Sewer Special Projects	EN12012	El Prado Road Improvements	\$75,005	Reimburse Carson Companies for change orders during the construction of the street improvements	4
10900	5/31/2013	EN11039	TP1 Disinfection Pump Improvements	EN06015	Dewatering Facility Expansion	\$300,000	To pay remaining hauling cost to the end of the year	4
10900	5/31/2013	EN12022	Aeration Ducting	EN06015	Dewatering Facility Expansion	\$200,000	To pay remaining hauling cost to the end of the year	4
10900	5/31/2013	EN13046	Flare Replacement	EN06015	Dewatering Facility Expansion	\$300,000	To pay remaining hauling cost to the end of the year	4
			Subtotal RC		Subtotal RC	\$1,485,005		
			Total Project Transfers Out		Total Project Transfers In	\$1,926,271		
			Total Transfers Out		Total Transfers In	\$4,343,353		

Exhibit D

2012/13 Year End Reclassification of Capital and O&M Costs

<u>Fund</u>	<u>Project Number</u>	<u>Project Description</u>	<u>Amount</u>
GG	PL07001	Cleanup Prado (Grant Funded)	244,462.79
GG Total			244,462.79
NC	EN12011	Miscellaneous NRWS Construction & Emergency Project	69,578.68
NC	EN12008	NRWS Connection & Emergency Projects	60,628.74
NC	EC12018	EE Hydraulic Calibration	\$24,647.53
NC	EN13008	Miscellaneous NRWS Construction & Emergency Project	3,148.56
NC Total			158,003.51
RC	EN06020	RP-5 Upgrades	2,177,005.37
RC	EN12012	El Prado Road Improvements	1,293,771.82
RC	EN12009	Miscellaneous Regional Wastewater Construction & Emergency Project 2011/12	138,339.08
RC	PL05013	Chino Creek Master Plan - Administration	100,382.66
RC	EN12006	Regional Wastewater Construction & Emergency Projects	84,837.58
RC	PL05014	Chino Creek Master Plan - Education/Outreach	47,570.26
RC	EN12300	Regional Sewer Special Projects FY11/12	44,307.54
RC	EN13006	Miscellaneous Regional Wastewater Construction & Emergency Project 2012/13	18,450.66
RC	EN11017	Capital Upgrades to RP1, RP2, CCWRF, RP4	1,222.88
RC	EN07013	RP1 Bypass Improvements	105.97
RC Total			3,905,993.82
RW	GW11001	FEMA 2010 Storm Damage Basin Repair	360,648.49
RW Total			360,648.49
WC	EN12010	Miscellaneous Recycled Water Construction & Emergency Project	115,075.54
WC	WR08020	Miscellaneous Recycled Water Construction & Emergency Project	94,094.07
WC	EN12007	Miscellaneous Recycled Water Projects 2011/12	23,077.91
WC Total			232,247.52
WW	WR11007	Residential Rebates Incentives	51,929.74
WW Total			51,929.74
Reclassification from Capital to O&M Project Expenses			4,953,285.87
Fund	Project Number	Project Description	Amount
WC	EN08018	1630 W. Recycled Water Pipeline Segment	\$1,500,000.00
RO	EP10001	Major Facilities Repairs/Replacements	936,142.30
Reclassification from O&M to Capital Expenses			\$2,436,142.30
GRAND TOTAL			\$7,389,428.17



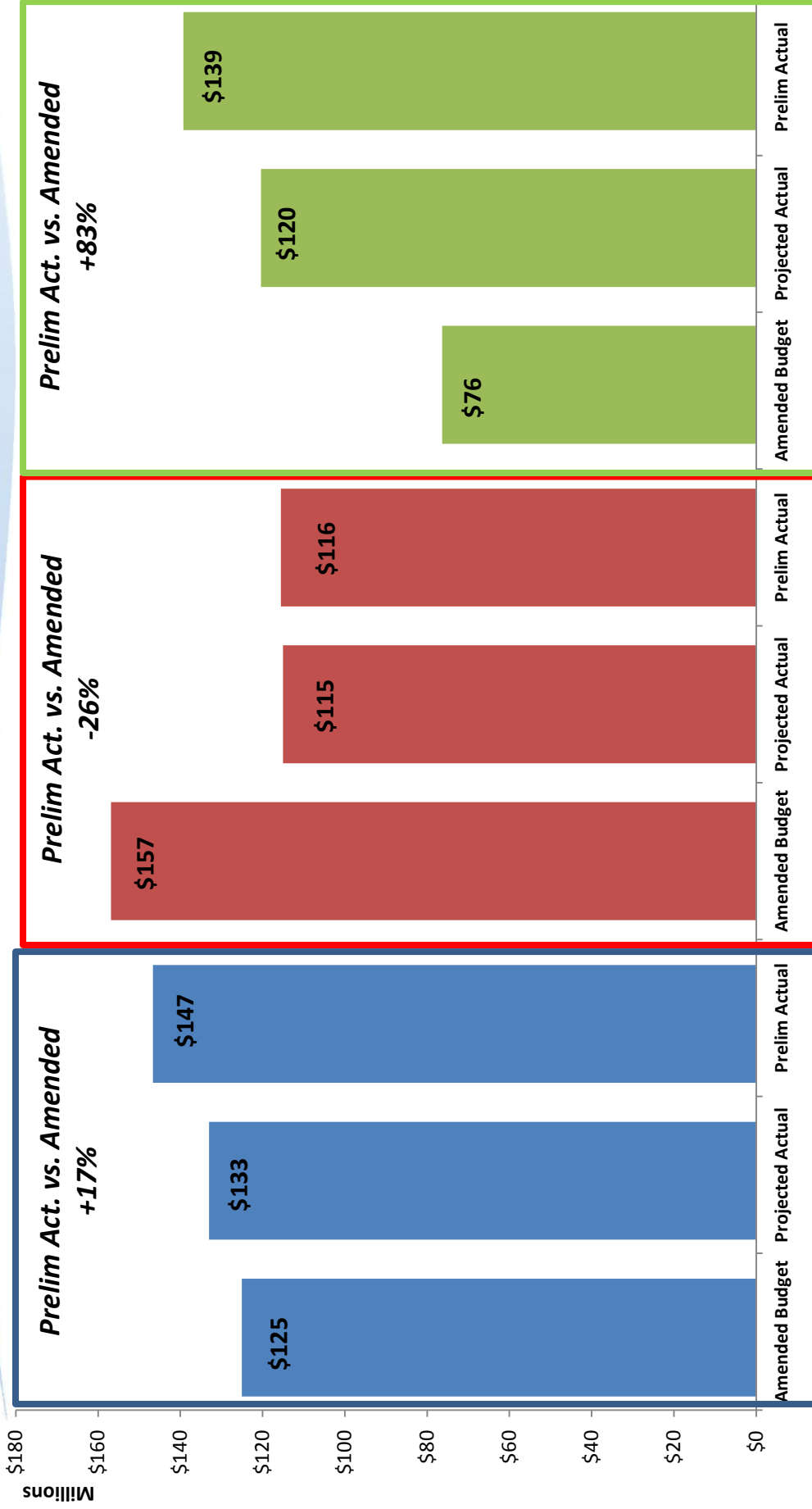
Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

FY 2012/13 4th Quarter Ended June 30, 2013 Preliminary Budget Variance Report

**Finance, Administration and Legal Committee
October 9, 2013**

FY 2012/13 Total Revenues, Expenses, and Fund Balance (Preliminary)

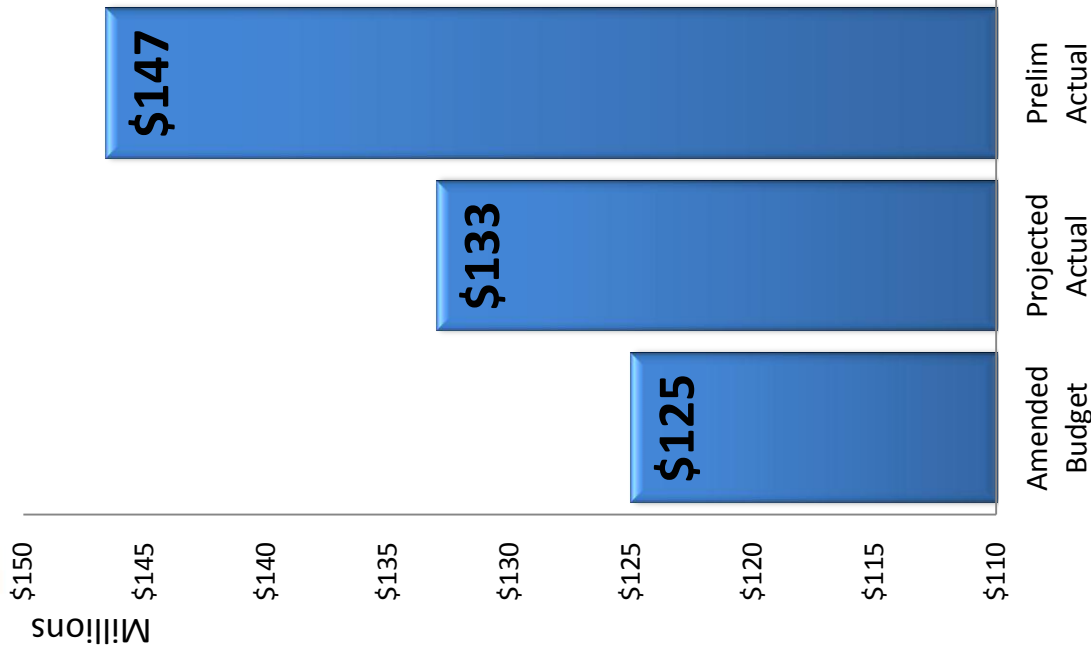


■ Total Revenues

■ Total Expenses

■ Fund Balance

FY 2012/13 Total Revenues (Preliminary)



Results Relative to Amended Budget

❖ Property Tax Receipts

\$47.9M or 147.2%

❖ New EDU Connection Fees

\$14.6M or 270.6%

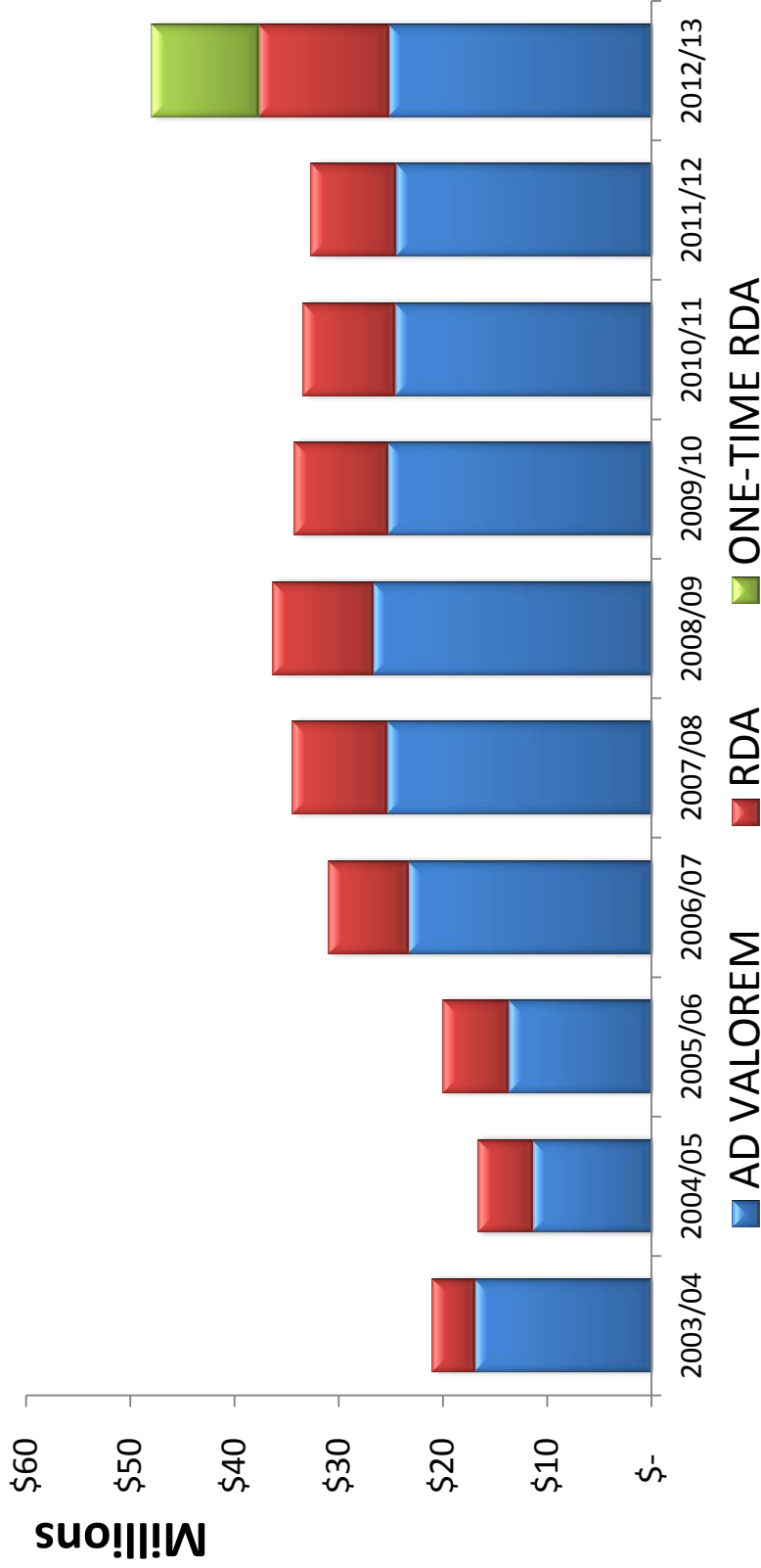
❖ Recycled Water Sales

\$5.9M or 103.5%

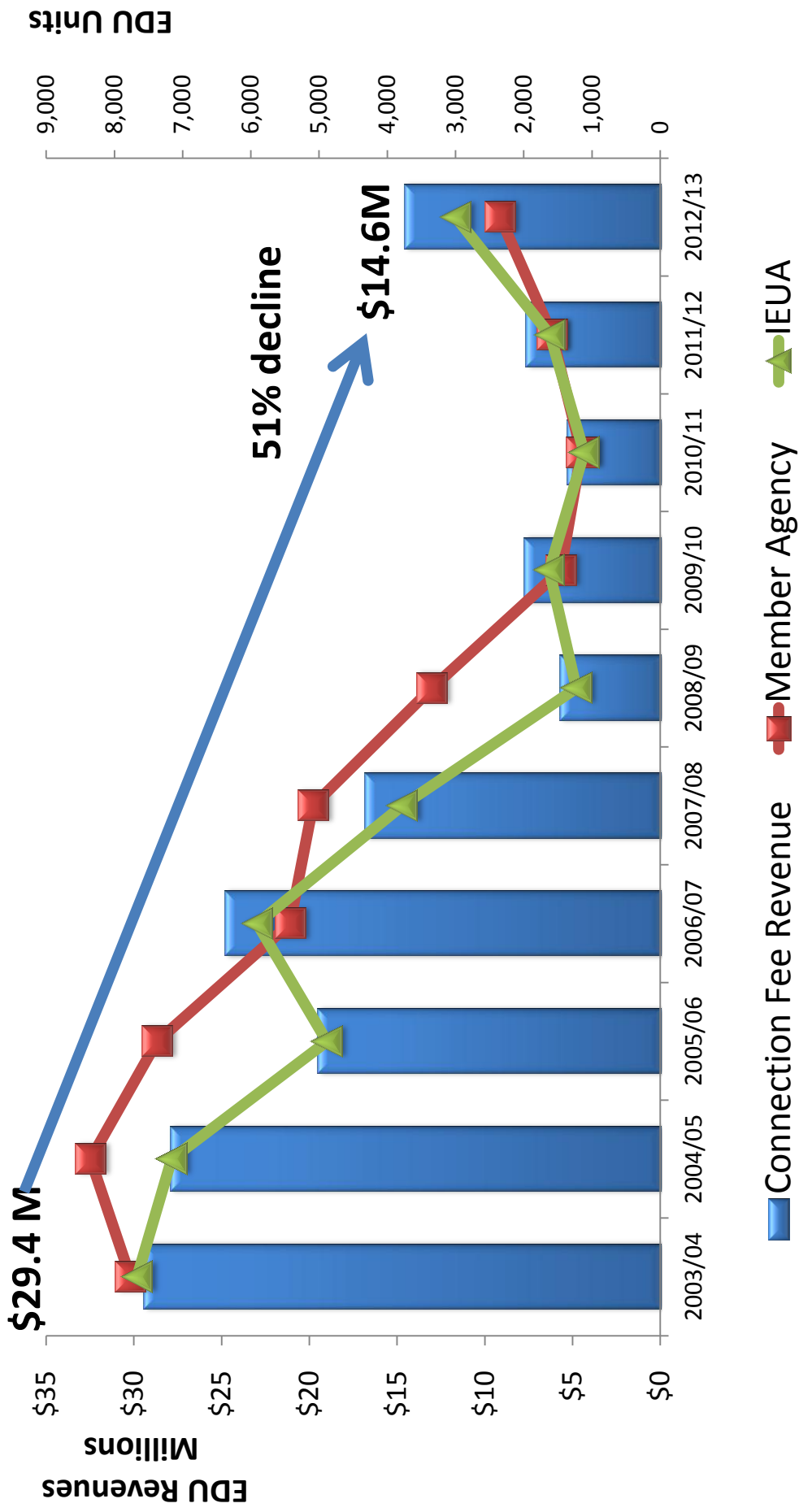
Actual Historical Trend Property Tax Receipts



- ❖ FY 2004/05 and FY 2005/06 ERAF tax shift for \$7 million per year
- ❖ FY 2006/07 to FY 2008/09 average annual increase of 23%
- ❖ FY 2009/10 to FY 2011/12 annual decrease of 3.4%
- ❖ FY 2012/13 increase of 16% excluding one-time RDA receipts of \$10.2 million



Actual Historical Trend New Connection Fees

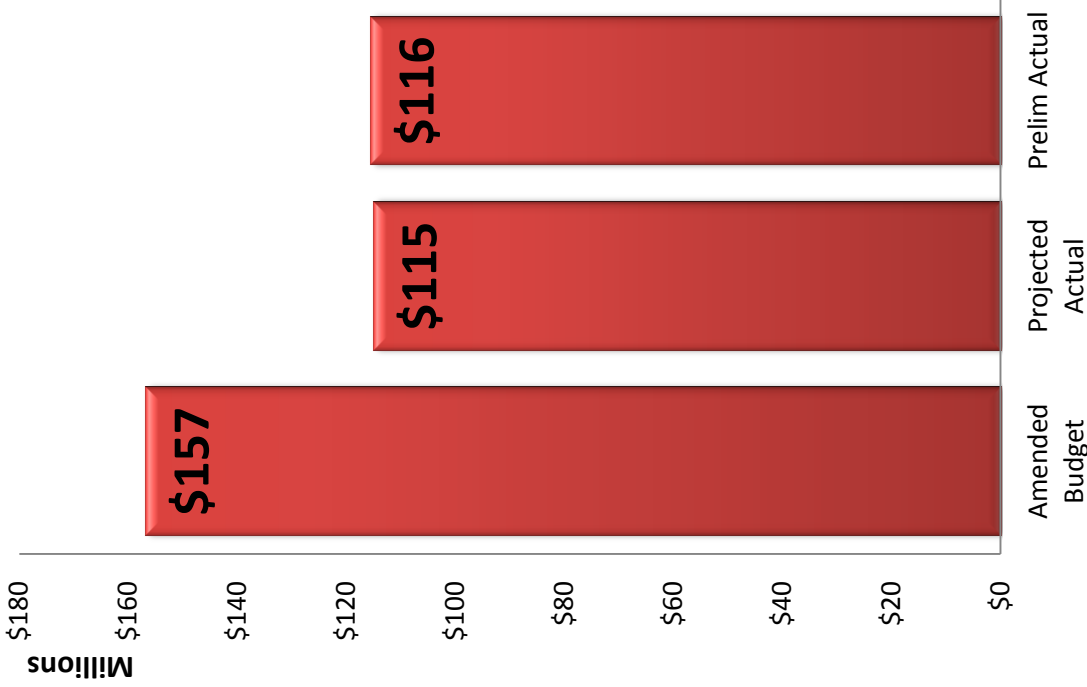


FY 2013/14 MWD Pass-Through Purchases

Fiscal Year	Acre Feet (AF)	MWD Pass-Through Purchases (\$Millions)	IEUA AF Surcharge (\$Millions)	Surcharge Per AF
FY 2012/13	59,051	\$34.0	\$0.709	\$12
FY 2011/12*	77,348	\$38.4	\$0.927	\$12

Includes 25,982 AF of replenishment water purchases for \$10.5M

FY 2012/13 Total Expenses (Preliminary)



Results Relative to Amended Budget

- ❖ **Employment**
\$32.8M or 96.8%
- ❖ **Office and Administrative Expense**
\$1.0M or 70.7%
- ❖ **Chemicals**
\$3.6M or 79.5%
- ❖ **Utilities**
\$8.8M or 90.6%
- ❖ **Capital**
\$24.2M or 41.1%

FY 2012/13 Operating & Non-Operating Net Changes

(\$Millions)



Operating	FY 2012/13 Amended Budget*	Preliminary Actual 6/30/13	Preliminary Actual minus Amended Budget	Preliminary Actual % of Amended Budget
Operating Revenue	\$67.5	\$71.5	\$4.0	105.8%
Operating Expense	\$74.6	\$70.0	\$4.6	93.8%
Increase (Decrease)	(\$7.1)	\$1.5	\$8.6	

Non-Operating	FY 2012/13 Amended Budget*	Preliminary Actual 6/30/13	Preliminary Actual minus Amended Budget	Preliminary Actual % of Amended Budget
Other Sources of Funds	\$57.5	\$75.1	\$17.6	130.7%
Other Uses of Funds	\$82.2	\$45.5	\$36.7	45.0%
Increase (Decrease)	(\$24.7)	\$29.6	\$54.3	

*Before carry over to FY 2013/14
+/- due to rounding difference



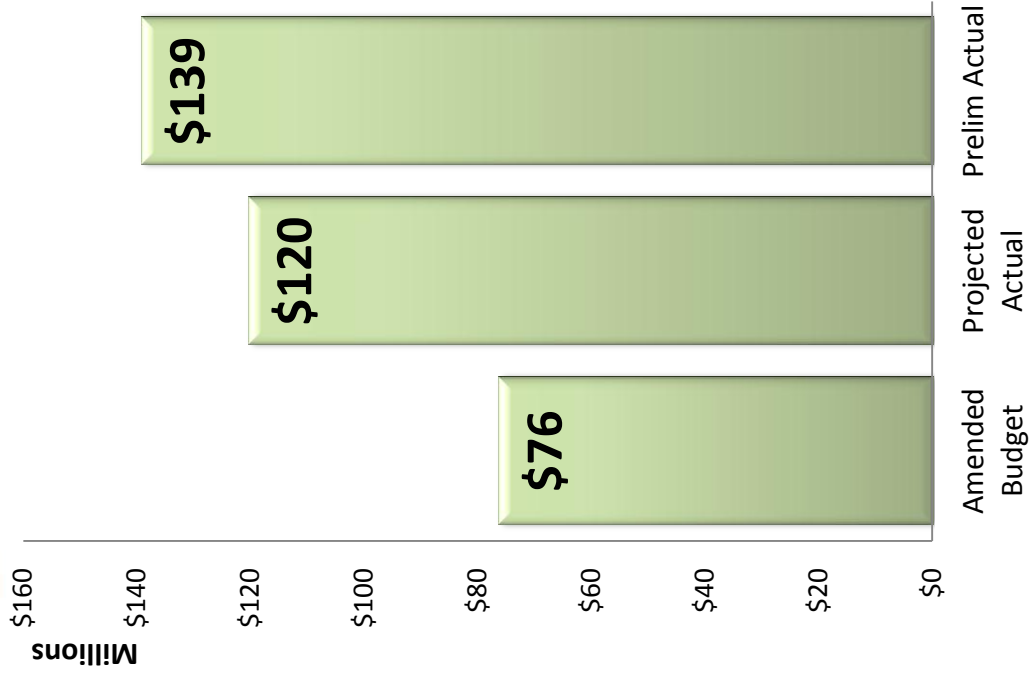
FY 2012/13 Estimated Ending Fund Balance (\$Millions)

	Amended Annual Budget*	Preliminary Actual 6/30/13	Preliminary Actual minus Amended Budget	Preliminary Actual % of Amended Budget
Total Revenue & Other Sources of Funds	\$125.0	\$146.6	\$21.6	117.3%
Total Expenses – Other Uses of Funds	\$156.8	\$115.6	\$41.3	73.7%
Increase (Decrease)	(\$31.8)	\$31.0	\$62.9	
Beginning Fund Balance	\$108.2	\$108.2		
Estimated Ending Fund Balance	\$76.4	\$139.2	\$62.9	

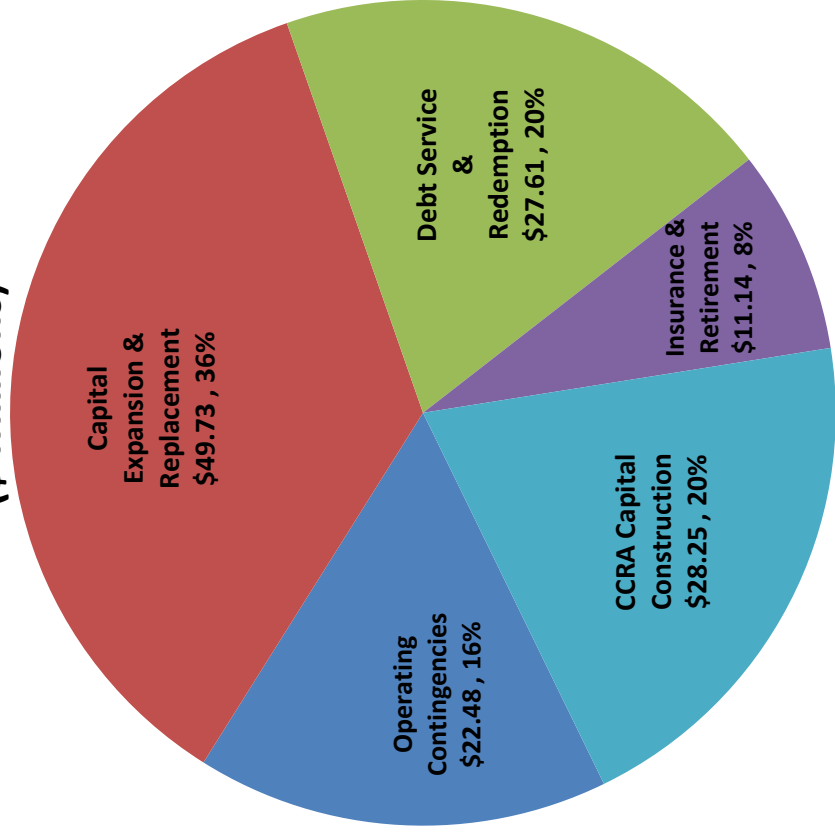
* Before carry over to FY 2013/14

+/- due to rounding difference

FY 2012/13 Total Fund Balance (Preliminary)



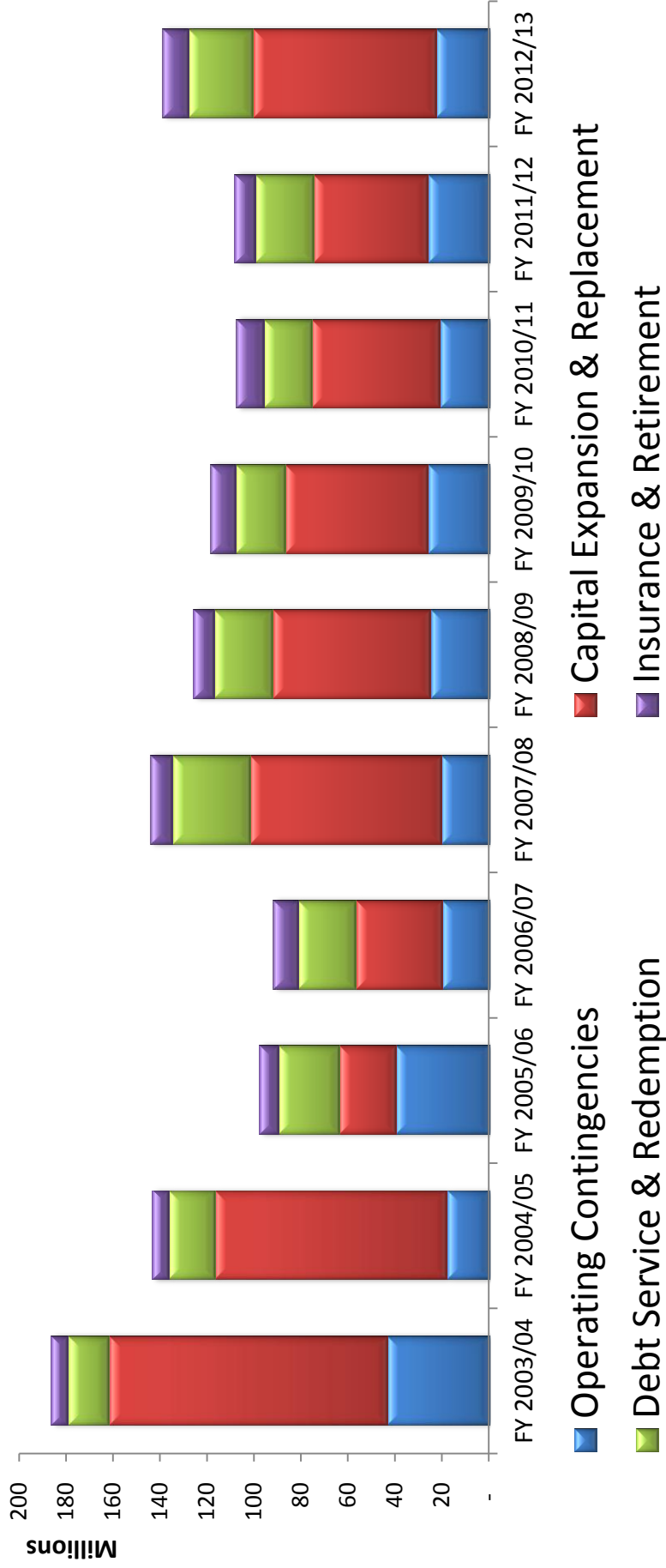
**Reserves by Categories
(\$ Millions)**



Fund Balance Historical Trend



- ❖ \$125M average annual fund reserve balance
- ❖ Higher capital reserve in FY 2012/13 due to increase in new EDU connections fees and property taxes





Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

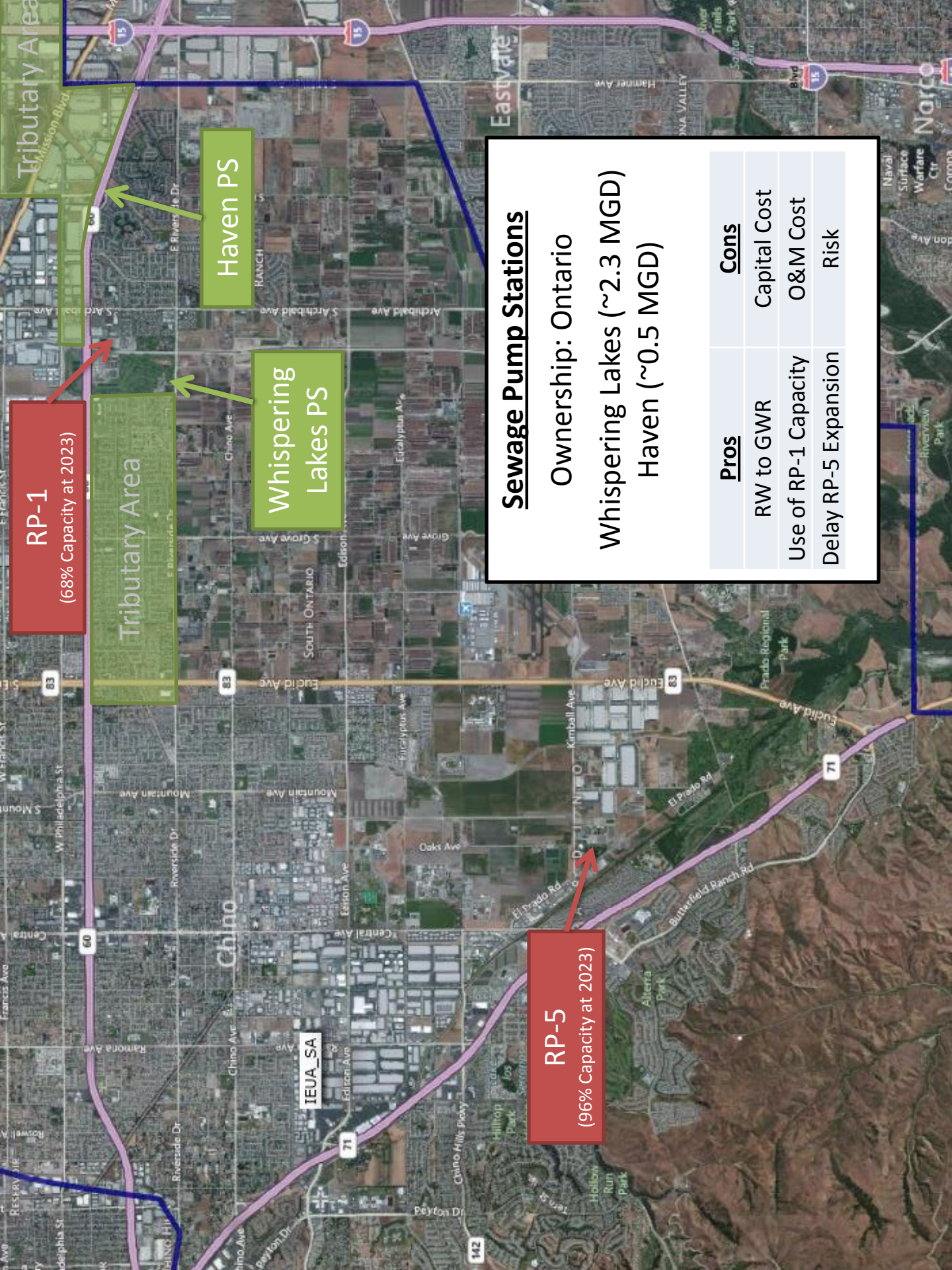
QUESTIONS?

**INFORMATION
ITEM**

2B

Sewer Lift Station Opportunities

Evaluating the Opportunity to
Partner with Ontario to Transfer
Sewer Pump Station(s) to IEUA



RP-1
(68% Capacity at 2023)

Tributary Area

Haven PS

Whispering Lakes PS

RP-5
(96% Capacity at 2023)

Sewage Pump Stations

Ownership: Ontario

Whispering Lakes (~2.3 MGD)

Haven (~0.5 MGD)

<u>Pros</u>	<u>Cons</u>
RW to GWR	Capital Cost
Use of RP-1 Capacity	O&M Cost
Delay RP-5 Expansion	Risk

**INFORMATION
ITEM**

2)



Date: November 7, 2013
To: Regional Technical Committee
From: Inland Empire Utilities Agency
Subject: Pretreatment Program Local Limits Study

RECOMMENDATION

This is an informational item for the Regional Technical Committee.

BACKGROUND

In December 2012, the Regional Water Quality Control Board (RWQCB) with assistance from Tetra Tech, Inc. under contract with the United States Environmental Protection Agency conducted a Pretreatment Compliance Audit (PCA) of the Inland Empire Utilities Agency's (IEUA) pretreatment program. The PCA identified several areas for improvement regarding the current Local Limits applicable to the Significant Industrial Users (SIUs) within the IEUA service area. As a result of the PCA, and the fact the current Local Limits were developed nearly ten years ago (2004), the RWQCB required that IEUA reevaluate these limits in a formal study. IEUA proposed a tentative plan to the RWQCB to complete data collection to identify and determine pollutants of concern by July 2014. The new local limits should be completed by December 2014 for submittal to RWQCB for review and approval.

In order to meet the proposed schedule, IEUA has prepared a Request for Proposal (RFP) to retain a consultant to reevaluate and develop the new local limits. The objective of this study is to develop logical, technically based, defensible, uniform local limits that are applicable to all SIUs within the IEUA service area. IEUA will involve members of the Pretreatment Subcommittee in the RFP consultant selection and report development processes of this local limits study.

Below is a tentative schedule for the completion of the RFP and consultant selection:

November 2013	RFP will be available for bidding
December 2013	RFP submittal will close
January 2013	Consultant will be selected

**INFORMATION
ITEM**

2-

Date: November 7, 2013
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Technical/Policy Meeting Scheduling

RECOMMENDATION

This is an informational item for the Regional Committees.

BACKGROUND

Last month, IEUA staff and the Technical Committee discussed the desire to adjust the scheduling of the Technical and Policy Committee meetings. Two recurring challenges have been identified that could be addressed through modifying the existing schedule. First, having both meetings back-to-back, inhibits the ability to process any non-routine Action Items in any single month. When budget and planning documents (for example) are developed, time is needed to adequately address any Technical Committee comments/concerns prior to being presented to the Policy Committee. Often 1-month is too long between meetings to move these actions forward in a timely manner. Second, there is a recurring conflict with the CDA Board meeting, which is also held in the evening of the 1st Thursday of each month. This meeting often requires Policy meetings to adjourn quickly to ensure that both meetings are attended.

IEUA has developed a few alternatives for consideration:

1. 1-Week Between Meetings – Move Technical Committee Meeting Date
 - a. Keep the Policy Committee meeting on the 1st Thursday of each month but move the start time to 4:00 pm
 - b. Move the Technical Committee meeting to the last Thursday of each month starting at 4:00 pm
2. 1-Week Between Meetings – Move Policy Committee Meeting Date
 - a. Move Policy Committee meeting to the 2nd Thursday of each month at 5:00 pm
 - b. Keep the Technical Committee meeting as-is
3. Status Quo

Staff recommends that alternative #1 be considered for implementation. It enables time between Technical and Policy meetings and allows Policy Members who attend both IEUA and CDA meetings to do so on a single evening.

**RECEIVE AND
FILE**

3A



Date: November 7, 2013
To: Regional Technical Committee
From: Inland Empire Utilities Agency
Subject: Pretreatment Summary Report

RECOMMENDATION

This is an informational item for the Regional Technical Committee to receive and file.

The regularly scheduled Pretreatment Committee Meeting for the month of October was cancelled due to lack of business.

BACKGROUND

Pretreatment continues its focus on the following key areas.

- Treatment Plants Update
- Pretreatment Reports
- Discussion Items

Treatment Plants Update:

September 2013 Update:

RP-1/RP-4:

- RP-1/RP-4 met all the NPDES requirements during this reporting period.

RP-5:

- RP-5 met all the NPDES requirements during this reporting period.

CCWRF:

- CCWRF met all the NPDES requirements during this reporting period.

Pretreatment Summary Report

November 7, 2013

Page 2 of 2

Agency-wide:

- The Agency-wide 12-month running average incremental increase between final effluent and water supply TDS for the month of August 2013 was 239 mg/L, which did not exceed the 250 mg/L 12-month running average limit. The secondary effluent TDS 12-month running average was 210 mg/L for the month of August 2013.
- The Agency-Wide 12-month running average TDS for the month of September 2013 was 495 mg/L, which is below the 550 mg/L Agency-wide 12-month running average limit.

Collections System:

- No SSOs occurred during the month of September 2013.

Recycled Water:

- No unauthorized discharges of more than 50,000 gallons of disinfected tertiary recycled water into the waters of the state occurred during the month of September 2013.
- No agricultural runoff events were reported to IEUA by member agencies during the month of September 2013.

Other:

The next scheduled pretreatment committee meeting will be held on November 19, 2013 at the Inland Empire Utilities Agency.

RECEIVE AND
FILE

3B

Building Activity Report - YTD Fiscal Year 2013/14



Legend

Service Area

EDU (YTD)

Residential

● ≤1.0

● 1.0 - 10.0

● >10.0

Commercial

● ≤1.0

● 1.0 - 10.0

● >10.0

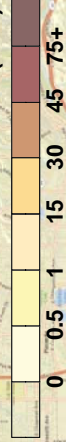
Industrial

● ≤1.0

● 1.0 - 10.0

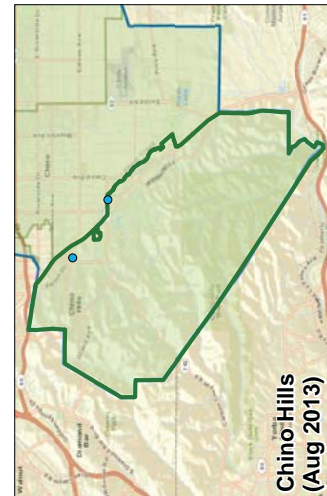
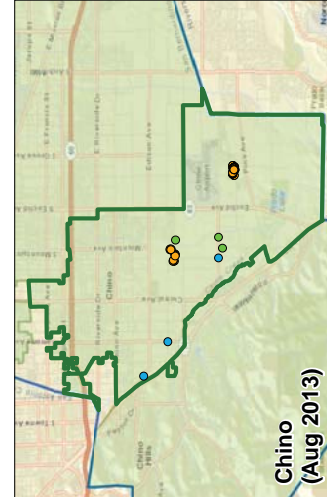
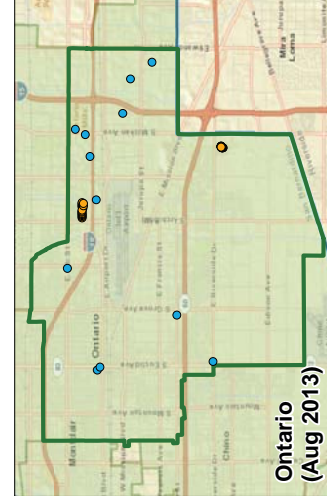
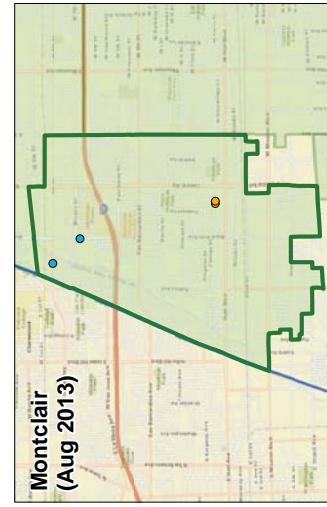
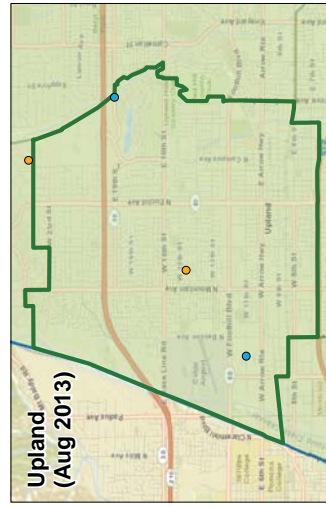
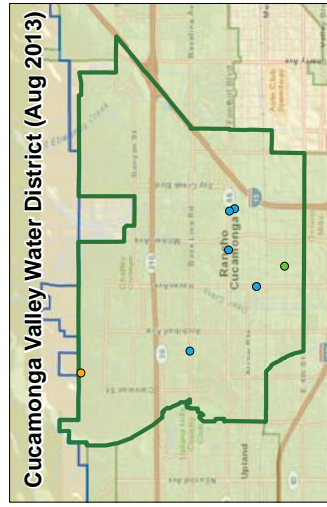
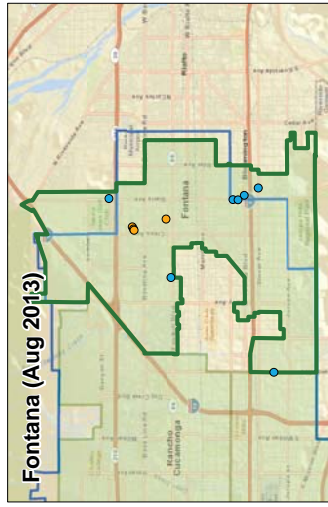
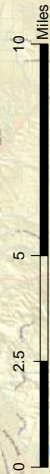
● >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected Total (EDUs)
	Residential (EDUs)	Commercial/Industrial (EDUs)	Total (EDUs)		
Chino	91	17	108	365	365
Chino Hills	0	2	2	553	553
CWWD	23	13	36	364	364
Fontana	41	30	71	510	510
Montclair	5	4	9	200	200
Ontario	65	28	93	1300	1300
Upland	3	2	5	223	223
Total	228	95	323	3515	3515



**RECEIVE AND
FILE**

3C

IEUA RECYCLED WATER DISTRIBUTION - SEPTEMBER 2013

TOTAL ALL PLANTS

Influent: 53.4 MGD
 Delivered: 44.8 MGD
 Percent Delivered: 84%

RP-4

Influent: 10.4 MGD
 Delivered: 10.0 MGD
 Percent Delivered: 96%

RP-1

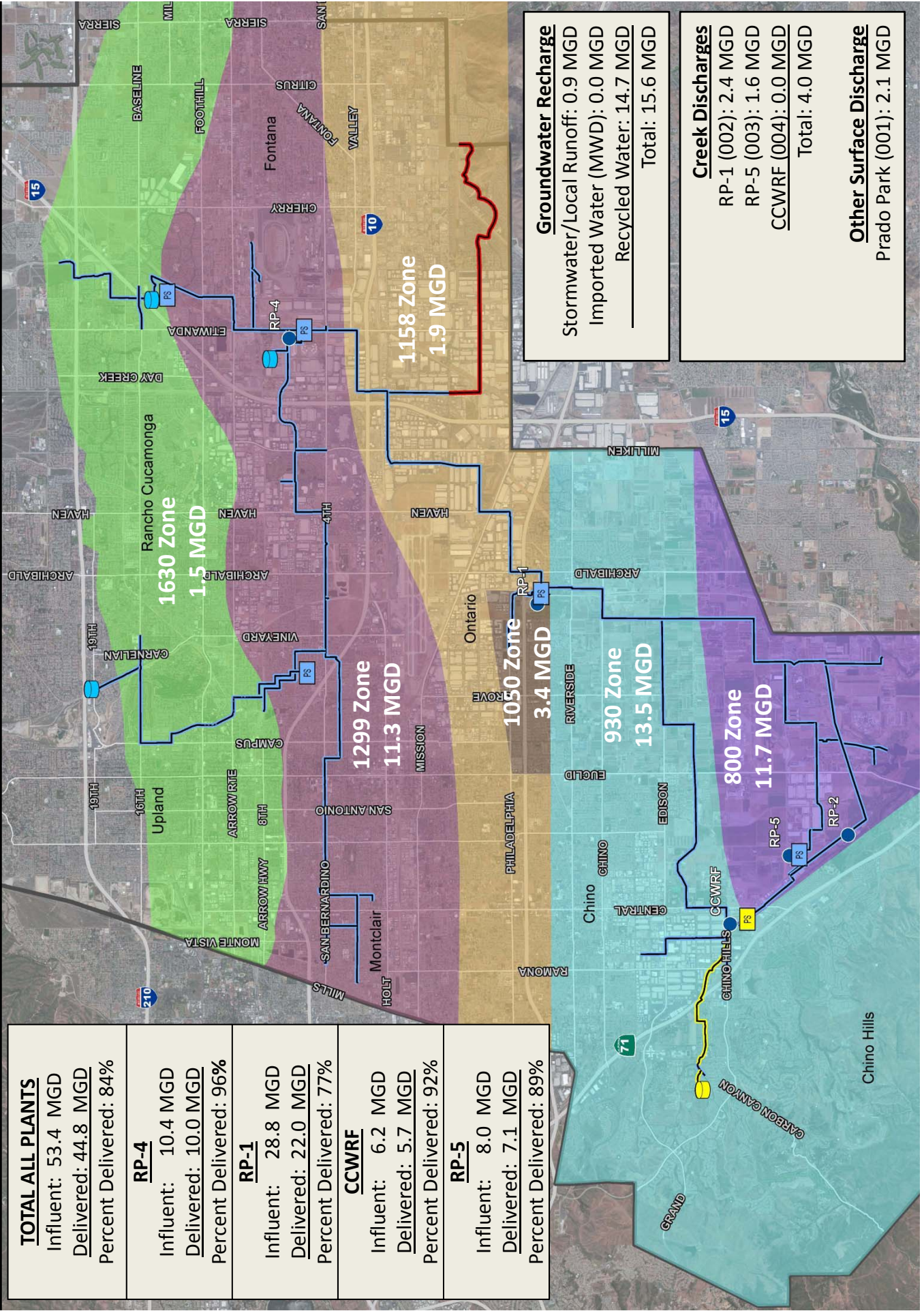
Influent: 28.8 MGD
 Delivered: 22.0 MGD
 Percent Delivered: 77%

CCWRF

Influent: 6.2 MGD
 Delivered: 5.7 MGD
 Percent Delivered: 92%

RP-5

Influent: 8.0 MGD
 Delivered: 7.1 MGD
 Percent Delivered: 89%



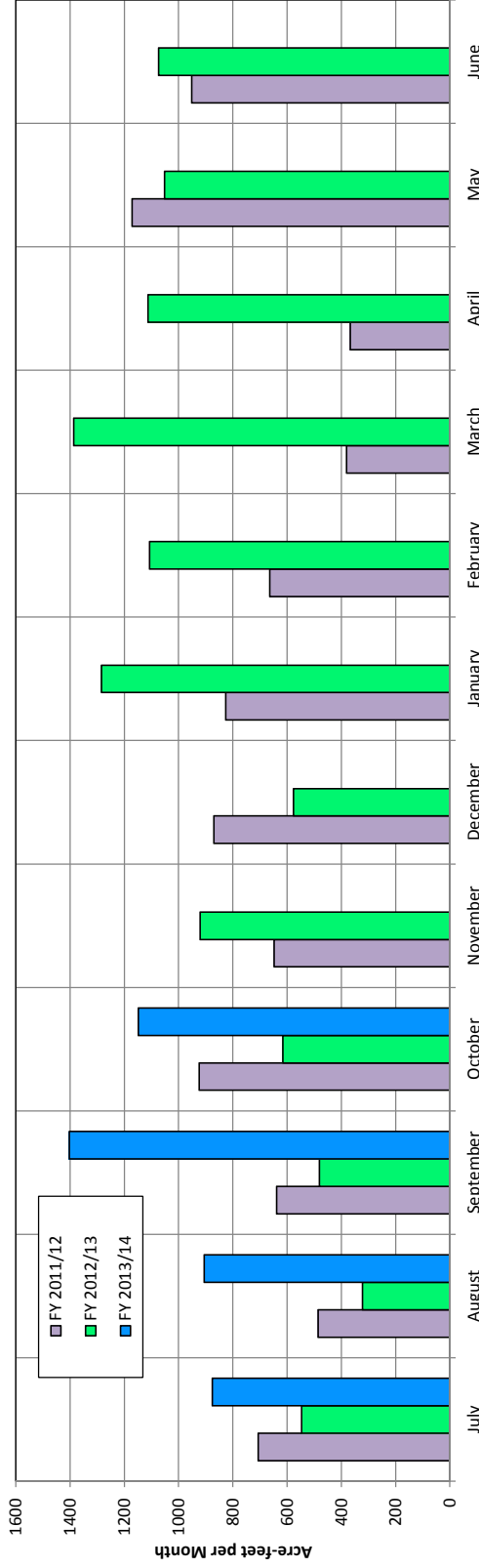
Groundwater Recharge
 Stormwater/Local Runoff: 0.9 MGD
 Imported Water (MWD): 0.0 MGD
 Recycled Water: 14.7 MGD
 Total: 15.6 MGD

Creek Discharges
 RP-1 (002): 2.4 MGD
 RP-5 (003): 1.6 MGD
 CCWRF (004): 0.0 MGD
 Total: 4.0 MGD

Other Surface Discharge
 Prado Park (001): 2.1 MGD

Basin	9/1-9/4	9/5-9/11	9/12-9/18	9/19-9/25	9/26-9/30	Month Actual	Month Plan	Year To Date Actual
Ely	54.0	82.8	116.9	116.8	86.9	457.4	200	948
Banana	0.0	0.0	0.0	0.0	0.0	0.0	0	27
Hickory	0.0	0.0	0.0	0.0	0.0	0.0	0	212
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0.0	0	107
Turner 3 & 4	0.0	0.0	37.9	47.7	21.8	107.4	100	454
8th Street	0.0	21.0	56.8	27.2	45.5	150.4	150	548
Brooks	37.4	51.9	21.4	36.9	34.6	182.2	100	622
RP3	51.2	101.4	68.2	59.5	44.9	325.2	250	0
Declaz	0.0	0.0	0.0	0.0	0.0	0.0	0	112
Victoria	8.7	16.6	2.6	0.0	0.0	27.9	0	154
San Sevaine	0.0	17.7	49.4	48.5	38.1	153.7	0	1,350
Total	151.3	291.3	353.2	336.6	271.7	1,404.2	800	3,184

AF, past FY End of Month Actual



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IEUA QUARTERLY WATER NEWSLETTER

OCTOBER 2013

(REPORTING 1ST QUARTER: JULY 1—SEPTEMBER 30, 2013)

Highlights

- **Preparing for the Possibility of a Dry 2014**—The Department of Water Resources (DWR) is preparing for the possibility that water year 2014 could be a third consecutive dry year. (Page 1)
- **Planning for Future Water Supply Needs**— Metropolitan Water District (MWD) board authorized a series of technical studies and pilot projects to help meet Southern California's future water supply needs. IEUA and WMWD received ~\$500,000 in funding for 3 pilot projects (Page 1)
- **Over the Last 3 Months IEUA Recharged Over 3,000 AF of Recycled Water**—3,000 AF of recycled water recharge in the months of July, August and September is the highest on record. In previous years, the closest was about 2,000 AF.

Department of Water Resources—Possibility of a Dry 2014

The Department of Water Resources (DWR) is sponsoring events throughout the fall in preparation for the possibility that water year 2014 could be a third consecutive dry year. Preparing for the potential of continued dry conditions was also the focus of a joint California State Board of Food and Agriculture – California Water Commission meeting that took place in September.

Water year 2013, which ends on September 30, began with above-average precipitation but then turned dry. Sacramento Valley and San Joaquin Valley watersheds experienced record dry conditions in January through May. Although the water year's wet early start helped replenish storage in many reservoirs, subsequent ongoing dry conditions especially affected non-irrigated agriculture and contributed to an increased wildfire risk.

If 2014 is dry, its impacts are expected to be more widely felt due to reduced carry-over storage statewide. Advanced preparation for dry conditions helps water suppliers put in place actions to help mitigate impacts -- such as enhanced water conservation programs or water transfers -- and helps agricultural water users consider risk management tools such as crop insurance.

Metropolitan Water District—Planning for Future Water Supply Needs

Metropolitan's board authorized a groundbreaking series of advanced technical studies and pilot projects aimed at reducing barriers and regulatory hurdles for potential leading-edge supply resources that could be developed over the next 25 years as part of the district's long-term water plan. The projects are part of Metropolitan's Integrated Resources Plan, the district's long-term water strategy for maintaining regional supply reliability over the next 25 years in the face of climate change, droughts and continued growth.

In response to a request for proposals in May for a two-year pilot program, Metropolitan received 23 submissions for up to \$500,000 each in funding from 17 different member agencies. The board's action approved funding for 16 of these projects for a total of \$3.3 million, which will be supplemented by additional funding. Of the 23 projects submitted, IEUA and Western Municipal Water District jointly submitted 3 proposals and was awarded funding for all 3 (~\$500,000).

Funding for 16 projects designed to clear a path for increased recycled water, storm water capture, desalted ocean water and recovered groundwater to meet future Southern California's supply needs. Among the authorized projects proposed by 14 participating Metropolitan member public agencies, six involve groundwater clean-up and six further use of recycled water. Two address seawater desalination and two others advance storm water capture.

IEUA Water Supply Programs

Imported Water Deliveries

Through August of FY 2013/14, IEUA and its member agencies have purchased 15,357 AF of Tier I water, about 3,000 acre-feet more than this time last year. This upward trend in water use is consistent with continued dry conditions.

Dry Year Yield (DYY) Program

The Dry Year Yield (DYY) Program is a conjunctive use program that provides additional dry year water supply reliability to the IEUA service area. This is a 25-year program (beginning in 2003) that will store imported water in wet years and extract groundwater during dry years. The storage account has a cap of 100,000 AF. The local DYY participants have already completed one full cycle (of storage and extraction).

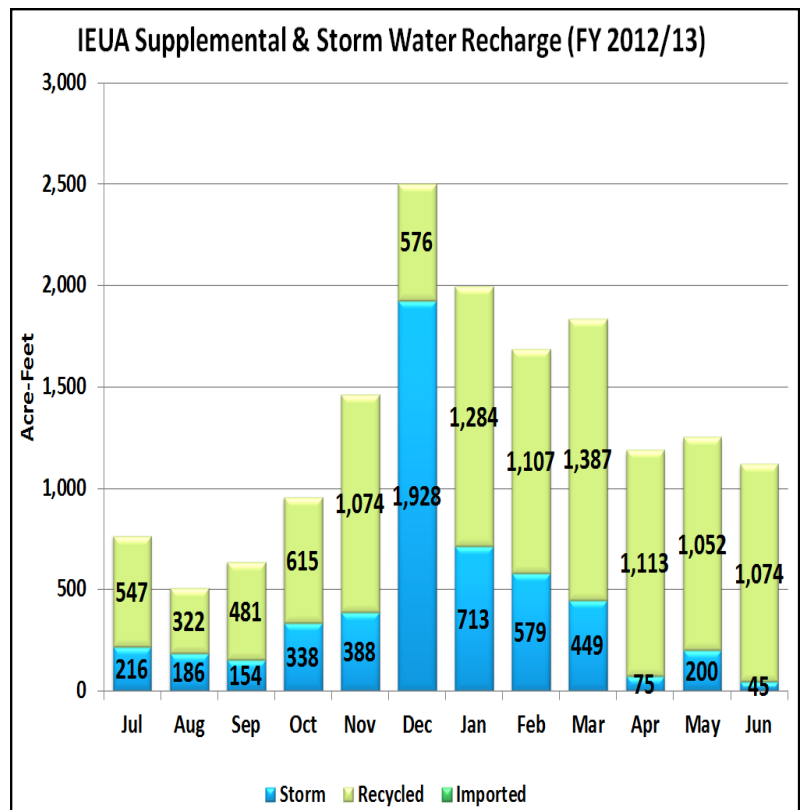
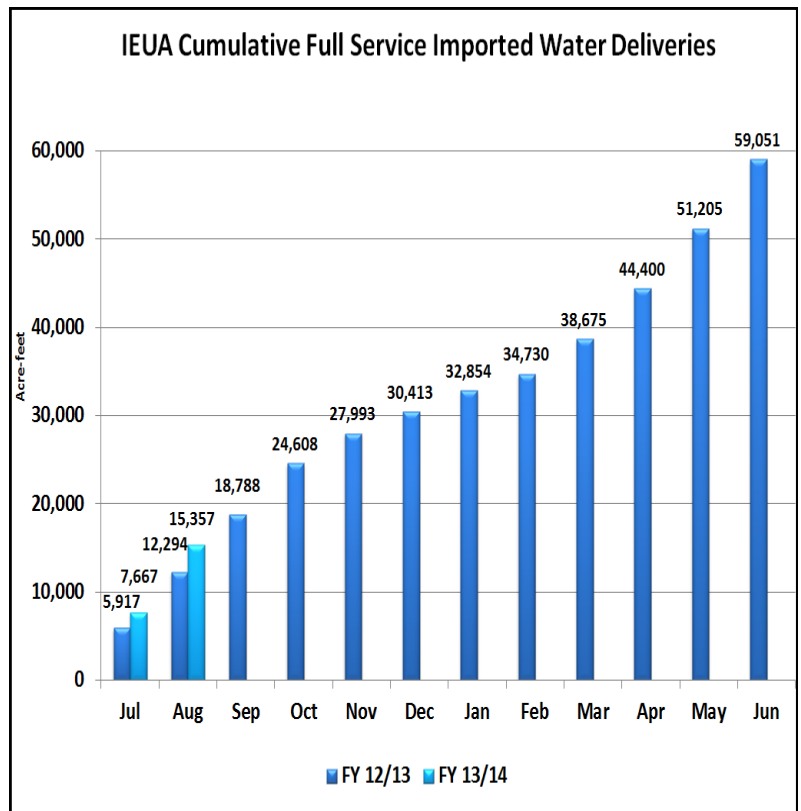
Over the past year, IEUA, TVMWD and Watermaster have met with MWD and developed proposal with refinements to the existing performance criteria. In September 2013, all parties tentatively agreed on the proposal. Over the next few months all parties hope to finalize the proposed refinements, resulting in an amendment to the Agreement.

Chino Desalter Authority (CDA)

Through August of FY 2013/14, the two desalters produced 4,242 AF of water (of which 2,472 AF was delivered to IEUA retail agencies). The contracted entitlement is 24,600 AFY (but actual production is 25,000 to 26,000 AFY) and is scheduled for expansion to produce approximately 40,000 AFY by 2014, with the implementation of CDA Phase III.

Groundwater Recharge Program

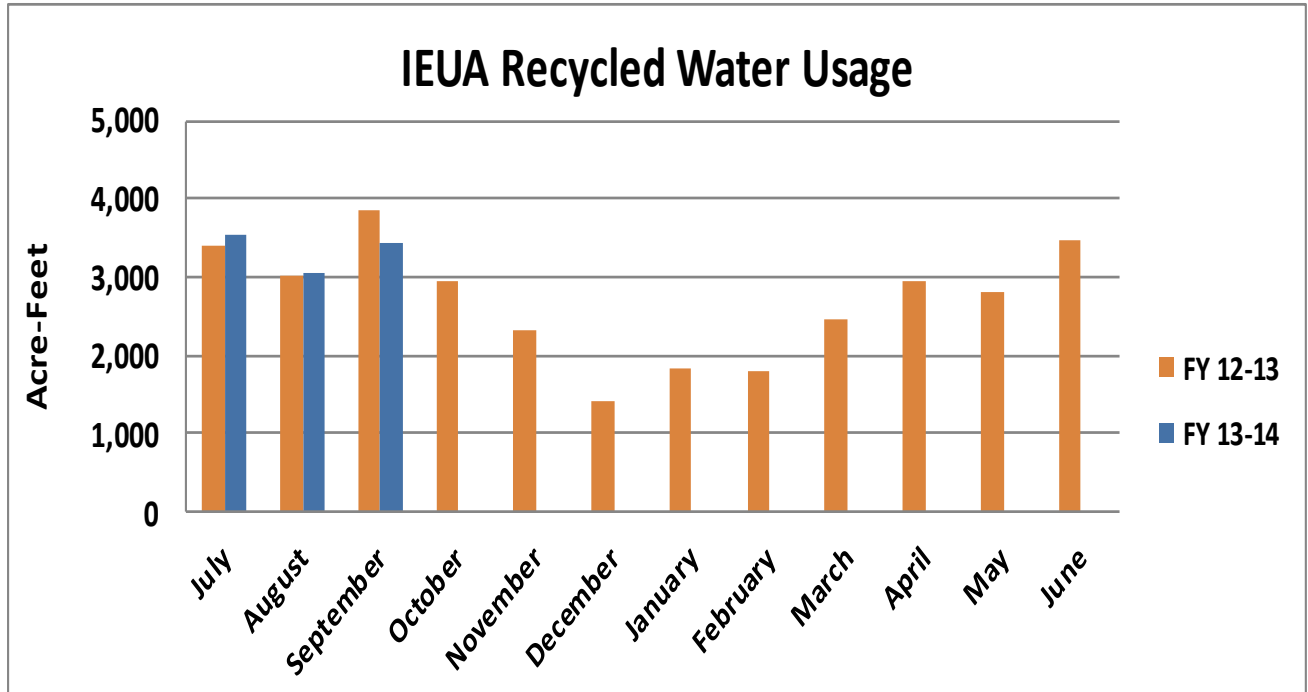
Through June of FY 2012/13, approximately 15,903 AF of storm and recycled water has been recharged in the Chino Basin.



Recycled Water News

HIGHLIGHT:

1st Qtr FY13/14 RW Recharge is a first quarter record high for the Program.
2,730 AF a 51% increase over 1st Qtr FY12/13.



Recycled Water Sales Projection FY 13/14

Recharge: 10,000 AF
 Direct Sales: 21,200 AF
 Total Usage: 31,200 AF

RW Sales through Sep 2013

Recharge: 2,730 AF
 Direct Sales: 8,200 AF
 Total Usage: 10,930 AF



Wineville Proof of Concept

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Date: November 7, 2013
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: 2013 IEUA Business Goals

RECOMMENDATION

This is an information item for the Regional Committees to receive and file.

BACKGROUND

This item was presented at the IEUA Board of Directors meeting on October 16, 2013.

IEUA Business Goals



October 2013

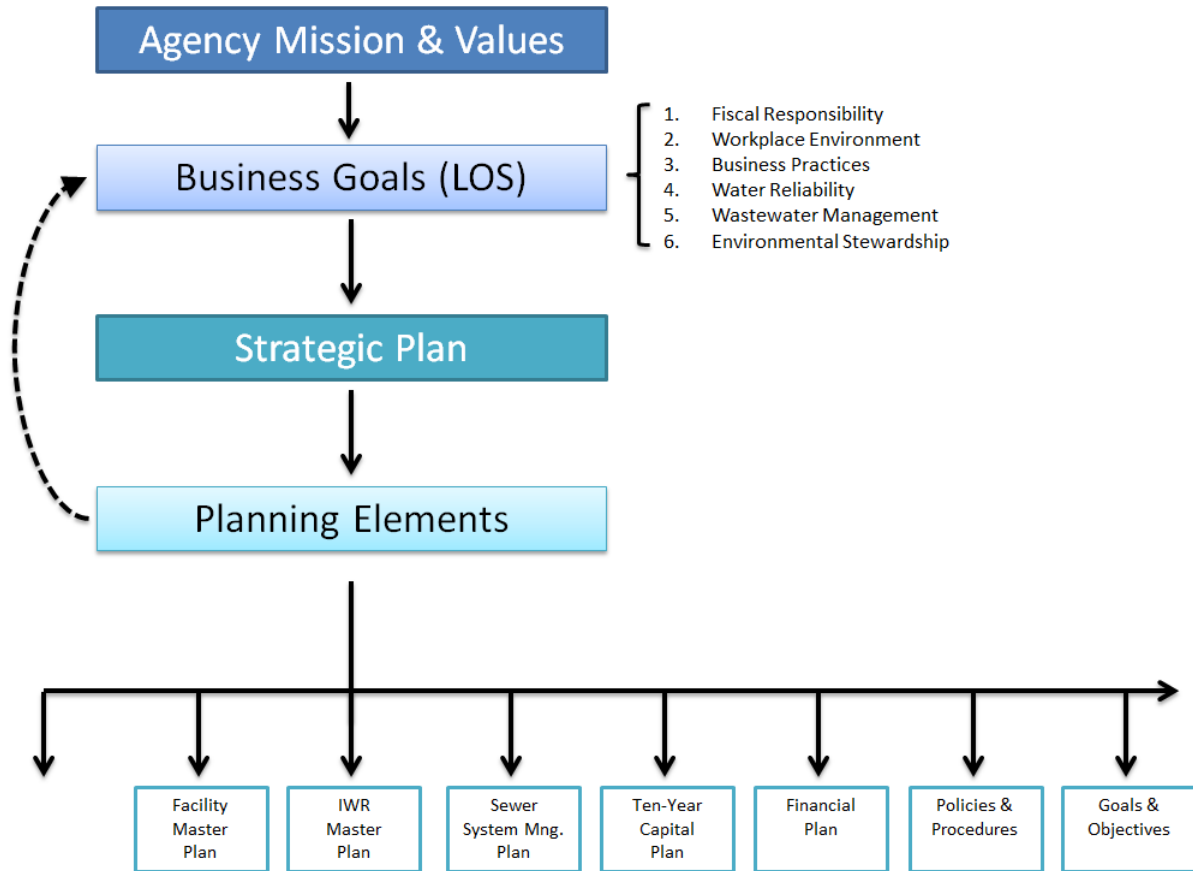
Business Goal Development

PURPOSE: It is critical that IEUA Business Goals align with the Agency's Mission, Vision & Values which are defined by the needs of our Stakeholders and the value provided to the Public. The Business Goal Development process includes a review of existing Agency-wide policy goals and their refinement based on current and future needs. It is also critical in setting the framework for the development of the IEUA Strategic Plan that will shape and guide the Agency's fundamental decisions and actions over the next several years.

BACKGROUND: Over the last several years, the Agency-wide policy goals, which have guided the Agency's decisions and actions in executing its mission and attaining its vision, have been categorized into nine major thematic areas: Conservation & Water Quality, Technological Innovation, Rate Stabilization and Cost Effectiveness, Operational and Maintenance Efficiency, Strategic Planning and Capital Implementation, Waste Management and Resource Utilization, Interagency Relationships and Community Partnerships, Fiscal Accountability and Regulatory Compliance, and Staff Training, Development and Well Being.

These Agency-wide policy goals guide the development of the capital improvement program, operational budget, and organizational goals and objectives each budget cycle. As a way to further define the Agency's levels of service (LOS), several workshops were held with the IEUA Board of Directors in 2011. However, the LOS developed as part of these workshops were primarily focused on the Agency's operational functions. In early 2013 staff recommended the LOS be expanded into more broad based IEUA Business Goals to also include the following topics: water reliability, fiscal accountability and employee wellbeing. It was also determined that the development of the IEUA Business Goals should include input from Stakeholders including: IEUA Board of Directors, IEUA staff, Technical Committee members and Policy Committee members.

BUSINESS GOALS FUNCTION: For any organization to remain relevant and effective, its ability to adapt and prepare for change is essential. As illustrated below, the IEUA Business Goals must be continually evaluated as part of the planning process to ensure that they meet the current and future needs of the Region.

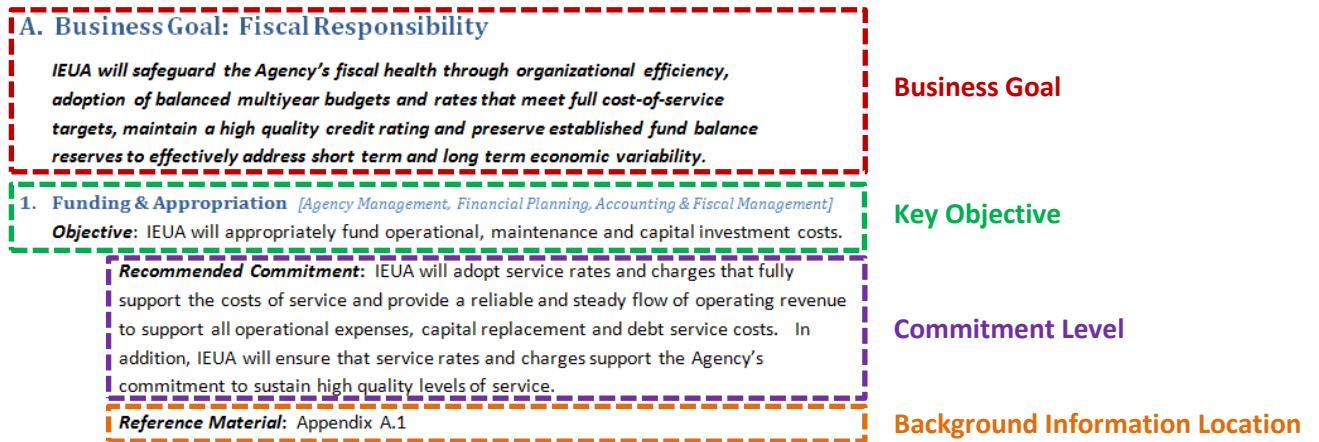


BUSINESS GOALS STRUCTURE: The IEUA Business Goals were categorized into six main areas: *Fiscal Responsibility, Workplace Environment, Business Practices, Water Reliability, Wastewater Management and Environmental Stewardship*. Within each Business Goal (i.e. Water Reliability), several Objectives were established to support the Business Goal (i.e. beneficial use of recycled water, etc.). For each Objective, a Commitment was developed to define the level of service that IEUA will provide (i.e. develop recycled water infrastructure to reuse 50,000 AFY). The structure of the Business Goals is shown in the following figure:

IEUA Business Goals



DOCUMENT STRUCTURE: Included within this narrative is one page for each Business Goal – which outlines the Business Goal intent, each Objective and the corresponding recommended Commitment. Background on each Objective/Commitment is included within the Appendix.



SCHEDULE: The development, review and approval of Business Goals entails a sequence as indicated in the schedule below:



Following the completion of this process, the adopted Business Goals will be used as the basis for the development of several planning documents, including the Strategic Plan, Integrated Water Resources Plan, Facilities Master Plan Update and the Asset Management Plan.

DEFINITIONS: The following list is provided to define key terms utilized in the Business Goals Narrative.

Board of Directors – Five elected officials providing the governance of Inland Empire Utilities Agency and representing the following Divisions:

- Division 1: Terry Catlin
- Division 2: Gene Koopman
- Division 3: Steve Elie
- Division 4: Vacant
- Division 5: Michael Camacho

Chino Groundwater Basin – 5,000,000 AF of groundwater storage encompassing approximately 235 square miles of the upper Santa Ana River Watershed within San Bernardino, Riverside and Los Angeles Counties. A substantial portion of the Chino Groundwater Basin overlaps with the IEUA Service Area.

IEUA Service Area – 242 square miles located in the southwest corner of San Bernardino County incorporating: the City of Chino, the City of Chino Hills, the City of Fontana, the City of Montclair, the City of Ontario, the City of Upland and unincorporated areas of San Bernardino County.

Imported Water – A supplemental water source to local water supplies generally purchased through the State Water Project.

Member Agencies – Cities, agencies and districts that contract with IEUA for regional wastewater services and Imported Water deliveries (* denotes member agencies who also are signatories to the Regional Sewage Contract):

- City of Chino*
- City of Chino Hills*
- Cucamonga Valley Water District*
- City of Fontana*
- Fontana Water Company
- City of Montclair*
- Monte Vista Water District
- City of Ontario*
- San Antonio Water Company
- City of Upland*

Policy Committee – A committee comprised of policy members from Regional Sewage Contract member agencies and IEUA.

Public – The approximately 850,000 residents within the IEUA Service Area who receive the benefits of the services provided by the Member Agencies and IEUA.

Region – The geographical location where IEUA maintains a sphere of influence which is broader than the IEUA Service Area.

Regional Water Agencies – Agencies and districts having water interests within the Region but are not Member Agencies. These include but are not limited to:

- Chino Basin Watermaster
- Jurupa Community Services District
- Los Angeles County Sanitation District
- Metropolitan Water District
- Orange County Sanitation District
- Orange County Water District
- San Bernardino Flood Control and Water Conservation District
- Santa Ana Watershed Project Authority
- Western Municipal Water District

Stakeholders – A general term to define all interested parties including: Board of Directors, Policy Committee, Technical Committee, Member Agencies and Regional Water Agencies.

Supplemental Water – An additional water supply originating from outside the IEUA Service Area that may offset the demand for Imported Water – may include outside groundwater, recycled water, etc.

Technical Committee – A committee comprised of public works/water managers from the Member Agencies and IEUA.

A. Business Goal: Fiscal Responsibility

IEUA will safeguard the Agency's fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

1. Funding & Appropriation *[Agency Management, Financial Planning, Accounting & Fiscal Management]*

Objective: IEUA will appropriately fund operational, maintenance and capital investment costs.

Commitment: IEUA will adopt service rates and fees that fully support the costs of service and provide a reliable and steady flow of operating revenue to support all operational expenses, capital replacement and debt service costs. In addition, IEUA will ensure that service rates and fees support the Agency's goal to sustain high quality Commitment Levels.

Reference Material: Appendix A.1

2. Budget Planning *[Agency Management, Financial Planning, & Accounting & Fiscal Management]*

Objective: IEUA will accurately forecast future operational, repair & replacement, capital improvement and debt service costs as needed for the creation of multiyear budgets and rate resolutions that create fiscal stabilization for IEUA and the Member Agencies.

Commitment: IEUA will provide multiyear forecasts for operational, repair & replacement, capital investment and debt service costs to support the adoption of multiyear budgets and rates enhancing dependability and stability.

Reference Material: Appendix A.2

3. Reserves *[Financial Planning, Accounting & Fiscal Management]*

Objective: IEUA will preserve fund reserves that sustain the Agency's long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability.

Commitment: IEUA will adopt financial policies to establish and preserve fund reserves above legally or contractually mandated levels to maintain Commitment Levels. In addition, IEUA will support short and long term funding requirements and sustain the Agency's long term fiscal health and high quality credit rating to reduce future borrowing costs.

Reference Material: Appendix A.3

4. Creditworthiness *[Financial Planning, Accounting & Fiscal Management]*

Objective: IEUA will sustain a high quality credit rating and debt service coverage ratio to safeguard the Agency's fiscal health and reduce future borrowing costs.

Commitment: IEUA will reinstate the Agency's credit rating to AAA by FY 17/18 to reduce borrowing costs anticipated for the expansion and improvement of existing facilities to meet future growth in the Agency's service area.

Reference Material: Appendix A.4

B. Business Goal: Workplace Environment

IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency's Mission, Vision and Values.

1. Mission, Vision & Values *[All Agency Staff & Board]*

Objective: IEUA will uphold Business Goals, Objectives and Commitment Levels that support and advance the Agency's Mission, Vision and Values.

Commitment: IEUA will maintain the highest standard of ethical conduct from all Agency staff by promoting values of prudent leadership, integrity, collaboration, open communication, respect, accountability, high quality, passion and efficiency to support the Agency's Mission, Vision and Values.

Reference Material: Appendix B.1

2. Employer of Choice *[Human Resources, & Agency Management]*

Objective: IEUA will be an Employer of Choice.

Commitment: IEUA will provide a work environment that will attract and retain highly skilled, motivated, professional and committed employees.

Reference Material: Appendix B.2

3. Training *[Agency Management & Human Resources]*

Objective: IEUA will provide employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs.

Commitment: IEUA will facilitate and provide opportunities for staff to further their personal/professional development in support of maintaining a highly skilled workforce.

Reference Material: Appendix B.3

4. Staff Safety *[Safety, Human Resources, & Agency Management]*

Objective: IEUA will promote and ensure a safe and healthy work environment to protect employees and Stakeholders.

Commitment: IEUA will have no more than 1 day of lost time due to work related illness or injury per 1,000 days worked.

Reference Material: Appendix B.4

C. Business Goal: Business Practices

IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.

1. Efficiency & Effectiveness *[All Departments]*

Objective IEUA will promote standards of efficiency and effectiveness in all Agency business practices and processes.

Commitment: IEUA will integrate **Lean** techniques to evaluate its current business practices and processes and identify ways to improve the quality, cost and value of the services the Agency provides to the Member Agencies and the Public.

Reference Material: Appendix C.1

2. Customer Service *[All Departments]*

Objective: IEUA will provide excellent customer service that is cost effective, efficient, innovative and reliable.

Commitment: IEUA will respond to and meet the Member Agencies expectation for enhanced value added services. IEUA will solicit Stakeholder feedback on performance and goal alignment on an annual basis.

Reference Material: Appendix C.2

3. Regional Leadership and Community Relations *[Agency Management, Planning, & Engineering]*

Objective: IEUA will cultivate a positive and transparent relationship with its Stakeholders to enhance quality of life, preserve our heritage and protect the environment.

Commitment: IEUA will partner with its Stakeholders on common issues to create and implement integrated and innovative solutions, minimize duplication of efforts and support education and outreach to the Public. Furthermore, IEUA will incorporate Member Agencies and Regional Water Agencies into various IEUA related projects and programs to ensure that a transparent and broader regional representation is achieved.

Reference Material: Appendix C.3

4. Policy Leadership *[Agency Management, Planning, & Engineering]*

Objective: IEUA will effectively advocate, campaign and guide the development of policies and legislation that benefit the Region IEUA serves.

Commitment: IEUA will promote a collaborative approach for the development of positions on policies, legislation and regulations that impact Agency policy objectives.

Reference Material: Appendix C.4

D. Business Goal: Water Reliability

IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

1. Water Use Efficiency & Education [Planning, Engineering, & Public Information]

Objective: IEUA will promote education and water use efficiency to enhance water supplies within the Region and exceed State goals for reductions in per capita water use within the IEUA Service Area.

Commitment: IEUA will promote to reduce water use in the IEUA Service Area to less than 200 gallons per capita per day (gpcd) by 2018.

Reference Material: Appendix D.1

2. New Water Supplies [Planning & Engineering]

Objective: IEUA will support the Member Agencies and Regional Water Agencies with the development of reliable, drought-proof and diverse local water resources and Supplemental Water supplies in order to reduce dependence on Imported Water supplies.

Commitment: IEUA will promote reducing demand for Imported Water during dry and normal years and storing Imported Water into the Chino Groundwater Basin during wet years. In addition, IEUA will support maximizing the beneficial use of existing water infrastructure, while meeting future increased demands through investment in local water resources, Supplemental Water supplies and conservation efforts.

Reference Material: Appendix D.2

3. Recycled Water [Planning, Engineering, Operations, & Maintenance]

Objective: IEUA will support maximizing beneficial reuse of recycled water to enhance reliability and reduce dependence on Imported Water.

Commitment: IEUA will complete the development of recycled water infrastructure and will support the Member Agencies in achieving reuse of 50,000 AFY by 2025.

Reference Material: Appendix D.3

4. Groundwater Recharge [Planning, Engineering, Operations, & Maintenance]

Objective: IEUA will maximize all sources of groundwater recharge.

Commitment: IEUA will support the recharge of all available stormwater and maximize the recharge of recycled water within the Chino Groundwater Basin. Furthermore, IEUA will pursue the purchase and storage of cost-effective Supplemental Water supplies.

Reference Material: Appendix D.4

E. Business Goal: Wastewater Management

IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.

1. Capacity *[Planning, Engineering, & Construction Management]*

Objective: IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.

Commitment: IEUA will ensure that systems are managed and constructed so that 90% of capacity is never exceeded.

Reference Material: Appendix E.1

2. On-Time Construction *[Engineering, & Construction Management]*

Objective: IEUA will ensure capital projects are designed and implemented in a timely and economically responsible manner.

Commitment: IEUA will design and construct facilities through efficient project management to ensure that 80% of projects are completed on schedule and 90% of projects are on budget.

Reference Material: Appendix E.2

3. Biosolids Management *[Operations & Maintenance]*

Objective: IEUA will manage all Agency produced biosolids in a compliant, fiscally prudent and environmentally sustainable manner.

Commitment: IEUA will ensure that 95% of the Inland Regional Compost Facility's capacity is utilized, all biosolids produced by IEUA are treated at IERCF, Agency solids generation is minimized through efficient dewatering operations and all compost is marketed for beneficial use.

Reference Material: Appendix E.3

4. Energy Management *[Planning, Engineering, Operations, & Maintenance]*

Objective: IEUA will optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distributed generation and greenhouse gas reduction goals, and provide for future rate stabilization.

Commitment: IEUA will achieve peak power independence by 2020 through the implementation of renewable projects, energy management agreements and operational efficiencies.

Reference Material: Appendix E.4

F. Business Goal: Environmental Stewardship

IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.

1. Regulatory Compliance *[Compliance, Operations, & Maintenance]*

Objective: IEUA will comply with all federal, state and local laws at each Agency facility.

Commitment: IEUA will have no more than 2 notices of violation annually from the State Water Resources Control Board, Air Quality Management District, or Non-Reclaimable Waste System for all Agency owned and operated facilities.

Reference Material: Appendix F.1

2. Good Neighbor Policy *[Compliance, Operations, & Maintenance]*

Objective: IEUA will control odors at all Agency facilities for the purpose of improving the environment and being a good neighbor to the local community.

Commitment: IEUA will perform a quarterly odor monitoring assessment to develop actual and acceptable baseline odor thresholds. Acceptable baseline thresholds will be used to measure treatment plant performance and drive necessary capital improvements.

Reference Material: Appendix F.2

3. Response & Complaint Mitigation *[Compliance, Operations, & Maintenance]*

Objective: IEUA will investigate and appropriately respond in a timely manner to any environmental issue or complaint received at any Agency Facility.

Commitment: IEUA will immediately respond to any event that threatens public health and safety and will respond within 5 working days to any non-emergency complaint or suggestion.

Reference Material: Appendix F.3

4. Environmental Responsibility *[Agency Management, Planning, & Engineering]*

Objective: IEUA will strive to implement actions that enhance or promote environmental sustainability and the preservation of the region's heritage.

Commitment: IEUA will consider and assess environmental sustainability, public use and heritage preservation options for all of its programs and projects.

Reference Material: Appendix F.4

Appendix

Reference Materials

A. Fiscal Responsibility

- A.1 – Funding & Appropriation**
- A.2 – Budget Planning**
- A.3 – Reserves**
- A.4 – Creditworthiness**

B. Workplace Environment

- B.1 – Mission, Vision & Values**
- B.2 – Employer of Choice**
- B.3 – Training**
- B.4 – Staff Safety**

C. Business Practices

- C.1 – Efficiency & Effectiveness**
- C.2 – Customer Service**
- C.3 – Regional Leadership & Community Relations**
- C.4 – Policy Leadership**

D. Water Reliability

- D.1 – Water Use Efficiency & Education**
- D.2 – New Water Supplies**
- D.3 – Recycled Water**
- D.4 – Groundwater Recharge**

E. Wastewater Management

- E.1 – Capacity**
- E.2 – On-Time Construction**
- E.3 – Biosolids Management**
- E.4 – Energy Management**

F. Environmental Stewardship

- F.1 – Regulatory Compliance**
- F.2 – Good Neighbor Policy**
- F.3 – Response & Complaint Mitigation**
- F.4 – Environmental Responsibility**

Appendix A.1

Fiscal Responsibility – Funding & Appropriation

- Business Goal:** *IEUA will safeguard the Agency's fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.*
- Objective:** *IEUA will appropriately fund operational, maintenance and capital investment costs.*
- Commitment:** *IEUA will adopt service rates and fees that fully support the costs of service and provide a reliable and steady flow of operating revenue to support all operational expenses, capital replacement and debt service costs. In addition, IEUA will ensure that service rates and fees support the Agency's goal to sustain high quality Commitment Levels.*
-

Commitment Level Background

- Historically, the Agency's operating revenues (net of property tax supplement) have been lower than operating expenses (i.e., services provided by the Agency do not generate revenues needed to pay for total cost of operations), resulting in an operating structural deficit. The operating structural deficit has been supported by a combination of property tax receipts and fund reserves.
- The allocation of property tax receipts and fund reserves to support operating activities reduced the amount of property taxes available to support capital investment, and over time, diminished the Agency's fund reserve balances.
- Given the uncertainty of property taxes, it is essential for the Agency to reduce its reliance on this funding source to support recurring expenditures (O&M and debt service costs) over time.
- In 2013, IEUA will release the first Asset Management Plan, which will provide management strategies and funding requirements to repair and replace aging equipment at each of the treatment facilities based on condition assessments. Funding of R&R is essential to ensuring facilities are maintained to support the Agency's Commitment Levels.
- IEUA is committed to ultimately having rates that fully support recurring costs, including O&M, R&R, and debt service costs. Achieving this goal will allow the Agency to fully allocate property tax receipts to support capital investment, including future expansion of existing facilities, and reduce future borrowing costs.
- Fiscal Year 2013/14 is the second year of a three-year rate resolution adopted by the Agency's Board of Directors in February 2012 for the Regional Wastewater and Recycled Water programs. The multi-year rate increases begin to address the net operating structural deficit resulting from rates not fully recovering program costs.

Appendix A.2

Fiscal Responsibility – Budget Planning

- Business Goal:** *IEUA will safeguard the Agency's fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.*
- Objective:** *IEUA will accurately forecast future operational, repair & replacement, capital improvement and debt service costs as needed for the creation of multiyear budgets and rate resolutions that create fiscal stabilization for IEUA and the Member Agencies.*
- Commitment:** *IEUA will provide multiyear forecasts for operational, repair & replacement, capital investment and debt service costs to support the adoption of multiyear budgets and rates enhancing dependability and stability.*
-

Commitment Level Background

- In addition to the annual adoption of the Operating Budget and TYCIP, the Agency also prepares a Long Range Plan of Finance (LRPF).
- The LRPF aligns the Agency's financial capacity with long-term service objectives. The LRPF uses forecasts to provide insight into the Agency's future financial capacity so that Agency strategies can achieve long term sustainability of financial and service objectives. It provides the most cost-effective funding strategy to support the operations and capital requirements in line with established policies and goals.
- Based upon the LRPF and other financial documents, the Agency is committed to adopting multiyear budgets and rates to facilitate the integration of the financial and strategic planning.
- Adoption of multiyear budgets and rates will provide a more strategic approach to resource allocation, as well as streamline the Agency's rate increase process and provide long term stability.

Appendix A.3

Fiscal Responsibility – Reserves

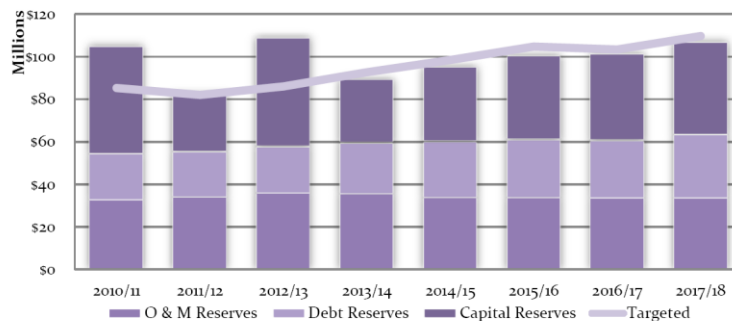
Business Goal: *IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.*

Objective: *IEUA will preserve fund reserves that sustain the Agency’s long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability.*

Commitment: *IEUA will adopt financial policies to establish and preserve fund reserves above legally or contractually mandated levels to maintain Commitment Levels. In addition, IEUA will support short and long term funding requirements and sustain the Agency’s long term fiscal health and high quality credit rating to reduce future borrowing costs.*

Commitment Level Background

- Fund balance is a measure of the net worth (total assets minus total liabilities) of an organization and is a strong indicator of its financial health. In addition to consolidated fund balance at the Agency-wide level, IEUA also maintains fund balances at the individual program level.
- The fund balance reserves are designated for specific purposes, and include four month operating contingency and debt service as prescribed by the current bond covenants, capital construction, improvement and replacement, rate stabilization, self-insured workers’ compensation and liability insurance, retiree medical benefits, and other short term and long term requirements.
- The figure below compares the Agency’s actual and projected total fund balance to the “targeted” amount from FYs 2009/10 through 2016/17. Targeted fund balance as defined in the Agency’s 2012 LRPF is the sum of 50 percent of operating revenues, and total fund balance reserves designated to support debt service costs.



- An update of the Agency’s financial policies adopted in 2005 is planned in 2013 as part of the implementation of a long range financial model. A key objective will be to align reserves and thresholds to meet the Agency’s short term and long term needs and develop a funding strategy.

Appendix A.4

Fiscal Responsibility – Creditworthiness

Business Goal: IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

Objective: IEUA will sustain a high quality credit rating and debt service coverage ratio to safeguard the Agency’s fiscal health and reduce future borrowing costs.

Commitment: IEUA will reinstate the Agency’s credit rating to AAA by FY 17/18 to reduce borrowing costs anticipated for the expansion and improvement of existing facilities to meet future growth in the Agency’s service area.

Commitment Level Background

- As part of the 2012 multi-year rate increase, IEUA established minimum debt coverage ratio targets for the upcoming fiscal years. The following table shows the DCR targets, the actual DCR’s and forecasted DCR’s (F):

DCR	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
	Actual	Projected	Forecasts		
Target		1.43x	1.50x	1.70x	
Actual/Forecast	1.69x	1.92x	1.75x	2.01x	2.18x

- The FY 2011/12 Comprehensive Annual Financial Report (CAFR) reported an Agency DCR of 1.69x and the following credit ratings: AA- (S&P), Aa2 (Moody’s), and AA- (Fitch).
- The adopted FY 2014-2023 Ten Year Capital Improvement (TYCIP) includes expansion of the Agency’s southern service area facilities in FY 2018/19 where most of the future population growth is anticipated. This expansion is projected to be financed with new debt. Improvement of the Agency’s long term credit rating to AAA and DCR to 2.70x (DCR is the ratio of net revenue available to meet debt service costs). In the current market, the differential cost of borrowing between AA and AAA is about 20 basis points. On a \$40 million bond issue, this equates to a borrowing-cost-savings of over \$2.4 million over a 30 year term.
- Lower borrowing costs equate to lower fees.

Appendix B.1

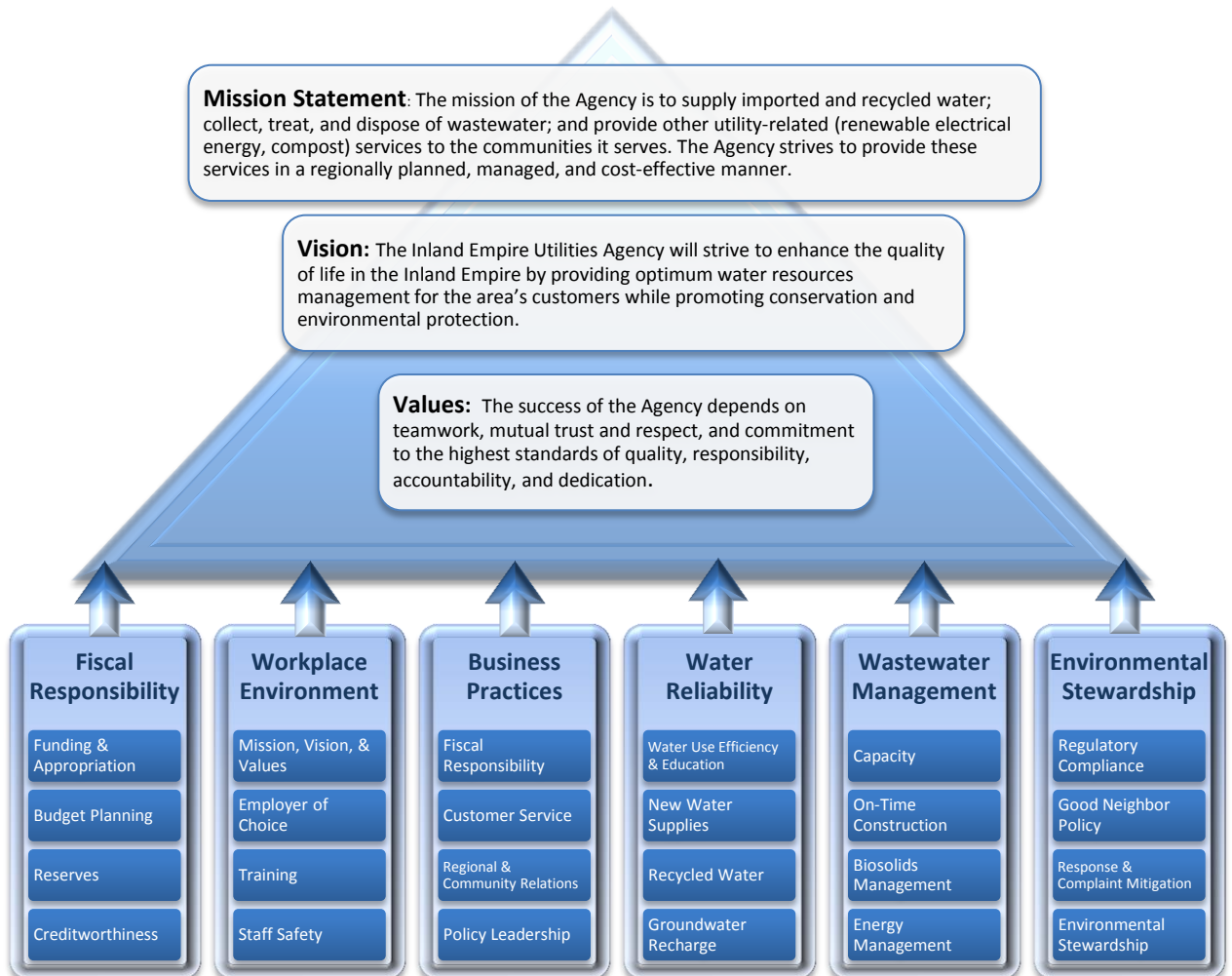
Workplace Environment – Mission, Vision & Values

Business Goal: *IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.*

Objective: *IEUA will uphold Business Goals, Objectives and Commitment Levels that support and advance the Agency’s Mission, Vision and Values.*

Commitment: *IEUA will maintain the highest standard of ethical conduct from all Agency staff by promoting values of prudent leadership, integrity, collaboration, open communication, respect, accountability, high quality, passion and efficiency to support the Agency’s Mission and Vision.*

Commitment Level Background



- Management will ensure that principles, policies and practices support the Business Goals, Mission, Vision and Values of the Agency.

Appendix B.2

Workplace Environment – Employer of Choice

Business Goal: *IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency's Mission, Vision and Values.*

Objective: *IEUA will be an Employer of Choice.*

Commitment: *IEUA will provide a work environment that will attract and retain highly skilled, motivated, professional and committed employees.*

Commitment Level Background

- IEUA will recruit, retain, and promote a diverse and qualified workforce committed to the Agency's Mission, Vision and Values. This will be achieved by utilizing modern recruitment practices that provide flexible and responsive recruiting solutions to assist with filling positions in a timely and effective manner.
- IEUA will encourage and maintain a highly motivated and trained staff by designing, implementing, and supporting a learning environment which encourages growth and development of Agency staff.
- IEUA will strive to align project/work tasks with the skills of its employees to create a rewarding and successful work environment.
- IEUA will create a culture that recognizes a dedicated staff and attracts qualified individuals through the use of creative communication methods and continued education of available employee benefits to increase knowledge of these programs and services. In addition, IEUA will update the Agency's various award recognition programs to reflect the Agency's cost containment strategies.
- IEUA will reduce stress from work-life imbalance by promoting partnerships, cross training, shared responsibilities, and a culture of teamwork to allow any and all employees recuperative time away from work activities.
- IEUA will inspire trust and confidence in Management by: clearly defining the Agency's Mission/Vision/Values, by creating Business Goals that support the Mission/Vision/Values, outlining a Strategic Plan to achieve those goals, communicating how the Agency is accomplishing these goals, and effectively linking these goals to each employee objectives and performance.

Appendix B.3

Workplace Environment – Training

Business Goal: *IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.*

Objective: *IEUA will provide employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs.*

Commitment: *IEUA will facilitate and provide opportunities for staff to further their personal/professional development in support of maintaining a highly skilled workforce.*

Commitment Level Background

- All Agency employees have access to online training:
 - ◆ Leadership, Team Building, and Mentoring Skills Training
 - ◆ Microsoft Office Training
 - ◆ OSHA Required Safety TrainingsEmployees are provided with login information, which allows the employee to perform trainings at the most optimum time to fit their daily schedule.
- Selected Agency employees have the ability to attend onsite classroom trainings. The following onsite classroom trainings are going to be provided for Fiscal Year 2013/2014: “7 Habits of Highly Effective People”, (4) specialized onsite workshops, (12) 4-hour Microsoft Office trainings and policies and procedures training.
- Three types of offsite training are going to be provided for Fiscal Year 2013/2014:
 - ◆ Southern California Local Government Supervisory Program – This is a 3 day training course to provide skills for new supervisors.
 - ◆ Southern California Local Government Leadership Academy – This is a 7 day training program for Managers provided by current or retired City Managers.
 - ◆ Liebert Cassidy Whitmore Training – Legal Counsel provides workshops to Managers, Supervisors, and aspiring Supervisors on relational issues.
- IEUA also provides tuition reimbursement up to \$2,500 per year for employee educational expenses that increase their job knowledge and skills. Additionally, certification and degree incentives are awarded to employees who earn Associates, Bachelor’s and Master’s Degree, and specific program certification.
- Each Agency Department has training budgets to perform trainings on specialized skill sets for their employees.

Appendix B.4

Workplace Environment – Staff Safety

Business Goal: *IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.*

Objective: *IEUA will promote and ensure a safe and healthy work environment to protect employees and Stakeholders.*

Commitment: *IEUA will have no more than 1 day of lost time due to work related illness or injury per 1,000 days worked.*

Commitment Level Background

- IEUA will sustain a clean, safe, and healthy working environment for all Agency employees at all facilities. This will be achieved by:
 - ◆ Administering and monitoring required safety and regulatory trainings;
 - ◆ Conducting annual intra-department safety audits; and
 - ◆ Conducting annual emergency response drills, such as HAZWOPER training, fire drills, and earthquake drills
- IEUA has maintained an outstanding employee workplace injury record. For Fiscal Year 2012/2013 the Agency had no lost time due to work related illness or injury. Most employee workplace injury events that occur at IEUA are typically due to cuts, scrapes, and bruises. Rarely does a workplace injury incident result in lost time.
- Occupational Safety and Health Administration (OSHA) categorizes work related illnesses or injuries by: recordable cases (a case that resulted in medical treatment beyond 1st aid, loss of consciousness, or a significant injury diagnosed by a physician), transfers or restrictions (a case that resulted in an employee not being able to perform their job duties; however, their job duties were modified to meet the requirement of the illness or injury), lost time (a case that resulted in an employee not being able to work for one day after the date of injury), and death. For 2010 through 2012, IEUA had the following work injury statistics:

By Case

Calendar Year	Recordable Cases	Transfers or Restrictions	Lost Time	Deaths
2010	9	6	1	0
2011	12	6	1	0
2012	13	12	0	0

By Days

Calendar Year	Transfers or Restrictions	Lost Time
2010	81	180
2011	235	56
2012	390	0

Appendix C.1

Business Practices – Efficiency & Effectiveness

Business Goal: *IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.*

Objective: *IEUA will promote standards of efficiency and effectiveness in all Agency business practices and processes.*

Commitment: *IEUA will integrate **Lean** techniques to evaluate current business practices and processes and identify ways to improve the quality, cost and value of the services the Agency provides to the Member Agencies and the Public.*

Commitment Level Background

- IEUA is committed to providing its Stakeholders with high quality service in a cost effective, regionally planned manner. Continued assessment and improvement of our business processes and practices is essential to ensure optimization of efficiency and effectiveness.
- **Lean** was originally developed to reduce waste in manufacturing and evolved from Total Quality Management (TQM); the manufacturing practices of the Toyota Motor Corporation. However, rather than focusing on mass production, **Lean** focus on the elimination of waste while providing the same, or enhanced, value to the customer.
- Application of **Lean** techniques will help define key performance indicators (KPIs) to more effectively measure, monitor, and realign processes to meet the Agency's business goals and objectives.
- In April 2013, the second phase of the Agency's Enterprise Resource Planning (ERP) business system, first implemented in 2007, went live to streamline the recording, tracking and reporting of employee and payroll data. This enhancement helps support the Agency's efficiency and effectiveness initiative by eliminating redundant systems, enhancing data integrity, and supporting more transparent and timely reporting.
- The Agency's ERP system and integrated format also helps support the transition from a reactive to a condition based monitoring (CBM) maintenance philosophy strategy; a key initiative of the Agency. Under CBM, the 45 percent of resources currently allocated to reactive maintenance (unplanned or emergency repairs) will shift to support a predictive strategy denoted by improved planning and scheduling and more effective diagnosis of equipment functionality.
- The same integrated approach is being applied to the Agency's existing Supervisory Control & Data Acquisition (SCADA) System network which is currently comprised of a wide variety of equipment and applications located throughout the various facilities. Significant effort went into documenting the current state and analyzing the Agency's SCADA systems resulting in the 2012 Board adoption of the Recycled Water, Groundwater Recharge and Facilities SCADA Master Plans.

Appendix C.2

Business Practices – Customer Service

Business Goal: *IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.*

Objective: *IEUA will provide excellent customer service that is cost effective, efficient, innovative and reliable.*

Commitment: *IEUA will respond to and meet the Member Agencies expectation for enhanced value added services. IEUA will solicit Stakeholder feedback on performance and goal alignment on an annual basis.*

Commitment Level Background

- IEUA is committed to providing excellent customer service by:
 - ◆ Providing the primary services of the Agency – water management, wastewater management, biosolids management, and other resources management disciplines.
 - ◆ Ensuring that these services are offered in an effective, sustainable and cost efficient method.
 - ◆ Providing clear and direct responses to customer suggestions, inquiries, and complaints.
 - ◆ Maintaining open sources of communication to ensure stakeholder’s interests are discussed and opportunities are pursued.
- IEUA will optimize customer service by ensuring alignment and management of core procurement business functions, roles and responsibilities.
- Media relations will continue to be cultivated and press releases will remain a major effort along with the Agency internal and external newsletter and updates.
- Social networking and website maintenance will remain a top priority for Agency outreach and communication initiatives.
- IEUA will collaborate with all Stakeholders to ensure open communication and discussion of issues and policies that affect the IEUA Service Area, (i.e. topics such as imported water rates and deliveries, development and availability of local water supplies.)

Appendix C.3

Business Practices – Regional Leadership & Community Relations

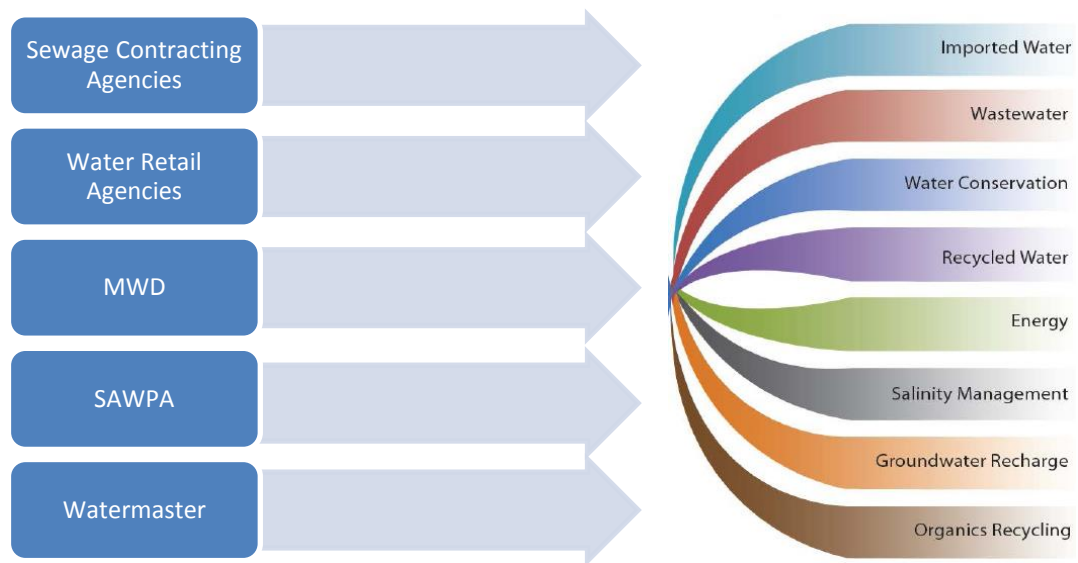
Business Goal: *IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.*

Objective: *IEUA will cultivate a positive and transparent relationship with its Stakeholders to enhance quality of life, preserve our heritage and protect the environment.*

Commitment: *IEUA will partner with its Stakeholders on common issues to create and implement integrated and innovative solutions, minimize duplication of efforts and support education and outreach to the Public. Furthermore, IEUA will incorporate Member Agencies and Regional Water Agencies into various IEUA related projects and programs to ensure that a transparent and broader regional representation is achieved.*

Commitment Level Background

- IEUA will promote and sustain effective communication between the Agency and its Stakeholders through use of various methods, including frequent meetings/workshops, newsletters and electronic media.
- Incorporating the Agency's branding initiatives, staff will create a recognizable standard to educate the public about water recycling, water conservation and capital infrastructure/replacement investments.
- IEUA is committed to taking actions that consider the cost, quality and value of service for communities we serve.
- The Agency strives to foster open, positive and collaborative relationships with all Stakeholders to meet the water needs of the Region now and in the future.



Appendix C.4

Business Practices – Policy Leadership

Business Goal: *IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.*

Objective: *IEUA will effectively advocate, campaign and guide the development of policies and legislation that directly benefit the Region IEUA serves.*

Commitment: *IEUA will promote a collaborative approach for the development of positions on policies, legislation and regulations that impact Agency policy objectives.*

Commitment Level Background

- IEUA will provide leadership on legislative solutions and regulatory standards for water reliability, water quality, energy management, wastewater collection, treatment and reuse, organics management, and stormwater and watershed management.
- IEUA will continue to effectively seek State and Federal grant funding for Agency and regional projects that achieve IEUA's policy objectives; (e.g. the Recharge Master Plan, Renewable Energy, the Optimum Basin Management Plan, and the Recycled Water Program).
- IEUA will actively research, monitor, review, and adopt positions on federal and state legislation that benefit the IEUA's and the Member Agencies policy objectives. This information will be shared and discussed with all Stakeholders.
- IEUA will support the development of public affairs, public awareness, community education and outreach, media relations and legislative programs on issues that address the policy objectives of IEUA. Open communication and collaboration among the Agency and its Stakeholders is of prime importance.
- IEUA will work with Member Agencies to formulate methods and approaches for addressing community and agency concerns and ensure that concerns, needs, and requests are responded to in a timely manner.
- IEUA will actively review and provide recommendations on procedures and processes to improve the efficiency, cost effectiveness, customer responsiveness, quality and environmental sustainability of Agency programs and projects.
- IEUA will coordinate intergovernmental activities with Stakeholders, industry associations, and regulatory agencies and will appear before local and state bodies on public affairs and other matters.
- IEUA will comply with the Brown Act requirements, and other laws pertaining to special districts.
- IEUA will navigate and implement the regulatory changes as a result of pension reform.

Appendix D.1

Water Reliability – Water Use Efficiency & Education

Business Goal: *IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.*

Objective: *IEUA will promote education and water use efficiency to enhance water supplies within the Region and exceed State goals for reductions in per capita water use within the IEUA Service Area.*

Commitment: *IEUA will promote to reduce water use in the IEUA Service Area to less than 200 gallons per capita per day (gpcd) by 2018.*

Commitment Level Background

- The Water Conservation Act of 2009 (SBX 7-7) requires urban retail water suppliers to continue demand management measures to reduce water use, as measured by gpcd, by 10% by December 31, 2015 and by 20% by December 31, 2020 to maintain eligibility to receive state water management grants and loans.
- The baseline water use for the region from 1999 - 2008 was calculated to be 251 gpcd.
- The reduced water use targets can be achieved through: water use efficiency (WUE) active programs, WUE passive policy initiatives, and recycled water use. The current goal of the Urban Water Management Plan and the Water Use Efficiency Business Plan is to achieve the 20 x 2020 per capita water use reduction in the following manner:

	2015 Reduction	2020 Reduction
Projected Reduction from WUE Activities	5 gpcd	13 gpcd
Projected Reduction from Recycled Water Use	38 gpcd	45 gpcd
TOTAL Projected Reduction	43 gpcd	58 gpcd
10 Year Baseline	251 gpcd	
Target	226 gpcd	201 gpcd
Projected Achievement	208 gpcd	193 gpcd

- Additional per capita water use reductions can be achieved within the IEUA Service Area. IEUA's policy goal is to strive to achieve the 20 by 2020 reduction through conservation measures alone. IEUA will collaborate with all Member Agencies to review and update the Water Use Efficiency Business Plan to achieve this goal and will support the reduction of water use below 200 gpcd by 2018.
- IEUA will continue to expand regional water efficiency educational, outreach and rebate programs.

Appendix D.2

Water Reliability – New Water Supplies

Business Goal: *IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.*

Objective: *IEUA will support the Member Agencies and Regional Water Agencies with the development of reliable, drought-proof and diverse local water resources and Supplemental Water supplies in order to reduce dependence on Imported Water supplies.*

Commitment: *IEUA will promote reducing demand for Imported Water during dry and normal years and storing Imported Water into the Chino Groundwater Basin during wet years. In addition, IEUA will support maximizing the beneficial use of existing water infrastructure, while meeting future increased demands through investment in local water resources, Supplemental Water supplies and conservation efforts.*

Commitment Level Background

- As part of the 2010 Urban Water Management Plan (UWMP), IEUA has set a goal to maximize use of local water supplies and minimize the need for Imported Water, especially during dry years and other emergency shortages from Metropolitan Water District (MWD).
- Unless additional water reductions are achieved or new local water supplies are developed, current projections show that regionally an additional 10,000 AFY of costly Imported Water will be required by year 2025.
- It is understood that future Imported Water reliability will be lower and costs will be higher. Over the next ten years, it is estimated that the IEUA/Member Agencies will purchase \$600 million in Imported Water. A 10,000 AFY water supply shift from Imported Water would reduce MWD purchases by approximately \$100 million over the same ten year period.
- IEUA is in the process of preparing an Integrated Resources Plan (IRP), which will provide an achievable long-term strategy to meet current and future water needs. The IRP will evaluate existing water supplies and demands, forecast future water supplies and demands, and evaluate additional water efficiency and alternative sources of new water supply that will reduce future reliance on Imported Water.

Appendix D.3

Water Reliability – Recycled Water

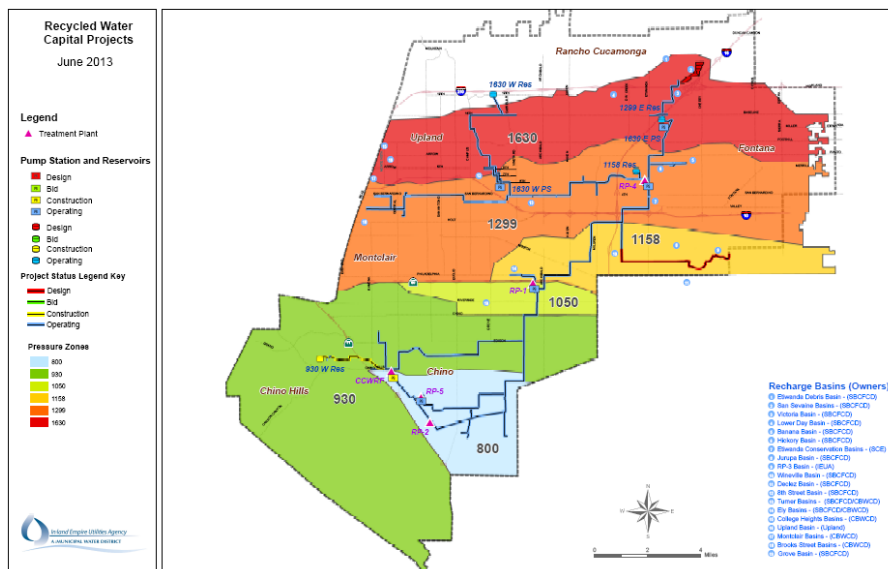
Business Goal: IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

Objective: IEUA will support maximizing beneficial reuse of recycled water to enhance reliability and reduce dependence on Imported Water.

Commitment: IEUA will complete the development of recycled water infrastructure and will support the Member Agencies in achieving reuse of 50,000 AFY by 2025.

Commitment Level Background

- IEUA has a current wastewater flow of approximately 60,000 AFY. Based upon wastewater forecasts and potential future interconnections, IEUA is targeting a reliable recycled water supply of 50,000 AFY for direct use and groundwater recharge by 2025.
- As outlined in the Recycled Water Business Plan, IEUA is in the process of expanding recycled water infrastructure to meet the 50,000 AFY delivery target. IEUA will release the Recycled Water Plan Update in 2014.
- In addition, the IRP will have specific focus on the development of additional direct recycled water connections and a specific emphasis on recycled water interties and enhanced groundwater recharge capabilities.



- Estimated Fiscal Year 2012/2013 recycled water delivery for direct use and groundwater recharge is 31,500 AFY. Increasing recycled water deliveries to 50,000 AFY is key to meeting the other three Objectives/Commitment Levels (Water Use Efficiency & Education, New Water Supplies, and Groundwater Recharge) for the Water Reliability Business Goal.

Appendix D.4

Water Reliability – Groundwater Recharge

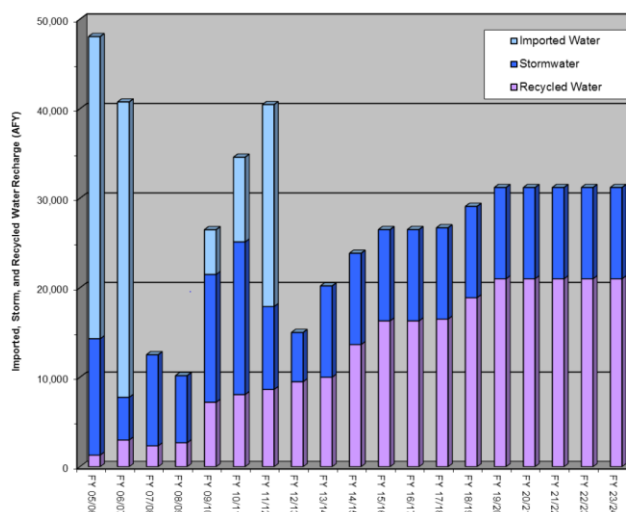
Business Goal: IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

Objective: IEUA will maximize all sources of groundwater recharge.

Commitment: IEUA will support the recharge of all available stormwater and maximize the recharge of recycled water within the Chino Groundwater Basin. Furthermore, IEUA will pursue the option to purchase and store cost-effective surplus Imported Water supplies.

Commitment Level Background

- Groundwater currently comprises about 60% of the water supply needed to meet urban water demand for the region.
- The Chino Groundwater Basin contains approximately 5 million AF of water storage with an additional 1 million AF in unused storage capacity. The current safe-yield of the Basin is 145,000 AFY and declining. Historically, discounted Imported Water has been available and utilized to recharge the Basin when pumping has exceeded the safe-yield. The MWD discounted replenishment water was discontinued in 2012, changing the economic impacts of over-production of groundwater.
- The Chino Basin Groundwater Recharge Program developed new sources of replenishment water: local stormwater and recycled water.
- IEUA has been shifting the need to buy Imported Water to meet replenishment needs, to the cost-effective use of stormwater and recycled water.



- IEUA will continue to partner with CBWM to maximize the recharge of all available stormwater and recycled water and will only recharge imported water proactively when economically viable or as necessary to meet replenishment requirements.

Appendix E.1

Wastewater Management – Capacity

Business Goal: *IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.*

Objective: *IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.*

Commitment: *IEUA will ensure that systems are managed and constructed so that 90% of capacity is never exceeded.*

Commitment Level Background

- Economic development of the region is dependent upon well planned public works infrastructure in place prior to land development. Wastewater collection and treatment are critical components of this infrastructure.
- IEUA has and will continue to utilize operational flexibilities provided through flow diversion and bypass systems to maximize beneficial use and capacity of the integrated collection system, wastewater treatment system, recycled water system, and organics management system.
- For Fiscal Year 2012/2013, all four IEUA Wastewater Recycling Facilities have a Percent Capacity Utilization between 60% - 70%. The Ten-Year Percent Capacity Utilization projection shows slight increases for RP-1, RP-4, and CCWRF; however, RP-5 has a substantial increase to 95%:

Regional Water Recycling Plant	FY 2012/13 Actual*			FY 2022/23 Projection		
	Treated Influent Flow	Plant Rated Capacity	Percent Capacity Utilization	Treated Influent Flow	Plant Rated Capacity	Percent Capacity Utilization
RP-1	27.7	44.0	63%	30.4	44.0	69%
RP-4	9.8	14.0	70%	10.8	14.0	77%
CCWRF	7.4	11.4	65%	8.0	11.4	70%
RP-5	10.5	16.3**	64%	15.5	16.3	95%
IEUA Total	55.3	85.7	65%	64.7	85.7	76%

- For Fiscal year 2013/2014, IEUA will be updating the Facilities Master Plan, which will considered future growth patterns, alternatives for expansion of the Wastewater Recycling Facilities, and impacts to the Recycled Water and Organics Management systems.
- IEUA will ensure that all planning, design, construction, and start-up activities for treatment system expansions are scheduled and completed before the 90% Percent Capacity Utilization is reached.

Appendix E.2

Wastewater Management – On-Time Construction

Business Goal: *IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.*

Objective: *IEUA will ensure capital projects are designed and implemented in a timely and economically responsible manner.*

Commitment: *IEUA will design and construct facilities through efficient project management to ensure that 80% of projects are completed on schedule and 90% of projects are on budget.*

Commitment Level Background

- IEUA is committed to ensuring that projects are completed: on-time to obtain the beneficial use of required equipment as required by Operations, Maintenance, and Compliance, and on budget to contain costs and accurately project Agency future expenditures.
- Constructability reviews, which will include technical input from Construction, Operations, Maintenance, and DCS staff, will be included as a standard design element with the goal of reducing the number of change orders experienced during construction.
- Construction Management staff have received schedule training to allow for detailed reviews of contractor construction schedules. Staff will effectively analyze contractor schedules to highlight deficiencies in critical paths that may result in extended project schedules.
- At the completion of a project pre-design report (PDR), budgets will be created with well-defined scopes of work that include all project costs: design/construction consultants, construction contract award, and all Agency labor costs (Engineering, Construction Management, Operations, Maintenance, DCS, Finance, and Accounting).
- A project will be deemed on budget if all design, construction, and start-up activities are completed and expenditures on the project are between 90-100% of the project budget.
- Schedules for duration of design and construction/start-up will be created at the time the project budget is created (completion of the PDR).
- The Engineering schedule metric will be based upon the project design kickoff meeting and the Award of Construction Contract. The Engineering activities will be deemed on schedule if the duration between the Award of Construction Contract and design kickoff meeting is +/- 10% of the initial estimate.
- The Construction Management schedule metric will start at the preconstruction meeting and conclude with the Operations acceptance of the project. The Construction activities will be deemed on schedule if the duration between the project acceptance and preconstruction meeting is +/- 10% of the initial estimate.

Appendix E.3

Wastewater Management – Biosolids Management

Business Goal: *IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.*

Objective: *IEUA will manage all Agency produced biosolids in a compliant, fiscally prudent and environmentally sustainable manner.*

Commitment: *IEUA will ensure that 95% of the Inland Regional Compost Facility's capacity is utilized, all biosolids produced by IEUA are treated at IERCF, Agency solids generation is minimized through efficient dewatering operations, and all compost is marketed for beneficial use.*

Commitment Level Background

- In 2001, the Chino Basin Organics Management Business Plan set a goal for the region to divert organic solids from landfills and to consume locally generated recycled organic material. Under a Joint Powers Agreement, IEUA in partnership with Los Angeles County Sanitation District constructed the Inland Empire Regional Composting Facility (IERCF) to meet this goal.
- IERCF has an operating capacity of approximately 400 wet tons per day for wastewater biosolids. IEUA's owned portion of this operating capacity is equivalent to 50% or approximately 200 wet tons per day of biosolids material. IEUA currently generates approximately 190 wet tons per day of biosolids.
- IEUA's goal is to send all biosolids generated at its wastewater facilities to IERCF; however, IERCF requires one shutdown day per month to perform preventative maintenance on operating equipment. On maintenance days, IEUA will utilize the use of storage at RP-1 and RP-2, while maintaining contracts with third party composting facilities as a contingency.
- IEUA supports reducing solids generation at its wastewater facilities. Currently, start-up activities for the new RP-1 Centrifuge Dewatering Building are commencing and full operation should be achieved by the end of 2013. The new centrifuges will increase the biosolids total solids percentage from the current 16% up to 24%. This will decrease the IEUA biosolids generation by approximately 50 wet tons per day, resulting in excess IEUA capacity at IERCF.
- All biosolids and wood amendment sent to IERCF are processed and treated to produce a Class A exceptional quality compost. IERCF compost, which is created and marketed as SoilPro Premium Compost, is beneficially used by contracting agencies and sold as a soil conditioner that improves water retention, resulting in better plant growth and reduces water requirements.

Appendix E.4

Wastewater Management – Energy Management

Business Goal: *IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.*

Objective: *IEUA will optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distributed generation and greenhouse gas reduction goals, and provide for future rate stabilization.*

Commitment: *IEUA will achieve peak power independence by 2020 through the implementation of renewable projects, energy management agreements and operational efficiencies.*

Commitment Level Background

- IEUA facilities currently use approximately 75,000 MWh of electricity annually at an annual cost of approximately \$9,000,000. This is 26% of the non-labor Operations and Maintenance budget and the highest, non-labor cost of the Agency.
- The region's population is forecasted to increase by 50% by 2030, which will further increase demand and cost for electricity. Electricity prices are volatile; however, historically, the average annual increase has been between 4% - 6%.
- IEUA has created a preliminary Energy Management Plan to reach energy independence from the grid during peak energy use/pricing period (noon – 6:00 PM) by 2020 through increased energy efficiency, increased on-site energy generation, a diversified energy portfolio and energy demand response.
- Through Power Purchase Agreements (PPA's), IEUA has expanded its renewable energy portfolio to include 3.5 MW of solar, 1.0 MW of wind, and 2.8 MW of biogas fuel cell production.
- IEUA will develop an updated energy management plan that will focus on integrating energy efficiency, demand response, and renewable energy generation programs to contain future energy costs and contribute to achieving statewide renewable energy and greenhouse gas reduction goals.

Appendix F.1

Environmental Stewardship – Regulatory Compliance

Business Goal: *IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.*

Objective: *IEUA will comply with all federal, state and local laws at each Agency facility.*

Commitment: *IEUA will have no more than 2 notices of violation annually from the State Water Resources Control Board, Air Quality Management District, or Non-Reclaimable Waste System for all Agency owned and operated facilities.*

Commitment Level Background

- IEUA has set Key Performance Indicators (KPI) at each Agency facility to monitor compliance with all regulations stipulated in the NPDES, AQMD, and NRWS permits.
- When compliance KPI's are exceeded, incident reports are created to outline the facts and causes of any noncompliant event. The incident reports are reviewed and corrective action is taken to prevent future KPI noncompliance.
- It is up to the discretion of AQMD to issue NOV's; however, in general a NOV is issued for: operation of equipment without a valid permit to operate, excessive exceedance of a permit stipulated emissions requirement, or operations resulting in a nuisance to the public.
- For Calendar Year 2012, IEUA had the following AQMD notices of violation:

Date	Incident	Comments
9/5/12	Ammonia Tank Level Exceedance (greater than permitted capacity)	NOV issued (item resolved)
9/5/12	Unpermitted Pilot Unit Installation	NOV issued (item appealed)

- SWRCB defines violations as “serious” and “non-serious” and each type of violation may be subject to a minimum liability penalty (MMP). In addition, sewage spills, including large recycled water spills, are subject to administrative civil liability penalties (ACL). Any MMP or ACL would be considered a notice of violation. For Calendar Year 2012, IEUA had the following SWRCB incidents; however, no incidents were deemed serious:

Date	Incident	Comments
1/10/12	Turner Basin RW Release	
4/3/12	SB Lift Station Sewer Overflow	Spill was contained and cleaned before reaching surface water
4/12/12	CalPoly Pomona RW Release	
5/8/12	Philadelphia NRW Sewer Overflow	Spill was contained and cleaned before reaching surface water
12/19/12	CCWRF 7-d Median Coliform	Investigation identified issue as sample contamination.

Appendix F.2

Environmental Stewardship – Good Neighbor Policy

Business Goal: IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.

Objective: IEUA will control odors at all Agency facilities for the purpose of improving the environment and being a good neighbor to the local community.

Commitment: IEUA will perform a quarterly odor monitoring assessment to develop actual and acceptable baseline odor thresholds. Acceptable baseline thresholds will be used to measure treatment plant performance and drive necessary capital improvements.

Commitment Level Background

- IEUA facilities and processes have the potential to produce odors.
- Each facility is operated under AQMD permits that include odor control requirements.
- AQMD has a rule that prohibits odor impacts to the community.
- Substantial funding has been made into odor control technologies at Agency Facilities.
- IEUA routinely performs odor circuits around each facility to measure for hydrogen sulfide. Hydrogen sulfide has an odor described as smelling similar to rotten eggs and is generally used as a surrogate for wastewater odor presence.
- IEUA will review extending similar odor circuits to all Agency Facilities and will review expanding measurements to include ammonia (pungent smell) and mercaptans (rotten cabbage smell).
- In addition, IEUA will perform a quarterly odor profile analysis at each of the treatment facilities. An odor profile analysis is completed by inviting participants from Member Agencies and IEUA staff to survey facility odors and grade them by intensity (weak to strong) and characteristic (rotten eggs, fishy, rotten cabbage, etc.). See following diagram for example sample locations.



- Based upon the odor circuits and odor profile analysis, odor baselines will be created and thresholds will be set for each facility. An odor control plan will be created to determine any capital expenditures required to meet the established thresholds. Based upon the required capital expenditures, the odor thresholds may be adjusted to provide the most efficient odor control strategy.

Appendix F.3

Environmental Stewardship – Response & Complaint Mitigation

Business Goal: *IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.*

Objective: *IEUA will investigate and appropriately respond in a timely manner to any environmental issue or complaint received at any Agency Facility.*

Commitment: *IEUA will immediately respond to any event that threatens public health and safety and will respond within 5 working days to any nonemergency complaint or suggestion.*

Commitment Level Background

- Generally, all Agency facilities have Operations & Maintenance staff onsite 10 hours per day, 7 days a week to respond to any compliance or public health & safety events. During hours when facilities are unmanned, Operations & Maintenance staff are on-call and receive alarm notifications for any compliance or public health and safety event.
- For Calendar Year 2012, IEUA had 17 onsite compliance related incidents, 2 emergency response events due to recycled water releases, and 2 response events to sanitary sewer overflows. Each event was responded to immediately.
- For Calendar Year 2012, IEUA received 4 odor complaints from members of the Public. Each complaint was thoroughly investigated by Agency staff and incident reports were created. Most complaints cannot be substantiated; however, the Agency has modified operations in an attempt to reduce the potential of creating odors.

Appendix F.4

Environmental Stewardship – Environmental Responsibility

Business Goal: *IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.*

Objective: *IEUA will strive to implement actions that enhance or promote environmental sustainability and the preservation of region's heritage.*

Commitment: IEUA will consider and assess environmental sustainability, public use and heritage preservation options for all of its programs and projects.

Commitment Level Background

- IEUA constructed a new headquarters building and committed to design standards that ensured prudent use of natural resources and proactive conservation measures. This project has enabled the Agency to achieve recognition and leadership in support of building a sustainable environment. This recognition was presented to the Agency through the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED™) program earning the "Platinum" level rating by meeting specific requirements. IEUA will take actions to sustain the Platinum LEED status of its facilities.
- In 2007, IEUA opened the Chino Creek Wetlands and Educational Park, one portion of the overall efforts being taken in the watershed under the Chino Creek Integrated Plan (CCIP). The general function of the CCIP is to focus planning attention on the lower Chino Creek area of the Prado Basin in a process of preserving and restoring the Prado Basin, maximizing value to the community, improving water-quality and flood control, and providing habitat restoration, recreation, water conservation and public education. The park is open to the public during daytime hours and consists of: 22,000 various drought tolerant plants, 1.7 miles of nature trails, 22 acres of habitat, and 6 ponds.
- The 1630 West Recycled Water Pump Station was constructed at Vineyard Park in Ontario. As part of the project, new park bathroom facilities were constructed and improvements of the parking lot, electrical, and irrigation systems were completed providing benefit to the local residents.
- IEUA will expand its environmental and education programs including: annual Earth Day activities, Garden in Every School and Inland Empire Garden Friendly. IEUA will collaborate with all Stakeholders (including Cal State San Bernardino Water Resource Institute and Home Depot) on the Inland Empire Garden Friendly program to promote sustainable environmental principles and incorporate the history and tradition of the Region.
- IEUA completed construction of the wetlands mitigation area in Basin 2 of the RP-3 Recharge Facility in July 2004. Basins 1, 3 and 4 are used actively for groundwater recharge, while most of Basin 2 is occupied by the mitigation wetlands. The vegetation was planted and the irrigation system installed in May 2005.

RECEIVE AND
FILE

3F



Date: November 7, 2013
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: IEUA Agency Wide Organizational Chart

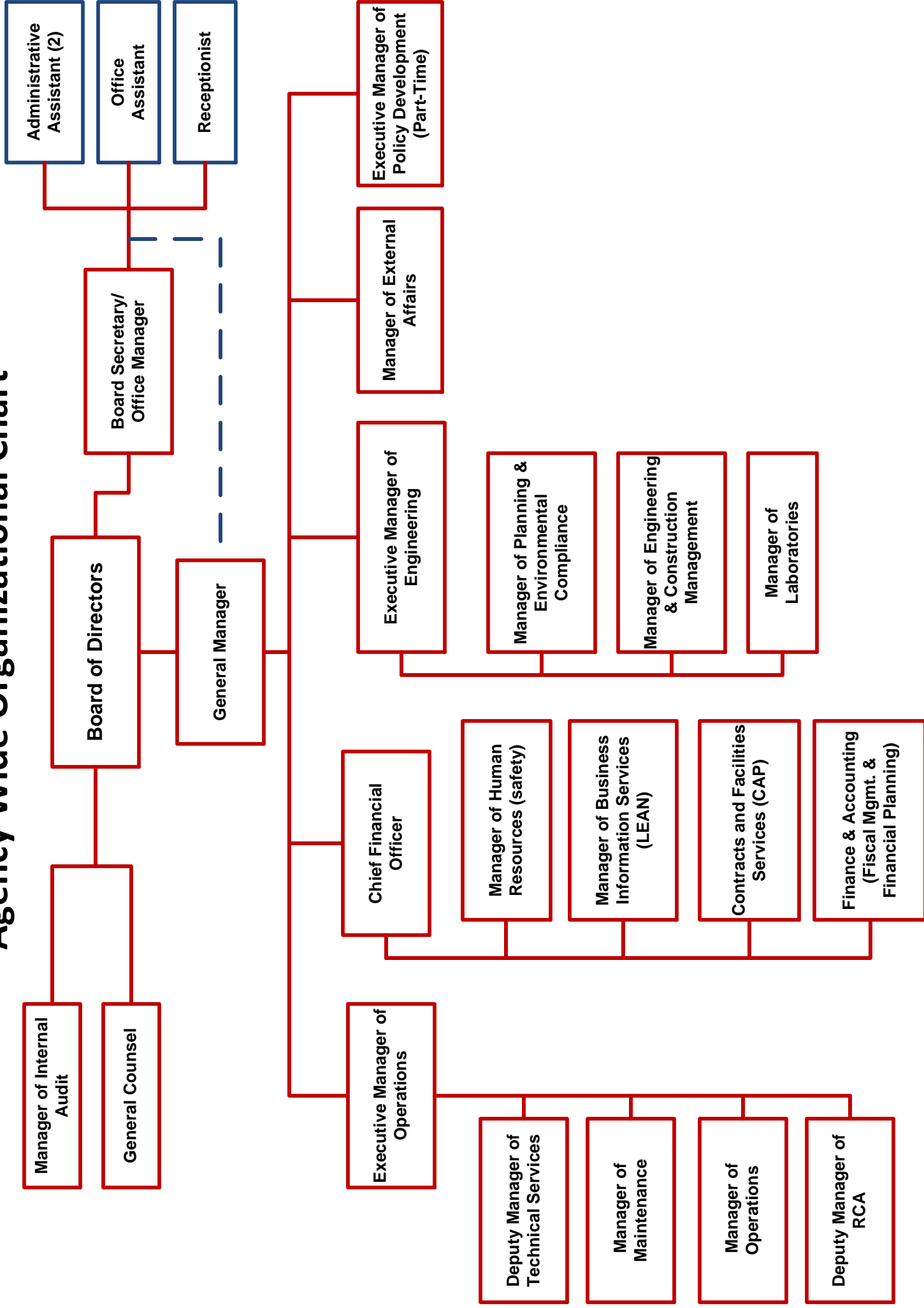
RECOMMENDATION

This is an informational item for the Regional Committees to receive and file.

BACKGROUND

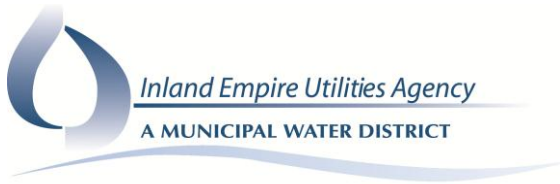
Attached is an updated IEUA Agency Wide Organizational Chart which highlights only the division and management structure of the Agency. This new organizational structure is scheduled to go into effect on November 10, 2013.

Agency Wide Organizational Chart



RECEIVE AND
FILE

3G



Date: November 7, 2013
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: San Onofre Nuclear Generating Station Status and Economic Impacts

RECOMMENDATION

This is an information item for the Regional Committees to receive and file.

BACKGROUND

Southern California Edison (SCE) announced on June 7, 2013 that it will permanently retire Units 2 and 3 of its San Onofre Nuclear Generating Station (SONGS). This decision will have short- and long-term impacts to electricity rates and electric grid reliability in Southern California.

The San Onofre nuclear plant is located near San Clemente, California; Units 2 and 3 were capable of generating 2,200 megawatts of electricity, enough power to serve 1.4 million average homes. Both units have been shut down since January 2012. Unit 2 was taken out of service January 9, 2012, for a planned routine outage. Unit 3 was taken offline January 31, 2012, after station operators detected a small leak in a tube inside a steam generator.

In response to the loss of the SONGS units, SCE is accelerating transmission projects, securing new generation, promoting conservation and energy efficiency programs, increasing community outreach efforts, and coordinating readiness efforts with federal, state and local water and wastewater agencies.

Meetings between the Governor's office and water and wastewater agencies on the SONGS issue reaffirmed the critical importance of the water-energy nexus and therefore the collaboration between investor-owned utilities (IOU) and water agencies. At the May 15, 2013 meeting in Rancho Santa Margarita, Mr. Rechtschaffen, senior advisor to Governor Jerry Brown on energy and environmental issues, proposed expanding demand response program participation, implementing energy efficiency programs, updating distributed generation programs, improving interconnection agreement approval process, and presenting joint water and energy saving messaging.

SONGS Status and Economic Impact

November 7, 2013

Page 2 of 2

The SONGS units shut down will have economic impacts throughout Southern California and IEUA service area. The nuclear plant's workforce will be reduced from 1,500 to 400 by next year, and companies and outside contractors supporting the SONG's operation have already seen a reduction in their business.

According to the "SCE 2013 Fall Electricity Outlook", a quarterly update from SCE to its customers, SCE rates for bundled customer are expected to increase approximately 1.3 cent/kWh (8.9%) due in part to the higher costs of imported power to replace SONGS. These rates are not final and a final decision by the California Public Utilities Commission (CPUC) is expected later in the year.

SCE is currently pursuing cost recoveries from Mitsubishi Heavy Industries (the supplier of the steam generators) and insurance. SCE is also participating in a process before the California Public Utilities Commission to determine how the decommissioning remaining costs should be addressed.