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## **Mission Statement**

To supply imported and recycled water, collect, treat, and dispose of wastewater, and to provide other utility-related services to the agencies it serves.

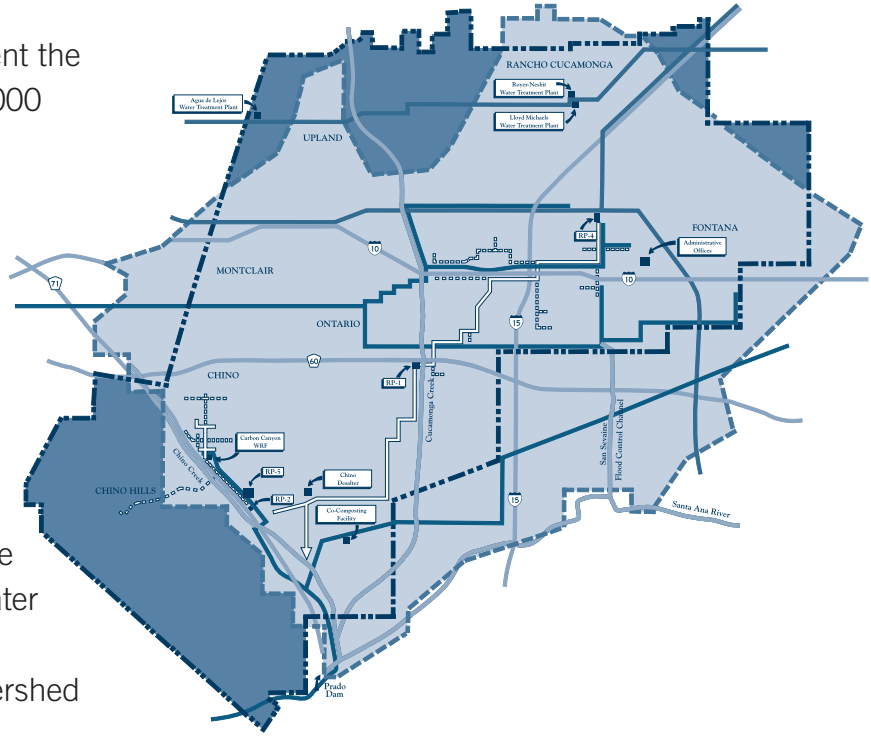
To provide these services in a regionally planned, managed, and cost effective manner which protects the public health environment, and maintains a high level of public awareness.

## Leadership

Five publicly elected directors represent the Inland Empire Utilities Agency's 700,000 residents. Each Director is elected by division to serve a four-year term.

- Division 1 Upland/Montclair
- Division 2 Ontario
- Division 3 Chino/Chino Hills
- Division 4 Fontana
- Division 5 Rancho Cucamonga

Inland Empire Utilities Agency has one representative on the Metropolitan Water District's Board of Directors and two representatives to the Santa Ana Watershed Project Authority Commission.



## Serving the Public

Inland Empire Utilities Agency is a public agency that distributes imported water from Metropolitan Water District and provides industrial/municipal wastewater collection and treatment services, operates the Chino I Desalter, and other related utility services for a 242-square-mile area in the western portion of San Bernardino County. The Agency services the cities of Chino, Chino Hills, Fontana, Montclair, Ontario and Upland, as well as the Monte Vista and Cucamonga County Water Districts.

The Agency employs 216 professionals: 134 in Operations, 23 in Engineering and Planning, and 59 in Finance and Administration.

Inland Empire Utilities Agency owns and operates four regional water recycling facilities that treat approximately 53-million gallons of water per day. Regional Plant No. 5 is under construction and its first phase is scheduled for competition early 2003. The Agency owns a co-composting facility, several domestic trunk and interceptor sewer lines, and several industrial trunk interceptors sewer lines. In addition, the Agency operates the Chino I Desalter.



## CEO/General Manager

*The Inland Empire Utilities Agency is facing significant infrastructure challenges in accommodating the economic development and urban growth for our service area. The Agency's service area has approximately 700,000 residents today and will probably double in population by 2030. Reliable water supply, wastewater treatment, and building the water and sewer works for our growing service area to maintain our quality of life will be a challenge.*

*IEUA has developed a 50-year master plan to build the necessary regional infrastructure in partnership with our cities, water utilities, and the Chino Basin Watermaster to ensure a reliable, clean water supply. In addition, IEUA has embarked on an innovative, award winning environmental management program to recycle water, produce organic compost fertilizer, and generate renewable energy for our communities.*

*At each of IEUA's regional water recycling plants, the goal will be to produce all our own renewable energy supplies. This will save money and, of course, help solve the statewide energy crisis.*

*IEUA has also partnered with the Milk Producers' Council to build dairy cow manure treatment plants that will also*

*produce clean, renewable energy and organic compost fertilizer products. The dairy "digesters" use biological processes to break down the manure into methane gas (clean, renewable energy) and compost fertilizer. This reduces truck traffic, water pollution, and air emissions from the Chino Dairy Agriculture Preserve.*

### **Combined, all these products have the potential to produce the following environmental products:**

- ▶ *25 percent of our water supply needs through water recycling and local stormwater storage;*
- ▶ *50 megawatts of clean, renewable energy;*
- ▶ *Over 300,000 tons per year of organic compost fertilizer for use by farmers and residents.*

*IEUA, in partnership with the cities we serve and the industries in our area, has embarked on new 21st century technology to solve our region's infrastructure needs and enhance our quality of life. By "recycling" our water, our organic material, and generating clean, renewable energy, we will have a secure economy and protect our region's environmental values. These are exciting times. Through the vision and cooperation of the cities, local water districts, state and federal agencies, private partners, IEUA is building a new future for the region.*



## A Year of Excellence Environmental Achievement Award

Each year the United States Environmental Protection Agency's (USEPA) recognizes outstanding environmental advocates who have made significant contributions toward enhancing and protecting the quality of the environment.

The Inland Empire Utilities Agency was selected by EPA's Region 9 to receive its '2001 Environmental Achievement Award' for the Chino Basin Organics Management Strategy Business Plan. This innovative plan helps to protect our local water supplies, reduces air pollution and generates 50 megawatts of new clean, renewable energy for our 700,000 residents.

## Southern California Edison's 'Beat the Peak' Award

With California's energy crisis, IEUA is doing its part. IEUA implemented a Seven-Point Emergency Energy Plan to reduce energy usage, as well as to develop new clean sources of electricity, to meet the regions' needs. We have installed state-of-the-art micro-turbines and other energy-saving equipment at our sewage treatment plants. We are also developing an innovative program to capture biogas and use it to generate electricity.

IEUA was the recipient of Southern California Edison's 'Beat the Peak Award' for its efforts in reducing electrical consumption during the summer. Through these efforts IEUA was able to reduce its consumption during the states

peak electrical demand saving 3.2 megawatts — enough energy to power 3,000 homes. These efforts also saved the Agency over \$450,500 in associated power costs.

## Research Achievement Award

The Santa Ana River Section of the California Water Environment Association awarded IEUA the '2001 Research Achievement Award' for its excellence in the implementation of the three-phase digestion.



*Digesters at Regional Water Recycling Plant No. 1 in Ontario.*

IEUA is the first in the industry to implement a three-phase digestion to produce Class A biosolids. As a solution to the growing concerns of increased hauling and processing costs of biosolids, IEUA implemented a three-phase digestion at its Regional Water Recycling Plant No. 1 (RP-1) in Ontario. Three-phase digestion

serves as a means to produce Class A biosolids, while reducing the quantity of biosolids hauled to outside co-composters. Class A biosolids can be used for direct land application as a nutrient source and soil conditioner without endangering the environment. Three-phase digestion has also significantly improved the production of co-generation power at the Agency's RP-1, resulting in additional gas production, and thus reducing natural gas and Southern California Edison purchases.

## Technology Merit Award

IEUA's Renewable Energy Project is the recipient of a '2001 Technology Merit Award' presented by the Environmental Business Journal. The anaerobic digester pilot demonstration project, located at IEUA's Regional Water Recycling Plant No. 5 (RP-5) in Chino, will produce one megawatt of clean, renewable electrical energy for the Chino I Desalter. It will process the daily cow manure generated by approximately 3,750 dairy cows, turning that waste into biogas (methane). IEUA will use a portion of the methane produced from the digester as supplementary fuel to run two gen-



erators powering the Chino 1 Desalter. The remaining methane will be used to run micro-turbines, generating electricity — renewable energy — on site. The project is one of the largest commercial systems in the United States to convert dairy cow manure into renewable energy. The United States Department of Agriculture Natural Resources Conservation Services and the California Energy Commission jointly funded the project.



*IEUA's RP-5 Renewable Energy Pilot Project facility was developed in partnership with Synagro Technologies, Inc., Milk Producers Council, and AnAerobics Wastewater Treatment Company and is the first of the four pilot energy projects, proposed from the Chino Basin Organics Management Strategy Business Plan, to come on-line.*

## Working Together to Drought Proof the Chino Basin

IEUA's current population of 700,00 is estimated to increase to over one million by 2030. As people, industries, and businesses move into the region, the demand for clean, reliable, high quality water will steadily rise. Conservation and efficient use of the Basin's water supply is crucial to meet these growing future demands. The Agency is working to "drought-proof" the Chino Basin. IEUA is developing a recycled water program that will provide up to 20% of our total water needs to be used for outdoor irrigation and in industrial processes. IEUA is building facilities like the Chino Desalter that takes 10,000 tons of salt annually out of the water in our underground aquifers and provides enough water to supply 20,000 families each year. And working with the Chino Basin Watermaster, IEUA is creating storage capacity that could accommodate over 500,000 acre-

feet of new water supplies for our region, which will help provide economic and environmental stability in the region.

Since potable (drinkable) water is a limited resource, it only makes sense to use as much recycled water whenever possible. IEUA has four water recycling treatment plants currently on line and a fifth under construction. These plants treat and recycle over 70,000 acre-feet of water, each year, that is available for industrial, agricultural and landscape irrigation and groundwater recharge. Using recycled water will conserve potable water that is currently being used for these purposes, offering our residents a reliable alternative water supply source and at the same time helping to "drought proof" our region.

IEUA is working with the Chino Basin Watermaster, Chino Basin Water Conservation

### *Storm Water Conference*





District and the San Bernardino Flood Control District to capture storm water to recharge our underground aquifers. Increasing the yield of the Chino Basin, by increased capture of new storm water discharge, will improve groundwater quality, improve surface water quality in the Santa Ana River and its tributaries, and increase the assimilative capacity of the Chino Basin. The volume of new storm water recharge will have a dramatic impact on the future cost of recycled water recharge. New storm water recharge that can be credited as an increase in safe yield, will be used to offset part of the replenishment obligation of the desalters that are being constructed as part of the Chino Optimum Basin Management Program.

## Chino Desalter Authority

The Chino Desalter Authority (CDA) was formed as a Joint Powers Authority (JPA) to manage and operate the Chino I and Arlington Desalters that are currently online, and the proposed Chino 2 Desalter. The JPA is comprised of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District and the Santa Ana River Water Company.

The purpose of the JPA is to purchase the Desalters and to manage the production, treatment and distribution of the water produced from the facilities. The CDA will contract out for the operation and maintenance of the Desalters. IEUA is responsible for the operation and maintenance of the Chino 1 Desalter, Western Municipal Water District is responsible for the operation and maintenance of the



Arlington Desalter, and the Jurupa Community Services District will be responsible for the operation and maintenance of the Chino 2 Desalter.

As an ex-officio member Inland Empire Utilities Agency will be an active participant in discussions and debates concerning issues before the CDA Board.

### Water Fact

*"Water" is the first word that Helen Keller learned.*



## Organics Management Strategy

Effective local management of organic materials — biosolids, animal manure, and green waste — is one of the most pressing environmental challenges facing California. In 2001, IEUA developed an innovative Organics Management Strategy that offers a coordinated, integrated long-term plan for treating, recycling and locally reusing organic material within the Chino Basin watershed. This watershed strategy will deliver significant water and air quality improvements, clean renewable electric energy and recycled organic materials, and environmental water supply and wildlife habitat benefits.

### The regional and local benefits of the Organics Management Strategy are:

- Increase clean up and processing of local dairy manure from current 20% to over 50% by 2006;
- Clean up contaminated groundwater supplies and make over 500,000 acre-feet of new water storage available by 2006;
- Produce, using anaerobic digestion technology, enough methane gas to generate 50 megawatts of clean, renewable electric energy by 2006;
- Contribute to local energy self-sufficiency goals, minimizing dependence on non-renewable fuels;
- Recycle organic materials into high quality fertilizer products in environmentally safe, enclosed composting facilities;
- Protect water quality for downstream users (over 3 million people);
- Reduce air quality pollutants, including global warming gasses, dust and odors;
- Reduce truck traffic and diesel air emissions;
- Reduce solid waste generation to land fill;
- Contribute to the restoration and protection of the Prado Basin wetlands;
- Provide water supply benefits that help "drought-proof" the Chino Basin and reduce the demand for Colorado and Northern California imported water supplies; and,
- Support a sustainable agricultural industry in the Chino Basin.

IEUA received State and Federal grant funds to implement three organics management renewable energy demonstration projects that will yield up to 2 megawatts of new, renewable power for the Chino Basin. These projects will be on line by early 2002. IEUA's partners in these projects include the U.S. Department of Agriculture, U.S. Environmental Protection Agency, U.S. Department of the Interior, the California Resources Agency, California Environmental Protection Agency, California Energy Commission, California Air Resources Board, local cities, environmentalists, water agencies and community leaders.

IEUA is also the leader in energy efficiency. In 2001, the Agency implemented a Seven-Point Emergency Energy Plan to maximize the efficiency of its operations and to generate new sources of local energy supplies that maximize "self-sufficient" operations, as well as achieve environmental objectives. Projects included installation of 53 new generators (including microturbines), increased biogas production, improved operations to reduce load, and conservation. By reducing its power demand, the Agency made available, to the grid, over 3 Megawatts of power during California's energy crisis. IEUA continues to achieve significant power savings.

### Water Fact

*When you save water in Southern California, you are not only saving water you are also saving energy.*

## **Water Fact**

*A human can survive for about a month without food, but can live only about a week without water.*

### **Chino Basin Conference**

In June 2001, the Chino Basin Organics Management Conference was held at the California State Polytechnic University in Pomona, California. The Conference was organized by the National Water Resources Institute and was co-sponsored by the Southern California Alliance of Publicly Owned Treatment Works and IEUA. Two panel discussions – one from the perspective of stakeholders and one from the perspective of state and federal agencies – provided comments on the Chino Basin Organics Management



Business Plan. Both panels strongly endorsed the concepts of the Organics Management Strategy.

### **Water Association Leadership Breakfast**

Each year the Agency hosts three Water Association Leadership Breakfasts bringing together all the water interests in the Chino Basin area and community leaders to address issues affecting the region.



*John Rossi and Traci Stewart*

## Strive To Achieve Recognition Program

The Strive To Achieve Recognition (STAR) Program was conceived based upon the concept of giving public recognition to employees who consistently perform their job duties diligently and superbly.

Semi-annually, employees are nominated by their peers based on leadership, creativity, performance, teamwork, and other individual outstanding characteristics. The following is a list of the STAR award recipients for Fiscal Year 2000/2001.

**RP-1/RP-4**  
Tom Hinojosa  
*Operator In Training*

**RP-2/CCWRF**  
Rene Serrato  
*Office Assistant*

**RP 1/RP-4**  
Rodney Brees  
*Senior Operator V*

**RP-2/CCWRF**  
Gerhardt Guttenbeil  
*Senior Operator V*

**First Half FY  
2000/2001**

**Main Office**  
Harlan Delzer  
*Water Resources Analyst*

**Second Half FY  
2000/2001**

**Main Office**  
Christina Valencia  
*Financial Analyst*

## Star Employee of the Year 2000/2001

**Gerhardt Guttenbeil**  
*Senior Operator V*

Gerhardt (Gerry) began his employment with the Agency in July 1991. Gerry's work performance has not changed in his tenure with the Agency, but continues to excel and grow taking on new challenges operationally as well as administratively. He is known for his sense of fair play and his willingness to work towards a win/win solution. Gerry is an exceptionally good trainer on plant processes and has excellent communication skills, which allows him to convey his knowledge very effectively.



### Previous STAR Employee of the Year

Larry Vanderpool, Senior DCS Administrator (1999-2000)  
Carolyn Echavarria, Systems Technician (1998-1999)  
Janet Diggs, Senior Accounting Technician (1997-1998)



## Public Outreach

Throughout the year, the Agency participated in festivals and fairs informing the community on the importance of water conservation and the benefits of recycled water.

This past year, the Agency continued its efforts, in cooperation with its member agencies, of replacing older high flush volume toilets with new ultra low-flush toilets. Since 1991 approximately 18,000 water-wasteful toilets have been replaced with ultra low-flush toilets saving over 183,960,000 gallons of potable water.

The Agency also hosted two regional events demonstrating that as a result of saving water in Southern California, you are also saving a significant amount of energy. Over 1,200 ultra low-flush toilets were distributed to area residents. The Agency also distributed bags of organic compost for their garden, as well as numerous household items and rebates to assist them in conserving water and energy, and thereby, saving money.



*Back: Jeff Bowers  
Front: Richard Adams*

## Community Service

The Agency's commitment to service carries over to employee's personal lives. Each year IEUA employees donate their time and resources to improve their communities. Contributions from the Agency's annual Silent Auction and the collection of recycled beverage tabs help the local Ronald McDonald House. Many IEUA employees make annual pledges to the United Way, as well as contributing blood through Agency sponsored blood drives.





### ***Chlorine Contact Basin***

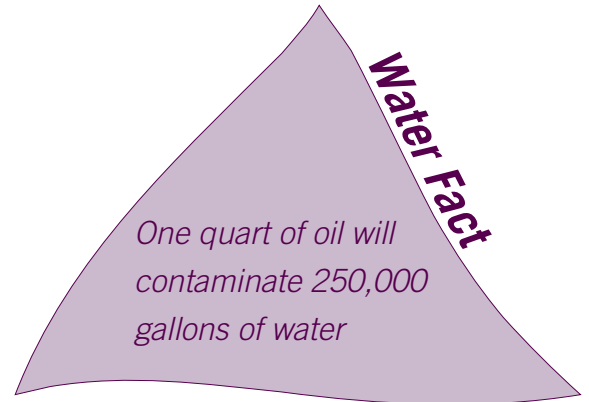
The first phase of Regional Water Recycling Plant No. 5 is scheduled to be operational early 2003.



In May 2001, Regional Water Recycling Plant No. 2 (RP-2) passed three-years as a violation-free operation. This remarkable accomplishment clearly demonstrates how successful teamwork can be.



*Congratulations to all those assigned to RP-2*



*Prado Wetlands*



## Water Fact

*It is a myth that we have less water today than we did 100 years ago. The difference is that today many more demands are placed on the same amount of water.*

## Service Award

At its February 6, 2002, Board of Directors meeting the Board had the opportunity of honoring its first 30-year employee, George Diggs.

George began his Agency employment on July 6, 1971, as employee number 18. He has worked on, with, and around every single piece of equipment and continues to pursue each task with enthusiasm. He enjoys what he does and does it well. He is a coach, mentor and counselor.

Congratulations George on three decades of service!



*George Diggs*







## Departments

IEUA acknowledges one outstanding supplier each year that provides the Agency with a high level of service. Although all IEUA suppliers are worthy of recognition, only one, which stands out above the rest, is selected as Supplier of the Year. This year, IEUA's General Services Department recognized Basic Chemical Solutions as IEUA's '2001 Outstanding Supplier of the Year'.



In keeping with the Agency's commitment to provide a safe and healthy work environment, the Human Resources Department completely revised the Agency's Safety Manual to provide staff with written programs, policies, and guidelines to cover safety, health, and environmental processes. In addition, an Emergency Manual was created to provide staff with a quick reference in the event of an emergency.

To ensure that staff is ready for unexpected emergencies, the Human Resources Department contracted with a consultant, who has 30 years of experience with the fire department, to conduct real time disaster preparedness training drills at all of the Agencies facilities this past year.

In an effort to better inform financial statement users, the Finance and Accounting Department implemented the Government Accounting Standard Board (GASB), Statement 34, one-year earlier than the mandated implementation date. IEUA's Comprehensive Annual Financial Report for fiscal year ended June 30, 2001, reflected all provisions under GASB 34. The new financial reporting model is designed to better inform a government's taxpayers, governing boards and financial institutions. Finance and Accounting was recognized by GASB with a Certificate of Recognition for the early implementation of GASB 34.

IEUA received the 'Certificate of Achievement for Excellence in Financial Reporting' for the Finance and Accounting Department's Comprehensive Annual Financial Report.



*Financial & Accounting Department acknowledged for their efforts in achieving the certificate of achievement for excellence in financial reporting*

IEUA's Environmental Compliance Department, along with the Regional Pretreatment Committee, completed the development of technically based local limits applicable to the Regional Contracting Agencies. The local limits, which were formally adopted in August 2001, are established to:

- *Prevent industrial facilities' discharge of pollutants from passing through the waste water treatment plants;*
- *Improve the quality of effluents so that it can be re-used for beneficial purposes such as recycled water; and*
- *Improve the quality of biosolids.*

During 2001, the Information Services Department began replacing the Novell NetWare operating system software on the Agency's networks with Microsoft Windows 2000. Upgrading to Windows 2000 will ensure compatibility with industry standard software products.

Information Services redesigned IEUA's Internet Web site, giving it a sharper look and making it easier to locate useful information about the Agency's various projects, such as organics management, energy conservation, the Regional Water Recycling Program and other high visibility projects.

This past year, the Laboratory received certification from Environmental Laboratory Accreditation Program for total coliform, fecal coliform and plate counts for drinking water

analyses. The Lab continued working with Operations and developed methods to evaluate and enhance the performance of its three-phase digestion guaranteeing that the biosolids produced at the IEUA facilities meet Class A designation as required by Federal Regulations.

### *Water Fact*

*Agriculture is the largest user of California's water supply. In fact, of the 39% of the Nations water that is used for irrigation, 22% is used in California.*

# Combined Balance Sheet of

June 30, 2001

|  | Water              | Domestic Waste       | Industrial Waste    | Other Activities    | Total                |
|--|--------------------|----------------------|---------------------|---------------------|----------------------|
| <b>ASSETS</b>                              |                    |                      |                     |                     |                      |
| Current Assets                             |                    |                      |                     |                     |                      |
| Cash and investments                       | \$2,790,375        | \$62,869,687         | \$13,190,902        | \$17,403,112        | \$96,254,076         |
| Accounts receivable                        | 4,075,304          | 3,896,309            | 578,802             | 887,721             | 9,438,136            |
| Other receivables                          | 51,164             | 2,541,553            | 262,000             | 409,411             | 3,264,128            |
| Short-term note receivable                 | 0                  | 0                    | 0                   | 0                   | 0                    |
| Due from other funds                       | 0                  | 235,602              | 0                   | 39,290              | 274,892              |
| Inventory                                  | 0                  | 0                    | 0                   | 1,537,434           | 1,537,434            |
| Prepaid expenses                           | 0                  | 33,600               | 0                   | 143,707             | 177,307              |
| <b>Total Current Assets</b>                | <b>6,916,843</b>   | <b>69,576,751</b>    | <b>14,031,704</b>   | <b>20,420,675</b>   | <b>110,945,973</b>   |
| Restricted Assets                          | 0                  | 10,326,892           | 0                   | 515,535             | 10,842,427           |
| Fixed Assets                               |                    |                      |                     |                     |                      |
| Property, plant & equipment, net           | 27,563             | 204,936,033          | 4,119,476           | 15,849,941          | 224,933,013          |
| Jobs in progress                           | 27,299             | 49,507,821           | 65,879              | 1,215,973           | 50,816,972           |
| Total Fixed Assets                         | 54,862             | 254,443,854          | 4,185,355           | 17,065,914          | 275,749,985          |
| Other Assets                               | 366,989            | 11,986,560           | 25,880,060          | 5,440,048           | 43,673,657           |
| <b>Total Assets</b>                        | <b>7,338,694</b>   | <b>346,334,057</b>   | <b>44,097,119</b>   | <b>43,442,172</b>   | <b>441,212,042</b>   |
| <b>LIABILITIES AND AGENCY EQUITY</b>       |                    |                      |                     |                     |                      |
| Current Liabilities                        |                    |                      |                     |                     |                      |
| Accounts payable                           | 4,124,075          | 4,261,536            | 173,159             | 863,189             | 9,421,959            |
| Other current liabilities                  | 0                  | 530,790              | 2,144,875           | 2,023,411           | 4,699,076            |
| Due to other funds                         | 0                  | 274,892              | 0                   | 0                   | 274,892              |
| <b>Total Current Liabilities</b>           | <b>4,124,075</b>   | <b>5,067,218</b>     | <b>2,318,034</b>    | <b>2,886,600</b>    | <b>14,395,927</b>    |
| Restricted Liabilities                     |                    |                      |                     |                     |                      |
| Long term debt, current portion            | 0                  | 2,505,000            | 0                   | 240,000             | 2,745,000            |
| Interest payable                           | 0                  | 2,400,535            | 0                   | 0                   | 2,400,535            |
| Other restricted assets                    | 0                  | 1,095,929            | 0                   | 0                   | 1,095,929            |
| <b>Total Restricted Liabilities</b>        | <b>0</b>           | <b>6,001,464</b>     | <b>0</b>            | <b>240,000</b>      | <b>6,241,464</b>     |
| Long Term Liabilities                      | 0                  | 107,794,620          | 6,707,028           | 3,501,191           | 118,002,839          |
| Agency Equity                              |                    |                      |                     |                     |                      |
| Contributed capital                        | 360,000            | 35,662,636           | 5,953,299           | 75,000              | 42,050,935           |
| Retained earnings                          | 2,854,619          | 191,808,119          | 29,118,758          | 36,739,381          | 260,520,877          |
| <b>Total Agency Equity</b>                 | <b>3,214,619</b>   | <b>227,470,755</b>   | <b>35,072,057</b>   | <b>36,814,381</b>   | <b>302,571,812</b>   |
| <b>Total Liabilities and Agency Equity</b> | <b>\$7,338,694</b> | <b>\$346,334,057</b> | <b>\$44,097,119</b> | <b>\$43,442,172</b> | <b>\$441,212,042</b> |



# Combined Balance Sheet of Revenues and Expenses

June 30, 2001

|                                 | Water             | Domestic Waste    | Industrial Waste | Other Activities | Total             |
|---------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| <b>OPERATING REVENUES</b>       |                   |                   |                  |                  |                   |
| Sales                           | \$23,197,436      | \$424,464         | \$0              | \$1,384,924      | \$25,006,824      |
| Service charges                 | 2,468,243         | 18,511,826        | 4,372,077        | 86,208           | 25,438,354        |
| Property tax recovery surcharge | 0                 | 1,590,118         | 0                | 0                | 1,590,118         |
| <b>Total Operating Revenues</b> | <b>25,665,679</b> | <b>20,526,408</b> | <b>4,372,077</b> | <b>1,471,132</b> | <b>52,035,296</b> |

|  |                   |                     |                  |                    |                     |
|--|-------------------|---------------------|------------------|--------------------|---------------------|
| <b>OPERATING EXPENSES</b>                |                   |                     |                  |                    |                     |
| Water purchases                          | 22,655,570        | 0                   | 0                | 0                  | 22,655,570          |
| Water transmission                       | 350,772           | 0                   | 0                | 0                  | 350,772             |
| Sewage collection                        | 0                 | 240,581             | 343,178          | 0                  | 583,759             |
| Sewage treatment                         | 0                 | 12,079,420          | 1,392,270        | 0                  | 13,471,690          |
| Sewage disposal                          | 0                 | 3,735,556           | 0                | 0                  | 3,735,556           |
| Operations and maintenance               | 0                 | 0                   | 0                | 1,656,783          | 1,656,783           |
| Administration and general               | 2,914,206         | 6,057,322           | 921,754          | 3,052,857          | 12,946,139          |
| Depreciation and amortization            | 17,077            | 11,532,245          | 1,056,648        | 703,968            | 13,309,938          |
| <b>Total Operating Expenses</b>          | <b>25,937,625</b> | <b>33,645,124</b>   | <b>3,713,850</b> | <b>5,413,608</b>   | <b>68,710,207</b>   |
| <b>Net Operating Revenues (Expenses)</b> | <b>(271,946)</b>  | <b>(13,118,716)</b> | <b>658,227</b>   | <b>(3,942,476)</b> | <b>(16,674,911)</b> |

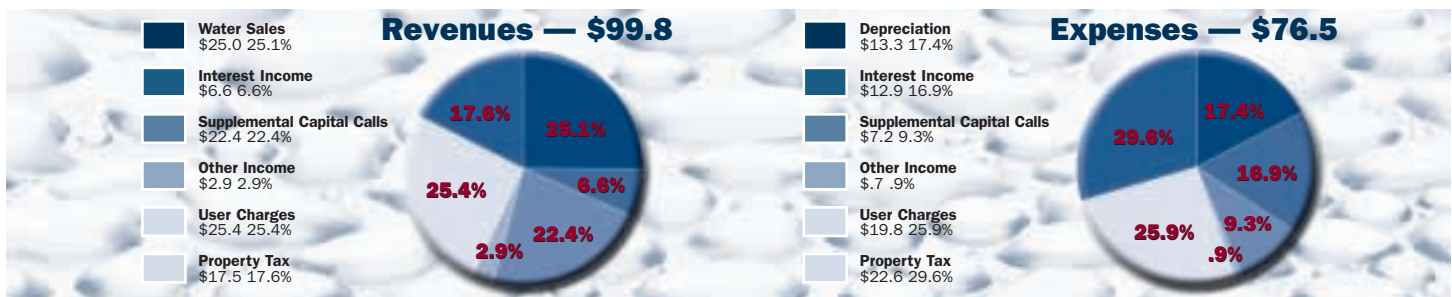
|  |                  |                     |                    |                    |                     |
|--|------------------|---------------------|--------------------|--------------------|---------------------|
| <b>NON-OPERATING REVENUES (EXPENSES)</b>           |                  |                     |                    |                    |                     |
| Interest income                                    | 224,039          | 4,330,932           | 913,708            | 1,132,363          | 6,601,042           |
| Property tax revenue                               | 0                | 14,643,882          | 163                | 1,289,609          | 15,933,654          |
| Supplemental capital calls                         | 0                | 22,400,000          | 0                  | 0                  | 22,400,000          |
| Other non-operating revenues                       | 1,050,907        | 272,278             | 127,852            | 1,399,115          | 2,850,152           |
| Interest on long-term debt                         | 0                | (6,495,524)         | (528,667)          | (128,585)          | (7,152,776)         |
| Other non-operating (expenses)                     | (5,847)          | 0                   | 0                  | (662,076)          | (667,923)           |
| <b>Net Total Non-Operating Revenues (Expenses)</b> | <b>1,269,099</b> | <b>35,151,568</b>   | <b>513,056</b>     | <b>3,030,426</b>   | <b>39,964,149</b>   |
| <b>Operating Transfers</b>                         | <b>0</b>         | <b>(2,824,306)</b>  | <b>(67,682)</b>    | <b>2,891,988</b>   | <b>0</b>            |
| <b>Net Revenues (Expenses)</b>                     | <b>\$997,153</b> | <b>\$19,208,546</b> | <b>\$1,103,601</b> | <b>\$1,979,938</b> | <b>\$23,289,238</b> |

### COMMENTS ON FINANCIAL DISCLOSURE:

The combined balance sheet of the Inland Empire Utilities Agency as of June 30, 2001, and the related combined statements of revenues and expenses for the year then ended, are presented herein, for informational purposes only, and, as such, are not intended to represent full financial disclosure.

Complete financial statements and related notes thereto, as required by governmental accounting, auditing, and financial standards, as certified by Conrad And Associates, L.L.P., are available for review at the Agency's office.

## Revenues and Expenses (in \$ Millions)





**Executive Management**


**Richard W. Atwater**  
Chief Executive Officer, General Manager



**Dr. Douglas D. Drury**  
Executive Manager of Operations



**Martha Davis**  
Manager of Strategic Policy Development



**Larry S. Rudder**  
Chief Financial Officer



**Thomas A. Love**  
Executive Manager of Engineering and Planning



# Managers



*Standing L to R Michael Chung - Manager of Finance and Accounting, John Gundlach - Manager of Biosolids Resources, David Hill - Manager of Water Resources, Tina Cheng - Budget Officer Seated L to R Patrick King - Human Services Administrator, Fred Moutat - Manager of information Services*



*Standing L to R Bob Nienhuis - Manager of Operations, RP-1/RP-4, Chris Baker - Manager of Laboratories, Parivash Dezham - Manager of Environmental Compliance, Seated L to R Gary Bankston - Manager of Energy Production and Maintenance, Jack Frazier - Manager of Perations RP-2/CCWRF*

**Not shown:**

Neil Clifton, *Manager of Engineering, Energy and Construction*

Gary Hackney, *Manager of Planning and Organics Management*

Cameron Langner, *Manager of General Services*

Adams, Pamela J.  
Adams, Richard C.  
Allingham, Jack L.  
Alvarado, Rosemary E.  
Aly, Moustafa M.  
Ambrose, Jeffrey A.  
Anderson, John L.  
Anderson, Kenneth C.  
Anderson, Mark W.  
Angier, Richard T.  
Arguelles, Alex  
Arjunan, Sylvie  
Atwater, Richard W.  
Avila, Arthur L.  
Baker, Christopher A.  
Bankston, Gary P.  
Barber, Michael R.  
Barker, John M.  
Barrer, Saturnino C.  
Batongmalaque, Charlie L.  
Baxter, Kathleen  
Berch, Christopher  
Berry, Denise M.  
Bingham, Gregg R.  
Blasingame, Lloyd  
Blasingame, Mary E.  
Bowers, Jeffery S.  
Boyd, Lisa M.  
Brees, Rodney W.  
Brule, Christopher N.  
Caldwell, Terry L.  
Callahan, Charles D.  
Campbell, Connie L.  
Caraza, Teresa  
Carel, Larry R.  
Carter, Ronald D.  
Castro, Dion J.  
Catlin, Terry L.

Cheng, Tina Y.  
Chung, Michael C.  
Clifton, Neil W.  
Cook, Jeramy  
Corley, William F.  
Correa, Jose V.  
Coyle, Michael P.  
Cressy, Theresa O.  
Cunningham, Richard A.  
Cupersmith, Leizar  
Davis, George Ephraim  
Davis, Martha  
Davis, Stanley R.  
Davis, Timothy Phillip  
De Saddi, Gabi John  
Delgado-Oramas, Jose  
Delgado-Oramas, Jose M.  
Delzer, Harlan D.  
Dezham, Parivash  
Dickenson, Patricia A.  
Diggs, George O.  
Diggs, Janet E.  
Dimzon, Mario S.  
Doan, Khanh V.  
Dominguez, Laura L.  
Draper, Martyn  
Drury, Douglas D.  
Dunihue, Anne W.  
Echavarria, Carolyn Sue  
Elrod, Sondra J.  
Escobar, Mary C.  
Fan, Bonita  
Fetzer, Robert B.  
Fiesta, Patricia A.  
Fisher, Jay B.  
Flippen, Dorothy  
Flores, Richard  
Florio, Jonathan D.

Foley, Daniel J.  
Frakes, Josh A.  
Frazier, Jack E.  
Gaddy, Charles  
Garcia, Paul A.  
Gomez, Jose C.  
Granger, Brandon Jay  
Groenveld, Nelletje  
Guardiano, Gary  
Gundlach, John C.  
Guttenbeil, Gerhardt Holger  
Hackney, Gary E.  
Hamilton, LeAnne E.  
Hamilton, Maria  
Hamlett, Donald M.  
Hayes, Kenneth H.  
Heck, Roselyn M.  
Hein, David J.  
Hernandez, Benjamin  
Hess, Rose Manela  
Hill, David A.  
Hillary, Gina Lynn  
Hinojosa, Thomas A.  
Hoak, James L.  
Hobbs, Diana P.  
Houlihan, Jesse D.  
Houser, Roderick A.  
Howard, Robert J.  
Humphreys, Deborah  
Hunton, Steve R.  
Huss, Kerry R.  
Im, Byung-Rock  
Interlicchia, Randy L.  
Jimenez, Maria E.  
Johnson, Michael D.  
Johnson, Scott T.  
King, Patrick M.  
Kitchen, Douglas J.

Kling, Wanda R.  
Knight, Georgina  
Koopman, Gene T.  
Kopp, Linda L.  
Kreimeyer, Carl L.  
Kruells, Barbara D.  
Lacey, Steven A.  
Landry, Casuandra L.  
Langner, Cameron B.  
Lee, Randy C.  
Lesniakowski, Norbert T.  
Locke, Pamela A.  
Long, Rockwell D.  
Lopez, Mark A.  
Love, Thomas A.  
Malm, David E.  
Maurizio, Danielle D.  
Mazur, John F.  
Medeiros, Shawn S.  
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Meinzer, Walter G.  
Melton, Daniel J.  
Mendez, David G.  
Merrill, Deborah L.  
Miller-White, Genece  
Mills, John T.  
Minor-Johnson, Keary  
Moe, James R.  
Montag, Carol  
Monzavi, M. Taghi  
Morgan, Garth R.  
Mouat, Frederick W.  
Mullaney, John  
Mullis, Victoria M.  
Murphy, Mary A.  
Nelson, Lori A.  
Newton, Michael P.  
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Nienhuis, Robert H.  
Nieto, Agustin  
Noel, Steve  
O'Dea, Kristine  
Oakden, Scott A.  
Osborn, Richard C.  
Pace, Brian  
Padda, Kawalpreet K.  
Pak, Benjamin Y.  
Paris, Angela Y.  
Parker, Craig J.  
Parker, Katherine Ooten  
Pearson, Marla Kay  
Pelly, Gary  
Penman, David Wesley  
Petersen, Kenneth J.  
Petersen, Rodney  
Piceno, Tony G.  
Poeske, Matthew Aaron  
Polacek, Kevin W.  
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Ramos, Carol L.  
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Rodriguez, Louis R.  
Rodriguez, Victor H.  
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Smith, Richard A.  
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Versteeg, Allen J.  
Villalobos, Hector L.  
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