



Regional Sewerage Program Technical Committee Meeting

AGENDA

Thursday, April 24, 2014
4:00 p.m.

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Thursday, April 24, 2014

Call to Order and Roll Call

1. Approval of Minutes

- A. Minutes of March 27, 2014 Meeting

2. Informational Items

- A. Rotation of Chair Agency (Written)
- B. Cost Containment Update (Written/Powerpoint)
- C. FY2014/15 Draft Budget (Written/Powerpoint)
- D. Regional Wastewater Ordinance Updates (Written)
- E. Pretreatment Program Update (Powerpoint)

3. Receive and File

- A. Draft Minutes of the Pretreatment Subcommittee Meeting
- B. Building Activity Report (YTD)
- C. Recycled Water Operations Summary
- D. Draft Policy Committee Agenda for May 1, 2014

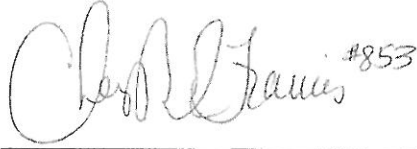
4. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – May 29, 2014

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, April 17, 2014.



Cheyenne Reseck-Francis

**APPROVAL OF
MINUTES**

1A



Regional Sewerage Program Technical Committee Meeting

MINUTES OF March 27, 2014 MEETING

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, March 27, 2014, 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
Chuck Hays	City of Fontana
Mike Hudson	City of Montclair
Ryan Shaw	City of Ontario
Rosemary Hoerning	City of Upland
Braden Yu	Cucamonga Valley Water District
P. Joseph Grindstaff	Inland Empire Utilities Agency

Absent Committee Members:

John Bosler	Cucamonga Valley Water District
Scott Burton	City of Ontario

Others Present:

Cheyenne Reseck-Francis	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Craig Parker	Inland Empire Utilities Agency
Ernest Yeboah	Inland Empire Utilities Agency
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Jesus Plasencia	City of Chino
Majid Karim	Inland Empire Utilities Agency
Nicole Greene	City of Montclair
Sylvie Lee	Inland Empire Utilities Agency

1. APPROVAL OF MINUTES**A. Minutes of February 27, 2014 Meeting**

Motion: By Steve Nix/City of Chino Hills and seconded by Mike Hudson/City of Montclair to approve the minutes of the January 30, 2014 Technical Committee meeting.

Motion carried: Unanimously.

2. INFORMATIONAL ITEMS**A. Financial Update**

Christina Valencia/IEUA gave a presentation reviewing the budget information that was presented to the IEUA Board at a workshop on March 5, 2014. She stated that the goal of this workshop was to review the reserve policy and present budget scenarios. Ms. Valencia mentioned that the scenarios support rates to recover full cost of service (COS), property tax allocation flexibility among programs, and do not include capital projects expenses from the current ongoing planning initiatives, such as the Recharge Master Plan and Integrated Resource Plan.

3. RECEIVE AND FILE ITEMS**A. Minutes of the Pretreatment Subcommittee Meeting**

The draft minutes of the February 4, 2014 Pretreatment Subcommittee meeting were received and filed by the Committee.

B. Building Activity Report (YTD)

The Building Activity Report (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.

D. Draft Policy Committee Agenda for April 3, 2014

The Draft Policy Committee Agenda for April 3, 2014 was received and filed by the Committee.

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

P. Joseph Grindstaff/IEUA reported the following:

- He thanked the committee for submitting drought projects in response to an MWD request by Grace Napolitano. We are currently bundling them and will be providing updates as we get further.
- There will be workshop on drought and sustainable rate at CVWD on April 10, 2014.
- The State Water Project allocation is still zero. Informally, if it gets changed, it will only be to 3 or so. This allocation may impact plants because of TDS requirements. The TDS level was at 500 mg/L for 2 years after last drought in 1977.
- If it is dry next year there will be major problems and, more than likely, mandatory cutbacks.

- Recycled Water this year is doing very well and groundwater recharge is currently the same as all of last year.
- Building activity reporting is at about 26% of Agency projections. The assumption is that there is a lot of growth occurring but not actually reaching us.
- Regional contract needs to be amended to account for agreement with JCSD for recycled water. Chino recycled water issue needs to be resolved first. Property tax allocation needs to be accounted for. Negotiations will start in 1 to 1 ½ years

B. Committee Member Requested Agenda Items for Next Meeting

None.

C. Committee Member Comments

None.

D. Next Meeting – April 24, 2014

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

Transcribed
by:

Cheyenne R. Reseck-Francis
Administrative Assistant, IEUA

INFORMATION
ITEM

2A

Date: April 24/May 1, 2014

To: Regional Committees

From:  Inland Empire Utilities Agency

Subject: Rotation of Chair Agency for Monthly Regional Committee Meetings

RECOMMENDATION

This is an informational item on the rotation of the host agency for the monthly Regional Committee meetings.

BACKGROUND

Traditionally, one of the Regional Sewer Service Contracting Agencies hosts the monthly committee meetings for a two-year term. The City of Chino has chaired since July 2012, and the chair agency is due to rotate in July 2014. The following are the agencies that have hosted over the last ten years:

Ontario	2000-2002
Fontana	2002-2004
Montclair	2004-2006
Upland	2006-2008
CVWD	2008-2010
Chino Hills	2010-2012
Chino	2012-2014

The next agency in the rotation is the City of Ontario. Therefore, the Regional Sewage Committee meetings will be chaired by the City of Ontario, beginning with the July 2014 meetings.

INFORMATION
ITEM

2B



Date: April 24, 2014/May 1, 2014

To: *W* Regional Committees

From: Inland Empire Utilities Agency

Subject: Update on IEUA's Cost Containment Plan

RECOMMENDATION

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

BACKGROUND

In response to the economic downturn of 2008, the Agency's Board of Directors formally adopted a Cost Containment Plan (Plan) to reduce capital and operating costs (O&M) and minimize pressure for rate increases. In FY 2008/09, actual reductions in O&M costs of \$14 million far exceeded the \$7 million target. The following year, an additional \$7 million favorable variance was reported for O&M expenses. Capital costs were also significantly reduced primarily through deferral of non-critical projects. As a result, the Ten Year Capital Improvement Plan (TYCIP) adopted in FY 2008/09 was decreased by \$218 million in FY 2011/12.

Since implementation in FY 2008/09, the Plan has been very effective in reducing and containing costs (both operational and capital), even as health insurance premiums, pension contributions rates, chemicals, and other operating expenses have continued to increase. Cumulative cost reductions through FY 2012/13 are estimated at \$245 million as reported in Table 1.

Following is a brief summary of the key actions taken to achieve cost reductions to date in some of the major expense categories.

Employment Costs. Wages have held fairly steady since FY 2008/09, despite continual increases in benefit costs. Sustainment of employment has been accomplished through a combination of actions, including; permanent reduction in staffing levels, zero cost of living adjustment (COLAs) awarded since FY 2009/10, elimination of performance incentives, significant revisions in personnel benefits, and transition from three shifts to a single shift for all Agency facilities.

Since the beginning of the recession in FY 2007/08, the Agency has decreased staffing levels, primarily through attrition, by 66 positions. The decreased staffing level is comprised of a permanent reduction of 13 full time equivalent (FTEs) in FY 2010/11; a 50% cut in the internship program, and a significant decrease in the number of limited term positions recruited

to support the Agency's capital program in lieu of recruiting permanent FTEs. In addition to the reduced staffing level, in FY 2010/11 the Agency increased the budgeted vacancy factor twofold from 3% to 6%, equivalent to 18 FTEs. By only filling critical positions, the Agency has maintained an average vacancy factor of 6% over the last 6 years.

A significant change that contributed to cost reductions was the successful cross training of operations staff across the various facilities resulting the elimination of two of the three work shifts and drastically reducing overtime costs by over 50%; from as high as \$905,000 in FY 2007/08 to \$429,000 in FY 2012/13, as well as the reduction in the number of certified operators by 10 FTEs. Other cost reductions in employment costs included: no COLAs were awarded to employees since July 2009, and elimination of performance incentives in FY 2009/10. Beginning in October 2011, employees began funding 2% of the Employee Paid Member Contribution (EPMC) pension rate, by FY 2017/18 employees will be funding the full amount of EPMC. Additionally, employee health premium contributions were modified from a percentage of health premiums to a fixed amount, hence minimizing the Agency's exposure to future rising health insurance premiums.

Offsetting some of the achieved cost reductions in employment costs was continued increases in CalPERS pension contribution rates. The total CalPERS contribution rate (employer and employee portions) increased from 19.73% of salaries in FY 2009/10 to 23% in FY 2013/14.

Operational Costs. Increases in operating costs have also been minimized through innovative approaches in chemical application, higher use of renewal energy sources, and the transition to a single shift for plant operations. It is worth noting that IEUA was one of the first agencies to successfully eliminate multiple shifts through effective cross training and remote monitoring of facilities during dark hours. This innovative approach has reduced overtime costs by an average of 45% annually since FY 2008/09.

Utilities costs also have been successfully sustained at an average of \$7 million per year since FY 2009/10; partly due to effective use of alternative energy sources and favorable market prices. Chemical costs decreased from \$4.3 million in FY 2008/09 to an annual average of \$3.7 million over the past 5 years, primarily due to effective monitoring of consumption, more aggressive negotiation of multi-year procurement contracts, and increased deliveries of recycled water, which reduces chemical treatment.

Capital Costs. Due to a significant reduction in flow forecasts as a result of the economic recession and the drastic slowdown in housing growth since FY 2008/09; the Agency shifted its focus from planning major new facilities and expansion of existing facilities to planning for repair, replacement, and modification of aging facilities through the implementation of an Asset Management Program. Deferral of capital construction projections resulted in a decrease of \$218 million in the Ten Year Capital Improvement Plan (TYCIP) adopted in FY 2011/12 compared to the TYCIP adopted in FY 2008/09. The deferred capital projects were primarily for expansion and improvement of Agency facilities needed to meet the anticipated continued growth throughout the region.

Debt Service Costs. In 2010, the Agency issued the 2010A Revenue Bonds to refinance the 1994 Revenue Bonds. The lower interest rate and elimination of the debt service account resulted in present value savings of approximately \$7 million of future debt service costs. After refinancing 1994 bonds in 2010, the only new debt incurred by the Agency has been low interest State Revolving Fund (SRF) loans issued by the State Water Resources Control Board (SWRCB), to support the expansion of the Regional Recycled Water Distribution System and replacement of the RP1 Dewatering Facility. In addition to the low interest rate, ranging from 0% to 2.7%, the Agency has also optimized grant funding from SWRCB (up to 25% of the loan agreement).

Grants. In spite of the fiscal crisis in both the State and Federal budgets, the Agency has been successful in securing grant funding to support capital investment and reduce debt service costs. Between FYs 2008/09 and FY 2012/13, the Agency received nearly \$51 million in grant reimbursements primarily from SWRCB, U.S. Bureau of Reclamation, and Department of Water Resources.

Conclusion

Cost containment continues to be a key objective for the Agency and is an integral part of the Business Goals (Fiscal Responsibility) adopted by Board in October 2012. The Agency's commitment to cost containment is evident in the proposed FY 2014/15 Budget and ensuing four year forecasts. Some of key cost containment initiatives include:

- Additional reduction of 5 FTEs from 295 to 290
- Vacancy factor of up to 5%, equivalent to 15 FTEs
- Replacement & Rehabilitation (R&R) projects based on the Agency's Asset Management Plan
- 50% of the 8% CalPERS employee contribution rate funded by employees beginning July 2014, increasing to 100% by FY 2017/18
- \$2 million reduction in annual debt service costs beginning in FY 2015/16 by refunding high interest rate bonds callable in November 2014, set to mature in 2023
- Leveraging low interest, 30 year term, SRF loans and grants to support construction of the Wineville/Central Area recycled water and New Water Quality Laboratory projects

Table 1: Achieved Cost Containment Reductions: FYs 2008/09 –2013/14

Major Expense Category		Cost Savings (\$ Millions)
I. Employment		
<ul style="list-style-type: none"> 13 Full Time Equivalent (FTEs) permanent reduction in FY 2010/11 		\$1.8
<ul style="list-style-type: none"> 6% average vacancy factor maintained over the last 6 fiscal years (average annual savings = \$2M, included in the annual budget) 		
<ul style="list-style-type: none"> 10 Limited term positions (LTD) versus 17 LTDs 		1.0
<ul style="list-style-type: none"> 18 intern positions versus 33 intern positions 		0.2
<ul style="list-style-type: none"> Achieved a single shift for all IEUA facilities and reduction of 45% of overtime pay since FY 2008/09 through effective staffing allocation and planning 		2.5
<ul style="list-style-type: none"> Granted staff zero COLA since FY 2010/11 and suspended performance awards since FY 2009/10 		5.5
<ul style="list-style-type: none"> Employees began paying 2% of Employer Paid Member Contribution (EPMC) beginning in October 2011, and will fund 100% by FY 2017/18 		6.0
Total Employment		\$17.0
II. Operations		
<ul style="list-style-type: none"> Optimization of chemical and utilities use through effective use of key performance indicators to monitor consumption 		\$3.0
<ul style="list-style-type: none"> Biosolids recycling costs contained at an annual average of \$3.5 million since FY 2008/09, due to effective use of the Inland Empire Regional Composting Facility for organics management 		
Total Operation		\$3.0
III. Capital and Debt Service		
<ul style="list-style-type: none"> Deferred capital projects focused primarily on expansion and improvement of Agency facilities 		\$218.0
<ul style="list-style-type: none"> Reduced debt service payments by \$7 million (present value) with the refunding of the 1994 Revenue Bonds (2010A Revenue Refunding Bonds) 		7.0
Total Capital & Debt		\$225.0
Total Cost Containment		\$245.0




Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT


Update on IEUA's Cost Containment Plan

April 24, 2014


IEUA Cost Containment Plan

- Formally adopted in FY 2008/09
 - In response to economic downturn in 2008
 - Intended to reduce operating & capital costs
 - Actual reductions through FY 2012/13 are estimated at \$245 million
- 


Agency-wide approach to cost reductions

- Reduced staffing level by 66 positions
 - Maintained a 6% average vacancy factor over the last 6 years
 - Achieved a single shift for all Agency facilities through cross training and remote monitoring
 - No COLAs awarded since July 2009 and eliminated performance incentives
 - Employees began paying a portion of the CalPERS employee rate in October 2011
- 

Agency-wide approach to cost reductions

- Optimized consumption of chemicals and utilities through effective use of KPIs and aggressive negotiation of multi-year contracts
 - Realized present value savings of \$7 million in future debt service costs from refinancing of 1994 Revenue Bonds (2010A Series)
 - Deferred \$218 million of non-critical capital projects
- 

IEUA remains committed to cost containment

- Cost containment is a key objective of the IEUA Business Goals adopted in October 2013
 - Included in the FY 2014/15 proposed budget and four year forecasts:
 - Permanent reduction of an additional 5 FTEs to 290 authorized FTE positions
 - Employees to fund 50% of the employee CalPERS pension contribution rate beginning July 1st.
 - \$2 million cut in debt service costs beginning FY 2015/16 from the refunding of the 2005A Bonds
- 



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT


Questions?

INFORMATION
ITEM

2C

Date: April 24/May 1, 2014

To: Regional Committees

From:  Inland Empire Utilities Agency

Subject: Fiscal Year 2014/15 Preliminary Budget for the Regional Wastewater, Recycled Water, and Recharge Water Programs

RECOMMENDATION

This is an informational item on the FY 2014/15 Preliminary Budget for the Agency's Regional Wastewater, Recycled Water, and Recharge Water Programs for the Regional Committees to review.

BACKGROUND

Since the end of the recession in December 2009, the economic recovery has not followed the patterns set by prior recoveries. Instead, recovery has seen weak growth in the economy's potential with labor force, capital stock, and productivity growing less rapidly than expected. Nonetheless, improved economic conditions are noticeable throughout the Agency's service area. The current economic recovery, while sluggish, provides the Agency and its member agencies a chance to leverage the projected increase in primary revenues including new EDU connection fees and property taxes.

Despite the projected increase in these primary revenue sources, a key challenge is still the achievement of full cost of service rates for all Agency programs as defined in the Agency's Long Range Plan of Finance (2007). While the multi-year rate increases have narrowed the gap between program revenues and costs; a structural deficit still exists. Achieving rates that fully cover operating and replacement and rehabilitation (R&R) costs is essential to ensuring the Agency meets its commitment to deliver reliable and high quality level of service. As the Agency moves beyond the three year adopted rates, future rate structures that support full cost of service will continue to be a high priority to ensure the Agency's financial health. Continuing the practice of adopting multiyear rate increases will also support the Agency's transition to a biennial budget in FY 2015/16, as well as provide member agencies more stability in their financial planning.

Another significant challenge is the current drought crisis which prompted the Governor to declare a State of Emergency in January 2014. Although there is uncertainty as to how long these drought conditions will prevail, the severity of this drought has mobilized federal, state, and local agencies to designate emergency funding to support water use efficiency, water quality,

and water reliability and sustainability projects throughout the State. To leverage these funding opportunities, the Agency is working collaboratively with its member agencies and regional stakeholders to identify projects that will help to mitigate the drought impact in future years. These projects and funding sources will be included in future TYCIP and O&M budgets.

FY 2014/15 Key Budget Assumptions

The proposed FY 2014/15 Budget and the FY 2014/15-2023/24 Ten Year Capital Improvement Plan (TYCIP) adopted by the Agency's Board of Directors (Board) in February 2014 are based on cautious optimism of continual progressive economic recovery and growth throughout the region. A significant component of the proposed budget and TYCIP are Replacement and Rehabilitation (R&R) projects identified in the 2014 Asset Management Plan, some of which were previously deferred as part of the Agency's cost containment plan implemented in response to the 2008 economic downturn.

Additionally, the proposed budget for the Regional Wastewater and Recycled Water programs is based on the last year of the multi-year rates adopted by the Board in February 2012, for Fiscal Years (FYs) 2012/13 – 2014/15. Listed in Exhibit A are the rates effective on July 1, 2014.

While these multi-year rates have helped to move the Agency closer to its ultimate goal (2007 Long Range Financial Plan) of having full cost of service rates to support operating and capital replacement costs, as illustrated in Exhibit C, the adopted rates for FY 2014/15 are still below the total cost of service for both the Regional Wastewater Operations & Maintenance (RO) and Recycled Water (WC) funds. Other key budget assumptions are listed in Table 1.

Table 1: Other Key Assumption for FY 2014/15 Budget

Revenues of Other Funding Sources	Expenses and Other Uses of Funds
3,000 new EDU connections, conservatively less than the 5,106 units projected by member agencies.	Permanent reduction of 5 full time equivalent (FTE) positions from 295 to 290, plus continued commitment to maintain a vacancy factor of up to 5%, equivalent to 15 FTEs.
3.2 million total number of billable volumetric EDUs; slight increase of .25% over projected actual for current fiscal year.	3% COLA offset by an additional 1% employee funded PERS contribution rate. Effective 7/1/14, classic employees will be paying 50% of the 8% employee contribution rate.
32,000 acre feet (AF) total recycled water deliveries (21,500 AF direct plus 10,500 AF recharged water deliveries).	Prefunding the unfunded accrued liabilities (UAL) for retirement benefits; \$4.5 million (pension) plus \$1.5 million (OPEB).
3% increase in property tax receipts consistent with the San Bernardino County Tax Assessor projected increase in assessed property values	Retirement of high interest bonds callable in November 2014.
Low interest State Revolving Fund (SRF) loans and grants for the Southern and Central/Wineville Area recycled water construction projects.	Capital Improvement Plan (CIP) based on the FYs 2015-2014 TYCIP adopted in February 2014.

Not included in the proposed FY 2014/15 O&M Budget and adopted TYCIP are projects still to be identified with the completion of various long term planning initiatives currently underway, such as the updated Wastewater Facilities Master Plan, Integrated Resources Plan, and Recycled Water Program Strategy. Projects emerging from these long term documents will be integrated into next year's TYCIP.

Regional Wastewater Capital Improvement (RC) Fund

A major revenue source for the RC fund is the fees levied for new connections to its regional wastewater system, referred to as new EDU connections fees. Pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies collect and hold these funds in a trust account (Capital Construction Reimbursement Accounts) until they are "called" or requested by the Agency to support Regional capital expenditures. Following the 2008 economic downturn, the number of new EDU connections plummeted from an annual average of 5,400 units over the preceding ten fiscal years (FY 1998/99 – FY 2007/08) to 1,318 units in FY 2008/09 and 1,116 units in FY 2010/11.

As mentioned above, a spur of new development increased new EDU connections to 1,614 units in FY 2011/12, and followed suit in FY 2012/13 with an additional 2,996 units, ending well above the 1,700 budgeted units. As of February 2014, the number of new EDU connections year to date of 1,100 units is shy of the levels in previous fiscal years. This volatility is an important reminder of the need to take a more conservative approach in forecasting and budgeting future

connections. Hence, the new EDU connections for FY 2014/15 have been lowered to 3,000 units, well below the 5,106 units projected by member agencies.

Table 2: FY 2014/15 RC Fund Major Revenues & Other Sources of Funds

Fund	Major Revenue Category	Amount \$Millions	Key Assumptions
Regional Wastewater Capital (RC)	New EDU Connections Fees	\$15.3	3,000 new EDUs connections compared to 1,800 units projected for FY 2013/14. New EDU connection fee to increase from \$5,007 per EDU to \$5,107/EDU effective 7/1/14.
	Property Tax Receipts	\$26.1	Assumes a 3% increase in FY 2014/15. Allocation of 65% of total property tax receipts to RC fund are designated for debt service costs in FY 2014/15.

Property tax receipts are another major funding source for the RC fund. In accordance with the Regional Contract, property tax receipts collected from Improvement District “C” (IDC) are fully allocated to the RC fund. IDC tax receipts represent 65%, or approximately \$26.1 million of total property tax receipts. A 3% increase in total property tax receipts is assumed for FY 2014/15, based on the San Bernardino County Tax Assessor estimate of a 3% increase in assessed values. Property tax receipts are budgeted in the RC fund for FY 2014/15 and are fully designated to support debt service costs of \$30.2 million, which includes early repayment of the 2005 bonds callable in November 2014.

Table 3: FY 2014/15 RC Fund Major Expenses & Other Uses of Funds

Fund	Major Expenses Category	Budget \$Millions	Key Assumptions
Regional Wastewater Capital (RC)	Operating Expenses	\$5.7	Administrative costs for support of the Regional capital program.
	Debt Service Costs	\$30.2	Includes principal & interest for 2005A, 2008A, 2008B and 2010A bonds and SRF loan for RP-1 Dewatering Expansion Facility. Also included \$14.2M for retirement of 2005A bonds.
	Capital Project Costs	\$6.0	See Table 3 for summary of major capital projects.
	Inter-Fund Transfers	\$1.9	Capital and debt service cost support to the Administrative (GG), Recycled Water (WC), and the Recharge Water (RW) funds.

In addition to debt service costs, the other major expenditure in the RC fund is capital expenditures. A total of \$6.0 million in capital project costs is budgeted in FY 2014/15, which

accounts for nearly 23% of the proposed \$26.0 million capital improvement plan (CIP) for FY 2014/15. Some of the major projects for FY 2014/15 are listed on Table 4.

Table 4: FY 2014/15 RC Fund Major Capital Projects

Project Name	Total Project Budget \$Thousands	FY 14/15 Budget \$Thousands
RP-5 Flow Equalization & Effluent Monitoring	\$2,144	\$700
Agency Wide HVAC Improvements	\$1,244	\$600
Fontana Interceptor Relief & Sewer Manholes Rehab.	\$3,035	\$600
CCWRF Odor Control System Replacement	\$5,070	\$500
Collection System Repairs Phase V	\$575	\$400

Regional Wastewater O&M (RO) Fund

The Regional Wastewater Operations & Maintenance (RO) fund accounts for the revenue and operating costs directly related to the domestic sewage treatment service and organic management activities, including employment costs to operate and support the Inland Empire Regional Composting Authority (IERCA). Over 77%, or \$45.9 million, of the \$59.4 million operating revenue and other funding sources are generated from monthly EDU volumetric fees charged to the Agency's contracting member agencies for collection and treatment of domestic sewage. Other revenue and funding sources include \$8.8 million of property tax receipts (equivalent to 22% of total property taxes) and \$3.5 million in reimbursement from IERCA.

Table 5: FY 2014/15 RO Fund Major Revenues & Other Sources of Funds

Fund	Major Revenue Category	Budget \$Millions	Key Assumptions
Regional Wastewater Operations & Maintenance (RO)	Monthly EDU Volumetric Charges	\$45.9	Projected growth of 0.25% in the number of billable EDUs compared to FY 2013/14 adopted budget. EDU Volumetric rate to increase from \$13.39/EDU to \$14.39/EDU effective 7/1/14.
	Property Tax Receipts	\$8.8	Assumes a 3% increase in FY 2014/15 in assessed property values, per county assessor. Allocation of 22% of total property tax receipts to RO Fund are designated to support debt service and capital replacement and rehabilitation (R&R).
	Contract Reimbursement	\$3.5	Reimbursement of employment costs from the IERCA

Effective July 1, 2014, the Monthly EDU Volumetric fee will increase from \$13.39 per EDU to \$14.39 in accordance with the multi-year rates adopted by the Board in February 2012, (Exhibit A). The assumption of 0.25% growth in the number of billable EDU's for FY 2014/15 and the \$1 per EDU increase are expected to provide an additional \$3.3 million in FY 2014/15.

As indicated in Table 5, 22%, or \$8.8 million of the total property tax receipts allocated to the RO fund in FY 2014/15 is fully designated to support the \$9.2 million of R&R projects.

Total operating costs of \$57.1 million budgeted in FY 2014/15 show an increase of \$7.9 million compared to the FY 2013/14 amended budget of \$49.2 million and an increase of \$11.7 million compared to FY 2013/14 projected actuals of \$45.4 million. The projected higher costs in FY 2014/15 are primarily due to higher employment costs which include; implementation of the salary increases offset by an increase in employee funded pension contribution rates as per the negotiated MOUs, \$4.5 million to support the prefunding of the unfunded accrued liability (UAL) for pension benefits, additional costs associated with retirement benefits (PERS employer rate) and insurance premiums, and an estimated \$1.2 million related to the Class and Compensation (C&C) study currently underway. Utilities and chemical costs are projected to increase in FY2014/15 due to additional use of natural gas and polymers for the Fuel Cell and RP-1 Dewatering facilities, respectively. Both facilities are now in full operation. Table 6 below is a summary of the major expense categories and key assumptions.

Table 6: FY 2013/14 RO Fund Major Expense Categories

Fund	Major Expense Category	Budget \$Millions	Key Assumptions
Regional Wastewater Operations & Maintenance (RO)	Employment	\$28.4	Permanent reduction of Full Time Equivalent (FTE) positions from 295 to 290, maintain a vacancy factor of up to 5%, 3% COLA per MOUs, 5% increase in CalPERS employer contribution rate, increase of employee funded pension contribution rate from 3% to 4%. Additionally includes \$4.5M to pay down retirement UAL and \$1.2M estimated cost of current C&C study underway.
	Utilities	\$7.2	Electricity rates maintained at \$0.12 kWh for direct access; Increase of the use of natural gas for RP-1 Fuel Cell
	Chemicals	\$4.5	Higher dosage of polymer due to RP-1 Dewatering centrifuge, and Sodium Hypochlorite in RP-1 Tertiary in anticipation of secondary clarifiers shut down for maintenance.
	Bio Solids	\$3.6	Increase tipping fees to \$54 per ton by the IERCA
	Contract Work/Special Projects	\$2.2	Major maintenance repair projects identified in the Agency's Asset Management Plan: Underground Piping Rehabilitation RP1/RP2 Digester Cleaning Annual Rehabilitation of Clarifiers Aeration System Rehabilitation Biofilter Media Replacement

Maintenance and replacement and rehabilitation (R&R) of aging equipment and facilities are critical elements of the adopted FYs 2015-2014 TYCIP. Beginning in FY 2008/09, the Agency implemented a cost reduction initiative in response to the economic downturn. As part of the cost containment effort, R&R projects deemed to be non-critical at that time were deferred. Since then, the Agency completed development of the Asset Management Plan to more accurately assess the condition of the Agencies physical assets. The R&R projects proposed for FY 2014/15 are based on the results of condition assessments and are essential to ensuring the Agency can sustain its committed level of service to its customers.

Over the next ten years, \$51 million of R&R projects are budgeted in the RO fund to uphold the operational reliability of the Agency's regional facilities. The proposed R&R budget for FY 2014/15 is \$9.2 million; major projects include:

Table 7: FY 2014/15 RO Fund Major R&R Capital Projects

Project Name	Total Project Budget \$Thousands	FY 13/14 Budget \$Thousands
Montclair Lift Station Upgrades	\$2,915	\$2,500
SCADA Enterprise System Upgrade	\$9,625	\$1,000
RP-4 Headwork Retrofit	\$1,200	\$900
CCWRF Secondary Clarifier #3 Rehab	\$1,100	\$800
Major Equipment Rehabilitation	\$4,000	\$700
RP-2 Drying Beds Rehabilitation	\$1,100	\$600

Recycled Water (WC) Fund

A key initiative for the Agency is to optimize the beneficial reuse of recycled water and provide a cost effective and reliable alternative to imported water for the region, as specified in the Recycled Water Three Year Business Plan (TYBP) adopted in December 2007. Since the adoption of the TYBP, projected recycled water deliveries have been reduced significantly. Originally, total connected demand was projected to reach 50,000 acre feet per year (AFY) by FY 2010/11; 33,000 AFY direct deliveries and 17,000 AFY recharge water deliveries.

The 50,000 AFY goal has been revised due to a combination of factors including delayed execution of major construction projects and a stagnation in the number of direct use connections. Two key projects that have been delayed include the Southern Area and Central/Wineville Area projects, which were originally planned for completion in FY 2009/10 and FY 2010/11, respectively. Completion of the Southern Area project construction is currently

targeted for 2015; and Central/Wineville Area project in FY 2015/16. Based on the current project plan, the 50,000 AFY goal is now projected to be achieved by FY 2019/20, or nine years later than originally planned.

Total recycled water deliveries are not anticipated to increase significantly in FY 2014/15, despite the significant increase in recharge deliveries which by February 2014 had already exceeded the budgeted 10,000 AF. The key driver for the increase is the current drought which resulted in the declaration of a drought state of emergency by Governor Brown in January 2014. However, due to the uncertainty of the drought continuing in FY 2014/15, direct deliveries and recharge deliveries are budgeted at 21,500 AF and 10,500 AF, respectively. These projections result in a total budget of 32,000 AF in total recycled water deliveries for FY 2014/15; a decrease of 3,000 AF over the projected actual for FY2013/14.

Based on the multi-year rates adopted by the Board in February 2012 (Exhibit A), total recycled water sales are budgeted at \$9.5 million; \$6.0 million direct sales and \$3.5 million for recharge sales. The Metropolitan Water District of Southern California Local Project Program (MWD LPP) rebate of \$2.1 million is another key operating revenue source. This annual rebate is set to expire on June 2017.

Table 8: FY 2014/15 WC Fund Major Revenue & Other Sources of Funds

Program	Major Revenue Category	Budget \$Millions	Key Assumptions
Recycled Water (WC)	Direct Sales	\$6.2	21,500 AF, similar to FY 2013/14 projected actual. Rate to increase from \$215 per Acre Foot (AF) to \$290/AF effective 7/1/14.
	Recharge Sales	\$3.5	10,500 AF, a reduction of 3,000 over FY 2013/14 projected actual. Rate to increase from \$255/AF to \$335/AF.
	MWD LPP Rebate	\$2.1	\$134/AF rebate for recycled water sales up to 13,500 AF per FY. Rebate is set to expire in June 2017.
	Property Tax Receipts	\$2.0	Continuation of 5% of property taxes allocation from RO Fund planned to sunset in FY 2013/14.
	Loan and Grant Proceeds	\$13.4	SRF loans and grants are the primary funding source for the Southern and Central/Wineville Area Recycled Water Projects. Each loan is anticipated to receive a maximum grant of \$4 million.

State Revolving Fund (SRF) loan proceeds and grant receipts in the amount of \$13.4 million represent approximately 47% of the \$28.2 million of the Recycled Water program's Total Revenue and Other Funding Sources in FY 2014/15. For both the Southern and Central/Wineville Area projects, the Agency secured 30 year low interest rate loans; 2.1% and 1.0% per annum, respectively. Additionally, staff was successful in waiving the "Buy America" requirement for the Central/Wineville Area project resulting in an estimated savings of

approximately \$4 million. These funding sources, along with a 5% allocation of property taxes in the amount of \$2.0 million are the primary funding sources of the Recycled Water (RW) program CIP.

A total of \$8.4 million in operating expenses is budgeted in FY 2014/15, reflecting an increase of approximately 41% compared to projected actuals of \$5.9 million for the current fiscal year. Utilities are anticipated to increase by nearly \$0.4 million, from \$2.1 million to \$2.6 million, due to higher pumping costs compared to projected actuals as summarized in Table 9:

Table 9: FY 2014/15 WC Fund Major Expense Categories & Other Uses of Funds

Program	Major Revenue Category	Budget \$Millions	Key Assumptions
Recycled Water (WC)	Utilities	\$2.6	\$0.12 kWh electricity rate for direct access, renewal energy rates based Purchase Power Agreements (PPAs) and annual CPI increase. Higher pumping costs are driving an increase of nearly \$0.4M compared to projected actuals.
	Employment	\$3.5	Permanent reduction of Full Time Equivalent (FTE) positions from 295 to 290, maintain a vacancy factor of up to 5%, 3% COLA per MOUs, 5% increase in CalPERS employer contribution rate, increase of employee funded pension contribution rate from 3% to 4%. Additionally includes \$4.5M to pay down retirement UAL and \$1.2M estimated cost of current C&C study underway.
	Operating Fess & Expense	\$1.1	Includes professional fees and services, materials and supplies, and a portion of the groundwater recharge operations expense
	Debt Service Costs	\$4.8	Includes principal and interest costs for outstanding debt.
	Capital Project Costs	\$9.8	See Table 9 for summary of major capital projects.

Annual debt service costs are estimated to maintain at \$4.8 million in FY 2014/15. Repayment of the \$23.5 million outstanding inter-fund loans (\$8.5 million due to RC fund and \$15 million due to the NC fund) are scheduled to begin in FY 2016/17, with full repayment of the \$23.5 million inter-fund loans is projected by FY 2018/19.

A total of \$9.8 million is budgeted in the WC fund for CIP in FY 2014/15; Major capital projects budgeted in FY 2014/15 are summarized in Table 10:

Table 10: FY 2013/14 WC Fund Major Capital Projects

Project Name	Total Project Budget \$Thousands	FY 13/14 Budget \$Thousands
Wineville Extension – Segment A	\$31,200	\$3,000
Wineville Extension – Segment B	\$23,519	\$3,000
GWR and RW SCADA Communication System Upgrades	\$2,764	\$650
GWR and RW SCADA Control Equipment Upgrades	\$1,170	\$500
930 Zone Pressure Zone Pipeline	\$7,619	\$535
1630 East Pipeline Relocation	\$1,050	\$400
RP3 Basin Improvements	\$5,290	\$200

Recharge Water (RW) Fund

The Recharge Water (RW) fund accounts for the revenues and expenses associated with groundwater (GWR) recharge operations and maintenance through joint efforts with the Chino Basin Watermaster (Watermaster), Chino Basin Water Conservation District, and the San Bernardino County Flood Control District. Operating expenses include general basin maintenance and/or restoration, groundwater administration (e.g. labor , tools, and supplies), contracted services (e.g. weeding and vector control), compliance reporting, and environmental documentation for permit compliance.

The proposed FY 2014/15 O&M Budget of \$1.8 million includes \$150,000 for GWR Basin Improvement O&M Project, \$126,000 for utilities, and approximately \$530,000 designated for general groundwater basin maintenance. Included in the \$530,000 is \$230,000 for infiltration restoration and slope repairs of four groundwater basins: Declez, 8th Street, Jurupa, and, Turner 1 & 2.

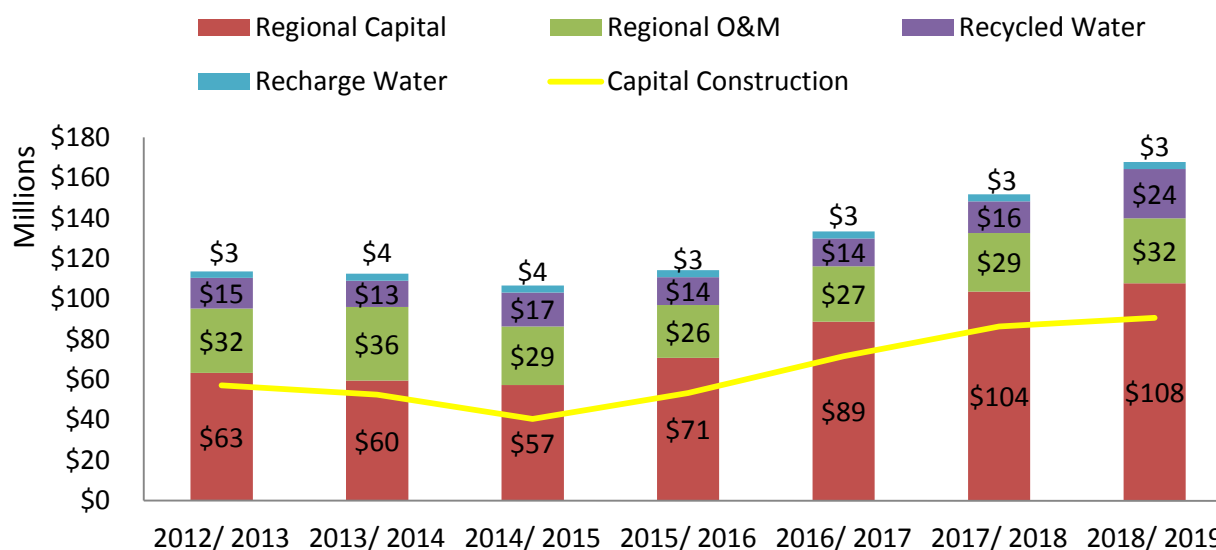
Pursuant with Chino Basin Recharge Master Plan and Peace II Agreement, costs for basins recharged with recycled water are pro-rated between Watermaster and the Agency based on the relative proportion of recycled water to the total water recharged in the basin. The Agency's pro-rata share is estimated to increase to \$548,000 in FY 2014/15 from \$464,000 projected for the current fiscal year.

Fund Balances

Consistent with sound and prudent fiscal practices, and in compliance with legal requirements, the Agency has historically maintained reserves within its various programs (funds) to sustain operational and capital requirements and to address unforeseen events such as: a decrease in revenues or increase in costs. A critical component is funds designated to support capital investment, including R&R, construction, improvement, and expansion of the Agency's facilities and infrastructure.

Total fund reserves for three major Agency funds (Regional Wastewater Capital, Regional Wastewater O&M, and Recycled Water) are reported in Figure 1. With the exception of the FY 2014/15 Proposed Budget, when capital construction reserves drop to under \$38 million, approximately 50% or an average of \$40 million per fiscal year of the total reserves are designated for capital investment, as indicated by the yellow trend line in Figure 1. Based on the estimated \$1.1 billion replacement value of the Agency's facilities and infrastructure, \$40 million is only sufficient to support about 4% of total assets.

Figure 1: Fund Balances for Regional Wastewater, Recycled Water, & Recharge Water Programs



The decrease of \$5 million in the FY 2014/15 Proposed Budget estimated an ending fund balance of \$110 million compared to FY 2013/14 projected actual of \$115 million, is primarily due to prefunding of UALs related to retirement benefits and defeasance of high interest long term debt. Capital expenditures are projected to be \$33 million and operating costs are estimated to be \$58 million through the end of the current fiscal year.

Establishing and sustaining appropriate fund reserves is essential to the Agency's ability to upkeep and enhance facilities in a timely and cost effective manner, as well as safeguard its

financial health to address economic, environmental, and regulatory variability. A key component of the budget workshop series completed in March 2014 was the evaluation of reserve categories established in 2005. Discussion led to the consolidation of some of the current categories with defined minimum and target levels. The revised reserve category structure is expected to be approved by the Board as part of the FY 2014/15 Budget adoption in June.

FY 2015 - 2024 Ten Year Capital Improvement Plan (TYCIP)

On February 19, 2014 the Board approved the FY 2015/24 Ten Year Capital Improvement Plan (TYCIP) which defines the basis for the Regional and Recycled Water capital projects. Since then, further analysis has resulted in reclassification of some of the projects from capital to operations reducing the total TYCIP from \$336 to \$309 million. The revised FY 2015-2024 TYCIP of \$309 million is approximately 26% lower than the currently adopted FY 2014-2023 TYCIP of \$415 million, and focuses on critical R&R projects necessary to meet reliability and regulatory requirements. Also included is the expansion and improvement of existing facilities as the Agency prepares to meet higher service demands anticipated from the expected growth in its service area.

The Agency is currently engaged in multiple planning initiatives that will define the capital investments needed to provide long term reliable, high quality, sustainable services that meet the demands of the region. Among these initiatives are the Integrated Resources Plan, the Recycled Water Program Strategy, the Energy Plan and an update of the Wastewater Facilities Master Plan. The Agency is also working collaboratively with its member agencies and regional stakeholders to identify projects that will enhance regional water use efficiency, quality, reliability, and sustainability in response to the current drought crisis. All these initiatives, although not included in the current TYCIP, will help to shape future year budget requirements.

Improvement and Expansion Projects

Included in the adopted FYs 2015-2014 TYCIP are capital projects targeting required improvements and expansion of existing facilities in order to meet higher anticipated service demands in the future. Between FY 2014/15 and FY 2023/24, member agencies are projecting 33,672 new EDU connections. Nearly half, or 15,900 new EDU connections, are forecasted by the City of Ontario, primarily from the New Model Colony during the first six fiscal years of the TYCIP. The Agency's more conservative estimate of 25,100 in new EDU connections over the next ten years is based on historical trends and aligns with the service area economic outlook. Exhibit B is a list a of the major improvement and expansion projects planned in the TYCIP.

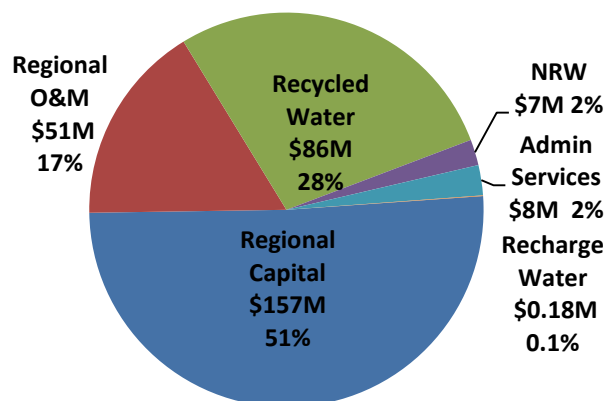
Repair and Replacement (R&R)

Key components of the TYCIP are capital projects for major maintenance as well as replacement and rehabilitation (R&R) of existing equipment and facilities. As mentioned in the RO fund summary, the deferral of R&R projects beginning in FY 2008/09 as part of the Agency's cost containment plan has resulted in an increase in the number of failures and emergency repairs. The RO fund projects listed in Exhibit B are the major R&R projects in the proposed TYCIP.

TYCIP Allocation by Fund

Approximately 96% of the \$309 million proposed TYCIP is designated for the Regional Wastewater and Recycled Water programs as illustrated in Figure 3.

Figure 3: TYCIP Allocation by Fund, \$309 Million



Of the total TYCIP, \$28.4 million, or 9% is appropriated for FY 2014/15; and \$48.9 million, or 15%, for FY 2015/16. Of the total \$309 million TYCIP, 59% is projected to be financed through Pay-Go, 39% from SRF loans, and the remaining 2% from grants, as indicated in Table 11.

Table 11: FYs 2015-2024 TYCIP Projected Funding Sources

Funding Source	Amount (\$Millions)	% of TYCIP	Key Assumptions
New Debt	\$121.5	39.3%	\$30M SRF loans for Southern and Central/Wineville areas \$50M SRF loan to support the southern area wastewater expansion \$25M SRF loans for future recycled water projects \$16M SRF loan to support new laboratory
Pay-Go	\$181.1	58.6%	Connection fee rates increase from \$5,107 in FY 2014/15 to \$6,663 by FY 2023/24 Estimates of property tax receipts are based on estimates provided by the San Bernardino County Tax Assessor. FY 2014/15 estimated growth is 3%
Grants	\$6.4	2.1%	Continue to research and apply for grants to support Agency capital projects
Total	\$309	100%	

Debt Coverage Ratio

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal payments and related interest), and serves as a critical financial measure in determining its overall credit rating. DCR also affects an entity's market accessibility for future borrowings and the associated costs. Improvement of the Agency's DCR was a key driver of multi-year rate increases adopted by the Board in February 2012 for the Regional Wastewater and Recycled Water programs. The Board established a minimum DCR target of 1.50x and 1.70x to be achieved by the end of FY 2013/14 and FY 2014/15, respectively.

On January 22, 2014 the Agency's Board of Directors held the first of three budget workshops, which provided an overview of the Agency's current financial position and presented the proposed long term, intermediate, and immediate Business Goals relative to Fiscal Responsibility. A key recommendation by the Board was the payment of long term liabilities. These long term obligations include: high interest bonds and unfunded accrued liabilities (UALs) for retirement benefits. Early repayment of high interest bonds and a reduction in UALs will help support another key recommendation from the Board: improvement of the Agency's total debt coverage ratio (DCR) to 3.0X and achieve AAA credit rating sooner than FY 2017/18.

Based on current assumptions and the combined effect of higher user charges, timely completion of R&R projects, retirement of high interest bonds callable in November 2014, annual prefunding of the retirement unfunded accrued liabilities (UALs), and continual commitment to cost containment, the agencies DCR will strengthen over time. As indicated in Table 12, total DCR is projected to progress towards the 3.0X target established by the Board.

Table 12: Debt Coverage Ratio

	Actual FY 2012/13	Projected Actual FY 2013/14	Proposed FY 2014/15	Forecast FY 2015/16	Forecast FY 2016/17	Forecast FY 2017/18
DCR actual/projection based on current assumptions	2.85X	1.96x	2.18x	2.79x	3.00x	3.03x

Considering the growth anticipated over the next 10 years and the need to expand existing facilities to meet increased service demands, improving the Agency's long term credit rating from AA- to AAA is essential. Attaining AAA credit rating (considered high quality borrower) will better position the Agency to acquire new debt at a significantly lower cost. In today's market, the cost of borrowing between AA and AAA is about 20 basis points. On a \$40 million bond issue, this translates to cost savings of over \$2.4 million over a 30 year term.

Conclusion

The Los Angeles County Economic Development Corporation, in its annual forecast released Wednesday, February 20, 2013, called for better conditions across the board in the Inland Empire this year and an even stronger economy in 2014. Another echo from San Bernardino and Riverside counties suggests construction work could again be the region's biggest economic engine.

The current outlook of strengthening local economic conditions will necessitate the Agency to proactively improve existing facilities in order to continue to meet the commitment of level of service. Over the next ten years, the Agency will also need to address expansion of its existing facilities in order to meet the anticipated growth and higher service demands, particularly in the southern section of its service area. With all of the planning initiatives in place the Agency will be in a better position to support the future water reliability for the Region.

Future capital investment in expansion and improvement of Agency facilities will be supported through a combination of pay-go and external financing, such as bonds or State Revolving Fund loans. To secure low borrowing costs and support moderate increases in the future, an essential financial goal for the Agency is to improve its long term credit rating from AA- to AAA.

Another key objective for the Agency is to ensure rates fully cover the cost of service, including R&R requirements, for its major programs (consistent with the Regional Contract). Achieving this critical objective will minimize the Agency's reliance on property taxes and use of fund reserves more appropriately to support operating and capital replacements costs.

Attached are copies of the Sources and Uses of Fund reports for the Regional Wastewater, Recycled Water, and Recharge Water Programs.

Exhibit A

Multi-Year Adopted Rates for Regional Wastewater and Recycled Water Programs

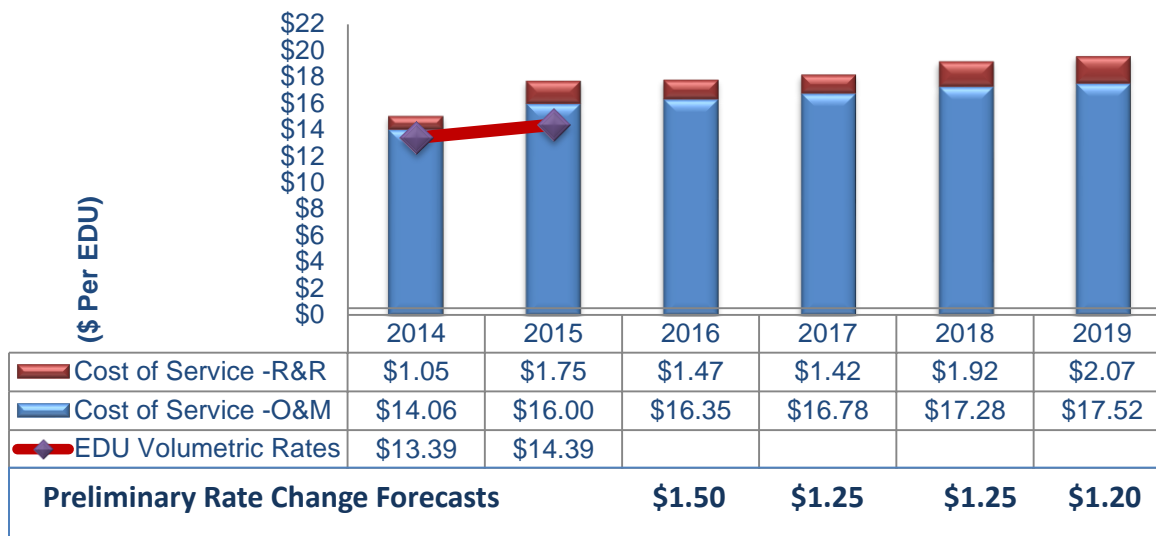
Program	Rate	FY 2012/13 Effective July 1, 2012	FY 2013/14 Effective July 1, 2013	FY 2014/15 Effective July 1, 2014
Regional Wastewater	Monthly EDU Volumetric Fee	\$12.39	\$13.39	\$14.39
	New Per EDU Connection Fee	\$4,909	\$5,007	\$5,107
Recycled Water	Direct Delivery Rate Per AF	\$155	\$215	\$290
	Groundwater Recharge Per AF	\$195	\$255	\$335

Exhibit B
Major Expansion, Improvement and R&R Projects in the TYCIP
(Greater than \$1 million in total TYCIP)

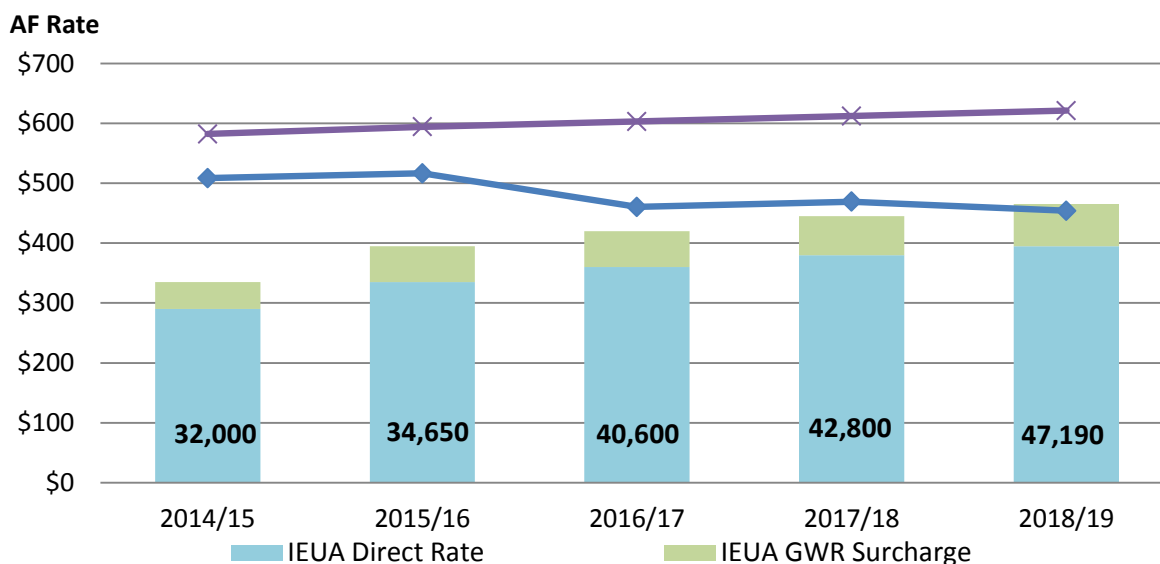
Project #	Project Description	FY 2014/15	FY 2015-2024	Ten Year Total
Regional O&M (RO) Fund				
EN15032	Agency-Wide HVAC Improvements - Pckg No. 3	\$100,000	\$1,100,000	\$1,200,000
EN11031	RP-5 Flow Equalization and Effluent Monitoring	700,000	763,000	1,463,000
EN13018	CCWRF Odor Control System Replacement	500,000	2,380,000	2,880,000
EN13046	RP-1 Flare System Improvements	0	3,400,000	3,400,000
EN14006	Misc RC Constr & Emergency Proj FY13/14	250,000	2,250,000	2,500,000
EN14009	CM Misc RC Constr & Emergency Proj FY13/14	250,000	2,250,000	2,500,000
EN14018	RP-4 Process Improvements	200,000	1,325,000	1,525,000
EN14019	RP-1 Headworks Rehab (aka Headworks Gate Replacem	0	10,510,000	10,510,000
EN14020	RP-1 Sludge Thickening Upgrades	0	8,446,000	8,446,000
EN14037	Fontana Interceptor Relief Sewer Manholes Rehab	600,000	610,000	1,210,000
EN16011	Whispering Lakes LS Improvements	0	3,000,000	3,000,000
EN17003	Aeration System Improvements	0	6,250,000	6,250,000
EN18004	RP-1 IPS System Improvements	0	1,000,000	1,000,000
EN19005	Haven LS SCADA Improvements	0	3,000,000	3,000,000
EN19006	RP-5 SHF	0	100,250,000	100,250,000
EN19007	RP-1 Flow Equalization Upgrade and Odor Control	0	1,000,000	1,000,000
EN20006	RP-1 Digester Mixing Upgrade	0	2,250,000	2,250,000
Regional O&M (RO) Fund Total		\$2,600,000	\$149,784,000	\$152,384,000
Regional Capital (RC) Fund				
EN09021	RP-4 Headworks Retrofit	\$900,000	\$300,000	\$1,200,000
EN13016	SCADA Enterprise System	1,000,000	8,625,000	9,625,000
EN13054	Montclair Lift Station Upgrades	2,500,000	415,000	2,915,000
EN14012	RP-2 Drying Beds Rehab	600,000	510,000	1,110,000
EN14024	CM Misc RO Constr & Emergency Proj FY13/14	250,000	2,250,000	2,500,000
EN15008	New Water Quality Laboratory	0	17,100,000	17,100,000
EN15013	RP-1 TWAS and Primary Effluent Piping Replacement 2	400,000	100,000	500,000
EN17004	Energy Efficiency Improvements	0	1,700,000	1,700,000
EN18005	RP-4 Secondary Drains	0	1,100,000	1,100,000
EN21002	Chino Creek Wetlands and Educational Park Upgrades	0	1,858,000	1,858,000
EP15002	Major Equipment Rehab/Replace	700,000	3,700,000	4,400,000
IS15020	Process Automation Controls IT Improvements	300,000	2,700,000	3,000,000
Regional Capital (RC) Fund Total		\$6,650,000	\$40,358,000	\$47,008,000
Recycled Water (WC) Fund				
EN15034	CM Misc WC Construction & Emerg Proj FY14/15	\$250,000	\$2,250,000	\$2,500,000
EN15035	Misc RW Projects FY14/15	200,000	1,800,000	2,000,000
EN06025	Wineville Extension Pipeline Segment A	3,000,000	12,700,000	15,700,000
EN09007	1630 East Reservoir & Segment B Pipeline	0	5,401,000	5,401,000
EN12019	GWR & RW SCADA Communication System Upgrades	650,000	520,000	1,170,000
EN13001	San Sevaime Improvements	100,000	1,850,000	1,950,000
EN13045	Wineville Extension Pipeline Segment B	3,000,000	8,794,000	11,794,000
EN13048	Second 12kV Feeder to TP-1	100,000	1,150,000	1,250,000
EN14041	RP-4 1158 and 1299 Pump Station Upgrades	50,000	5,550,000	5,600,000
EN14042	RP-1 1158 Pump Station Improvements	100,000	3,900,000	4,000,000
EN14043	RP-5 Pipeline Bottleneck	100,000	1,200,000	1,300,000
EN19002	800 Pressure Zone Reservoir	0	3,400,000	3,400,000
EN19003	RP-1 Parallel Outfall Pipeline	0	5,700,000	5,700,000
EN20001	Lower Day Basin Pipeline	0	2,525,000	2,525,000
EN20003	Montclair Basin Pipeline	0	1,500,000	1,500,000
EN20005	800 PZ-Bottleneck	0	1,300,000	1,300,000
EN21001	Upland Basin	0	3,000,000	3,000,000
WR15019	RP-3 Basin Improvements	200,000	5,090,000	5,290,000
WR15021	Napa Lateral	50,000	5,950,000	6,000,000
Recycled Water (WC) Fund Total		\$7,800,000	\$73,580,000	\$81,937,000

Exhibit C

Cost of Service and EDU Volumetric Rate- Regional O&M (RO) Fund



Cost of Service and AF Sales – Recycled Water (WC) Fund



FY 2014/15 Proposed Budget for Regional Wastewater, Recycled Water

April 16, 2014

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INLAND EMPIRE UTILITIES AGENCY FISCAL YEAR 2014/2015 BUDGET RC FUND - SOURCES AND USES OF FUNDS

	2011/2012	2012/13	2013/2014		2014/2015	2015/2016	2016/2017	2017/18	2018/19
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	FORECAST			
REVENUES AND OTHER FINANCING SOURCES									
Contract Cost reimbursement	\$14,299	\$11,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	473,708	399,202	180,000	68,000	231,779	428,745	629,815	823,051	1,014,911
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$488,007	\$410,841	\$180,000	\$68,000	\$231,779	\$428,745	\$629,815	\$823,051	\$1,014,911
OTHER FINANCING SOURCES									
Property Tax - Debt and Capital	\$21,118,918	\$31,505,242	\$21,678,590	\$25,371,125	\$26,132,258	\$21,520,920	\$21,736,129	\$21,953,490	\$22,173,025
Regional System Connection Fees	7,686,126	14,614,387	9,012,600	9,012,600	15,321,000	18,410,000	18,963,000	18,975,400	14,370,000
State Loans	5,461,495	1,569,879	0	0	0	0	0	0	0
Grants	1,067,648	24,552	0	0	0	0	0	0	0
Sale of Assets	21,848	4,805,394	0	0	0	0	0	0	0
Other Revenues	562,765	327,981	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Loan Transfer from Internal Fund	0	0	0	0	0	0	3,000,000	2,000,000	3,500,000
TOTAL OTHER FINANCING SOURCES	\$35,918,801	\$52,847,435	\$30,697,190	\$34,389,725	\$41,459,258	\$39,936,920	\$43,705,129	\$42,934,890	\$40,049,025
EXPENSES									
Employment Expenses	\$3,581,441	\$2,821,517	\$4,083,214	\$3,936,044	\$3,067,279	\$3,163,611	\$3,264,246	\$3,359,672	\$3,389,414
Contract Work/Special Projects	1,652,783	2,195,206	310,000	310,000	50,000	50,000	50,000	50,000	50,000
Operating Fees	413,482	338,347	479,070	474,695	677,647	663,899	683,816	704,330	725,460
Professional Fees and Services	395,427	429,110	305,820	219,430	236,520	218,491	220,521	222,613	224,766
Other Expenses	503,734	2,893,682	316,640	566,143	1,713,193	1,209,070	1,552,400	1,191,935	1,650,844
TOTAL EXPENSES	\$6,546,867	\$8,677,862	\$5,494,744	\$5,506,313	\$5,744,639	\$5,305,071	\$5,770,983	\$5,528,550	\$6,040,484
CAPITAL PROGRAM									
IERCA investment	\$0	\$500,000	\$500,000	\$0	\$500,000	\$0	\$0	\$0	\$0
Work In Progress	13,916,516	3,849,819	238,694	238,694	5,500,500	5,898,000	4,865,000	7,100,000	12,440,000
WIP Adjustment -25% deferral 13/14-17/18	(3,405,236)	(9,000,000)	0	0	0	0	0	0	0
Rehab & Replacement	0	0	8,941,017	8,493,966	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$10,511,280	(\$4,650,181)	\$9,679,711	\$8,732,660	\$6,000,500	\$5,898,000	\$4,865,000	\$7,100,000	\$12,440,000
DEBT SERVICE									
Financial Expenses	\$21,897	-\$19,689	\$220,880	-\$209,045	\$300,700	\$433,700	\$300,700	\$300,700	\$433,700
Interest	6,246,504	7,158,472	7,098,427	6,815,427	6,852,591	6,596,239	6,718,849	6,473,764	6,218,341
Principal	6,632,651	7,906,265	8,165,374	8,165,374	23,027,859	7,022,797	7,223,202	7,274,517	7,453,355
Short Term Inter-Fund Loan	0	0	5,500,000	5,500,000	0	0	0	0	0
TOTAL DEBT SERVICE	\$12,901,052	\$15,045,048	\$20,984,681	\$20,271,756	\$30,181,150	\$14,052,736	\$14,242,751	\$14,048,981	\$14,105,396
TRANSFERS IN (OUT)									
Capital Contribution	(\$522,133)	(\$3,198,208)	(\$2,247,990)	(\$1,749,798)	(\$1,370,879)	(\$970,398)	(\$764,426)	(\$1,282,618)	(\$574,298)
Debt Service	(2,008,328)	(1,830,928)	(1,940,495)	(1,940,495)	(505,740)	(617,000)	(667,000)	(667,000)	(700,000)
TOTAL INTERFUND TRANSFERS IN (OUT)	(2,530,461)	(5,029,136)	(4,188,485)	(3,690,293)	(1,876,619)	(1,587,398)	(1,431,426)	(1,949,618)	(1,274,298)
FUND BALANCE									
Net Income (Loss)	\$3,917,149	\$29,156,411	(\$9,470,431)	(\$3,743,297)	(\$2,111,871)	\$13,522,459	\$18,024,784	\$15,130,791	\$7,203,758
Fund Balance Adj. FY 11/12 CAFR	(8,847,085)								
Beginning Fund Balance July 01	39,089,053	34,159,116	63,315,527	63,315,527	59,572,230	57,460,359	70,982,819	89,007,603	104,138,396
ENDING FUND BALANCE AT JUNE 30	\$34,159,117	\$63,315,527	\$53,845,096	\$59,572,230	\$57,460,359	\$70,982,818	\$89,007,603	\$104,138,394	\$111,342,154

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INLAND EMPIRE UTILITIES AGENCY FISCAL YEAR 2014/2015 BUDGET RO FUND - SOURCES AND USES OF FUNDS

	2011/2012	2012/2013	2013/2014	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	FORECAST			
REVENUES									
User Charges	\$35,573,096	\$39,569,548	\$43,469,257	\$42,695,825	\$45,988,286	\$50,893,953	\$55,023,361	\$59,173,099	\$63,182,341
Property Tax- O&M	3,626,978	0	0	0	0	0	0	0	0
Cost Reimbursement JPA	2,607,121	3,252,652	3,262,445	3,262,445	3,476,249	3,585,426	3,699,478	3,807,628	3,841,336
Contract Cost Reimbursement	279,346	516,774	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Interest Revenue	131,196	128,956	245,000	340,000	370,000	280,000	350,000	480,000	500,000
TOTAL REVENUES	\$42,217,737	\$43,467,931	\$47,069,703	\$46,391,272	\$49,927,535	\$54,852,379	\$59,165,839	\$63,553,727	\$67,616,677
OTHER FINANCING SOURCES									
Property Tax Revenues - Debt/Capital/Reserves	\$3,651,586	\$10,407,455	\$7,337,369	\$6,387,150	\$8,844,764	\$4,060,551	\$4,101,156	\$4,142,168	\$0
State Loans	0	0	0	2	0	0	400,000	10,000,000	6,000,000
Grants	47,344	42,258	58,030	58,030	0	0	700,000	0	0
Other Revenues	814,561	598,464	517,200	517,200	565,416	738,000	756,540	775,636	795,305
TOTAL OTHER FINANCING SOURCES	\$4,513,491	\$11,048,176	\$7,912,599	\$6,962,382	\$9,410,180	\$4,798,551	\$5,957,696	\$14,917,804	\$6,795,305
EXPENSES									
Employment Expenses	\$23,673,521	\$23,614,915	\$25,321,594	\$24,408,938	\$28,423,449	\$29,316,130	\$30,248,677	\$31,132,957	\$31,408,571
Contract Work/Special Projects	982,890	130,522	1,750,530	870,530	2,167,000	1,300,000	1,150,000	2,750,000	3,250,000
Utilities	4,903,594	6,100,836	6,696,490	6,436,504	7,164,307	7,379,469	7,600,856	7,828,881	8,063,816
Operating Fees	1,235,967	579,760	782,059	782,059	1,080,108	1,027,446	1,055,163	1,085,850	1,118,426
Chemicals	3,310,504	3,578,136	4,639,412	3,489,010	4,459,380	4,593,104	4,730,898	4,872,824	5,019,008
Professional Fees and Services	1,604,098	1,872,563	2,984,659	2,232,240	2,894,944	2,679,964	2,751,834	3,106,797	3,283,538
Office and Administrative expenses	24,820	19,220	439,495	233,664	434,430	435,463	436,528	437,623	438,752
Biosolids Recycling	3,915,085	3,322,651	3,558,743	3,477,735	3,557,924	3,775,007	4,001,141	4,121,175	4,244,810
Materials & Supplies	1,673,006	1,688,761	1,931,063	1,937,638	2,059,825	2,127,038	2,190,850	2,256,574	2,324,565
Other Expenses	866,927	862,027	1,142,713	1,145,394	4,155,034	4,264,383	4,211,346	4,206,581	4,097,849
TOTAL EXPENSES	\$42,190,411	\$41,769,391	\$49,246,758	\$45,013,713	\$56,396,401	\$56,898,004	\$58,377,293	\$61,799,262	\$63,249,336
CAPITAL PROGRAM									
Capital Construction & Expansion (WIP)	\$4,011,385	\$6,094,290	\$10,795,544	\$3,535,550	\$10,210,000	\$5,355,000	\$5,250,000	\$14,900,000	\$7,700,000
Capital Adjustment	(359,800)	0	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$3,651,586	\$6,094,290	\$10,795,544	\$3,535,550	\$10,210,000	\$5,355,000	\$5,250,000	\$14,900,000	\$7,700,000
DEBT SERVICE									
Financial Expenses	\$259	\$4,201	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Interest	4,992	214,375	214,285	214,285	214,285	214,285	214,285	214,285	214,285
TOTAL DEBT SERVICE	\$5,251	\$218,576	\$214,585	\$214,585	\$214,585	\$214,585	\$214,585	\$214,585	\$214,585
TRANSFERS IN (OUT)									
Capital Contribution	\$0	(\$400,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	(\$400,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FUND BALANCE									
Net Income (Loss)	\$883,980	\$6,033,850	(\$5,274,585)	\$4,589,806	(\$7,483,271)	(\$2,816,659)	\$1,281,657	\$1,557,684	\$3,248,061
Fund Bal Adju to FY 11/12 CAFR	1,505,030								
Beginning Fund Balance July 01	23,409,893	25,798,903	31,832,753	31,832,753	36,422,559	28,939,288	26,122,629	27,404,286	28,961,970
ENDING FUND BALANCE AT JUNE 30	\$25,798,903	\$31,832,753	\$26,558,168	\$36,422,559	\$28,939,288	\$26,122,629	\$27,404,286	\$28,961,970	\$32,210,031
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$14,063,471	\$13,923,130	\$16,415,588	\$13,956,287	\$17,640,053	\$17,770,862	\$18,225,940	\$19,330,547	\$19,802,669
Rehabilitation/Replacement	11,520,797	17,695,038	9,927,995	22,251,687	11,084,650	8,137,182	8,963,759	9,416,836	11,557,306
Rate Stabilization Reserve					0	0	1	1	1
Debt Service & Redemption	214,635	214,585	214,585	214,585	214,585	214,585	214,585	214,585	850,054
ENDING BALANCE AT JUNE 30	\$25,798,903	\$31,832,753	\$26,558,168	\$36,422,559	\$28,939,288	\$26,122,629	\$27,404,286	\$28,961,970	\$32,210,031

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	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Contract Cost reimbursement	\$5,877	\$32,332	\$50,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Interest Revenue	112,466	98,102	128,551	63,789	102,584	192,479	216,184	267,699
Water Sales	6,009,469	7,951,605	9,230,000	10,144,000	11,581,500	14,225,750	17,423,000	17,086,500
TOTAL REVENUES	\$6,127,812	\$8,082,039	\$9,408,551	\$10,212,789	\$11,689,084	\$14,423,229	\$17,644,184	\$17,359,199
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	\$1,646,650	\$2,355,088	\$1,427,533	\$1,451,625	\$2,010,174	\$9,339,267	\$9,432,660	\$9,526,986
State Loans	1,555,072	4,779,819	22,880,753	10,850,007	11,074,355	18,289,200	7,940,437	3,095,000
Grants	2,826,279	2,493,652	8,586,923	3,045,982	2,320,000	3,430,000	0	0
Capital Contract Reimbursement	463,400	15,634	1,526,818	608,158	1,092,980	2,744,548	369,641	70,769
Other Revenues	660,076	16,211	100,000	10,000	0	0	0	0
Loan Transfer from Internal Fund	0	0	5,500,000	5,500,000	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$7,151,477	\$9,660,404	\$40,022,027	\$21,465,772	\$16,497,509	\$33,803,015	\$17,742,738	\$12,692,755
EXPENSES								
Employment Expenses	\$2,572,561	\$3,474,306	\$2,159,929	\$2,037,209	\$3,476,249	\$3,585,426	\$3,699,478	\$3,807,627
Contract Work/Special Projects	930,501	187,885	1,075,000	400,000	50,000	50,000	50,000	50,000
Utilities	1,518,924	2,091,704	2,195,555	2,157,704	2,569,696	2,865,284	3,416,488	3,738,725
Operating Fees	214,929	101,874	221,163	180,106	244,910	215,345	162,298	205,067
Professional Fees and Services	835,654	901,331	914,571	644,512	730,220	742,404	755,422	769,797
Materials & Supplies	122,061	83,758	264,001	212,900	216,500	222,995	229,685	236,575
Other Expenses	309,215	326,283	254,981	316,590	1,152,795	1,037,566	1,121,249	1,026,352
TOTAL EXPENSES	\$6,503,845	\$7,167,141	\$7,085,200	\$5,949,021	\$8,440,370	\$8,719,020	\$9,434,619	\$9,834,144
CAPITAL PROGRAM								
Work In Progress	\$13,755,138	\$8,626,763	\$42,286,583	\$8,343,184	\$9,781,000	\$35,415,000	\$11,165,000	\$3,150,000
Rehab & Replacement	0	0	0	12,564,353	0	0	0	0
TOTAL CAPITAL PROGRAM	\$13,755,138	\$8,626,763	\$42,286,583	\$20,907,537	\$9,781,000	\$35,415,000	\$11,165,000	\$3,150,000
DEBT SERVICE								
Financial Expenses	(\$24,175)	(\$37,017)	\$1,685	\$1,685	\$1,800	\$1,800	\$1,800	\$1,800
Interest	1,038,863	2,206,563	2,269,826	2,089,826	2,082,961	2,701,091	2,703,085	2,843,723
Principal	2,673,187	2,704,473	2,738,130	2,738,130	2,772,546	3,606,421	3,663,177	4,468,739
Short Term Inter-Fund Loan	0	0	0	0	0	0	8,000,000	7,000,000
TOTAL DEBT SERVICE	\$3,687,875	\$4,874,019	\$5,009,641	\$4,829,641	\$4,857,307	\$6,309,312	\$14,368,062	\$14,314,262
TRANSFERS IN (OUT)								
Capital Contribution	(\$19,048)	\$1,238,279	(\$387,008)	(\$206,186)	(\$200,011)	(\$47,901)	(\$32,887)	(\$49,291)
Debt Service	1,464,375	1,464,622	1,464,622	1,464,622	0	0	0	0
Operation support	63,317	(75,048)	(364,324)	(600,000)	(920,252)	(833,000)	(860,000)	(885,000)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,508,644	\$2,627,853	\$713,290	\$658,436	(\$1,120,263)	(\$880,901)	(\$892,887)	(\$934,291)
FUND BALANCE								
Net Income (Loss)	(\$9,158,925)	(\$297,627)	(\$4,237,556)	\$650,798	\$3,987,654	(\$3,097,989)	(\$473,646)	\$1,819,257
Fund Balance Adj. FY 11/12 CAFR	\$2,914,353	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Fund Balance July 01	21,867,784	15,623,212	15,325,585	15,325,585	15,976,384	19,964,036	16,866,047	16,392,402
ENDING BALANCE AT JUNE 30	\$15,623,212	\$15,325,585	\$11,088,029	\$15,976,384	\$19,964,037	\$16,866,048	\$16,392,400	\$18,211,660
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,506,657	\$2,358,655	\$2,110,092	\$2,110,092	\$4,359,509	\$4,717,308	\$4,917,069	\$5,280,055
Capital Expansion & Replacement	10,612,100	8,065,291	5,587,052	10,475,406	8,995,215	5,180,677	3,361,068	3,790,409
Rehabilitation/Replacement Reserve	0	0	0	0	300,000	600,000	800,000	1,200,000
Debt Service & Redemption	3,504,455	4,901,640	3,390,885	3,390,885	6,309,312	6,368,062	7,314,262	7,941,196
ENDING BALANCE AT JUNE 30	\$15,623,212	\$15,325,585	\$11,088,029	\$15,976,384	\$19,964,036	\$16,866,047	\$16,392,399	\$18,211,660
\$23,822,207								

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INLAND EMPIRE UTILITIES AGENCY FISCAL YEAR 2014/2015 BUDGET RW FUND - SOURCES AND USES OF FUNDS

	2011/2012	2012/2013	2013/2014	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	FORECAST			
REVENUES AND OTHER FINANCING SOURCES									
Cost Reimbursement from JPA	\$719,547	\$757,088	\$794,776	\$794,776	\$744,921	\$693,000	\$713,000	\$735,000	\$756,000
Contract Cost reimbursement	0	6,750	0	0	75,000	5,000	0	0	0
Interest Revenue	20,383	10,325	20,000	10,000	15,000	30,000	40,000	50,000	50,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$739,930	\$774,163	\$814,776	\$804,776	\$834,921	\$728,000	\$753,000	\$785,000	\$806,000
OTHER FINANCING SOURCES									
Grants	\$388,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Contract Reimbursement	175,135	346,651	547,873	610,389	506,740	624,500	672,000	669,500	700,000
Other Revenues	17,135	38,838	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$581,116	\$385,489	\$547,873	\$610,389	\$506,740	\$624,500	\$672,000	\$669,500	\$700,000
EXPENSES									
Employment Expenses	\$383,500	\$459,791	\$494,464	\$476,642	\$817,941	\$843,630	\$870,466	\$895,912	\$903,844
Contract Work/Special Projects	245,750	0	0	0	150,000	10,000	0	0	0
Utilities	126,040	95,501	96,000	96,000	126,000	129,780	133,673	137,683	141,814
Operating Fees	1,740	4,677	3,640	4,584	3,800	3,914	4,031	4,152	4,277
Professional Fees and Services	402,473	443,668	636,341	587,711	591,500	472,719	486,542	500,778	515,443
Office and Administrative expenses	7,569	7,912	14,096	14,096	14,096	14,519	14,954	15,403	15,865
Expense Allocation	0	71,148	14,951	14,960	50,736	57,089	53,083	56,280	50,318
Materials & Supplies	23,274	45,278	67,899	66,040	61,100	62,933	64,821	66,766	68,770
TOTAL EXPENSES	\$1,190,345	\$1,127,975	\$1,327,391	\$1,260,033	\$1,815,173	\$1,594,584	\$1,627,570	\$1,676,975	\$1,700,331
CAPITAL PROGRAM									
Capital Expansion/Construction	\$412,533	\$183,274	\$1,192,748	\$284,703	\$150,000	\$15,000	\$10,000	\$5,000	\$0
Capital Adjustment	(206,694)	0	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$205,840	\$183,274	\$1,192,748	\$284,703	\$150,000	\$15,000	\$10,000	\$5,000	\$0
DEBT SERVICE									
Financial Expenses	\$149,377	\$219,285	\$105,405	\$105,400	\$105,700	\$173,100	\$106,200	\$106,700	\$173,700
Interest	22,901	25,906	156,000	8,000	299,000	429,000	580,000	544,000	517,000
Principal	528,814	562,712	584,746	584,746	606,780	632,203	647,458	683,051	710,170
TOTAL DEBT SERVICE	\$701,092	\$807,902	\$846,151	\$698,146	\$1,011,480	\$1,234,303	\$1,333,658	\$1,333,751	\$1,400,870
TRANSFERS IN (OUT)									
Capital Contribution	\$0	\$263,353	\$305,000	\$142,352	\$150,000	\$12,500	\$5,000	\$2,500	\$0
Debt Service	543,953	366,306	475,873	475,873	505,740	617,000	667,000	667,000	700,000
Operation support	236,683	275,048	464,324	700,000	920,252	833,000	860,000	885,000	893,000
TOTAL INTERFUND TRANSFERS IN (OUT)	\$780,636	\$904,707	\$1,245,197	\$1,318,225	\$1,575,992	\$1,462,500	\$1,532,000	\$1,554,500	\$1,593,000
FUND BALANCE									
Net Income (Loss)	\$4,405	(\$54,792)	(\$758,444)	\$490,508	(\$59,000)	(\$28,887)	(\$14,228)	(\$6,726)	(\$2,201)
Fund Bal Adj to FY 11/12 CAFR	680,734	0	0	0	0	0	0	0	0
Beginning Fund Balance July 01	2,459,676	3,144,816	3,090,023	3,090,023	3,580,531	3,521,531	3,492,644	3,478,417	3,471,691
ENDING FUND BALANCE AT JUNE 30	\$3,144,816	\$3,090,023	\$2,331,579	\$3,580,531	\$3,521,531	\$3,492,644	\$3,478,417	\$3,471,691	\$3,469,490
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$2,143,761	\$2,347,150	\$1,399,839	\$2,648,791	\$2,404,531	\$2,325,644	\$2,311,417	\$2,271,691	\$2,302,490
Capital Expansion / Construction	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service & Redemption	501,055	242,873	431,740	431,740	617,000	667,000	667,000	700,000	667,000
ENDING BALANCE AT JUNE 30	\$3,144,816	\$3,090,023	\$2,331,579	\$3,580,531	\$3,521,531	\$3,492,644	\$3,478,417	\$3,471,691	\$3,469,490

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INLAND EMPIRE UTILITIES AGENCY										
FISCAL YEAR 2014/2015 BUDGET										
Consolidated: RC, RO, RW, WC Funds - SOURCES AND USES OF FUNDS										
	2011/2012	2012/2013	2013/2014	2013/2014	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	ACTUAL	ACTUAL	PROPOSED BUDGET	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	FORECAST			
REVENUES										
User Charges	\$35,573,096	\$39,569,548	\$43,469,257	\$43,469,257	\$42,695,825	\$45,988,286	\$50,893,953	\$55,023,361	\$59,173,099	\$63,182,341
Property Tax - O&M	3,626,978	0	0	0	0	0	0	0	0	0
Cost Reimbursement from JPA	3,326,668	4,009,740	4,057,221	4,057,221	4,057,221	4,221,170	4,278,426	4,412,478	4,542,628	4,597,336
Contract Cost reimbursement	299,523	567,495	1,417,144	143,000	98,000	173,000	103,000	98,000	98,000	98,000
Interest Revenue	737,753	636,585	594,551	573,551	481,789	719,363	931,224	1,235,999	1,620,750	1,945,595
Recycled Water Sales	6,009,469	7,951,606	9,230,000	9,230,001	10,144,002	11,581,500	14,225,750	17,423,000	17,086,500	19,712,350
TOTAL REVENUES	\$49,573,487	\$52,734,974	\$58,768,173	\$57,473,030	\$57,476,837	\$62,683,319	\$70,432,352	\$78,192,838	\$82,520,976	\$89,535,622
OTHER FINANCING SOURCES										
Property Tax - Debt, Capital, and Reserves	\$26,417,154	\$44,267,785	\$30,683,543	\$30,443,492	\$33,209,900	\$36,987,196	\$34,920,738	\$35,269,945	\$35,622,644	\$35,978,871
Regional System Connection Fees	7,686,126	14,614,387	9,012,600	9,012,600	9,012,600	15,321,000	18,410,000	18,963,000	18,975,400	14,370,000
State Loans	7,016,567	6,349,698	22,880,753	22,880,753	10,850,009	11,074,355	18,289,200	8,340,437	13,095,000	6,000,000
Grants	4,330,117	2,560,462	8,633,473	8,644,953	3,104,012	2,320,000	3,430,000	700,000	0	0
Sale of Assets	21,848	4,805,394	0	0	0	0	0	0	0	0
Capital Contract Reimbursement	638,535	362,285	800,546	2,074,691	1,218,547	1,599,720	3,369,048	1,041,641	740,269	771,923
Other Revenues	2,054,537	981,494	743,200	623,200	533,200	571,416	744,000	762,540	781,636	801,305
Loan Transfer from Internal Fund	0	0	5,500,000	5,500,000	5,500,000	0	0	3,000,000	2,000,000	3,500,000
TOTAL OTHER FINANCING SOURCES	\$48,164,885	\$73,941,505	\$78,254,115	\$79,179,689	\$63,428,269	\$67,873,687	\$79,162,986	\$68,077,563	\$71,214,949	\$61,422,099
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$97,738,371	\$126,676,479	\$137,022,288	\$136,652,719	\$120,905,106	\$130,557,005	\$149,595,338	\$146,270,401	\$153,735,926	\$150,957,721
EXPENSES										
Employment Expenses	\$30,211,023	\$30,370,528	\$31,972,940	\$32,059,201	\$30,858,834	\$35,784,918	\$36,908,796	\$38,082,866	\$39,196,169	\$39,543,165
Contract Work/Special Projects	3,811,924	2,513,613	3,374,050	3,135,530	1,580,530	2,417,000	1,410,000	1,250,000	2,850,000	3,350,000
Utilities	6,548,558	8,288,041	8,988,045	8,988,045	8,690,208	9,860,003	10,374,533	11,151,017	11,705,289	12,460,440
Operating Fees	1,866,117	1,024,658	1,470,604	1,485,932	1,441,444	2,006,465	1,910,604	1,905,308	1,999,400	2,103,992
Chemicals	3,310,504	3,578,136	4,277,663	4,639,412	3,489,010	4,459,380	4,593,104	4,730,898	4,872,824	5,019,008
Professional Fees and Services	3,237,652	3,646,672	4,478,257	4,841,391	3,683,893	4,453,184	4,113,578	4,214,319	4,599,985	4,806,207
Office and Administrative expenses	32,389	27,132	447,760	453,591	247,760	448,526	449,982	451,482	453,026	454,617
Biosolids Recycling	3,915,085	3,393,799	3,473,017	3,573,694	3,492,695	3,608,660	3,832,096	4,054,224	4,177,455	4,295,129
Materials & Supplies	1,818,341	1,817,797	2,084,378	2,262,963	2,216,578	2,337,425	2,412,966	2,485,356	2,559,915	2,637,008
Operation Contribution to IERCA	0	71,148	0	0	0	0	0	0	0	0
Other Expenses	1,679,875	4,081,992	1,714,332	1,714,334	2,028,127	7,021,021	6,511,019	6,884,995	6,424,867	6,880,695
TOTAL EXPENSES	\$56,431,468	\$58,813,516	\$62,281,046	\$63,154,093	\$57,729,079	\$72,396,582	\$72,516,679	\$75,210,465	\$78,838,931	\$81,550,260
CAPITAL PROGRAM										
IERCA investment	\$0	\$500,000	\$500,000	\$500,000	\$0	\$500,000	\$0	\$0	\$0	\$0
Capital Construction & Expansion (WIP)	32,095,573	18,754,146	58,298,445	54,513,569	12,402,131	25,641,500	46,683,000	21,290,000	25,155,000	20,590,000
WIP Adjustment	(3,971,729)	(9,000,000)	3,400,000	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$28,123,844	\$10,254,146	\$62,198,445	\$63,954,586	\$33,460,450	\$26,141,500	\$46,683,000	\$21,290,000	\$25,155,000	\$20,590,000
DEBT SERVICE										
Financial Expenses	\$147,357	\$166,780	\$328,270	\$328,270	(\$101,660)	\$408,500	\$608,900	\$409,000	\$409,500	\$609,500
Interest	7,313,261	9,605,316	9,738,537	9,738,538	9,127,538	9,448,837	9,940,615	10,216,219	10,075,772	9,927,976
Principal	9,834,652	11,173,450	11,488,250	11,488,250	11,488,250	26,407,185	11,261,421	11,533,837	12,426,307	13,124,571
Short Term Inter-Fund Loan	0	0	5,500,000	5,500,000	5,500,000	0	0	8,000,000	7,000,000	8,500,000
TOTAL DEBT SERVICE	\$17,295,270	\$20,945,545	\$27,055,057	\$27,055,058	\$26,014,128	\$36,264,522	\$21,810,936	\$30,159,056	\$29,911,579	\$32,162,047
TRANSFERS IN (OUT)										
Capital Contribution	(\$541,181)	(\$2,096,576)	(\$2,329,998)	(\$2,329,998)	(\$1,813,633)	(\$1,420,889)	(\$1,005,799)	(\$792,313)	(\$1,329,409)	(\$595,249)
Operation support	300,000	200,000	100,000	100,000	100,000	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$241,181)	(\$1,896,576)	(\$2,229,998)	(\$2,229,998)	(\$1,713,633)	(\$1,420,889)	(\$1,005,799)	(\$792,313)	(\$1,329,409)	(\$595,249)
FUND BALANCE										
Net Income (Loss)	(\$4,353,391)	\$34,837,842	(\$16,742,258)	(\$19,741,016)	\$1,987,816	(\$5,666,488)	\$7,578,925	\$18,818,567	\$18,501,007	\$16,060,164
Fund Bal Adj to FY 11/12 CAFR	(3,746,968)	0	0	0	0	0	0	0	0	0
Beginning Fund Balance July 01	86,826,407	78,726,047	101,904,739	113,563,889	113,563,889	115,551,704	109,885,215	117,464,139	136,282,708	154,783,717
ENDING BALANCE AT JUNE 30	\$78,726,048	\$113,563,889	\$85,162,481	\$93,822,872	\$115,551,704	\$109,885,215	\$117,464,139	\$136,282,706	\$154,783,715	\$170,843,881
RESERVE BALANCE SUMMARY										
Operating Contingencies	\$17,713,889	\$18,628,935	\$19,790,267	\$19,925,519	\$18,715,171	\$27,056,629	\$27,699,306	\$28,218,700	\$29,902,535	\$30,409,642
Capital Expansion & Replacement	13,295,092	28,964,103	15,653,244	15,591,160	18,707,139	16,993,557	12,361,008	8,434,838	6,674,188	10,466,344
CCRA Capital Construction	13,640,624	28,246,979	16,998,524	29,671,252	36,930,746	32,639,746	46,507,246	66,953,579	83,928,979	91,298,979
Rehabilitation/Replacement Reserve	11,520,797	17,695,038	10,753,313	9,927,995	22,251,687	11,384,650	8,737,182	9,763,759	10,616,836	13,057,306
Rate Stabilization Reserve	0	0	0	0	0	0	0	1	1	1
Debt Service & Redemption	22,555,645	20,028,834	21,967,133	18,706,946	18,946,961	21,810,633	22,159,398	22,911,828	23,661,177	25,611,608
ENDING BALANCE AT JUNE 30	\$78,726,047	\$113,563,889	\$85,162,481	\$93,822,872	\$115,551,704	\$109,885,215	\$117,464,139	\$136,282,706	\$154,783,717	\$170,843,881



Inland Empire Utilities Agency

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FY 2014/15 Preliminary Regional Wastewater, Recycled Water and Recharge Water Programs Budget

Regional Committees

April 24/May 1, 2014



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❖ **FY 2014/15 Preliminary Budget**

- ❖ **Key Dates**
- ❖ **Property Tax Allocation**
- ❖ **TYCIP**
- ❖ **Debt**
- ❖ **Employment Cost Allocation**
- ❖ **Consolidated Fund Balance**
- ❖ **Debt Coverage Ratio**
- ❖ **Program Overview**

Key Dates:

FY 2014/15 Regional Wastewater, Recycled Water and Recharge Water Budget



Action	IEUA Finance Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
Review of Preliminary Budget	4/9	4/16	4/24	5/01
Review of Proposed Budget	5/14	5/21		
Approval/Adoption of Final Budget		6/18	5/29	6/5

Re-allocation of property taxes to supports Water Resource Management



FUNDING SOURCE (\$ in Millions)		2012/13 Actual	2013/14 Projected	2014/15 Proposed	2015/16	2016/17	2017/18	2018/19	5 Year Total Current Alloc. (\$M)	5 Year Total Proposed Alloc. (\$M)
Property Tax Receipts		\$48.1	\$39.0	\$40.2	\$40.6	\$41.0	\$41.4	\$41.8	\$205.0	\$205.0
*Property Tax Growth		15.9%	3.0%	3.0%	1.0%	1.0%	1.0%	1.0%		
Property Tax Allocation:										
Admin Services (GG)		8.0%	8.0%	5.0%	3.0%	3.0%	3.0%	3.0%	\$16.4	\$7.0
**Reg. W. Capital (RC)		65.0%	65.0%	65.0%	53.0%	53.0%	53.0%	53.0%	\$133.3	\$113.5
Reg. W. Ops. (RO)		22.0%	22.0%	22.0%	10.0%	10.0%	10.0%	0.0%	\$45.1	\$21.1
Recycled Water (WC)		5.0%	5.0%	5.0%	23.0%	23.0%	23.0%	33.0%	\$10.3	\$44.1
Water Resources (WW)		0.0%	0.0%	3.0%	11.0%	11.0%	11.0%	11.0%	\$0.0	\$19.3

* Growth excludes "one time" RDA tax distribution of unobligated funds from Successor Agencies

** Requires an amendment to the Regional Sewage Service Contract

FY 2014/15 -2023/24 TYCIP

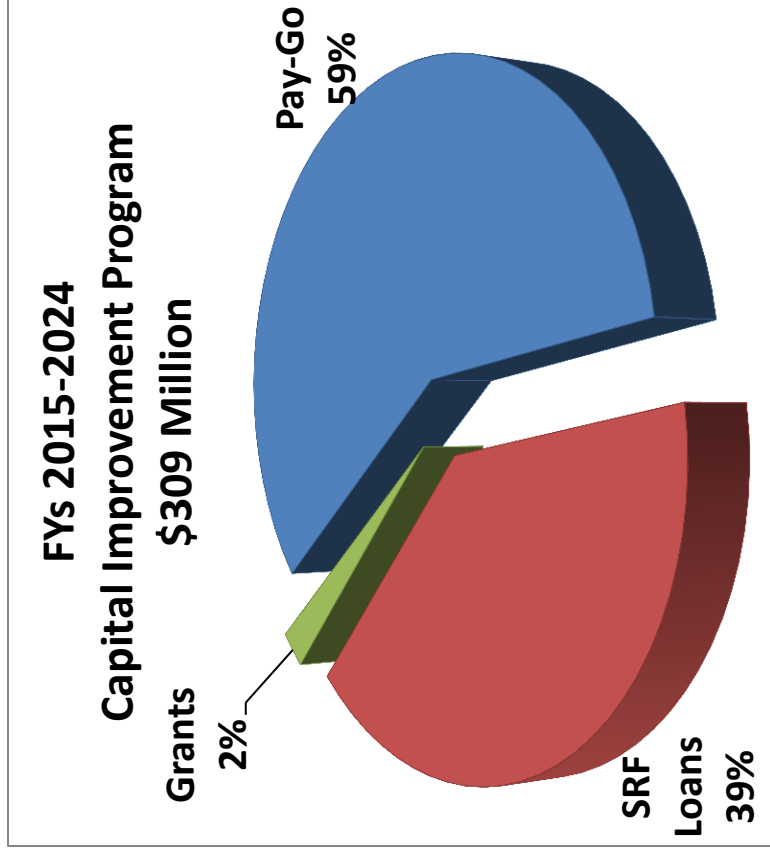
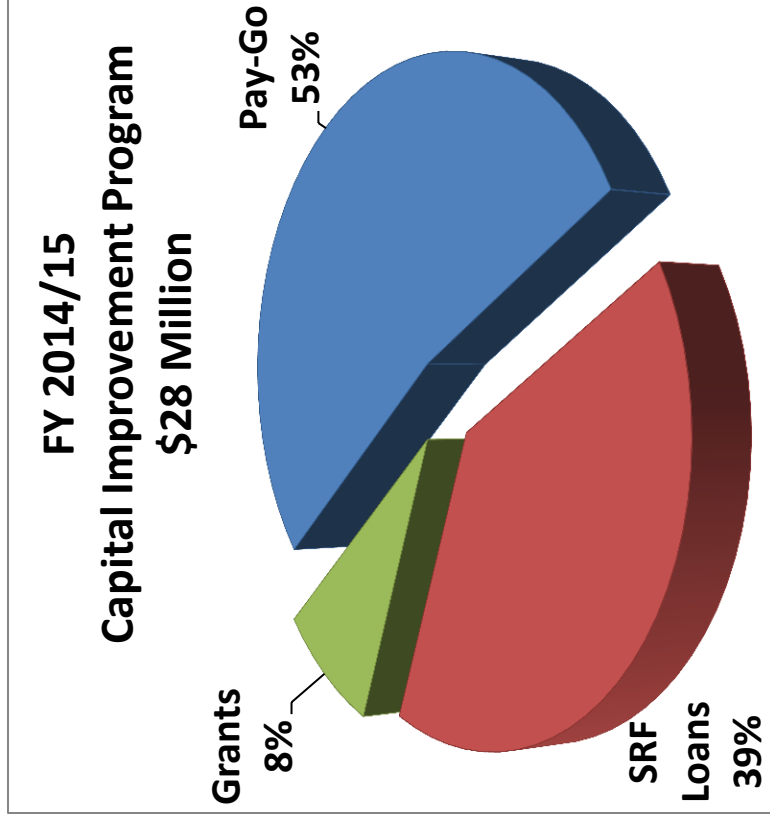
\$309M



\$Millions

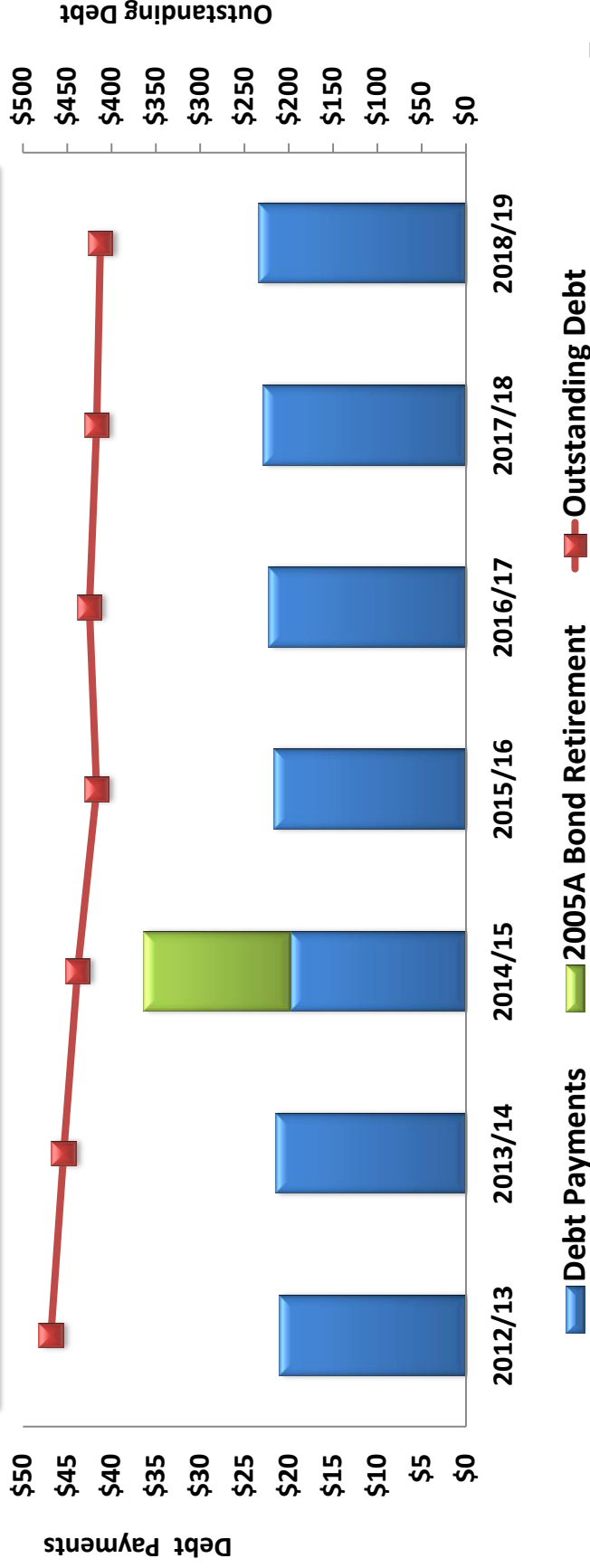
Fund	Fund Description	FY 14/15	FY15/16	FY16-24	TYCIP Total
GG	Administrative Services Fund	\$1.47	\$1.04	\$5.14	\$7.65
RW	Recharge Water Fund	0.05	0.00	0.00	0.05
NRW	Non-Reclaimable Wastewater Fund	2.35	1.10	3.10	6.55
WC	Recycled Water Fund	9.78	35.42	41.24	86.44
RO	Regional Wastewater Operations and Maintenance	9.20	5.46	36.36	51.02
RC	Regional Wastewater Capital Improvement Fund	5.48	5.90	145.81	157.19
	TOTAL	\$28.34	\$48.91	\$231.65	\$308.90

Capital Improvement Program Planned Funding Sources



Debt: Projected 5 Year Trend (\$Millions)

Debt Funded Projects	Fiscal Year	Principal	Interest	Total
Southern Area Phase 6	2014/15	\$20.6	\$6.0	\$26.6
Central/ Wineville	2016/17	\$26.0	\$4.2	\$30.2
Recycled Water Distribution Upgrade	2017/18	\$11.0	\$3.2	\$14.2
Water Quality Laboratory	2018/19	\$16.4	\$2.7	\$19.1
Total Estimated New Debt:		\$74.0	\$16.1	\$90.1



Employment Costs (\$ Millions)



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	FY 2012/13 Actual	FY 2013/14 Projected Actual	FY 2014/15 Proposed Budget	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Net Employment Costs to O&M	\$32.5	\$34.0	\$40.9	\$42.2	\$43.5	\$44.8	\$45.2
No. of Authorized FTEs	295	295	290	290	290	290	290

FY 2014/15 Key Assumptions:

- ❖ Permanent reduction of 5 full time equivalent (FTE) positions
- ❖ Continue to maintain a vacancy factor of up to 5%
- ❖ 3% COLA per negotiated Memorandum of Understanding
- ❖ CalPERS employer rate increasing from 16.11% to 16.90%
- ❖ \$4.5M initial annual prefunding of pension unfunded accrued liability
- ❖ \$1.2M estimated impact of Class and Compensation study

Employment Costs Net of CIP Allocation by Fund



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		Actual	YTD Projected	Proposed Allocation %	Proposed Allocation (\$ Million)
Fund	Fund Description	FY 2012/13	FY 2013/14	FY 2014/15	FY 2014/15
RO	Regional WW Operations	60.90%	61.18%	61.00%	\$ 25.0
RC	Regional WW Capital	10.41%	10.78%	7.50%	3.1
NRW	Non Reclaimable WW	5.09%	5.04%	5.50%	2.2
WC	Recycled Water	9.31%	7.76%	8.50%	3.5
RW	Recharge Water	1.32%	1.13%	2.00%	0.8
WW	Water Resources	1.92%	2.35%	3.50%	1.4
GG	Administrative Services	0.40%	0.53%	0.50%	0.2
*CDA	Chino Basin Desalter	2.99%	2.88%	3.00%	1.2
*IERCA	Inland Empire Regional Composting Authority	7.66%	8.34%	8.50%	3.5
TOTAL		100.00%	100.00%	100.00%	\$40.9

*Reimbursable from JPA

Consolidated Program Overview

Fund Balance Projected Net Change (Regional Wastewater, Recycled and Recharge Water Programs)



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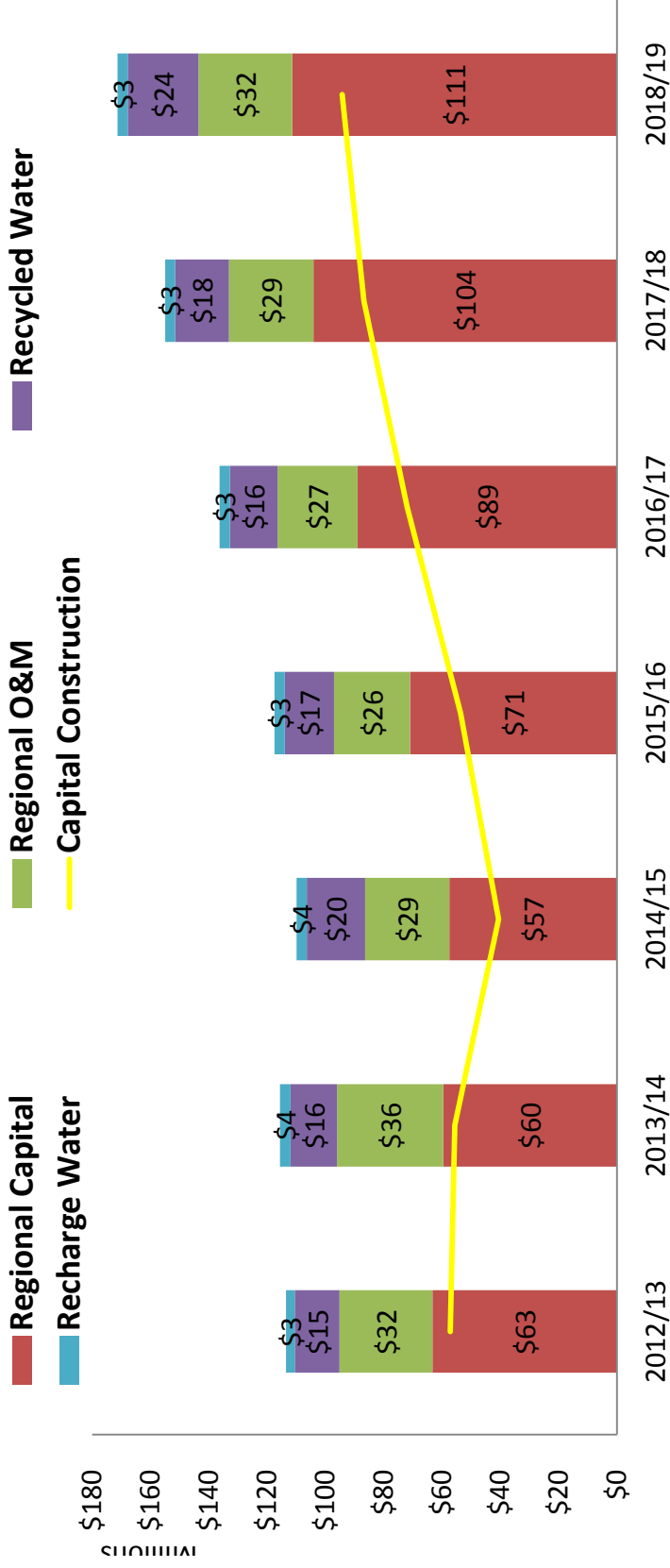
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\$Millions	2012/13 Actual	2013/14 Projected	2014/15 Proposed	2015/16	2016/17	2017/18	2018/19
Operating Revenue	\$52.9	\$57.6	\$62.7	\$70.4	\$78.2	\$82.5	\$89.5
Operating Expense	58.8	57.7	72.4	72.5	75.2	78.8	81.5
Net Operating Incr./((Decr.))	(\$5.9)	(\$0.1)	(\$9.7)	(\$2.1)	\$3.0	\$3.7	\$8.0
Other Funding Sources	74.1	63.4	67.9	79.2	68.1	71.2	61.4
Other Uses of Funds	33.4	61.3	63.8	69.6	52.3	56.4	53.4
Net Non-Operating Incr./((Decr.))	\$40.7	\$2.1	\$4.1	\$9.6	\$15.8	\$14.8	\$8.0
Total Net Change	\$34.8	\$2.0	(\$5.6)	\$7.5	\$18.8	\$18.5	\$16.0

Estimated Consolidated Ending Fund Balance



- ❖ Assumes Regional Sewage Service Contract will be amended to allow more flexibility in the use of property taxes
- ❖ Based on preliminary rates for FY 2015/16 and thereafter
- ❖ Annual CIP excludes “drought” and long term planning document related projects



FY 2014/15 Estimated Ending Fund Balance by Reserve Category (\$ Millions)



Reserve Category	Regional Capital (RC)	Regional Ops (RO)	Recycled Water (WC)	Recharge Water (RW)	Total
Operating Contingency	\$ 2.6	\$17.6	\$4.4	\$2.4	\$ 27.0
Capital Construction	7.5	-	9.0	0.5	17.0
CCRA Capital Construction	32.6	-	-	-	32.6
Replacement and Rehabilitation	-	11.1	0.3	-	11.4
Debt Service	14.7	0.2	6.3	0.6	21.8
Total Reserves	\$57.4	\$28.9	\$20.0	\$3.5	\$109.8
Minimum Reserves	21.7	22.1	44.7	1.9	90.4
Target Reserves	34.8	39.5	62.3	7.6	144.2
Excess of Minimum Reserves	\$35.7	\$6.8	(\$24.7)	\$1.6	\$ 19.4

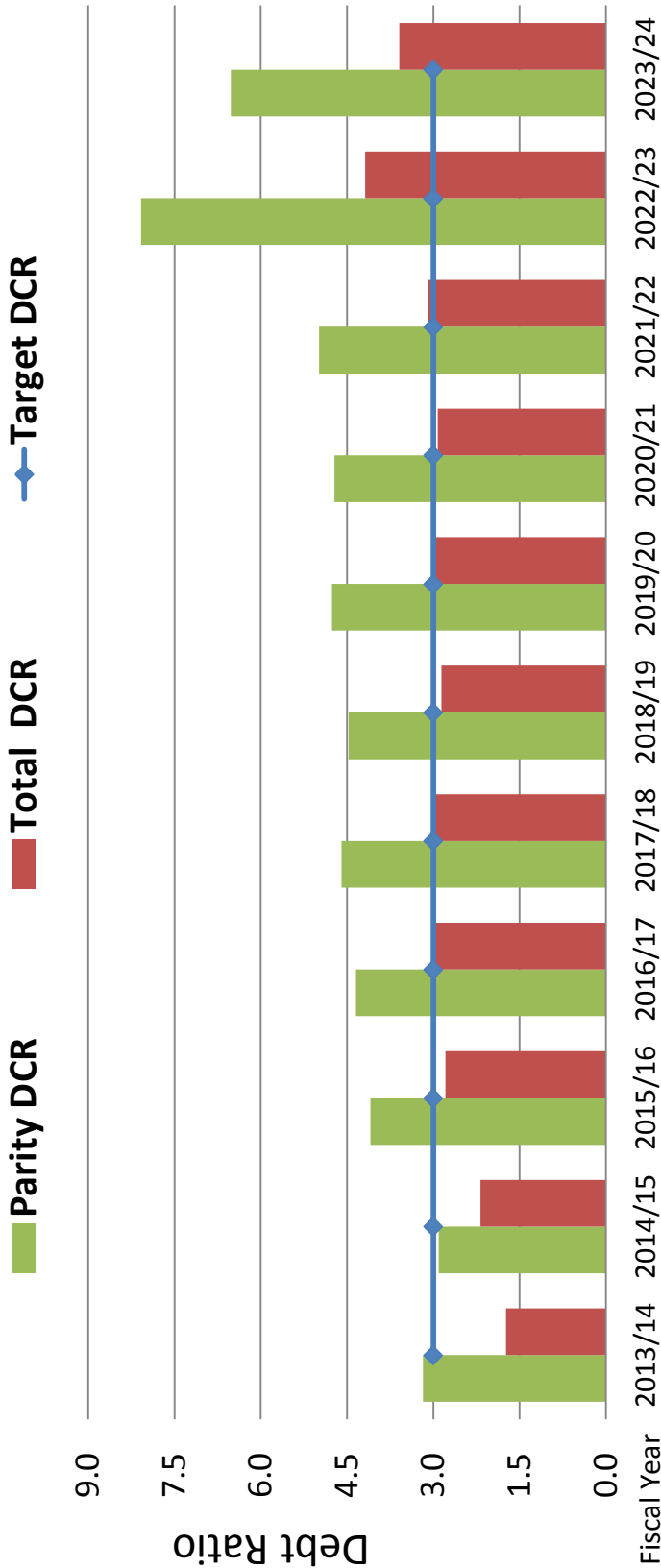


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Debt Coverage Ratio

Parity Debt Coverage Ratio (DCR) Projected to Meet/Exceed Target



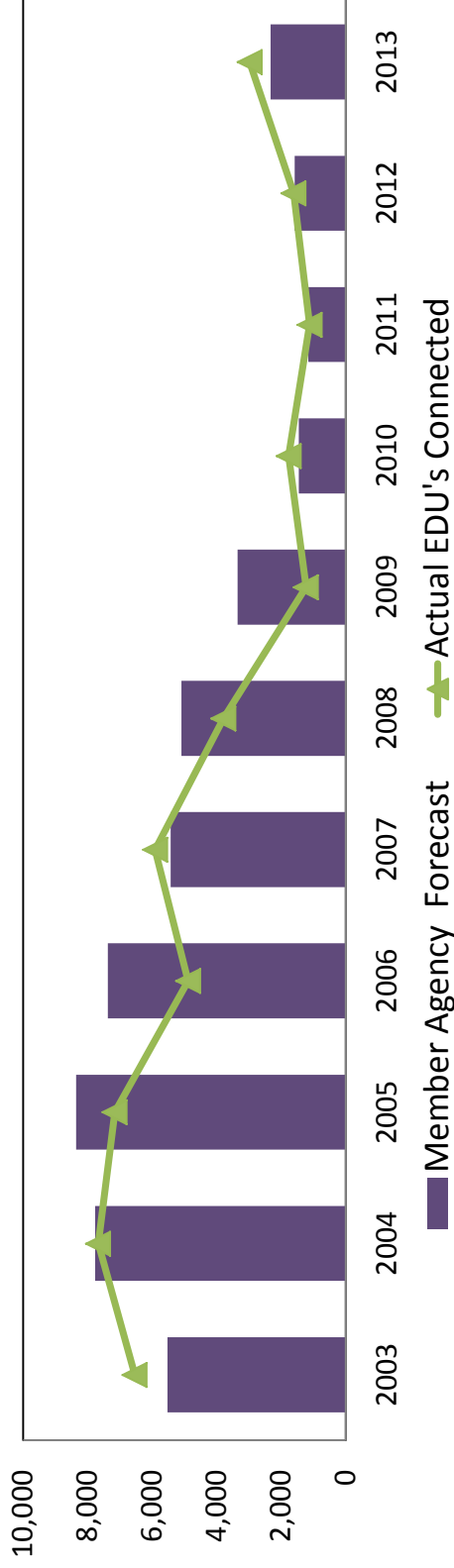
- ❖ Parity DCR includes bonded debt only
- ❖ Total DCR includes all outstanding debt (bonds, loans & notes)

FY 2014/15 Preliminary Overview

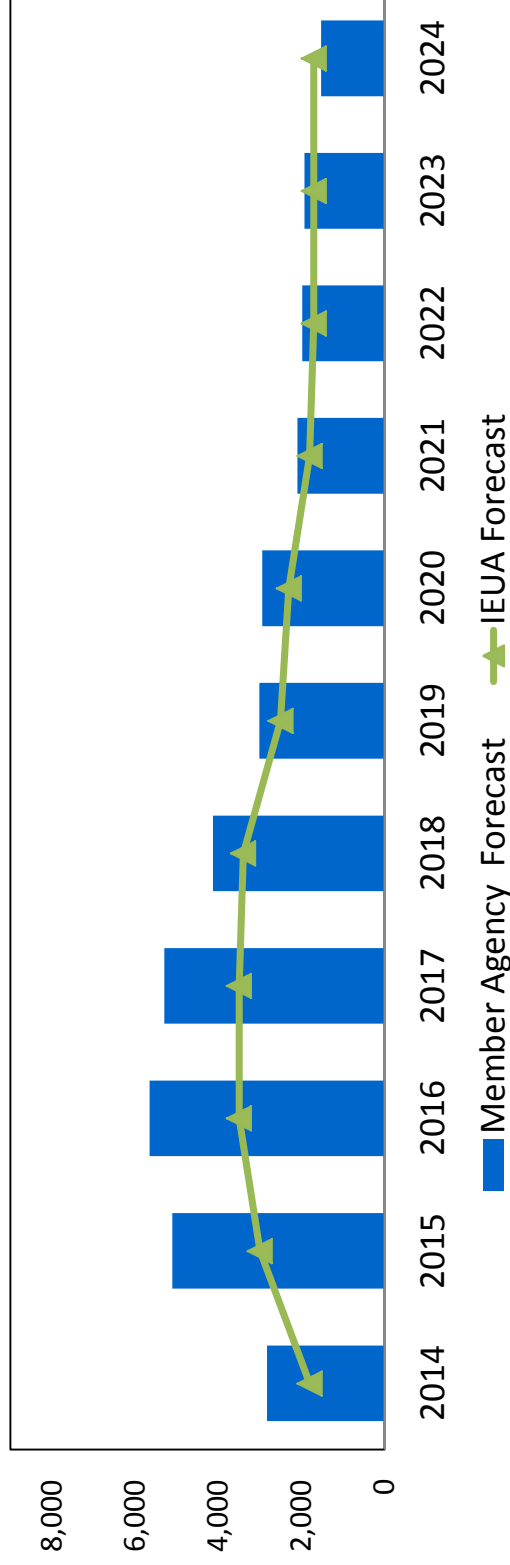
Regional Wastewater, Recycled Water and Recharge Water Programs

New EDU Connections Trend

Trend over the last 11 fiscal years



Projected Trend over the next 11 fiscal years



Regional Wastewater Capital Improvement Fund (RC) FY 2014/15 Key Assumptions



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Revenues & Other Funding Sources

- ❖ 3,000 New EDU Connections
- ❖ \$5,107 New EDU Connection Fee, increase of \$100
- ❖ \$26M Property tax receipts , equal to 65% allocation

Expense & Other Uses of Funds:

- ❖ \$5.5M Capital Improvement Plan (CIP)
- ❖ \$30.2M Debt service costs, includes \$16.2M retirement of 2005A Bonds
- ❖ \$1.9M Inter fund transfer to Admin Services (GG) and Recharge Water (RW) funds
- ❖ Excludes long term planning document related projects

Projected Net Change to RC Fund Balance



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(\$Millions)	2012/13 Actual	2013/14 Projected	2014/15 Proposed	2015/16	2016/17	2017/18	2018/19
<i>EDU Connection Rate</i>	\$4,909	\$5,007	\$5,107	\$5,260	\$5,418	\$5,581	\$5,748
<i>New EDU Connections</i>	2,977	1,800	3,000	3,500	3,500	3,400	2,500
Operating Revenue (\$M)	\$0.4	\$0.1	\$0.2	\$0.4	\$0.6	\$0.8	\$1.0
Operating Expenses	8.7	5.9	5.7	5.3	5.8	5.5	6.0
Net Operating Incr./ (Decr.)	(\$8.3)	(\$5.8)	(\$5.5)	(\$4.9)	(\$5.2)	(\$4.7)	(\$5.0)
*Other Funding Sources	52.9	34.4	41.5	39.9	43.7	42.9	40.0
Other Uses of Funds	15.4	32.7	38.1	21.5	20.5	23.1	27.8
Net Non-Operating Incr./ (Decr.)	\$37.4	\$1.7	\$3.1	\$18.4	\$23.2	\$19.8	\$12.2
Net Change	\$29.1	(\$4.1)	(\$2.1)	\$13.5	\$18.0	\$15.1	\$7.2

*Other Funding Sources forecasts assume re-allocation of property taxes beginning FY 2015/16

Regional Wastewater Operations and Maintenance Fund (RO) FY 2014/15 Key Assumptions

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Revenue and Other Funding Sources:

- ❖ \$14.39/EDU rate with .25% EDU growth
- ❖ \$45.8M EDU volumetric revenue
- ❖ \$8.8M Property taxes, equal to 22% allocation
- ❖ \$3.5M IERCA cost reimbursement

Expenses and Other Uses of Funds:

- ❖ \$56.4M total O&M Expenses:
 - \$28.4M, Employment costs
 - \$7.2M Utilities
 - \$4.5M Chemicals
 - \$3.6M Biosolids processing
 - \$2.9M Professional fees
 - \$2.2M Major O&M maintenance repairs (Asset Management)
- ❖ \$10.2M Capital Replacement and Rehabilitation (R&R)

Projected Net Change to RO Fund Balance



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(\$Millions)	2012/13 Actual	2013/14 Projected	2014/15 Proposed	2015/16	2016/17	2017/18	2018/19
<i>Volumetric EDU Rate</i>	\$12.39	\$13.39	\$14.39	\$15.89	\$17.14	\$18.39	\$19.59
<i>Volumetric EDU Units (000s)</i>	3,178	3,178	3,186	3,194	3,202	3,210	3,218
Operating Revenue	\$43.5	\$46.4	\$49.9	\$54.8	\$59.2	\$63.6	\$67.6
Operating Expense	41.8	45.0	56.4	56.9	58.4	61.8	63.2
Net Operating Incr./ (Decr.)	\$1.7	\$1.4	(\$6.5)	(\$1.9)	\$0.8	\$1.8	\$4.4
*Other Funding Sources	11.0	6.9	9.4	4.8	6.0	14.9	6.8
Other Uses of Funds	6.7	3.7	10.4	5.7	5.5	15.1	7.9
Net Non-Operating Incr./ (Decr.)	\$4.3	\$3.2	(\$1.0)	(\$0.9)	\$0.5	(\$0.2)	(\$1.1)
Net Change	\$6.0	\$4.6	(\$7.5)	(\$2.8)	\$1.3	\$1.6	\$3.3

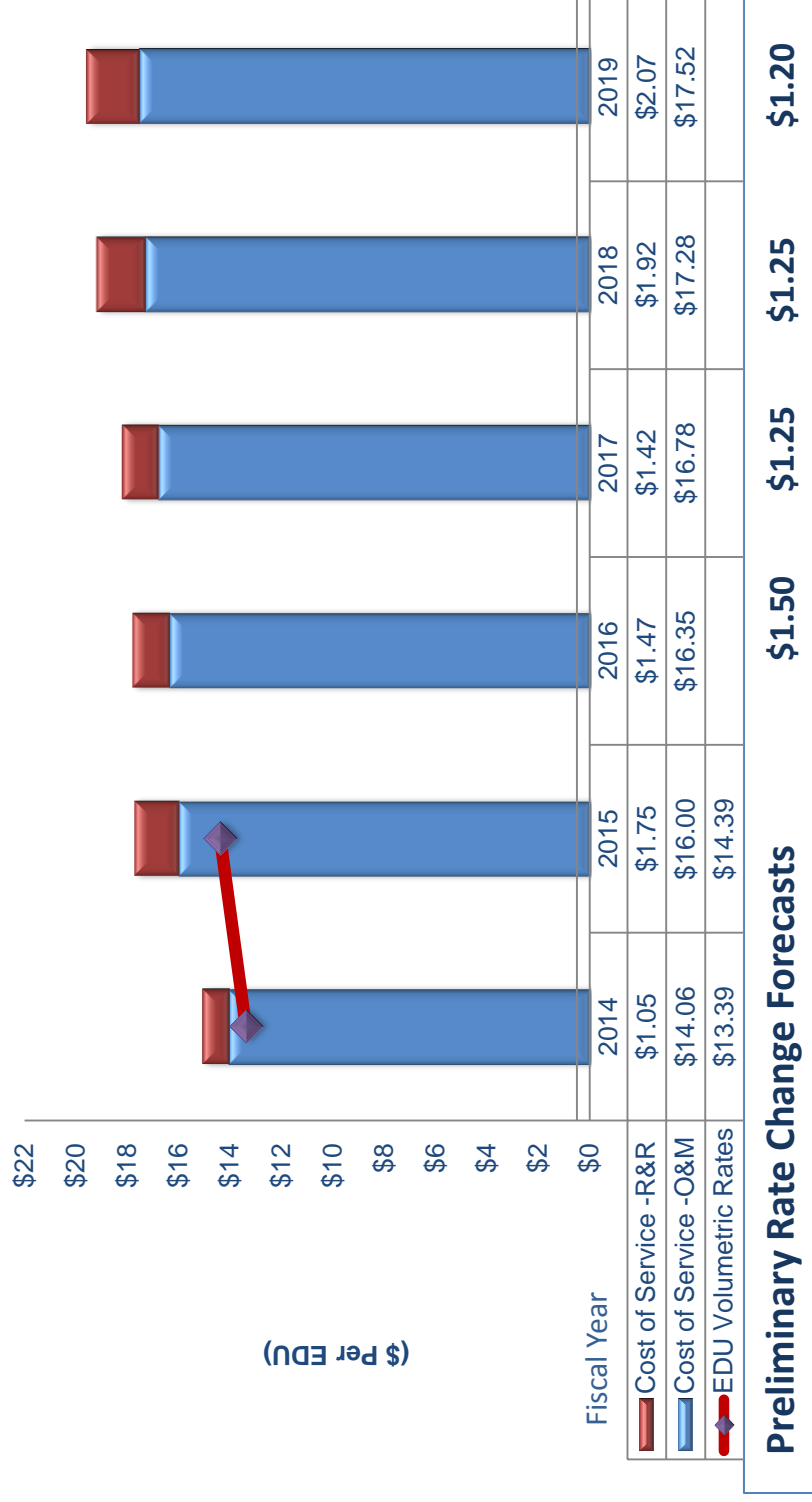
Preliminary Projected Rates

*Other Funding Sources forecasts assume re-allocation of property taxes beginning FY 2015/16

EDU Volumetric Rate Cost of Service



❖ Based on preliminary rates full cost of service is achieved by FY 2018/19



Recycled Water Fund (WC) FY 2014/15 Key Assumptions



Inland Empire Utilities Agency
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Revenue & Other Funding Sources:

- ❖ \$9.5M Recycled Water Sales:
 - 21,500 AF direct deliveries @ \$290/AF
 - 10,500 AF recharge deliveries @ \$335/AF
- ❖ \$2M property taxes, equal to 5% allocation
- ❖ \$2.1M MWD LPP rebate set to expire June 2017
- ❖ \$11M SRF loan proceeds for Southern Area projects

Expenses and Other Uses of Funds:

- ❖ \$9.8M CIP
- ❖ \$4.9M Debt service
- ❖ \$2.5 M Pumping costs
- ❖ \$1.1M Interfund transfer to Recharge Water (RW) fund for Agency's "pro-rata share"
- ❖ Excludes "drought" and long term planning document related projects

Projected Net Change to WC Fund Balance



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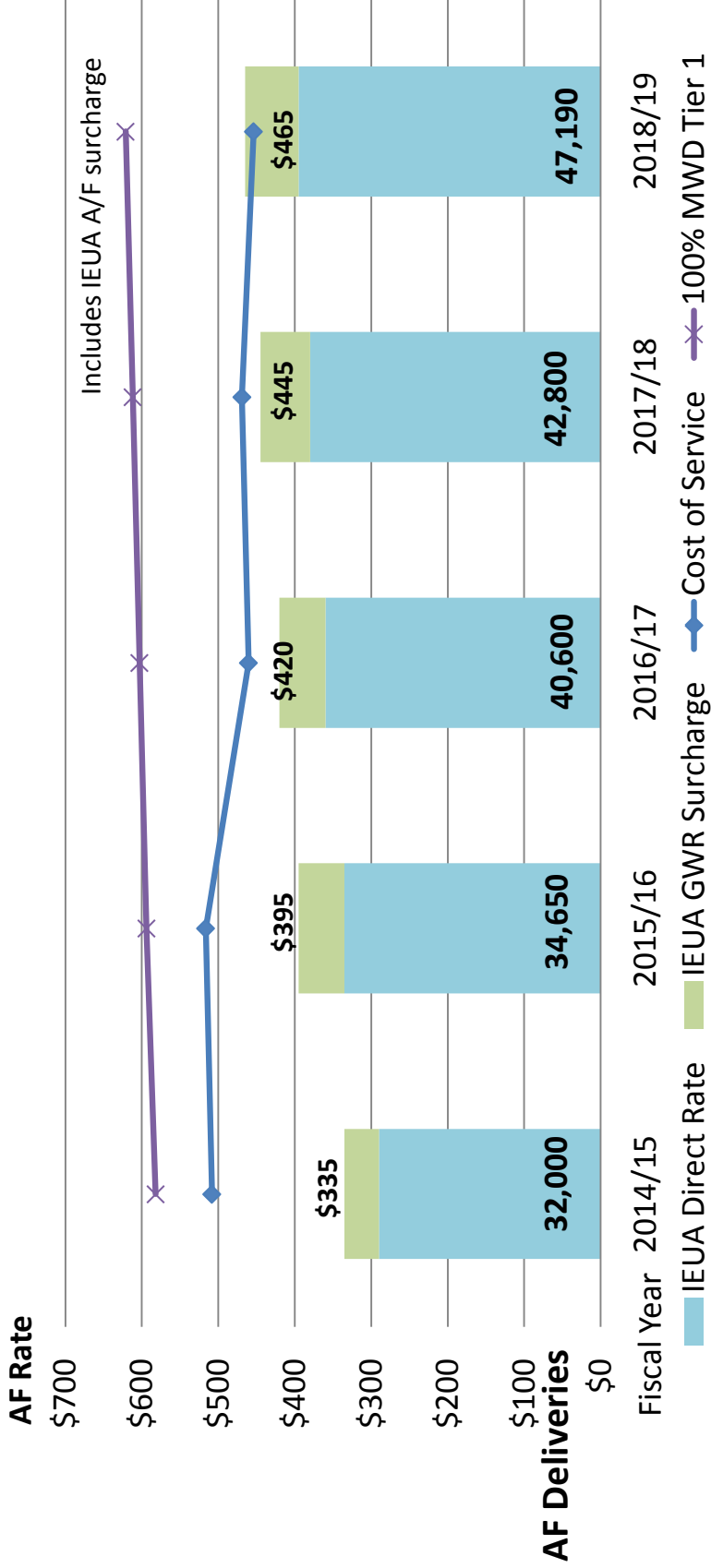
- 5% Property tax allocation continues in FY 2014/15

\$Millions	2012/13 Actual	2013/14 Projected	2014/15 Proposed	2015/16	2016/17	2017/18	2018/19
Direct Rate/GWR Surcharge	\$155/40	\$215/40	\$290/45	\$335/60	\$360/60	\$385/65	\$400/70
Total AF Deliveries	32,319	35,000	32,000	34,650	40,600	42,800	47,190
Operating Revenue (\$M)	\$8.0	\$10.3	\$11.6	\$14.4	\$17.6	\$17.6	\$20.3
Operating Expense	7.2	6.7	9.4	9.5	10.2	10.6	11.5
Net Operating Incr./((Decr.))	\$.8	\$3.6	\$2.2	\$4.9	\$7.4	\$7.0	\$8.8
Other Funding Sources	12.4	22.9	16.5	33.8	17.7	12.7	13.9
Other Uses of Funds	13.5	25.9	14.8	41.7	25.5	17.5	16.9
Net Non-Operating Incr./((Decr.))	(\$1.1)	(\$3.0)	\$1.7	(\$7.9)	(\$7.8)	(\$4.8)	(\$3.0)
Net Change	(\$0.3)	\$0.6	\$3.9	(\$3.0)	(\$0.4)	\$2.0	\$5.8

*Other Funding Sources forecasts assume re-allocation of property taxes beginning FY 2015/16

Recycled Water Rate Cost of Service

- ❖ 50,000 AF total deliveries projected to be achieved in FY 2019/20
- ❖ Full cost of service projected to be achieved by FY 2019/20 based on preliminary future rates



Recharge Water Fund (RW) FY 2014/15 Key Assumptions



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Revenue and Other Funding Sources:

- ❖ \$1.3M O&M expenses:
 - \$745K Reimbursable from Chino Basin Watermaster (CBWM)
 - \$548K IEUA pro-rata share funded by WC Fund
- ❖ \$1.2M Debt service and CIP equally funded by CBWM and IEUA
- ❖ \$0.4M Non-reimbursable O&M labor costs funded by IEUA

Expenses & Other Uses of Funds:

- ❖ \$1.8M O&M costs
- ❖ \$1.0M Debt service costs
- ❖ \$0.2M CIP costs
- ❖ Excludes “drought” and long term planning document related projects

Projected Net Change to RW Fund Balance



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

\$Millions	2012/13 Actual	2013/14 Projected	2014/15 Proposed	2015/16	2016/17	2017/18	2018/19
Operating Revenue	\$1.1	\$1.4	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5
Operating Expense	1.5	1.6	1.9	1.8	1.9	1.9	2.0
Net Operating Incr./((Decr.))	(\$0.4)	(\$0.2)	(\$0.6)	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.6)
Other Funding Sources	1.0	1.3	1.6	1.5	1.6	1.6	1.6
Other Uses of Funds	0.7	0.6	1.1	1.0	1.1	1.1	1.1
Net Non-Operating Incr./((Decr.))	\$0.3	\$0.7	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
Net Change	(\$0.1)	\$0.5	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0

Questions?

INFORMATION
ITEM

2D

Date: April 24, 2014
To: Regional Technical Committee
From:  Inland Empire Utilities Agency
Subject: Regional Wastewater Ordinance Updates

RECOMMENDATION

This is an informational item for the Regional Technical Committee to review.

BACKGROUND

The Federal Pretreatment Regulations require that every Publically Owned Treatment Works (POTW) subject to the national pretreatment program have the necessary legal authority to apply and enforce the Clean Water Act. The draft Inland Empire Utilities Agency (IEUA) Regional Wastewater Ordinance serves as the legal authority document for IEUA's Regional Pretreatment Program.

In December 2012, the Regional Water Quality Control Board (RWQCB) - Santa Ana Region, with assistance from Tetra Tech under contract with the United States Environmental Protection Agency (EPA), conducted a Pretreatment Compliance Audit (PCA) of the IEUA pretreatment program. The purpose of the PCA was to assess IEUA's program by reviewing all of its component parts and determine the program's overall effectiveness and compliance status. As part of the 2012 PCA, the auditors reviewed IEUA's Regional Wastewater Ordinance No. 87 to evaluate whether it established the appropriate legal authority as required by the federal pretreatment regulations.

The auditors identified several discrepancies between the IEUA's definition of terms used in Ordinance No. 87 and the definitions in the federal regulations. The auditors also identified several sections in the Ordinance that could result in incorrect application of the federal regulations or in local regulations that were less stringent than the federal regulations. As IEUA's pretreatment program requirements must be at least as stringent as the federal pretreatment regulations, IEUA contracted with RvL consultants to revise the Regional Wastewater Ordinance to be consistent with the federal pretreatment regulations as required by the RWQCB. The noteworthy revisions to the Ordinance which follow the EPA's Model Pretreatment Ordinance are summarized below:

Regional Wastewater Ordinance Updates

April 24, 2014

Page 2 of 2

Section 1.4 *Definitions*;

Section 2.1 *General Prohibitions and Limitations on Discharges*;

Section 5.2 *Individual Wastewater Discharge Permit Contents*;

Section 6.1 *Baseline Monitoring Reports*;

Section 6.4 *Periodic Compliance Reports*;

Section 6.6 *Reports of Potential Problems*;

Section 6.9 *Notice of Violation/Repeat Sampling and Reporting*;

Section 6.11 *Sample Collection*

On February 4, 2014, at the monthly pretreatment committee meeting, the committee discussed comments received by IEUA from the Member Agencies on the draft Regional Wastewater Ordinance. IEUA has incorporated those comments into the draft Ordinance.

In May 2014, IEUA will send a copy of the draft Regional Wastewater Ordinance to the RWQCB for review and comment. As the draft Ordinance revisions strengthen current ordinance language and do not relax any of IEUA's legal authority, it is considered a minor program modification, thus it will not require a formal RWQCB review process. Once the RWQCB approves the Ordinance, staff will present to the IEUA Board of Directors for approval and adoption.

Attachment: 1. Draft Regional Wastewater Ordinance

1 REGIONAL WASTEWATER ORDINANCE

2 ORDINANCE NO. 97

3 AN ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES
4 AGENCY, A MUNICIPAL WATER DISTRICT, REGULATING THE AVAILABILITY AND
5 USE OF THE REGIONAL SEWERAGE SYSTEM IN INLAND EMPIRE UTILITIES
6 AGENCY, SAN BERNARDINO COUNTY, STATE OF CALIFORNIA.

7 BE IT ORDAINED BY THE Board of Directors of Inland Empire Utilities Agency as follows:

8
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SECTION 1—GENERAL PROVISIONS

1.1 Purpose and Policy

This ordinance sets forth uniform requirements for Users of the Regional Sewerage System, a Publicly Owned Treatment Works (POTW), in the Inland Empire Utilities Agency (IEUA) in San Bernardino County, State of California and enables the IEUA to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code [U.S.C.] section 1251 et seq.), the General Pretreatment Regulations (Title 40 of the *Code of Federal Regulations* [CFR] Part 403), and the California Water Code as amended. The objectives of this ordinance are:

- A. To prevent the introduction of pollutants into the Publicly Owned Treatment Works that will interfere with its operation;
- B. To prevent the introduction of pollutants into the Publicly Owned Treatment Works that will pass through the Publicly Owned Treatment Works, inadequately treated, into receiving waters, or otherwise be incompatible with the Publicly Owned Treatment Works;
- C. To protect both Publicly Owned Treatment Works personnel who may be affected by wastewater and sludge in the course of their employment and the general public;
- D. To promote reuse and recycling of industrial wastewater and sludge from the Publicly Owned Treatment Works; and
- E. To enable IEUA to comply with its National Pollutant Discharge Elimination System permit conditions, sludge use and Disposal requirements, and any other Federal or State laws to which the Publicly Owned Treatment Works is subject;
- F. To extend the use of recycled water in place of more costly imported water for industrial, irrigation, landscaping, and replenishment of groundwater; and
- G. To beneficially reuse 100 percent of the organic biosolids generated by IEUA facilities.

This ordinance shall apply to all Users of the Publicly Owned Treatment Works. The ordinance authorizes the issuance of individual wastewater discharge permits; provides for monitoring, compliance, and enforcement activities; establishes administrative review procedures; and requires User reporting.

It is the intent of this ordinance to recognize that Inland Empire Utilities Agency with its approved pretreatment program is designated as the primary Control Authority over wastewater Discharges within its service area including the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and the Cucamonga Valley Water District, collectively known as Contracting Agencies, to administer and enforce pretreatment regulations. Inland Empire Utilities Agency in cooperation with the Contracting Agencies have the primary responsibility for permitting,

129 compliance monitoring, and enforcement of the federal, state and locally mandated pretreatment
130 regulations.

131 1.2 Administration

132 Except as otherwise provided herein, the General Manager of Inland Empire Utilities Agency
133 (GM) shall administer, implement, and enforce the provisions of this ordinance. Any powers
134 granted to or duties imposed upon the GM may be delegated by the GM to a Duly Authorized
135 Representative/IEUA Employee.

136 1.3 Abbreviations

137 The following abbreviations, when used in this ordinance, shall have the designated meanings:

138 BOD – Biochemical Oxygen Demand
139 BMP – Best Management Practice
140 BMR – Baseline Monitoring Report
141 CFR – *Code of Federal Regulations*
142 GM – General Manager
143 CIU – Categorical Industrial User
144 CWA – Clean Water Act
145 EPA – U.S. Environmental Protection Agency
146 gpd – gallons per day
147 IEUA – Inland Empire Utilities Agency
148 IU – Industrial User
149 mg/l – milligrams per liter
150 NPDES – National Pollutant Discharge Elimination System
151 POTW – Publicly Owned Treatment Works
152 RCRA – Resource Conservation and Recovery Act
153 SIU – Significant Industrial User
154 SNC – Significant Non-compliance
155 TSS – Total Suspended Solids
156 U.S.C. – United States Code

157 1.4 Definitions

158 Unless a provision explicitly states otherwise, the following terms and phrases, as used in this
159 ordinance, shall have the meanings hereinafter designated.

160 A. **Act or “the Act.”** The Federal Water Pollution Control Act, also known as the
161 Clean Water Act, as amended, 33 U.S.C. Section 1251 et seq.

162 B. **Approval Authority.** California Regional Water Quality Control Board, Santa
163 Ana Region.

164 C. **Authorized or Duly Authorized Representative of the User.**

165 (1) If the User is a corporation:

(a) The president, secretary, treasurer, or a vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation; or

(b) The manager of one or more manufacturing, production, or operating facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for individual wastewater discharge permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

(2) If the User is a partnership or sole proprietorship: a general partner or proprietor, respectively.

(3) (If the User is a Federal, State, or local governmental facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or their designee.

(4) The individuals described in paragraphs 1 through 3, above, may designate a Duly Authorized Representative if the authorization is in writing, the authorization specifies the individual or position responsible for the overall operation of the facility from which the Discharge originates or having overall responsibility for environmental matters for the company and the written authorization is submitted to IEUA.

D. Best Management Practices or BMPs. Schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Section 2.1 (40 CFR 403.5(a)(1) and (b)). BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste Disposal, or drainage from raw materials storage.

E. Biochemical Oxygen Demand or BOD. The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five (5) days at 20 degrees Celsius, usually expressed as a concentration (e.g., mg/l).

F. Board. Board of Directors of Inland Empire Utilities Agency

G. Bypass. Intentional diversion of regulated wastestreams from any portion of a User's facility to the Sewer.

H. Categorical Industrial User. An Industrial User subject to a categorical Pretreatment Standard or categorical Standard.

- 204 I. **Clean Water Act.** Federal Water Pollution Control Act, also known as the Clean
205 Water Act, as amended, 33 U.S.C. 1251, et seq., and the regulations adopted thereto.
- 206 J. **Community Sewer System.** All facilities owned, controlled or operated by a
207 Contracting Agency for the purpose of collecting and conducting Sewage to a Delivery
208 Point, including collector sewers conducting Sewage from the originating premises,
209 trunk sewers conveying sewer from tributary collector sewers or other trunk sewers and
210 any facilities appurtenant to the foregoing.
- 211 K. **Contracting Agency.** Any Sewage collection agency located, in whole or in part,
212 within the boundaries of IEUA which has entered into a service contract with IEUA.
- 213 L. **Control Authority.** Inland Empire Utilities Agency
- 214 M. **Daily Maximum.** The arithmetic average of all effluent samples for a pollutant
215 collected during a calendar day.
- 216 N. **Daily Maximum Limit.** The maximum allowable discharge limit of a pollutant
217 during a calendar day. Where Daily Maximum Limits are expressed in units of mass, the
218 daily discharge is the total mass discharged over the course of the day. Where Daily
219 Maximum Limits are expressed in terms of a concentration, the daily discharge is the
220 arithmetic average measurement of the pollutant concentration derived from all
221 measurements taken that day.
- 222 O. **Delivery Point.** Transfer point at which Sewage is delivered from a Community
223 Sewer System into the Regional Sewerage System.
- 224 P. **Disposal Facilities.** All facilities owned, controlled and operated by IEUA to meet
225 effluent Discharge requirements, excluding water recycling facilities operated by IEUA
226 to meet obligations under the judgment entered in the action entitled Orange County
227 Water District v. City of Chino, et al. (Case No. 117628, Superior Court, County of
228 Orange), or to meet the requirements of contracting agencies exercising the right of first
229 purchase of recycled effluent.
- 230 Q. **Disposal or Dispose.** Any process or method for the elimination of beneficial use
231 of Sewage and any effluent or solid waste residuals thereof, including exportation from
232 the Chino Basin.
- 233 R. **Domestic Waste Hauler.** Person transporting Septic Tank Waste in a properly
234 permitted vehicle equipped with a tank(s).
- 235 S. **Duly Authorized Representative.** An IEUA employee designated by the General
236 Manager to act on his behalf in the administration of this Ordinance.
- 237 T. **Environmental Protection Agency or EPA.** The U.S. Environmental Protection
238 Agency or, where appropriate, the Regional Water Management Division Director, the
239 Regional Administrator, or other duly authorized official of said agency.
- 240 U. **Existing Source.** Any source of discharge that is not a "New Source."

V. **Federal Categorical Pretreatment Standards or Categorical Standards.** Any regulation containing Pollutant discharge limits promulgated by the EPA in accordance with Section 307 (b) and (c) of the Clean Water Act (33 U.S.C. 1317) which apply to a specific category of Industrial User and which appear in 40 CFR Chapter I, Subchapter N, Parts 405- 471 and as amended thereto.

W. **General Manager.** The person designated by IEUA to oversee and manage the operation of the POTW, and who is charged with certain duties and responsibilities by this ordinance. The term also means a Duly Authorized Representative of the GM.

X. **Grab Sample.** A sample that is taken from a wastestream without regard to the flow in the wastestream and over a period of time not to exceed fifteen (15) minutes.

Y. **IEUA.** Inland Empire Utilities Agency and its duly authorized officers, agents, and representatives.

Z. **Indirect Discharge or Discharge.** The introduction of pollutants into the POTW from any non-domestic source or Septic Tank Wastes.

AA. **Interference.** A Discharge that, alone or in conjunction with a Discharge or Discharges from other sources, inhibits or disrupts the POTW, its treatment processes or operations or its sludge processes, use or Disposal; and therefore, is a cause of a violation of IEUA's NPDES permit or of the prevention of Sewage sludge use or Disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder, or any more stringent State or local regulations: Section 405 of the Act; the Solid Waste Disposal Act, including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the Solid Waste Disposal Act; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research, and Sanctuaries Act.

BB. **Local Limit.** Specific Discharge limits developed and enforced by IEUA upon industrial or commercial facilities to implement the general and specific Discharge prohibitions listed in 40 CFR 403.5(a)(1) and (b).

CC. **May.** Permissive

DD. **Monthly Average.** The sum of all "daily discharges" measured during a calendar month divided by the number of "daily discharges" measured during that month.

EE. **New Source.**

(1) Any building, structure, facility, or installation from which there is (or may be) a Discharge of pollutants, the construction of which commenced after the publication of proposed Pretreatment Standards under Section 307(c) of the Act that will be applicable to such source if such Standards are thereafter promulgated in accordance with that Section, provided that:

- 278 (a) The building, structure, facility, or installation is constructed at a site at
279 which no other source is located; or
- 280 (b) The building, structure, facility, or installation totally replaces the
281 process or production equipment that causes the Discharge of pollutants at
282 an Existing Source; or
- 283 (c) The production or wastewater generating processes of the building,
284 structure, facility, or installation are substantially independent of an Existing
285 Source at the same site. In determining whether these are substantially
286 independent, factors such as the extent to which the new facility is integrated
287 with the existing plant, and the extent to which the new facility is engaged in
288 the same general type of activity as the Existing Source, should be
289 considered.
- 290 (2) Construction on a site at which an Existing Source is located results in a
291 modification rather than a New Source if the construction does not create a
292 new building, structure, facility, or installation meeting the criteria of
293 Section (1)(b) or (c) above but otherwise alters, replaces, or adds to existing
294 process or production equipment.
- 295 (3) Construction of a New Source as defined under this paragraph has
296 commenced if the owner or operator has:
- 297 (a) Begun, or caused to begin, as part of a continuous onsite construction
298 program
- 299 (i) any placement, assembly, or installation of facilities or equipment;
300 or
- 301 (ii) significant site preparation work including clearing, excavation, or
302 removal of existing buildings, structures, or facilities which is
303 necessary for the placement, assembly, or installation of New Source
304 facilities or equipment; or
- 305 (b) Entered into a binding contractual obligation for the purchase of
306 facilities or equipment which is intended to be used in its operation within a
307 reasonable time. Options to purchase or contracts which can be terminated or
308 modified without substantial loss, and contracts for feasibility, engineering,
309 and design studies do not constitute a contractual obligation under this
310 paragraph.

311 FF. **Non-Contact Cooling Water.** Water used for cooling that does not come into
312 direct contact with any raw material, intermediate product, waste product, or finished
313 product.

314 GG. **Ordinance.** This Ordinance, unless otherwise specified.

315 HH. **Pass Through.** A Discharge which exits the POTW into waters of the United
316 States in quantities or concentrations which, alone or in conjunction with a Discharge or
317 Discharges from other sources, is a cause of a violation of any requirement of IEUA's
318 NPDES permit, including an increase in the magnitude or duration of a violation.

319 II. **Person.** Any individual, partnership, co-partnership, firm, company, corporation,
320 association, joint stock company, trust, estate, governmental entity, or any other legal
321 entity; or their legal representatives, agents, or assigns. This definition includes all
322 Federal, State, and local governmental entities.

323 JJ. **pH.** A measure of the acidity or alkalinity of a solution, expressed in standard
324 units.

325 KK. **Pollutant.** Dredged spoil, solid waste, incinerator residue, filter backwash,
326 Sewage, garbage, Sewage sludge, munitions, chemical wastes, biological materials,
327 radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt,
328 municipal, agricultural and industrial wastes, and certain characteristics of wastewater
329 (e.g., pH, temperature, TSS, turbidity, color, BOD, toxicity, or odor).

330 LL. **Premises.** Any lot, parcel of land, building or establishment, either residential,
331 commercial, or industrial, both public and private, including schools, churches, and
332 institutions without limitation.

333 MM. **Pretreatment.** The reduction of the amount of Pollutants, the elimination of
334 Pollutants, or the alteration of the nature of Pollutant properties in wastewater prior to, or
335 in lieu of, introducing such Pollutants into the POTW. This reduction or alteration can be
336 obtained by physical, chemical, or biological processes; by process changes; or by other
337 means, except by diluting the concentration of the Pollutants unless allowed by an
338 applicable Pretreatment Standard.

339 NN. **Pretreatment Requirements.** Any substantive or procedural requirement related
340 to pretreatment imposed on a User, other than a Pretreatment Standard.

341 OO. **Pretreatment Standards or Standards.** Pretreatment Standards shall mean
342 Prohibited Discharge standards, categorical Pretreatment Standards, and Local Limits.

343 PP. **Prohibited Discharge Standards or Prohibited Discharges.** Absolute
344 prohibitions against the Discharge of certain substances; these prohibitions appear in
345 Section 2.1 of this Ordinance.

346 QQ. **Publicly Owned Treatment Works or POTW.** A treatment works, as defined by
347 Section 212 of the Act (33 U.S.C. Section 1292), which is owned by IEUA or
348 Contracting Agency. This definition includes any devices or systems used in the
349 collection, storage, treatment, recycling, and reclamation of Sewage or industrial wastes
350 of a liquid nature and any conveyances, which convey wastewater to a treatment plant.

351 RR. **Regional Treatment Plant.** Regional Water Recycling Plant operated by IEUA as
352 part of the Regional Sewerage System.

353 **SS. Self-Regenerating Water Softening Appliance.** Water softening device located
354 within, or adjacent to, a User located within the IEUA service area and which discharges
355 to a Community Sewer System that is tributary to the Regional Sewerage System owned
356 and operated by IEUA, whereby the capability of the appliance to remove hardness from
357 water is renewed by the on- site application of a salt-containing brine solution to the
358 active softening or conditioning material contained therein, followed by a subsequent
359 rinsing of the active softening or conditioning material.

360 **TT. Septic Tank Waste.** Any Sewage from holding tanks such as vessels, chemical
361 toilets, campers, trailers, and septic tanks.

362 **UU. Sewage.** Human excrement and gray water (household showers, dishwashing
363 operations, etc.).

364 **VV. Shall.** Mandatory

365 **WW. Significant Industrial User or SIU.**

366 Except as provided in paragraphs (3) and (4) of this Section, a Significant
367 Industrial User is:

368 (1) An Industrial User subject to categorical Pretreatment Standards; or

369 (2) An Industrial User that:

370 (a) Discharges an average of twenty-five thousand (25,000) gpd or more of
371 process wastewater to the POTW (excluding sanitary, non-contact cooling
372 and boiler blowdown wastewater);

373 (b) Contributes a process wastestream which makes up five (5) percent or
374 more of the average dry weather hydraulic or organic capacity of the POTW
375 treatment plant; or

376 (c) Is designated as such by IEUA and/or the Contracting Agency on the
377 basis that it has a reasonable potential for adversely affecting the POTW's
378 operation or for violating any Pretreatment Standard or Requirement.

379 **XX. Slug Load or Slug Discharge.** Any Discharge at a flow rate or concentration,
380 which could cause a violation of the Prohibited Discharge standards in Section 2.1 of
381 this Ordinance. A Slug Discharge is any Discharge of a non-routine, episodic nature,
382 including but not limited to an accidental spill or a non-customary batch Discharge,
383 which has a reasonable potential to cause Interference or Pass Through, or in any other
384 way violate the POTW's regulations, Local Limits or Permit conditions.

385 **YY. Storm Water.** Any flow occurring during or following any form of natural
386 precipitation, and resulting from such precipitation, including snowmelt.

387 **ZZ. Total Suspended Solids or Suspended Solids.** The total suspended matter that
388 floats on the surface of, or is suspended in, water, wastewater, or other liquid, and that is
389 removable by laboratory filtering.

AAA. **User or Significant Industrial User.** A source of Indirect Discharge.

BBB. **Wastewater.** Liquid and water-carried industrial wastes and Sewage from residential dwellings, commercial buildings, industrial and manufacturing facilities, and institutions, whether treated or untreated, which are contributed to the POTW.

CCC. **Wastewater Treatment Plant or Treatment Plant.** That portion of the POTW which is designed to provide treatment of municipal Sewage and industrial waste.

1.5 Protection from Damage

No Person shall maliciously, willfully, or negligently break, damage, destroy, impair the usefulness, uncover, deface, or tamper with any structure, appurtenance, or equipment which is a part of the Regional Sewerage System.

1.6 Notice Procedure

Unless otherwise provided herein, any notice required to be given by the GM under this Ordinance shall be in writing and served in person or by certified mail, return receipt requested. The notice shall be served upon an Authorized Representative, at the last address known to the GM or the occupants or owners, or owners of record of property upon which the alleged violations occurred.

1.7 Falsifying Information

No Person shall knowingly make false statements, representation, or certification in any application, record, report, plan, or other document provided to the IEUA or required to be maintained pursuant to this Ordinance or Permit, or falsify, tamper with, or knowingly render inaccurate any monitoring device or method required under this Ordinance. The reports and other documents required to be submitted or maintained by this Ordinance shall be subject to the provisions of 18 U.S.C. Section 1001 relating to fraud and false statements, Section 309(c) (4) of the Act, as amended, governing false statements, representation or certification and Section 309 (c) (6) of the Act regarding Responsible Corporate Officers.

SECTION 2—GENERAL SEWER USE REQUIREMENTS

2.1 General Prohibitions and Limitations on Discharges

No User shall introduce or cause to be introduced into the POTW any Pollutant or wastewater which causes Pass Through or Interference. These general prohibitions apply to all Users of the POTW whether or not they are subject to categorical Pretreatment Standards or any other National, State, or local Pretreatment Standards or Requirements.

No User shall introduce or cause to be introduced into the POTW the following Pollutants, substances, or wastewater:

- (1) Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, wastestreams with a closed-cup flashpoint of

- 425 less than 140 degrees Fahrenheit (60 degrees Celsius) using the test methods
426 specified in 40 CFR 261.21;
- 427 (2) Wastewater having a pH less than 5.0 or more than 12.5, or otherwise
428 causing corrosive structural damage to the POTW or equipment;
- 429 (3) Solid or viscous substances in amounts which will cause obstruction of
430 the flow in the POTW resulting in Interference, but in no case solids greater
431 than three-eighths inches (3/8") in any dimension, including, but not limited
432 to, asphalt, concrete, dead animals, ashes, mud, straw, shavings, stone or
433 marble dust, spent lime, diatomaceous earth, metal, glass, rags, spent grains,
434 spent hops, feathers, grass clippings, tar, plastics, wood, paunch manure,
435 bones, hair, fleshing's, animal guts and tissues, waste paper.
- 436 (4) Pollutants, including oxygen-demanding Pollutants (BOD, etc.), released
437 in a Discharge at a flow rate and/or Pollutant concentration which, either
438 singly or by interaction with other Pollutants, will cause Interference with
439 the POTW;
- 440 (5) Wastewater having a temperature greater than 140 degrees Fahrenheit
441 (60 degrees Celsius), or which will inhibit biological activity in the treatment
442 plant resulting in Interference, but in no case wastewater which causes the
443 temperature at the introduction into the treatment plant to exceed 104
444 degrees Fahrenheit (40 degrees Celsius);
- 445 (6) Petroleum oil, non-biodegradable cutting oil, or products of mineral oil
446 origin, in amounts that will cause Interference or Pass Through;
- 447 (7) Pollutants which result in the presence of toxic gases, vapors, or fumes
448 within the POTW in a quantity that may cause acute worker health and
449 safety problems;
- 450 (8) Trucked or hauled Pollutants, except at discharge points designated by
451 the GM in accordance with Section 3.4 of this Ordinance;
- 452 (9) Noxious or malodorous liquids, gases, solids, or other wastewater which,
453 either singly or by interaction with other wastes, are sufficient to create a
454 public nuisance or a hazard to life, or to prevent entry into the sewers for
455 maintenance or repair;
- 456 (10) Wastewater which imparts color which cannot be removed by the
457 treatment process, such as, but not limited to, dye wastes and vegetable
458 tanning solutions, which consequently imparts color to the treatment plant's
459 effluent, thereby violating IEUA's NPDES permit;
- 460 (11) Wastewater containing any radioactive wastes or isotopes except in
461 compliance with applicable State or Federal regulations;

- 462 (12) Storm Water, surface water, ground water, artesian well water,
463 roof runoff, subsurface drainage, swimming pool drainage, condensate,
464 deionized water, Non-contact Cooling Water, and unpolluted wastewater,
465 unless specifically authorized by the GM;
- 466 (13) Sludges, screenings, or other residues from the pretreatment of
467 industrial wastes;
- 468 (14) Solid wastes from hospitals, clinics, offices of medical doctors,
469 convalescent homes, medical laboratories or other medical facilities
470 including, but not limited to, hypodermic needles, syringes, instruments,
471 utensils, paper or plastic items of a disposable nature, or recognizable
472 portions of the human anatomy or laboratory animals;
- 473 (15) Wastewater causing, alone or in conjunction with other sources,
474 the treatment plant's effluent to fail toxicity test;
- 475 (16) Detergents, surface-active agents (surfactants), or other substances
476 that causes excessive foaming in the POTW;
- 477 (17) Waste generated outside the IEUA service area unless otherwise
478 approved by the Board.

479 Pollutants, substances, or wastewater prohibited by this section shall not be processed or stored
480 in such a manner that they could be discharged to the POTW.

481 2.2 National Categorical Pretreatment Standards

482 Users must comply with the categorical Pretreatment Standards found at 40 CFR Chapter I,
483 Subchapter N, Parts 405–471.

484 A. Where a categorical Pretreatment Standard is expressed only in terms of either the
485 mass or the concentration of a Pollutant in wastewater, the GM may impose equivalent
486 concentration or mass limits in accordance with Section 2.2E and F.

487 B. When the limits in a categorical Pretreatment Standard are expressed only in terms
488 of mass of Pollutant per unit of production, the GM may convert the limits to equivalent
489 limitations expressed either as mass of Pollutant discharged per day or effluent
490 concentration for purposes of calculating effluent limitations applicable to individual
491 Significant Industrial Users.

492 C. When wastewater subject to a categorical Pretreatment Standard is mixed with
493 wastewater not regulated by the same Standard, the GM shall impose an alternate limit
494 in accordance with 40 CFR 403.6(e).

495 D. The GM may convert the mass limits of the categorical Pretreatment Standards of
496 40 CFR Parts 414, 419, and 455 to concentration limits for purposes of calculating
497 limitations applicable to individual Industrial Users. The conversion is at the discretion
498 of the GM.

499 E. Once included in its permit, the Industrial User must comply with the equivalent
500 limitations developed in this Section 2.2 in lieu of the promulgated categorical Standards
501 from which the equivalent limitations were derived

502 F. Many categorical Pretreatment Standards specify one limit for calculating
503 maximum daily discharge limitations and a second limit for calculating maximum
504 Monthly Average, or 4-day average, limitations. Where such Standards are being
505 applied, the same production or flow figure shall be used in calculating both the average
506 and the maximum equivalent limitation.

507 G. Any Industrial User operating under a permit incorporating equivalent mass or
508 concentration limits calculated from a production-based Standard shall notify the GM
509 within two (2) business days after the User has a reasonable basis to know that the
510 production level will significantly change within the next calendar month. Any User not
511 notifying the GM of such anticipated change will be required to meet the mass or
512 concentration limits in its permit that were based on the original estimate of the long
513 term average production rate.

514 2.3 Local Limits

515 A. The GM is authorized to establish Local Limits pursuant to 40 CFR 403.5(c).

516 B. Local Limits are established to protect against Pass Through and Interference. No
517 Significant Industrial User shall discharge wastewater containing in excess of the limits
518 established by the GM and adopted by the Board Resolution.

519 C. The Local Limits apply at the point where the wastewater is discharged to the
520 POTW. All concentrations for metallic substances are for total metal unless indicated
521 otherwise. The GM may impose mass limitations in addition to the concentration-based
522 limitations.

523 D. The GM may develop BMP, by ordinance or in individual wastewater discharge
524 permits to implement Local Limits and the requirements of Section 2.1.

525 2.4 IEUA's Right of Revision

526 IEUA reserves the right to establish, by ordinance or in individual wastewater discharge permits,
527 more stringent Standards or Requirements on discharges to the POTW consistent with the
528 purpose of this Ordinance.

529 2.5 Dilution

530 No User shall ever increase the use of process water, or in any way attempt to dilute a discharge,
531 as a partial or complete substitute for adequate treatment to achieve compliance with a discharge
532 limitation unless expressly authorized by an applicable Pretreatment Standard or Requirement.
533 The GM may impose mass limitations on Significant Industrial Users who are using dilution to
534 meet applicable Pretreatment Standards or Requirements, or in other cases when the imposition
535 of mass limitations is appropriate.

2.6 Restrictions on Self-regenerating Water Softening Appliances

The installation, replacement, or enlargement of any self-regenerating water softening appliance which discharges into the Community Sewer System that is tributary to the Regional Sewerage System shall not be allowed. Each Contracting Agency shall adopt a local ordinance to implement this restriction. This section shall not apply to any portable exchange water softener of the type which is regenerated off-site at a lawfully regulated location. IEUA may make available to residential owners of (operational) self-regenerating water softeners a voluntary rebate program to compensate them for the reasonable value for removal and Disposal of the self-regenerating water softener appliance.

SECTION 3—PRETREATMENT OF WASTEWATER

3.1 Pretreatment Facilities

Users shall provide wastewater treatment as necessary to comply with this Ordinance and shall achieve compliance with all categorical Pretreatment Standards, Local Limits, and the prohibitions set out in Section 2.1 of this Ordinance within the time limitations specified by EPA, the State, or the GM, whichever is more stringent. Any facilities necessary for compliance shall be provided, operated, and maintained at the User's expense. Detailed plans describing such facilities and operating procedures shall be signed by a California Registered Engineer, submitted to the GM for review, and shall be acceptable to the GM before such facilities are constructed. The review of such plans and operating procedures shall in no way relieve the User from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to IEUA under the provisions of this Ordinance.

3.2 Additional Pretreatment Measures

A. Whenever deemed necessary, the GM may require Users to restrict their discharge during peak flow periods, designate that certain wastewater be discharged only into specific sewers, relocate and/or consolidate points of discharge, separate Sewage wastestreams from industrial wastestreams, and such other conditions as may be necessary to protect the POTW and determine the User's compliance with the requirements of this Ordinance.

B. The GM may require any Person discharging into the POTW to install and maintain, on their property and at their expense, a suitable storage and flow-control facility to ensure equalization of flow. An individual wastewater discharge permit may be issued solely for flow equalization.

C. The Industrial User shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the User to achieve compliance with the conditions of the Permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems which are installed by an Industrial User when the operation is necessary to achieve compliance with the conditions of the Permit.

D. Users with the potential to discharge flammable substances may be required to install and maintain an approved combustible gas detection meter.

E. Waste solids and/or liquids containing pollutants removed in the course of the Users pretreatment processes shall be properly disposed of in a manner such as to prevent any pollutant from such materials from entering the Regional Sewerage System.

3.3 Accidental Discharge/Slug Discharge Control Plans

The GM shall evaluate whether each SIU needs an accidental discharge/slug discharge control plan or other action to control Slug Discharges. The GM may require any User to develop, submit for approval, and implement such a plan or take such other action that may be necessary to control Slug Discharges. Alternatively, the GM may develop such a plan for any User. An accidental Discharge/Slug Discharge control plan shall address, at a minimum, the following:

A. Description of discharge practices, including non-routine batch discharges;

B. Description of stored chemicals;

C. Procedures for immediately notifying the GM of any accidental or Slug Discharge, as required by Section 6.6 of this Ordinance; and

D. Procedures to prevent adverse impact from any accidental or Slug Discharge. Such procedures include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures for containing toxic organic pollutants, including solvents, and/or measures and equipment for emergency response.

3.4 Hauled Wastewater

A. Septic Tank Waste may be introduced into the POTW only at locations designated by the GM, and at such times as are established by the GM. The GM shall notify Haulers of any change in the locations. Haulers shall be the responsible and liable to discharge in such a manner as to keep the IEUA designated area clean and free from spills or other debris. Discharge to any point in the Regional Sewerage System other than a designated location is prohibited. Such waste shall not violate Section 2 of this Ordinance including Local Limits established by the GM and adopted by the Board or any other requirements established by IEUA. The GM will require Septic Tank Waste haulers to obtain individual wastewater discharge permits and any required permit or license from the San Bernardino County Department of Environmental Health Services.

B. A manifest and/or chain-of-custody of a type prescribed by the IEUA, shall be used by the Hauler to track the Septic Tank Waste from its originating point through any transfers to a another Hauler vehicle or Hauler's on-site tank to the IEUA Disposal location. The manifest shall accompany the Septic Tank Waste on the transport vehicle, through any transfers, and until the Septic Tank Waste is discharged at the Disposal location.

C. Haulers of Septic Tank Waste shall, prior to removing the wastes from the Premises, have the Person give written consent of inspection by the IEUA in order to verify compliance with the provisions of this Ordinance. IEUA staff and other authorized personnel are required to provide identification to Persons when entering any Premises for inspection or sampling purposes.

D. Haulers shall maintain all manifests and records in an organized manner, indicating the number of loads, the source of the loads, the volume of the loads and the type of Septic Tank Waste discharged into the Regional Sewerage System. A Hauler shall retain all records and transport manifests for three (3) years.

E. IEUA reserves the right to perform sample collection and testing of any and all Septic Tank Waste to determine its acceptability for discharge into the Regional Sewerage System. IEUA may require a Hauler to have the Septic Tank Wastes analyzed at their own expense by an independent certified laboratory approved by IEUA.

F. IEUA reserves the right to inspect the vehicles used to transport Septic Tank Wastes to the Regional Sewerage System, take photographs and/or take samples of the wastes discharged to the Regional Sewerage System. Such inspection shall also include the right to inspect and copy records required to be maintained by the hauler under federal, State of California, or local requirements.

SECTION 4—INDIVIDUAL WASTEWATER DISCHARGE PERMITS

4.1 Wastewater Analysis

When requested by the GM, a User must submit information on the nature and characteristics of its wastewater within thirty (30) days of the request. The GM is authorized to prepare a form for this purpose and may periodically require Users to update this information.

4.2 Individual Wastewater Discharge Permit Requirements

A. No Significant Industrial User shall discharge wastewater into the POTW without first obtaining an individual wastewater discharge permit from the GM, except that a Significant Industrial User that has filed a timely application pursuant to Section 4.3 of this Ordinance may continue to discharge for the time period specified therein.

B. The GM may require other Users to obtain individual wastewater discharge permits as necessary to carry out the purposes of this Ordinance.

C. Any violation of the terms and conditions of an individual wastewater discharge permit shall be deemed a violation of this Ordinance and subjects the wastewater discharge permittee to the sanctions set out in Section 10 through Section 12 of this Ordinance. Obtaining an individual wastewater discharge permit does not relieve a permittee of its obligation to comply with all Federal Pretreatment Standards or Requirements or with any other requirements of Federal, State, and local law.

D. The User shall furnish to the GM, within the time specified below or a reasonable time as determined by the GM, any documents or records maintained by the User which

651 the GM may request to determine whether cause exists for modifying, revoking,
652 reissuing, or to determine compliance with the Permit. The User shall also furnish to the
653 GM upon request, copies of records required to be kept by the User.

654 4.3 Individual Wastewater Discharge Permitting: Existing Connections

655 Any Significant Industrial User required to obtain an individual wastewater discharge permit
656 who was discharging wastewater into the POTW prior to the effective date of this Ordinance and
657 who wishes to continue such discharges in the future, shall, within sixty (60) days after said date,
658 apply to the GM for an individual wastewater discharge permit in accordance with Section 4.5 of
659 this Ordinance, and shall not cause or allow discharges to the POTW to continue after ninety
660 (90) days of the effective date of this Ordinance except in accordance with an individual
661 wastewater discharge permit issued by the GM.

662 4.4 Individual Wastewater Discharge Permitting: New Connections

663 Any Significant Industrial User required to obtain an individual wastewater discharge permit
664 who proposes to begin or recommence discharging into the POTW must obtain such permit prior
665 to the beginning or recommencing of such discharge. An application for this individual
666 wastewater discharge permit, in accordance with Section 4.5 of this Ordinance, must be filed at
667 least ninety (90) days prior to the date upon which any discharge will begin or recommence.

668 4.5 Individual Wastewater Discharge Permit Application Contents

669 A. All Users required to obtain an individual wastewater discharge permit must
670 submit a permit application. . The GM may require Users to submit all or some of the
671 following information as part of a permit application:

672 (1) Identifying Information.

673 (a) The name and address of the facility, including the name of the operator,
674 Duly Authorized Representative, and owner.

675 (b) Copies of business licenses; tax or utility bills; vehicle licenses and
676 capacity of waste hauler tank; general, automobile, workers compensation,
677 and employer's liability insurances;

678 (c) Contact information, description of activities, facilities, and plant
679 production processes on the premises;

680 (2) Environmental Permits. A list of any environmental control permits held
681 by or for the facility including, but not limited to permits issued by the San
682 Bernardino County Department of Environmental Health Services, State of
683 California, and South Coast Air Quality Control Board.

684 (3) Description of Operations.

685 (a) A brief description of the nature, average rate of production (including
686 each product produced by type, amount, processes, and rate of production),
687 and standard industrial classifications of the operation(s) carried out by such

688 User. This description should include a schematic process diagram, which
689 indicates points of water usage, wastewater generation, treatment, and
690 discharge to the POTW from the regulated processes.

691 (b) Types of wastes generated, and a list of all raw materials and chemicals
692 used or stored at the facility which are, or could accidentally or intentionally
693 be, discharged to the POTW;

694 (c) Number and type of employees, hours of operation, and proposed or
695 actual hours of operation;

696 (d) Type and amount of raw materials processed (average and maximum per
697 day);

698 (e) Site plans, floor plans, mechanical and plumbing plans, and details to
699 show all sewers, floor drains, and appurtenances by size, location, and
700 elevation, and all points of discharge;

701 (4) Time and duration of discharges;

702 (5) The location for monitoring all wastes covered by the permit;

703 (6) Flow Measurement. Information showing the measured average daily
704 and maximum daily flow, in gallons per day, to the POTW from regulated
705 process streams and other streams, as necessary, to allow use of the
706 combined wastestream formula set out in Section 2.2C (40 CFR 403.6(e)).

707 (7) Measurement of Pollutants.

708 (a) The categorical Pretreatment Standards applicable to each regulated
709 process and any new categorically regulated processes for Existing Sources.

710 (b) The results of sampling and analysis identifying the nature and
711 concentration, and/or mass, where required by the Standard or by the GM, of
712 regulated pollutants in the discharge from each regulated process.

713 (c) Daily Maximum and long-term average concentrations, or mass, where
714 required, shall be reported.

715 (d) The sample shall be representative of daily operations and shall be
716 analyzed in accordance with procedures set out in Section 6.10 of this
717 Ordinance. Where the Standard requires compliance with a BMP or
718 pollution prevention alternative, the User shall submit documentation as
719 required by the GM or the applicable Standards to determine compliance
720 with the Standard.

721 (e) Sampling must be performed in accordance with procedures set out in
722 Section 6.11 of this Ordinance.

723 (8) Any requests for a monitoring waiver (or a renewal of an approved
724 monitoring waiver) for a pollutant neither present nor expected to be present
725 in the discharge based on Section **Error! Reference source not found.** [40
726 CFR 403.12(e)(2)].

727 (9) Special studies may be required in the processing of an application, or an
728 individual wastewater discharge permit update. In the event a special study
729 is required, the IEUA and/or Contracting Agency shall notify the applicant
730 or the User in writing, of the need for the special study, and what parameters
731 the study should address. If the IEUA and/or Contracting Agency perform
732 the study, the applicant or User shall deposit with the IEUA and/or
733 Contracting Agency the estimated cost of performing the study. All costs
734 shall be borne by the applicant or User. Final costs will be based upon actual
735 costs incurred by the IEUA.

736 (10) Any other information as may be deemed necessary by the GM to
737 evaluate the permit application.

738 B. Incomplete or inaccurate applications will not be processed and will be returned to
739 the User for revision.

740 4.6 Application Signatories and Certifications

741 A. All wastewater discharge permit applications, User reports and certification
742 statements must be signed by an Authorized Representative of the User, contain the
743 certification statement in Section 6.14A, identify the name and contact information of
744 the Authorized Representative.

745 B. If the designation of an Authorized Representative is no longer accurate because a
746 different individual or position has responsibility for the overall operation of the facility
747 or overall responsibility for environmental matters for the company, a new written
748 authorization satisfying the requirements of this section must be submitted to the GM
749 prior to or together with any reports to be signed by an Authorized Representative.

750 4.7 Individual Wastewater Discharge Permit Decisions

751 The GM will evaluate the data furnished by the User and may require additional information.
752 Within sixty (60) days of receipt of a complete permit application, the GM will determine
753 whether to issue an individual wastewater discharge permit. The GM may deny any application
754 for an individual wastewater discharge permit.

755 SECTION 5—INDIVIDUAL WASTEWATER DISCHARGE PERMIT ISSUANCE

756 5.1 Individual Wastewater Discharge Permit Duration

757 An individual wastewater discharge permit shall be issued for a specified time period, not to
758 exceed five (5) years from the effective date of the permit. An individual wastewater discharge
759 permit may be issued for a period less than five (5) years, at the discretion of the GM. Each
760 individual wastewater discharge permit will indicate a specific date upon which it will expire.

5.2 Individual Wastewater Discharge Permit Contents

An individual wastewater discharge permit shall include such conditions as are deemed reasonably necessary by the GM to prevent Pass Through or Interference, protect the quality of the water body receiving the treatment plant's effluent, protect worker health and safety, facilitate sludge management and Disposal, and protect against damage to the POTW.

A. Individual wastewater discharge permits must contain:

(1) A statement that indicates the wastewater discharge permit issuance date, expiration date and effective date;

(2) A statement that the wastewater discharge permit is non-transferable without prior notification to IEUA in accordance with Section 5.5 of this Ordinance, and provisions for furnishing the new owner or operator with a copy of the existing wastewater discharge permit;

(3) Effluent limits, including Best Management Practices, based on applicable Pretreatment Standards;

(4) Self-monitoring, sampling, reporting, notification, and record-keeping requirements. These requirements shall include an identification of pollutants (or Best Management Practice) to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law.

(5) The process for seeking a waiver from monitoring for a pollutant neither present nor expected to be present in the Discharge in accordance with Section **Error! Reference source not found..**

(6) A statement of applicable civil and criminal penalties for violation of Pretreatment Standards and Requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that required by applicable Federal, State, or local law.

(7) Requirements to control Slug Discharge, if determined by the GM to be necessary.

(8) Any grant of the monitoring waiver by the GM (Section **Error! Reference source not found.**) must be included as a condition in the User's permit or other control mechanism.

(9) Predetermined rates or values for Wastewater strength characteristics

(10) Requirements to submit copies of tax and/or water bills

(11) Requirement to furnish to the GM, within a reasonable time, any documents or records maintained by the User and/or required to be kept by the User which the GM may request to determine whether cause exists for modifying, revoking, reissuing, or to determine compliance with the Permit.

798 B. Individual wastewater discharge permits may contain, but need not be limited to,
799 the following conditions:

800 (1) Limits on the average and/or maximum rate of discharge, time of
801 discharge, and/or requirements for flow regulation and equalization;

802 (2) Requirements for the installation of pretreatment technology, pollution
803 control, or construction of appropriate containment devices, designed to
804 reduce, eliminate, or prevent the introduction of pollutants into the treatment
805 works;

806 (3) Requirements for the development and implementation of spill control
807 plans or other special conditions including management practices necessary
808 to adequately prevent accidental, unanticipated, or non-routine discharges;

809 (4) Development and implementation of waste minimization plans to reduce
810 the amount of pollutants discharged to the POTW;

811 (5) Requirements for installation and maintenance of inspection and
812 sampling facilities and equipment, including flow measurement devices
813 and/or combustible gas metering devices;

814 (6) A statement that compliance with the individual wastewater discharge
815 permit does not relieve the permittee of responsibility for compliance with
816 all applicable Federal and State Pretreatment Standards, including those
817 which become effective during the term of the individual wastewater
818 discharge permit; and

819 (7) Other conditions as deemed appropriate by the GM to ensure
820 compliance with this Ordinance, and State and Federal laws, rules, and
821 regulations.

822 (8) The requirement to comply with all aspects of the individual wastewater
823 discharge permit, or all requirements of this Ordinance shall not be stayed
824 pending during the appeal.

825 5.3 Permit Modification

826 A. The GM may modify an individual wastewater discharge permit for good cause,
827 including, but not limited to, the following reasons:

828 (1) To incorporate any new or revised Federal, State, or local Pretreatment

829 (2) Standards or Requirements;

830 (3) To address significant alterations or additions to the User's operation or
831 wastewater volume or character since the time of the individual wastewater
832 discharge permit issuance;

- 833 (4) A change in the POTW that requires either a temporary or permanent
834 reduction or elimination of the authorized discharge;
- 835 (5) Information indicating that the permitted discharge poses a threat to the
836 POTW, beneficial use of the biosolids, IEUA personnel, or the receiving
837 waters; Violation of any terms or conditions of the individual wastewater
838 discharge permit;
- 839 (6) Misrepresentations or failure to fully disclose all relevant facts in the
840 wastewater discharge permit application or in any required reporting;
- 841 (7) Revision of or a grant of variance from categorical Pretreatment
842 Standards pursuant to 40 CFR 403.13;
- 843 (8) To correct typographical or other errors in the individual wastewater
844 discharge permit.

845 5.4 Individual Wastewater Discharge Permit Transfer

846 Individual wastewater discharge permits may not be transferred to a new owner or operator. Any
847 change in ownership or operator requires that the new owner/operator apply for a new permit
848 using the requirements set forth in Section 4.5 or **Error! Reference source not found..** The new
849 owner/operator is prohibited from discharging without a valid permit.

850 5.5 Individual Wastewater Discharge Permit Revocation

851 The GM may revoke an individual wastewater discharge permit for good cause, including, but
852 not limited to, the following reasons:

- 853 A. Failure to notify the GM of significant changes to the wastewater prior to the
854 changed discharge;
- 855 B. Failure to provide prior notification to the GM of changed conditions pursuant to
856 Section 6.5 of this Ordinance;
- 857 C. Misrepresentation or failure to fully disclose all relevant facts in the wastewater
858 discharge permit application;
- 859 D. Falsifying self-monitoring reports and certification statements;
- 860 E. Tampering with monitoring equipment;
- 861 F. Refusing to allow the GM timely access to the facility premises and records;
- 862 G. Failure to meet effluent limitations;
- 863 H. Failure to pay fines;
- 864 I. Failure to meet compliance schedules;

865 J. Failure to complete a wastewater survey or the wastewater discharge permit
866 application;

867 K. Failure to provide advance notice of the transfer of business ownership of a
868 permitted facility; or

869 L. Violation of any Pretreatment Standard or Requirement, or any terms of the
870 wastewater discharge permit or this Ordinance.

871 Individual wastewater discharge permits shall be voidable upon cessation of operations or
872 transfer of business ownership. All individual wastewater discharge permits issued to a User are
873 void upon the issuance of a new individual wastewater discharge permit to that User.

874 5.6 Individual Wastewater Discharge Permit Reissuance

875 A User with an expiring individual wastewater discharge permit shall apply for individual
876 wastewater discharge permit reissuance by submitting a complete permit application, in
877 accordance with Section 4.5 of this Ordinance, a minimum of one hundred eighty (180) days
878 prior to the expiration of the User's existing individual wastewater discharge permit.

879 5.7 Regulation of Waste Received from Other Jurisdictions

880 A. IEUA accepts wastes from the Contracting Agencies under agreements with each
881 of the Contracting Agencies. The agreements allow for IEUA to administer the
882 pretreatment program within the agency's boundaries or for IEUA to allow the
883 Contracting Agency to administer the pretreatment program under IEUA review.

884 B. If another municipality, agency, or User located within another municipality or
885 agency, contributes wastewater to the POTW, the GM shall enter into an
886 interjurisdictional agreement with the contributing municipality or agency.

887 C. For those pretreatment programs administered by the Contracting Agency and as
888 part of the interjurisdictional agreement, the GM shall require the Contracting Agency or
889 contributing agency to submit annually or as requested by the GM, the following
890 information:

891 (1) A description of the quality and volume of wastewater discharged to the
892 IEUA POTW by the contributing municipality;

893 (2) An inventory of all Users located within the contributing municipality
894 that are discharging to the POTW; and

895 (3) Such other information as the GM may deem necessary.

896 D. An interjurisdictional agreement, as required by paragraph B, above, shall contain
897 the following conditions:

898 (1) A requirement for the contributing municipality to adopt a sewer use
899 ordinance which is at least as stringent as this Ordinance and Local Limits,
900 including required Baseline Monitoring Reports (BMRs) which are at least

as stringent as those set out in Section 2.4 of this Ordinance and as established by the GM and adopted by Board Resolution. The requirement shall specify that such ordinance and limits must be revised as necessary to reflect changes made to IEUA's Ordinance or Local Limits;

(2) A requirement for the contributing municipality to submit a revised User inventory on at least an annual basis;

(3) A provision specifying which pretreatment implementation activities, including individual wastewater discharge permit issuance, inspection and sampling, and enforcement, will be conducted by the contributing municipality; which of these activities will be conducted by the GM; and which of these activities will be conducted jointly by the contributing municipality and the GM;

(4) A requirement for the contributing municipality to provide the GM with access to all information that the contributing municipality obtains as part of its pretreatment activities;

(5) Limits on the nature, quality, and volume of the contributing municipality's wastewater at the point where it discharges to the POTW;

(6) Requirements for monitoring the contributing municipality's discharge;

(7) A provision ensuring the GM access to the facilities of Users located within the contributing municipality's jurisdictional boundaries for the purpose of inspection, sampling, and any other duties deemed necessary by the GM; and

(8) A provision specifying remedies available for breach of the terms of the interjurisdictional agreement.

SECTION 6—REPORTING REQUIREMENTS

6.1 Baseline Monitoring Reports

A. Within either one hundred eighty (180) days after the effective date of a categorical Pretreatment Standard, or the final administrative decision on a category determination under 40 CFR 403.6(a)(4), whichever is later, existing Categorical Industrial Users currently discharging to or scheduled to discharge to the POTW shall submit to the GM a report which contains the information listed in paragraph B, below. At least ninety (90) days prior to commencement of their discharge, New Sources, and sources that become Categorical Industrial Users subsequent to the promulgation of an applicable categorical Standard, shall submit to the GM a report which contains the information listed in paragraph B, below. A New Source shall report the method of pretreatment it intends to use to meet applicable categorical Standards. A New Source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.

B. Users described above shall submit the information set forth below.

(1) All information required in Section 4.5A(1)(a), Section 4.5A(2), Section 4.5A(3)(a), and Section 4.5A(6).

(2) Measurement of pollutants.

(a) The User shall provide the information required in Section 4.5A(7)(a) through 4.5A(7)(d)

(b) The User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this paragraph.

(c) Samples should be taken immediately downstream from pretreatment facilities if such exist or immediately downstream from the regulated process if no pretreatment exists. If other wastewaters are mixed with the regulated wastewater prior to pretreatment the User should measure the flows and concentrations necessary to allow use of the combined wastestream formula in 40 CFR 403.6(e) to evaluate compliance with the Pretreatment Standards. Where an alternate concentration or mass limit has been calculated in accordance with 40 CFR 403.6(e) this adjusted limit along with supporting data shall be submitted to the Control Authority;

(d) Sampling and analysis shall be performed in accordance with Section 6.11;

(e) The GM may allow the submission of a Baseline Monitoring Report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial pretreatment measures;

(f) The Baseline Monitoring Report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected pollutant Discharges to the POTW.

(3) Compliance Certification. A statement, reviewed by the User's Authorized Representative as defined in Section 1.4C and certified by a Registered California professional engineer, indicating whether Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional pretreatment is required to meet the Pretreatment Standards and Requirements.

(4) Compliance Schedule. If additional pretreatment and/or O&M will be required to meet the Pretreatment Standards, the shortest schedule by which the User will provide such additional pretreatment and/or O&M must be provided. The completion date in this schedule shall not be later than the compliance date established for the applicable Pretreatment Standard. A compliance schedule pursuant to this section must meet the requirements set out in Section 6.2 of this Ordinance.

978 (5) Signature and Report Certification. All Baseline Monitoring Reports
979 must be certified in accordance with Section 6.14A of this Ordinance and
980 signed by an Authorized Representative as defined in Section 1.4C.

981 6.2 Compliance Schedule Progress Reports

982 The following conditions shall apply to the compliance schedule required by Section 6.1B(4) of
983 this Ordinance:

984 A. The schedule shall contain progress increments in the form of dates for the
985 commencement and completion of major events leading to the construction and
986 operation of additional pretreatment required for the User to meet the applicable
987 Pretreatment Standards (such events include, but are not limited to, hiring an engineer,
988 completing preliminary and final plans, executing contracts for major components,
989 commencing and completing construction, and beginning and conducting routine
990 operation);

991 B. No increment referred to above shall exceed nine (9) months;

992 C. The User shall submit a progress report to the GM no later than fourteen (14) days
993 following each date in the schedule and the final date of compliance including, as a
994 minimum, whether or not it complied with the increment of progress, the reason for any
995 delay, and, if appropriate, the steps being taken by the User to return to the established
996 schedule; and

997 D. In no event shall more than nine (9) months elapse between such progress reports
998 to the GM.

999 6.3 Reports on Compliance with Categorical Pretreatment Standard Deadline

1000 Within ninety (90) days following the date for final compliance with applicable categorical
1001 Pretreatment Standards, or in the case of a New Source following commencement of the
1002 introduction of wastewater into the POTW, any User subject to such Pretreatment Standards and
1003 Requirements shall submit to the GM a report containing the information described in Section
1004 4.5A(6) and (7) and 6.1(B)(2) of this Ordinance. For Users subject to equivalent mass or
1005 concentration limits established in accordance with the procedures in Section 2.2, this report
1006 shall contain a reasonable measure of the User's long-term production rate. For all other Users
1007 subject to categorical Pretreatment Standards expressed in terms of allowable pollutant discharge
1008 per unit of production (or other measure of operation), this report shall include the User's actual
1009 production during the appropriate sampling period. All compliance reports must be signed and
1010 certified in accordance with Section 6.14 A of this Ordinance. All sampling will be done in
1011 conformance with Section 6.11.

1012 6.4 Periodic Compliance Reports

1013 A. All Users must, at a frequency determined by the GM submit no less than twice
1014 per year (July and January) reports indicating the nature, concentration of pollutants in
1015 the discharge which are limited by Pretreatment Standards and the measured or
1016 estimated average and maximum daily flows for the reporting period. In cases where the

1017 Pretreatment Standard requires compliance with a Best Management Practice (BMP) or
 1018 pollution prevention alternative, the User must submit documentation required by the
 1019 GM or the Pretreatment Standard necessary to determine the compliance status of the
 1020 User.

1021 B. All periodic compliance reports must be signed and certified in accordance with
 1022 Section 6.14 A of this Ordinance.

1023 C. All wastewater samples must be representative of the User's discharge.
 1024 Wastewater monitoring and flow measurement facilities shall be properly operated, kept
 1025 clean, and maintained in good working order at all times. The failure of a User to keep
 1026 its monitoring facility in good working order shall not be grounds for the User to claim
 1027 that sample results are unrepresentative of its discharge.

1028 D. If a User subject to the reporting requirement in this section monitors any regulated
 1029 pollutant at the appropriate sampling location more frequently than required by the GM,
 1030 using the procedures prescribed in Section 6.11 of this Ordinance, the results of this
 1031 monitoring shall be included in the report.

1032 6.5 Reports of Changed Conditions

1033 Each User must notify the GM of any significant changes to the User's operations or system
 1034 which might alter the nature, quality, or volume of its wastewater at least thirty (30) days before
 1035 the change.

1036 A. The GM may require the User to submit such information as may be deemed
 1037 necessary to evaluate the changed condition, including the submission of a wastewater
 1038 discharge permit application under Section 4.5 of this Ordinance.

1039 B. The GM may issue an individual wastewater discharge permit under Section 5.6
 1040 of this Ordinance or modify an existing wastewater discharge permit under Section 5.3
 1041 of this Ordinance in response to changed conditions or anticipated changed conditions.

1042 6.6 Reports of Potential Problems

1043 A. In the case of any discharge, including, but not limited to, accidental discharges,
 1044 discharges of a non-routine, episodic nature, a non-customary batch discharge, a Slug
 1045 Discharge or Slug Load, that might cause potential problems for the POTW, the User
 1046 shall immediately telephone and notify the GM of the incident. This notification shall
 1047 include the location of the discharge, type of waste, concentration and volume, if known,
 1048 and corrective actions taken or planned by the User.

1049 B. Within five (5) days following such discharge, the User shall, unless waived by the
 1050 GM, submit a detailed written report describing the cause(s) of the discharge and the
 1051 measures to be taken by the User to prevent similar future occurrences. Such notification
 1052 shall not relieve the User of any expense, loss, damage, or other liability which might be
 1053 incurred as a result of damage to the POTW, natural resources, or any other damage to
 1054 person or property; nor shall such notification relieve the User of any fines, penalties, or
 1055 other liability which may be imposed pursuant to this Ordinance.

1056 C. A notice shall be permanently posted on the User's bulletin board or other
 1057 prominent place advising employees who to call in the event of a discharge described in
 1058 paragraph A, above. Employers shall ensure that all employees, who could cause such a
 1059 discharge to occur, are advised of the emergency notification procedure.

1060 D. Significant Industrial Users are required to notify the GM immediately of any
 1061 changes at its facility affecting the potential for a Slug Discharge.

1062 E. User shall notify the GM at least 10 days in advance of any planned production,
 1063 operational change, maintenance activity that may cause a violation of the User's permit
 1064 or the Ordinance. The notification shall describe the potential problem, actions the User
 1065 is taking to prevent a discharge violation, and the contingency plans that will be used if a
 1066 violation were to occur.

1067 6.7 Reports from Unpermitted Users

1068 All Users not required to obtain an individual wastewater discharge permit shall provide
 1069 appropriate reports to the GM as the GM may require.

1070 6.8 Notification of the Discharge of Hazardous Waste

1071 A. Any User who commences the discharge of hazardous waste shall notify the POTW,
 1072 the EPA Regional Waste Management Division Director, and State hazardous waste
 1073 authorities, in writing, of any discharge into the POTW of a substance which, if otherwise
 1074 disposed of, would be a hazardous waste under 40 CFR Part 261. Such notification must
 1075 include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA
 1076 hazardous waste number, and the type of discharge (continuous, batch, or other). If the
 1077 User discharges more than one hundred (100) kilograms of such waste per calendar
 1078 month to the POTW, the notification also shall contain the following information to the
 1079 extent such information is known and readily available to the User: an identification of
 1080 the hazardous constituents contained in the wastes, an estimation of the mass and
 1081 concentration of such constituents in the wastestream discharged during that calendar
 1082 month, and an estimation of the mass of constituents in the wastestream expected to be
 1083 discharged during the following twelve (12) months. All notifications must take place no
 1084 later than one hundred and eighty (180) days after the discharge commences. Any
 1085 notification under this paragraph need be submitted only once for each hazardous waste
 1086 discharged. However, notifications of changed conditions must be submitted under
 1087 Section 6.5 of this ordinance. The notification requirement in this Section does not apply
 1088 to pollutants already reported by Users subject to categorical Pretreatment Standards
 1089 under the self-monitoring requirements of Sections 6.1, 6.3, and 6.4 of this ordinance.

1090

1091 B. Dischargers are exempt from the requirements of paragraph A, above, during a
 1092 calendar month in which they discharge no more than fifteen (15) kilograms of
 1093 hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR
 1094 261.30(d) and 261.33(e). Discharge of more than fifteen (15) kilograms of non-acute
 1095 hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as
 1096 specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification.

1097 Subsequent months during which the User discharges more than such quantities of any
1098 hazardous waste do not require additional notification.
1099
1100 C. In the case of any new regulations under section 3001 of RCRA identifying additional
1101 characteristics of hazardous waste or listing any additional substance as a hazardous
1102 waste, the User must notify the General Manager, the EPA Regional Waste Management
1103 Waste Division Director, and State hazardous waste authorities of the discharge of such
1104 substance within ninety (90) days of the effective date of such regulations.
1105
1106 D. In the case of any notification made under this Section, the User shall certify that it
1107 has a program in place to reduce the volume and toxicity of hazardous wastes generated
1108 to the degree it has determined to be economically practical.
1109
1110 E. This provision does not create a right to discharge any substance not otherwise
1111 permitted to be discharged by this ordinance, a permit issued thereunder, or any
1112 applicable Federal or State law.

1113

1114 6.9 Notice of Violation/Repeat Sampling and Reporting

1115 If sampling performed by a User indicates a violation, the User must notify the GM or, when the
1116 Contracting Agency is administering the pretreatment program under IEUA review, the
1117 Contracting Agency within twenty-four (24) hours of becoming aware of the violation. The User
1118 shall also repeat the sampling and analysis and submit the results of the repeat analysis to the
1119 GM or, when the Contracting Agency is administering the pretreatment program under IEUA
1120 review, the Contracting Agency within thirty (30) days after becoming aware of the violation.
1121 Resampling by the Industrial User is not required if the Contracting Agency performs sampling
1122 at the User's facility at least once a month, or if Contracting Agency performs sampling at the
1123 User between the time when the initial sampling was conducted and the time when the User or
1124 the Contracting Agency receives the results of this sampling, or if the Contracting Agency has
1125 performed the sampling and analysis in lieu of the Industrial User.

1126 6.10 Analytical Requirements

1127 All pollutant analyses, including sampling techniques, to be submitted as part of a wastewater
1128 discharge permit application or report shall be performed in accordance with the techniques
1129 prescribed in 40 CFR Part 136 and amendments thereto, unless otherwise specified in an
1130 applicable categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or
1131 analytical techniques for the pollutant in question, or where the EPA determines that the Part 136
1132 sampling and analytical techniques are inappropriate for the pollutant in question, sampling and
1133 analyses shall be performed by using validated analytical methods or any other applicable
1134 sampling and analytical procedures, including procedures suggested by the GM or other parties
1135 approved by EPA.

1136 6.11 Sample Collection

1137 Samples collected to satisfy reporting requirements must be based on data obtained through
1138 appropriate sampling and analysis performed during the period covered by the report, based on
1139 data that is representative of conditions occurring during the reporting period.

1140 A. Except as indicated in Section B and C below, the User must collect wastewater
1141 samples using 24-hour flow-proportional composite sampling techniques, unless
1142 time-proportional composite sampling or grab sampling is authorized by the GM. Where
1143 time-proportional composite sampling or grab sampling is authorized by IEUA, the
1144 samples must be representative of the discharge. Using protocols (including appropriate
1145 preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple
1146 Grab Samples collected during a 24-hour period may be composited prior to the analysis
1147 as follows: for cyanide, total phenols, and sulfides the samples may be composited in the
1148 laboratory or in the field; for volatile organics and oil and grease, the samples may be
1149 composited in the laboratory. Composite samples for other parameters unaffected by the
1150 compositing procedures as documented in approved EPA methodologies may be
1151 authorized by IEUA, as appropriate. In addition, Grab Samples may be required to show
1152 compliance with Limits.

1153 B. Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides, and
1154 volatile organic compounds must be obtained using grab collection techniques.

1155 C. For sampling required in support of baseline monitoring and 90-day compliance
1156 reports required in Section 6.1 and 6.3 (40 CFR 403.12(b) and (d)), a minimum of four
1157 (4) Grab Samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and
1158 volatile organic compounds for facilities for which historical sampling data do not exist;
1159 for facilities for which historical sampling data are available, the GM may authorize a
1160 lower minimum. For the reports required by paragraphs Section 6.4 (40 CFR 403.12(e)
1161 and 403.12(h)), the Industrial User is required to collect the number of Grab Samples
1162 necessary to assess and assure compliance by with applicable Pretreatment Standards
1163 and Requirements.

1164 6.12 Date of Receipt of Reports

1165 Written reports will be deemed to have been submitted on the date postmarked if mailed, postage
1166 prepaid, into a mail facility serviced by the United States Postal Service. For reports, which are
1167 not mailed, the date of receipt of the report shall govern.

1168 6.13 Recordkeeping

1169 Users subject to the reporting requirements of this Ordinance shall retain, and make available for
1170 inspection and copying, all records of information obtained pursuant to any monitoring activities
1171 required by this Ordinance, any additional records of information obtained pursuant to
1172 monitoring activities undertaken by the User independent of such requirements, and
1173 documentation associated with Best Management Practices established under Section 2.3D.
1174 Records shall include the date, exact place, method, and time of sampling, and the name of the
1175 Person(s) taking the samples; the dates analyses were performed; who performed the analyses;
1176 the analytical techniques or methods used; and the results of such analyses. These records shall

1177 remain available for a period of at least three (3) years. This period shall be automatically
1178 extended for the duration of any litigation concerning the User or IEUA, or where the User has
1179 been specifically notified of a longer retention period by the General Manager.

1180 6.14 Certification Statements

1181 A. Certification of Permit Applications, User Reports and Initial Monitoring
1182 Waiver—The following certification statement is required to be signed and submitted by
1183 Users submitting permit applications in accordance with Section 4.5; Users submitting
1184 Baseline Monitoring Reports under Section 6.1 B (5); Users submitting reports on
1185 compliance with the categorical Pretreatment Standard deadlines under Section 6.3;
1186 Users submitting periodic compliance reports required by Section 6.4 A–D. The
1187 following certification statement must be signed by an Authorized Representative as
1188 defined in Section 1.4 C and include the printed name of the Authorized Representative,
1189 signature date, and contact information:

1190 I certify under penalty of law that this document and all attachments were
1191 prepared under my direction or supervision in accordance with a system designed
1192 to assure that qualified personnel properly gather and evaluate the information
1193 submitted. Based on my inquiry of the person or persons who manage the system,
1194 or those persons directly responsible for gathering the information, the
1195 information submitted is, to the best of my knowledge and belief, true, accurate,
1196 and complete. I am aware that there are significant penalties for submitting false
1197 information, including the possibility of fine and imprisonment for knowing
1198 violations.

1199 SECTION 7—COMPLIANCE MONITORING

1200 7.1 Right of Entry: Inspection and Sampling

1201 The GM shall have the right to enter the premises of any User to determine whether the User is
1202 complying with all requirements of this Ordinance and any individual wastewater discharge
1203 permit or order issued hereunder. Users shall allow the GM ready access to all parts of the
1204 premises for the purposes of inspection, sampling, records examination and copying,
1205 photographing, and the performance of any additional duties.

1206 A. Where a User has security measures in force which require proper identification
1207 and clearance before entry into its premises, the User shall make necessary arrangements
1208 with its security guards so that, upon presentation of suitable identification, the GM shall
1209 be permitted to enter without delay for the purposes of performing specific
1210 responsibilities.

1211 B. The GM shall have the right to set up on the User's property, or require installation
1212 of, such devices as are necessary to conduct sampling and/or metering of the User's
1213 operations.

1214 C. The GM may require the User to install monitoring equipment as necessary.
1215 Ample room in or near a monitoring facility to allow accurate sampling and preparation

1216 of samples for analysis whether the monitoring facility is constructed on public or
1217 private property shall be provided. Plans for construction of a monitoring facility shall
1218 be prepared by a California Registered Professional Engineer and submitted to the IEUA
1219 for approval prior to construction. The monitoring facility shall be constructed in
1220 accordance with IEUA, local construction standards and specifications.

1221 The facility's sampling and monitoring equipment shall be maintained at all times in a
1222 safe and proper operating condition by the User at its own expense. All devices used to
1223 measure wastewater flow and quality shall be calibrated as specified in the User's permit
1224 to ensure their accuracy.

1225 D. Any temporary or permanent obstruction to safe and easy access to the facility to
1226 be inspected and/or sampled shall be promptly removed by the User at the written or
1227 verbal request of the GM and shall not be replaced. The costs of clearing such access
1228 shall be borne by the User.

1229 E. Unreasonable delays in allowing the GM access to the User's premises shall be a
1230 violation of this Ordinance.

1231 F. When the Contracting Agency is administering the pretreatment program for IEUA
1232 and if there is a need to enter and inspect a User in a Contracting Agency's jurisdiction,
1233 the GM will notify the Contracting Agency of the reason to inspect and/or sample the
1234 User, and work cooperatively with the Contracting Agency to perform the inspection
1235 and/or sample the User.

1236 7.2 Search Warrants

1237 If the GM has been refused access to a building, structure, or property, or any part thereof, and is
1238 able to demonstrate probable cause to believe that there may be a violation of this Ordinance, or
1239 that there is a need to inspect and/or sample as part of a routine inspection and sampling program
1240 of IEUA designed to verify compliance with this Ordinance or any permit or order issued
1241 hereunder, or to protect the overall public health, safety and welfare of the community, the GM
1242 may seek issuance of a search warrant from a court of competent jurisdiction.

1243 SECTION 8—CONFIDENTIAL INFORMATION

1244 Information and data on a User obtained from reports, surveys, wastewater discharge permit
1245 applications, individual wastewater discharge permits, and monitoring programs, and from the
1246 GM's inspection and sampling activities, shall be available to the public without restriction,
1247 unless the User specifically requests, and is able to demonstrate to the satisfaction of GM, that
1248 the release of such information would divulge information, processes, or methods of production
1249 entitled to protection as trade secrets under applicable State law. Any such request must be
1250 asserted at the time of submission of the information or data. When requested and demonstrated
1251 by the User furnishing a report that such information should be held confidential, the portions of
1252 a report which might disclose trade secrets or secret processes shall not be made available for
1253 inspection by the public, but shall be made available immediately upon request to governmental
1254 agencies for uses related to the NPDES program or pretreatment program, and in enforcement
1255 proceedings involving the person furnishing the report. Wastewater constituents and

1256 characteristics and other effluent data, as defined at 40 CFR 2.302 shall not be recognized as
1257 confidential information and shall be available to the public without restriction.

1258 SECTION 9—PUBLICATION OF USERS IN SIGNIFICANT NON-COMPLIANCE

1259 The GM shall publish annually, in a newspaper of general circulation that provides meaningful
1260 public notice within the jurisdictions served by IEUA, a list of the Users which, at any time
1261 during the previous twelve (12) months, were in Significant Non-compliance with applicable
1262 Pretreatment Standards and Requirements. The term Significant Non-compliance shall be
1263 applicable to all Significant Industrial Users (or any other Industrial User that violates
1264 paragraphs (C), (D) or (H) of this Section) and shall mean:

1265 A. Chronic violations of wastewater discharge limits, defined here as those in which
1266 sixty-six percent (66%) or more of all the measurements taken for the same pollutant
1267 parameter taken during a six- (6-) month period exceed (by any magnitude) a numeric
1268 Pretreatment Standard or Requirement, including Limits as defined in Section 2;

1269 B. Technical Review Criteria (TRC) violations, defined here as those in which
1270 thirty-three percent (33%) or more of wastewater measurements taken for each pollutant
1271 parameter during a six- (6-) month period equals or exceeds the product of the numeric
1272 Pretreatment Standard or Requirement including Limits, as defined by Section 2
1273 multiplied by the applicable criteria (1.4 for BOD, TSS, fats, oils and grease, and 1.2 for
1274 all other pollutants except pH);

1275 C. Any other violation of a Pretreatment Standard or Requirement as defined by
1276 Section 2 (Daily Maximum, long-term average, Limit, or narrative standard) that the GM
1277 determines has caused, alone or in combination with other discharges, Interference or
1278 Pass Through, including endangering the health of POTW personnel or the general
1279 public;

1280 D. Any discharge of a pollutant that has caused imminent endangerment to the public
1281 or to the environment, or has resulted in [the Superintendent's] exercise of its emergency
1282 authority to halt or prevent such a discharge;

1283 E. Failure to meet, within ninety (90) days of the scheduled date, a compliance
1284 schedule milestone contained in an individual wastewater discharge permit or
1285 enforcement order for starting construction, completing construction, or attaining final
1286 compliance;

1287 F. Failure to provide within forty-five (45) days after the due date, any required
1288 reports, including Baseline Monitoring Reports, reports on compliance with categorical
1289 Pretreatment Standard deadlines, periodic self-monitoring reports, and reports on
1290 compliance with compliance schedules;

1291 G. Failure to accurately report non-compliance; or

1292 H. Any other violation(s), which may include a violation of Best Management
1293 Practices, which the GM determines will adversely affect the operation or
1294 implementation of the local pretreatment program.

1295 SECTION 10—ADMINISTRATIVE ENFORCEMENT REMEDIES

1296 10.1 Notification of Violation

1297 When the GM finds that a User has violated, or continues to violate, any provision of this
1298 Ordinance, an individual wastewater discharge permit, or order issued hereunder, or any other
1299 Pretreatment Standard or Requirement, the GM may serve upon that User a written Notice of
1300 Violation. Within thirty (30) days of the receipt of such notice, an explanation of the violation
1301 and a plan for the satisfactory correction and prevention thereof, to include specific required
1302 actions, shall be submitted by the User to the GM. Submission of such a plan in no way relieves
1303 the User of liability for any violations occurring before or after receipt of the Notice of Violation.
1304 Nothing in this section shall limit the authority of the GM to take any action, including
1305 emergency actions or any other enforcement action, without first issuing a Notice of Violation.

1306 10.2 Consent Orders

1307 The GM may enter into Consent Orders, assurances of compliance, or other similar documents
1308 establishing an agreement with any User responsible for non-compliance. Such documents shall
1309 include specific action to be taken by the User to correct the non-compliance within a time
1310 period specified by the document. Such documents shall have the same force and effect as the
1311 administrative orders issued pursuant to Sections 10.4 and 10.5 of this Ordinance and shall be
1312 judicially enforceable.

1313 10.3 Show Cause Hearing

1314 The GM may order a User which has violated, or continues to violate, any provision of this
1315 Ordinance, an individual wastewater discharge permit, or order issued hereunder, or any other
1316 Pretreatment Standard or Requirement, to appear before the GM and show cause why the
1317 proposed enforcement action should not be taken. Notice shall be served on the User specifying
1318 the time and place for the meeting, the proposed enforcement action, the reasons for such action,
1319 and a request that the User show cause why the proposed enforcement action should not be
1320 taken. The notice of the meeting shall be served personally or by registered or certified mail
1321 (return receipt requested) at least fourteen (14) calendar days prior to the hearing. Such notice
1322 may be served on any Authorized Representative of the User as defined in Section 1.4 C and
1323 required by Section 4.7 A. A show cause hearing shall not be a bar against, or prerequisite for,
1324 taking any other action against the User.

1325 10.4 Compliance Orders

1326 When the GM finds that a User has violated, or continues to violate, any provision of this
1327 Ordinance, an individual wastewater discharge permit, or order issued hereunder, or any other
1328 Pretreatment Standard or Requirement, the GM may issue an order to the User responsible for
1329 the discharge directing that the User come into compliance within a specified time. If the User
1330 does not come into compliance within the time provided, sewer service may be discontinued
1331 unless adequate treatment facilities, devices, or other related appurtenances are installed and
1332 properly operated. Compliance orders also may contain other requirements to address the non-
1333 compliance, including additional self-monitoring and management practices designed to
1334 minimize the amount of pollutants discharged to the sewer. A compliance order may not extend
1335 the deadline for compliance established for a Pretreatment Standard or Requirement, nor does a

1336 compliance order relieve the User of liability for any violation, including any continuing
1337 violation. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking
1338 any other action against the User.

1339 10.5 Cease and Desist Orders

1340 When the GM finds that a User has violated, or continues to violate, any provision of this
1341 Ordinance, an individual wastewater discharge permit, or order issued hereunder, or any other
1342 Pretreatment Standard or Requirement, or that the User's past violations are likely to recur, the
1343 GM may issue an order to the User directing it to cease and desist all such violations and
1344 directing the User to:

1345 A. Immediately comply with all requirements; and

1346 B. Take such appropriate remedial or preventive action as may be needed to properly
1347 address a continuing or threatened violation, including halting operations and/or
1348 terminating the discharge. Issuance of a cease and desist order shall not be a bar against,
1349 or a prerequisite for, taking any other action against the User.

1350 10.6 Administrative Fines

1351 A. When the GM finds that a User has violated, or continues to violate, any provision
1352 of this Ordinance, an individual wastewater discharge permit, or order issued hereunder,
1353 or any other Pretreatment Standard or Requirement, the GM may fine such User in an
1354 amount not to exceed \$25,000 per day of violation. Such fines shall be assessed on a per-
1355 violation, per-day basis. In the case of monthly or other long-term average discharge
1356 limits, fines shall be assessed for each day during the period of violation.

1357 B. All fees and charges imposed under the provisions of this Ordinance are due and
1358 payable upon serving an invoice. An invoice shall be served by first-class mail or such
1359 other procedure as will reasonably assure receipt. Unpaid fees or charges shall become
1360 delinquent 30 days after postmark date or the date the invoice is personally served. The
1361 date a payment is postmarked by the United States Postal Service will be considered the
1362 date of receipt by the IEUA unless payment is personally made to the IEUA. A penalty
1363 of 10 percent of the original unpaid invoice amount shall be added to any fee or charge
1364 that becomes delinquent. Interest at the maximum rate provided by law shall accrue on
1365 the total of all delinquent fees or charges including the penalty. A lien against the User's
1366 property shall be sought for unpaid charges, fines, and penalties.

1367 C. Users desiring to dispute such fines must file a written request for the GM to
1368 reconsider the fine along with full payment of the fine amount within twenty nine (29)
1369 days of being notified of the fine. Where a request has merit, the GM may convene a
1370 hearing on the matter. In the event the User's appeal is successful, the payment, together
1371 with any interest accruing thereto, shall be returned to the User. The GM may add the
1372 costs of preparing administrative enforcement actions, such as notices and orders, to the
1373 fine.

1374 D. Issuance of an administrative fine shall not be a bar against, or a prerequisite for,
1375 taking any other action against the User.

1376 10.7 Emergency Suspensions

1377 The GM may immediately suspend a User's discharge, after informal notice to the User,
1378 whenever such suspension is necessary to stop an actual or threatened discharge, which
1379 reasonably appears to present, or cause an imminent or substantial endangerment to the health or
1380 welfare of persons. The GM may also immediately suspend a User's discharge, after notice and
1381 opportunity to respond, that threatens to interfere with the operation of the POTW, or which
1382 presents, or may present, an endangerment to the environment.

1383 A. Any User notified of a suspension of its discharge shall immediately stop or
1384 eliminate its contribution. In the event of a User's failure to immediately comply
1385 voluntarily with the suspension order, the GM may take such steps as deemed necessary,
1386 including immediate severance of the sewer connection, to prevent or minimize damage
1387 to the POTW, its receiving stream, or endangerment to any individuals. The GM may
1388 allow the User to recommence its discharge when the User has demonstrated to the
1389 satisfaction of the GM that the period of endangerment has passed, unless the
1390 termination proceedings in Section 10.8 of this Ordinance are initiated against the User.

1391 B. User that is responsible, in whole or in part, for any discharge presenting imminent
1392 endangerment shall submit a detailed written statement, describing the causes of the
1393 harmful contribution and the measures taken to prevent any future occurrence, to the
1394 GM prior to the date of any show cause or termination hearing under Sections 10.3 or
1395 10.8 of this Ordinance.

1396 Nothing in this section shall be interpreted as requiring a hearing prior to any Emergency
1397 Suspension under this section.

1398 10.8 Termination of Discharge

1399 In addition to the provisions in Section 5.5 of this Ordinance, any User who violates the
1400 following conditions is subject to discharge termination:

1401 A. Violation of individual wastewater discharge permit conditions;

1402 B. Failure to accurately report the wastewater constituents and characteristics of its
1403 discharge;

1404 C. Failure to report significant changes in operations or wastewater volume,
1405 constituents, and characteristics prior to discharge;

1406 D. Refusal of reasonable access to the User's premises for the purpose of inspection,
1407 monitoring, or sampling; or

1408 E. Violation of the Pretreatment Standards in Section 2 of this Ordinance.

1409 Such User will be notified of the proposed termination of its discharge and be offered an
1410 opportunity to show cause under Section 10.3 of this Ordinance why the proposed action
1411 should not be taken. Exercise of this option by the GM shall not be a bar to, or a
1412 prerequisite for, taking any other action against the User.

1413 10.9 Appeals

1414 A. Administrative Hearings Before the GM

1415 (1) Any Permit applicant, permittee, or User affected by any decision, action
1416 or determination made by the GM's authorized representative may file with
1417 the GM a written request for an administrative hearing regarding such
1418 action. The request shall be made within 15 days of mailing of the original
1419 decision. The request for hearing shall set forth in detail all facts supporting
1420 the request.

1421 (2) The GM shall, within 15 days of receiving the request for hearing,
1422 designate himself/herself or another Duly Authorized Representative to hear
1423 the matter and provide written notice to the applicant or User of the hearing
1424 date, time and place. The hearing date shall not be more than 30 days from
1425 the mailing of such notice to the applicant or User unless a later date is
1426 agreed to by the applicant or User. If the hearing is not held within said time,
1427 due to actions or inactions of the applicant or User, then the staff decision
1428 shall be deemed final.

1429 (3) At the hearing, the applicant or User shall have the opportunity to
1430 present information supporting its position concerning the original decision,
1431 action or determination. The hearing shall be conducted in accordance with
1432 procedures established by the GM and approved by the IEUA's General
1433 Counsel.

1434 (4) After the conclusion of the hearing, the GM or the Duly Authorized
1435 Representative shall prepare and approve a written report to the GM setting
1436 forth a brief statement of facts found to be true, a determination of the issues
1437 presented, conclusions, and a recommendation whether to uphold, modify or
1438 reverse the original decision, action or determination. The GM shall issue
1439 his/her decision and order within 30 calendar days of the hearing. The
1440 written decision and order of the GM shall be sent to the applicant or User or
1441 its legal counsel/representative, at the applicant's or User's business address.

1442 (5) The order of the GM shall be final in all respects 16 days after it is
1443 mailed to the applicant or User unless a request for hearing is filed with the
1444 Board pursuant to Section 10.9B, within 15 days after mailing to the
1445 applicant or User.

1446 B. Appeals to the Board

1447 (1) If the GM's order is adverse to the Permit applicant or User, it may, prior
1448 to the date that the GM's order becomes final, file a written request for
1449 hearing to the Board. The request for hearing shall set forth in detail all the
1450 issues in dispute for which the appellant seeks determination and all facts
1451 supporting appellant's request.

1452 (a) No later than 60 days after receipt of the request for hearing, the Board
1453 shall either set the matter for a hearing, or deny the request for a hearing.

1454 (b) The Board shall grant all requests for a hearing on appeals concerning
1455 Permit suspension or revocation. Whether to grant or deny the request for a
1456 hearing on appeals of other decisions of the GM shall be within the sole
1457 discretion of the Board.

1458 (c) A hearing shall be held by the Board within 65 days from the date of
1459 determination granting a hearing, unless a later date is agreed to by the User
1460 or Permit applicant and the Board. If the matter is not heard within the
1461 required time, due to actions or inactions of the appellant, the GM's order
1462 shall be deemed final.

1463 (2) The Board Secretary shall, within 15 days of the Board's determination,
1464 provide written notice to the appellant of the denial or acceptance of a
1465 hearing. If a hearing is accepted then a hearing date, time, and place will be
1466 indicated. If a hearing is denied, the GM's decision shall be final 15 days
1467 after the date such notice is mailed.

1468 (3) At the hearing, the appellant shall have the opportunity to present
1469 written or oral evidence supporting its position concerning the original
1470 decision, action or determination, in accordance with procedures established
1471 by the Board.

1472 (4) After the hearing, the Board shall make a determination whether to
1473 uphold, modify, or reverse the staffs original decision, action, or
1474 determination as ordered by the GM.

1475 (5) The decision of the Board shall be set forth in writing within 65 days
1476 after the close of the hearing and shall contain a finding of the facts found to
1477 be true, the determination of issues presented, and the conclusions. The
1478 written decision and order of the Board shall be sent to the appellant or its
1479 legal counsel/representative at the appellant's business address.

1480 (6) The order of the Board shall be final upon its adoption. In the event the
1481 Board fails to reverse or modify the GM's order, it shall be deemed affirmed.

1482 (7) IEUA's determination may also include issuance of an order to a User
1483 responsible for violations, directing that following a specified period of time,
1484 sewer service be discontinued unless adequate Pretreatment facilities,
1485 devices or other related appurtenances have been installed and are properly
1486 operated. Such an order shall not relieve the violator of other penalties
1487 assessed for the period of violation. Further orders and directives as
1488 necessary and appropriate may be used. The IEUA may seek injunctive
1489 relief in order to require compliance with all provisions of this Ordinance.

1490 C. The requirement to comply with all aspects of the individual wastewater discharge
1491 permit, or all requirements of this Ordinance shall not be stayed pending during any
1492 appeal.

1493 SECTION 11—JUDICIAL ENFORCEMENT REMEDIES

1494 11.1 Injunctive Relief

1495 When the GM finds that a User has violated, or continues to violate, any provision of this
1496 Ordinance, an individual wastewater discharge permit, or order issued hereunder, or any other
1497 Pretreatment Standard or Requirement, the GM may petition the Superior Court for the issuance
1498 of a temporary or permanent injunction, as appropriate, which restrains or compels the specific
1499 performance of the individual wastewater discharge permit, order, or other requirement imposed
1500 by this Ordinance on activities of the User. The GM may also seek such other action as is
1501 appropriate for legal and/or equitable relief, including a requirement for the User to conduct
1502 environmental remediation. A petition for injunctive relief shall not be a bar against, or a
1503 prerequisite for, taking any other action against a User.

1504 11.2 Civil Penalties

1505 A. A User who has violated, or continues to violate, any provision of this Ordinance,
1506 an individual wastewater discharge permit, or order issued hereunder, or any other
1507 Pretreatment Standard or Requirement shall be liable to IEUA for a maximum civil
1508 penalty of \$25,000 per violation, per day pursuant to the authority of California
1509 Government Code Section 54739 et seq. In the case of a monthly or other long-term
1510 average discharge limit, penalties shall accrue for each day during the period of the
1511 violation.

1512 B. Pursuant to the authority of California Government Code Sections 54740.5 and
1513 54740.6, the IEUA may issue an administrative complaint to any Person who violates:

1514 (1) any provision of this Ordinance;

1515 (2) any Permit condition, prohibition or effluent limit; or

1516 (3) any Permit suspension or revocation order.

1517 C. The administrative complaint shall be served by personal delivery or certified mail
1518 on the Person subject to the provisions of Section 5.6 and shall inform the Person that a
1519 hearing will be conducted on a date which shall be within 60 days following service. The
1520 administrative complaint will allege the act or failure to act that constitutes the violation
1521 of the IEUA's requirements, the provisions of law authorizing civil liability to be
1522 imposed and the proposed civil penalty. The matter shall be heard by the GM or his/her
1523 designee. The Person to whom an administrative complaint has been issued may waive
1524 the right to a hearing, in which case a hearing will not be conducted.

1525 D. At the hearing, the Person shall have an opportunity to respond to the allegations
1526 set forth in the administrative complaint by presenting written or oral evidence. The

1527 hearing shall be conducted in accordance with the procedures established by the GM and
1528 approved by the IEUA's General Counsel.

1529 E. After the conclusion of the hearing, the GM's designee shall submit a written
1530 report to the General Manager setting forth a brief statement of the facts found to be true,
1531 a determination of the issues presented, conclusions, and a recommendation.

1532 F. Upon receipt of the written report, the GM shall make his/her determination.
1533 Should he/she find that grounds exist for assessment of a civil penalty against the
1534 Person, he/she shall issue his/her decision and order in writing within 30 calendar days
1535 after the conclusion of the hearing by his/her designee.

1536 G. If after the hearing, or appeal, if any, it is found that the Person has violated
1537 reporting or discharge requirements, the GM or Board may assess a civil penalty against
1538 that Person. In determining the amount of the civil penalty, the GM or Board may take
1539 into consideration all relevant circumstances, including, but not limited to, the extent of
1540 harm caused by the violation, the economic benefit derived through any non-
1541 compliance, the nature and persistence of the violation, the length of time over which the
1542 violation occurs and corrective action, if any, attempted or taken by the Person involved.

1543 H. Civil penalties may be assessed as follows:

1544 (1) In an amount which shall not exceed two- thousand dollars (\$2,000) for
1545 each day for failing or refusing to furnish technical or monitoring reports;

1546 (2) In an amount which shall not exceed three- thousand dollars (\$3,000)
1547 for. each day for failing or refusing to timely comply with any compliance
1548 schedules established by the IEUA;

1549 (3) In an amount which shall not exceed five- thousand dollars (\$5,000)
1550 per violation for each day of discharge in violation of any waste
1551 discharge limit, Permit condition, or requirement issued, reissued or adopted
1552 by the IEUA;

1553 (4) In any amount which does not exceed ten dollars (\$10) per gallon for
1554 discharges in violation of any Permit suspension, Permit revocation, cease
1555 and desist order or other orders, or prohibition issued, reissued or adopted by
1556 the IEUA.

1557 I. An order assessing administrative civil penalties issued by the GM shall be final in
1558 all respects on the 31st day after it is served on the Person unless an appeal and request
1559 for hearing is filed with the Board pursuant to Section 10.9B no later than the 30th day
1560 following such mailing. An order assessing administrative civil penalties issued by the
1561 Board shall be final upon issuance.

1562 J. Copies of the administrative order shall be served on the party served with the
1563 administrative complaint, either by Personal service or by registered mail to the Person
1564 at his/her business or residence address, and upon other Persons who appeared at the
1565 hearing and requested a copy of the order.

K. Any Person aggrieved by a final order issued by the Board, after granting review of the order of the GM, may obtain review of the final order of the Board in the superior court, pursuant to Government Code Section 54740.6, by filing in the court a petition for writ of mandate within 30 days following the service of a copy of the decision or order issued by the Board.

L. Payment on any order setting administrative civil penalties shall be made within 30 days after the date the order becomes final. The amount of any administrative civil penalties imposed which have remained delinquent for a period of 60 days shall constitute a lien against the real property of the User from which the discharge resulting in the imposition of the civil penalty originated. The lien shall have no effect until recorded with the county recorder. The IEUA may record the lien for any unpaid administrative civil penalties on the 91st day following the date the order becomes final.

M. No administrative civil penalties shall be recoverable under Section 5.6 for any violation for which the IEUA has recovered civil penalties through a judicial proceeding filed pursuant to Government Code Section 54740.

N. The GM may recover reasonable attorneys' fees, court costs, and other expenses associated with enforcement activities, including sampling and monitoring expenses, and the cost of any actual damages incurred by IEUA.

O. In determining the amount of civil liability, the Court shall take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the magnitude and duration of the violation, any economic benefit gained through the User's violation, corrective actions by the User, the compliance history of the User, and any other factor as justice requires.

P. Filing a suit for civil penalties shall not be a bar against, or a prerequisite for, taking any other action against a User.

11.3 Criminal Prosecution

A. A User who willfully or negligently violates any provision of this Ordinance, an individual wastewater discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement shall, upon conviction, be guilty of a misdemeanor, punishable by a fine of up to \$1,000 per violation, per day, or imprisonment for not more than six (6) months, or both.

B. A User who willfully or negligently introduces any substance into the POTW which causes personal injury or property damage shall, upon conviction, be guilty of a misdemeanor and be subject to a penalty of up to \$1,000, or be subject to imprisonment for not more than six (6) months, or both. This penalty shall be in addition to any other cause of action for personal injury or property damage available under State law.

C. A User who knowingly makes any false statements, representations, or certifications in any application, record, report, plan, or other documentation filed, or required to be maintained, pursuant to this Ordinance, individual wastewater discharge permit, or order issued hereunder, or who falsifies, tampers with, or knowingly renders

1606 inaccurate any monitoring device or method required under this Ordinance shall, upon
1607 conviction, be punished by a fine of not more than \$1,000 per violation, per day, or
1608 imprisonment for not more than six (6) months, or both.

1609 11.4 Remedies Nonexclusive

1610 The remedies provided for in this Ordinance are not exclusive. The GM may take any, all, or any
1611 combination of these actions against a non-compliant User. Enforcement of pretreatment
1612 violations will generally be in accordance with IEUA's enforcement response plan. However, the
1613 GM may take other action against any User when the circumstances warrant. Further, the GM is
1614 empowered to take more than one enforcement action against any non-compliant User.

1615 SECTION 12—SUPPLEMENTAL ENFORCEMENT ACTION

1616 12.1 Penalties for Late Reports

1617 Penalties may be assessed to any User for each day that a report required by this Ordinance, a
1618 permit or order issued hereunder is late, beginning five days after the date the report is due and
1619 higher penalties may also be assessed where reports are more than 30 days late. Penalties shall be
1620 in accordance with a resolution established and modified from time to time by the Board.
1621 Actions taken by the GM to collect late reporting penalties shall not limit the GM's authority to
1622 initiate other enforcement actions that may include penalties for late reporting violations.

1623 12.2 Performance Bonds

1624 The GM may decline to issue or reissue an individual wastewater discharge permit to any User
1625 who has failed to comply with any provision of this Ordinance, a previous individual wastewater
1626 discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement,
1627 unless such User first files a satisfactory bond, payable to IEUA, in a sum not to exceed a value
1628 determined by the GM to be necessary to achieve consistent compliance.

1629 12.3 Liability Insurance

1630 The GM may decline to issue or reissue an individual wastewater discharge permit to any User
1631 who has failed to comply with any provision of this Ordinance, a previous individual wastewater
1632 discharge permit, or order issued hereunder, or any other Pretreatment Standard or Requirement,
1633 unless the User first submits proof that it has obtained financial assurances sufficient to restore or
1634 repair damage to the POTW caused by its discharge or vehicle in the case of a Septic Tank
1635 Waste hauler.

1636 12.4 Payment of Outstanding Fees and Penalties

1637 The GM may decline to issue or reissue an individual wastewater discharge permit to any User
1638 who has failed to pay any outstanding fees, fines or penalties incurred as a result of any provision
1639 of this Ordinance, a previous individual wastewater discharge permit, or order issued hereunder.

1640 12.5 Public Nuisances

1641 A violation of any provision of this Ordinance, an individual wastewater discharge permit, or
1642 order issued hereunder, or any other Pretreatment Standard or Requirement is hereby declared a
1643 public nuisance and shall be corrected or abated as directed by the GM. Any person(s) creating a
1644 public nuisance shall be subject to the provisions of appropriate jurisdictional code governing
1645 such nuisances, including reimbursing IEUA or Contracting Agencies for any costs incurred in
1646 removing, abating, or remedying said nuisance.

1647 SECTION 13—MISCELLANEOUS PROVISIONS

1648 13.1 Pretreatment Charges and Fees

1649 IEUA may adopt reasonable fees for reimbursement of costs of setting up and operating IEUA's
1650 Pretreatment Program, which may include:

- 1651 A. Fees for wastewater discharge permit applications and modifications including the
1652 cost of processing such applications;
- 1653 B. Fees for monitoring, inspection, and surveillance procedures including the cost of
1654 collection and analyzing a User's discharge, and reviewing monitoring reports and
1655 certification statements submitted by Users;
- 1656 C. Fees for reviewing and responding to accidental discharge procedures and
1657 construction;
- 1658 D. Fees for filing appeals;
- 1659 E. Fees to recover administrative and legal costs not included in Section 13.1(B)
1660 associated with the enforcement activity taken by the GM to address User non-
1661 compliance; and
- 1662 F. Other fees as IEUA may deem necessary to carry out the requirements contained
1663 herein. These fees relate solely to the matters covered by this Ordinance and are separate
1664 from all other fees, fines, and penalties chargeable by IEUA.

1665 13.2 Severability

1666 If any provision of this Ordinance is invalidated by any court of competent jurisdiction, the
1667 remaining provisions shall not be affected and shall continue in full force and effect.

1668 SECTION 14—EFFECTIVE DATE

1669 Upon the effective date of this Ordinance No. 97, Ordinance No. 87, including any amendments
1670 thereto, shall be repealed and superseded by this Ordinance. This Ordinance shall be in full force
1671 and effect immediately following its passage, approval, and publication, as provided by law.

1672

1673

1674 ADOPTED AS AMENDED THIS ____ day of ____ 2014.

1675
1676
1677
1678 Terry Catlin
1679 President of Inland Empire Utilities
1680 Agency*, and of the Board of Directors
1681 thereof
1682

1683
1684 STATE OF CALIFORNIA)
1685 COUNTY OF) SS
1686 SAN BERNARDINO)
1687
1688

1689 I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency, DO HEREBY
1690 CERTIFY that the foregoing Ordinance No. 87, including any amendments thereto, shall be
1691 repealed and superseded by this Ordinance No. 97, and was adopted at a regular meeting on
1692 _____, 2014 of said Agency by the following vote:
1693
1694

1695 AYES:
1696 NOES:
1697 ABSTAIN:
1698 ABSENT:
1699

1700
1701
1702 ATTEST:
1703
1704
1705

1706 Steven J. Elie
1707 Secretary/Treasurer of the Inland Empire
1708 Utilities Agency*, and of the Board of
1709 Directors thereof
1710

1711
1712 *A Municipal Water District
1713

INFORMATION
ITEM
2E



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Pretreatment & Source Control Program Update 13/14 YTD

**Craig Proctor, Pretreatment &
Source Control Supervisor**
April 24, 2014

Presentation Overview

- **Regional Program**
 - Regional Ordinance
 - Local Limits
 - Pretreatment Program Audit
- **Non-Reclaimable Wastewater System**
- **Inland Empire Brine Line**
- **Compliance Update**

Regional Ordinance Revision

- **RvL Consultant revised Ordinance 2013**
- **Meets EPA Model Ordinance & IEUA Requirements**
- **Satisfies 2012 Pretreatment Compliance Audit Requirements**
- **Reviewed by Pretreatment Committee**
- **Submit to RWQCB in May 2014**
- **Approval by August 2014**

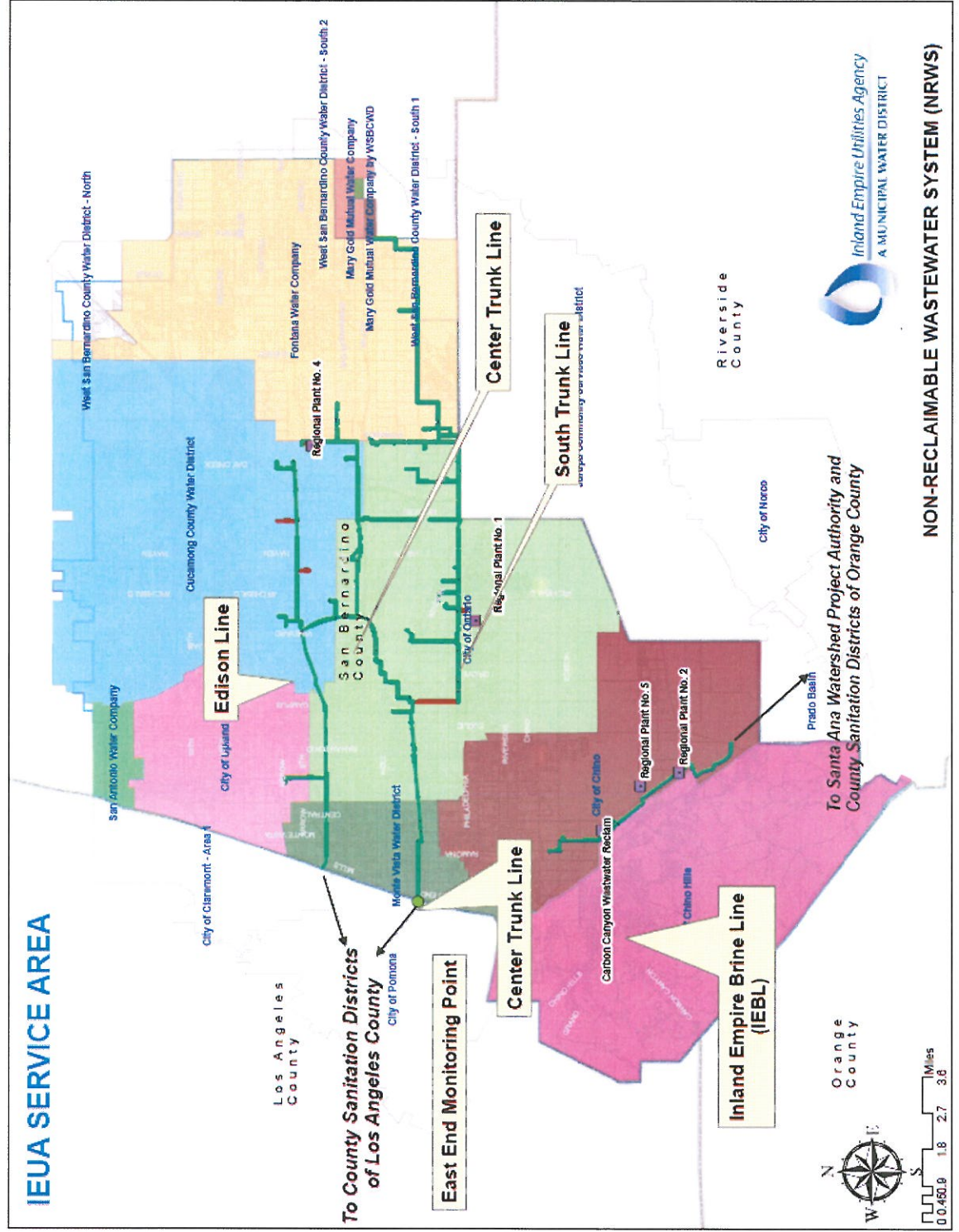
Local Limits

- **Current Local Limits developed in 2006**
- **Consultant selection for Local Limits Study**
- **Contract award in May 2014**
- **Kick off meeting June 2014**
- **Local Limits to be completed by March 2015**

Pretreatment Program Audit

- **Tetra Tech conducted PCI in April 2014**
- **Preliminary Findings include:**
 - Local Limits revision (TDS)
 - Regional Wastewater Ordinance
 - Enforcement Response Plan
 - Improper Test Methods
 - Minor Permit Modifications

NRWS/IEBL Map



NRWS

- **New wastewater disposal agreement effective July 1, 2014**
- **Stable and Predictable Rates**
- **Fully recovers Cost of Service**
- **Majority of customers will pay less**
- **More attractive for new industries**
- **Workshop with customers in May**
- **Revised Ordinance to be adopted June 2014**

Inland Empire Brine Line

- **OCSD issues Remedial Plan to SAWPA Jan. 2013**
- **SAWPA is designated as Delegated Control Authority by OCSD**
- **Revised Multi-Jurisdictional Pretreatment Agreement to delineate roles of each Agency**
- **IEUA adopts Ordinance No. 96 in Feb. 2014**
- **Standardization of SAWPA/Member Agency pretreatment programs**

Compliance Update FY 13/14

	NRWS	Regional
Permitted Industries	59	25
Enforcement Actions	26*	13**
Permits Issued/Renewed	12	7
Permits Voided	1	4

*14 industries in violation, **11 industries in violation

Questions?



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**REGIONAL SEWERAGE PROGRAM
PRETREATMENT SUBCOMMITTEE**

April 2, 2014
1:30 PM
IEUA HQ Building A, Raines Conference Room
6075 Kimball Avenue
Chino, CA 91710

Minutes

Members Present

Shawn Perumean.....	Cucamonga Valley Water District
Tad Garrety.....	City of Chino Hills
Nicole Greene.....	City of Montclair
Mike Sigsbee.....	City of Ontario
Robert Herbster.....	City of Upland
Craig Proctor.....	IEUA

Absent

Ruben Valdez.....	City of Chino
Tony Mata.....	City of Fontana

Others Present

Kenneth Tam.....	IEUA
Julio Im.....	IEUA

1. Introductions - Introductions of those present were given.
2. Approval of Minutes from March 4, 2014 – The minutes were approved via email consensus of the subcommittee members.
3. Informational Items & Updates –
 - a. Tech Meeting Report – The increase in EDU rates generated a lot of discussion at the Technical Committee meeting. Christina Valencia of IEUA gave a presentation regarding the increase in EDU rates.
 - b. Treatment Plants – There were no violations, SSOs or unauthorized discharges for the month of March 2014.

RP-1/RP-4:

- RP-1/RP-4 met all the NPDES requirements during the month of February 2014.

RP-5:

- RP-5 met all the NPDES requirements during the month of February 2014.

CCWRF:

- CCWRF met all the NPDES requirements during the month of February 2014.

Agency-wide:

- The Agency-wide 12-month running average incremental increase between final effluent and water supply TDS for the month of January 2014 was 247 mg/L, which did not exceed the 250 mg/L 12-month running average limit. The secondary effluent TDS 12-month running average was 217 mg/L for the month of January 2014.
- The Agency-Wide 12-month running average TDS for the month of February 2014 was 502 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 February 2014.

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 February 2014.
- No agricultural runoff events were reported to IEUA by member agencies during the month of February 2014.

4. Pretreatment Programs

CVWD, and the Cities of Chino Montclair, Ontario, and Upland had no violations to report for March. Fontana was absent.

5. Discussion Items

a. IEUA Regional Ordinance Revision

All comments and suggested changes have been incorporated into the newest draft. IEUA is reviewing the draft Ordinance to ensure comments

made during the Pretreatment Compliance Audit of Orange County Sanitation District's Ordinance have also been taken into consideration and addressed in the IEUA draft ordinance. IEUA will provide the Regional Technical Committee with an informational update on the ordinance at the April 24th meeting.

b. IEUA Local Limits Scope of Work

IEUA pretreatment staff will be taking the consultant contract award through Committee and Board in May, with expected contract issuance by end of May. In the meantime, staff will begin to gather in-house data in preparation for the kickoff meeting to be held shortly after contract issuance. Project completion is now expected in March 2015 due to the delay in issuing the contract.

c. IEUA Pretreatment Compliance Inspection

The Pretreatment Compliance Inspection Audit by Tetra Tech is in progress. IEUA has asked the auditors to review the draft ordinance. The auditors will be conducting file reviews and inspections of the Amphastar and Schlosser Forge facilities in Rancho Cucamonga, and the Net Shapes and Parco facilities in Ontario. IEUA extended an invite to committee members from CVWD and City of Ontario for the facility site inspections.

d. Mutual Aid Agreement

The Mutual Aid Agreement is now complete. Fully executed copies will be mailed to each of the Agency's.

e. Future Discussion Topics

It is expected the Local Limits Kick-Off meeting will be held during the pretreatment committee meeting in June.

6. Other Items

Chino Hills will be holding more public outreach and educational activities in the future regarding FOG.

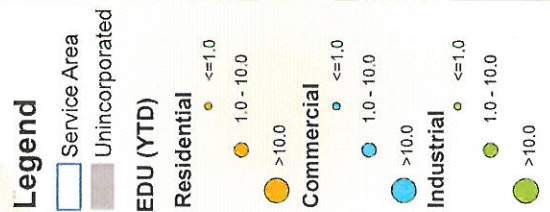
As the primary focus of the pretreatment committee will be the Local Limits study, Craig Proctor suggested skipping next month's meeting and instead hold the next meeting on June 3, 2014 at 1:30 pm at IEUA.

The meeting adjourned at 2:05 pm.

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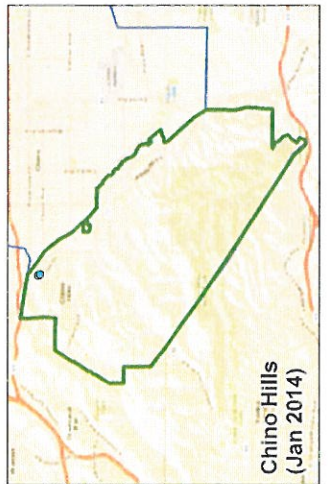
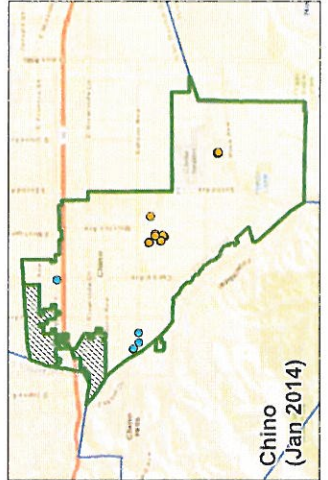
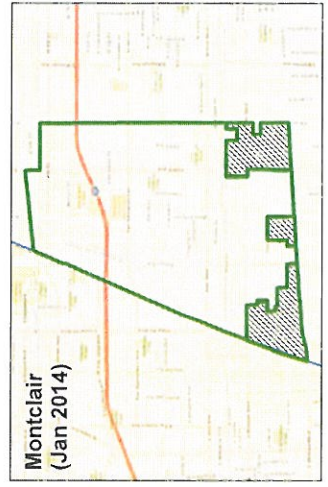
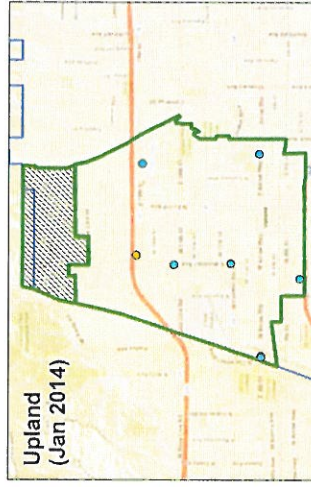
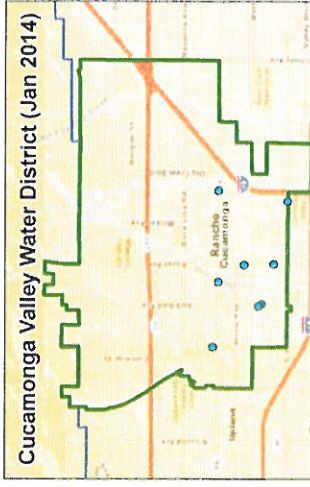
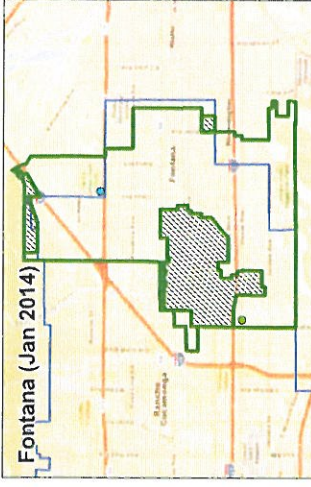
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Building Activity Report - YTD Fiscal Year 2013/14



TOTAL EDU BY CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual		Projected	
	Residential (EDUs)	Commercial/Industrial (EDUs)	Total (EDUs)	Total (EDUs)
Chino	290	35	325	663
Chino Hills	3	46	49	553
CVWD	187	38	245	364
Fontana	63	49	112	510
Montclair	6	41	47	300
Ontario	188	73	261	1300
Upland	26	40	66	223
Total	763	341	1104	3815



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The map displays the service area of the Chino Hills Water Treatment Plant, divided into five color-coded zones. Each zone is labeled with its name, total MGD delivered, and specific recharge or discharge volumes. The zones are:

- 1630 Zone (Green):** 1.6 MGD Delivered. Includes Rancho Cucamonga, Upland, Arrowhead, Arrowway, Monte Vista, San Bernardino, Holt, Montclair, Mission, Ontario, and Philadelphia.
- 1299 Zone (Pink):** 8.7 MGD Delivered. Includes Fontana, Cherry, Citrus Valley, and Fontana Valley.
- 1158 Zone (Orange):** 1.0 MGD Delivered. Located in the northern part of the service area.
- 1050 Zone (Yellow):** 0.3 MGD Delivered. Includes Riverside, Euclid, Edison, Chino, Central, Ramona, and Grand Canyon.
- 930 Zone (Light Blue):** 1.5 MGD Delivered. Includes Chino Hills, CCWRF, RP-5, RP-2, and RP-4.
- 800 Zone (Purple):** 4.8 MGD Delivered. Includes Prado Park (Other Surface Discharge).

TOTAL ALL PLANTS Summary:

Category	Value
Influent	51.7 MGD
Delivered	17.9 MGD
Percent Delivered	35%

RP-4 Summary:

Category	Value
Influent	9.8 MGD
Delivered	6.2 MGD
Percent Delivered	63%

RP-1 Summary:

Category	Value
Influent	26.6 MGD
Delivered	8.0 MGD
Percent Delivered	30%

CCWRF Summary:

Category	Value
Influent	7.7 MGD
Delivered	0.0 MGD
Percent Delivered	0.0%

RP-5 Summary:

Category	Value
Influent	7.6 MGD
Delivered	3.7 MGD
Percent Delivered	49%

Groundwater Recharge Summary:

Category	Value
Stormwater/Local Runoff	7.0 MGD
Imported Water (MWD)	3.0 MGD
Recycled Water	8.2 MGD
Total	18.2 MGD

Creek Discharges Summary:

Category	Value
RP-1 (002)	14.9 MGD
RP-5 (003)	5.1 MGD
CCWRF (004)	5.8 MGD
Total	25.8 MGD

Other Surface Discharge Summary:

Category	Value
Prado Park (001)	2.8 MGD

Influent: 51.7 MGD
Delivered: 17.9 MGD
 Percent Delivered: 35%

Influent: 9.8 MGD
Delivered: 6.2 MGD
 Percent Delivered: 63%

Influent: 26.6 MGD
Delivered: 8.0 MGD
 Percent Delivered: 30%

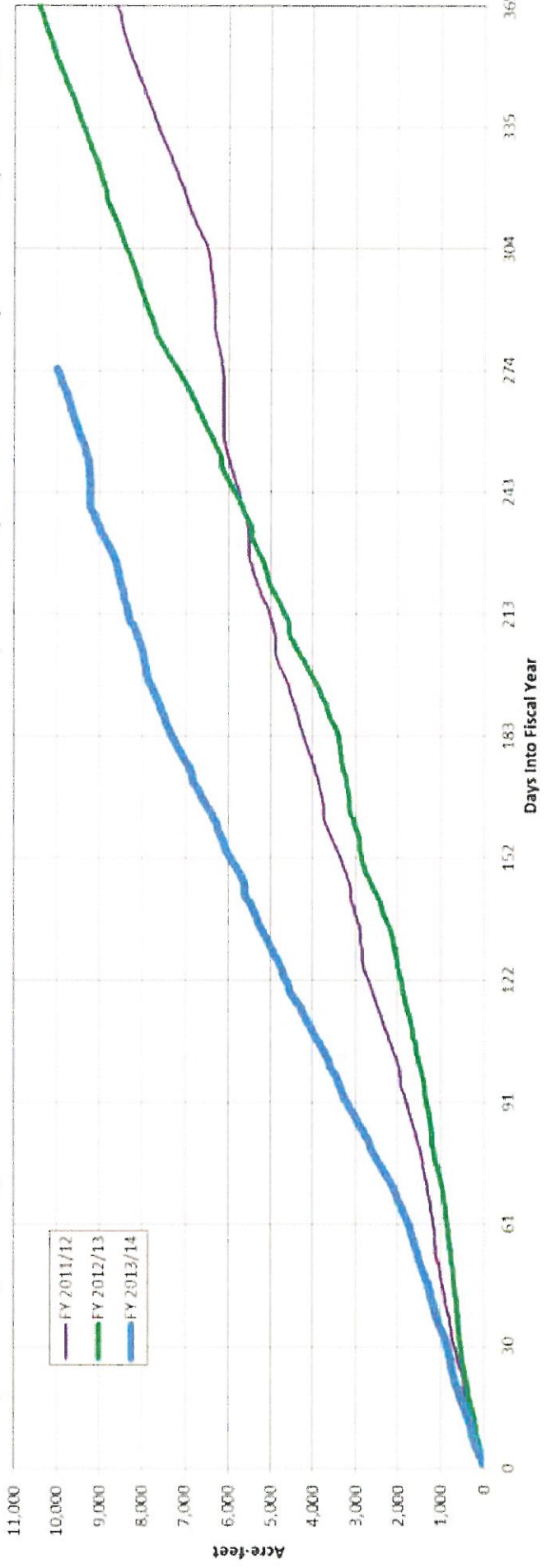
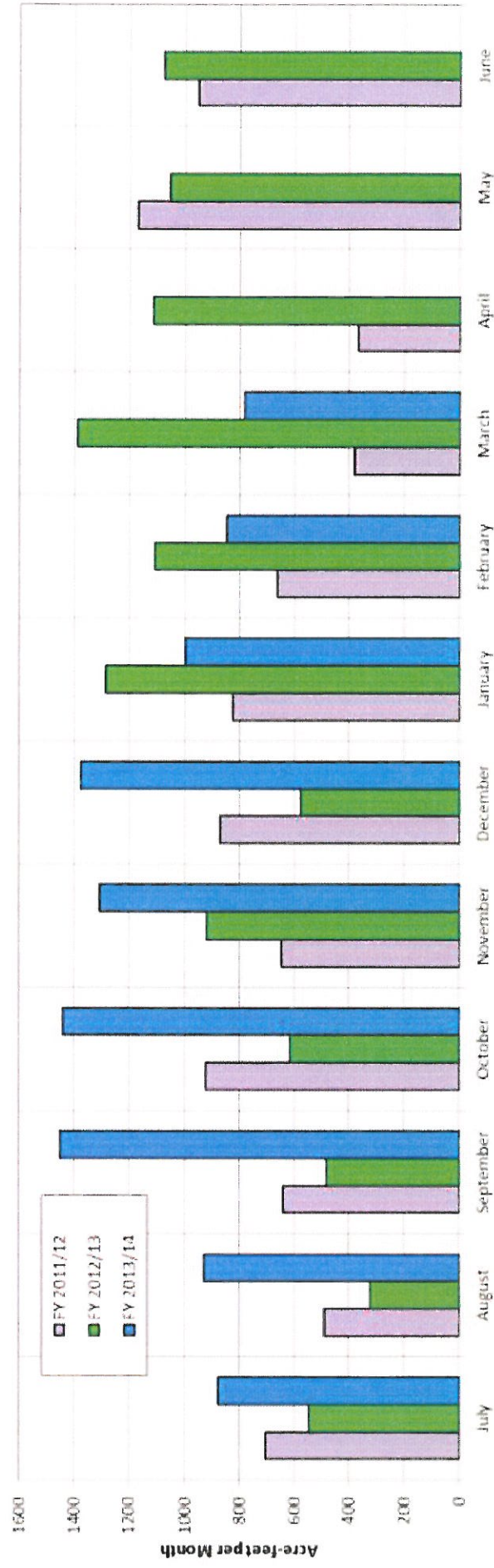
Influent: 7.7 MGD
Delivered: 0.0 MGD
 Percent Delivered: 0.0%

Influent: 7.6 MGD
Delivered: 3.7 MGD
 Percent Delivered: 49%

Stormwater/Local Runoff: 7.0 MGD
Imported Water (MWD): 3.0 MGD
Recycled Water: 8.2 MGD
Total: 18.2 MGD

RP-1 (002): 14.9 MGD
 RP-5 (003): 5.1 MGD
CCWRF (004): 5.8 MGD
 Total: 25.8 MGD

Prado Park (001): 2.8 MGD



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Regional Sewerage Program Policy Committee Meeting

AGENDA **Thursday, May 1, 2014** **4:30 p.m.**

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Thursday, May 1, 2014

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

1. Technical Committee Report – Jim Hill (*Oral*)

2. Approval of Minutes

- A. Minutes of April 3, 2014 Meeting

3. Informational Items

- A. Rotation of Chair Agency (Written)
- B. Cost Containment Update (Written/Powerpoint)
- C. FY2014/15 Draft Budget (Written/Powerpoint)

4. Receive and File

- A. Building Activity Report (YTD)
- B. Recycled Water Operations Summary

5. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – June 5, 2014

6. 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, April 24, 2014.



Cheyenne Reseck-Francis