

Fiscal Year 2011/12



Striving to enhance the quality of life in the Inland Empire by providing the optimum water resources management for the area's customers while promoting conservation and environmental protection.

**Operating
and
Capital
Program Budget**

Volume 1

June 2011

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The Government Finance Officers Association of the United States and Canada (GFOA) Presented a Distinguished Budget Presentation Award to INLAND EMPIRE UTILITIES AGENCY, CALIFORNIA for its annual budget for the fiscal year beginning July 1, 2009. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Budget Message/ Executive Summary

GENERAL MANAGER'S MESSAGE

The Honorable Board of Directors
Inland Empire Utilities Agency

June 15, 2011

The economic slowdown, environmental regulations, water supply reliability, and the ongoing state budget crisis continue to be the most critical issues impacting the Agency and its customers. I am pleased to present to the Board the budget for Fiscal Year (FY) 2011/12 that is consistent with the critical priority of continual commitment to cost containment, while at the same time ensuring the quality and sustainability of the Agency's service levels to its customers.

Since the collapse of the subprime mortgage market in December 2007, the economic downturn continues to impact some of the Agency's key revenue sources; new development (connection) fees, property taxes and user charges. Despite recent signs of an economic recovery at the national level, local economists agree economic development in California, and in particular Southern California, will continue to lag the nation by two to three years. Although the addition of nearly 2 million jobs nationwide as of April 2011 is a positive indicator for the economy overall, it is still significantly short of the 8.5 million jobs lost nationwide, one million lost in California alone, during the recession between 2008 and 2009 (The Press Enterprise, May 2, 2011). The Inland Empire accounted for nearly 175,000 of these lost jobs, or about 17.5% of the total jobs lost in California between 2007 and 2010, (Inland Empire Quarterly Economic Report, January 2011). The Inland Empire's 14% unemployment rate remains substantially higher than national average rate of 9.1% and the state rate which peaked at 12.6% - the third highest in the nation. The historically high unemployment rate is a key driver in the continual slowdown of both residential and commercial construction and the high number of foreclosures. Consequently, the area has also experienced a significant decline in property assessment values. All of these factors directly affect the Agency's revenue and cost projections as well as plans for expansion of existing facilities or construction of new facilities.

Another challenge for the Agency continues to be the volatility in the energy market, new legislation such as California Assembly Bill (AB) 32 the California Global Warming Solutions Act which requires implementation of programs starting in 2012 to achieve a 20% reduction in greenhouse gas emissions by the year 2020, and more stringent regulations limiting the use of natural gas in energy generation. Energy costs represent nearly 14% of the Agency's total operating costs. Mitigating imported energy costs over time by maximizing use of self-generated and renewable energy power is a critical component of the Agency's commitment to cost containment. Consistent with the 2008 Energy Management Strategy, the Agency's "Go Gridless by 2020" initiative focuses on energy independence from the Southern California Edison (SCE) grid during the peak energy use/pricing periods by the year 2020 or sooner. This will be achieved through optimization of energy consumption (use efficiency) and by maximizing on-site energy generation; effective energy demand response, implementation of new technologies such as solar, wind, biogas generation and fuel cells; as well as utilization of advantageous energy procurement strategies. Implementing new low emission generation technology (Fuel Cells) will also help to mitigate the impact of new South Coast Air Quality Management District stringent rules.

A key objective of the Agency and its member agencies continues to be the development and securitization of local water supplies in the Chino Basin to meet current and future needs. Construction of the Agency's regional recycled water distribution system is targeted for completion in FY 2013/14, increasing deliveries of recycled and recharge water supplies from 25,000 AF (acre feet) projected for FY 2010/11 to approximately 50,000 AFY (acre feet per year) by FY 2015/16. In March 2011, Governor Jerry Brown announced the end to California's drought and rescinded the statewide drought declaration established by former Governor Schwarzenegger in 2009. In response to Governor Brown's announcement, Metropolitan Water District of Southern California (MWD) lifted mandatory restrictions and restored full imported water deliveries to the District's 26 member agencies for the first time in nearly two years.

Additionally, on May 11, 2011 MWD restored the availability of surplus replenishment water (about 225,000 Acre-Feet (AF)) to its member agencies in the 2011 calendar year. Chino Basin Watermaster is coordinating with IEUA for the purchase and delivery of up to 50,000 AF of this water for recharge into the Chino Basin by the end of 2011. Recharge of replenishment water began on May 16, 2011. Despite the improved water supply conditions, water conservation continues to be paramount to the sustainability and quality of life to California, and Southern California residents in particular. California Department of Water Resources Director Mark Cowin continued to urge the need for conservation across the state despite a snowpack which is 165% of the long term average for the 2010-11 winter season (second only to the 1950-51 season). To date, the Agency, in collaboration with its member agencies, has been successful in educating residents of the importance of water conservation. An ongoing challenge for the Agency and its customers is not just building on conversation efforts, but establishing a “conservation ethic”, for a more holistic approach to resource use, allocation, and protection of our natural resources.

The ongoing state budget crisis continues to be a challenge for local governments. In the past, the State has shifted property tax revenues from local governments to help fill the gap in the state budget. Although new legislation, like Proposition 22 approved by California voters in November 2010, which restricts the State’s ability to delay distribution of local taxes even during severe fiscal hardship, there is still a risk of statutory changes. A shift of local property taxes by the State would directly impact the Agency’s ability to meet its debt service obligations and to fund certain capital projects and operating costs. Approximately 20% of total property taxes received by the Agency are used to supplement Regional Wastewater Program operating costs. By supplementing operating costs with property taxes, the Agency has been able to mitigate rate increases over the years. Currently, the Agency’s sewage and recycled water rates are amongst the lowest in Southern California. However, due to uncertainty of the state’s fiscal condition, minimizing reliance on property taxes over time is imperative to the Agency’s ability to provide reliable and quality levels of service, as well as avoid any significant rate increases due to the loss of property taxes.

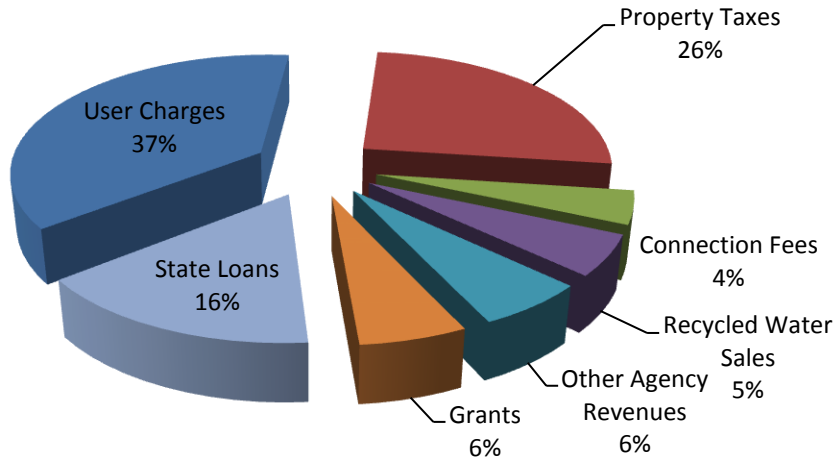
The Agency’s strategic plan continues to focus on three “value added” products:

- Recycled water supplies distributed throughout IEUA’s service area;
- Biosolids compost products in partnership with the County Sanitation Districts of Los Angeles County; and
- Generation of clean renewable energy through Power Purchase Agreements (PPA) with the private sector to hedge against future utility market price volatility and allow for cost effective compliance with new stringent air quality regulations.

FY 2011/12 Budget Highlights

A combination of operating revenues and other funding sources make up the Agency’s total revenues budgeted at \$130 million in FY 2011/12, which includes a \$1 million inter fund loan repayment from the Recycled Water to the Non-Reclaimable Wastewater (NRW) Program.

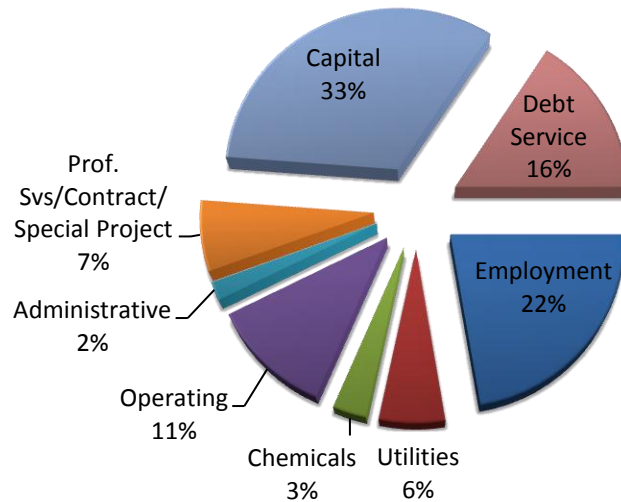
Figure -1
FY 2011/12 Total Revenues
\$130 Million



Total revenues are projected to be approximately \$7 million lower than the FY 2010/11 Adopted Budget primarily due to lower debt and grant proceeds anticipated as a result of the reduction in capital project costs projected for next fiscal year. Low interest SRF loans and federal and state grants have been the primary funding sources of the Regional Recycled Water Distribution System and RP-1 Dewatering Facility Expansion projects. A an increase of about \$5 million in operating revenues is projected in FY 2011/12 which is primarily due to higher deliveries of recycled water and a moderate rate increase of \$20 and \$30 per AF for direct and recharged recycled water sales, respectively, effective July 1, 2011. In light of the current economic conditions and the impact to its stakeholders, the IEUA Board of Directors approved to defer the proposed rate increases for the Regional Wastewater Program until FY 2012/13.

Total expense of \$145 million budgeted in FY 2011/12 are \$31 million lower than the \$176 million FY 2010/11 Adopted Budget. The decrease of \$30 million in capital project costs account for over 95% of the reduction of total expense. Additionally, there is no change in the number of authorized full time equivalent (FTE) positions, (permanently reduced from 308 to 295 in FY 2010/11), and no increase in employee benefits proposed in FY 2011/12. Nevertheless, employment costs are expected to increase due to higher premium rates from insurance and pension benefit providers. Offsetting a portion of these higher benefit premium costs is the Agency's commitment to maintain a 5% vacancy factor throughout the fiscal year. Of the \$145 million in total expense, approximately \$74 million are operating costs, of which nearly 43% is comprised of employment expense.

Figure – 2
Total Expense & Uses of Funds
\$145 Million



Meeting the Reliable Water Supply Challenge

The accelerated construction of the Agency’s Regional Recycled Water Distribution System as part of the Business Plan is consistent with the intent of the Optimum Basin Management Program (OBMP) to ensure the region’s ability to meet its current and future water needs. IEUA is participating in key regional planning studies including MWD’s Integrated Water Resources Plan and SAWPA’s "One Water One Watershed" (OWOW) process to ensure we are strategic in our approach to developing local supplies in a cost effective manner.

Water Recycling

In December 2007, the Agency adopted the Recycled Water Business Plan (RWBP) to accelerate the implementation of the \$200 million Capital Improvement Program and deliver approximately 50,000 acre-feet of recycled water throughout the IEUA service area by FY 2015/16. This budget includes the balance of the federal stimulus funding received from U.S. Bureau of Reclamation under Title XVI for the Northwest project scheduled to be built during FY 2011/12. A combination of the favorable bidding market for construction, state and federal grants, and low interest SRF loans account for lower than anticipated project costs to date of less than \$300 per AF; the lowest cost new water supply projects in Southern California.

IEUA Contributes to a Green Environment

The implementation of the state’s Global Climate Change legislation (AB 32) and SCAQMD rule 1110.2 will dramatically affect the water and wastewater utility industry. IEUA has developed an Energy Management Strategy which includes optimizing energy consumption at Agency facilities; increasing the production and use of digester gas; increasing self-generation capacity utilization; pursuing new technologies; and utilizing effective energy procurement strategies. Initial state agency recommendations for actions to implement

AB 32 include development of renewable energy (solar, wind and fuel cell technology), and use of water recycling. IEUA was the Case Study agency and partner in a prominent statewide study of energy consumption and carbon generation in the water/wastewater industry which demonstrated that water recycling saves energy compared to importing water. IEUA completed the installation of Photovoltaic (PV) systems in 2008 (i.e. solar panel equipment) with a combined capacity of 3.5 Megawatt (MW) at RP-1, RP-5, CCWRF and IERCF (Inland Empire Regional Composting Facility) which will account for up to about 9% of its energy needs from renewable, non-polluting energy sources. Implementation of the 1 MW wind turbine at the RP4 recycling facility scheduled to be completed in June 2011, has been delayed to August due to the interruption in manufacturing activities following the devastating Japanese earthquake and tsunami crisis in March 2011. Fuel cell capacity of 2.8MW is anticipated to be operational by early 2012 and will replace 1.0 MW renewable energy currently generated from the Internal Combustion Engines (ICEs) at the RP1 facility. Long term, these new energy initiatives will result in energy cost savings to the Agency by mitigating the volatility in energy market and future rate increases from Southern California Edison (SCE). The fuel cell project avoids costly retrofitting of ICEs to meet 1110.2 requirements. Implementation of the fuel cell project through the public-private partnership model using a PPA also avoids large capital outlay by the Agency.

Managing Costs through Improved Efficiency and Productivity

Although we continue to have the lowest wholesale sewer rates in southern California, an ongoing challenge is to improve our efficiencies and effectiveness to sustain affordable cost of service rates. Over the past few years, the Agency has made a number of incremental changes in our processing functions that have yielded substantial cost benefits and enabled us to either eliminate or minimize price increases. Starting in mid-2004, IEUA initiated the development and implementation of a Performance Management Program. The two main elements of the program—Key Performance Indicators (KPIs) and Unit Production Cost (UPC) tracking—fit together into a performance management cycle which has been very effective in ensuring Operations meet increasingly stringent regulatory standards while remaining very cost effective. Chemical use optimization and the aggressive pursuit of highly competitively priced chemical contracts have allowed the Agency to limit the overall increase in chemical costs to an average of less than 5% per fiscal year.

In concert with the efficiency improvements and cost savings realized from the operational processes, the Agency implemented an Enterprise Resource Planning (ERP) system to integrate the financial, plant maintenance and engineering project systems and eliminates redundancy and inefficient processes in the legacy systems. The ERP system, SAP, is a fully- integrated business solution software which is expected to produce a positive return on investment. Over the next year we will also strive to integrate all of our information technologies (e.g., Human Capital Management and Payroll with SAP business software packages to improve overall performance).

Meeting the Vision amid Financial Challenges

The proposed Budget is the result of successful collaboration between the contracting member agencies and Agency staff. It demonstrates our shared commitment to reduce and contain costs during these difficult economic conditions. As in past years, staff admirably met the challenge once again. There was no lack of willingness to take whatever time was needed to ensure that the final budget was consistent with the expectations of our regional partners and the Board of Directors.

I congratulate staff for producing a document that represents the outstanding quality and dedicated effort that typifies the work of this Agency. The Financial Planning Department is to be commended for taking the lead in coordinating a very extensive undertaking. Inspiring this effort is a Board that has chartered a course that insists, even under severely constrained resources, that the Agency always provides exemplary essential services to the Inland Empire residents in its service area.

Respectfully submitted,



Thomas A. Love
General Manager



Agency Headquarters Building A in Chino, CA.

EXECUTIVE SUMMARY

VISION

The Inland Empire Utilities Agency will strive to enhance the quality of life in the Inland Empire by providing the optimum water resources management for the area's customers while promoting conservation and environmental protection.

Each year, Agency goals are updated to reflect the major initiatives on conservation and water quality; technological innovation; rate stabilization and cost effectiveness; operational and maintenance efficiency; strategic planning and capital implementation; waste management and resource utilization; interagency relationships and community partnerships; fiscal accountability and regulatory compliance; and staff training, development, and well-being. From the policy goals, each department develops measurable goals and objectives along with key performance indicators for the fiscal year. Policy makers, management and stakeholders use these performance indicators as criteria in determining and measuring the degree of goal attainment.

The major priorities shaping the FY 2011/12 budget are as follows:

- Sustain cost containment efforts throughout the Agency,
- Minimize capital projects to whatever is necessary to ensure continued operations, to improve efficiencies that result in substantial cost savings within the constraints of available funding,
- Leverage low interest state loans and grants to augment capital funding, and
- Expand recycled water program to promote long term water conservation efforts and reduce dependency on costly imported water.
- Maintain existing level of water conservation programs to encourage consumer behavioral changes that enhance water quality and protect water supplies;
- Minimize to the extent practical increases in energy through use of proven technologies such as wind power, fuel cells, and solar panels.
- Control chemical costs through continued focus on improving chemical application and aggressive management of chemical contracts.
- Continue to enhance the ERP (Enterprise Resource Planning) system and leverage the return on investment (ROI) benefits that a fully integrated system has to offer.
- Achieving greater accountability through more measurable and specific performance indicators.
- Heighten asset management strategy through
 - Continued condition assessments of aging facilities and pipeline infrastructure
 - Targeted capital replacements

The Long Range Plan of Finance (LRPF) is also updated each year consistent with the Agency's Vision and Mission statements. In parallel with the Agency's Ten Year Capital Improvement Plan (TYCIP), the scope of the 2012 LRPF covers a period of 10 years. The primary purpose of the LRPF is to provide the most cost effective funding strategy to support the Agency's operations and capital requirements in line with established policies and goals. As outlined in the LRPF, the Agency's financial policies are to:

- Have programs that are self-supported through user fees and charges;
- Levy moderate rate increases (i.e., generally at the rate of inflation);

- Maintain revenues for debt service coverage above 1.25 times outstanding debt service in each year so as to preserve market access and to achieve the lowest cost of borrowing;
- Achieve adequate fund balance levels;
- Assure equitable distribution of the financial burden for capital requirements across all potential users of the system (including future users) by balancing pay-go financing with capital borrowing; and
- Minimize the Agency's borrowing costs.

Budget Summary and Overview

The total Agency budget of \$145 million is 14% lower than the current FY 2010/11 Amended Budget of \$169 million reflective of the Agency's continuing cost containment efforts. Approximately 53% of total expenses, or \$77 million, is operating expense, \$23 million is debt service costs, and capital costs are \$48 million. The capital budget includes approximately 94% of carry forward projects originally budgeted in prior fiscal year.

Available to cover expenses are total revenues and other funding sources of \$130 million that include \$62 million in operating revenues, \$33 million of property tax revenue, \$20 million of debt proceeds from SRF Loans, \$7.4 million in federal and state grants, \$5.7 million of connection fee revenue and the repayment of \$1 million inter fund loan plus other miscellaneous revenue. The Agency's total reserves are projected to be \$98 million at the end of FY 2011/12.

Table - 1

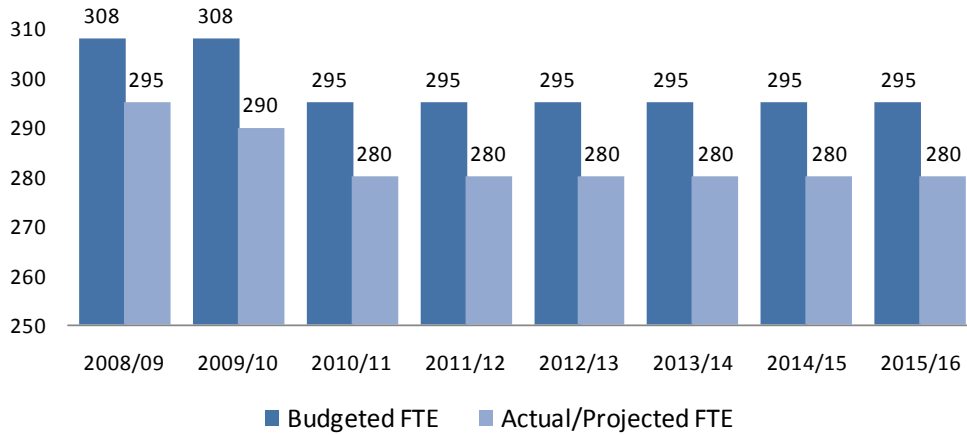
BUDGET SUMMARY									
\$Millions	Actual		Amended Budget	Projected Actual	Budget	Forecast			
Fiscal Year	2008/09	2009/10	2010/11	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue and Other Funding Sources	\$134	\$155	\$138	\$130	\$130	\$122	\$117	\$119	\$124
Operating Expense	71	66	80	67	74	73	74	75	76
Debt Service*	28	46	21	24	23	25	27	27	28
Capital Program	53	48	68	48	48	23	10	10	10
Total Expenses	\$152	\$160	\$169	\$139	\$145	\$121	\$111	\$112	\$114
Net Income (Loss)	(18)	(4)	(31)	(9)	(14)	1	6	7	10
Beginning Fund Balance	144	125	121	121	112	98	99	105	112
Ending Fund Balance	\$126	\$121	\$90	\$112	\$98	\$99	\$105	\$112	\$122

Personnel

During the last two fiscal years, the Agency has reduced both permanent and temporary limited term positions, (limited term positions include contract and intern staff) 50%. No additional reductions to the 295 authorized FTE, (full time equivalent), positions is proposed for FY 2011/12. As part of the Agency's continued cost containment efforts, a vacancy factor of 5%, (equivalent to 15 FTE) is included in the proposed budget.

Figure - 1

Budgeted FTE's vs. Actual FTE's



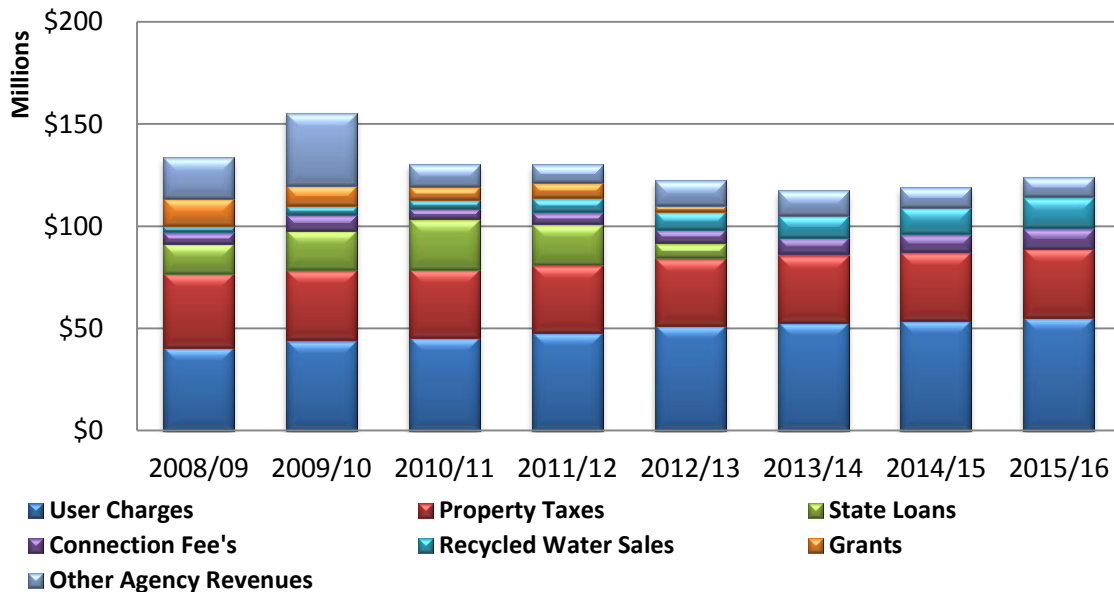
Total employment costs, (wages and benefits), are estimated to be \$32.4 million (net of project allocations). Employment costs represent 22% of the Agency’s total FY 2011/12 budget of \$145 million. Included in the proposed budget is an aggregate increase of 14% over the prior year in both health and retirement benefit premiums.

Revenues and Other Funding Sources

Total revenues and other funding sources are estimated to be \$130 million in FY 2011/12, a slightly higher from current year projected actual of \$128 million. The Agency’s major revenue sources are comprised of user charges, property taxes, and wastewater system connection fees. Other funding sources include; state and federal grants, proceeds from low interest state loan, and contract cost reimbursements.

Figure - 2

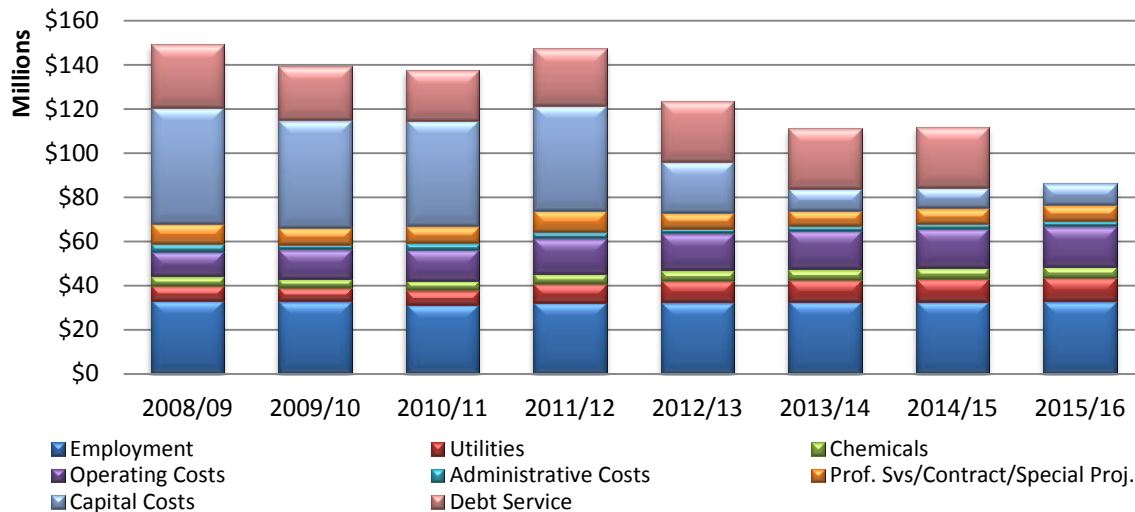
Total Revenues & Other Funding Sources



Total Expense

Total FY 2011/12 projected expense is \$145 million, which includes operating expenses of \$74 million (51%), capital costs of \$48 million (33%), and debt service costs of \$23 million (16%).

Figure 3
Total Expense



The FY 2011/12 Budget demonstrates the Agency's commitment to its contracting member agencies and residents to provide basic and necessary services at affordable rates. Staff has continued to monitor costs as part of the Cost Containment Plan implemented in FY 2008/09. Cost reduction efforts are a critical component of the Agency's commitment to low to moderate rate increases to the Regional Program. Some of the key cost reduction measures included in the FY 2011/12 Budget consists of:

- **Employment** – maintain a vacancy factor of 5%, equivalent to 15 FTEs. Reduce the number of Contracted Limited Term Employees from 18 to 12 budgeted positions.
- **Professional Services** – continued utilization of in-house resources in lieu of outside contractors or consultants.
- **Biosolids Recycling** – full utilization of the Inland Empire Regional Composting Facility (IERCF) for biosolids recycling at a reduced fee of \$44 per ton.
- **Chemicals** – reduce chemical costs by using enhanced application methods, and aggressive market contract pricing.
- **Utilities** – implementation of wind and fuel cell technologies to further diversify the Agency's renewable energy portfolio and reduce SCE costs.

Operating expenses are projected to be \$74 million, an increase of \$4 million from FY 2010/11 projected actual and are primarily comprised of employment, utilities, operating fees, chemicals and office administration.

Debt

Debt service costs comprised of interest, principal, and financial expenses are estimated to be \$23 million in FY 2011/12. Total debt service costs are about 16% of the Agency's total budget and are primarily funded by property tax receipts.

Table - 2

FY 2011/12 Total Debt Service Costs by Program						
	Administrative Services	Regional Wastewater	Non-Reclaimable Wastewater	Recharge Water	Recycled Water	Total
Principal	\$0	\$6,411,549	\$125,570	\$528,814	\$3,767,019	\$10,832,952
Interest	0	8,526,329	409,080	699,598	2,235,988	11,870,995
Financial Expense	14,000	267,300	550	134,450	2,000	418,300
Total	\$14,000	\$15,205,178	\$535,200	\$1,362,862	\$6,005,007	\$23,122,247

The total debt coverage ratio is projected to exceed the 1.25 times minimum level as mandated by the Agency's bond covenants. A detailed discussion of debt management is included in the Debt section.

Capital Projects

The Agency's FY 2011/12 capital program budget of \$48 million is primarily funded by connection fees, federal and state grants, low interest SRF loans, a portion of property tax receipts, and \$8 million of unexpended 2008A bond proceeds. The \$30 million decrease in the total capital budget compared to the FY 2010/11 adopted budget is due to a combination of project completions, deferral of non-essential capital projects, and a favorable bidding environment which resulted in reduced construction costs. Since FY 2007/08, the Agency has deferred over \$200 million of non-essential capital projects. A major portion of deferred capital projects were primarily for the expansion of existing facilities to support future growth through 2025. The slowdown in new development in the Agency's service area resulted in reduced growth and wastewater flow forecasts. Current forecasts confirm that existing capacity is sufficient to meet the reduced future growth forecasted for the next 10 years.

The following table lists the capital budget by program. Details on projects are included in the Capital section.

Table - 3

Program	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Regional Wastewater Capital (RC Fund)	\$16	\$3	\$3	\$2.5	\$2
Regional Wastewater Operations (RO Fund)	3	3	2.3	3	4
Recycled Water (WC Fund)	24	13	1	1	.5
Non-Reclaimable Wastewater (NC Fund)	3	3	3	3	3
Admin Services (GG Fund) & Recharge Water (RW Fund)	2	.8	.7	.5	.5
Total	\$48	\$23	\$10	\$10	\$10

Total Fund Balance

Fund balances, or cash on hand plus net revenues in a given year, are strong indicators of the Agency's financial health on both an individual sub-program and a system wide basis. While net revenues vacillate from year to year depending on annual changes in costs and/or revenues, the ending fund balance is a broad scope reference for the sustainability of a fund over time.

The projected aggregate ending fund balance in FY 2011/12 is \$98 million. The FY 2011/12 proposed budget reflects the Agency's continued commitment to cost containment while still providing quality service to the region.

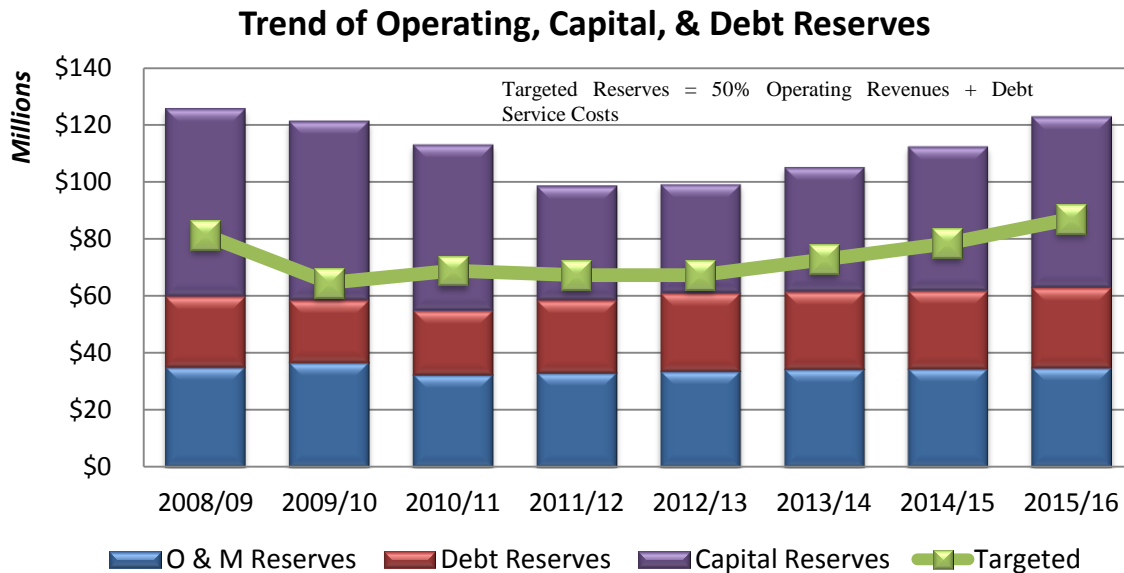
Table - 4
Changes in Fund Balances by Program

Program	Projected FY 2010/11	FY 2011/12	Increase (Decrease) \$Millions
Administrative Services (GG)	\$11.7	\$12.1	\$0.4
Regional Capital Improvement (RC)	40.6	34.9	(5.7)
Regional Operation & Maintenance (RO)	22.6	21.4	(1.2)
Non-Reclaimable Wastewater (NRW)	5.9	5.4	(0.5)
Recharge Water (RW)	1.8	1.7	(0.1)
Recycled Water (WC)	27.9	20.9	(7.0)
Water Resources (WW)	2.0	1.6	(0.4)
Total	\$112.5	\$98.0	(\$14.5)

Despite some recent favorable signs of economic recovery, local economists are still forecasting a sluggish recovery over the next two or three years. The slow growth in new development, high number of foreclosures, and decline in property assessment values will continue to have a negative impact on some of the Agency's key funding sources.

The Agency maintains operating contingency and debt service reserves as required by the current bond covenants. Programs such as Regional Wastewater, Non-Reclaimable Wastewater, Recycled Water and Administrative Services maintain a four month operating contingency. Reserves for liability, self-insured workers' compensation, and PERS contributions are maintained in the Administrative Services (GG) Fund.

Figure 4



Administrative Services Program: The reserves for this program are projected to increase by \$450,000 leaving an ending balance of \$12.1 million in FY 2011/12. Over the next four years the reserve balances is projected to remain near \$12 million, as both expenses and capital spending are maintained at a consistent level.

Regional Capital Improvement (RC) Fund: The fund balance for FY 2011/12 is projected to be \$34.9 million, a decrease of approximately \$5.7 million from the projected prior year ending balance. The decrease is primarily due to a reduction of SRF loan proceeds as capital projects financed by these funding sources are completed in FY 2011/12.

Regional Operation & Maintenance (RO) Fund: The projected ending fund balance for FY 2011/12 is \$21.4 million, a decrease of approximately \$1.2 million from the \$22.6 million projected for FY 2010/11. The decrease can be attributed to higher operating costs with no offsetting revenue increases. The increase of \$.41 per EDU (equivalent dwelling unit) proposed for FY 2011/12 was deferred to FY 2012/13 in light of the ongoing economic slowdown and its impact to the constituent of IEUA's contract member agencies.

Non-Reclaimable Wastewater (NRW) Program (NC Fund): The FY 2011/12 NRW ending fund reserve balance is projected to be \$5.4 million, resulting in a decrease of \$500,000 which is primarily due to an increase in capital project costs. No increase in the Agency's administrative surcharge is proposed for FY 2011/12.

Recharge Water Program (RW Fund): As majority of the program expenses are reimbursable by the Chino Basin Watermaster (CBWM). No significant change in the estimated ending fund balance of \$1.7 million is projected in FY 2011/12 or the ensuing four fiscal years.

Recycled Water Program (WC Fund): The FY 2011/12 ending fund balance is anticipated to be \$20.9 million. Beginning in FY 2012/13 reserves begin to stabilize around \$16 million/year as capital costs are significantly lower and higher deliveries of direct and groundwater recharge water are projected.

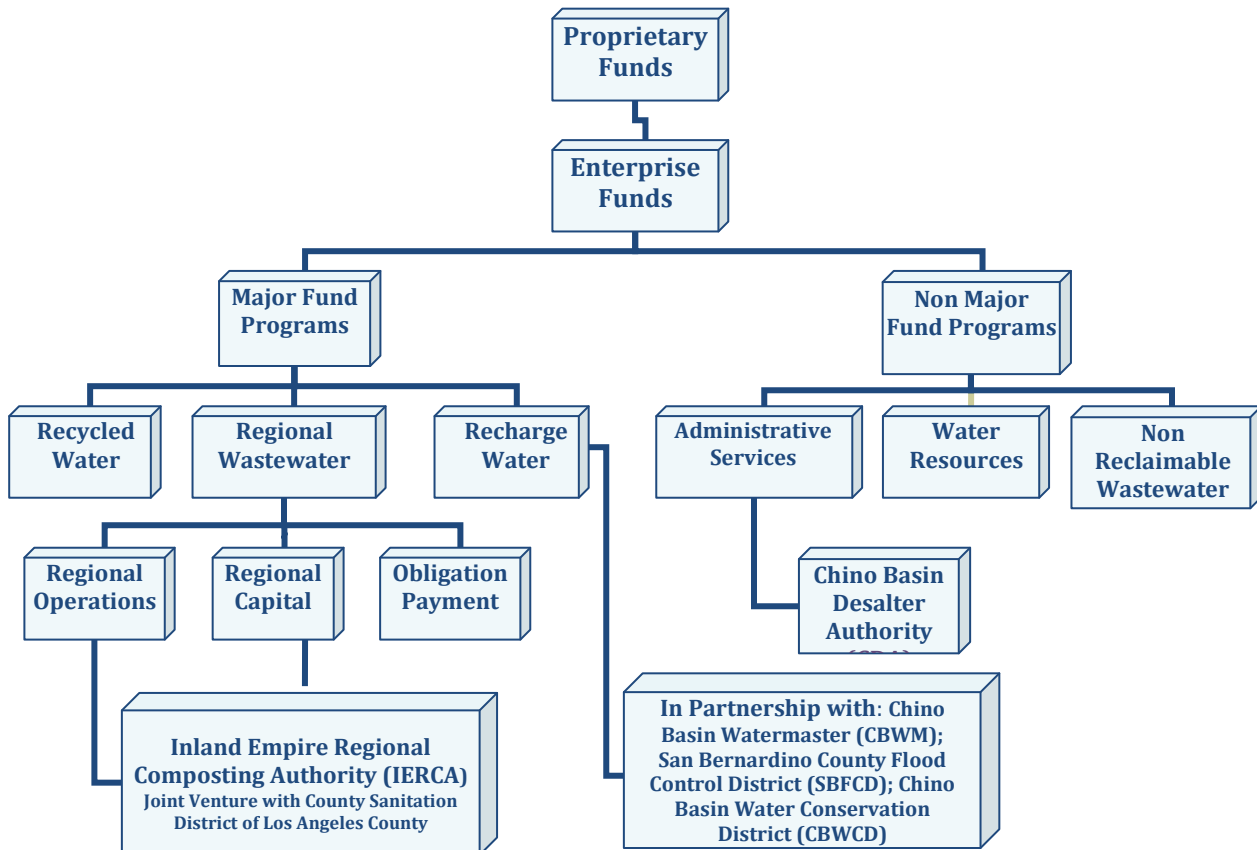
Water Program (WW Fund): The FY 2011/12 ending fund balance for the WW Fund is expected to decrease by approximately \$425,000 to \$1.6 million. Projected future increases in ending fund balance beginning FY 2012/13 are primarily driven by gradual phase out of the inter-fund transfer to the WC Fund.

Program Budgets

As a municipal water district, the Agency engages in primarily enterprise operations supported by user charges and fees which are recorded in enterprise funds, or programs. In some cases, a program consists of a group of Enterprise Funds, as shown in the fund structure below. Details on the program’s purposes, initiatives, rate settings, forecast for the next five years, as well as how these programs reflect the Agency’s missions, goals and objectives to service the region are included in the Program section. The following summaries are highlights of the program budgets. In addition, departmental budgets are included in the Department section, to demonstrate the internal responsibilities and management that support the Agency’s budget.

Each individual enterprise fund is classified as either a Major Fund or Non-Major Fund group and is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following definition of Major and Non-Major Funds are consistent with the Agency’ audited Comprehensive Annual Financial Report (CAFR).

Figure - 5
Inland Empire Utilities Agency (IEUA)
Fund
Structure



Major Funds

The Regional Wastewater, Recycled Water, and Recharge Water Program funds make up the Major Fund Group and are used to account for the resources devoted to funding the capital and operating costs associated with the acquisition, construction, improvement, expansion and operation of the Agency's domestic wastewater treatment plant facilities, the recycled water distribution system and the recharge water basins.

Non-Major Funds

The Administrative Services Fund, Non-Reclaimable Wastewater Program and Water Resources Fund, designated as the Non-Major Funds, which record capital and operating costs associated with the non-reclaimable wastewater system including the acquisition, expansion and construction of the interceptors, and appurtenant facilities and treatment capacity, the administrative and overhead expenses for the various departments, operational and administrative support for the Chino Basin Desalter, the purchase of common Agency assets, and the management and distribution of wholesale of potable water, development and implementation of regional water conservation initiatives, water resource planning.

Program Description – Major Funds

Wastewater Program (RC and RO Funds)

The Wastewater Program accounts for 61%, or \$88 million, of the Agency's total budget and consists of the Regional Operation & Maintenance (RO) fund and the Regional Capital Program (RC) fund. The FY 2011/12 expense of \$88 million includes operating costs of \$50 million, a capital program of \$19 million, \$15 million of debt service payments, and just over \$3 million of inter fund transfers for capital and debt service support to other Agency programs.

The Regional EDU Service Charge for FY 2011/12 remains unchanged at \$11.14 per EDU. In consideration of the current economic conditions, on March 16, 2011, the IEUA Board approved the Regional Sewage Policy Committee's recommendation to defer the proposed increase of \$.41per EDU until FY 2012/13. In addition there will be no increase for the EDU connection fee of \$4,766 per EDU in FY 2011/12.

Any significant change in current budget assumptions, such as shift of property tax revenue by the State Legislature to fund a portion of the State budget deficit, further declines in operating revenue, or higher than anticipated increases in utility rates, will require immediate review and may potentially result in rate increases to support operational requirements.

Regional Wastewater Capital Costs of \$19 million planned for FY 2011/12 are mainly for system and equipment modifications and upgrades and to maximize efficiency of odor control systems. Approximately \$5.8 million of the capital budget, or 30%, is for the RP-1 Dewatering Facility Expansion Project. This project began in 2005 with a total project budget of \$27.8 million, fully funded by a State Revolving Fund loan, will be completed in FY 2011/12.

Recycled Water Program (WC Fund)

The Agency's recycled water program has become a leader throughout the nation in the use and production of recycled water. The Agency accelerated its investment in recycled water infrastructure with the implementation of the Recycled Water Business Plan (RWBP) adopted in December 2007. Since the inception of the RWBP the program has made significant improvements in recycled water usage and connected demand.

Connected demand and sales for recycled water have more than tripled since FY 2006/07. The use of recycled water provides a cost effective, dependable and environmentally friendly water supply that can be used for a number of different operations. The Agency provides recycled water to numerous different schools, farmlands, parks and businesses within the service area, such as, El Prado Regional Park, and the Preserve Master Community in the City of Chino. With the support of the contracting agencies, the Agency will continue to target customers, such as developing local farming communities, Non-reclaimable wastewater (NRW) customers, golf courses and others, to promote the replacement of potable water with recycled water.

Nearly 50% of the Agency's FY 2011/12 capital program is for the Recycled Water Program a total of \$24 million. Project expenditures will be offset by loan proceeds from the State Revolving Fund (SRF) Loans of \$14.4 million, and State and Federal grant proceeds of \$4.9 million.

Recycled Water Program operating revenues are generated by the sale of recycled water to municipalities in the service area and rebates provided by the Metropolitan Water District of Southern California (MWD). In FY 2011/12, recycled water direct sales are budgeted at 25,000 AF and groundwater recharges sales are budgeted at 14,000 AF for a total 39,000 AF, or \$4.9 million of sales revenue.

An increase for both the direct and recharged recycled water rates will be effective July 1, 2011 the FY 2011/12 rates are \$115 per AF and \$145 per AF for the direct and recharged deliveries, respectively. A total of \$2.1 million of MWD LPP rebate revenue is also budgeted in FY 2011/12, for total operating revenues of \$7 million.

Beginning FY 2009/10 and continuing through FY 2013/14, the Recycled Water fund began receiving an allocation of property tax revenue to support debt service costs. The allocation of property taxes to the Recycled Water Program is consistent with the Agency's historic usage of these revenues to support debt service and capital costs. A key change in FY 2011/12 is a reduction in this temporary allocation to the Recycled Water Program from 8% to 5%. The temporary tax allocation to the Recycled Water fund from the Regional Wastewater O&M (RO) fund will be reinstated to the RO fund in FY 2014/15 to help mitigate the impact of future EDU volumetric rate increases.

Program Description – Non-Major Funds

Administrative Services Program (GG Fund)

The Administrative Services Fund records Agency wide general and administrative costs, including all labor costs which are later distributed across the various Agency programs depending on staff activities. In addition to operating costs, the GG Fund also accounts for capital acquisitions for general administrative purposes such as computer hardware and software, and fleet vehicles.

The Agency participates in a Joint Powers Authority (JPA) called the Chino Basin Desalter Authority (CDA) for which the Agency provides operating and administration support, consistent with established agreements. The GG Fund receives contract reimbursements from the CDA for operating and administrative support, the reimbursement in FY 2011/12 is projected to be \$1.4 million.

Total revenue and other funding sources are estimated at \$5.9 million (includes reimbursement from the CDA). Total expense and uses of funds for the Administrative Services program (net of the cost allocation to other programs/funds, JPAs and capital projects) are projected to be \$5.5 million.

Non-Reclaimable Wastewater (NRW) Program (NC Fund)

FY 2011/12 proposes no change in the NRWS rate structure. The Agency will continue to pass through interagency charges (CSDLAC and SAWPA) and add an IEUA administrative charge. These rates are updated annually and consist of:

- Capacity
- Volumetric
- Strength (BOD/COD, TSS)
- Administrative Surcharge
- Non-Recycled Water Users
- Recycled Water Users

Table - 5

Rate	UM	FY 2010/11	FY 2011/12
Capacity Charge	Per Capacity Unit	\$90	\$90
Admin Charge- Non-Recycled Water Users	%	50%	50%
Admin Charge- Recycled Water Users on a Pro Rata Basis	%	10%	10%

Recharge Water Program (RW Fund)

The FY 2011/12 budget for groundwater recharge operations of \$2.4 million is based on the costs to operate and maintain 18 recharge sites and pertinent facilities in the Chino Basin.

The anticipated volume of recharge water in FY 2011/12 is approximately 75,000 acre-feet (AF) which includes 17,000 AF of storm water, 13,000 AF of recycled water, and 45,000 AF of imported water. The FY 2011/12 budget will be supported by IEUA, the Chino Basin Water Master (CBWM), the Chino Basin Water Conservation District (CBWCD), and the San Bernardino County Flood Control District (SBCFCD).

The recharge projection also assumes; (1) Minimal downtime during basin improvement projects, (2) No replenishment water available from the Metropolitan Water District (MWD) of Southern California, and (3) Average rainfall available for storm water capture.

Water Resources Program (WW Fund)

The Water Resources Program (WW) Fund records the fiscal activity associated with providing water resources and water conservation programs within the Agency’s service area. These programs include management and distribution of imported water supplies, development and implementation of regional water conservation initiatives, water resource planning and provision of support for regional water supply programs including recycled water, groundwater recharge, and storm water management.

A major source of revenue for the WW Fund is the surcharge of \$12 per AF (acre foot) on deliveries of imported potable water from Metropolitan Water District of Southern California (MWD). No change in the \$12/AF surcharge is proposed for FY 2011/12. However, the budget includes a proposed increase of \$0.38 per meter/per month in the monthly water meter service charge, from \$1.075 to \$1.455.

The majority of meter charge revenues support the MWD Readiness-to-Serve (RTS) pass through fees, estimated at \$2.9 million in FY 2011/12. The remaining balance supports a portion of the Agency’s water use efficiency programs, the pro rata share of groundwater recharge O&M costs recorded in the Recycled Water (WC) Program, and administrative costs.

Department Budgets

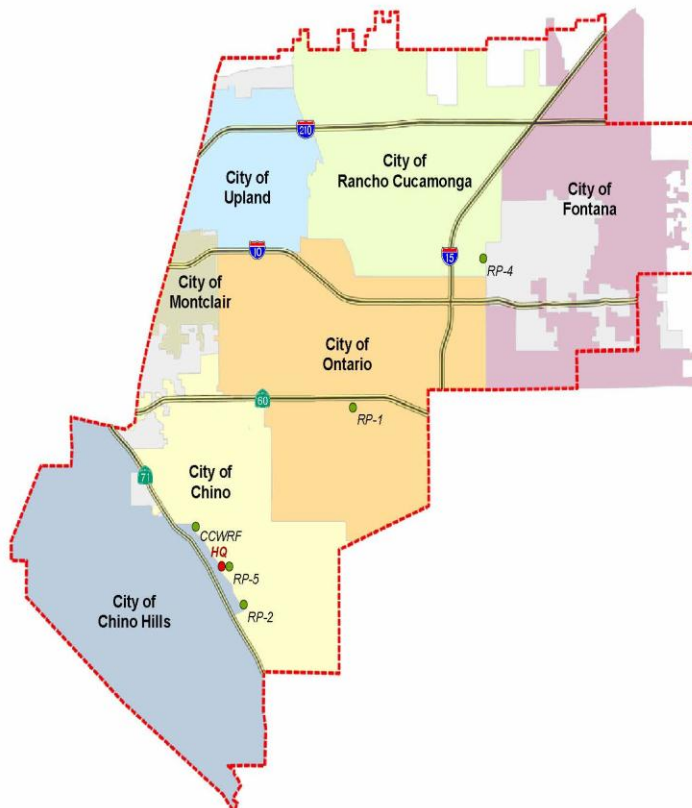
In addition to the program budget, a departmental budget is also included. The departmental budget reflects the internal responsibilities and management of human and financial resources that support the Agency’s various programs. Details on department goals and objectives, staffing plan, budget, major initiatives, and performance and workload indicators are presented by division and department in the Department section.

IEUA Service Area

The Agency contracts with seven local jurisdictions to collect, treat, and dispose of 60 million gallons a day (MGD) of untreated wastewater in five separate plants located throughout the service area, based on the Regional Sewage Service Contract, in place since 1972. Those seven entities serve over 800,000 residents.

Agency’s Service Area stretches from the western edge of the City of Rialto to the Los Angeles County line and from the foothills of the San Gabriel Mountains to the Riverside County line in the south. The seven contracting member agencies include:

- City of Chino
- City of Chino Hills
- Cucamonga Valley Water District (CVWD)
- City of Fontana
- City of Montclair
- City of Ontario
- City of Upland





Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Agency Vision / Policy Goals

AGENCY-WIDE POLICY GOALS

VISION

The Inland Empire Utilities Agency will strive to enhance the quality of life in the Inland Empire by providing the optimum water resources management for the area's customers while promoting conservation and environmental protection.

Water is one of our most valuable resources. The Agency is in a position to ensure that the quality of this resource is protected and is available in sufficient quantities to meet current and future needs. This vision statement unequivocally states the Agency's intent to be a major contributor to an improved life for the residents it serves within the Inland Empire.

MISSION

Supply imported and recycled water, collect, treat, and dispose of wastewater and provide other utility-related (renewable electrical energy, compost) services to the communities it serves. The Agency strives to provide these services in a regionally planned, managed, and cost-effective manner.

Goals

The Agency has identified and committed to broad policy goals designed to move the Agency forward in executing its mission and attaining its vision. Those broad policy goals can be categorized into nine major thematic areas:

- A. Conservation & Water Quality**
- B. Technological Innovation**
- C. Rate Stabilization and Cost Effectiveness**
- D. Operational and Maintenance Efficiency**
- E. Strategic Planning and Capital Implementation**
- F. Waste Management and Resource Utilization**
- G. Interagency Relationships and Community Partnerships**
- H. Fiscal Accountability and Regulatory Compliance**
- I. Staff Training, Development, and Well Being**

The tables on the following pages list all of the Agency's adopted policy goals.

Each year, organizational divisions and departments develop specific goals and objectives in support of the Agency's overall goals. These goals and objectives serve as a roadmap for achieving the Agency's policy goals, mission, and ultimately its vision. The end result of this entire process is to achieve a performance driven, results based work program. This will ensure that efforts and resources are being effectively directed toward accomplishment of the mission and vision.

The cascading effect of this methodology commits all levels of the organization to performance goals that ensure a coordinated effort toward goal accomplishment. Individual staff members can clearly identify

what is required within their own performance plans to ensure that departments goals are met. Key performance indicators can be established and measured at selected intervals to keep the organization on track or to make course corrections if results are not as expected. It enables policy makers and management to communicate clear and consistent priorities along with facilitating long term strategic planning.

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
A. Conservation & Water Quality	1. Continue to encourage efficient use of water supplies and demonstrate best practices throughout the Agency	Agency Management, Planning and Environmental Compliance	<ul style="list-style-type: none"> ➤ Provide leadership within the industry on legislative solutions and appropriate regulatory standards for wastewater collection, treatment, and reuse. ➤ Support, promote and participate in local and regional water conservation programs. Effectively coordinate and promote IEUA and MWD water conservation programs with member agencies.
	2. Encourage local and regional agencies to promote efficient use of water and to assist in meeting the region’s future water requirements	Agency Management, Planning and Environmental Compliance	<ul style="list-style-type: none"> ➤ Actively participate in the development of enhanced groundwater recharge within the Chino Basin ➤ Actively support the implementation of local and regional water supply planning, projects and programs by maintaining and developing and/or improving the reliability and availability of local water supplies ➤ Actively participate in MWD, SAWPA and trade association activities to ensure IEUA maintains “best practices” in the industry. ➤ Actively participate in benchmarking and best practice surveys to ensure IEUA keeps pace with water/wastewater trends.

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
A. Conservation & Water Quality (continued)	3. Partner with cities and local and regional agencies in developing and implementing water efficiency programs that provide incentives and support to the region's customers to conserve water	Planning and Environmental Compliance	<ul style="list-style-type: none"> ➤ Effectively implement and manage the Dry Year Yield program ➤ Effectively coordinate and interact with MWD staff
	4. Promote protection of high quality water supplies through implementation of local source protection programs that prevent the introduction of pollutants into the regional wastewater system	Agency Management, Pre-Treatment and Source Control	<ul style="list-style-type: none"> ➤ Coordinate and collaborate with other water agencies on programs within the Santa Ana River Watershed by actively participating in the "One Water -One Watershed" planning process ➤ Implementation of Agency-wide Salinity Reduction Program. Work with the contracting agencies to minimize the salt loading from commercial, industrials, and residential self-regenerating water softeners
	5. Operate treatment facilities that meet all required environmental laws and standards and produce beneficially reusable commodities where possible	Planning and Environmental Compliance, Laboratory	<ul style="list-style-type: none"> ➤ Appropriately track and coordinate all agency environmental permitting, CEQA/NEPA,401,404 and 1600 ➤ Maintain Environmental Laboratory Certification Program (ELAP) accreditation ➤ Proactively promote and maintain compliance related to the protection of the environment and the Agency and public's health and safety by appropriately identifying and timely reporting of all compliance requirements ➤ Obtain necessary permits for compliance (Water Quality, Air Quality, Fish and Game) ➤ Effectively develop and conduct documented process and industry training by conducting 20 facility specific process, technology or equipment training tailgates per year

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
A. Conservation & Water Quality (continued)	6. Partner with local and regional agencies to implement conjunctive use, storm water capture, and other groundwater programs that will increase operational yield and protect the integrity of the groundwater basin	Agency Management, Operations	<ul style="list-style-type: none"> ➤ Track and effectively communicate availability and use of the State Water Project water to CBWM and MWD ➤ Maximize Diluent Water Recharge by conducting pre-storm planning and storm response site inspections, sample collection and post-storm data interpretation
B. Technological Innovation	1. Explore, pursue and implement innovative technology with a cost effective approach to operating practices and administrative functions	Integrated Systems Service, Human Resources, Technical Services, Fiscal Management, Contracts & Procurement, Operations	<ul style="list-style-type: none"> ➤ Enhance Agency productivity by promoting a paperless environment by designing and developing a plan to successfully implement an enterprise-wide electronic records management program ➤ Implement a new schedule of fees for public records requests ➤ Evaluate new & emerging technologies for introducing oxygen into the activated sludge process in a more efficient manner ➤ Develop a plan to successfully replace the legacy payroll system by December 31, 2011 ➤ Reduce the Agency's cell phones Agency-wide by a minimum of ten percent through a cost analysis of the cell phone program ➤ Promote optimized use of automation within all facilities ➤ Effectively support projects scope and design by completing timely and complete review of design documentation

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
B. Technological Innovation (continued)	2. Ensure the workforce is productive and efficient -- “works smarter”-- by employing current technological enhancements including use of the internet and web based products	Integrated System Services, Financial Planning, Pre-Treatment and Source Control, Enterprise System Services, Contract & Procurement	<ul style="list-style-type: none"> ➤ Facilitate Agency operational performance through appropriate and cost effective use of evolving information technologies and practices ➤ Work with Enterprise System Services department to develop additional financial reports through Crystal Report software ➤ Conduct annual review of PT&SC SOP’S and quality control procedures ➤ Decrease the turnaround time for completing CAP-IT work orders by five percent via quarterly report ➤ Provide information technology and business system solution consulting services that address users’ unique business information requirements, while integrating and leveraging the Agency’s information and technology assets
	3. Utilize IT-rich equipment and devices for asset management strategies, operating and maintenance practices which result in cost containment and improved customer service	Construction Management, Maintenance, Integrated Systems Service, Enterprise System Services, Laboratory	<ul style="list-style-type: none"> ➤ Expand knowledge of current technologies and construction management practices with a web-based Document Control Construction Program ➤ Provide Agency users reliable information systems, providing high performance applications and data integrity ➤ Coordinate with Integrated System Services staff to create automated Electronic Data Transfer files from LIMS database

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
B. Technological Innovation (continued)	4. Develop and periodically monitor a strategic technology plan to stay abreast of new developments and to ensure that information technology and automation impact all areas of the Agency's business and operations	Enterprise System Services, Operations, Integrated Systems Service,	<ul style="list-style-type: none"> ➤ Promote optimized use of automation within all facilities by identification of automation opportunities Document and provide to Maintenance Department by December and June, 2012 ➤ Review SAP user roles and refine to create a more focused set of required transactions by December 31, 2011
C. Rate Stabilization and Cost Effectiveness	1. Establish financial targets and policies on rates and charges to ensure the Agency's financial health	Agency Management,	<ul style="list-style-type: none"> ➤ Implement annual moderate rate increases to support operating and maintenance costs for all Agency programs,
	2. Strive to maintain a stable rate structure while ensuring that rate increases are reasonable and justified	Financial Planning	<ul style="list-style-type: none"> ➤ Continue to work with key staff in the developing more in depth analytical methods and processes for major expense categories such as labor, utilities, chemicals, biosolids and professional services ➤ Direct the efforts of all Agency staff to ensure prudent fiscal practices, efficient operations, and adequate capital planning and implementation

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
C. Rate Stabilization and Cost Effectiveness (continued)	3. Aggressively seek grant funding and State Revolving Fund low interest loans as a supplementary revenue sources to finance capital projects	Financial Planning	<ul style="list-style-type: none"> ➤ Monitor the performance of ARRA grant and SRF loan funding to ensure full grant compliance with State and Federal grantor Agencies
	4. Efficiently manage Agency’s assets to ensure optimal productivity and cost effective operating and maintenance strategies and practices	Agency Management, Engineering, Maintenance	<ul style="list-style-type: none"> ➤ Design a project quality survey to measure the effectiveness of completed projects; issue survey to internal project clients; and have a target goal of 90% rating on 90% of completed projects. ➤ Coordinate the project closure process to ensure timely recording of assets, including attributes and financial valuation ➤ Implement Asset Management System for all IEUA facilities ➤ Develop and implement a strategy for tagging the Agency’s assets at the field level
	5. Ensure that rates and other sources of revenue meet Bond coverage covenants and Board policies for reserves	Financial Planning	<ul style="list-style-type: none"> ➤ Coordinate, prepare and review the Agency’s consolidated annual budget by programs, departments, and divisions ➤ Monitor and maintain budget controls through regular budget variance reporting and analysis, and work in collaboration with Management to continue cost management practices

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
D. Operational & Maintenance Efficiency	1. Design and implement programs which improve the knowledge and skill levels of the Agency's workforce	Construction Management, Laboratory, Technical Services, Human Resources & Support Services, Enterprise System Services, Operations	<ul style="list-style-type: none"> ➤ Expand knowledge of current technologies and construction management practices by continuing to provide workshops, presentations, and meetings ➤ Develop a consensus building approach to the development of effective policies and procedures ➤ Conduct annual sample collection training session to Operations and SC&PT ➤ Conduct annual review of SOP's and quality control procedures ➤ Cross train ESS staff in critical areas, such as Materials Management, Grants & Plant Maintenance by June 30, 2012 ➤ Maximize staff cross training by ensuring that 75% of certified operations staff is trained to operate more than 1 facility by June 2012
	2. Devise and implement operating strategies which minimize costs and optimize productivity	Engineering, Maintenance, Financial Planning, Integrated Systems Service, Enterprise System Services, Construction Management	<ul style="list-style-type: none"> ➤ Educate key user departments on relevant application solutions available to address key business requirements ➤ Control the cost of supporting the Agency's increasingly complex information systems through the development of ESS staff skills ➤ Improve and streamline the design process by providing Engineering support by attending project design meetings and continuing on the as-built process

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
D. Operational & Maintenance Efficiency	3. Develop and implement best maintenance management practices that ensure optimal reliability, efficiency and safety at all facilities	Maintenance, Enterprise System Services, Operations	<ul style="list-style-type: none"> ➤ Conduct efficiency studies on high energy systems ➤ Facilitate Agency operational performance through appropriate and cost effective use of evolving information technologies and practices ➤ Minimize overtime use by reducing after hour facility call outs by 10% ➤ Appropriately track and report Recycled Water use through recurring reports
	4. Continually review and assess industry practices (both private and public) to keep the Agency on the cutting edge of operational and maintenance efficiency	Enterprise System Services, Engineering, Operations	<ul style="list-style-type: none"> ➤ Ensure staff is fully aware of new rules and regulations, encourage staff participation in local water/wastewater/air regulatory and association committee meetings as measured by documented attendance ➤ Working with key user groups develop and maintain roadmaps to enhance business system functionality, process performance, and reporting and analytics ➤ Expand the knowledge of current technologies and engineering practices by continuing to provide technology transfer ➤ Conduct annual review of facility O&M manual and provide documentation deficiencies to TS by March 2012

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
D. Operational & Maintenance Efficiency (continued)	5. Promote ideas for improving efficiencies by recognizing and rewarding staff for implemented ideas and suggestions	Operations	<ul style="list-style-type: none"> ➤ Optimize report generation and data accuracy by conducting quarterly meetings to review needs and user feedback ➤ Accurate and efficient data collection and management by conducting annual laboratory analysis schedule/needs assessment by February 2012
	6. Effective management of Unit Production Cost (UPC) computation and tracking system	Technical Services, Pre-Treatment and Source Control, Enterprise System Services	<ul style="list-style-type: none"> ➤ Monitoring and refinement of Unit Production Costs (UPC) data; create and distribute monthly UPC reports and address adverse process/cost trends and identify any efficiency opportunities; report to Executive Management quarterly ➤ Improve accuracy of data collection related to NRW operations by increasing calibration frequency of critical flow meters for full recovery of costs in the billing process ➤ Set up SAP Portal 7 NetWeaver Business client and connect these components to SAP Business Warehouse and ERP system
	7. Efficient tracking and modifications of Key Performance (KPI's) as necessary to promote focus on established operational goals and targets	Maintenance, Laboratory, Operations	<ul style="list-style-type: none"> ➤ Develop Key Performance Indicators (KPI) specific to Maintenance operations by developing an asset condition monitoring strategy ➤ Effective monitoring and refinement of established facility Key Performance Indicators (KPI's); achieve > or greater than 90 percent facility KPIs and conduct monthly review meetings

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
E. Strategic Planning and Capital Implementation (continued)	1. Update the Long Range Plan of Finance consistent with the 10 Year Capital Improvement Plan to adequately prepare for future growth. Updates should be based on a collaborative process and should be widely disseminated	Agency Management, Financial Planning	<ul style="list-style-type: none"> ➤ Plan and direct 10-year capital development and implementation activities to ensure growing needs of member agencies are adequately addressed ➤ Annual update of the Long Range Plan of Finance to reflect current assumptions and conditions
	2. Implement and maintain state of the art infrastructure to maximize efficiency and productivity while meeting needs of area constituencies	Engineering, Construction Management, Enterprise System services, Operations	<ul style="list-style-type: none"> ➤ Provide high quality project management for the completion of capital improvement projects by implementing effective project management protocols and focusing on meeting schedules and budgets ➤ Manage projects to levels which maximize quality and operational effectiveness ➤ Maintain the number of Request for Information (RFI's) to less than 25 for every million spend during the construction process ➤ Implement enhancement's to streamline the CAD to GIS process and grants tracking and billing functions ➤ Provide support to Construction Management to ensure appropriate and timely equipment/process start up

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
E. Strategic Planning and Capital Implementation (continued)	3. Maintain long- term and strategic planning and policy development in support of the Agency’s mission and goals	Financial Planning, Operations	<ul style="list-style-type: none"> ➤ Further develop and maintain the Agency’s 10 year financial model to streamline the Long Range Plan of Finance revision process ➤ Establishment and monitoring of staff performance objectives; development of Staff Objective matrix to support established Division/ Department goals & objectives
	4. Perform macroeconomic analysis of economic and growth trends within the region to assist with facilities planning and management	Planning and Environmental Compliance	<ul style="list-style-type: none"> ➤ Ensure Agency readiness through effective monitoring and planning for regional growth and resultant capital expansion; effectively coordinate with member agencies to develop a detailed and accurate Ten Year Capital Improvement Plan
	5. Promote contracting opportunities which recognize the diversity of the area served through use of appropriate tools including relevant contract software to track diversity results and aggressive outreach efforts	Contracts and Procurement	<ul style="list-style-type: none"> ➤ Drive continuous improvement of efficient and effective procurement business practices in collaboration with ESS to enhance the SAP system and reporting to identify PO delivery receipt and material ship date by June 30, 2012 ➤ Increase competition to exercise fiscal responsibility and control of Agency expenses
F. Waste Management and Resource Utilization	1. Provide for the maximum public benefit from the use of recycled water supplies produced by IEUA	Agency Management, Engineering, Operations	<ul style="list-style-type: none"> ➤ Identify additional potential markets of recycled water and composting ➤ Maintain maximum system designed reliability by developing and implementing a phased recycled water demand management plan from May through September 2012

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
F. Waste Management and Resource Utilization (continued)	1. Provide for the maximum public benefit from the use of recycled water supplies produced by IEUA (continued)	Agency Management, Engineering, Operations	<ul style="list-style-type: none"> ➤ Increase recycled water connected demand to 50,000 AF during FY 2011/12 and complete the Recycled Water Business Plan on schedule and within budget
	2. Provide for and encourage the use of recycled water for uses including, but not limited to landscape irrigation, commercial and/or industrial processes, construction, groundwater recharge, wildlife habitat, recreational impoundment, agriculture, and other uses	Engineering, Operations	<ul style="list-style-type: none"> ➤ Update Recycled Water Management Plan monthly and adjust recycled water recharge as needed ➤ Continue to expand Recycled Water System to increase use and reliability and continue to work with contracting agencies to maximize recycled water use and implement demand management
	3. Maximize Agency revenue potential through the effective use and/or marketing of wastewater residual products	Operations	<ul style="list-style-type: none"> ➤ Cost effective biosolids management; achieve 142,000 wet tons/year biosolids throughput for Inland Empire Regional Composting Facility (IERCF) and market excess capacity ➤ Recycle all Agency biosolids at IERCF and market 100% of compost produced and obtain long term value contract(s) for finished compost
	4. Promote and support a regional approach to community wastewater collection and management	Operations, Pre-Treatment and Source Control	<ul style="list-style-type: none"> ➤ No Sanitary Sewer Overflows (SSO) due to lack of maintenance; respond to all SSO and treatment plant emergencies in a timely manner and provide assistance to other contracting agencies ➤ Maintain maximum system designed reliability by supplying 40,000 AF of Recycled Water

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
F. Waste Management and Resource Utilization (continued)	5. Optimize and maximize power generation using renewable energy sources at Agency facilities	Agency Management, Energy Production & Operations	<ul style="list-style-type: none"> ➤ Provide technical support to the Project Manager during the design and construction phase of the fuel cell and wind power projects ➤ Implement Energy Management Strategy to be self-sufficient by going “gridless” by 2020 ➤ Maximize digester gas production by optimizing digester loading, mixing and heating operation through routine inspection and maintenance ➤ Develop and implement a peak period Recycled Water management plan
G. Interagency Relationships and Community Partnerships	1. Promote and sustain effective communication between the Agency and its stakeholders through use of various media, including the Agency’s website	Agency Management, Public Information Services, Contracts & Procurement	<ul style="list-style-type: none"> ➤ Ensure ready accessibility and availability for the Board Members, Executive Management and staff of all agendas and related documentation ➤ Process all Board, Committee, and Joint Power Authority (JPA) agendas in an expeditious and efficient manner
	2. Develop a communication strategy and explore new communication tools to educate and interact with an increasingly diverse public about water conservation and capital infrastructure/replacement needs	Public Information Services	<ul style="list-style-type: none"> ➤ Increase IEUA’s identity through public recognition. Product 29 full page ads as part of our 2011 community outreach campaign with Chino Basin Watermaster and Chino Basin Water Conservation District

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
G. Interagency Relationships and Community Partnerships (continued)	3. Partner with the cities, local and regional agencies and the broader community on common issues to create integrated and innovative solutions	Engineering, Pre-Treatment and Source Control, Contracts & Procurement	<ul style="list-style-type: none"> ➤ Continue to provide technology transfer workshops, presentations, and meetings with other Southern California public agencies ➤ Maintain 100% compliance with established Pre-Treatment Regulations and Permits Review. Update "No Drugs Down the Drain" program and conduct public outreach ➤ Collaborate with MWD with Small Business Vendor Fair and Business Strategies Workshop
	4. Foster a coordinated approach to the review, analysis, and development of positions on all legislation and regulations that impact the Agency's programs, and collaborate in acting to implement these positions	Public Information Services	<ul style="list-style-type: none"> ➤ Cultivate positive relationships with local and regional media through regular press releases on Agency accomplishments and milestones

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
H. Fiscal Accountability and Regulatory Compliance (continued)	1. Protect system investments through the establishment of capital reserves	Financial Planning	<ul style="list-style-type: none"> ➤ Refine and monitor Reserve Balance Policies to ensure a prudent level of reserves is maintained to protect against a reduction of service due to unforeseen events
	2. Maintain a safe and healthy work environment for all employees consistent with federal and state laws and regulations	Planning and Environmental Compliance	<ul style="list-style-type: none"> ➤ Administer and monitor required staff training (safety and regulatory tailgates and training sessions) ➤ Obtain necessary permits for compliance (Water Quality, Air Quality, Fish and Game)
	3. Safeguard Agency assets with prudent risk management policies and strategies	Internal Audit, Financial Planning, Planning and Environmental Compliance	<ul style="list-style-type: none"> ➤ Develop Internal Audit plans and procedures, update the Risk Assessment of Agency operations and develop the FY 2011/12 Audit Plan ➤ Provide on-going support and incorporate audit procedures during operational audit's to review security configuration of SAP ➤ Minimize Agency and public liability through comprehensive risk management practices by enhancing the Agency-wide security programs while increasing awareness and collaboration. ➤ Monitor and maintain budget controls through regular budget variance reporting and analysis, and work in collaboration with Management to continue cost management practices ➤ Ensure the Agency's information assets and systems are properly safeguarded from inappropriate use and access, protected from disasters, and available to conform to public information access rights

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
H. Fiscal Accountability and Regulatory Compliance (continued)	3. Safeguard Agency assets with prudent risk management policies and strategies (continued)		<ul style="list-style-type: none"> ➤ Ensure the Agency’s information assets and systems are properly safeguarded from inappropriate use and access, protected from disasters, and available to conform to public information access rights
	4. Operate all facilities in compliance with Federal and State rules and regulations	Internal Audit, Agency Management, Laboratory, Operations	<ul style="list-style-type: none"> ➤ Revise and update the Audit Committee and Internal Department Charters to ensure compliance with best practices, industry standards ➤ Ensure that all agendas are completed and all meetings are conducted according to state law and Board policy ➤ Maintain Compliance and Protect Public Health by conducting annual review of protocols for immediate notification of non-compliance with permit ➤ Maintain Environmental Laboratory Certification Program Accreditation
	5. Require the highest levels of fiscal accountability for all Agency financial transactions and records	Internal Audit, Financial Planning, Fiscal Management	<ul style="list-style-type: none"> ➤ Complete and issues Comprehensive Annual Financial report by December 21, 2011 ➤ Monitor all bank and investment accounts to ensure accurate recording and timeliness of transactions

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
H. Fiscal Accountability and Regulatory Compliance (continued)	5. Require the highest levels of fiscal accountability for all Agency financial transactions and records (continued)	Internal Audit, Financial Planning, Fiscal Management	<ul style="list-style-type: none"> ➤ Annually coordinate efforts between the External Auditors and Agency staff to ensure the required annual financial audits are carried out in time for Board approval ➤ Revise and update the Audit Committee Charter and the Internal Audit Department Charter by December 2011, to ensure compliance with best practices, industry standards and required policy changes, revise as appropriate all IAD SOP's ➤ External Financial and accounting services- provide full financial and accounting services to two Joint Power Authorities
	6. Promote effective and ethical contract and procurement processes, procedures, and practices consistent with Agency policy and public law	Contracts and Procurement	<ul style="list-style-type: none"> ➤ Drive continuous improvement of best value procurements for Agency-wide cost reduction in collaboration with Maintenance staff to establish master contracts
I. Staff Training, Development, and Wellbeing	1. Require and maintain highest standards of ethical conduct from Directors, Executive Management, Managers and all Agency staff	Agency Management	<ul style="list-style-type: none"> ➤ Adhere to the Agency's mission, values, and goals, and comply with the Agency's adopted ethics policies
	2. Reward employees for participation, initiative, and performance resulting in significant contribution to Agency goals	Human Resources and Support Services	<ul style="list-style-type: none"> ➤ Develop creative and cost-effective to reward and recognize outstanding and dedicated staff for their contributions by updating the Agency's various award recognition programs to reflect the Agency's cost containment strategies

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
I. Staff Training, Development, and Wellbeing (continued)	3. Encourage and maintain a highly motivated and trained staff	Human Resources and Support Services, Fiscal Management	<ul style="list-style-type: none"> ➤ Design, implement, foster and support a learning environment which encourages growth and development of Agency staff by increasing the use of Personal Learning Plans (PLPs) into the performance appraisal process by 10% and evaluating the effectiveness of the Personal Development Program ➤ Utilize participation in the Leadership Academy as an element of succession planning ➤ Continued participation in collaboration with Cal Poly Pomona and other local cities, in the Southern California Local Government Supervisory Program ➤ Staff training, including cross training to develop a diverse and qualified work force ➤ Cross train and develop ESS skills to enable greater self-sufficiency in core technology areas
	4. Sustain a clean, safe, and healthy working environment for all Agency employees	Planning and Environmental Compliance, Operations	<ul style="list-style-type: none"> ➤ Conduct annual environmental and safety audits for each facility ➤ Inspect and update safety documents (Safety Manual, Emergency Manual and Confined Space Manual) on an annual basis ➤ Conduct root cause analysis for safety incidents to identify commonalities ➤ Conduct intra-departmental annual safety audits

Agency Wide Goal	Agency Wide Objectives	Responsible Department(s)	Program/Initiative Highlights
I. Staff Training, Development, and Wellbeing (continued)	5. Recruit, retain, and promote a diverse and qualified workforce committed to the Agency's mission	Human Resources and Support Services	<ul style="list-style-type: none"> ➤ Launch NEOGOV's online requisition and Subject Matter Experts (SME's) scoring functionality to further reduce approval and review processes and streamline/accelerate data flow ➤ Complete each staff's individualized training program by using Mindleader program by November 30, 2011
	6. Create and sustain a working environment that recognizes a dedicated staff and attracts qualified individuals to the Agency as an "Employer of Choice"	Human Resources and Support Services	<ul style="list-style-type: none"> ➤ Expand college recruiting and maintain partnerships with key universities to build on relationships that will identify talent early and expand internship program to create a pool of quality talent



Headquarters Building Bridge

BUDGET PRIORITIES

Each year the Agency determines what issues and priorities will shape the allocation of resources within the budget. The development of the budget for Fiscal Year (FY) 2011/12 was driven by the need for increased revenues, improvements and expansion of infrastructure, methods for funding the infrastructure, control of costs, increase of water supply, increased operational and administrative efficiencies, and strengthening the skill level of Agency personnel. These issues are discussed at greater length below.

- **Maintain stable revenue base sufficient to meet operating and maintenance requirements.** Moderate rate increases to support both its capital and operating costs are included in future year forecasts. These rate increases are necessary to replenish fund reserves utilized over the years and maintain them at a prudent and fiscally sound level. The Agency's commitment to cost containment and leveraging resources and technology to enhance efficiencies across the organization will continue. The combination of cost management efforts and implementation of moderate rate increases in the future will ensure the sustainability and financial health of the Agency. A key assumption for the future is that the State Legislature will not shift property taxes away from local governments and special districts.
- **Implement capital projects in the adopted 10 year plan.** In response to the ongoing economic recession, the primary focus of the Ten Year Capital Improvement Plan (TYCIP) is on the refurbishment, replacement and improvement of the Agency's existing facilities. Based on current growth projections and the uncertainty of an economic recovery, the Agency's existing capacity is adequate to meet the current and future needs of the service area which is not anticipated to be build out until after 2025.
- **Upgrade and modernize existing facilities to enhance efficiency; productivity; generate future cost savings; and effectively manage assets; as part of a comprehensive asset management program.** Maintaining assets in good working condition serves to control repair and maintenance costs. The Agency is addressing older facilities with a phased approach over a ten year period. The Agency's oldest and largest facility, RP-1, is being targeted with equipment modernization and replacement projects.
- **Expand the recycled water delivery system to promote long term water conservation efforts and reduce dependency on imported water is an adopted policy of the IEUA Board of Directors.** The Agency's recycled water program has become a leader throughout the nation in the use and production of recycled water. The use of recycled water provides a cost effective, dependable and environmentally friendly water supply that can be used for a number of different operations. IEUA continues to encourage recycled water for use in landscaping, business processes, and other state permitted uses. The Agency anticipates that by 2025 the recycled water program will provide 20% of IEUA's water requirement.
- **Expand on water conservation programs which encourage consumer behavioral changes that enhance water quality and protect water supplies.** IEUA's water use efficiency programs are fundamental in managing region wide demand and will continue to play a vital role in stretching existing water supplies and minimizing the economic impact from reduced imported water supplies. Among these programs are free distribution of low flush toilets, evaluation and installation of weather based irrigation controllers, free high-efficiency sprinkler nozzles, and promotions to encourage the use of California friendly landscapes.
- **Coordinate investments in recharge basins with further improvements and monitoring capabilities** with the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the San Bernardino County Flood Control District (SBCFD), and IEUA. Along with recycled water efforts, the use of recharge basins increase the area's storage of water by

recapturing storm water and recharging recycled water that would otherwise be dispersed to the Pacific Ocean.

- **Continue strategic partnerships with regional stakeholders by joint and prudent investments in organics management. Avoid social, political, and economic costs associated with bio-solids disposal with continued improvements to the composting facility.** The Agency has been on the cutting edge of biosolids recycling through its joint partnership with Los Angeles County Sanitation District to own and operate a fully enclosed, environmentally friendly compost manufacturing facility. The use of this facility will significantly reduce costs by allowing both agencies to minimize the high costs of transporting biosolids to disposal landfills, especially as these landfills become scarcer as a result of increasing public resistance to traditional methods of disposal.
- **Minimize to the extent practical increases in energy and chemical costs through increased efforts at self-generation and innovative approaches to chemical application.** Other than labor, the primary operational costs of the Agency are energy and chemicals. The Agency has embarked on a comprehensive Energy Maintenance Strategy to increase biogas production as well as pursue other non-polluting energy programs, such as fuel cells, wind energy and biogas production from food waste and waste fat/oil/grease (FOG). Implementation of new renewable energy sources will further diversify the Agency's energy portfolio which already includes biogas production and solar energy production. This power is used by the Agency in its own operations in lieu of purchasing electricity from Southern California Edison.
- **Initiate changes in business processes and administrative functions through ERP implementation to achieve greater staff productivity and administrative cost efficiencies.** The third primary cost of operations for the Agency is labor. The Agency's desired approach to controlling labor costs is to minimize staffing increases by enabling existing staff to work more efficiently and productively. A key initiative is the reorganization of departmental units and reallocation of resources to optimize technical expertise and minimize redundancies throughout the Agency.
- **Continue focus on asset management strategy through**
 - **Ongoing condition assessments of aging facilities and pipeline infrastructure.** In addition to improving existing facilities, the Agency has miles of pipelines that have been in use for many years that need to be cleaned, refurbished, or replaced.
 - **Targeted capital replacements.** The only major capital construction project included the Regional Wastewater Capital Improvement Plan is the RP-1 Dewatering Expansion Facility which will replace the existing dewatering equipment with a centrifuge, allow for an automated 8 hour dewatering operation and increase the biosolids handling capacity for the Agency's northern service area. This project is funded through the Clean Water State Revolving Fund by the American Recovery and Reinvestment Act.
 - **Development and application of Levels of Service.** Level of Service measures help to develop management strategies by measuring risk, optimizing O&M activities, aiding in the prioritizing of options and funds, and obtaining organizational coordination and commitment. The Agency has developed Levels of Service for all business lines; wastewater, recycled water and biosolids. Staff continues to develop procedural models that examine the connection between Levels of Service, Key Performance Indicators, criticality and risk assessment. These models form the basis for evaluating assets starting from a strategic Level of Service and drilling down through process structure to individual assets.

FINANCIAL POLICIES

The Agency's practices are guided by the following budget and financial policies:

Policies	Description	Achievements
A. Operating Budget	<ol style="list-style-type: none"> <li data-bbox="402 348 992 485">1. The Agency will budget revenues and expenditures on the basis of a fiscal year with begins on July 1 and ends the following June 30. <li data-bbox="402 520 992 850">2. The agency's budget is designed to provide meaningful, comprehensive, and user friendly data and information on Agency activities and programs; to that end, the Agency will produce a budget document based on national best practices as defined in the budgetary award guidelines established by nationally recognized organizations such as the GFOA 	<p>The Agency's Fiscal Year 2010/11 budget received GFOA's distinguished Budget Award for the sixth consecutive year; the Budget for Fiscal Year 2011/12 has been prepared based on GFOA's Distinguished Budget Award criterion</p>
	<ol style="list-style-type: none"> <li data-bbox="402 863 992 1207">3. The Operating Budget is the short term action plan for development and execution of Agency's strategic plan consistent with its long range vision and mission; the Agency's Long Range Plan of Finance is updated every two to three years with corresponding adjustments to the operating budget to assure continual alignment of short term budgetary goals with long term strategic vision 	<p>The Agency prepared the current year budget, the Long Range Plan of Finance, and the Ten Year Capital Improvement Plan on parallel tracks, thereby ensuring consistency of the short budget goals with the overall long range financial goals</p>
	<ol style="list-style-type: none"> <li data-bbox="402 1220 992 1556">4. A budget which is useful for measuring performance and providing for a strong level of transparency to regional partners and local constituencies must be timely in the reporting of resource availability and allocation; the Agency's budget will allow for public participation prior to its adoption and will ensure timely availability of information prior to commencement of the new fiscal year 	<p>The Agency provided a heightened level of transparency and provided multiple opportunities to regional partners to provide input. Throughout the budget development process, drafts were posted to the Agency's website, public budget workshops were facilitated by Agency staff, and meetings were held with each of the contracting agencies. The budget was fully reviewed by regional partners by means of the Regional Technical and Policy Committees and a public hearing was held to afford the public the opportunity to comment on the proposed budget</p>

Policies	Description	Achievements
A. Operating Budget (continued)	5. Successful budgets are developed using an iterative and inclusive process that solicits input from all levels of the organization and allows time for a deliberative and careful review of all relevant factors impacting budgetary estimates and projections; the Agency establishes an annual budget calendar complete with key milestone dates for budgetary workshops for staff and policy makers, and submittal of capital, operating, and labor estimates	The Budget calendar was developed and issued in December 2010 and numerous meetings were held with all departments to compile budgetary, statistical and descriptive information; multiple budget training sessions were facilitated to review the budgetary process
	6. A major driver of the Agency's overall costs is the Ten Year Capital Improvement Plan (TYCIP); the Agency updates the TYCIP on an annual basis and incorporates the results into the annual fiscal budget and five year operating plan; major capital programs are carefully analyzed for operating impacts on current and future years to ensure adequacy of resources and funding	The TYCIP was completed in parallel with the budget and the Long Range Plan of Finance. Significant adjustments were made to reflect the reality of reduced revenues and stalled development in the agency's service area. FY 2012-2021 TYCIP proposes a reduction of \$61 million from the prior year TYCIP. The Agency has shifted its focus from expansion to the replacement and improvement of existing facilities
B. Balanced Budget	1. The budget should be balanced with the current revenues equal to or greater than current expenses	The FY 2011/12 budget is balanced with a combination of current revenues and reserves
	2. Any fund, when operating or capital expenses exceed revenues, will utilize the respective fund reserves to meet the shortfall	The projected \$14.4 million shortfall in net revenues in the FY 2011/12 Budget is balanced by using reserves, including approximately \$8 million in unexpended 2008A Revenue Bond proceeds

FINANCIAL POLICIES

Policies	Description	Achievements
<p>C. Revenue</p>	<p>1. The Agency's various programs are supported by a combination of user fees and taxes- both sources of revenues must be evaluated annually to ensure appropriate cost recovery and adequate delivery of services; factors to be considered in the annual evaluation and determination of rates include general economic conditions, inflation, area population growth, wastewater growth estimates based on data provided by contracting agencies as well as available independent growth measures, operating and maintenance requirements due to technological enhancements, new or expanded facilities, labor negotiations, and prevailing and expected market conditions</p>	<p>Once again, the FY 2011/12 Budget growth patterns were revised downward due to the ongoing economic contraction being experienced in the Inland Empire. Fiscal impacts of reduced revenues from new development connection fees and property taxes led to a second year of major cuts in the capital program. Declining operating revenues also led to a reduction in operating expenses across all departments. Additional reductions in number of limited contract and internship staff is also included, as well as the curtailment or elimination of professional services</p>
	<p>2. The Agency strives for a stable and consistent revenue base without wide fluctuations from year to year; consistent rate increases based on the rate of inflation (as measured by a relevant and widely used index such as the CPI) and adjusted when necessary for other relevant factors (e.g., regulatory requirements, state mandates, strong growth in excess of inflation, labor market pressures, target reserve levels) ensures a sustainable level of service to the Agency's customers</p>	<p>Rate increases in FY 2011/12 to support higher operating costs were included for only two of the Agency's programs; the Recycled Water and Water Resources Programs</p>

Policies	Description	Achievements
<p>D. Debt Management</p>	<p>1. A significant portion of the Agency’s capital program has been funded with grants and pay-as-you-go funding; debt will be used when there is insufficient pay-go funding available or to transfer costs of new infrastructure to future users. Debt however long term debt will not be used for operating and maintenance costs and the Agency can use short term debt for cash operating needs if repaid within one year</p>	<p>The Agency has limited external financing to low interest State Revolving Fund (SRF) loans. SRF loans are the primary funding source of the Recycled Water Program and the RP-1 Dewatering Facility Expansion Project in the Regional Wastewater Program. The Agency anticipates three additional SRF loans for the completion of the recycled water distribution system, two in FY 2012/13 and a final loan in FY 2018/19</p>
	<p>2. A key goal of the Agency will be to obtain the lowest cost of debt possible, to that end the Agency will maintain a debt coverage ratio to assure an investment grade rating (i.e., at least a single A by no less than two of the nationally recognized credit rating agencies) and consistent with legal or contractual requirements; refunding of outstanding debt issuances will be undertaken only if the generated savings is at least 3%, unless the refunding was initiated for purposes other than debt service savings. Additionally, costs of issuance will be limited to no more than 2%</p>	<p>The Agency has maintained its investment grade ratings with all three major rating agencies. In June 2010, Moody’s gave the Agency’s recent bond issue, the 2010A bonds which were a refunding of the 1994 senior debt issue, a rating of Aa2. No new debt issuances are included in the Agency’s Long Range Plan of Finance</p>
	<p>3. The agency will manage its debt portfolio as part of an asset/liability matching strategy, in that context, debt term should match the useful life of the capital project funded; variable rate debt may be used as long as it is sufficiently hedged with cash reserves; interest rate swaps and other derivative products will be considered when the risks are manageable as determined by staff, the financial advisor, and the Board</p>	<p>Bond proceeds from the 2008A Revenue Bond issuance funded major capital projects with useful lives in excess or equal to the debt term. As of the end of FY 2010/11, 18% of the Agency’s debt portfolio is variable rate debt.</p>

FINANCIAL POLICIES

Policies	Description	Achievements
E. Capital Planning and Programming	1. The Ten Year Capital Improvement Plan (TYCIP) will be reviewed and adjusted annually	The 2011/12 TYCIP was reviewed by the IEUA Board and committees, as well as the regional partners
	2. Support the TYCIP for meeting service area's growth through various funding alternatives including revenue bonds and short term borrowings	Utilized federal grants and state loans for recycled water projects and specific regional projects, (e.g. RP-1 Dewatering Facility Expansion Project)
	3. Future operating, maintenance and replacement costs associated with new capital improvements will be forecasted and included in future year projected costs	Operating and maintenance impact projections are identified for capital projects with total project budgets in excess of \$2 million, (see Capital Project Highlights)
F. Long Range Planning and Forecasting	1. Long-term planning uses trends and projected changes in population growth, service levels, property assessment values, new development, and general economic conditions to forecast future revenues and expenditures between 5 to 10 fiscal years	The Agency's FY 2011/12 Long Range Plan of Finance (LRPF) was updated in parallel with the O&M Budget and the Ten Year Capital Improvement Plan and covers a 10 year term beginning FY 2011/12 – FY 2020/21
G. Auditing, Accounting, and Financial Reporting	1. Integrity of the Agency's financial data is vital for the reputation and success of the Agency; stewardship of the Agency's assets is of paramount importance to ensure confidence of stakeholders that tax collections and user fees are being wisely invested and soundly managed; the quality of accounting and financial reporting are crucial to instilling that confidence and strengthening that reputation and the Agency will use widely recognized and accepted accounting standards including GAAP and guidance issued by the Government Accounting Standards Board (GASB); practical guidance to enhance the quality of the Agency's accounting will be sought from Publications such as the GAAFR as published by the GFOA	The Agency received an unqualified opinion from its external auditors that its financial statements are in conformity with generally accepted accounting principles and there was no finding of significant deficiencies or material weaknesses

Policies	Description	Achievements
G. Auditing, Accounting, and Financial Reporting (continued)	2. Annual audits from an independent firm in conformity with GAAP will be performed on all of the Agency’s financial records and those of entities the Agency for which the accounting and financial reporting services are provided; as part of the annual audit, a single audit in conformity with federal guidelines for all grant funded programs will be conducted	The single audits performed by external auditors on the Agency, Chino Basin Desalter Authority and Inland Empire Regional Financial Authority, were completed with no findings noted
	3. Regular reporting of financial results will be accomplished through issuance of a Comprehensive Annual Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada; prior to issuance of the CAFR, the internal audit department will perform a review to ensure industry standards and reasonable accuracy of reporting has been achieved	The agency received the GFOA Award for Excellence in Financial Reporting for twelve consecutive years and Distinguished Budget award from the CSMFO for ten consecutive years; Internal Audit provided a quality review prior to adoption by the Board and submission to GFOA
H. Fund / Reserve Balances	1. Consistent with sound and prudent fiscal practices as well as legal requirements, the Agency will maintain reserve balances within its various funds consistent with adopted policy and legal bond documents; unforeseen events, emergencies, accelerated growth, and supplemental budget requirements, are among the factors that can result in unplanned expenses; in addition to unplanned activities, the Agency has extensive investments in public infrastructure, operating plants, and other related facilities and equipment that require ongoing repair, maintenance, replacement, refurbishment, and expansion; the Agency must also be prepared for planning and implementation of new facilities as the need arises to support future development and growth in the service area	The Agency’s aggregate fund balances projected for FY 2011/12 meet the targeted reserves level which is calculated using 50% of operating revenue plus debt service requirements; the aggregate fund balance also meets the required minimum debt ratio coverage of 1.25 times. Certain program funds that are required to maintain specific debt service and operating contingency reserve levels, as stipulated by debt covenants, also meet their requirements

FINANCIAL POLICIES

Policies	Description	Achievements
I. Cash Management / Investment Policies	1. The Agency shall invest idle cash in a prudent manner according to established investment policy consistent with state laws and regulations, ensuring the Agency's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment; the Agency will strive to maximize the return on investment without sacrificing preservation of principal and daily cash requirements	Investments were made pursuant to the Agency's Investment Policy which is updated with guidelines that comply with the California Government Code and applicable California law. The Agency's Investment Policy is presented to the Board for review and approval annually
	2. The Agency will accelerate cash collections and carefully manage disbursements to maximize cash balances; disbursements will be timely to maintain public trust and productive relations with employees, contractors, suppliers, and other government entities	The Agency implemented the Automated Deposit System to ensure the timeliness, security, and efficiency of cash and check deposits through electronic processing
	3. Cash flow projections will be updated on a weekly basis accounting for all daily receipts and disbursements, and will serve as the baseline for determining cash liquidity needs and funds available for investment; cash balances of the Agency's various funds will be pooled to maximize investment opportunities with interest earnings allocated in a rational manner consistent with generally accepted accounting principles	Cash flow projections are updated on a daily basis and cash flows for the Agency and partnership agencies are maintained through collaborative efforts with various departments on sources and uses of funds forecast
J. Human Resources Management	1. The Agency will determine staffing levels consistent with budgetary authority, available resources, and operating needs; the Agency will strive to achieve cost effectiveness without sacrificing employee morale and productivity	The Agency maintains the number of authorized positions of 295 FTEs (full time equivalent). In addition, the Agency will maintain a vacancy factor of 5% in FY 2011/12 which is equivalent to 15 FTE positions
	2. Staffing projections and authorized levels will be based on production levels, (i.e., annual flow projections) number of facilities, and number and duration of capital projects; temporary and contract staff will be used to meet peak demands while administrative staffing will be maintained at no more than twenty percent of total Agency staff	Limited term employees, who are primarily dedicated to completing engineering, construction, and special projects, have been reduced from 18 to 12 positions (9 full-time positions)

Policies	Description	Achievements
J. Human Resources Management (continued)	3. As an employer of choice, the Agency will maintain a competitive compensation package; the Agency's memorandums of understanding will be negotiated at no less than three year intervals and the Agency's salaries will also be reviewed and adjusted every three years based on market surveys	In December of 2010 the Agency began preparing for MOU negotiations that began in March 2011. New contracts will be implemented by July 1, 2011
K. Risk Management	1. Risk Management policies are designed to protect against losses that would affect its assets and hence, its ability to provide ongoing services	In FY 2010/11 the Safety and Risk department analyzed all Agency insurance programs to ensure proper and adequate coverage is provided to both the Agency and the public



Renewable Energy Digesters



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

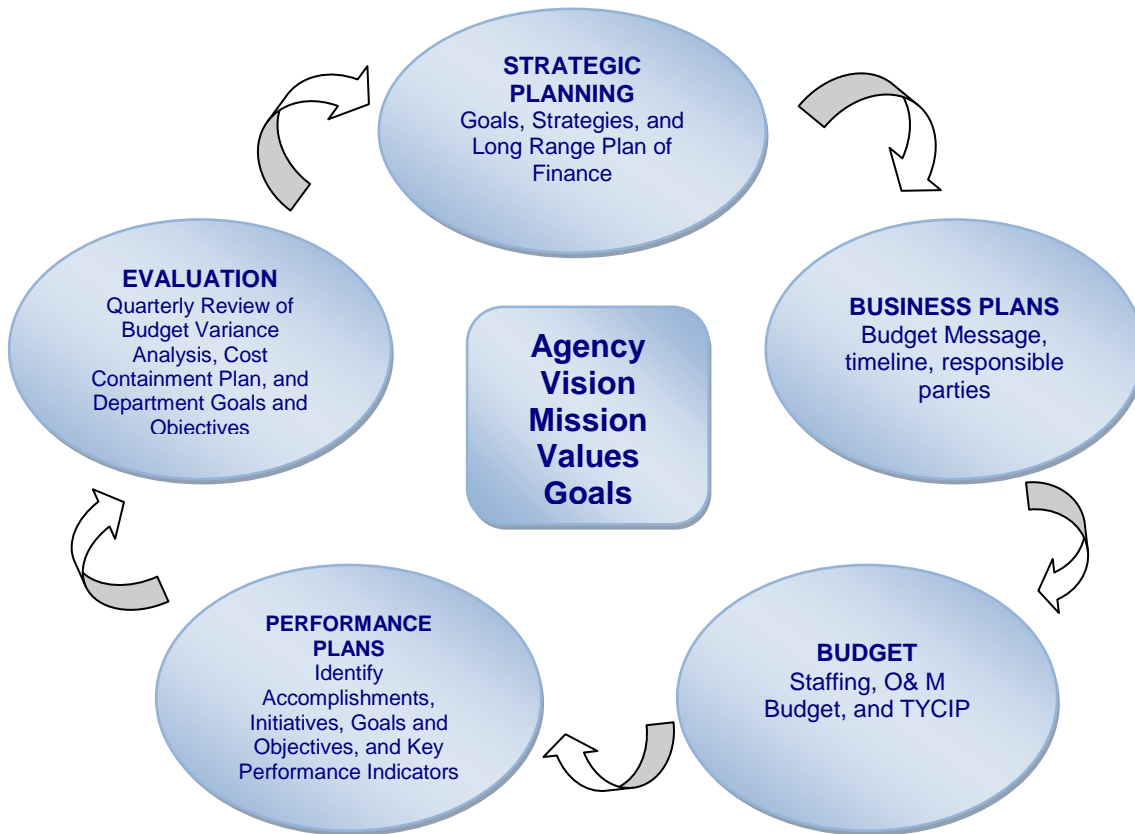




Budget Process

BUDGET PROCESS

The budget is the primary performance tool used to measure accountability of public agencies, ensuring the public trust for taxpayer dollars. The budget communicates to all stakeholders (i.e., elected officials, regional agencies, and citizens) how their investment will be used by providing detailed information on specific resource allocations and expenditures. Progress is monitored on a monthly basis, and revisions are made as necessary to meet changing needs or accommodate unplanned requests. This budget document is useful as a benchmark to evaluate the Agency's accomplishments and/or challenges, as well as to assess compliance with fiscal accountability.



The Agency's annual budget is prepared on a July 1 through June 30 fiscal year basis. Preparation begins in October with the issuance of the General Manager's message, which communicates to all Department Managers and Supervisors the guidelines and the Agency's key objectives for the preparation of the Five Year Business Plan (operation budget), the Ten Year Long Range Plan of Finance (LRPF) and the Ten Year Capital Improvement Plan (TYCIP, capital budget).

Strategic Planning

To determine the short-term and long-term strategic directions of the Agency and to align them with the Agency's vision, goals and objectives, the Executive Managers meet to review the Agency's Vision, Master Plan, LRPF, and TYCIP. The Executive Managers review the various forecasts prepared by the Human Resources, Finance, Planning, Engineering, and Operations departments to identify fund commitments due to bargaining agreements, inflation, infrastructure needs, utilities, and operations and maintenance. Service fees and reserves are reviewed to identify Agency's income and growth. Based upon this information, department managers are provided with guidelines for the preparation of their respective budgets.

Department Responsibilities

Each department is tasked to develop qualitative, quantitative, and justifiable departmental goals and objectives, key performance measurements, staffing plans, capital budget requests, and operation and maintenance (O&M) budget requests that are pertinent to the department's goal performances and consistent with the Agency's policy goals and objectives.

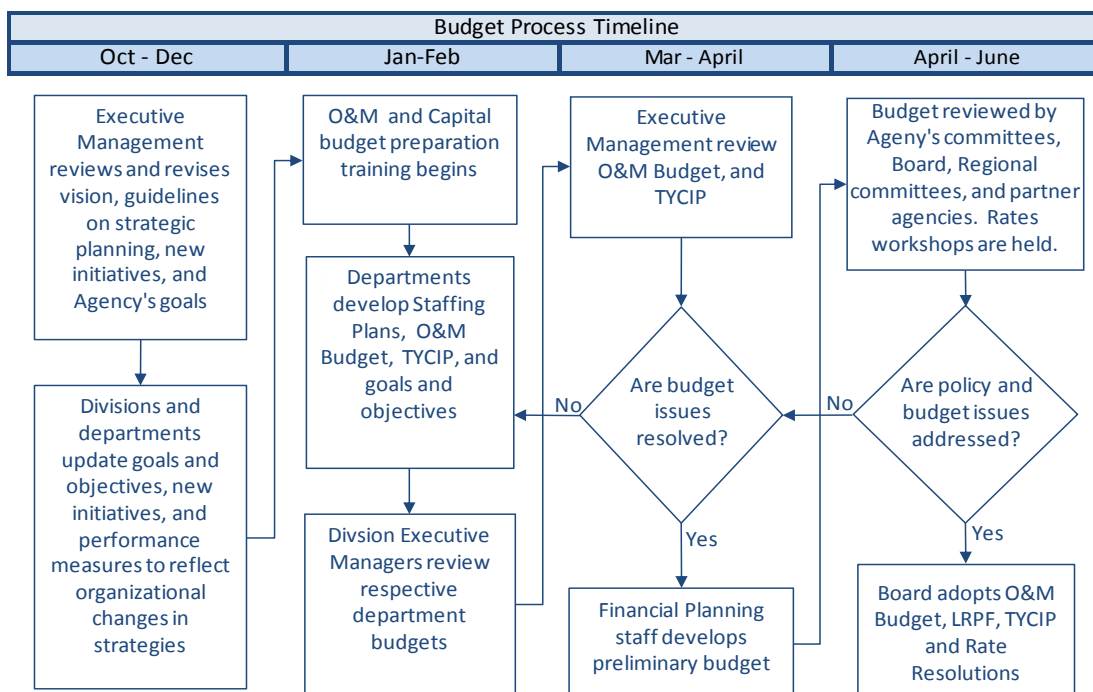
Executive Management Responsibilities

Executive Management meets with staff to review and evaluate both operation and capital budget requests over several sessions to minimize service rate impact and ensure that greater operating efficiencies are achieved and to maintain sufficient operating reserves for the Agency's various programs. In some cases, this means re-examining operating priorities, streamlining procedures, consolidating or realigning resources, and reducing operating costs. Budget workshops are held to inform the Board and the contracting agencies on major budget assumptions, proposed rate structures, capital programs, and respective policy issues.

Subsequently, the Board's Finance, Legal and Administration Committee review the proposed budget and the service rates as recommended by Executive Management. In May, the Regional Wastewater Program budget and the respective service rates are presented to the Regional Committees, which comprises representatives from the Agency's contracting agencies. Upon the Regional Committees' review and recommendation, the Agency's Board of Directors approves and adopts the final budget document, rate resolutions, and the TYCIP before June 30th.

Budget Preparation Timeline

With the support from the Board of Directors, Executive Management, Department Managers and staff, the budget preparation process adheres to a timeline and plays an important role in the Agency's strategic financial planning.



Budget Preparation Training

To assist staff in the budget preparation process, the Financial Planning department collaborated with staff from other departments in conducting training sessions on operations and maintenance budget, as well as the capital budget in January and February. Open houses are also facilitated to further assist staff in the budgeting and reporting process. Reference materials, such as labor rates, staffing plan, project list, and instructions for budget preparation are posted in the Agency's intranet website. In addition, "Power Users", a group of trained staff on budget preparation, are available to assist staff throughout the budget preparation cycle.

Balanced Budget

The Agency's budget is prepared with itemized budgets for each fund within each program. The budget is balanced with the current revenues equal to or greater than current expenses using the following strategies: improve work flow efficiency; ensure effective pricing on materials and contracts; pursue aggressively Federal and State grants to support capital projects; raise service fees based on cost of services and operations. In any fund, when operating or capital expenses exceed revenues, the respective fund reserves will be used to meet the shortfall.

The budget is balanced with projected increases in service fees, grants and state loans, as well as conservative expense forecasts that sufficiently support the capital programs and operation and maintenance budget for FY 2011/12 and the ensuing years. The proposed FY 2011/12 capital program of \$48 million will be funded by connection fees, federal and state grants and loans, a portion of property tax, as well as utilizing the reserves which includes remaining proceeds from the 2008A bond issue. The reserves will be used to meet the anticipated shortfall of \$12 million based on the FY 2011/12 projections.

Budgetary Control

The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board. The Agency's Fiscal Control Ordinance establishes the Agency's basic principles of financial control and provides the General Manager and the Chief Financial Officer the authorization and fiscal flexibility to realign operation and maintenance budgets as needed. The General Manager and the Chief Financial Officer are authorized to approve the transfer of appropriations for a single account category within a single fund's budget. Any increase in appropriation in any fund budget, whether accomplished through a change in anticipated revenues or through a transfer of, or increase in appropriations among funds, and any transfer of appropriation so as to increase the salary appropriation of a fund, for whatever purpose, requires the approval of the Board. Information on budget transfers is presented to the Board as part of quarterly variance reporting.

Budget Variance Monitoring

During the fiscal year, budget-to-actual expense/capital reports are distributed to all levels of management. Department Managers are required to prepare and submit budget variance analysis to the Divisional Managers on a quarterly and specific reporting period basis, in accordance to budget variance guidelines.

In addition, the Financial Planning department facilitates quarterly sessions with the General Manager, the Chief Financial Officer, and the Department Managers to review and discuss their responsible cost centers' actual to budget variances and report on the progress and status of the cost containment strategy. Subsequently, staff presents the Agency's quarterly budget to actual variances to the Finance, Legal and Administration Committee and the Board of Directors. The on-going budget review process is essential in

monitoring current year operational and capital costs. It also acts as an early warning mechanism for Department Managers when actual spending differs in any substantial way from the original budget amount. (see variance table below)

In the event, the overall adopted Operation and Maintenance Budget or Capital Budget appropriation needs to be amended, a presentation to the Finance, Legal and Administration Committee is required. The Board takes the Committee's recommendation into account as they consider the merits of the additional requested appropriation. A Board majority is required to change the budgeted appropriation.

Budget Basis

The Inland Empire Utilities Agency is a California Municipal Water District established in 1950 under the provisions of the Municipal Water District Act of 1911.

The Agency is operated and reports its activities as an Enterprise Fund, which is used to account for operations that are financed and operated in a manner similar to private business enterprise. Enterprise funds account for operations that provide services on a continuous basis, and are substantially financed by revenue derived from user charges. It is the intention of the Agency to recover the full-cost of providing goods and/or services through the collection of user charges and fees.

Budgeted and actual revenues and expenses reported in this document are recognized on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). Consequently, revenues are recognized when earned, and expenses are recognized as they are incurred, the same as the Agency's financial statements, or Comprehensive Annual Financial Report.

The only exceptions are non-cash items, such as; depreciation, amortization, and deferred financing expenses which are recognized in the budget document as part of the annual capital expenditures or long term debt cost of issuance at the time of acquisition or debt issuance.

FY 2010/11 3rd Quarter Variance Report Ending March 31, 2011

	Adopted Annual Budget	Amended Annual Budget	Actual Quarter Ended 3/31/11	Amended vs. Actual	% of Amended Budget
Revenues	\$88,865,400	\$88,865,400	\$61,167,500	(27,697,900)	68.8%
Other Sources of Fund	46,776,000	47,272,700	24,221,200	(23,051,500)	51.2%
Administrative & Operating Expense	(76,482,400)	(84,961,600)	(48,532,900)	36,428,700	57.1%
CIP Expense	(77,689,200)	(87,737,700)	(25,234,900)	62,502,800	28.8%
Debt Service / Financial Expense	(20,520,000)	(20,920,700)	(16,414,500)	4,506,200	78.5%
Surplus/(Deficit)	(39,050,200)	(57,481,900)	(4,793,600)	52,688,300	8.3%
Beginning Fund Balances	125,251,517	121,214,548	121,214,548	0	
Ending Fund Ending Balances	\$86,201,317	\$63,732,648	\$116,420,948	\$52,688,300	182.7%



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Revenues

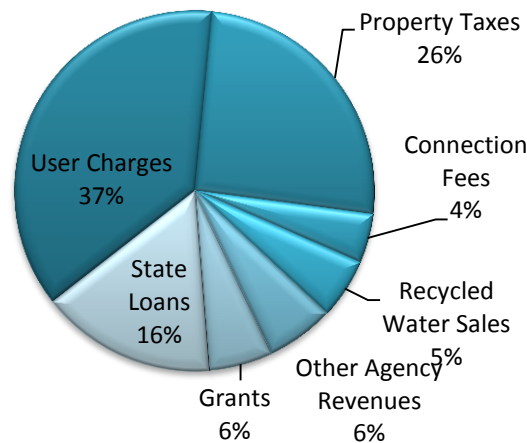
REVENUES AND OTHER FUNDING SOURCES

Revenues and Other Funding Sources

Total Revenues and Other Funding Sources is \$130.1 million for FY 2011/12.

Revenue	FY 2011/12 \$Millions	% of Total	Description
User Charges	\$48.0	37%	Includes Regional Wastewater Program EDU service charges, NRW program volumetric, capacity and other user charges, surcharges for imported water deliveries and monthly meter fees
State and Other Loans	20.3	16%	State revolving fund loans for the Recycled Water and Regional Wastewater programs
Property Tax	32.9	25%	Share of the San Bernardino County-wide secured property tax levy and RDA tax
Grants	7.4	6%	Various Federal, State and Local grants primarily in support of the Agency's Recycled Water Distribution System construction
Recycled Water Sales	7.0	5%	Recycled water sales and MWD Local Project Program (LPP) rebate
Connection Fees	5.7	4%	New EDU connection fees to the Regional Wastewater sewer system
Other Revenues	7.8	6%	Comprised of various reimbursements for operational expenses, program rebates and interest earnings
Inter-Fund Loan	1.0	1%	Repayment from WC Fund to NC fund for the Interfund loan issued in FY 2007/08
Total Revenue & Other Funding Sources	\$130.1	100%	

**FY 2011/12 Total Revenue & Other Funding Sources
\$130.1 Million**



Service Charges

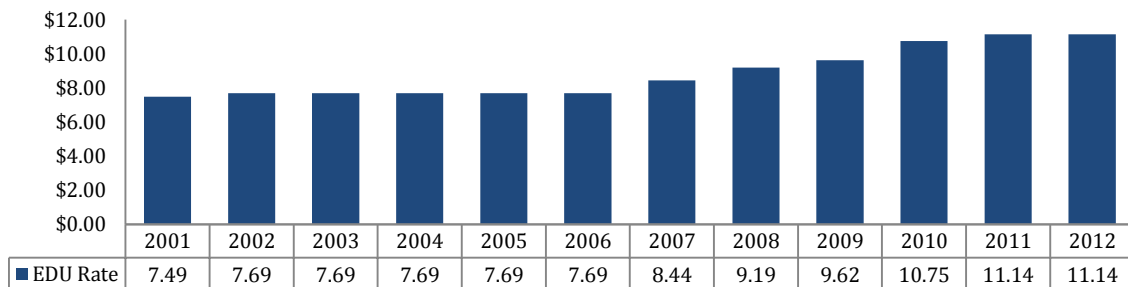
Service charges are comprised of two primary user fees; EDU volumetric fees paid by users discharging to the Agency's regional wastewater system and NRW fees paid by industrial and commercial users connected to the Agency's brine line system.

EDU Service Charges

The Regional Wastewater system growth and available wastewater capacity is reported in Equivalent Dwelling Units or EDU's. EDU service charges help to fund the operations and maintenance of the Regional Wastewater Program and are recorded in the Regional Wastewater Operations & Maintenance (RO) Fund.

The Agency's Regional Wastewater user charge rate will remain unchanged at \$11.14 per EDU in FY 2011/12. In consideration of the current economic conditions, in March 2011, the IEUA Board approved the Regional Sewage Policy Committee's recommendation, to defer the proposed EDU rate increase.

Regional Wastewater Rate per EDU/month



Property tax revenues used to supplement regional operations costs and more recently the use of fund reserves have supported moderate rate increases over the years. Currently, the Agency's sewer volumetric rate of \$11.14 per EDU is one of the lowest in southern California.

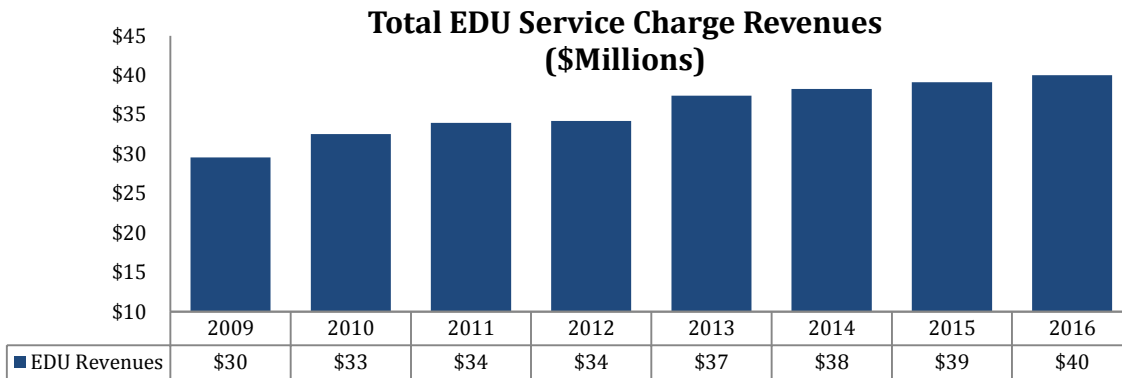
Wastewater Rate Survey-Southern California Agencies				
WHOLESALE AGENCIES				
Agency	Notes	FY 2010/11 EDU Service Rates	Connection Fees/Capacity	Charges
Eastern Municipal Water District	EDU: District Average. Rates vary by City	\$ 22.34	\$	1,748
Inland Empire Utilities Agency		11.14		4,766
Irvine Ranch Water District	16.65= 100% rate (over 1,000 cubic ft); 3,028 is for 0-5 DU's/acre	16.65		3,028
Orange County Sanitation District	\$244/yr: \$244/12=\$20.33/mo	20.33		3,281
Western Municipal Water District	Per Resolution 2675, Average of 5 Service Areas	27.70		4,500
RETAIL AGENCIES				
Agency	Notes	FY 2010/11 EDU Service Rates	Connection Fees/Capacity	Charges
City of Chino	Total Rate (Base Rate + IEUA Pass Through)	\$ 19.92	\$	4,766
City of Chino Hills	Total Rate (Base Rate + IEUA Pass Through)	18.34		4,766
City of Colton	Homes/Mobil Homes - Dwelling Unit per Mo.	32.78		2,800
City of Corona	Current Wastewater rate for inside standard wastewater	41.07		3,773
City of Fontana	Total Rate (Base Rate + IEUA Pass Through)	18.88		4,766
City of Montclair	Total Rate (Base Rate + IEUA Pass Through)	16.31		4,766
City of Ontario	Total Rate (Base Rate + IEUA Pass Through)	23.37		4,766
City of Redlands	Residential (Inside or Outside of City, Single Family- Bimontly)	39.76		3,850
City of Riverside	Basic Single Family Dwelling Unit	20.55		3,683
City of San Bernardino	Residential (per month per unit) \$ 16.00; \$3,500/Edu	16.00		3,500
City of Upland	Total Rate (Base Rate + IEUA Pass Through)	17.77		4,766
CVWD	Total Rate (Base Rate + IEUA Pass Through)	16.39		4,766
East Valley Water District	West of City Creek=\$28.93; East of City Creek=30.93	29.93		4,403
Elsinore Valley Municipal Water District	Monthly Sewer Service Rate: All Areas	42.00		6,890
Jurupa Community Services District	Base Charge \$15.72 HCF Charge - 1HCF \$1.02	16.74		4,268
Rancho California Water District	Sewer Charges billed from Eastern Municipal WD	17.77		1,748

However, with the State’s ability to take legislative action to transfer property tax revenue from local governments as a way to balance the state budget, reliance on these funds to support operating activities poses a potential risk to the Agency. Therefore, consistent with the Long Range Plan of Finance, it is the Agency’s ultimate goal to have programs that are self-supported by user charges and fees, and use property taxes to support capital and debt service costs.

Over the past three years, total influent flows have dropped approximately 10% - 15% due to a combination of; successful water conservation and drought ordinances, a higher number of foreclosures and vacancies (a result of the economic downturn), and Metropolitan Water District’s (MWD) 10% reduction of IEUA’s imported water allocation. Current wastewater flows at all four facilities combined average about 53 million gallons per day (MGD). Compared to the existing treatment capacity of 85.7 MGD, the flows in ten years are expected to total 68% of IEUA’s treatment capacity. The projected EDU volumetric flow growth rates are shown in the table below.

Monthly EDU Volumetric Revenue Growth Rate				
FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
.75%	.25%	.25%	.25%	.25%

Total EDU Service Charges for FY 2011/12 are estimated to be \$34 million. Future year forecasts include annual moderate rate increases and the assumption property tax revenues will not be shifted by the State to balance the state budget deficit.



*EDU's are based on the measurement of wastewater flow equivalent in quantity and strength to the daily flow of an average single-family residential household. Each EDU equals approximately 98,550 gallons per year for a single residential household, or 270 gallons per day.

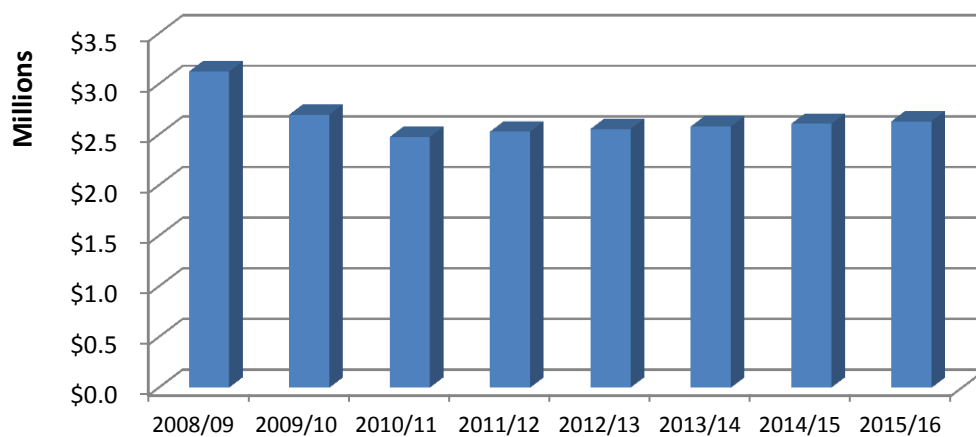
NRW User Charges

Revenues for the Non-Reclaimable Wastewater (NRW) system consist of cost recovery and user fees in the form of capital and administrative charges. Capacity fees are also levied for the right to discharge into the Agency’s NRW system. External charges from the County Sanitation District of Los Angeles County (CSDLAC) and Santa Ana Watershed Project Authority (SAWPA) for disposal and treatment of industrial discharges are fully recovered from industries using the Agency’s NRW system. The Agency also adds a capital fee to support capital replacement costs and an administrative charge of 50% (reduced to 10 % for industries purchasing recycled water). The administrative charge is collected in addition to the pass through rates to support the Agency’s operating and administrative expenses.

User charges that include primarily the pass-through volumetric charges from CSDLAC and SAWPA, are projected at \$2.5 million in FY 2011/12. Other user charges include administrative, operational and capacity charges are estimated to be \$2.4 million.

The FY 2010/11 administrative charge on the NRW north system's volumetric revenue is projected to decrease slightly, approximately \$115,000, due a slight reduction in flows as compared to FY 2009/10. The drop in flows is a combination of lower discharges from industries such as California Steel Industries (CSI), Gen-On (formerly Reliant), the closing of the Sunkist plant and the suspension of operations at the City of Upland Hills Ion Exchange Plant. Under the pass-through rate structure, a decrease in volumetric revenue is offset by a corresponding decrease in operating expenses. There is no further drop in volumetric flows projected for FY 2011/12 and ensuing years, resulting in no change to the administrative charges.

Trend of NRW Volumetric Charges



State Loans

Proceeds from state loans are projected to be \$20.3 million in FY 2011/12 or 16% of the Agency's total revenue. The Clean Water Act (CWA) of 1987 authorized the use of federal money to create a State Revolving Fund (SRF) loan program that is administered by SWRCB. The SRF Loan Program provides low interest loans and other types of assistance for the construction of publicly owned wastewater treatment works and water reclamation facilities necessary to prevent water pollution, encourage use of recycled water, correct non-point source and storm drainage pollution problems and provide for estuary enhancement.

The terms of SRF loans consist of a 20 year repayment period with interest rates ranging between 0% and 2.7% per annum, and payments beginning one year after the completion of construction. More details on the financing terms and debt service are provided in the Debt Management section.

The American Recovery and Reinvestment Act of 2009 (ARRA) signed into law by President Obama on February 17, 2009, provided SWRCB with \$280 million in federal stimulus funding. The Agency submitted applications for various projects and received \$18 million in funding for the Recycled Water Distribution System Phases 4 and 5 and \$27.4 million for the Regional RP-1 Dewatering Facility Expansion Project.

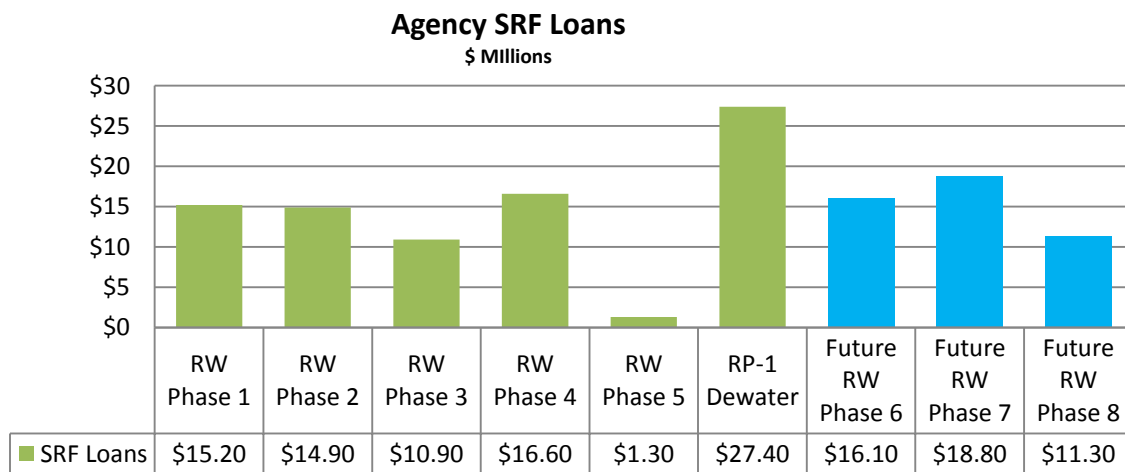
In March 2009, SWRCB approved stimulus funding for the Recycled Water Distribution System and awarded a \$4 million grant. In June of 2009, SWRCB approved stimulus funding for the Regional RP-1 Dewatering Facility Expansion.

This was the first appropriation of stimulus funds awarded by the State of California. SRF loans issued under the stimulus plan have special financing terms; 1) Recycled Water Loans – 0% interest rate, 20 year term, and are also eligible for grant proceeds, and 2) Regional Wastewater Loans – 0% - 1% interest rate, 20 year term, but are not eligible for grant proceeds.

A total of \$20.3 million of SRF loan proceeds are projected for FY 2011/12. These loans provide funding for the design and construction of the Agency’s Regional Recycled Water System and the RP-1 Dewatering Facility Expansion budgeted in the RC Fund.

IEUA currently has several SRF loans, interest rates range from 0% to 2.5% for phases 1 through 5 of the recycled water distribution system and the RP-1 Dewatering project. The Agency anticipates three additional SRF loans for the completion of the recycled water distribution system, one in FY 2011/12 for phase 6 of the Recycled Water Distribution system and one in FY 2012/13, with the final recycled water loan in FY 2018/19. It should be noted however, that there is no guarantee that the Agency will receive an SRF loan in any given year considering the finite amount of money available in the program and that loans are distributed on a first come-first serve basis.

Phase 6 of the Recycled Water Distribution system and the RP-1 Dewatering project are projected to be complete in FY 2011/12.



Property Tax Revenues

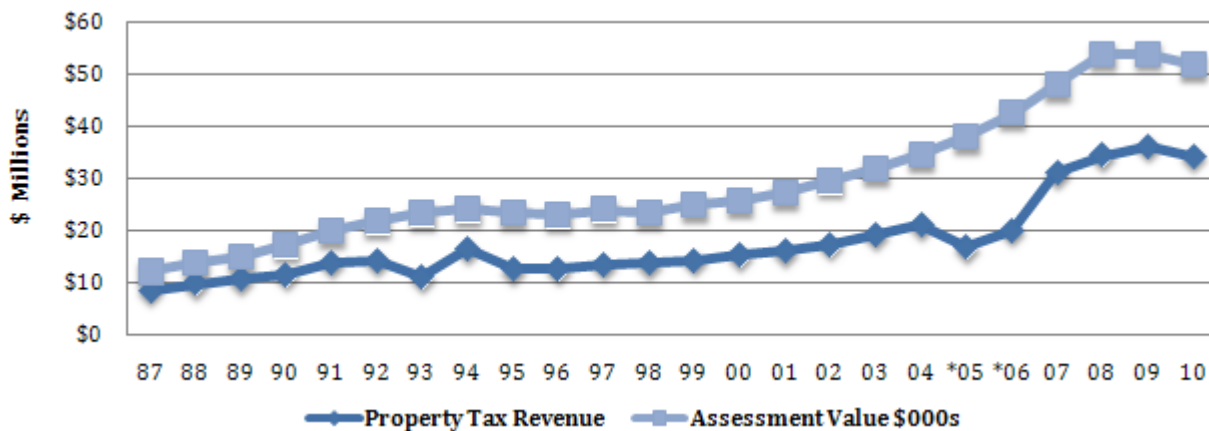
The Agency receives a 1% allocated share of the San Bernardino County-wide secured property tax levy pursuant to the California Revenue and Taxation Code. Payments from the County are regulated by the “Teeter Plan” which allows taxing agencies to collect 100% of assessed taxes each year in lieu of receiving only those taxes collected by the County. Property tax revenues support debt service costs, the acquisition of common Agency assets, and supplement a portion operating costs in the Regional Wastewater Program. The Agency’s apportionment of property tax proceeds from the County of San Bernardino includes:

- General - 1% of general property taxes applied to assessed property values within the Agency’s service area.
- RDA - The Agency collects a portion of the revenue received by Redevelopment Agencies (RDAs) from the County of San Bernardino for “pass through” tax proceeds.

- IDC - 1% from Improvement District “C” (“IDC”). The formation of the “IDC” by the Agency, (under the provisions of Part 8, [commencing with section 72000] of Division 20 of the Water Code), was solely for the purposes of acquiring certain wastewater treatment facilities and is allocated 100% to the Regional Wastewater Capital Improvement (RC) Fund.

Historically, housing market and rising property assessment values in the Agency’s service area resulted in a significant increase in property tax revenues over a ten year period; from \$15 million in FY 1999/2000 to a peak of \$36 million in FY 2008/09. With the 2008 economic downturn, the ongoing State budget crisis, slow development and decreased property assessed valuation in the Agency’s service area, property tax receipts are projected to decrease by 3% in FY 2010/11, a decrease of 1% in FY 2011/12, followed by a minimal growth rate as the weak economic forecast is expected to continue for the next two to three fiscal years.

Comparative of Property Tax Revenue and Property Assessment Value



- 1) Property tax shift by State of California for the Education Revenue Augmentation Fund (ERAF) in FY 1993
- 2) Prop 1A, property tax shift in FY 2005 & 2006 (\$7M per fiscal year)

Total property tax revenue is projected at \$32.9 million in FY 2011/12. Property tax revenues declined by nearly 5.5% in FY 2009/10 and are projected to drop an additional 3% in FY 2010/11 due to a combination of a high number of foreclosures and a reduction in property assessment values in the Agency’s service area.

Beginning in FY 2009/10, 8% of property tax revenue, or approximately \$2.6 million, was allocated from the RO Fund to the Recycled Water Program. The allocation to the Recycled Water Program will decrease from 8% to 5% in FY 2011/12 through FY 2013/14 with the goal of supporting 100% of the Recycled Water Program debt service costs. Thereafter, the 5% allocation to the Recycled Water fund from the Regional Wastewater O&M (RO) fund will be restored to the full 27%, with no property tax allocation to the Recycled Water fund.

- 65% - Regional Wastewater Capital Improvement (RC) Fund to support annual debt service payments and the acquisition, construction and improvement of wastewater facilities
- 22% - Regional Wastewater Operations & Maintenance (RO) Fund to support capital replacement of wastewater facilities and operating costs
- 8% - Administrative Services (GG) Fund to support the acquisition of common Agency assets such as fleet vehicles, and computer and hardware purchases

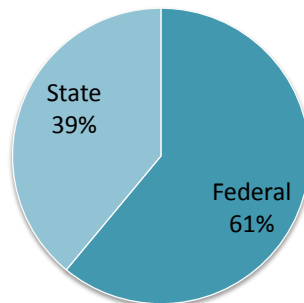
- 5% - Recycled Water (WC) Fund to support the acquisition, construction and improvement of Recycled Water Distribution System

While property taxes are an important source of revenue, they are also the most uncertain due to the potential risk for the State to take legislative action to transfer these funds as a way to balance the state budget. In FY 2004/05 and FY 2005/06, a total of \$14 million of the Agency’s property taxes were shifted by the State as part of the ERAF (Educational Revenue Augmentation Fund) transfer of property taxes to schools. More recently, the State Legislature suspended Proposition 1A (Prop1A) and borrowed property taxes from local government to balance the FY 2009/10 budget. The Agency participated in the Prop1A Securitization for its share, \$2.1 million. It is the Agency’s goal to use 100% of property taxes to support debt service and capital costs. Annual moderate rate increases will ultimately provide a cost of service rate and reduce dependence of property taxes to fund operating costs.

Grant Revenues

In FY 2011/12 grant revenues are expected to be \$7.4 million or 6% of the Agency’s total revenue. Grant revenue projections are based on the total expenditures for eligible projects and any other programs that are eligible for grant funding.

**FY 2011/12 Grant Revenue
\$7.4 Million**



As a municipal water district, the Agency is eligible for funds from various Federal, State and Local grantors such as:

- United States Bureau of Reclamation (USBR)
- Federal Emergency Management Agency (FEMA) and California Emergency Management Agency (CalEMA)
- California Department of Water Resources (DWR),
- California Department of Parks and Recreation (DPR)
- State Water Resources Control Board (SWRCB)
- Metropolitan Water District (MWD)

The Agency has been actively participating in grant programs since FY 2000/01. Grants have become an important source of funds for the Agency. The agency continues to pursue grants and low interest state loans to fund essential projects.

Current active grants include:

- USBR - In 2008, the Agency was awarded a \$20 million federal Cooperative Agreement for the Recycled Water Program, since that time total funds received through FY 2010/11 are approximately \$13 million.
- DWR- Residential and Multi Family toilet installation grant for \$1.6 million, with approximately \$1 million received through FY 2010/11.
- FEMA and Cal EMA – In April 2011, the Agency entered into a Public Assistance Agreement for the 2010 Statewide Storm Event. The total cost to repair the damaged basins and construction sites is estimated at \$636,400 with approximately \$600,000 eligible for grant.
- DPR- has awarded the Agency \$208,000 for the Water Discovery Field Trip and Bus Transportation grant program and \$38,500 under the California Wildlife Protection Act for Earth Day and habitat protection at the Chino Creek Wetlands and Educational Park.
- SWRCB- has awarded the Agency \$1.5 million for the Chino Creek Integrated Plan & Clean Up Project, this project will help to preserve and restore the natural landscape features, and improve water quality and ecological functions in the Prado Basin

Federal Grants	Program Funded	Program	Purpose	FY 2011/12 Budget
U.S. Bureau of Reclamation (USBR)	Recycled Water	Recycled Water Distribution Systems	Construction of recycled water pump stations and pipelines to provide recycled water to the Agency's service area	\$3,900,000
Federal Emergency Management Agency (FEMA)	Regional Wastewater, Recharge Water, Recycled Water	Magnolia Channel and Recharge Basins	The Magnolia Channel project, part of the overall Chino Creek Master Plan, sustained storm damage this winter. This grant will help with the costs to repair spillway and electrical damage	601,300
U.S. Bureau of Reclamation (USBR)	Water Resources	Regional Water Irrigation Meters	Provides for the development of water budgets for dedicated irrigation landscape meters for all IEUA member agency customers	50,000
Total Federal Grant Funding			61%	\$4,551,300

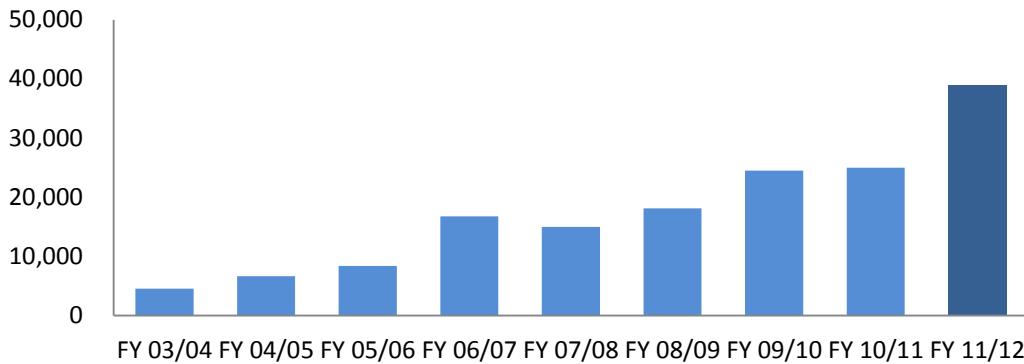
State Grants	Program Funded	Program	Purpose	FY 2011/12 Budget
State Water Resources Control Board (SWRCB)	Regional Capital	Chino Creek Integrated Plan & Clean Up	Administration of the Chino Creek Integrated Plan for the use of water throughout the Prado Basin and clean-up projects along Chino Creek	\$1,252,940
State Water Resources Control Board (SWRCB)	Recycled Water	Recycled Water Distribution Systems	Construction of recycled water pump stations and pipelines to provide recycled water to the Agency's service area	1,000,000
Department of Water Resources (DWR)	Water Resources	Multi-Family Direct Install Rebate Program	Partial reimbursement of the installation of Ultra Low Flush and High Efficiency Toilets throughout the IEUA service area	371,830
State Water Resources Control Board (SWRCB)	General Administration	Greater Prado Clean Up and Restoration Project	Clean up existing waste materials, recycle fill dirt, habitat restoration and documentation of water quality degradation in the Prado Basin	209,240
CA Dept. of Parks and Recreation (DPR)	Regional Operations	Water Discovery Field Trip	Allows for the bussing of students from neighboring schools an opportunity to experience a water discovery and wetlands field trip	44,050
CA Dept. of Parks and Recreation (DPR)	Regional Operations	Earth Day	This project is set up to provide a community earth day event at the Agency's Chino Creek Wetland and Educational Park	7,700
Total State Grant Funding			39%	\$2,885,760
Total Grant Funding			100%	\$7,437,060

Recycled Water Sales

Recycled water provides a cost effective and more dependable local water supply, and is a key to drought proofing the Agency's service area. Recycled water along with water conservation measures are the major sources for meeting the Agency's future and growing water needs (Urban Water Management Plan [UWMP], 2005). The Agency's recycled water program is anticipated to provide 20% of IEUA's water requirement by 2025. Agency staff has developed and are executing the Recycled Water Business Plan (RWBP) to increase the use of recycled water and is encouraging residential use cooperatively with local builders and/or developers.

With the aggressive implementation of the RWBP, the Agency's recycled water usage has grown. In FY 2011/12 recycled water direct sales are budgeted at 25,000 AFY (acre feet per year) and groundwater recharges sales are budgeted at 14,000 AFY for a total of 39,000 AFY, an increase of 56% compared to FY 2010/11 projections of 25,000 AFY.

Sales in Acre Feet per Year



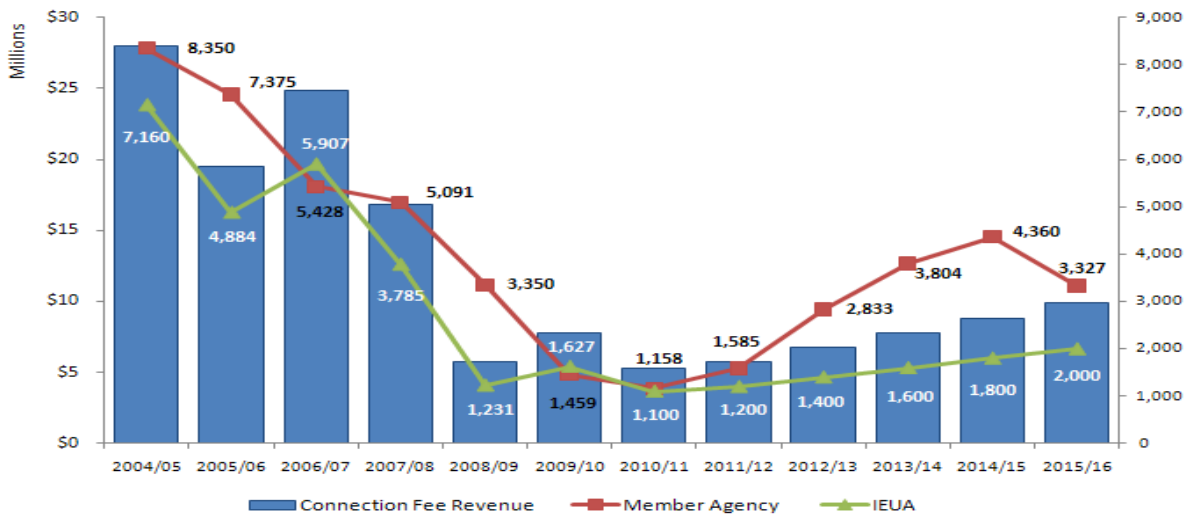
In April 2011, the Regional Policy Committee and the Agency’s Board approved a rate increase effective July 1, 2011 from \$95 to \$115 for direct recycled water sales and from \$115 to \$145 for deliveries of recharged recycled water. Based on projected deliveries of 39,000 AFY, (25,000 AF direct sales plus 14,000 AF of groundwater recharge sales), total recycled water sales are estimated to be \$4.9 million in FY 2011/12. The MWD LPP (Local Project Program) rebate is also budgeted at \$2.1 million. The MWD LPP rebate is based on the recycled water sold in excess of 3,500 AFY up to 17,000 AFY at a rate of \$154/AF, or approximately \$2.1 million per year. The LPP program is scheduled to expire in June 2017.

Regional Wastewater System Connection Fees

The Agency levies a fee to connect to the region’s sewer system on all new development within its service area. Fees are collected by each of the Agency’s contracting cities or agencies and are held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or “called”, by the Agency. Capital calls, or connection fee payments of CCRA funds, are based on identified and projected costs for capital acquisition, construction, and improvement of regional facilities reported to the contracting agencies on a quarterly basis in accordance with the Regional Sewage Service Contract. Capital calls are calculated based on the percentage of each contracting agency’s CCRA account balance relative to the aggregate amount.

The Agency’s connection fee rate of \$4,766 per new connection will be maintained in FY 2011/12 with a moderate annual increase of 1% starting in FY 2012/13 through FY 2020/21. The conservative growth projection is primarily a result of the current economic downturn which has slowed development. With the housing market in flux, it is difficult to predict exactly when an increase in building activity will occur. The ensuing years reflect a very conservative growth forecast of 200 new units per fiscal year.

The FY 2011/12 connection fee revenues are projected to be approximately \$5.7 million, or 1,200 EDUs at an adopted fee of \$4,766/EDU. At the peak of economic development in FY 2004/05 and FY 2005/06, the number of new connections exceeded 7,000 as indicated in the graph below.



Other Revenues and Funding Sources

In FY 2011/12 Other Revenues are projected to be \$7.8 million, approximately 6% of the Agency’s total revenue. The Agency receives reimbursements for various contract services, major reimbursements include:

Other Revenue	%	Program Funded	Description	FY 2011/12 Budget (\$Million)
Contract Cost Reimbursement	78%	Administrative Services	➤ Reimbursement from Chino Basin Desalter Authority (CDA) for the construction and operations of the Chino Desalters I and II	\$1.4
		Regional O&M	➤ Reimbursement for temporary re-assignment of Agency labor	.2
		Recharge Water	➤ Reimbursement from Inland Empire Regional Composting Authority (IERCA)	2.8
		Recycled Water	➤ Reimbursement from Chino Basin Watermaster (CBWM) for recharge basin operations	1.1
		Water Fund	➤ Reimbursement for Special projects	.05
			➤ Reimbursement for Water and Conservation projects	.5
Total				\$6.1
Interest Revenue	14%	All Programs	Revenue earned on the average fund balance, assuming an interest rate of 1.5%	\$1.1

				FY 2011/12 Budget (\$Million)
Other Revenue	%	Program Funded	Description	
Miscellaneous Other Revenue	8%	Recycled Water	➤ Public and Private retrofit/lateral reimbursement	.35
		Regional Wastewater Program	➤ Lease revenues and environmental benefit credits	.07
		Non- Reclaimable Wastewater	➤ Other miscellaneous service charges	.13
		Administrative Services	➤ Other miscellaneous service charges	.002
			Total	\$0.6
Total Other Revenue	100%			\$7.8

Inter Fund Loans

Inter fund loan receipts of \$1 million in FY 2011/12 will be offset by the corresponding payment (expense) for the same amount reported under Debt Service costs. The following table summarizes the transactions by program:

Inter Fund Loan Issued	From	To	Loan Amount	Proposed Repayment Amount FY 2011/12	Repayment Schedule
FY 2007/08	Non-Reclaimable Wastewater (NC) Fund	Recycled Water	\$9M	\$1M	2011/12 \$1M 2012/13 \$1M 2013/14 \$1M 2014/15 \$1M 2015/16 \$1M 2016/17 \$2M 2017/18 \$1M 2018/19 \$1M Total \$9M
FY 2007/08	Regional Wastewater Capital (RC) Fund	Recycled Water	\$3M		2017/18 \$2M 2018/19 \$1M Total \$3M
FY 2009/10	Non-Reclaimable Wastewater (NC) Fund	Recycled Water	\$6M		2012/13 \$1M 2013/14 \$1M 2014/15 \$1M 2015/16 \$1M 2016/17 \$1M 2017/18 \$1M Total \$6M
		Grand Total	\$18M	\$1M	\$18M

Changes in Total Revenue & Other Funding Sources

In FY 2011/12 total revenue and other funding sources, excluding inter-fund loan repayments, are anticipated to increase by \$1.4 million over the FY 2010/11 Projected Actual:

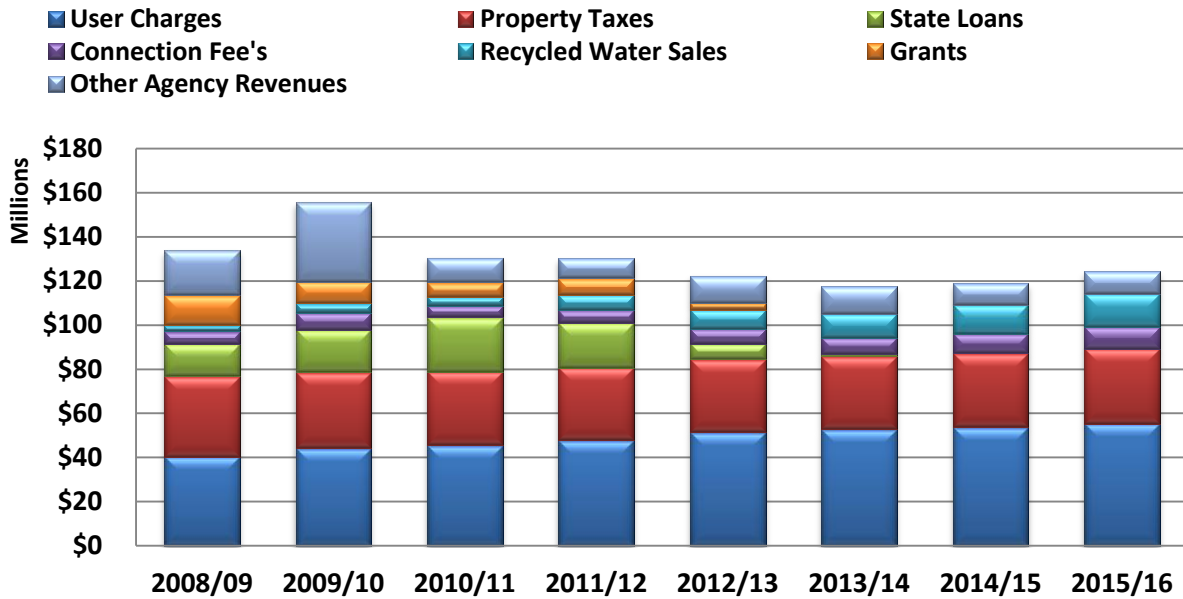
FY 2011/12 Budget - Revenues & Other Funding Sources Change, net Inter-Fund Loan Repayments (\$Thousands)

	Admin. Services Program	Wastewater Program	Non-Reclaimable Wastewater Program	Recharge Water Program	Recycled Water Program	Water Resources Program	Total FY 2011/12	Projected Actual FY 2010/11	Increase/ (Decrease) from Prior Year	% Change
User Charges	\$0	\$35,512	\$8,359	\$0	\$0	\$4,041	\$47,912	\$45,616	2,296	5.03%
Property Tax	2,637	28,680	0	0	1,648	0	32,965	33,297	(332)	-1.00%
Regional System Connection Fees	0	5,719	0	0	0	0	5,719	5,243	476	9.08%
Grants	209	1,539	0	347	4,921	422	7,437	7,309	128	1.75%
State and Other Loans	0	5,849	0	0	14,438	0	20,288	24,628	(4,340)	-17.62%
Water Sales	0	0	0	0	6,984	0	6,984	4,254	2,730	64.17%
Other Revenues:	1,716	3,473	375	1,169	546	552	7,831	7,429	402	5.41%
Interest Revenue	119	600	237	10	143	16	1,125	1,145	(20)	-1.75%
Sale of Assets/Capacity Fees	0	0	0	0	0	0	0	150	(150)	-100.00%
Contract Cost Reimbursement	1,595	2,796	0	1,159	50	536	6,136	5,740	396	6.90%
Misc. Revenue	2	77	138	0	353	0	570	394	176	44.67%
Total	\$4,562	\$80,772	\$8,734	\$1,516	\$28,537	\$5,015	\$129,136	\$127,776	\$1,360	1.06%

In FY 2011/12 there is an estimated decrease of \$4.3 million in State and Other Loans and \$332,000 in Property Tax receipts which are offset by an increase of \$2.3 million in User Charges and a slight increase in Connection Fee revenue. Total revenues from other funding sources are expected to steadily decline over the next several years as construction of the Recycled Water Distribution System is completed and corresponding proceeds from State Loans and Grants are no longer received.

Total revenues, excluding inter fund loans, are anticipated to change from \$129 million in FY 2011/12 to an average of \$119 million through FY 2015/16. The change is primarily due to a decrease in other funding sources (non-operating) offset by anticipated increases in operating revenues. The increase in user charges is primarily a result of proposed annual rate increases to achieve self-supported programs and minimize reliance on property taxes which is consistent with the Agency's policy objective to have self-supporting programs. The Agency is working towards maintaining a rate structure where revenues generated by a specific program are sufficient to meet that program's capital and operating costs. This provides the basis for specific program rate increases, reduces the need for fund transfers between programs, and minimizes reliance on property taxes.

Total Revenues & Funding Sources



Other Revenues include: State Revolving Fund loans, Sale of Assets and Capacity, Gas Sales, Inter-Fund Loans and miscellaneous reimbursements.



Garden in Every School Program



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

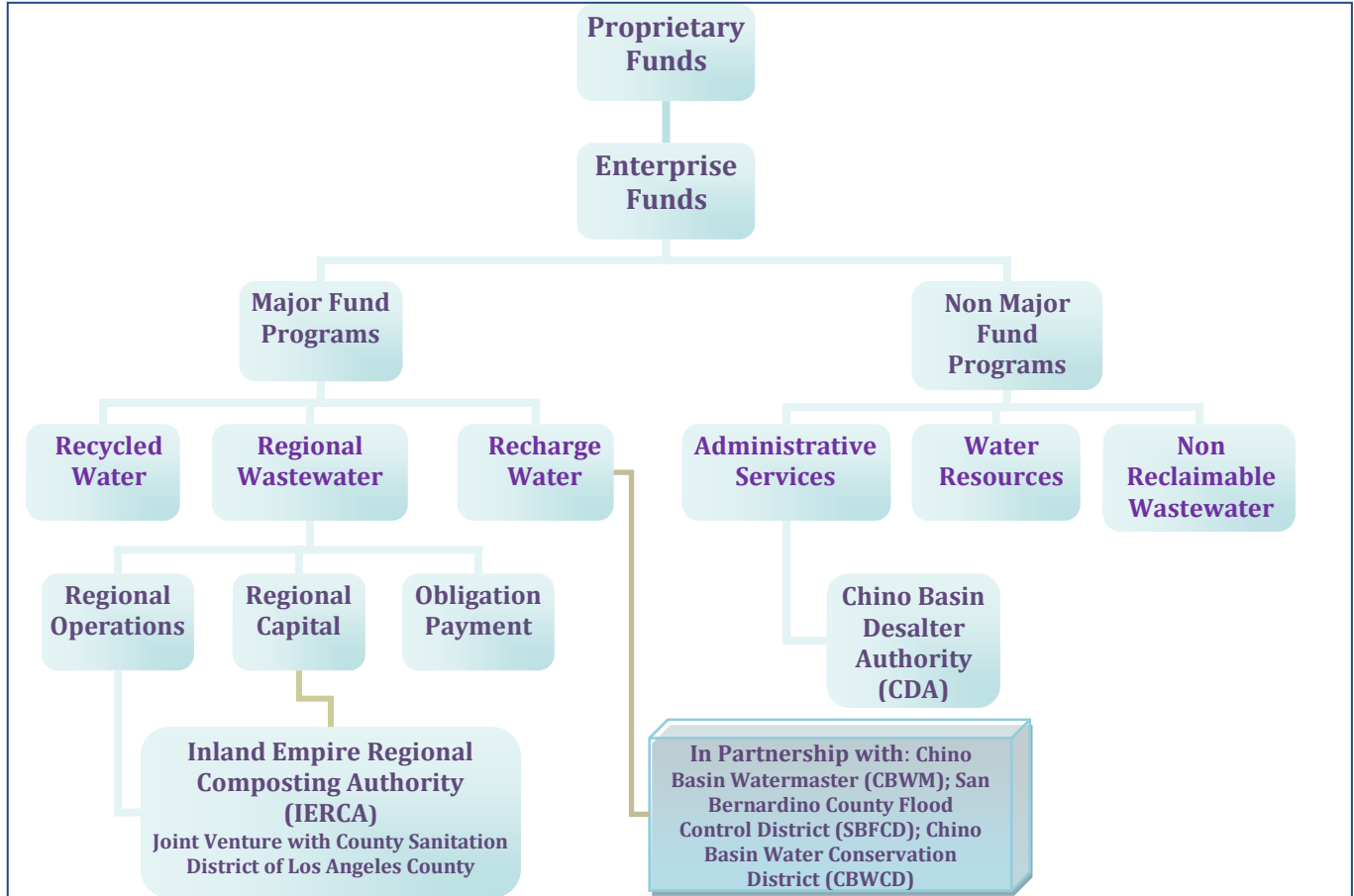




Programs / Fund

FUND STRUCTURE

Inland Empire Utilities Agency (IEUA) Fund Structure



As a special district, the Agency engages in primarily enterprise operations in various separate and distinct activities, including; (1) wholesaling of potable water and management of water resources, (2) sale of recycled water and development of the distribution system, (3) maintenance of groundwater recharge basins and sale of recharged recycled water; (4) acquisition and construction of conveyance and plant facilities, and treatment of domestic wastewater, (5) organics management, digestion and marketing; (6) renewable energy production through digestion; and (7) non-reclaimable wastewater system services, operations and maintenance.

Each individual enterprise fund is classified in either a Major Fund or Non-Major Fund group and is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following definition of Major and Non-Major Funds are consistent with the Agency' audited Comprehensive Annual Financial Report (CAFR).

Major Funds

The Regional Wastewater, Recycled Water, and Recharge Water Program funds make up the Major Fund Group and are used to account for the resources devoted to funding the capital and operating costs associated with the acquisition, construction, improvement, expansion and operation of the Agency's domestic wastewater treatment plant facilities, the recycled water distribution system and the recharge water basins.

Non-Major Funds

The Non-Reclaimable Wastewater Program, Administrative Services Fund and Water Resources Fund, designated as the Non-Major Funds, are used to record capital and operating costs associated with the non-reclaimable wastewater system including the acquisition, expansion and construction of the interceptors, and appurtenant facilities and treatment capacity, the administrative and overhead expenses for the various departments, operational and administrative support for the Chino Basin Desalter, the purchase of common Agency assets, and the management and distribution of wholesale of potable water, development and implementation of regional water conservation initiatives, water resource planning .

The Agency's budget is organized on the basis of enterprise funds, each of which is considered a separate budgetary and accounting entity and reported on a full accrual accounting basis. The Agency develops its sources and uses of fund estimates for the annual budget in a manner consistent with GAAP. Financial resources are allocated to, and accounted for, in individual funds based upon the purposes of which they are to be spent as the means by which spending activities are controlled. In some cases, fund use will cross agency/organizational lines when resources from various areas are applied to, or supporting a particular program or activity.

Each fund includes both capital and operations budget. All of the programs (funds) budgets are appropriated, once the Agency's Board has approved and adopted the annual budget.

Details on each program fund's initiatives, activities, and budget are provided in the individual program budget.



Secondary Clarifier
Carbon Canyon Wastewater Reclamation Facility

ADMINISTRATIVE SERVICE PROGRAM

Programmatic Overview

The Agency's costs of general and administrative expenses for various cost centers and staff labor pool are initially budgeted within the Administrative Services Program (GG Fund). These costs include capital acquisitions for general administrative purposes, purchases of non-capital and non-project related materials, supplies, tools, and contract services. Throughout the year, pertinent expenses such as staff labor, equipment and facilities maintenances and other indirect costs are allocated to the Agency's various programs, departments, and external clients on a cost reimbursement basis, based on either estimated staff work time, frequency of equipment usage, or full time equivalent (FTE) participation for specific program or activities.

Summarized below are staffing costs charged to other programs and clients. (See the Personnel section of the budget for a more detailed review of the Agency's Staffing Plan and the related analysis of staffing costs). The slight variation in labor cost percentage between programs is mainly due to shift of personnel and department labor allocation.

Program	Labor Cost Percentage	
	FY 10/11	FY 11/12
Regional Wastewater	68.7%	74.0%
Recycled Water	6.1%	6.0%
Administrative Services/Chino Basin Desalter Operations	6.8%	4.5%
Organics Management/IERCA Operations	8.5%	8.0%
Non-Reclaimable Wastewater System	6.1%	5.0%
Water Resources	2.7%	1.4%
Recharge Water	1.1%	1.1%
Total Personnel Costs by Program	100%	100%

The Agency also provides contract services to other municipal entities in the form of financial, treasury, debt management, accounting functions, program/project management, and plant operations. Costs allocated from the GG Fund for outsourcing of staff expertise and associated administrative expenses represent approximately \$4.6 million in FY 2011/12.

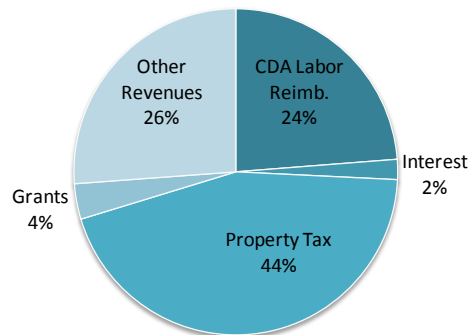
Agency	Cost Reimbursements	FY 2011/12 Budget \$ Million
Chino Basin Desalter Authority	IEUA staff labor and administrative costs for the operation & maintenance of Desalter plant 1 located in Chino, CA	\$1.4
Inland Empire Regional Composting Authority	IEUA staff labor and administrative costs for the operation & maintenance of the composting facility in Rancho Cucamonga, CA (Labor allocation reimbursement is recorded in RO fund)	2.8
Chino Basin Watermaster	IEUA staff labor and administrative costs for the operation & maintenance of groundwater recharge basins (Labor allocation reimbursement is recorded in the RW Fund)	.4
	Total Cost Reimbursements	\$4.6

Revenue and Other Funding Sources

The FY 2011/12 Administrative Services Program (GG Fund) budget projects \$5.9 million of revenue and other funding sources; including property tax receipts of \$2.6 million, labor cost reimbursement from the Chino Basin Desalter Authority (CDA) of \$1.4 million for operation and labor costs for the Chino Desalter I plant, \$300,000 from contract cost reimbursements and interest, and \$200,000 from grant receipts. Other funding sources include inter-fund transfers of \$1.4 million for capital replacement support from the Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water Programs.

The GG Fund receives 8% of the Agency's total property tax revenue. In FY 2011/12 total property tax revenue is projected to decline 1% compared to the prior year amount. There is no projected growth for FY 2012/13 due to continued economic struggles and the decline in property assessment values throughout San Bernardino County.

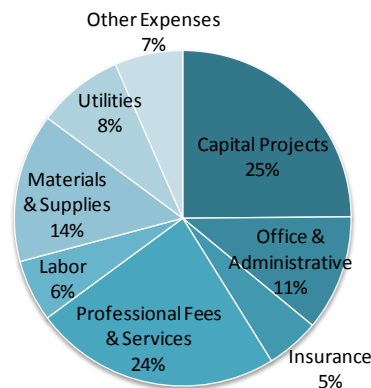
Revenue & Other Funding Sources
\$5.9 M



Expenses and Other Uses of Funds

Agency-wide administrative and employment expense of \$44.7 million is captured in the GG Fund, which is then allocated to the other programs through the expense and labor allocation processes. Approximately \$39.1 million is allocated to other programs resulting in a net expense of \$5.5 million remaining in the GG fund. Included in the net expense is \$3.8 million of administrative and operating costs, \$231,000 of reimbursable project costs, and \$1.4 million of capital expenditures.

Expenses & Other Uses of Funds
\$5.5M



Capital Expense

Capital expense includes all capital purchases for furniture, vehicles, office equipments (defined by policy as greater than \$5,000), computers and software (greater than \$1,000), and other administrative purchases commonly used for general Agency purposes. The Agency allocates 93.2% of the capital expenses to the Regional Wastewater Program, and the remaining 6.8% to the Non-Reclaimable Wastewater and Recycled Water Programs through inter-fund transfers.

Cost containment efforts in response to the current economic recession resulted in the deferral of non essential capital projects agency-wide, as well as the extension of replacement cycles for computers from 4 years to 6 years, and fleet vehicles from 7 years to 10 years. Total capital costs for FY 2011/12 are estimated to be \$1.4 million. Major projects in the capital program for FY 2011/12 include headquarters building improvements and repairs for \$859,000, server and business network replacement as well as replacement PC's and laptops for \$500,000.

Employment Expense

Total employment expense prior to fund allocation, includes both wages and benefits. Allocated labor shown below includes wages and benefits and is net of the projected \$5.5 million capital project allocations. The total full time equivalent (FTE) positions authorized for FY 2011/12 remains at 295. The vacancy status trend in the past six fiscal years has been averaging 5% and the Agency expects to continue with a 5% minimum staffing vacancy factor, or 280 FTE's. Vacant positions will be filled only when deemed essential to the effective operation of the Agency.

Labor Expense by Program/Fund	Grand Total \$ Millions
Regional Operations (RO)	\$20.8
Regional Capital Program (RC)	3.9
IERCA Facilities (IERCA)	2.8
Recycled Water Program (WC)	1.9
NRW Program (NC)	1.7
Desalter Operations & Capital Programs (CDA)	1.5
Water Related & Conservation Programs (WW)	.5
General Administration (GG)	.3
Recharge Water Program (RW)	.3
Total	\$33.7

Allocated labor total before reimbursement of \$1.4 million to the fund from the Chino Basin Desalter Authority

Administrative Expense

Administrative expense includes costs for general office administration, insurance, professional and contract services, materials and supplies and some operating fees. The FY 2011/12 budget of \$3.8 million reflects a slight decrease compared to FY 2010/11 projected actual (net of allocation to other programs). More details on the major expense categories are provided below.

Office and Administrative

Total office and administrative expense of \$1.4 million, decreased \$400,000 compared to FY 2010/11 projected actual due to ongoing cost management throughout the Agency. Items such as recruitment, education and travel related expense have been reduced, as well as annual election expense.

Professional Fees & Services

This category includes legal, external audit, financial, landscaping, security and equipment maintenance contract services. Total professional fees & services increased \$190,000 compared to the FY 2010/11 projected actual. While the Agency continues to mitigate costs, some fees and services continue to increase. Increases in this category are due to increased legal and computer related services.

Contract Work/Special Projects

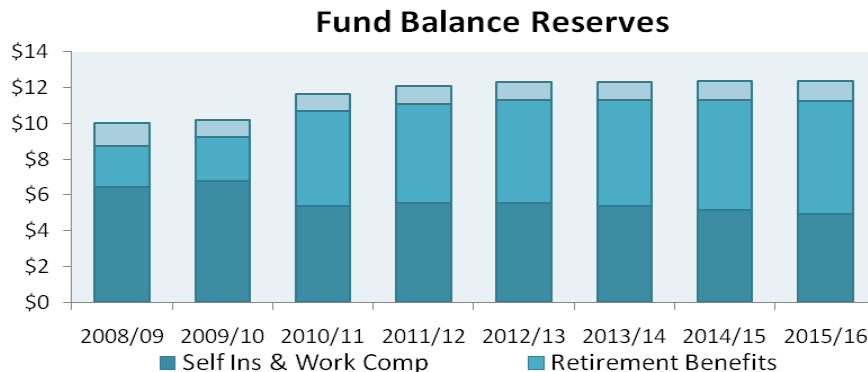
Scheduled special project expense for FY 2011/12 is \$231,357. The project addresses the unauthorized activities that degrade the habitat and adversely affect the water quality in the Prado Basin. The project is partially reimbursable by an ARRA grant from the SWRCB.

Fund Balance

The reserves for this program are projected to increase by \$450,000 leaving an ending balance of \$12.1 million in FY 2011/12.

Fund balance for operating contingencies is projected to be \$1 million, retirement benefit reserves \$5.5 million, and self-insured workers compensation reserves \$5.6 million. A self insurance program was established for risks associated with workers compensation in FY 1993/94 and a budgeted amount has been included each fiscal year to build up these reserves. The self-insured reserve balance is projected to reach the estimated required level as determined by Safety and Risk Management in FY 2010/11. As usage of this reserve is discretionary, a portion of the balance will be used to support future year retirement benefit costs.

The Agency’s contract with the California Public Employees’ Retirement System, CalPERS, for employee retirement benefits will continue in FY 2011/12 at the current rate of 2.5% at 55. The Agency’s employer contribution rate for FY 2011/12 is 14.753% (an increase of 3%), and the employee contribution rate remains at 8%, which is funded by the Agency as per Memorandum of Understanding, for a combined total rate of 22.75%.



FY 2013-2016 Forecast

Over the next four years the reserve balances is projected to remain near \$12 million, as both expenses and capital spending are maintained at a consistent level. No growth in property tax revenue is projected for next fiscal year and an average increase of 1% is projected for the following six years. The majority of expenses are projected to increase by an estimated inflation rate of 2%.

Per the Governmental Accounting Standards Board (GASB), public employers are required to measure and report the future cost of Other Post Employment Benefits (OPEB) promised to their employees, OPEB benefits are benefits paid directly to former employees (usually for medical insurance). Currently GASB does not require employers to pre-fund this benefit, however post employment benefits are important because they represent a significant and growing element of Agency related liability.

Employers can choose to pay these costs as they come due know as *pay-go* funding, or they can elect to *advance fund* them by placing resources in a trust. The resources are deposited into the trust as employees are earning the benefit. Currently the Agency has opted to go with the pay-go method. In 2008 an actuarial study for the Agency calculated annual liability to be approximately \$1 million per year. The Agency will continue to asses funding strategies during FY 2011/12.



Headquarters AC System – Chino, CA

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2011/2012 BUDGET
GG FUND - SOURCES AND USES OF FUNDS

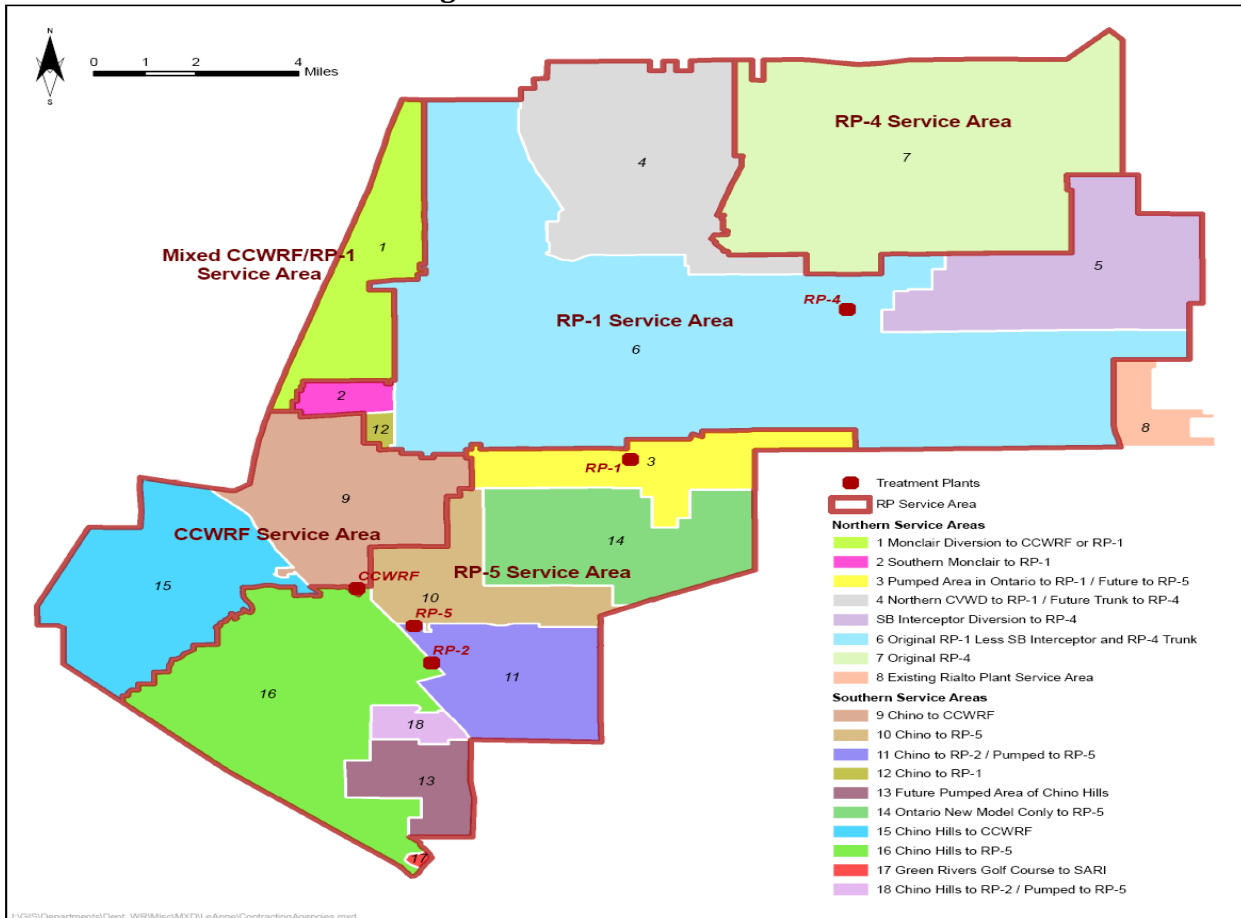
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST		
REVENUES AND OTHER FINANCING SOURCES								
Property Tax	\$2,957,255	\$2,822,908	\$2,705,714	\$2,663,839	\$2,637,201	\$2,650,387	\$2,676,890	\$2,717,044
Contract Cost reimbursement	1,012,102	1,020,028	1,778,319	1,370,397	1,413,241	1,418,994	1,424,570	1,430,268
Interest Revenue	347,600	218,285	141,079	112,529	118,657	183,880	215,322	247,417
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$4,316,957	\$4,061,221	\$4,625,112	\$4,146,765	\$4,350,594	\$4,253,161	\$4,316,782	\$4,394,729
OTHER FINANCING SOURCES								
Grants	\$69,138	\$65,084	\$215,340	\$23,917	\$209,243	\$0	\$0	\$0
Other Revenues	339,888	338,837	2,000	(99,400)	2,000	2,000	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$409,026	\$403,921	\$217,340	(\$75,483)	\$211,243	\$2,000	\$2,000	\$2,000
EXPENSES								
Employment Expenses	\$1,194,915	(\$6,923)	\$298,033	\$130,547	\$326,690	\$416,211	\$608,473	\$670,944
Contract Work/Special Projects	377,040	62,070	307,461	32,351	231,357	0	0	0
Utilities	475,636	391,588	718,038	480,630	453,024	486,274	515,888	531,365
Operating Fees	6,636	5,975	6,375	6,375	6,375	6,439	6,471	6,503
Professional Fees and Services	1,979,654	1,807,276	2,363,574	1,940,542	2,133,065	2,154,396	2,175,940	2,197,699
Office and Administrative expenses	1,479,451	1,223,681	2,231,030	1,821,098	1,425,061	1,437,348	1,449,718	1,474,709
Biosolids Recycling	5,573	10,671	14,500	2,000	2,060	2,122	2,185	2,319
Materials & Supplies	866,119	254,957	635,968	619,387	699,728	713,723	742,557	757,408
Other Expenses	(1,052,527)	(688,044)	(1,468,851)	(1,230,199)	(1,179,041)	(1,224,494)	(1,247,653)	(1,271,373)
TOTAL EXPENSES	\$5,332,496	\$3,061,250	5,096,128	3,802,731	\$4,098,320	\$4,014,986	\$4,190,398	\$4,391,551
CAPITAL PROGRAM								
Work in Progress	\$318,186	\$284,132	\$519,309	\$477,112	\$1,361,050	\$750,000	\$678,500	\$500,000
TOTAL CAPITAL PROGRAM	\$318,186	\$284,132	\$519,309	\$477,112	\$1,361,050	\$750,000	\$678,500	\$500,000
DEBT SERVICE								
Financial Expenses	\$67,888	\$13,405	\$8,800	\$13,500	\$14,000	\$14,000	\$14,000	\$14,000
TOTAL DEBT SERVICE	\$67,888	\$13,405	\$8,800	\$13,500	\$14,000	\$14,000	\$14,000	\$14,000
TRANSFERS IN (OUT)								
Capital Contribution	\$354,945	\$284,805	\$519,309	\$477,112	\$1,361,050	\$750,000	\$678,500	\$500,000
TOTAL INTERFUND TRANSFERS IN (OUT)	\$354,945	\$284,805	\$519,309	\$477,112	\$1,361,050	\$750,000	\$678,500	\$500,000
FUND BALANCE								
Net Income (Loss)	(\$669,533)	\$1,391,160	(\$262,476)	\$255,051	\$449,517	\$175,535	\$50,763	(\$8,822)
Beginning Fund Balance July 01	\$10,693,470	\$10,023,937	\$11,415,097	\$11,415,097	\$11,670,148	\$12,119,665	\$12,295,200	\$12,362,886
ENDING BALANCE AT JUNE 30	\$10,023,937	\$11,415,097	\$11,152,621	\$11,670,148	\$12,119,665	\$12,295,200	\$12,362,886	\$12,354,064
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,261,159	\$768,664	\$1,276,232	\$954,057	\$1,028,080	\$1,007,100	\$1,075,463	\$1,101,386
Insurance & Other	6,471,163	7,618,839	6,427,152	5,389,205	5,564,699	5,367,977	5,160,537	4,925,792
Retirement reserves	2,291,615	3,027,594	3,449,237	5,326,886	5,526,886	5,726,886	6,126,886	6,326,886
ENDING BALANCE AT JUNE 30	\$10,023,937	\$11,415,097	\$11,152,621	\$11,670,148	\$12,119,665	\$12,295,200	\$12,362,886	\$12,354,064

REGIONAL WASTEWATER PROGRAM

Programmatic Overview

The Regional Wastewater Program is a core Agency program which provides essential wastewater treatment services to the residents and businesses in its service area. The Agency's service area encompasses seven local jurisdictions, (Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland and Cucamonga Valley Water District), that serve over 800,000 residents in a 242-square-mile area of western San Bernardino County. Through the Regional Sewage Contract, set in place since 1972, the Agency collects, treats, and disposes of an average of approximately 50 million gallons a day (MGD) of untreated municipal wastewater in all four wastewater treatment facilities (RP-1, RP-4, RP-5, and CCWRF).

Regional Plant Service Area Boundaries

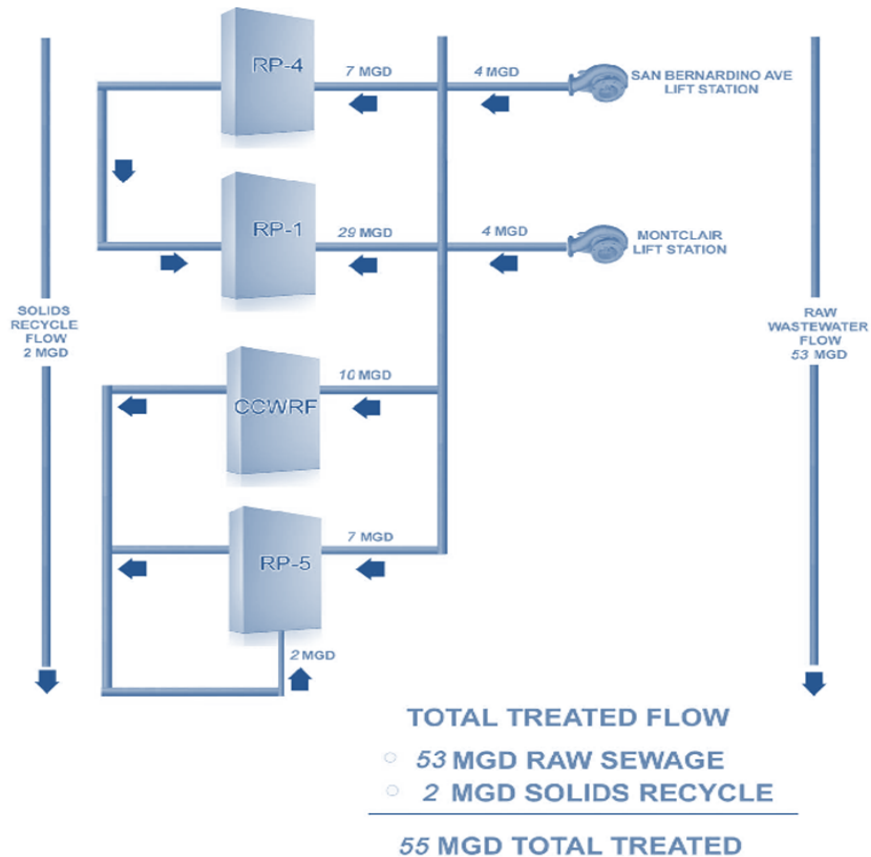


Three key products of the Regional Wastewater Program are:

- Recycled water - distributed throughout the service area
- Biosolids compost - for wholesale distribution in partnership with CSDLAC
- Renewable energy - generated to power the Agency's facilities

The Agency strives to utilize all tangible benefits generated in the Regional Wastewater Program including use of recycled water, proper reuse of bio-solids, desalinization, removal of pollutants from the area's ground water, and different forms of renewable energy, such as solar power, wind turbines, and fuel cells. The program receives significant benefits from its key products, revenues are generated from the sale of wholesale compost, savings of electricity costs through the production of renewable energy, and the use and sale of quality of recycled water produced from the municipal wastewater collected through the

regional wastewater interceptors and delivered to its treatment facilities. The following diagram provides an overview of the Agency's five treatment facilities and respective design treatment capacity per MGD (million gallons per day).



Program Fund Description

The Regional Wastewater Program consists of the following funds:

- **Regional Wastewater Capital Improvement (RC) Fund** – records the transactions for the acquisition, construction, and expansion of the Agency's municipal wastewater treatment plants, large sewer interceptors, and appurtenant facilities. Previously, the program includes the Obligation Payment (OP) Fund, which was closed in December 2010 after the refinancing of the 1994 Revenue Bonds and termination of the Master Resolution.
- **Regional Wastewater Operations & Maintenance (RO) Fund** – accounts for the revenue and operating cost directly related to the domestic sewage treatment service for the contracting agencies (Wastewater Collection and Treatment) and all organic management activities, including the Agency's 50% share of the Inland Empire Regional Composting Facility.

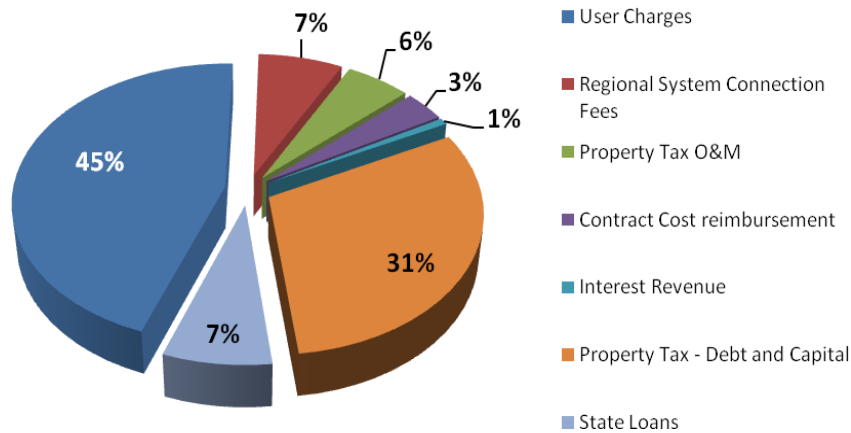
The total FY 2011/12 Regional Wastewater Program expense budget is \$88 million which includes \$50 million in operating costs, \$19 million in capital costs, \$15.2 million in debt service cost, and \$3.4 million inter-fund transfers out to the Recycled Water and Recharge Water Programs debt service support, and capital support to the Administrative Services Fund.

Consolidated Regional Wastewater Program Fund Summary:

\$ Million	2010/11 Amended Budget	2010/11 Projected Actual	2011/12 Adopted Budget	Forecast 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16
Total Revenue & Other Funding Sources	\$94	\$90	\$81	\$80	\$82	\$84	\$86
Total Expenses & Other Uses of Fund	(\$112)	(\$88)	(\$88)	(\$76)	(\$76)	(\$76)	(\$77)
Net income (loss)	(\$18)	\$2	(\$7)	\$4	\$6	\$8	\$9
Beginning Balance	\$61	\$61	\$63	\$56	\$60	\$66	\$74
Ending Balance	\$43	\$63	\$56	\$60	\$66	\$74	\$83

The drop in total revenues and other funding sources in FY 2011/12 is mainly due to the completion of the RP-1 Dewatering Facility Expansion capital project resulting in lower State Revolving Fund (SRF) loan proceeds.

Regional Wastewater Program Revenue and Other Financing Sources - \$81 million



Revenues

Connection Fees For all new development within the IEUA service area, the Agency levies a fee to connect to its regional wastewater system. These fees, commonly called “connection fees”, are collected by each of the Agency’s contracting cities or agencies and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested or “called” by the Agency, consistent with the Regional Sewage Service Contract. Connection fees are restricted to capital acquisition, construction, equipment, and process modifications. Capital calls, or connection fee payments of CCRA funds, are based on identified and projected capital needs. The Agency’s connection fee rate is \$4,766 per EDU (equivalent dwelling unit) effective July 1, 2011, no increase from the prior fiscal year. One EDU is equivalent to one new connection. On March 16, 2011, the Agency’s Board of Directors approved to defer rate increases for the Regional Wastewater Program until FY 2012/13 in light of the economic conditions and difficulties faced by its member agencies.

New development in the Agency’s service area virtually stopped following the collapse of the subprime market in December 2008 and the global economic recession that followed. Three years later, new development and connection fees remain low.

Based on the number of new connections reported by member agencies through February 2011, only 1,158 EDUs are projected through the end of the current FY 2010/11. This is slightly lower than the actual for FY 2009/10 at 1,767 but comparable to FY 2010/11 budget projected at 1,100. The recent policy change on reporting of new connections (from time of building permit to no later than certificate of occupancy) could have an additional effect of lowering the reported building activity in FY 2010/11.

In FY 2009/10, building activity within the Regional Sewer System totaled 1,767 EDUs. As shown in the table below, this is 121% of the initial projected level of building activity (1,459 EDUs) resulting in over \$1.47 million in revenue.

FY 2009/10 Forecasted and Actual Building Activity

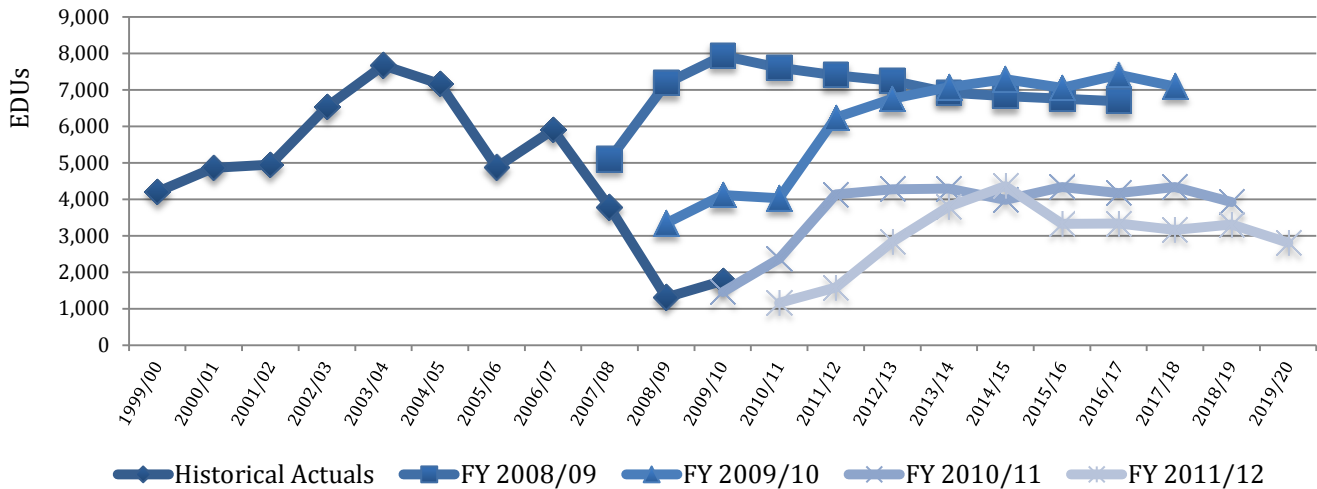
Contracting Agency	Forecasted Activity (EDUs)	Actual Activity (EDUs)	Actual Activity / Forecasted Activity (%)
Chino	92	136	148%
Chino Hills	31	43	139%
C.V.W.D.	308	563	183%
Fontana	500	534	107%
Montclair	158	174	110%
Ontario	318	277	87%
Upland	52	40	77%
Total	1,459	1,767	121%

Consistent with the prior fiscal year, the majority of the building activity in FY 2009/10 occurred within the Cucamonga Valley Water District (CVWD) and the City of Fontana. Building activity within the service areas of these two agencies totaled about 62% of the building activity for the entire service area. The current soft housing market conditions are directly reflected in the amount of growth in the Agency’s service area. For example, during FY 2009/10 there was approximately \$672,000 in connection fees that were refunded to developers who decided to pull back their permits.

Forecasting growth within IEUA’s service area has not been easy in the last few years. With the significant drop in housing prices, limited credit availability and the softening real estate market, accurate forecasting has become a difficult task in Southern California. This underscores the conservative planning strategy that the

region has been forced to take. In the near future, the region will continue to be challenged with predicting economic conditions and the local market response.

**Historical Building Activity and Comparison of
FY 2007/08, FY 2008/09, FY 2009/10 & FY 2010/11
Ten Year Capacity Demand Forecasts**



The Agency’s budget of 1,200 new EDU connections for FY 2011/12, and conservative growth of 200 EDUs per fiscal year for ensuing years are conservatively lower than the forecasts provided by the member agencies:

New Connection (EDUs) Forecasts

	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
IEUA Forecasts	1,200	1,400	1,600	1,800	2,000
Member Agency Forecasts	1,585	2,833	3,804	4,360	3,327

Property Taxes Total property tax revenue is budgeted at \$32.9 million for FY 2011/12, of which \$28.7 million is allocated the Regional Wastewater Program.

FY 2011/12 Property Tax Allocation by Fund

Fund	Percentage	Property Tax Allocation (\$Million)
Regional Capital Improvement (RC) Fund	65%	\$21.4
Regional Operations & Maintenance (RO) Fund	22%	7.3
Recycled Water (WC) Program	5%	1.6
Administrative Services (GG) Fund	8%	2.6
Total	100%	\$32.9

In accordance with the Regional Sewage Service Contract, 65% of total property tax revenues are allocated to the RC fund to support the acquisition, construction and improvement of wastewater facilities. Consistent with the Agency’s use of property taxes, the proposed allocation for FY 2011/12 will first support 100% of debt service costs for all of the Agency’s programs, then capital replacement, and any remaining amount will be used to supplement operating costs. Of the 22%, or approximately \$7.3 million,

allocated to the Regional Wastewater O&M (RO) fund, nearly 40%, or \$2.9 million, supports capital and debt service costs. The balance of 60% or approximately \$4.4 million supplements operating expenses.

Beginning in FY 2009/10 and continuing through FY 2013/14, the Recycled Water Program was allocated a portion of property tax revenues to support debt service costs. A key change in FY 2011/12 is a reduction in this temporary allocation to the Recycled Water Program from 8% to 5%. The 5% allocation will be returned to the RO fund restoring its allocation back to 27% beginning in FY 2014/15.

Property tax revenues declined by nearly 5.5% in FY 2009/10 and are projected to drop an additional 3% in FY 2010/11 due to a combination of a high number of foreclosures and a reduction in property assessment values in the Agency’s service area as a result of the economic downturn. An additional decrease of 1% is projected in FY 2011/12, 0% in FY 2012/13 and minimal growth rate forecasted for ensuing years are based on the assumption that the economy will remain sluggish over the next couple of years.

Property Tax Growth Rate Forecasts					
FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
-3%	-1%	0%	0.5%	1%	1.5%

While property taxes are an important source of revenue, they are also the most uncertain due to the potential risk for the State to take legislative action to transfer these funds as a way to balance the state budget. In FY 2004/05 and FY 2005/06, a total of \$14 million of the Agency’s property taxes were shifted by the State as part of the ERAF (Educational Revenue Augmentation Fund) transfer of property taxes to schools. More recently, the State Legislature suspended Proposition 1A (Prop1A) and borrowed property taxes from local government to balance the FY 2009/10 budget. The Agency participated in the Prop1A Securitization for its share, \$2.1 million. It is the Agency’s goal to use 100% of property tax revenue to support debt service and capital costs. Annual moderate rate increases will ultimately provide a cost of service rate and reduce dependence of property taxes to fund operating costs.

User Charges The collection and treatment of municipal wastewater flows is billed in terms of Equivalent Dwelling Units (EDUs). Each EDU is equivalent to the daily flow of an average single family household estimated at 270 gallons per day (gdp). The Agency’s EDU user charge, or EDU volumetric rate, for FY 2011/12 remains unchanged at \$11.14 per EDU. In consideration of the current economic conditions, on March 16, 2011, the IEUA Board approved the Regional Sewage Policy Committee’s recommendation to defer the proposed increase of \$.41per EDU until FY 2012/13.

The current combined average of wastewater flows at all four facilities is about 53 million gallons per day (MGD). Compared to the existing treatment capacity of 85.7 MGD, the flows in ten years are expected to total 68% of IEUA’s treatment capacity.

The chart below reflects the contracting agencies wastewater average annual flow activities from July - December 2010:

Contracting Agencies	Population (2)	Area (Square miles)	Flows in MGD(1)				Total
			Regional Plant No.1 (RP-1)	Carbon Canyon Water Reclamation Plant (CCWRF)	Regional Plant No.4 (RP-4)	Regional Plant No. 5 (RP-5)	
Chino	86,783	50.5	0.1	2.1	0.0	1.4	3.6
Chino Hills	81,166	46.0	0.0	2.0	0.0	3.0	5.0
Cucamonga Valley Water District	183,247	39.0	7.8	0.0	4.8	0.0	12.6
Fontana	194,882	36.0	7.0	0.0	5.9	0.0	12.9
Montclair	38,110	5.2	0.2	1.9	0.0	0.0	2.1
Ontario	178,558	50.0	9.2	0.0	0.0	2.9	12.1
Upland	77,362	15.3	4.0	1.0	0.0	0.0	5.0
Total	840,108	242.0	28.3	7.0	10.7	7.3	53.3

(1) MGD Million Gallons per day

(2) 2011/12 Projection based on California Department of Finance, State of California, Census Data Center 2010

Over the past three years, total influent flows have dropped by approximately 10%-15% due to a combination of; successful water conservation and drought ordinances, a higher number of foreclosures and vacancies as a result of the economic downturn, and Metropolitan Water District (MWD) 10% reduced allocation of imported water. This is consistent with Orange County Sanitation District, LA County Sanitation District (JWPCP), and City of San Bernardino all of which have reported a 5%-15% reduction in flows. Another factor is the completion of the San Bernardino Pump Station (SBPS) in June 2009 which enhanced the regional systems bypass capacity among the Regional Plants, and is currently accommodating the growth seen in the CVWD and the City of Fontana.

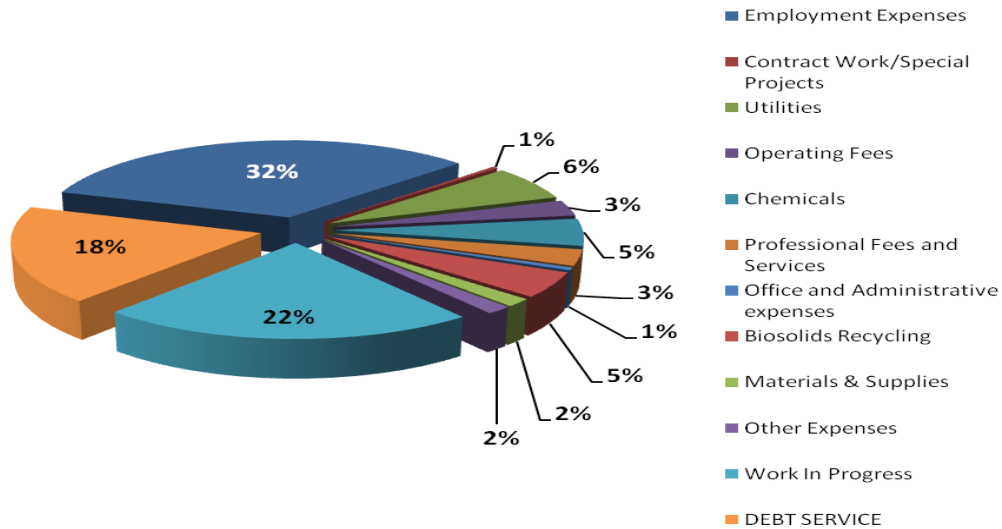
A conservative recovery rate of .75% in the EDU volumetric growth is projected for FY 2011/12, equal to approximately 23,000 EDUs. The current and projected EDU volumetric flow growth rates are shown in the table below.

Monthly EDU Volumetric Revenue Growth Rate				
FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
.75%	.25%	.25%	.25%	.25%

Debt Proceeds FY 2011/12 includes a total of \$5.8 million in SRF loan proceeds for the RP-1 Dewatering Expansion Facility project which is targeted for completion in the same year. This SRF loan is part of the American Recovery and Reinvestment Act (ARRA) federal stimulus funds issued through the State Water Resources Control Board (SWRCB) State Revolving Fund program.

Over half of the total \$27 million SRF loan, or \$14 million, qualified for 0% interest rate as part of SWRCB “green” project guidelines. The remaining balance of \$13 million will be financed at a rate of 1% per annum.

Regional Wastewater Program Expenses and Other Uses of Funds - \$88 million



Regional Wastewater Capital Costs of \$19 million are planned for FY 2011/12. Projects are mainly for system and equipment modifications and upgrades and to maximize efficiency of odor control systems to assuage community concerns. Approximately \$5.8 million of the FY 2011/12 capital budget, at least 30%, is for the RP-1 Dewatering Facility Expansion Project. Below is a listing of FY 2011/12 capital project budgets by type and Agency facility:

Categories						(\$ Thousands)	
	RP1	RP2	RP4	RP5	Other	FY 2011/12 Total	
Capital Construction	\$7,524	\$400	\$675	\$1,320	\$5,270	\$15,189	
Capital Equipment	125	0	0	0	120	245	
Capital Replacement	2,968	0	0	0	290	3,258	
Grand Total	\$10,617	\$400	\$675	\$1,320	\$5,680	\$18,692	

Capital costs throughout most of the past ten years have focused on rapid construction and expansion, with two major wastewater facility expansion projects; the construction of 7 MGD of new capacity at RP-4 and the completion of the Eastern Trunk Sewer connecting RP-1 and RP-5. In addition to meeting the needs of a growing population in its service area, these projects have also helped to improve the availability and utilization of system capacity to match recycled water supplies to demand.

There are no plans in the next ten years to expand the flow capacity of any of the Agency’s Regional Wastewater Facilities. The focus of the Agency’s FY 2011/12 through FY 2020/21 TYCIP capital projects planned for facilities relate to essential system and equipment modifications and upgrades based on the Agency’s Asset Management Plan.

The only major capital construction project in the Regional Wastewater Capital Program is the RP-1 Dewatering Facility Expansion Project and it is slated for completion in FY 2011/12. This project will increase cake storage to a minimum of 48 hours providing more flexibility for scheduling of trucks hauling to the compost facility. This project also will prevent any potential bottlenecks when handling current, as well as future flows.

As part of the Agency’s continuing cost containment measures, capital project spending decreased mainly due to the deferral of non-essential projects, completion of major capital projects, reduced engineering costs due to the use of Agency staff for in-house design, and reduced construction costs due to the impact of the economic recession on the construction industry which has resulted in a favorable bidding environment. In addition, effective use of power purchase agreements (PPAs) to finance renewable energy projects, such as solar, wind and fuel cells, without any capital outlay from the Agency and minimal ongoing maintenance costs.

The total TYCIP for the Regional Wastewater Program amounts to \$81 million, with 23%, or \$19 million, scheduled in FY 2011/12. The table below is a listing of the Regional Wastewater Program TYCIP capital projects:

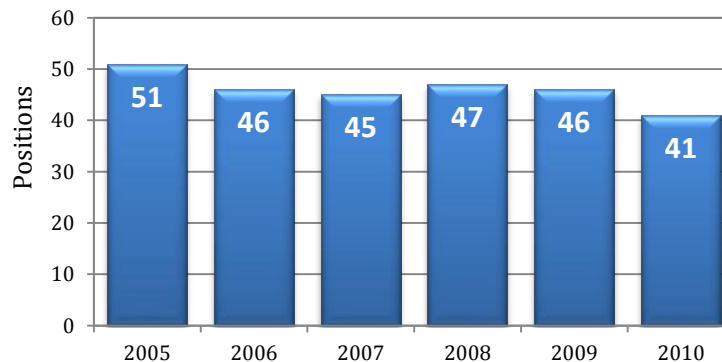
Capital Projects	TYCIP \$ Million
Capital Upgrades RP1, RP2, CCWRF, RP4, RP5	\$26.1
Plant Equipment Improvements	10.5
RP-1 Asset Replacement	9.3
Major Facilities Repairs/ Replacements	8.1
RP-1 Dewatering Facility Expansion Project	5.8
Construction & Emergency Projects	5.0
RP-2 Digester Cleaning	3.5
RP-1 Flare & RP-1/ RP-2 Boiler Replacements	1.5
RP-1, RP-2, Carbon Canyon O&M Manual	1.4
Regional Sewer Special Projects	1.0
All Other Regional Wastewater Projects	8.8
Total Capital Projects	\$81.0

Volume II of the FY 2011/12 Budget, the Ten Year Capital Improvement Plan (TYCIP), contains extensive detail on the Agency’s capital program for FY 2011/12 through FY 2020/21. The TYCIP is reviewed and updated annually by the Agency to revise and adjust assumptions, flow projections, and the related capital projects. This ensures that the Agency is proactively responding to changing growth and demographic factors impacting the demand in the service area.

Regional Wastewater Operating Costs Total operating costs for the Regional Wastewater Program are budgeted at \$50.3 million in FY 2011/12. Over the years, the Agency’s implementation of enhanced technology, use of Key Performance Indicators (KPIs) to monitor energy and chemical consumption, reduction of work shifts to a single shift in all of its facilities through cross training, effective use of JPAs and PPAs, and proactive cost containment efforts reduced total operating costs have maintained operating costs under \$50 million over the last three years.

Employment Expense As the Agency’s core program, approximately 85%, or \$27.6 million, of the total \$32.4 million in employment costs, are allocated to the Regional Wastewater Program. Elimination of multiple shifts at the various facilities through more effective utilization of resources has helped to offset the increase in health insurance and pension premiums and minimized the increase to employment costs over the years. The \$27.6 million budgeted in FY 2011/12 is less than the actual cost of \$28.6 million in FY 2009/10.

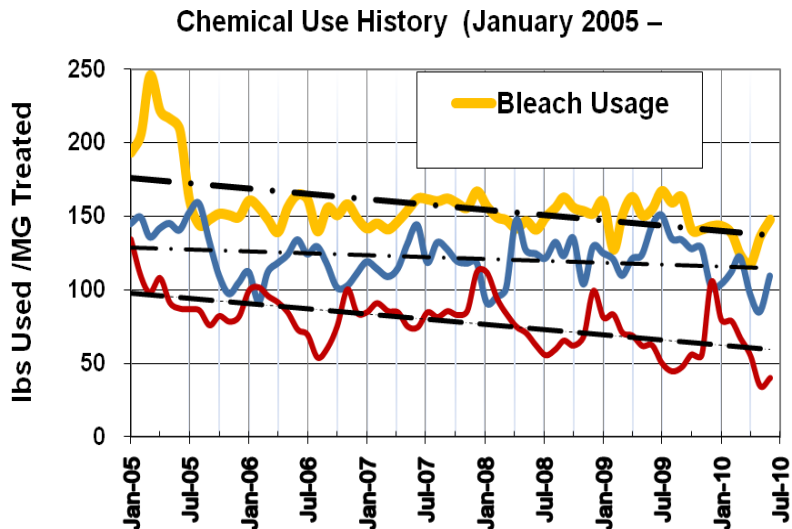
Reduction in the Number of Certified Operators



Included in employment expenses allocated to the RO Fund is the cost of the 21 FTEs assigned to the Inland Empire Regional Composting Facility (IERCF). As a 50/50 partner in a Joint Powers Authority (JPA) with County Sanitation Districts of Los Angeles County (CSDLAC), the Agency is reimbursed for 50% of the employment costs for operating the facility. The \$2.8 million reimbursement in FY 2011/12 is budgeted as part of Contract Reimbursement Revenue in the RO fund.

Utilities A total of \$5.4 million is budgeted for utilities in FY 2011/12, at a blended rate of \$.115 kWh and \$.90 per therm for electricity and natural gas rates, respectively. A key assumption is the continuation of stability in the energy markets. The Agency has been very effective in its use of PPAs to finance the implementation of renewal energy sources; such as solar, wind and fuel cells scheduled to be operational by January 2012. These initiatives are consistent with the Agency’s strategic Energy Management Plan (EMP with a specific focus on energy independence from the grid during the peak energy use/pricing period (noon to 6:00 PM) by the year 2020 or sooner, (“Go Gridless by 2020”). A key component of the EMP are the comprehensive energy audits of each of the Agency’s facilities to identify the largest, most energy-intensive operations and find ways to lower energy consumption, demand and costs.

Chemicals Chemical costs represent approximately 8%, or \$4.2 million of total operating costs in the Regional Wastewater Program. The use of KPIs to monitor consumption at the various facilities has proven to be an effective tool in maintaining chemical costs over the years, as illustrated in the graph below:

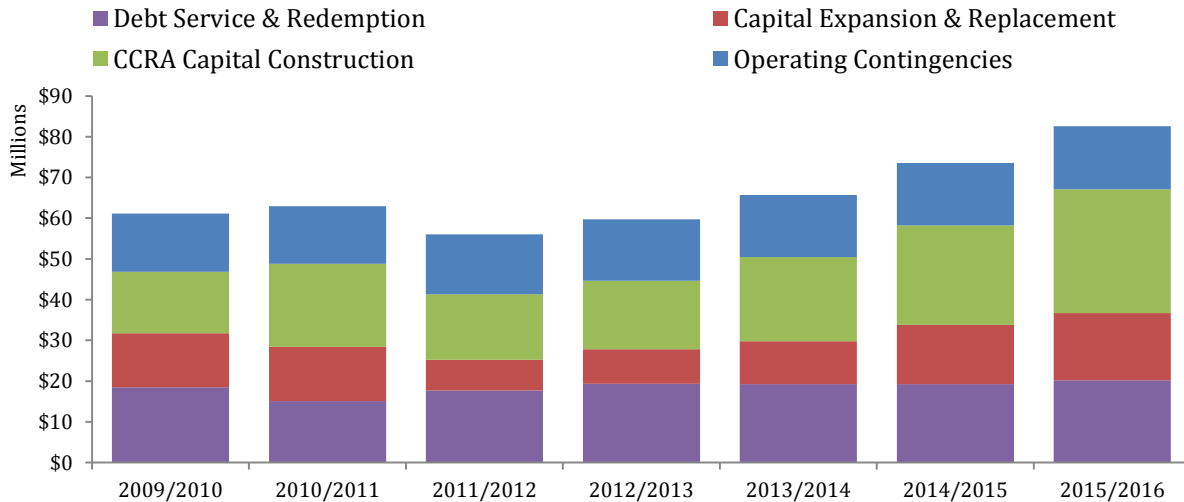


Biosolids The cost of biosolids recycling is budgeted at \$4 million in FY 2011/12, based on a processing rate of \$44 per ton. Beginning in FY 2009/10, a cost of service rate was implemented to support the operations and maintenance costs of the IERCA facility. Prior to this the primary funding source was equally shared contributions (50/50) from Inland Empire Utilities Agency (IEUA) and County Sanitation Districts of Los Angeles County (CSDLAC). These contributions supported all capital and start up costs from inception until the facility reached a biosolids throughput operating level of 90% in FY 2009/10.

Even though wastewater flows within the Agency’s service area have been decreasing in the last three years, the amount of organic matter and suspended solid materials in the wastewater that must be treated is roughly the same. Once the RP-1 Dewatering Facility Expansion Project is completed in 2012, its use of centrifuges to dry solids, IEUA will have enough solids handling capacity for the next ten years.

Regional Wastewater Program Fund Balance

The Regional Wastewater Program projected ending fund balance in FY 2011/12 of \$56 million is approximately \$6.9 million less than the projected ending fund balance in FY 2010/11. The decrease is primarily due to lower SRF loan proceeds in FY 2011/12 compared to the loan proceeds projected to be received in FY 2010/11 (for the RP-1 Dewatering Expansion Facility project). This is partially offset by increase in grants proceeds, volumetric and connection fees, and property tax revenues compared to the projected actual in FY 2010/11.



No significant changes in total Regional Wastewater Program fund balances are expected for the next four fiscal years, as cost containment efforts continue to maintain operating and capital costs at reasonably conservative levels.

FY 2013-16 Forecast

Given the uncertainty of the economic conditions facing the nation, the state of California and the Inland Empire in particular, the FY 2011/12 Regional Wastewater Program budget and ensuing four years is fiscally conservative and provides a minimum level of expenditures to operate the Agency facilities. There are no plans in the next ten years to expand the flow capacity of any of the Agency's Regional Wastewater Facilities. This underscores the conservative planning strategy that the region has been forced to take. In the near future, the region will continue to be challenged with predicting economic conditions and the local market response. The growth forecast assumes the local housing slump will continue for the next four fiscal years, consistent with local economists' forecasts. The slow growth and high number of foreclosures in the area continues to affect the Agency's revenue and cost projections as well as plans for new facilities or capital expansions.

Moderate rate increases to support both its capital and operating costs are included in future forecasts. These rate increases are necessary to replenish fund reserves utilized over the years and maintain them at a prudent and fiscally sound level. The Agency's commitment to cost containment and leveraging resources and technology to enhance efficiencies across the organization will continue. The combination of cost management efforts and implementation of moderate rate increases in the future will ensure the sustainability and financial health of the Regional Wastewater Program.

The Agency has successfully used the PPA approach for its Solar, Wind and Fuel Cell renewable projects. This approach has allowed the Agency to transfer the financing and other risks including O&M to the contractor. The Agency will continue to evaluate PPAs for upcoming projects.

Solar power currently accounts for 3.5 MW of the installed renewable generation capacity at the Agency. Solar power is well-suited to match peak energy needs as maximum sunlight hours generally correspond to peak demand periods.

In March 2011, the Board approved the installation of a 1.0 MW wind turbine at RP-4. The unit is currently under design and will be operational by late 2011. The expected energy output is approximately 2,190,000 kWh/year. Feasibility studies at other locations will be conducted for both large and small wind turbine units.

The fuel cell is currently under design and scheduled for commissioning in early 2012 at RP-1, has the dual advantage of generating electricity more efficiently than engines from the methane gas produced by the Agency's digestion process while meeting the very stringent SCAQMD standards. The Agency signed a landmark 20-year power purchase agreement (PPA) with UTS to install, operate and maintain a 2.8 Megawatt (MW) fuel cell system, fueled primarily with renewable biogas making it the largest unit of its kind in the world. The new fuel cell will provide approximately 1.8 MW more energy (replacing the 1MW currently generated by ICE) to the RP-1 electrical grid. The clean, efficient, renewable energy from the fuel cell system will provide power and thermal energy to RP-1. In addition to the installation of a biogas fuel cell at RP-1, a fuel cell is also be evaluated to replace the engine located at RP-2.

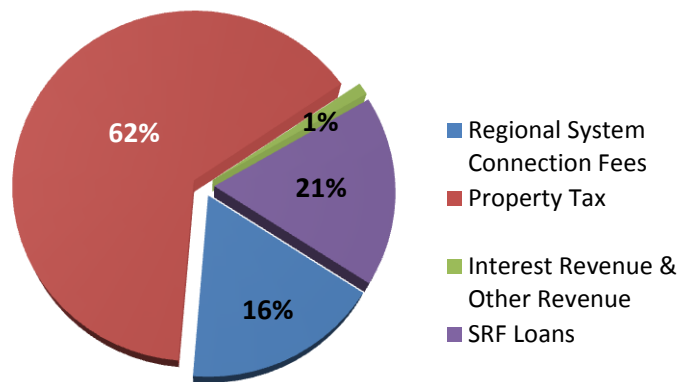
The Agency currently has a two-year agreement with an electricity service provider (ESP) for electricity and natural gas procurement at 4 of its 5 facilities through April 2013. This agreement provides cost stability, lower commodity prices and reduces the Agency's exposure to volatility within the energy market. A portion of the Agency's electricity is purchased at a fixed price from the ESP. The excess electricity consumed is based on the average "day ahead" cost from an index within the Intercontinental Exchange (ICE). The Agency pays SCE for delivery costs. The Agency has realized considerable savings utilizing direct access (DA) agreement.

REGIONAL WASTEWATER CAPITAL IMPROVEMENT (RC) FUND

Fund Description

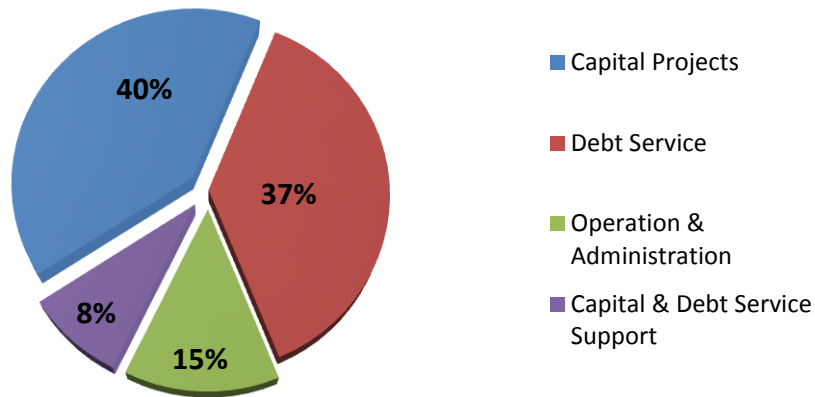
The Regional Wastewater Capital Improvement (RC) Fund records the activities associated with the acquisition, construction, replacement, and expansion of the Agency’s wastewater treatment plants, energy cogeneration, solids handling facilities, large sewer interceptors, and appurtenant facilities. In addition, principal payments, interest expenses, and related administrative costs associated with debt service required for the revenue bonds are also recorded in this program.

**Regional Wastewater Capital Improvement Revenue & Other Funding Sources of Funds
\$34.8 million**



Revenue & Other Funding Sources	FY 2011/12 \$ Millions	Description
Property Tax Revenue	\$21.4	Annual property tax allocation of 65% includes a decrease of 1% due to the drop in property assessment values. This is in addition to the 3% decrease projected for the current fiscal year.
SRF Loan Proceeds	5.8	SRF Loan proceeds from the SWRCB federal stimulus funding for the RP-1 Dewatering Facility Expansion Project.
Connection Fees	5.7	Estimated 1,200 EDU of new connections for FY 2011/12. No adjustment in new connection fee rate of \$4,766 per EDU.
Interest Income & Other	1.9	Grant revenue from SWRCB for Chino Creek Integrated Plan and FEMA/CalEma for Magnolia Channel Winter Storm projects; interest income on average fund balance; 5% yield on \$2.3 million notes from Lewis Operating Corporation from the sale of the Agency’s Co-Composting land site; and lease revenue.
Total Revenue & Other Funding Sources	\$34.8	

Regional Wastewater Capital Improvement Expenses and Other Uses of Funds - \$40.5 million



Expense and Other Uses of Funds	FY 2011/12 \$Millions	Description
Capital Projects	\$16.0	Capital projects emphasis is on repair and replacement of existing equipment and structures, providing system redundancy where needed to guarantee performance and compliance, and achieving energy sustainability
Debt Payments	15.0	Includes interest, principal payments and financial expense
Operation & Administration	6.1	Includes labor, contract work, professional fees, allocated expenses, and NRW capacity fees
Capital & Debt Service Support	3.4	Includes inter-fund transfers out to support Recycled Water and Recharge Program's debt service and Administrative Service Program's capital costs
Total Expenses	\$40.5	

Regional Wastewater Capital Improvement Project Expenses

The slow growth and high number of foreclosures in the area continues to affect the Agency's revenue and cost projections as well as plans for new facilities or capital expansions.

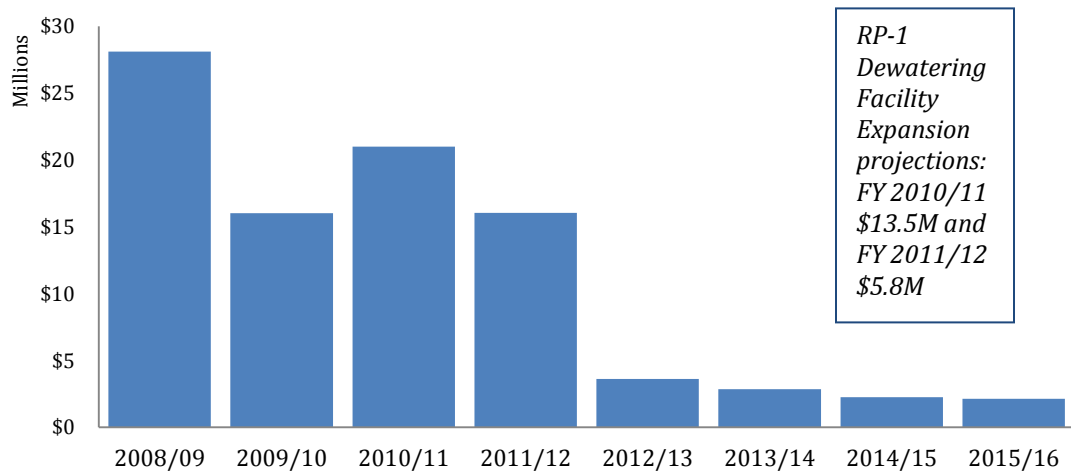
The current Regional Wastewater Capital Improvement Program emphasis is on repair and replacement of existing equipment and structures, providing system redundancy where needed to guarantee performance and compliance and achieving energy sustainability. Approximately \$16 million is planned for FY 2011/12 for system and equipment modifications and upgrades to maximize efficiency of odor control systems to assuage community concerns.

The large RP-1 Dewatering Facility Expansion Project is scheduled to be completed in FY 2011/12. The project's remaining spending is projected at \$13.5 million in FY 2010/11 and \$5.8 million in FY 2011/12 out of a \$28 million total budget since project inception.

Listed below are the projects for the coming year. For a complete listing of projects and descriptions, refer to the Capital section.

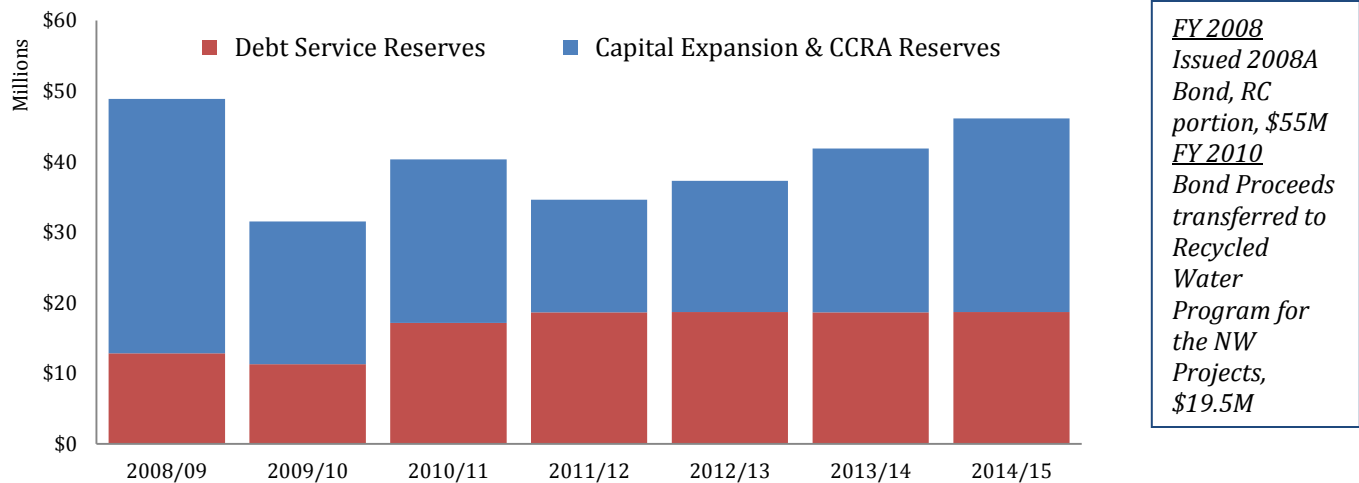
Capital Projects	2011/12 \$ Million
RP-1 Dewatering Facility Expansion Project	\$5.8
Capital Upgrades RP1, RP2, CCWRF, RP4, RP5	3.7
Regional Wastewater Improvement & Upgrade Projects	3.1
RP-1 Flare & RP-1/ RP-2 Boiler Replacements	1.3
All Other Regional Wastewater Program	2.1
Total Capital Projects	\$16.0

**Regional Wastewater Capital Improvement
Project Costs**



Regional Wastewater Capital Improvement Fund Balance

The Regional Wastewater Capital Improvement Fund balance for FY 2011/12 is projected to be \$34.9 million, a decrease of approximately \$5.7 million from the \$40.6 million projected for FY 2010/11. The decrease is primarily due to the SRF loan proceeds in FY 2011/12 for the RP-1 Dewatering Expansion Facility project and deferral of non-essential capital projects due to the need for cost containment. This decrease is partially offset by an increase in grant proceeds and contribution support to other programs.



FY 2012-16 Forecast

The Agency's conservative capital program forecast due to the economic downturn is anticipated to continue over the next couple of years. The slowdown in new development adversely affects the generation of connection fee revenues.

Connection Fee Changes FY 2006/07 – FY 2011/12

Fiscal Year	Connection Fees (\$ Millions)	Increase (Decrease)
FY 2006/07	\$24.67	
FY 2007/08	16.63	(\$8.04)
FY 2008/09	5.75	(10.88)
FY 2009/10	7.75	2.00
FY 2010/11 Projected	5.24	(2.51)
FY 2011/12 Budgeted	5.72	0.48
Net Decrease:		(\$18.95)

Capital spending is expected to decline due to completion of projects, deferral of non-essential projects, reduced engineering costs due to the use of Agency staff for in-house design, and reduced construction costs due to the impact of the economic recession on the construction industry.

In addition, the use of power purchase agreements (PPAs) to finance renewable energy projects, as with the Agency's solar, wind and fuel cell power projects, transfers the financing and other risks to the contractor and has enabled the Agency to avoid capital costs.

Property tax projection includes a 1% drop in FY 2011/12, after a decline of 5.5% in FY 2009/10 and an anticipated drop of 3% in FY 2010/11. The primary driver is the decline in property assessment values and the high number of home foreclosures in the Agency's service area. Consistent with the Agency's use of property taxes, the proposed allocation for FY 2011/12 will support 100% of debt service costs for all of the Agency's programs.

There are no plans in the next five fiscal years to expand the flow capacity of any of the Agency's Regional Wastewater Capital Improvement Program. The RP-1 Dewatering Facility Expansion Project is slated for completion in FY 2011/12 and has a remaining cost of \$5.8 million out of a \$28 million total budget since project inception and is funded with federal stimulus SWRCB SRF low interest loan. Other capital projects in the Regional Wastewater Program relate to essential system and equipment repair, replacement and upgrade.



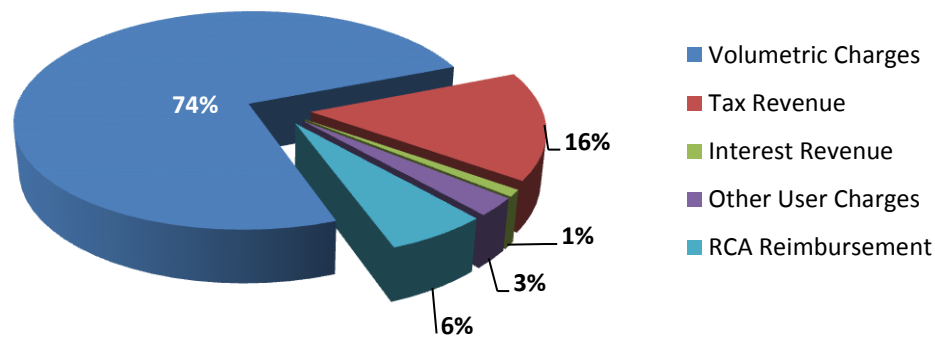
Dewatering Centrifuge – Regional Plant No. 1 – Ontario, CA

REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE (RO) FUND

Fund Description

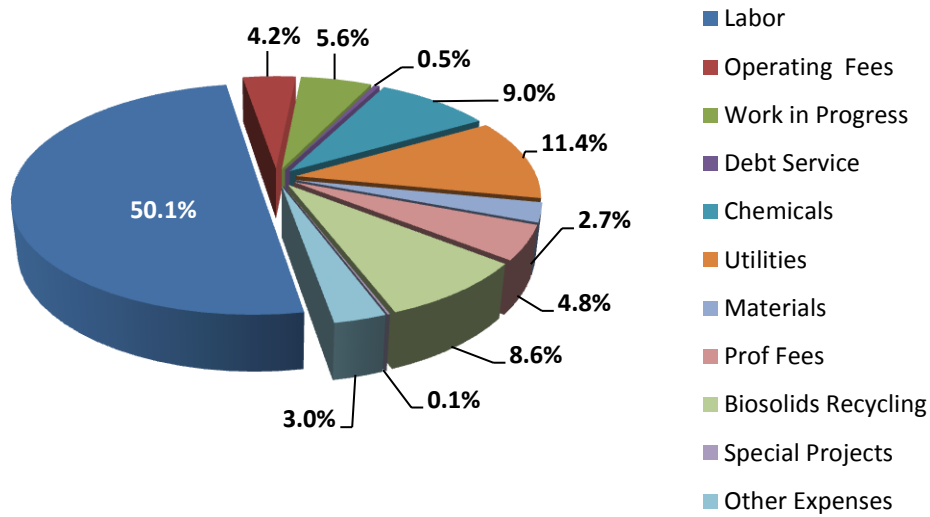
The Regional Wastewater Operations and Maintenance (RO) Fund accounts for the revenue and operating costs directly related to the domestic sewage treatment service to the contracting agencies (Wastewater Collection and Treatment). The major sources of revenues are the service charges applied to the regional wastewater flows based on Equivalent Dwelling Units (EDU's) connected to the Contracting Agencies local connection systems. Another primary source of revenue is property tax revenues from San Bernardino County and member Agencies' Redevelopment Fees.

Regional Wastewater Operations and Maintenance Revenue & Other Funding Sources of Funds - \$45.9 million



Revenues	\$Millions	Description
Volumetric Charges	\$34.4	No adjustment in FY 2011/12 to the current monthly sewage rate of \$11.14 per EDU, and assumes a conservative growth rate of .75% in volumetric flows.
Property Tax Revenue	7.3	FY 2011/12 property tax allocation of 22% includes a decrease of 1% due to the drop in property assessment values. This is in addition to the 3% decrease projected for the current fiscal year. The 5% temporary tax allocation to the Recycled Water fund from the Regional Wastewater O&M (RO) fund in FY 2011/12 through FY 2013/14 will be reinstated to the RO fund in FY 2014/15 to help mitigate the impact of future EDU volumetric rate increases.
Other User Charges, Contract Cost	1.2	Includes user charges from the regional owned non-reclaimable wastewater system, contract cost reimbursement, grant receipt, and laboratory service fees.
RCA Reimbursement	2.8	Labor cost reimbursement from IERCA for the IEUA staff costs associated with the IERCF operations.
Interest Revenue	0.2	Interest income yield on the average fund balances.
Total Revenues	\$45.9	

Regional Wastewater Operations and Maintenance Expenses and Other Uses of Funds- \$47.1 million



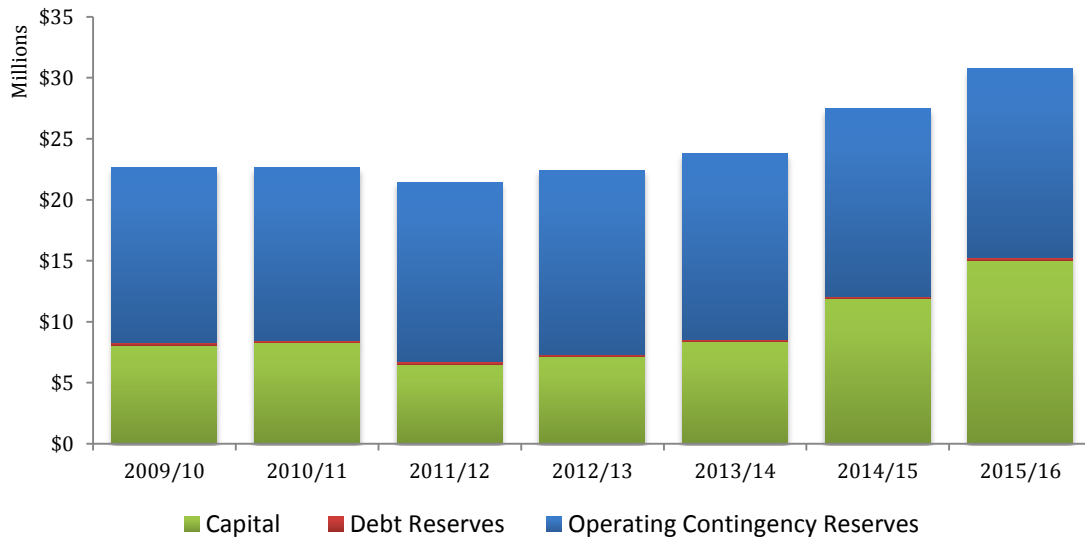
Expense	FY 2011/12 \$Millions	Description
Employment	\$23.6	Regional Operations employment is 86% of the total Wastewater Program expense.
Utilities	5.4	The installation of the fuel cell resulted in an increase in electricity cost by approximately \$500K in FY 2011/12 and \$1M every year thereafter due to the decommissioning of the engines at RP-1.
Chemicals	4.2	Maintained prior year level due to continued process improvement and dose optimization. Even though wastewater flows within the Agency's service area have been decreasing, the amount of organic matter and suspended solid materials in the wastewater that must be treated is roughly the same.
Biosolids Recycling	4.0	Includes operating/tipping fees at \$44 per ton, transportation cost, and state land application hauling costs payable to the IERCF at 95% operating capacity.
Work in Progress	2.7	Facilities and equipment condition assessment, maintenance, cleaning, and repairs related projects.
Professional Fees & Services	2.3	Includes contract work and materials to maintain facility equipment.
Operating Fees	2.0	Includes user charges from the regional owned non-reclaimable wastewater system and permits.
Materials & Supplies	1.3	Operations and maintenance supplies maintained at prior year level.
Debt Service	.2	2008A bond principal and interest payments.
Other Expenses	1.4	Includes office and administration, leases and rentals, and expense allocation.
Total Expense	\$47.1	

Regional Wastewater Operations and Maintenance Project Expenses

The capital program for the Regional Wastewater Operations and Maintenance Fund consists primarily of RP-1 Condition Assessment, RP-2 Digester Cleaning, major facilities and plant equipment repairs and maintenance performed at the Agency’s Regional Wastewater facilities. These replacements are identified and prioritized as part of the Agency’s Asset Management Plan. Capital costs budgeted over the next five years total \$15 million at an average of \$3 million per fiscal year. The primary funding source for these replacement capital costs are property taxes and surplus will be used to support operating costs.

Regional Wastewater Operations and Maintenance Fund Balance

The Regional Wastewater Operations and Maintenance Fund balance for FY 2011/12 is projected to be \$21.5 million, a decrease of approximately \$1.1 million from the \$22.6 million projected for FY 2010/11. The decrease is due to net change in capital cost and operating expenses offset by an increase in property tax receipts and EDU volumetric revenues.



FY 2013-16 Forecast

Historically the growth rate for volumetric flows has been between 2% and 3%, however, due to the current slowdown in new development and the high number of foreclosures in the Agency’s service area, the growth rate is only estimated to be .75% for FY 2011/12. There is no adjustment in FY 2011/12 to the current monthly sewage rate of \$11.14 per EDU. Incremental rate increases are consistent with the Agency’s and member agencies ultimate goal to have every program be self-supported by user charges and fees. Attaining cost of service rates will help minimize the dependence on property tax revenues to support operating and maintenance costs.

The installation of the renewable energy projects such as the fuel cell at RP-1 and RP-4 wind turbine through a Power Purchase Agreement (PPA) offers along with environmental benefits, greater stabilization of electricity costs with little or no capital outlay by the Agency and associated debt services.

Impact of installation of fuel cell at RP-1:

- Avoided capital cost of approximately \$13 million for gas cleaning equipment, post combustion controls, and potential engine replacement and engine controls enhancements necessary to comply with AQMD regulations.
- Avoided future annual O&M costs of approximately \$1 million for engine maintenance and operation.
- The above avoided cost offset the potential increase in electricity cost by approximately \$500,000 in FY 2011/12 and \$1 million every year thereafter due to the decommissioning of the engines at RP-1.
- The fuel cell is designed to generate 19,272 MWhr per year, which IEUA will then purchase at a price as set out in the PPA. Of this amount, 9,460 MWhr per year replaces the amount formerly produced by the engine, and the balance of 9,812 MWhr per year will replace the electricity currently purchased from the grid.

Impact of installation of RP-4 wind turbine:

- Annual reduction in electricity cost of over \$100,000 due to low cost of electricity purchased from the wind project.



Wind Turbine Project - Regional Plant No. 4 – Rancho

**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2011/12 BUDGET
RC FUND - SOURCES AND USES OF FUNDS**

	2008/2009	2009/2010	2010/2011	2010/2011	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	BUDGET		FORECAST		
REVENUES AND OTHER FINANCING SOURCES										
Regional System Connection Fees	\$5,753,403	\$7,753,057	\$5,243,106	\$5,243,106	\$5,719,200	\$6,739,600	\$7,779,200	\$8,839,800	\$9,920,000	\$9,920,000
Contract Cost reimbursement	12,949	19,838	50,000	5,940	0	0	0	0	0	0
Interest Revenue	1,353,835	796,726	735,740	449,330	370,000	426,500	370,000	293,500	338,000	338,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$7,120,188	\$8,569,621	\$6,028,846	\$5,698,376	\$6,089,200	\$7,166,100	\$8,149,200	\$9,133,300	\$10,258,000	\$10,258,000
OTHER FINANCING SOURCES										
Property Tax - Debt and Capital	\$23,324,917	\$22,145,038	\$21,983,924	\$21,643,692	\$21,427,255	\$21,427,255	\$21,534,391	\$21,749,735	\$22,075,981	\$22,075,981
State Loans	3,741,732	8,738,388	16,653,698	14,512,452	5,849,160	0	0	0	0	0
Grants	90,351	762,977	1,271,491	422,495	1,473,081	0	0	0	0	0
Sale of Assets	0	3,800	2,339,250	0	0	2,339,250	2,339,250	0	0	0
Other Revenues	107,493	70,987	5,000	5,372	7,000	6,000	6,000	6,000	6,000	6,000
Sale of Capacity	300,000	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,400,930	0	0	3,700,000	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$33,997,616	\$31,721,190	\$42,253,363	\$40,284,012	\$28,756,496	\$23,772,505	\$23,879,641	\$21,755,735	\$22,081,981	\$22,081,981
EXPENSES										
Employment Expenses	\$3,743,224	\$4,387,112	\$4,058,298	\$3,485,943	\$3,940,840	\$3,956,603	\$3,958,582	\$3,960,561	\$3,962,541	\$3,962,541
Contract Work/Special Projects	721,573	524,929	2,261,619	702,367	1,059,884	175,000	160,000	160,000	160,000	160,000
Operating Fees	441,656	623,488	564,567	564,549	499,616	499,616	499,616	499,616	499,616	499,616
Professional Fees and Services	306,790	472,074	332,728	287,640	277,661	338,897	345,749	352,786	360,013	360,013
Other Expenses	718,228	482,195	429,293	429,293	331,039	336,005	341,045	346,161	351,354	351,354
TOTAL EXPENSES	\$5,931,471	\$6,489,798	\$7,646,505	\$5,469,792	\$6,109,040	\$5,306,121	\$5,304,992	\$5,319,124	\$5,333,525	\$5,333,525
CAPITAL PROGRAM										
IERCA investment	\$2,085,731	\$1,500,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Work In Progress	26,016,213	14,508,798	34,721,083	20,988,057	16,042,160	3,630,350	2,850,000	2,250,000	2,150,000	2,150,000
TOTAL CAPITAL PROGRAM	\$28,101,944	\$16,008,798	\$34,971,083	\$20,988,057	\$16,042,160	\$3,630,350	\$2,850,000	\$2,250,000	\$2,150,000	\$2,150,000
DEBT SERVICE										
Financial Expenses	\$415,207	\$305,669	\$203,277	\$298,500	\$266,950	\$212,400	\$265,200	\$212,400	\$265,200	\$265,200
Interest	11,518,331	7,311,163	8,318,252	8,911,337	8,312,044	8,255,658	8,052,676	7,815,450	7,548,782	7,548,782
Principal	4,886,360	7,491,624	6,144,385	5,941,470	6,411,550	8,008,159	8,210,119	8,427,318	8,696,380	8,696,380
Short Term Inter-Fund Loan	3,700,000	19,500,000	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$20,519,899	\$34,608,456	\$14,665,914	\$15,151,307	\$14,990,544	\$16,476,217	\$16,527,995	\$16,455,168	\$16,510,362	\$16,510,362
TRANSFERS IN (OUT)										
Capital Contribution	(\$1,757,841)	(\$265,438)	(\$483,996)	(\$444,667)	(\$1,268,499)	(\$699,000)	(\$632,362)	(\$466,000)	(\$466,000)	(\$466,000)
Debt Service	(1,165,348)	94,024	4,870,505	5,165,848	(2,152,008)	(2,131,540)	(2,145,783)	(2,131,567)	(2,145,576)	(2,145,576)
Operation support	(250,000)	(375,600)	0	0	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(3,173,189)	(547,014)	4,386,509	4,721,181	(3,420,507)	(2,830,540)	(2,778,145)	(2,597,567)	(2,611,576)	(2,611,576)
FUND BALANCE										
Net Income (Loss)	(\$16,608,700)	(\$17,363,255)	(\$4,614,784)	\$9,094,412	(\$5,716,555)	\$2,695,377	\$4,567,709	\$4,267,176	\$5,734,518	\$5,734,518
Beginning Fund Balance July 01	65,495,187	48,886,487	31,523,232	31,523,232	40,617,645	34,901,090	37,596,467	42,164,176	46,431,352	46,431,352
ENDING BALANCE AT JUNE 30	\$48,886,487	\$31,523,232	\$26,908,448	\$40,617,644	\$34,901,090	\$37,596,467	\$42,164,176	\$46,431,352	\$52,165,870	\$52,165,870
RESERVE BALANCE SUMMARY										
Capital Expansion / Construction	\$28,720,118	\$5,154,778	\$2,922,184	\$3,117,053	\$3,216,094	\$9,105,850	\$9,981,402	\$10,339,575	\$10,226,782	\$10,226,782
CCRA Capital Construction	7,361,363	15,114,930	5,358,039	20,358,039	13,077,239	9,816,839	13,596,039	17,435,839	23,355,839	23,355,839
Debt Service & Redemption	12,805,006	11,253,524	18,628,225	17,142,552	18,607,757	18,673,778	18,586,735	18,655,938	18,583,249	18,583,249
ENDING BALANCE AT JUNE 30	\$48,886,487	\$31,523,232	\$26,908,448	\$40,617,644	\$34,901,090	\$37,596,467	\$42,164,176	\$46,431,352	\$52,165,870	\$52,165,870

**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2011/2012 BUDGET
RO FUND - SOURCES AND USES OF FUNDS**

	2008/09	2009/2010	2010/2011	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET			FORECAST	
REVENUES									
User Charges	\$30,601,738	\$33,611,630	\$35,677,050	\$34,685,313	\$35,512,369	\$38,681,989	\$39,547,105	\$40,416,314	\$41,289,630
Property Tax- O&M	10,042,813	6,942,884	6,428,152	4,448,650	4,387,667	4,262,667	4,298,928	6,069,870	5,155,388
Contract Cost reimbursement	2,306,619	2,566,556	2,894,900	2,894,900	2,795,988	2,807,172	2,808,575	2,809,980	2,811,385
Interest Revenue	655,222	200,787	218,000	218,000	230,000	300,000	300,000	400,000	550,000
Gas Sales	207,101	6,824	0	0	0	0	0	0	0
TOTAL REVENUES	\$43,813,494	\$43,328,681	\$45,218,102	\$42,246,863	\$42,926,024	\$46,051,828	\$46,954,608	\$49,696,164	\$49,806,403
OTHER FINANCING SOURCES									
Property Tax Revenues - Debt/Capital			\$0	\$1,877,968	\$2,864,635	\$2,989,635	\$2,989,635	\$2,964,635	\$4,014,635
Grants	34,993	85,007	0	35,537	65,812	51,750	51,750	51,750	0
Other Revenues	495,997	1,663,654	434,031	69,611	70,000	71,400	72,828	74,285	75,770
TOTAL OTHER FINANCING SOURCES	\$530,990	\$1,748,661	\$434,031	\$1,983,116	\$3,000,447	\$3,112,785	\$3,114,213	\$3,090,670	\$4,090,405
EXPENSES									
Employment Expenses	\$23,400,777	\$24,231,909	\$24,089,185	\$23,068,769	\$23,612,608	\$23,707,068	\$23,718,880	\$23,730,768	\$23,742,630
Contract Work/Special Projects	371,243	720,174	1,079,722	373,994	59,450	59,450	59,450	59,450	0
Utilities	5,611,752	4,326,659	5,777,884	4,576,114	5,369,480	6,140,401	6,320,445	6,505,877	6,696,884
Operating Fees	988,208	1,868,600	1,506,326	1,486,611	1,976,029	2,095,497	2,103,611	2,107,279	2,118,794
Chemicals	4,256,809	3,761,931	4,977,321	4,094,298	4,249,389	4,388,094	4,519,266	4,654,736	4,794,125
Professional Fees and Services	2,855,715	2,021,218	2,625,309	2,377,391	2,258,266	2,317,257	2,387,631	2,439,894	2,516,625
Office and Administrative expenses	53,587	39,380	49,875	39,677	456,975	58,400	59,781	61,200	62,655
Biosolids Recycling	2,368,608	3,587,218	3,944,287	3,790,728	4,034,240	4,134,525	4,158,813	4,183,595	4,208,876
Materials & Supplies	1,563,385	1,738,600	1,914,626	1,303,923	1,282,279	1,360,665	1,395,830	1,432,037	1,469,387
Operation Contribution to IERCA	3,000,000	0	0	0	0	0	0	0	0
Other Expenses	779,421	646,157	1,318,499	1,283,087	921,089	939,219	969,379	967,761	982,373
TOTAL EXPENSES	\$45,249,505	\$42,941,847	\$47,285,034	\$42,394,592	\$44,219,804	\$45,200,565	\$45,693,087	\$46,142,597	\$46,592,349
TOTAL CAPITAL PROGRAM	\$1,723,382	\$1,447,464	\$4,542,249	\$1,667,133	\$2,650,000	\$2,775,000	\$2,775,000	\$2,750,000	\$3,800,000
DEBT SERVICE									
Financial Expenses	\$0	\$1,315	\$303	(\$3,450)	\$350	\$350	\$350	\$350	\$350
Interest	544,418	149,668	274,285	214,285	214,285	214,285	214,285	214,285	214,285
Short Term Inter-Fund Loan	3,400,930	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$3,945,348	\$150,983	\$274,588	\$210,835	\$214,635	\$214,635	\$214,635	\$214,635	\$214,635
FUND BALANCE									
Net Income (Loss)	(\$6,573,751)	\$637,047	(\$6,449,738)	(\$42,581)	(\$1,157,968)	\$974,413	\$1,386,099	\$3,679,602	\$3,289,824
Beginning Fund Balance July 01	28,694,359	22,120,608	22,657,655	22,657,655	22,615,074	21,457,106	22,431,519	23,817,618	27,497,220
ENDING BALANCE AT JUNE 30	\$22,120,608	\$22,657,655	\$16,207,917	\$22,615,074	\$21,457,106	\$22,431,519	\$23,817,618	\$27,497,220	\$30,787,044
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$16,216,812	\$14,313,949	\$15,761,677	\$14,131,531	\$14,739,933	\$15,066,855	\$15,231,029	\$15,380,867	\$15,530,785
Capital Expansion / Construction	5,629,940	8,069,118	231,605	8,268,908	6,502,538	7,150,029	8,371,954	11,901,718	15,041,624
Debt Service & Redemption	273,856	274,588	214,635	214,635	214,635	214,635	214,635	214,635	214,635
ENDING BALANCE AT JUNE 30	\$22,120,608	\$22,657,655	\$16,207,917	\$22,615,074	\$21,457,106	\$22,431,519	\$23,817,618	\$27,497,220	\$30,787,044

NON-RECLAIMABLE WASTEWATER (NRW) PROGRAM

Programmatic Overview

The NRW program is a key element of the Chino Basin Watermaster Optimum Basin Management Plan (OBMP) strategy. The NRW provides pipelines and pump station to export of high-salinity of the industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean. The wastewater discharged to the NRWS consists mainly of industrial and groundwater treatment brines.

The NRW collection system is physically separated from the Regional Wastewater System, ensuring further compliance with the Regional Board and State regulation related to environmental criteria and improving the quality of recycled water for local use. By maximizing the use of the NRWS, the quality of the recycled water is improved for local use and helps ensuring that IEUA can comply with the final effluent total dissolved solids (TDS) and total nitrogen limits listed in the National Pollutant Discharge Elimination System (NPDES) permits.

The NRW system is owned and operated by the Agency and is comprised of two sectors namely the Northern and Southern systems.

- The Northern System which serves approximately 45 industries and municipal groundwater treatment facilities for brines, conveys wastewater to adjacent interceptor sewer lines owned and operated by the County Sanitation District of Los Angeles County (CSDLAC) for treatment and subsequent discharge into the Pacific Ocean.
- The Southern System which serves approximately 7 industries and the Chino Desalter Authority conveys wastewater to the Santa Ana Regional Interceptor (SARI) pipeline, which is owned by the Santa Ana Watershed Project Authority (SAWPA), and from there wastewater is carried to the Orange County Sanitation District (OCSA) facility in Fountain Valley for treatment and eventual discharge into the ocean.

The NRW system also collects the Regional Recycling Plant No. 1 (RP1) belt press filtrate resulting from dewatering of biosolids generated within the IEUA's RP1 facility, and some domestic waste from areas without sewer service.

Fund Description

The Non-Reclaimable Wastewater Program (NC) Fund records the transactions for the acquisition, construction, expansion, replacement, and operations of the Agency's non-reclaimable wastewater sewer lines, interceptors and appurtenant facilities. It also accounts for the revenues and operating costs directly related to providing collection services, pipeline transport, and wastewater treatment.

Additionally, administrative costs associated with the implementation and maintenance of capital projects required for the improvements or collection lines of the NRW System are recorded.

Funds are budgeted for the design, construction, management, and administration cost as the need for additional non-reclaimable wastewater facilities or replacement of the existing pipelines, interceptor capacity and treatment capacity is identified.

Revenues and Other Funding Sources

The FY 2011/12 Non-Reclaimable Wastewater Program has budgeted total revenues and funding sources of \$9.7 million. Revenue includes volumetric, capacity, strength and excess use fees, administrative fees, Capital Improvement Program (CIP) charges, proceeds from repayment of an inter fund loan, and other service charge revenue.

The NRW program rate structure is based on the pass through rates which were adopted since July 2004. This allows the Agency to recover on a monthly basis the rates which CSDLAC (Northern) and SAWPA (Southern) are billing to the Agency for capacity, volumetric, and strength fees. The Northern and Southern system have different rate structures. Starting July 2010, IEUA started to pass on the strength imbalance charges from SAWPA to the industries located on the southern portion of the NRWS. IEUA staff is working with SAWPA and other agencies to mitigate and minimize the imbalance strength charges. For FY 2011/12, no IEUA administration charges will be added to the BOD and TSS imbalance portion of the pass through charges.

In addition, the pass through rate structure includes IEUA administrative charges to cover the operational cost associated with the NRWS program. The FY 2011/12 rate for administrative charges on volumetric, capacity and strength (TSS/COD/BOD) charges will remain at 50% for non-recycled water users and 10% for recycled water users. The discounted administrative surcharge supports the Agency's goal to promote the use of recycled water. To date six industries in the Agency's service area utilize recycled water are eligible for the additional discount.

The monthly Capacity Improvement Program (CIP) fee in FY 2011/12 will remain at \$90 per unit to support debt service costs for the NRW's share of the 2008A Bonds issued in February 2008.

Revenue	FY 2011/12 Budget \$Millions	% of Total	Description
Volumetric Revenues	\$2.5	26%	Monthly fee based on metered wastewater flow
Capacity Fees	1.4	14%	Monthly fee to the holders of capacity rights
Excess User Fees	2.0	21%	Fee for wastewater strength composition*
Other Users Charges	2.4	25%	Administrative, operational, and capacity surcharges
Inter-Fund Loan Payment	1.0	10%	Loan payment from Recycled Water
Other Revenues	0.4	4%	Reimbursements from special projects, interest earned on reserve balance, and note receivable
Total Revenue	\$9.7	100%	

* Strength charges are calculated based on Total Suspended Solids (TSS), Chemical Oxygen Demand (COD), and Biochemical Oxygen Demand (BOD)

Expenses and Other Uses of Funds

The NRW Program accounts for all of the operating and capital expenses associated with the Northern and Southern systems. These expenses include construction and acquisition of capital assets, equipment purchases, process modifications and upgrades necessary to comply with environmental and regulatory increased standards, as well as to support the growth in the Agency's service area and the demand it places on the NRW program.

Expense	FY 2011/12 Budget \$Millions	% of Total	Description
Capital Projects	\$3.0	25%	Includes \$1.5M CSDLAC 4 R's and capital projects as listed in the appendices section
Operating Fees	4.3	43%	Includes CSDLAC and SARI fees
Administration & Operations	2.2	24%	Includes labor, burden, overhead, chemicals, materials & supplies, professional fees, and utilities
Debt Service	0.4	5%	Includes 2008A Bond and SARI Loan principal and interest payments
Special Projects	0.1	1%	Includes Regional Brine Management study, pipe cleaning, and meter maintenance costs to support the Agency's NRW system
Other Expense	0.2	2%	Includes expense allocation and operating transfers
Total Expense	\$10.2	100%	

Capital Expense

Non-Reclaimable Wastewater Program's total capital project expense for FY 2011/12 is budgeted at \$3 million which include the \$1.5M for the CSDLAC Capital Replacement charges (4Rs).

Major Capital Projects	FY 2011/12 \$Millions
CSDLAC Capital Replacement (4R's)	\$1.5
NRW System Upgrades	1.0
NRWS Connections & Emergency Pipeline Repairs	0.3
Other Projects	0.2
Total	\$3.0

Debt Service

In FY 2011/12 \$535,200 is budgeted for debt service expenses which includes \$409,080 interest expense for the 2008A Bond Debt and SARI Note Payable, and \$125,570 principal payment for the SARI Note Payable, and \$550 for financial expenses. The debt service costs are recovered through the Capital Improvement Project (CIP) charged to both north and south system users.

Inter Fund Loans

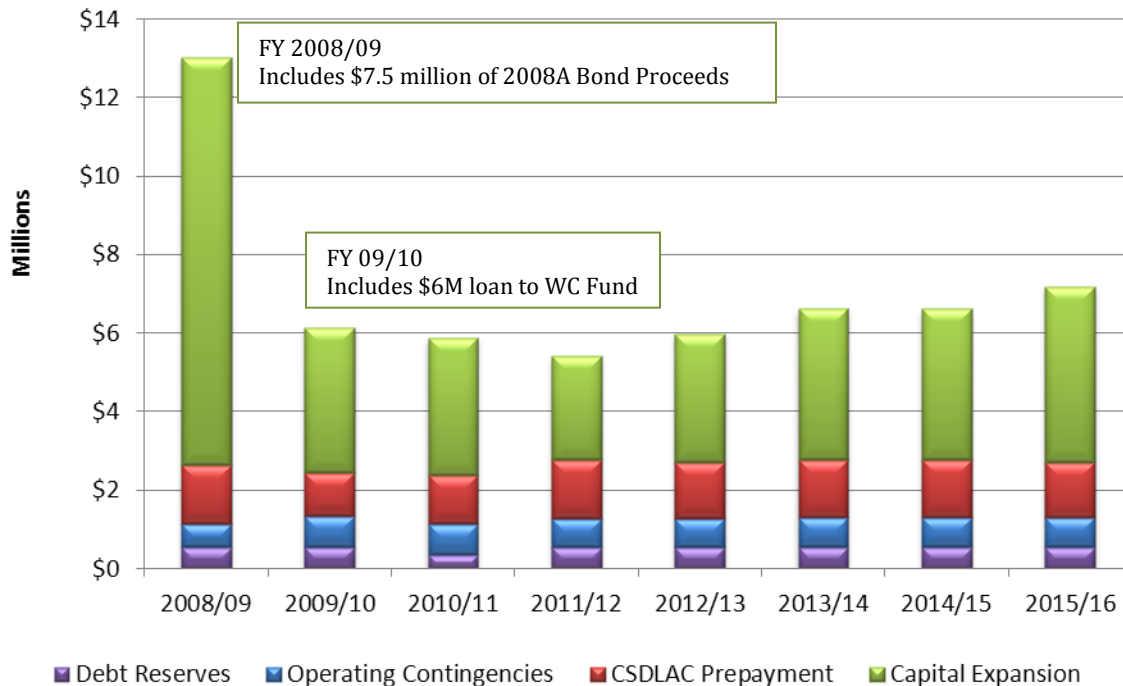
In addition to the inter-fund loan of \$9 million issued to Recycled Water (WC) Program in FY 2007/08, a \$6 million of inter-fund loan was issued to WC program in FY 2009/10.

The repayment schedule for the two loans:

Fiscal Year Issued	Issued to	Inter-Fund Loan Amount	Repayments Scheduled to Begin	Repayments Scheduled to End
FY 2007/08	WC Fund	\$9 M	FY 2011/12	FY 2018/19
FY 2009/10	WC Fund	\$6 M	FY 2012/13	FY 2017/18

Fund Balance

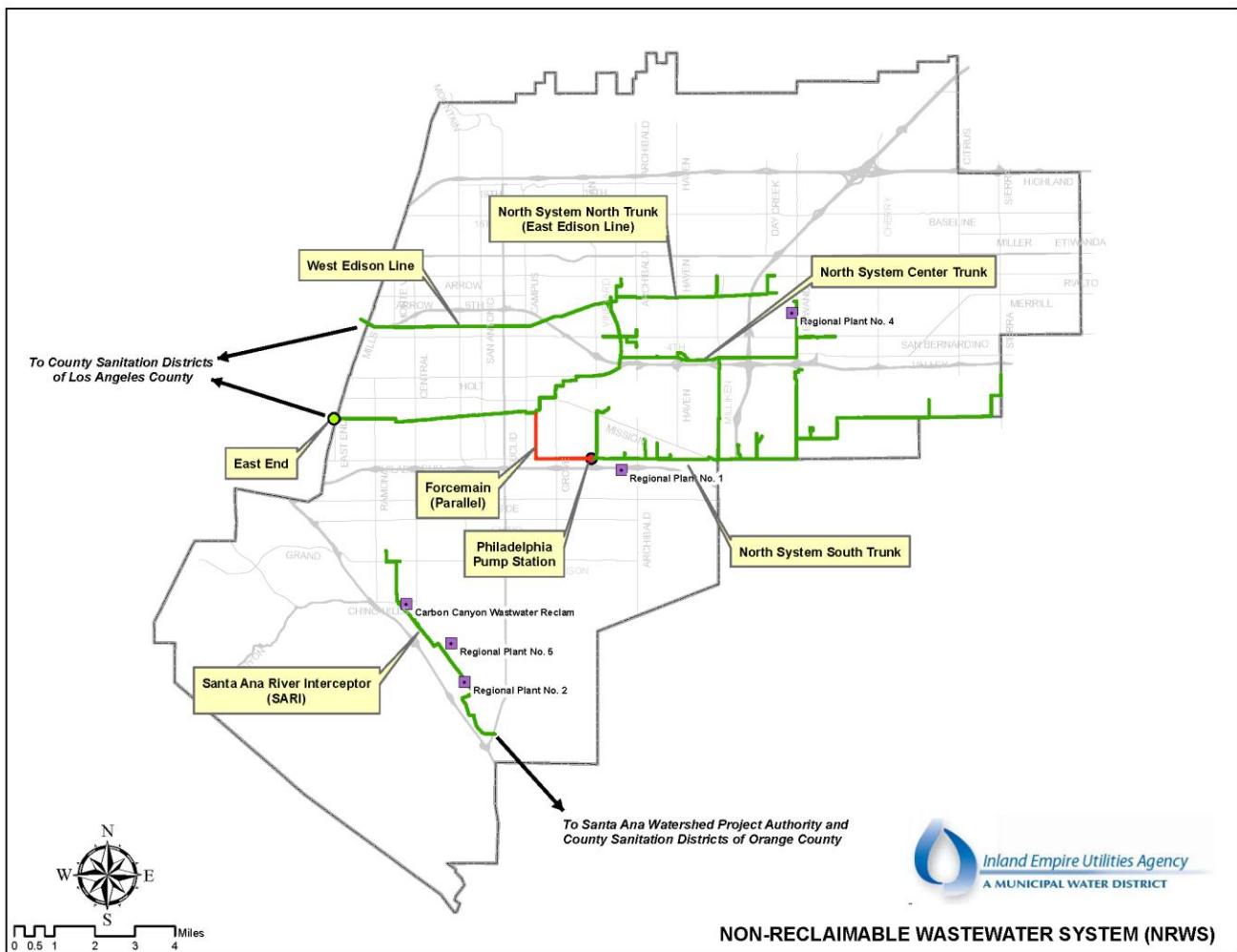
The FY 2011/12 fund balance is projected to be \$5.4 million. Fund balance decreased by \$467,000 from FY 2010/11 is due to increase in capital project spending of \$1.5 million (\$1 million for the NRW system upgrades) partially offset by \$1 million loan repayment from WC Fund.



FY 2013-2016 Forecast

The scheduled receipt of loan repayments from the Recycled Water Program at \$1 million - \$2 million each year until FY 2018/19 and the stable operating and capital expenses, the NRW fund balance is projected to maintain an average annual balance of \$6.5 million through FY 2015/16. Going forward, the Agency continues its effort to achieve substantial avoided costs as well as benefits in its service area by implementing the NRWS Action Plan. The action plan includes:

- Maximizing the use of the NRWS.
- Developing a program to reduce the salt impacts of water softeners.
- Reducing salinity contributions from IEUA water recycling facilities.



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2011/2012 BUDGET
NC FUND - SOURCES AND USES OF FUNDS**

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST		
REVENUES AND OTHER FINANCING SOURCES								
User Charges	\$7,723,860	\$8,262,338	\$8,786,312	\$7,633,857	\$8,358,630	\$8,305,802	\$8,366,260	\$8,427,275
Contract Cost reimbursement	29,233	0	10,000	2,788	0	0	0	0
Interest Revenue	380,785	201,704	330,000	282,000	253,000	286,250	300,500	251,750
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$8,133,879	\$8,464,042	\$9,126,312	\$7,918,645	\$8,596,380	\$8,592,052	\$8,666,760	\$8,679,025
OTHER FINANCING SOURCES								
Other Revenues	\$42,060	\$255,082	\$25,000	\$42,446	\$137,999	\$140,009	\$141,029	\$117,809
Sale of Capacity	450,000	600,000	188,658	150,000	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL OTHER FINANCING SOURCES	\$492,060	\$855,082	\$213,658	\$1,137,999	\$2,138,999	\$2,140,009	\$2,141,029	\$2,117,809
EXPENSES								
Employment Expenses	\$1,370,304	\$1,824,784	\$2,093,253	\$1,806,686	\$1,674,288	\$1,675,125	\$1,675,964	\$1,676,801
Contract Work/Special Projects	38,909	82,672	170,000	27,187	60,000	60,000	10,000	10,000
Utilities	74,190	95,130	71,724	62,460	73,245	75,203	77,219	79,296
Operating Fees	3,591,320	3,359,566	4,122,930	3,956,048	4,297,213	4,398,289	4,398,460	4,398,556
Chemicals	97,374	201,054	173,000	173,000	210,000	216,000	222,800	229,500
Professional Fees and Services	59,781	31,286	31,834	26,805	55,390	49,848	51,004	52,201
Office and Administrative expenses	0	0	100	0	0	0	0	0
Biosolids Recycling	0	47,936	31,500	31,500	31,500	31,500	31,500	31,500
Materials & Supplies	38,120	46,849	38,181	38,700	39,186	39,687	40,203	40,735
Other Expenses	184,317	294,337	162,284	162,284	172,003	175,391	178,847	182,376
TOTAL EXPENSES	\$5,154,314	\$5,983,614	\$6,900,909	\$6,284,151	\$6,600,265	\$6,721,125	\$6,685,997	\$6,700,965
CAPITAL PROGRAM								
CS/DLAC 4RS	\$1,515,331	\$1,088,854	\$1,442,000	\$1,242,000	\$1,485,260	\$1,429,818	\$1,422,984	\$1,471,673
Work in Progress	2,368,483	2,604,875	1,113,779	293,569	1,535,980	1,335,000	1,585,000	1,485,000
TOTAL CAPITAL PROGRAM	\$3,883,814	\$3,693,729	\$2,555,779	\$1,535,569	\$3,021,140	\$2,797,318	\$3,007,984	\$2,956,673
DEBT SERVICE								
Financial Expenses	(\$5,632)	\$499	\$455	\$550	\$550	\$550	\$550	\$550
Interest	439,286	411,341	416,188	422,893	409,080	393,560	385,094	376,121
Principal	105,432	111,758	118,463	118,464	133,105	141,091	149,556	158,530
Short Term Inter-Fund Loan	0	6,000,000	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$539,086	\$6,523,598	\$535,106	\$541,907	\$535,200	\$535,201	\$535,200	\$535,201
TRANSFERS IN (OUT)								
Capital Contribution	(\$14,384)	(\$9,683)	(\$17,656)	(\$16,222)	(\$25,500)	(\$23,069)	(\$17,000)	(\$17,000)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$14,384)	(\$9,683)	(\$17,656)	(\$16,222)	(\$25,500)	(\$23,069)	(\$17,000)	(\$17,000)
FUND BALANCE								
Net Income (Loss)	\$14,265,659	(\$6,891,500)	(\$669,480)	(\$266,758)	\$572,640	\$641,954	\$561,609	\$586,995
Beginning Fund Balance July 01	\$14,298,028	\$13,032,369	\$6,140,868	\$6,140,868	\$5,405,608	\$5,978,248	\$6,620,202	\$7,181,810
ENDING BALANCE AT JUNE 30	\$13,032,369	\$6,140,869	\$5,471,388	\$5,874,110	\$5,978,248	\$6,620,202	\$7,181,811	\$7,768,805
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	\$598,151	\$803,462	\$868,493	\$766,139	\$746,851	\$753,418	\$758,346	\$763,303
Capital Expansion / Construction	10,385,686	3,713,352	2,625,694	3,508,895	2,638,296	3,855,872	4,465,279	5,073,182
CS/DLAC Prepayment	535,201	535,200	535,201	357,076	535,201	535,200	535,201	460,647
Debt Service & Redemption								
ENDING BALANCE AT JUNE 30	\$11,519,038	\$12,072,014	\$11,939,388	\$11,670,210	\$11,916,348	\$12,144,518	\$12,753,826	\$13,297,132

RECHARGE WATER (RW) PROGRAM

Programmatic Overview

The Recharge Water program is a comprehensive program to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water. Through the development of increased recharge capacity in the Chino basin, greater quantities of high quality water can be captured and stored during wet years and be made available during drought years and times of imported water supply shortages.

The FY 2011/12 budget for groundwater recharge operations of the recharge basins and pertinent facilities is based on the costs to operate and maintain eighteen recharge sites in the Chino Basin. The anticipated volume of water recharge in FY 2011/12 is approximately 75,000 acre-feet (AF) which includes 17,000 AF of storm water, 13,000 AF of recycled water, and 45,000 AF of imported water. Imported water is available at the replenishment rate through December 2011. Between May and December 2011, IEUA will be working towards meeting the Chino Basin Watermaster goal of 50,000 AF of replenishment water deliveries.

The recharge volume projections assume:

- Minimal downtime during basin improvement projects.
- Replenishment water available from the Metropolitan Water District (MWD) of Southern California.
- Above average rainfall available for storm water capture.

Basin enhancements continue to be developed to increase recharge capacity and reliability. The anticipated improvements in FY 2011/12 include:

- Installation of a temporary recycled water turnout a Turner Basin 1 which will allow water to be delivered at 450 gallons per minute directly to the basin and avoid deliveries through Deer Creek. A permanent and larger recycled water turnout is being designed for this basin. These turnouts are needed as Deer Creek inlet is too low to allow water to flow into Turner 1 during most of the year.
- IEUA will be conducting various basin repair projects for damages caused by the December 2010 storms, which were declared National and State disasters.

Fund Description

The Recharge Water (RW) Fund accounts for the revenues and expenses associated with the groundwater recharge operations and maintenance through the joint effort of the CBWM, the Chino Basin Water Conservation District (CBWCD), the San Bernardino County Flood Control District (SBCFCD), and the Inland Empire Utilities Agency. Expenses include general basin maintenance or restoration costs, groundwater administration (e.g. labor, equipment, and tools), contracted services (e.g. weeding and vector control) compliance reporting and environmental documentation for the program's Fish & Game Permit. The operations and maintenance budget is partially funded by the Chino Basin Watermaster and the Agency.

Debt service costs are for the Ground Water Basin Enhancement Project funded by the 2008B Variable Rate Bonds (refinancing the 2002A Bonds in May 2008). Debt principal and interest payments are equally reimbursed by the Chino Basin Watermaster and the Agency. The Agency's portion is supported by a fund transfer from the Wastewater Regional Capital (RC) Improvement Fund.

Revenues and Other Funding Sources

Total budgeted revenues and other funding sources for FY 2011/12 are \$2.4 million. These include \$1.2 million of reimbursements from the CBWM for groundwater recharge operations & maintenance and debt service; a fund transfer from RC Fund for the Agency's portion of the debt service at \$687,000, FEMA and CalEMA grant proceeds for a total of \$346,500, a fund transfer from the WC Fund for operations support of \$237,000, and \$10,000 in interest earnings from the program's reserve balance.

Revenue & Other Funding Sources	FY 2011/12 Budget \$Millions	% of Total	Description
CBWM GWR O&M	\$0.72	30%	Groundwater Recharge Operations & Maintenance (GWR O&M) reimbursement from Chino Basin Watermaster
CBWM Debt Service	0.44	18%	Reimbursement from Chino Basin Watermaster for its share of the debt service costs
IEUA Debt Service	0.69	28%	Reimbursement from Inland Empire Utilities Agency for its share of the debt service costs
Other Revenues	0.59	24%	Operating transfer from the Recycled Water Fund for the Agency's pro rata share of groundwater basin maintenance (\$237,000), grants (\$346,500), and interest (\$10,000)
Total Revenue	\$2.44	100%	

Expenses and Other Uses of Funds

Total Recharge Program expenses for FY 2011/12 are \$2.5 million. These include \$1.1 million of debt service costs for the Ground Water Basin Enhancement Project; groundwater operations and maintenance cost for \$962,000; and \$410,000 for capital projects.

Expense	FY 2010/11 Budget \$Millions	% of Total	Description
Debt Service	\$1.11	45%	Includes payment on bond principal and interest
Groundwater O&M	0.96	39%	Includes GWR maintenance & administration costs, utilities, specialty O&M, CBWCD, SBCFCD costs, and general allocation for support by various IEUA departments
Capital/ Special Projects	0.41	16%	Capital project expense for basin modifications and repairs
Total Expense	\$2.48	100%	

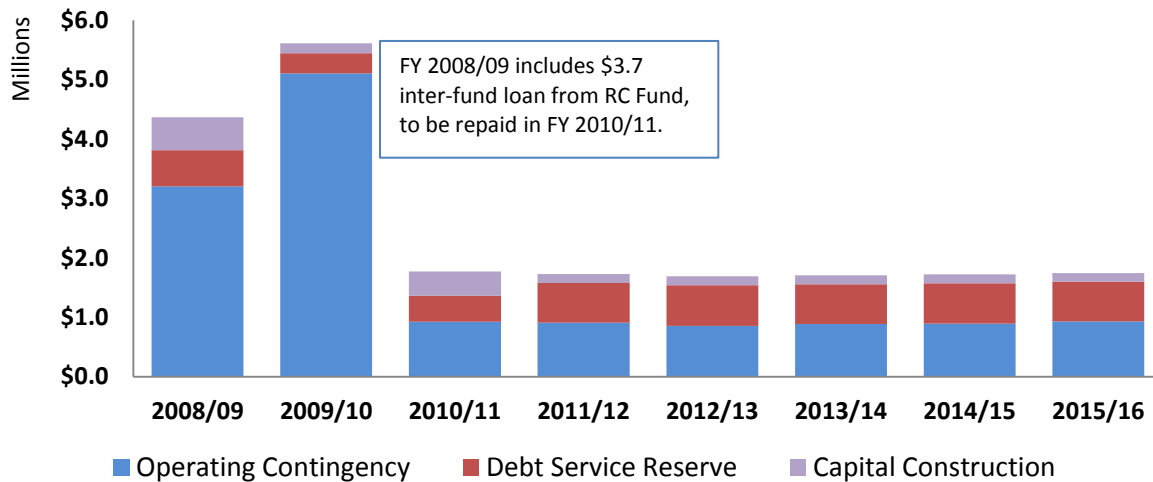
Debt Service

Debt service expense of \$1.1 million consists of the Chino Basin Watermaster and the Agency's portion of the 2008B Variable Rate Bond principal and interest debt payment.

Fund Balance

The ending Fund Balance for FY 2011/12 is projected to be \$1.7 million. Fund Balance is estimated to continue at the same balance throughout the future years since a majority of its operating expenditures are fully reimbursable by CBWM and the Agency.

Recharge Water Fund Balance



FY 2011/12 Highlights

Reuse of recycled water for groundwater recharge is a critical component of the water supply plans for the region. It will increase the reliability of water supplies during dry years and save \$6 million to \$9 million per year in imported water costs. Ten recharge sites (see table below) are currently receiving recycled water recharge. Two of the ten basins (Victoria and San Sevaine) began receiving recycled water in FY 2010/11. No new basins are schedule to be initiated to receive recycled water in FY 2011/12.

FY 2013-2016 Forecast

Currently the recharge basins are not expected to require significant capital expense beyond the completion of refurbishment at selected basins. Enhancements to existing facilities and development of additional recharge facilities will occur as opportunities arise. The following table is a listing of basins in the Chino Basin area and their potential AF recharge capacity.

CHINO BASIN POTENTIAL SOURCE WATER RECHARGE CAPABILITIES

Basin Name	Potential Basin Recharge Capacity Acre Feet Per Year (AFY)			
	Storm Water	Imported Water	Recycled Water	Total
8th Street Basins*	870	1,160	870	2,900
Banana Basin*	870	1,160	870	2,900
Brooks Street Basins*	870	1,160	870	2,900
College Heights Basins	2,600	6,070	0	8,670
Declez Basins	1,040	1,390	1,040	3,470
Ely Basins*	870	1,160	870	2,900
Etiwanda Conserv. Ponds ¹	0	0	0	0
Etiwanda Debris Basin	1,210	1,620	1,210	4,040
Grove Basin	350	0	0	350
Hickory Basin*	870	1,160	870	2,900
Jurupa Basin ²	0	0	0	0
Lower Day Basin	1,560	2,080	1,560	5,200
Montclair Basins	6,940	16,190	0	23,130
RP3 Basins*	1,210	1,620	1,210	4,040
San Sevaine Basins	8,670	11,560	8,670	28,900
Turner Basins (2)*	1,040	1,390	1,040	3,470
Upland Basin	3,470	8,090	0	11,560
Victoria Basin	1,040	1,390	1,040	3,470
Total	33,480	57,200	20,120	110,800

1. Etiwanda Conservation Ponds are located on Southern California Edison's right-of-way, and have yet to be developed due to lack of agreement on lease terms.

2. Jurupa Basin, through geotechnical testing (URS, 2003), is believed to have minimal infiltration benefits. As such, Jurupa Basin is used as a holding basin for water sources pumped to the RP3 Basins or further routing to Declez Basin.

*Currently receiving recycled water recharge water.

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2011/2012 Budget
SOURCES & USES OF FUNDS

GROUND WATER RECHARGE (RW) FUND

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST		
REVENUE								
Contract Cost Reimbursement WM								
Debt Service (WM)	\$415,831	\$611,069	\$637,198	\$341,855	\$437,387	\$681,161	\$666,945	\$680,954
Facilities Operations	599,660	652,487	665,300	653,456	722,137	788,000	809,000	831,000
Capital Contribution	750,000	375,000	0	23,100	0	0	0	0
Contract Cost Reimbursement WM Total	\$1,765,491	\$1,638,556	\$1,302,498	\$1,018,411	\$1,159,524	\$1,469,161	\$1,475,945	\$1,511,954
Transfers from Other Funds								
Debt Service	\$548,948	\$663,105	\$637,198	\$341,855	\$687,387	\$681,161	\$666,945	\$680,954
Advance from Other funds	3,700,000	0	0	0	0	0	0	0
Operation support	351,000	448,600	154,000	132,299	236,863	200,000	200,000	200,000
Capital support	1,429,267	0	0	0	0	0	0	0
Transfers from Other Funds Total	\$6,029,215	\$1,111,705	\$791,198	\$474,154	\$924,250	\$881,161	\$866,945	\$880,954
Grant	\$3,699,301	\$456,353	\$0	\$0	\$346,500	\$0	\$0	\$0
Interest Revenue	\$3,436	\$0	\$10,007	\$10,007	\$10,420	\$13,174	\$19,013	\$22,144
Other Revenue	\$18,784	\$4,114	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$11,516,227	\$3,210,727	\$2,103,703	\$1,502,572	\$2,440,693	\$2,314,010	\$2,366,350	\$2,415,052
EXPENSES								
DEBT SERVICE								
Financial Expenses	\$111,559	\$103,502	\$97,471	\$116,355	\$134,450	\$107,250	\$107,250	\$134,450
Due to Other Funds	0	0	0	3,700,000	0	0	0	0
Principal 2008B Bonds	481,356	520,339	520,339	520,339	528,814	584,746	606,780	632,203
Interest 2008B Bonds	418,953	53,399	656,585	47,016	449,598	663,874	619,859	595,255
Debt Service Total	\$1,011,868	\$677,266	\$1,274,395	\$4,383,710	\$1,112,862	\$1,362,321	\$1,333,889	\$1,361,908
CAPITAL OUTLAY								
Basin improvements	\$5,714,513	\$542,353	\$278,256	\$168,637	\$409,000	\$50,075	\$0	\$0
Equipment	139,896	8,900	0	0	0	0	0	0
Capital outlay Total	\$5,854,409	\$551,253	\$278,256	\$168,637	\$409,000	\$50,075	\$0	\$0
REIMBURSABLE								
Facilities Operations								
SBCFCD-O&M	\$4,657	\$9,124	\$20,000	\$12,731	\$20,000	\$20,600	\$21,855	\$22,511
CBWCD-O&M	\$0	\$0	\$4,000	\$0	\$4,000	\$4,120	\$4,244	\$4,502
IEUA-O&M	\$213,012	\$166,887	\$272,000	\$271,942	\$346,500	\$357,795	\$381,412	\$393,754
General Basin Maintenance	21,831	26,749	22,000	6,000	69,000	59,070	63,398	65,660
Specialty O&M	345,202	386,765	387,000	386,782	403,810	406,232	411,244	413,837
GWR General Admin	87,328	138,669	112,000	106,000	116,000	119,480	126,757	130,561
Utilities	\$667,373	\$719,071	\$793,000	\$770,724	\$935,310	\$942,577	\$982,811	\$1,003,811
IEUA-O&M Total	\$667,373	\$719,071	\$793,000	\$770,724	\$935,310	\$942,577	\$982,811	\$1,003,811
Facilities Operations Total	\$672,030	\$728,195	\$817,000	\$783,455	\$959,310	\$967,297	\$1,009,037	\$1,030,824

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2011/2012 Budget
SOURCES & USES OF FUNDS

GROUND WATER RECHARGE (RW) FUND

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST		
EXPENSES								
Reimbursable Total	\$672,030	\$728,195	\$817,000	\$783,455	\$959,310	\$987,869	\$1,009,037	\$1,030,824
NON REIMBURSABLE								
IEUA								
IEUA O&M	\$287	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non Reimbursable Administration	25,176	387	2,400	2,400	2,640	0	0	0
Capital/Special Projects	(75)	6,114	9,000	9,000	0	0	0	0
IEUA Total	\$25,388	\$6,501	\$11,400	\$11,400	\$2,640	\$0	\$0	\$0
Non Reimbursable Total	\$25,388	\$6,501	\$11,400	\$11,400	\$2,640	\$0	\$0	\$0
TOTAL EXPENSES	\$7,563,695	\$1,963,215	\$2,381,051	\$5,347,202	\$2,483,812	\$2,351,208	\$2,342,926	\$2,392,732
FUND BALANCE SUMMARY								
Net Income (Loss)	\$3,952,533	\$1,247,512	(\$277,349)	(\$3,844,630)	(\$43,119)	(\$37,198)	\$16,160	\$18,976
Beginning Fund Balance	414,974	4,367,506	1,307,997	5,615,018	1,770,388	1,727,269	1,690,071	1,706,231
ENDING BALANCE AT JUNE 30	\$4,367,506	\$5,615,018	\$1,030,648	\$1,770,388	\$1,727,269	\$1,690,071	\$1,706,231	\$1,747,527
RESERVE BALANCE SUMMARY								
Operating Contingency (Bond Requirement)	\$3,205,184	\$5,104,526	\$556,431	\$924,002	\$910,351	\$858,911	\$894,254	\$930,140
Debt Service Reserve	611,069	341,855	0	437,387	666,918	681,161	666,945	667,387
Capital Construction	551,253	168,637	474,217	409,000	150,000	150,000	150,000	150,000
ENDING BALANCE AT JUNE 30	\$4,367,506	\$5,615,018	\$1,030,648	\$1,770,388	\$1,727,269	\$1,690,071	\$1,706,231	\$1,747,527

RECYCLED WATER PROGRAM

Programmatic Overview

The Agency's recycled water program has become a leader throughout the nation in the use and production of recycled water. As California was recently in the midst of a prolonged drought, water conservation and resource management became more critical than ever, because of significant pumping restrictions placed on the delta to protect endangered fish species, the state of California can no longer depend on wet winters alone to replenish its water reserves. Due to these ever increasing concerns, the Agency is continuing to accelerate its investment in recycled water infrastructure with the execution of the Recycled Water Business Plan (RWBP).

Through the implementation of the RWBP capital construction projects were prioritized and phased to achieve the steady increase of demand for recycled water. The projects in the RWBP will build laterals to the recycled water "backbone" pipelines for the infrastructure delivery system necessary to ultimately distribute approximately 93,000 AFY of recycled water from the Agency's four water recycling plants to the contracting agencies, commercial customers, and recharge basins for groundwater storage. The 93,000 AFY will replace approximately 60,000 AFY of potable demands in green belt irrigation and industrial use application, and 33,000 AFY will be used for groundwater replenishment. The Agency anticipates that by 2025 the recycled water program will provide 20% of IEUA's water requirement.

The use of recycled water provides a cost effective, dependable and environmentally friendly water supply that can be used for a number of different operations. In 2007 the Agency implemented an aggressive three year business plan to ensure the Agency will meet their steadily growing recycled water needs (FY 2009/10 Recycled Water Annual Report). The Recycled Water Business Plan (RWBP) set forth a goal to increase the demand for recycled water connections to 50,000 acre foot per year (AFY) by FY 2011/12. As of FY 2010/11 the demand for recycled water has grown to 43,048 AFY, with another 168 AFY anticipated to be completed before the 2011 year end.

Name	City	Demand (AFY)	Estimated Completion
Dorothy Gibson High School	Ontario	12	Apr 2011
Arroyo Elementary School	Ontario	25	Apr 2011
Ray Wiltsey Middle School	Ontario	70	Apr 2011
Mariposa Elementary School	Ontario	34	Apr 2011
Etiwanda High School	CVWD	27	Jun 2011

The agency has provided recycled water to numerous different schools, farmlands, parks and businesses within the service area, such as, El Prado Regional Park, and the Preserve Master Community in the City of Chino. With the commitment to the Recycled Water Business Plan recycled water deliveries will be a reliable source for residents and customers during drought conditions. With the support of the contracting agencies, the Agency will continue to target customers, such as developing local farming communities, Non-reclaimable wastewater (NRW) customers, golf courses and others, to promote the replacement of potable water with recycled water. Assuming a drier winter season and an increase in the number of connected users for FY 2011/12, total recycled water deliveries are budgeted at 39,000 AFY. This is higher than the revised projection of 25,000 AFY of recycled sales from FY 2010/11, sales projections were reduced by 10,000 AF (from 35,000 AF adopted budget) due to the cool summer and wet winter that we have experienced.

Recycled Water User Type	Budget FY 2011/12 (AFY)	Short Term Demand (AFY)	Ultimate Demand (AFY)
Landscape Irrigation	11,500	9,615	37,000
Agricultural Irrigation	11,500	14,500	5,000
Industrial	2,000	1,995	11,000
Total Direct Sales	25,000	26,110	53,000
Groundwater Recharge	14,000	22,740	27,000-33,000
Total Recycled Water Demand	39,000	48,850	80,000-86,000

Fund Description

The Recycled Water (WC) fund records the revenues and expenses associated with the operations and maintenance of the facilities used to distribute recycled water supplied from the Agency’s recycling plants. Additionally, the WC fund records all of the revenues and costs related to the construction of recycled water capital projects. These project costs include site studies, environmental reviews, design, construction, and construction management, trunk and distribution lines and pumping stations needed in the distribution of recycled water within the Agency’s service area.

Revenues and Other Funding Sources

Total revenue for the fund is projected to be \$30 million in FY 2011/12. Revenue and other funding sources include \$14.4 million of loan proceeds from the State Revolving Fund (SRF) and \$4.9 million in State (SWRCB) and Federal (USBR) grants. Recycled water sales are projected at \$4.9 million and MWD LPP program rebates are expected to be \$2.1 million, property tax receipts \$1.6 million, operating transfers of \$1.5 million, other revenues include reimbursements from various public and private agencies for lateral and retrofit installations of \$400,000, as well as nominal interest income.

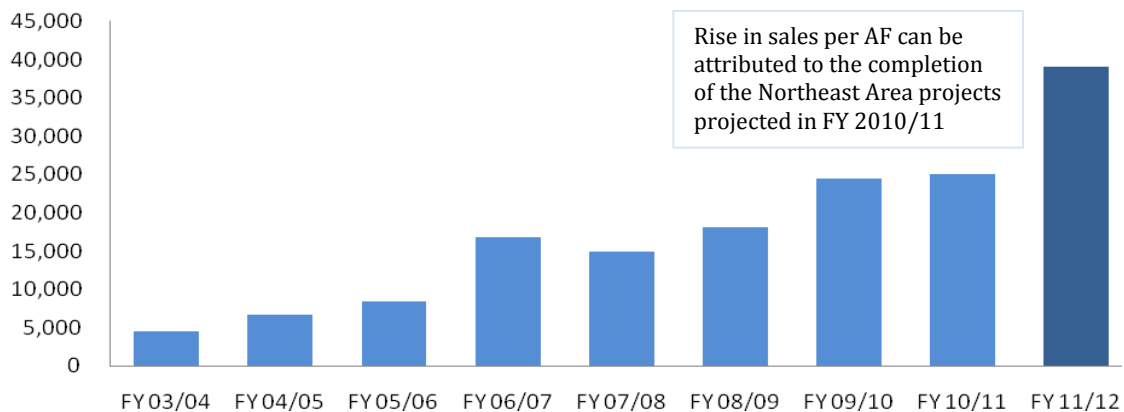
Beginning FY 2009/10 and continuing through FY 2013/14, the Recycled Water fund began receiving an allocation of property tax revenue to support debt service costs. The allocation of property taxes to the Recycled Water Program is consistent with the Agency’s historic usage of these revenues to support debt service and capital costs. A key change in FY 2011/12 is a reduction in this temporary allocation to the Recycled Water Program from 8% to 5%. The temporary tax allocation to the Recycled Water fund from the Regional Wastewater O&M (RO) fund will be reinstated to the RO fund in FY 2014/15 to help mitigate the impact of future EDU volumetric rate increases.



FY 2011/12			
Revenue	Budget \$Millions	% of Total	Description
SRF Loans / Grants	\$19.3	65%	State Revolving Fund loans and State and Federal Grants
MWD LPP Program	2.1	7%	Metropolitan Water District LPP program rebate of \$154 per AF
Recycled Water Sales	4.9	16%	Includes a rate increase effective July 1, 2011 for direct sales of Recycled Water Rate to \$115 per AF and groundwater recharge sales to \$145 per AF
Property Tax	1.6	5%	Allocation of 8% in property tax revenue to support 100% of debt service costs
Inter-fund transfers	1.5	5%	Inter-fund transfer from Regional Wastewater Capital Program to support part of the debt service
Other Revenues	.6	2%	Includes various reimbursements for retrofit project expense, operating transfers and interest income
Total Revenue	\$30	100%	

The WC fund generates revenue from the sale of recycled water to member agencies and industries, such as multiple Golf Courses throughout the service area, Temple Inland Industry, and Reliant Energy, LLC (a power generation facility). In FY 2011/12, recycled water direct sales are budgeted at 25,000 AF and groundwater recharges sales are budgeted at 14,000 AF for a total 39,000 AF, or \$4.9 million of sales revenue. The groundwater recharge rate includes an additional \$30/AF surcharge to support a portion of the ground water recharge basin maintenance and improvements costs not reimbursed by Chino Basin Watermaster. The proposed recycled rate increase effective July 1, 2011 is based on key assumptions, including total deliveries of 39,000 AF and an Agency blended pumping rate of \$67 per AF.

Sales in Acre Feet per Year



Recycled water sales are highly dependent on seasonal and annual changes in weather and precipitation. Heavy rainfall reduce irrigation requirements and can result in lower than projected recycled water deliveries. A significant drop in deliveries or higher than expected electricity rate increases from Southern California Edison may require higher rate increases in the future.

Expenses and Other Uses of Funds

Total Recycled Water Fund expense in FY 2011/12 is projected to be \$37 million. Capital expenditures are projected at \$24.2 million or 65% of total expense, and debt service cost is \$6 million. The balance is operations and administrative expense at \$6.9 million, which consists of \$1.9 million in labor costs (including burden, overhead) and other allocated expenses, \$2.6 million for pumping costs, \$970,000 for professional fees and services, materials and supplies, \$1.1 million special project expense, and a \$45,000 capital contribution to the Administrative Services fund.

Expense	FY 2011/12 Budget \$Millions	% of Total	Description
Capital Projects	\$24.2	65.2%	See the Capital section for detailed listing of Recycled Water Capital Projects
Debt Service	6.0	16.2%	Includes an Inter-fund loan repayment of \$5 million and bond and revolving fund loan debt service
Operations	4.0	10.8%	Includes labor, utilities, chemicals and materials and supplies
Administrative	1.3	3.5%	Includes labor and professional fees and services
Other Expense	1.1	3.0%	Includes O & M project expense and operating transfers
Ground Water Recharge	0.5	1.3%	Includes labor, utilities, chemicals and materials and supplies used to support the Agency's recharge water basins
Total Expense	\$37	100%	

Capital Project Costs

The phasing of priority projects in the RWBP was determined based on the amount of recycled water that each phase could serve and the proximity of each phase to one of the plants or existing recycled water supply systems. In FY 2010/11 the Northeast Area priority one projects were complete. Priority two projects in the Northwest Area are scheduled to be complete in the fall of 2011 and will serve the City of Upland as well as portions of Cucamonga Valley Water Districts (CVWD) service area with recycled water connections. The Southern Area projects will serve to provide the Cities of Chino, Chino Hills and parts of Ontario with recycled water connections. The Central Area projects will install 4.6 miles of 24 inch pipeline that will provide recycled water to the southern part of the City of Fontana and the eastern City of Ontario. Both the Southern and Central area projects are scheduled to be complete in FY 2012/13.

Project	Design	Construction completion	Project Cost	Status	AF Demand
NW Area Regional Facilities	Complete	Fall 2011	\$24,000,000	Construction	1,300
Southern Area Regional Facilities	Spring 2011	Fall 2012	\$22,000,000	33% Design	4,900
Central Area Regional Facilities	Summer 2011	Summer 2013	\$12,600,000	Pre Design	4,100

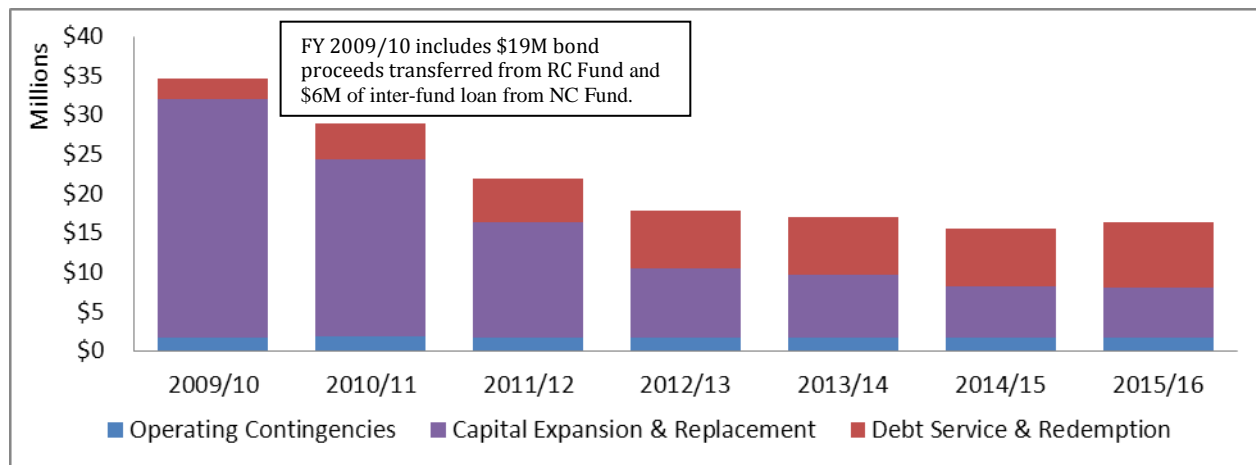
Major Capital Projects	FY 2011/12 Budget \$Millions
Wineville Extension Recycle Water Pipeline	\$ 8.4
930 W. Reservoir and Pipeline (Southern Area)	7.6
1630 W. Reservoir, Pipeline and Pump Station (Northwest Area)	6.6
Misc. Connections, Retrofits and Laterals	0.5
Other Projects	1.1
Total Major Projects	\$24.2

See the Capital section for a complete listing of capital projects.

The primary source of funding for the IEUA Regional Recycled Water Capital Program includes SRF loans obtained from the California State Water Resources Control Board (SWRCB). The Recycled Water fund has been using various forms of the SRF loans since 2003. All SRF loans require repayment to begin one year after completion of construction and are due and payable in 20 years.

Fund Balance

The FY 2011/12 ending fund balance is anticipated to be \$20.9 million, the decrease is due to completion of the recycled water supply system in the Northwest and Southern area projects. Beginning in FY 2012/13, reserves start to stabilize as capital costs are significantly lower along with higher deliveries of direct and groundwater recharge water are projected, partially offset by the repayment of the Inter-fund loan to NC and RC fund.



FY 2013-2016 Forecast

The Agency will continue to concentrate on expansion of the recycled water system with focus on the RWBP goal of providing 20% of Agency's water requirement by 2025. Total Recycled Water Program projects will be approximately \$56 million for the ten fiscal years 2012-2021, over the next two fiscal years the capital projects will be approximately \$37 million or 66% of the total ten years. The majority of the capital expenditures will be for new regional facilities that include pipelines, pump stations and reservoirs, with a small portion of the expense going towards assistance for the construction of public and private sector retrofits. The Agency will continue to pursue grants and loans to fund projects required for additional capacity demands.

A recycled water rate survey was taken by the Agency in January 2011, which indicated the Agency's FY 2010/11 Recycled Water rate to be the lowest among other local agencies.

Wholesale Agencies			
Agency	Type	Notes	Rate \$/AF
Calleguas Municipal Water District	Wholesale	Base Rate	\$750
Central Basin Municipal Water District	Wholesale	Tiered Rates	\$ 283 - \$ 526
Eastern Municipal Water District	Wholesale	Tiered Rates	\$ 188 - \$ 299
Inland Empire Utilities Agency	Wholesale	Base Rate	\$115
Irvine Ranch Water District	Retail & Wholesale	Base Rate	\$449
Orange County Water District	Wholesale	Green Acres rate	\$326
West Basin Municipal Water District	Wholesale	Tiered Rates	\$ 540 - 1,270
Retail Agencies			
Agency	Type	Notes	Rate \$/AF
		Recycled Water Service	\$942
Burbank	Retail	School Recycled Water Service	\$471
City of Carlsbad	Retail	Base Rate	\$ 1,294
City of Escondido	Retail	Base Rate	\$ 977
Fallbrook Public UD	Retail	Base Rate	\$857
City of Glendale	Retail	Tiered Rates	\$678 - \$ 994
Las Virgenes Municipal Water District	Retail	Tiered Rates for Las Virgenes Valley Zone	\$436 - \$1,407
		Tiered Rates for Western / Calabasas Zone	\$531 - \$1,503
LA Dept of Water & Power	Retail	Tiered Rates	\$1,227 - \$1,913
Long Beach Water Department	Retail	Non Peaking - Peaking Rates	\$ 540 - \$ 753
Olivenhain Municipal WD	Retail	Base Rate	\$1,130
Otay Water District	Retail	Base Rate	\$1,260 - \$1,303
City of Poway	Retail	Base Rate	\$1,555
Rincon Del Diablo MWD	Retail	Base Rate	\$1,110
City of San Diego	Retail	Base Rate	\$ 354
San Dieguito Water District	Retail	Base Rate	\$1,055 - \$1,500
City of Santa Barbara	Retail	All Usage not applicable for irrigation	\$820
Sante Fe Irrigation District	Retail	Base Rate	\$1,343 - \$1,467

INLAND EMPIRE UTILITIES AGENCY
FY 2011/12 BUDGET - Scenario A
WC FUND - SOURCES AND USES OF FUNDS

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST		
REVENUES								
Contract Cost reimbursement	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Interest Revenue	105,008	266,268	179,936	53,463	142,704	134,893	133,828	146,084
Water Sales	2,715,634	4,162,140	5,180,000	4,254,200	6,984,000	10,819,000	13,059,000	15,049,000
TOTAL REVENUES	\$2,820,642	\$4,428,408	\$5,409,936	\$4,357,663	\$7,176,704	\$11,003,893	\$13,242,828	\$15,245,084
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	\$0	\$2,444,395	\$2,576,190	\$2,663,839	\$1,648,250	\$1,656,492	\$0	\$0
State Loans	10,879,108	10,697,189	10,115,576	10,115,576	14,438,467	7,161,558	772,835	0
Grants	7,631,498	8,419,060	4,630,000	5,721,087	4,920,647	3,000,000	0	0
Other Revenues	13,475	15,080	375,621	375,621	353,292	252,674	133,480	101,548
Loan Transfer from Internal Fund	0	25,500,000	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$18,524,081	\$47,075,724	\$17,697,387	\$18,876,122	\$21,360,656	\$12,167,780	\$2,682,001	\$101,548
EMPLOYMENT EXPENSES								
Contract Work/Special Projects	\$2,398,177	\$1,557,697	\$2,575,377	\$1,881,255	\$1,938,407	\$1,946,379	\$1,947,645	\$1,950,192
Utilities	407,594	147,735	225,000	269,545	1,115,750	200,000	80,000	80,000
Operating Fees	617,928	1,079,962	2,239,800	1,265,480	2,610,108	2,967,896	3,056,933	3,243,100
Professional Fees and Services	265,955	445,530	200,569	231,426	229,320	182,337	151,485	185,363
Materials & Supplies	226,695	1,168,697	733,061	553,850	594,499	596,541	601,121	605,814
Other Expenses	16,391	78,175	150,062	115,409	146,873	150,342	152,896	155,446
TOTAL EXPENSES	\$4,033,349	\$4,517,963	\$6,315,951	\$4,509,047	\$6,911,108	\$6,322,134	\$6,269,997	\$6,563,052
CAPITAL PROGRAM								
Work in Progress	\$12,894,043	\$26,510,323	\$24,814,495	\$22,982,320	\$24,183,843	\$13,055,670	\$850,000	\$450,000
TOTAL CAPITAL PROGRAM	\$12,894,043	\$26,510,323	\$24,814,495	\$22,982,320	\$24,183,843	\$13,055,670	\$850,000	\$450,000
DEBT SERVICE								
Financial Expenses	(\$6,258)	(\$9,563)	\$1,970	(\$24,000)	\$2,000	\$2,000	\$2,000	\$2,000
Interest	1,118,611	2,279,272	2,302,092	2,387,001	2,235,989	2,901,464	2,843,206	2,773,498
Principal	1,181,547	1,830,116	1,907,213	1,908,920	2,767,019	3,811,829	3,870,213	4,029,754
Short Term Inter-Fund Loan	0	0	0	0	1,000,000	2,000,000	2,000,000	2,000,000
TOTAL DEBT SERVICE	\$2,293,900	\$4,099,825	\$4,211,275	\$4,271,921	\$6,005,008	\$7,037,507	\$8,810,251	\$8,805,252
TRANSFERS IN (OUT)								
Capital Contribution	(\$11,987)	(\$9,683)	(\$17,657)	(\$16,222)	(\$46,276)	(\$23,069)	(\$17,000)	(\$17,000)
Debt Service	490,000	1,464,622	1,464,622	1,464,622	1,464,622	1,464,622	1,464,622	1,464,622
Operation support	199,000	227,000	146,000	167,701	63,317	0	(100,000)	(200,000)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$677,013	\$1,681,939	\$1,592,965	\$1,616,101	\$1,481,663	\$1,439,122	\$1,341,553	\$1,247,622
FUND BALANCE								
Net Income (Loss)	\$2,800,444	\$18,057,961	(\$13,179,946)	(\$6,913,402)	(\$3,988,140)	(\$902,802)	(\$1,445,324)	\$775,950
Beginning Fund Balance July 01	13,990,687	16,791,131	34,849,092	34,849,092	27,935,690	20,854,754	16,866,614	14,518,489
ENDING BALANCE AT JUNE 30	\$16,791,131	\$34,849,092	\$21,669,146	\$27,935,690	\$20,854,754	\$16,866,614	\$15,963,813	\$15,294,439
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,108,605	\$1,578,988	\$1,580,534	\$1,727,777	\$1,580,534	\$1,601,626	\$1,640,763	\$1,656,680
Capital Expansion & Replacement	13,047,323	30,366,903	19,424,760	21,667,528	13,701,335	8,953,485	6,537,096	6,314,630
Rate Stabilization Reserve	0	200,000	375,000	0	0	0	0	0
Debt Service & Redemption	2,635,203	2,703,201	288,852	4,540,386	5,572,885	7,348,129	7,340,630	8,323,130
ENDING BALANCE AT JUNE 30	\$16,791,131	\$34,849,092	\$21,669,146	\$27,935,690	\$20,854,754	\$16,866,614	\$15,963,813	\$15,294,439

WATER RESOURCES PROGRAM

Programmatic Overview

The Inland Empire Utilities Agency (IEUA) and its member agencies work together to ensure a safe and reliable water supply and improve the efficiency of the service area's water use. This fiscal year begins with California's three-year drought declared officially over and Governor Brown rescinding the statewide drought declaration adopted in February 2009 by his predecessor. A heavy rainfall season and massive snow buildup in the Sierra Nevada have improved this year's water outlook for the State and especially, Southern California. However, while this season's storms have provided ample supplies, demand for water in California always surpasses available supplies. Demand management and efficient use of water remains a long-term need and key in meeting water supply reliability that is unpredictable from one year to the next. Historically drought is cyclical and produces lower than average precipitation; while water shortages may occur at any time as a result of an inability to move water. Thus, even in wet years, future water supplies are uncertain and stretched thin by increasing environmental regulations and population growth. As a result, IEUA has put in place imported water policies, practices, and programs that encourage the development and full utilization of local water resources that include water use efficiency measures, recycled water production, groundwater recharge, and storm-water capture.

IEUA's water use efficiency programs are fundamental in managing region wide demand and were a significant contributing factor to the recent success in reducing overall water use. Current water use trends indicate a continual decline in demand as was realized over the last four years. For example, in the Agency's service area during that time period, water use decreased by approximately 40,000 acre feet, representing a drop in use of over 15%.

With economic recovery on the horizon and water use predicted to rise, IEUA's regional water use efficiency programs will be essential to stabilizing local water supplies. New statewide initiatives that include Assembly Bill 1420 (Laird/Feuer), mandatory implementation and full compliance with Best Management Practices and SBX 7 7 (Steinburg), that requires a 20% reduction in urban per capita water use by 2020, will have a monumental impact on how water is used over the next 10 years.

During the coming years water use efficiency programs in the IEUA service area will continue to play a vital role in stretching existing water supplies and minimizing the economic impact from reduced imported water supplies. IEUA works in partnership with its member agencies, Chino Basin Watermaster (CBWM), Chino Basin Water Conservation District (CBWCD) and other agencies to implement regional water use efficiency programs. Primary activities include programs that encourage outdoor water use efficiency, promote public and school education, and provide incentives for high efficiency appliances and devices including weather-based irrigation controllers, high efficiency sprinkler nozzles, high efficiency toilets, and high efficiency clothes washers.

To effectively manage both imported and local water resources, IEUA works in close coordination with MWD (Metropolitan Water District), CBWM, Santa Ana River Water Project Authority (SAWPA), San Bernardino County Flood Control District (SBCFCD), and other agencies.

In FY 2011/12, major initiatives to be implemented in the Water Resources Program include:

- *IEUA Long-Term Water Use Efficiency Business Plan* – This plan continues to guide the water use efficiency programs over the next five years and identifies key initiatives for implementation and demand reduction in order to comply with AB 1420 and SBX 7 7.

- *Water Use Efficiency Programs* – IEUA and its member agencies will continue to allocate funds to targeted programs, such as residential, commercial, industrial, institutional, and landscape programs, and seek grant funding whenever applicable in order to maintain programs identified in the Long Term Water Use Efficiency Plan. IEUA will continue to offer an expanded array of options to increase water savings, public awareness, education, and participation.
- *SAWPA Planning Initiatives* – IEUA will continue to participate in SAWPA’s technical stakeholder advisory groups, including the Basin Monitoring Program Task Force, Storm Water Task Force, Salinity Management Task Force and others, which provide opportunities to work with the Regional Water Quality Control Board staff crafting amendments to the Santa Ana River Basin Water Quality Control Plan.
- *Groundwater Recharge Master Plan Update* – IEUA will continue to participate in the CBWM process to update and develop an implementation for this recharge master plan. This update is pursuant to the Peace II Agreement (completed in 2007) and will prioritize key projects to aide in efficiently managing the Chino Groundwater Basin. These key projects will fully utilize imported, recycled and surface waters in conjunction with the management of the Chino Groundwater Basin.
- *MWD Dry Year Yield Program (DYY)* – IEUA, Three Valley Municipal Water District (TVMWD) and CBWM will continue administer the Dry Year Yield Program and continue to negotiate with MWD on expanding the Dry Year Yield Program to increase groundwater storage to 150,000 acre-feet.

Fund Description

The Water Resources Program (WW) Fund records the fiscal activity associated with providing water resources and water use efficiency programs within the Agency’s service area. These programs include management and distribution of imported water supplies, development and implementation of regional water use efficiency initiatives, water resource planning and provision of support for regional water supply programs including recycled water, groundwater recharge, and storm water management.

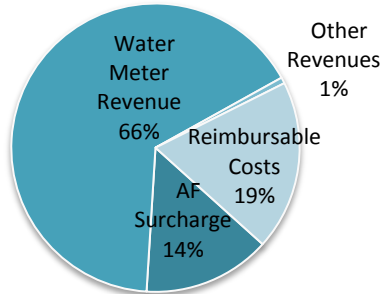
Within the Water Resources Program, the regional water conservation program receives dedicated funding, including a portion of the imported water acre foot surcharge and water meter service charge, and program grants and reimbursements from various sources including State, Federal and local agencies.

FY 2011/12 Revenues and Other Funding Sources

The Agency’s surcharge for imported potable water is \$12 per acre foot which includes \$4 per acre foot dedicated to water use efficiency programs. In FY 2011/12, the water meter service charge will increase to \$1.455/meter, a \$0.38 increase from FY 2010/11 rate of \$1.075, effective July 1, 2011. Meter charge revenue is use to meet our Readiness-to-Serve obligation (pass thru) from Metropolitan Water District, water use efficiency programs, and to help support the Agency’s groundwater recharge programs operational costs.

FY 2011/12 total revenue is projected to be \$5 million. Water meter revenue is \$3.3 million, acre foot surcharge revenue \$720,000 and interest and miscellaneous income of \$34,000. Included in revenues are reimbursements from MWD and others for conservation projects such as the Multi Family Installation and Landscape Audit Programs for \$958,000.

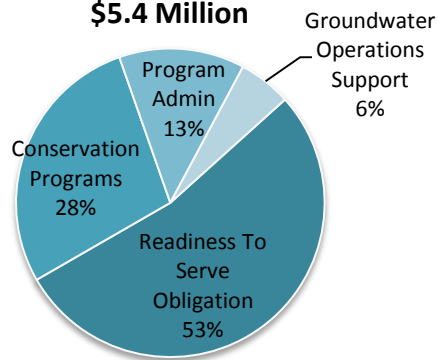
Revenue & Other Funding Sources \$5 Million



FY 2011/12 Expenses and Other Uses of Funds

Total program expense is projected to be \$5.4 million, including the MWD readiness to serve obligation of \$2.9 million, program administration of \$700,000, groundwater recharge operational support of \$300,000 and conservation program expense of \$1.5 million.

Expenses & Other Uses of Funds \$5.4 Million



FY 2011/12 Reimbursable Conservation Program Expense

Reimbursable Programs	FY 2011/12
MWD / USBR Multi Family Program	\$657,834
MWD Free Nozzle Voucher Program	150,000
Residential Landscape Retrofit Program	75,000
USBR Dedicated Meters Program	50,000
CBWCD Landscape Audit Program	25,000
Chino Basin Green Native Plant Program*	5,000
Landscape Alliance*	2,000
Total	\$964,834

*These programs received funding in prior years and will not receive reimbursement in FY 2011/12

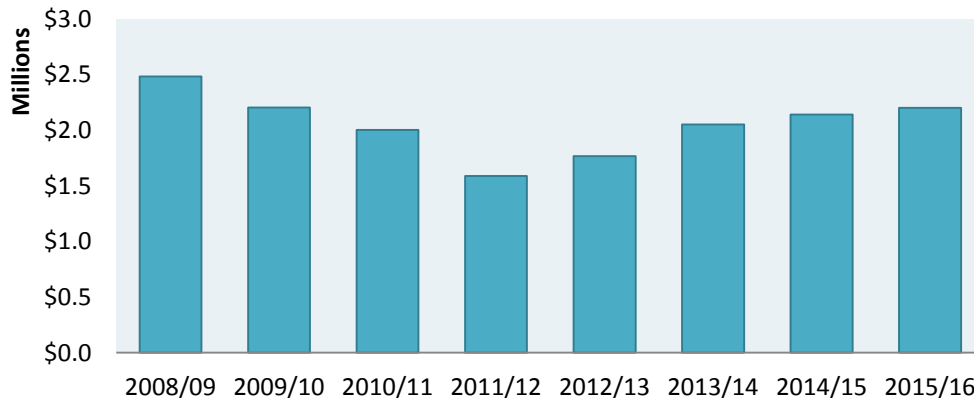
FY 2011/12 Non-Reimbursable Conservation Program Expense

Operations & Maintenance Projects	FY 2011/12
Multi Family Program	\$180,796
CII Commercial/Industrial/ Institutional Program	60,000
National Theater for Children	55,000
Dedicated Meters Program	50,000
Garden In Every School	30,000
Sponsorships and Public Outreach Programs	65,000
MWD Residential Rebate Program	50,000
Landscape Training Classes	15,000
CBWCD Landscape Audit Program	25,000
Residential Landscape Retrofit Program	25,000
Conjunctive Use Dry Year Yield Administration	5,000
Total	\$560,796

Fund Balance

The FY 2011/12 ending fund balance is anticipated to be \$1.6 million. The program fund balance is projected to increase nominally each year, in part due to the phase out of a \$300,000 annual transfer for groundwater recharge basin maintenance expense. It is expected that sales of groundwater from the basins will increase and ultimately be self supporting thereby decreasing the amount of support needed from the Water Resources Program.

Fund Balance



FY 2013- 2016 Forecast

Water supply issues present many challenges and opportunities during the coming years. The Water Resources Program supports the Agency's integrated management of water resources, including management of imported water supplies, implementation of regional water use efficiency programs and planning support for recycled water, groundwater recharge and storm water management programs.

The single greatest challenge during the coming year for IEUA and all other water agencies in Southern California is the management of the current surplus of imported water supply availability. Following two years of imported water allocations, three years of drought, and three years of excessive groundwater pumping, the IEUA service area needs to replenish its groundwater basins. The region's ability to capture as much storm-water, recharge as much recycled water and purchase as much replenishment water as possible over the next few years is critical to long term water supply reliability.

Overall, IEUA's service area has a well developed water resource portfolio and is well prepared to handle times of surplus and times of shortage. As demands begin to level out over the next few years and we begin to see growth come back to the region, the regional investments in recycled water, desalinated water, recharge capability and water use efficiency programs are expected to provide more than enough supply to meet future demands.

Full service imported water purchases over the next few years are expected to be similar to the previous two to three years, approximately 65,000 to 70,000 acre-feet per year. However, in the next two years, with the availability of replenishment water, IEUA can expect to see additional imported water purchases for the purposes of replenishing the groundwater basin.

Each agency passes through to customers the Metropolitan Water District base rate on sales of imported water. The survey below on water rates surcharge in addition to MWD base rate was taken by the Agency in March 2011, which indicates the Agency's FY 2011/12 water rate surcharge to be among the lowest compared to other local agencies.

Agency	\$ Surcharge Rate/AF
Calleguas Municipal Water District	\$199
Central Basin Municipal Water District	\$86
West Basin Municipal Water District	\$66
Western Municipal Water District	\$12
Inland Empire Utilities Agency	\$12
Three Valleys Municipal Water District	\$10
Municipal Water District of Orange County	\$7

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2011/12 BUDGET
WWW FUND - SOURCES AND USES OF FUNDS

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST		
REVENUES AND OTHER FINANCING SOURCES								
User Charges	\$2,257,067	\$2,436,933	\$3,256,830	\$3,256,831	\$4,052,882	\$4,668,858	\$5,110,323	\$5,594,568
Contract Cost reimbursement	0	173,352	1,079,639	397,839	536,000	250,000	200,000	200,000
Interest Revenue	53,807	31,503	14,700	20,007	15,848	19,956	26,076	38,738
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$2,310,874	\$2,641,788	\$4,391,169	\$3,774,677	\$4,604,710	\$4,938,843	\$5,247,884	\$5,833,306
OTHER FINANCING SOURCES								
Grants	\$2,087,561	\$120,071	\$606,481	\$106,481	\$421,834	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES	\$2,087,561	\$120,071	\$606,481	\$106,481	\$421,834	\$0	\$0	\$0
EXPENSES								
Employment Expenses	\$758,417	\$879,363	\$574,592	\$736,078	\$484,034	\$485,975	\$486,225	\$653,040
Contract Work/Special Projects	1,303,253	373,038	2,761,266	766,607	1,625,630	587,000	637,000	627,000
Operating Fees	801,163	1,370,518	2,004,297	2,004,142	2,913,911	3,266,454	3,510,382	4,360,756
Professional Fees and Services	101,736	113,460	54,000	54,000	66,666	90,338	96,673	96,372
Office and Administrative expenses	103,457	121,287	60,058	60,058	60,058	60,058	60,058	60,058
Other Expenses	1,159,870	84,303	71,031	84,854	69,237	71,165	73,149	77,288
TOTAL EXPENSES	\$4,357,957	\$2,741,969	\$5,865,544	\$3,724,739	\$5,139,566	\$4,361,031	\$4,862,487	\$5,774,533
TRANSFERS IN (OUT)								
Operation support	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$200,000)	(\$100,000)	\$0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$200,000)	(\$100,000)	\$0
FUND BALANCE								
Net Income (Loss)	(\$253,426)	(\$278,660)	(\$1,167,694)	(\$203,561)	(\$413,022)	\$177,812	\$285,397	\$58,760
Beginning Fund Balance July 01	\$2,735,432	\$2,483,006	\$2,204,346	\$2,204,346	\$2,000,765	\$1,587,743	\$1,765,555	\$2,140,880
ENDING BALANCE AT JUNE 30	\$2,483,006	\$2,204,346	\$1,036,452	\$2,000,765	\$1,587,743	\$1,765,555	\$2,050,952	\$2,199,633
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	\$2,483,006	\$2,204,346	\$1,036,452	\$2,000,765	\$1,587,743	\$1,765,555	\$2,050,952	\$2,199,633
ENDING BALANCE AT JUNE 30	\$2,483,006	\$2,204,346	\$1,036,452	\$2,000,765	\$1,587,743	\$1,765,555	\$2,050,952	\$2,199,633



Capital

CAPITAL PROJECTS

Each year, the Agency develops a Ten-Year-Capital Improvement Plan (TYCIP) in coordination with its seven wastewater contracting member agencies. Pursuant to the terms of the Regional Sewerage Service Contract, the TYCIP determines the capital spending requirements needed to meet future wastewater service needs and includes wastewater flow forecasts, a description of the capital improvement projects planned to meet those forecasts, and a summary of the costs associated with the program. The TYCIP is consistent with the Agency's approved budget and Long Range Plan of Finance.

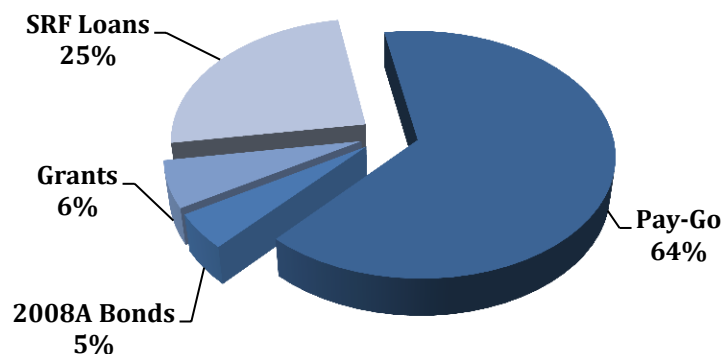
FY 2011/12 TYCIP proposes \$171 million of capital spending, a reduction of \$61 million from the prior year TYCIP. The reduction can be attributed mainly to the following factors: completion of projects, deferral of projects, reduced engineering costs due to the use of Agency staff for in-house design, and reduced construction costs due to the impact of the economic recession on the construction industry.

Despite some positive signs of economic recovery, recent forecasts indicate the economy will remain sluggish particularly in the Inland Empire for the next two to three years. The slow growth and the high number of foreclosures in the Agency's service area continue to affect revenues and plans for new facilities or capital expansions.

FY 2011/12 capital budget of \$47.7 million has decreased \$30 million compared to the FY 2010/11 adopted budget of \$77.7 million, primarily due to completion of projects and the deferral of non-essential capital projects. A key assumption in deferring capital projects from FY 2011/12 to FY 2012/13 is that delayed rehabilitation may result in equipment failure. Maintenance deferral could result in more expensive repair costs under emergency conditions or more extensive projects in the future, in light of the need to reduce expense staff has selected several projects that are the best candidates to be deferred for one year. A \$400,000 General Manager contingency has been included in the Regional Wastewater Operation and Maintenance (RO) Fund to address any unexpected costs that may arise throughout the year.

Only those capital projects that have specified funding sources, such as SRF loans, grants, unspent 2008A bond proceeds, and pay-go are included in the TYCIP capital budget. The primary funding sources for FY 2011/12 capital costs consist of:

**FY 2012-2021 Capital Program Funding Sources
\$171 Million**



Total capital budget for FY 2011/12 is \$47.7 million and the focus is on replacement, refurbishment, improvement and optimization of existing assets. The only exception is expansion of the Agency's Regional Recycled Water Distribution System which encompasses half of the total capital budget in FY 2011/12:

Program	\$ Millions	%
Recycled Water (WC Fund)	\$24.2	51%
Regional Wastewater Capital (RC Fund)	16.0	34%
Non-Reclaimable Wastewater (NC Fund)	3.0	6%
Regional Wastewater Operations (RO Fund)	2.7	6%
Admin Services (GG Fund) & Recharge Water (RW Fund)	1.8	3%
Total	\$47.7	100%

In 2007 the Recycled Water Business Plan (RWBP) was developed to accelerate the Regional Recycled Water Implementation Plan as a response to potential water supply shortages and reductions in MWD imported water supplies. Since the inception of the RWBP the program has made significant improvements in recycled water usage and connected demand. Connected demand and sales for recycled water has more than tripled since FY 2006/07. RWBP capital construction projects were prioritized and phased into four major project areas to achieve increased recycled water availability in the shortest time frame possible. Project areas include:

- North East Area Projects - Completed in the summer of 2010
- North West Area Projects – Scheduled for completion in FY 2011/12
- Central Area Projects – Scheduled for completion in FY 2012/13
- Southern Area Projects – Scheduled for completion in in FY 2012/13

In addition, the North East and Southern areas have future projects that are scheduled to begin in FY 2018/19 and beyond. These projects will enhance the completed recycled water system by adding additional storage and capacity improvements to meet future recycled water demands.

The Regional Wastewater Capital program continues to focus on the FY 2011/12 completion of the RP-1 Dewatering Facility Expansion project that will construct two storage silos to hold 48 hours of dewatered cake storage. This project began in 2005 with a total project budget of \$27.8 million and is fully funded by a State Revolving Fund loan.

The Agency's capital program objectives, justifications, financial resources and project details are provided in the "FY 2012-2021 Ten Year Capital Improvement Plan," Volume II of the Agency's annual budget document.

The following table is a summary of FY 2011/12 capital budget by program and project type.

Capital Category	Regional Wastewater Capital (RC)	Regional Wastewater O & M (RO)	Recycled Water (WC)	Non-Reclaim Wastewater (NC)	Admin Service (GG)	Recharge Water (RW)	TYCIP Total
Construction-CC	\$13.9	\$1.4	\$24.2	\$1.9	\$0.1	\$0.1	\$41.6
Equipment-EQ	0.2	0.0	0.0	0.1	0.6	0.0	0.9
Replacement-RP	1.9	1.3	0.0	1.0	0.7	0.3	5.2
Total	\$16.0	\$2.7	\$24.2	\$3.0	\$1.4	\$0.4	\$47.7

**TEN YEAR CAPITAL PROJECTS
By Fund Program and Project Type**

\$ in Thousands

Fund Program	Project *Type	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Total TCIP 11/12 - 20/21
Administrative	CC	75	150	9	-	-	-	-	-	-	-	234
Services (GG Fund)	EQ	616	600	670	500	500	500	500	500	500	500	5,386
	RP	670	-	-	-	-	-	-	-	-	-	670
GG Total		1,361	750	679	500	500	500	500	500	500	500	6,290
Non-Reclaimable Wastewater (NC Fund)	CC	1,942	1,665	1,696	1,593	1,642	1,592	1,643	1,697	1,697	1,697	16,863
	EQ	47	-	-	-	-	-	-	-	-	-	47
	RP	1,032	1,132	1,115	1,415	1,315	1,365	1,315	500	500	500	10,189
NC Total		3,021	2,797	2,811	3,008	2,957	2,957	2,958	2,197	2,197	2,197	27,099
Regional Capital Wastewater (RC Fund)	CC	13,854	2,962	2,500	2,100	2,100	7,600	3,500	2,100	2,600	2,600	41,916
	EQ	245	471	350	150	50	50	50	50	50	50	1,516
	RP	1,943	197	-	-	-	500	496	416	-	-	3,552
RC Total		16,042	3,630	2,850	2,250	2,150	8,150	4,046	2,566	2,650	2,650	46,984
Regional Operations & Maintenance Wastewater (RO Fund)	CC	1,335	1,200	1,075	1,050	600	1,650	650	2,600	1,350	1,350	12,860
	EQ	-	-	-	500	500	500	500	500	500	500	3,500
	RP	1,315	1,575	1,700	1,200	2,700	2,700	2,700	2,475	926	700	17,991
RO Total		2,650	2,775	2,775	2,750	3,800	4,850	3,850	5,575	2,776	2,550	34,351
Recharge Water (RW Fund)	CC	140	-	-	-	-	-	-	-	-	-	140
	EQ	-	50	-	-	-	-	-	-	-	-	50
	RP	269	-	-	-	-	-	-	-	-	-	269
RW Total		409	50	-	-	-	450	450	3,450	5,950	6,450	56,140
Recycled Water (WC Fund)	CC	24,184	13,056	850	850	450	450	450	450	450	450	56,140
	EQ	-	-	-	-	-	-	-	-	-	-	-
	RP	-	-	-	-	-	-	-	-	-	-	-
WC Total		24,184	13,056	850	850	450	450	450	3,450	5,950	6,450	56,140
Grand Total		47,667	23,058	9,964	9,358	9,857	16,907	11,804	14,288	14,073	14,347	171,322

CAPITAL PROJECT HIGHLIGHTS

FY 2011/12 major non-routine capital projects with a total project budget over \$2 million are highlighted in the following section.

The largest impact to O&M is the RP-1 Dewatering Facility Expansion scheduled for completion in FY 2011/12. Due to the addition of centrifuges, which produce a drier dewatered cake, there are additional power, chemical, and maintenance costs. However the increased O&M costs are offset by lowered hauling costs (estimated savings of over \$800,000 annually), greater storage capacity benefits and reduced green-house gas emissions. The majority of the capital program projects are for the recycled water program, additional O&M impacts here are limited to mostly maintenance labor and materials for pipelines and reservoirs.

Project							EN06015 RP-1 Dewatering Facility Expansion						
Timeline	Start	July-2005			Complete	March-12							
Description	This project will expand the dewatering facilities at RP-1 by adding centrifuges and a storage system with silos for dewatered cake to provide a minimum of 48 hours of cake storage.												
Purpose	Solids watering is one of the key bottlenecks at RP-1; more dewatering capacity is needed to handle increased inputs to the system (e.g. greater plan flow, greater manure input, and food waste).												
FY 2011/12 Budget	\$5,849,160			Total Project Budget			\$27,000,000						
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total							
Operations & Maint.	\$5,000	\$10,000	\$50,000	\$60,000	\$60,000	\$185,000							
Utilities	125,000	250,000	250,000	250,000	250,000	1,125,000							
Chemical	100,000	200,000	200,000	200,000	200,000	900,000							
Total Operating Costs	\$230,000	\$460,000	\$500,000	\$510,000	\$510,000	\$2,210,000							
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0							

Project							EN06025 Wineville Recycled Water Pipeline						
Timeline	Start	September-10			Complete	September-12							
Description	The project consists of approximately 24,000 lineal feet of pipe and will serve recycled water customers as well as provide recycled water for ground water recharge at the RP-3 and Declez Basins.												
Purpose	This project will provide recycled water to portions of the City of Fontana and the City of Ontario.												
FY 2011/12 Budget	\$8,383,787			Total Project Budget			\$15,100,000						
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total							
Utilities	\$0	\$0	\$0	\$0	\$0	\$0							
Chemical						0							
Parts & Labor		5,000	5,000	5,000	5,000	20,000							
Total Operating Costs	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000							
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0							

Project EN07006 RP-1 Facilities Improvements						
Timeline	Start	July-06		Complete	June-12	
Description	Current equipment items priority are cleaning, rehabilitation and replacement of Digesters 6 & 7 at RP-1.					
Purpose	Digesters 6 & 7 are critical structures to the facility's digestion process and each is scheduled for rehabilitation and repair.					
FY 2011/12 Budget	\$300,000		Total Project Budget		\$31,482,222	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Operations & Maint.	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Chemical						0
Parts & Labor						0
Total Operating Costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Staffing Impact	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000

Project EN07010 900 W. Reservoir & Pipeline						
Timeline	Start	August-06		Complete	August-12	
Description	This project will include the construction of the Chino Hills reservoir and pipeline, and it will have approximately 9.5 MG capacity and 21,500 linear feet of 36 inch pipeline, respectively.					
Purpose	This project will allow for recycled water to be stored and distributed to the city of Chino Hills.					
FY 2011/12 Budget	\$7,561,747		Total Project Budget		\$20,648,598	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Utilities	\$0	\$250	\$500	\$500	\$500	\$1,750
Chemical						0
Parts & Labor		6,500	6,500	6,500	6,500	26,000
Total Operating Costs	\$0	\$6,750	\$7,000	\$7,000	\$7,000	\$27,750
Staffing Impact	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000

Project EN07011 NRW System Upgrades						
Timeline	Start	July-06	Complete	July-21		
Description	Complete numerous NRW projects to upgrade overall system effectiveness, including an emergency by-pass vault and pump, MCC replacements, pump station motor replacement, ferric chloride system upgrade and various pipeline and manhole repairs.					
Purpose	These projects address the deficiencies found in the March 2006 NRW Capital Improvement Plan.					
FY 2011/12 Budget	\$1,032,500		Total Project Budget		\$22,959,145	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Chemical						0
Parts & Labor						0
Total Operating Costs	\$0	\$0	\$0	\$0	\$0	\$0
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0

Project EN08013 Plant Equipment Improvements						
Timeline	Start	July-07	Complete	June-21		
Description	Critical equipment replacement for each regional wastewater treatment plant for the next ten years. This project shall provide the means to replace/repair critical equipment at each plant which are not identified through the regular project development. Facilities included: RP-1, RP-2, RP-4, RP-5, CCWRF and UWRF.					
Purpose	Several emergencies arise primarily due to the age of equipment that needs to be addressed in order to maintain the facilities operation and not violate regulatory limitations.					
FY 2011/12 Budget	\$425,000		Total Project Budget		\$11,720,839	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Chemical						0
Parts & Labor						0
Total Operating Costs	\$0	\$0	\$0	\$0	\$0	\$0
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0

Project EN08018.00 1630 W. Reservoir						
Timeline	Start	November-07	Complete	October-11		
Description	The project consists of the design and construction of a 6 million gallon reservoir. The reservoir will be located on a parcel of land at the northwest quadrant of 19th Street and Sapphire Street in Rancho Cucamonga.					
Purpose	Other than minimal recycled water storage at the regional plants, no recycled water storage facilities are currently utilized. Storage is critical to provide reliability to the recycled water customers and operational flexibility to IEUA.					
FY 2011/12 Budget	\$2,470,468		Total Project Budget		\$9,307,000	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Utilities	\$0	250	500	500	500	\$1,750
Chemical						0
Parts & Labor		2,000	2,000	2,000	2000	8,000
Total Operating Costs	\$0	\$2,250	\$2,500	\$2,500	\$2,500	\$9,750
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0

Project EN08023 RP-1 Asset Replacement						
Timeline	Start	July-06	Complete	May-20		
Description	This project will assess the current condition and remaining useful life of all physical plant assets. The assessment will be used to develop and implement a corrective action plan to maintain and replace assets.					
Purpose	Support long-term capital planning that identifies and budgets for the upkeep of capital assets as required.					
FY 2011/12 Budget	\$925,000		Total Project Budget		\$19,950,872	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Operations & Maint.	\$0	\$0	\$0	\$0	\$0	\$0
Chemical						0
Parts & Labor						0
Total Operating Costs	\$0	\$0	\$0	\$0	\$0	\$0
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0

Project EN09003 1630 W. Pipeline Phase II						
Timeline	Start	July-08	Complete	August-11		
Description	The project involves construction of 12,000 feet of 24-inch diameter pipeline within the 1630 Pressure Zone to serve as an inlet/outlet pipeline to the 1630 Pressure Zone Reservoir.					
Purpose	The project will pump recycled water to the 1430 and 1630 pressure zones					
FY 2011/12 Budget	\$1,829,841		Total Project Budget		\$8,030,001	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Chemical						0
Parts & Labor		3000	3000	3000	3000	12,000
Total Operating Costs	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0

Project EN11042 RP-1 Flare & RP-1/RP-2 Boiler Replacements						
Timeline	Start	October-10	Complete	January-13		
Description	The project scope includes the replacement of RP-1 gas flare and the two hot water boilers as well as RP-2 one of the hot water boilers.					
Purpose	Existing gas flare at RP-1 will be replaced with a Title V gas flare while boiler replacements at RP-1 and RP-2 are necessary to meet the near future stringent regulatory requirements.					
FY 2011/12 Budget	\$1,323,000		Total Project Budget		\$2,289,000	
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total
Utilities	\$0	\$0	\$0	\$0	\$0	\$0
Chemical						0
Parts & Labor		3,000	3,000	3,000	3,000	12,000
Total Operating Costs	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0

Project							WR08023 Euclid Recycled Water Lateral						
Timeline	Start	July-07				Complete	August-12						
Description	Project consists of an 8-inch diameter lateral connected at the San Antonio Channel Pipeline, Segment B. The lateral will begin at Campus Ave and 4th St; extend north on Campus Ave to 7th St, then proceed west in 7th St. The pipeline is 6,620 feet in length.												
Purpose	Construction of a recycled water lateral for the City of Upland to provide irrigation for the landscaped Euclid Avenue median												
FY 2011/12 Budget	\$914,338				Total Project Budget			\$14,970,000					
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total							
Utilities	\$0	\$0	\$0	\$0	\$0	\$0							
Chemical						0							
Parts & Labor		1,500	1,500	1,500	1,500	6,000							
Total Operating Costs	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000							
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0							

Project							WR08032- 1630 Recycled Water Pump Station						
Timeline	Start	April-08				Complete	October-11						
Description	The project consists of detailed design and construction of 1630 Zone West Pumping Station. The pump station, which will pump water from the 1299 Pressure Zone to the 1630 Zone Reservoir, will be located at Vineyard Park in Ontario or at a vacant future school site adjacent to the park.												
Purpose	This project will provide recycled water to the city of Ontario and help meet future needs.												
FY 2011/12 Budget	\$1,333,662				Total Project Budget			\$10,500,000					
O&M Impact	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	Total							
Utilities	\$25,000	\$55,000	\$55,000	\$55,000	\$55,000	\$245,000							
Chemical						0							
Parts & Labor	2,000	6,000	6,000	6,000	6,000	26,000							
Total Operating Costs	\$27,000	\$61,000	\$61,000	\$61,000	\$61,000	\$271,000							
Staffing Impact	\$0	\$0	\$0	\$0	\$0	\$0							

Fiscal Year 2011/12
 Budgeted Project
 Administrative Services Fund - GG

ADMINISTRATIVE SERVICES FUND - GG												
Project #	Description	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Total TYCIP
Capital Construction												
CP09003	Headquarters Campus Fencing	\$75,000	\$150,000	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$233,500
	Total Capital Construction	\$75,000	\$150,000	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$233,500
Capital Equipment												
EN10002	CM Tracking Project System Enhancements	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000
IS09009	Operations Data Management System	0	450,000	0	0	0	0	0	0	0	0	450,000
IS10002	Future Information Technology Initiatives	0	0	0	140,000	140,000	140,000	100,000	100,000	100,000	100,000	860,000
IS10025	SAP Public Sector Budget Prep Application	0	0	200,000	0	0	0	0	0	0	0	200,000
IS12005	HQ-A Server UPS Replacement	86,000	0	0	0	0	0	0	0	0	0	86,000
IS12006	Server Replacement	90,000	0	0	0	0	0	0	0	0	0	90,000
IS12007	Business Network Workstation Replacement	65,000	0	0	0	0	0	0	0	0	0	65,000
IS12008	SharePoint Software Purchase & Development	15,000	0	0	0	0	0	0	0	0	0	15,000
IS12009	Two New AutoCAD Computers	6,050	0	0	0	0	0	0	0	0	0	6,050
IS12010	Payroll Replacement & Time Evaluation	190,000	0	0	0	0	0	0	0	0	0	190,000
IS12011	Replacement PCs/Laptops	150,000	150,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	860,000
IS13001	SAP/AWSM SAP Version Upgrade	0	0	400,000	0	0	0	0	0	0	0	400,000
ZZ10200	Future Projects	0	0	0	290,000	290,000	290,000	330,000	330,000	330,000	330,000	2,150,000
	Total Capital Equipment	\$616,050	\$600,000	\$670,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$5,386,050
Capital Replacement												
CP09002	CCTV Equipment Replacement	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
EN11010	Headquarters Building Central Plant Improvements	650,000	0	0	0	0	0	0	0	0	0	650,000
	Total Capital Replacement	\$670,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$670,000
Total Capital Project Costs												
		\$1,361,050	\$750,000	\$678,500	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$6,289,550
PL07001	Greater Prado Basin Clean-Up	\$231,357	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$231,357
	Total Cost Reimbursable	\$231,357	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$231,357
	Total O & M Projects	\$231,357	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$231,357
TOTAL ADMINISTRATIVE SERVICES FUND - GG												
		\$1,592,407	\$750,000	\$678,500	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$6,520,907

Fiscal Year 2011/12
Budgeted Project Description
Administrative Services Fund - GG

Capital Construction		
CP09003	Headquarters Campus Fencing	Fencing, both permanent and temporary, the IEUA HQ campus is needed to better protect and secure the Agency's property and area.
Capital Equipment		
EN10002	Construction Management Project Tracking System Upgrades	The Construction Program Management System software will be enhanced with the development of two additional modules: Daily Reports and Survey/Soils Request. The Daily Reports module will provide integrated forms management for CM staff to produce written reports and updates to department management that are required on a daily basis, including site inspections and progress reviews. The Survey/Soils module will provide a link between CM staff and outside vendors to request and follow-up on work in this specialty area.
IS12005	HQ-A Server UPS Replacement	Purchase and replace HQ-A uninterruptible power supply (UPS) server.
IS12006	Server Replacement	Purchase and replace five SAP servers.
IS12007	Business Network Workstation Replacement	This project will replace 42 work stations on the business network that are 6 years old.
IS12008	SharePoint Software Purchase and Development (Phase I)	Purchase and develop SharePoint software. SharePoint is a centralized web portal that will replace the Agency intranet "Pipes" with significant enhancements as well as powerful search functionality for unmanaged document retrieval.
IS12009	Two New AutoCAD Computers	This project includes the purchase of two AutoCAD computers.
IS12010	Payroll Replacement & Time Evaluation	The project scope includes the replacement of the IFAS payroll system and implementation of the time evaluation functionality by either utilizing the SAP system as part of a new payroll solution.
IS12011	Replacement PC's Laptops	Each year the Agency replaces 25% of its PCs and laptops to stay reasonably current and allow the running of cost effective and sophisticated software as needed. Doing so will preclude having to complete major time-consuming and costly upgrades to a majority of the Agency's PCs every few years as has been done in the past.
Capital Replacement		
CP09002	CCTV Equipment Replacement	IEUA has a number of "stand-above" units that have been in service for a number of years. Replacing the old CCTV units with newer equipment will be needed.
EN11010	Headquarters Building Central Plant Improvements	Install upgraded central plant equipment, which includes replacement of existing equipment, and integration of existing control system with the REEP programmable logic control.

Cost Reimbursable

PL07001 Greater Prado Basin Clean-Up

This project addresses Unauthorized Activities (UA) that degrade habitat and adversely affect water quality in Prado Basin, Santa Ana River, its tributaries and surrounding watershed. These UA include illegal dumping, off-road motorized recreation and other inappropriate activities. Illegal dumping in Prado Basin (largest wetland in southern California) is a significant problem that is concentrated near creeks, particularly Magnolia Channel, Mill Creek and Chino Creek. Dumped material (~8,000 yd³) includes dirt (50%), construction debris (35%), green waste (13%), and household trash (2%) and results in sediment-clogged streambeds, and increases in Biochemical Oxygen Demand (BOD), nutrients and bacteria. Project tasks include:

- 1) Cleaning up existing waste materials.
- 2) Recycling fill dirt, construction material and green waste where practical.
- 3) Habitat restoration.
- 4) Documenting degradation of water quality by UA.

Testing efficacy of several deterrent strategies and tactics.



CCWRF – Chino, CA

**Fiscal Year 2011/12
Budgeted Project
Regional Wastewater Capital Improvement Fund - RC**

Project #	Description	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	TYCIP
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - RC												
Capital Construction												
EN04011	RP-4 Liquid Expansion to 14 MGD	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
EN04018	Engineering-As-Building	0	157,250	0	0	0	0	0	0	0	0	157,250
EN06014	RP-2 Dewatering Cake Storage System	25,000	0	0	0	0	0	0	0	0	0	25,000
EN06015	RP-1 Dewatering Facility Expansion	5,849,160	0	0	0	0	0	0	0	0	0	5,849,160
EN06020	RP-5 System Facility Upgrade & Improvements	1,050,000	0	0	0	0	0	0	0	0	0	1,050,000
EN07006	RP-1 Facilities Improvements	300,000	0	0	0	0	0	0	0	0	0	300,000
EN08006	RP-2 & RP-5 Capital Construction	25,000	0	0	0	0	0	0	0	0	0	25,000
EN09023	RP-5 & SHF Renewable Energy Independent Review	100,000	0	0	0	0	0	0	0	0	0	100,000
EN11017	Capital Upgrades to RP-1, RP-2, CCWRF, RP-4, & RP-5	3,740,000	2,060,000	1,900,000	1,500,000	1,500,000	7,000,000	2,900,000	1,500,000	2,000,000	2,000,000	26,100,000
EN11027	HQ Repairs and Drainage Improvements	125,000	0	0	0	0	0	0	0	0	0	125,000
EN11029	Facilities SCADA Master Plan	50,000	0	0	0	0	0	0	0	0	0	50,000
EN11031	RP-5 Flow Equalization and Effluent Plan	80,000	0	0	0	0	0	0	0	0	0	80,000
EN11036	HVAC & Server Room Fire Suppression Improvements	630,000	70,000	0	0	0	0	0	0	0	0	700,000
EN11038	RP-1 Digester Gas Condensate Sump Improvements	150,000	0	0	0	0	0	0	0	0	0	150,000
EN11043	Chino Creek Wetland LEED Restroom	140,000	0	0	0	0	0	0	0	0	0	140,000
EN11044	Casing Extension for Regional & NRRW UPRR Crossing	175,000	0	0	0	0	0	0	0	0	0	175,000
EN11051	Central Plant for the New Operation's Lab	90,000	0	0	0	0	0	0	0	0	0	90,000
EN12006	Misc. WW Construction and Emergency Project	212,500	287,500	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
EN12009	CM Misc. WW Construction & Emergency Project	212,500	287,500	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
EN12300	Regional Sewer Special Projects	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
PL03006	RP-1 Odor Control - Phase 1	300,000	0	0	0	0	0	0	0	0	0	300,000
Total Capital Construction		\$13,854,160	\$2,962,250	\$2,500,000	\$2,100,000	\$2,100,000	\$7,600,000	\$3,500,000	\$2,100,000	\$2,600,000	\$2,600,000	\$41,916,410
Capital Equipment												
CP11001	Agency-Wide Security Equipment Upgrade	\$120,000	\$71,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$191,100
EPT2001	Rockwell Automation PLC Upgrades RP-1, RP-4 and Prado	85,000	0	0	0	0	0	0	0	0	0	85,000
ISI0011	Future DCS Initiatives	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	400,000
ISI2001	Upgrade DCS Foxboro I/A to Intusion (Wonderware)	0	0	100,000	100,000	0	0	0	0	0	0	200,000
ISI2004	Replace 3 Servers on Automation & Control Network	40,000	0	0	0	0	0	0	0	0	0	40,000
ISI2002	Upgrade DCS AIM Historian to InSQL	0	0	100,000	0	0	0	0	0	0	0	100,000
LB12001	GCMS Semi Volatiles Wastewater	0	150,000	0	0	0	0	0	0	0	0	150,000
LB13001	GCMS Volatiles Wastewater	0	250,000	0	0	0	0	0	0	0	0	250,000
LB14001	GC Pesticides Wastewater	0	0	100,000	0	0	0	0	0	0	0	100,000
Total Capital Equipment		\$245,000	\$471,100	\$350,000	\$150,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$1,516,100
Capital Replacement												
EN08002	RP-1, RP-2, CCWRF O&M Manuals	\$0	\$0	\$0	\$0	\$0	\$500,000	\$495,998	\$415,516	\$0	\$0	\$1,411,514
EN11039	TP-1 Disinfection Pump Improvements	450,000	50,000	0	0	0	0	0	0	0	0	500,000
EN11040	RP-1 Outdoor Lighting Improvements	170,000	0	0	0	0	0	0	0	0	0	170,000
EN11042	RP-1 Flare & RP-1/ RP-2 Boiler Placements	1,323,000	147,000	0	0	0	0	0	0	0	0	1,470,000
Total Capital Replacement		\$1,943,000	\$197,000	\$0	\$0	\$0	\$500,000	\$495,998	\$415,516	\$0	\$0	\$3,551,514
Total Capital Project Costs		\$16,042,160	\$3,630,350	\$2,850,000	\$2,250,000	\$2,150,000	\$8,150,000	\$4,045,998	\$2,565,516	\$2,650,000	\$2,650,000	\$46,984,024

Fiscal Year 2011/12
 Budgeted Project Description
 Regional Wastewater Capital Improvement Fund - RC

REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - RC												
Project#	Description	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	TYCIP
Cost Reimbursable												
PLO5013	Chino Creek Master Plan- Administration	\$9,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,122
PLO5014	Chino Creek Master Plan-Education & Outreach	13,500	0	0	0	0	0	0	0	0	0	13,500
	Total Cost Reimbursable	\$22,622	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,500
Operation & Maintenance												
CW19012	Sewer O&M Project	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000
EN03300	Regional System Special Projects & Metering	85,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
PLO5002	Surface wetland and Habitat	751,418	0	0	0	0	0	0	0	0	0	751,418
PLO5007	Facility Master Plan	75,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	165,000
TS09003	Electronic O & M Manual Database	75,844	0	0	0	0	0	0	0	0	0	75,844
	Total Operation & Maintenance	\$1,037,262	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$2,492,262
	Total O&M Project Costs	\$1,059,884	\$175,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$2,505,762
TOTAL REGIONAL CAPITAL IMPROVEMENT FUND-RC												
		\$17,102,044	\$3,805,350	\$3,010,000	\$2,410,000	\$2,310,000	\$8,310,000	\$4,205,998	\$2,725,516	\$2,810,000	\$2,810,000	\$49,489,786

Fiscal Year 2011/12
Budgeted Project Description
Regional Wastewater Capital Improvement Fund – RC

Capital Construction		
EN04011	RP-4 Liquid Expansion to 14 MGD	The project will convert the secondary system from oxidation ditch to activated sludge technology, add primary clarifiers and convert to standard circular secondary clarifiers. Regional Plant No. 4 is being expanded to double the plant capacity from 7 mgd to 14 mgd.
EN06014	RP-2 Dewatering Cake Storage System	This project will provide a storage system (e.g. storage silo and conveyors) for dewatered cake at the RP-2. Dewatered cake storage is needed to provide operating flexibility for the dewatering process and truck loading. It can also provide energy savings to the Agency by operating the equipment at low-energy-cost periods.
EN06015	RP-1 Dewatering Facilities Expansion	This project will expand the dewatering facilities at RP-1 with the construction of two storage silos (each with a diameter of 20 ft. by 20 ft. high) that will hold a minimum of 48 hours of dewatered cake storage.
EN06020	RP-5 System Facilities Upgrade and Improvements	The project replaces the foul air ducting inside the solids building. It is for miscellaneous improvements at the RP-5 facility, including the replacement of the existing bucket conveyor with a vertical screw conveyor; providing a dewatered cake storage system; upgrading the existing bio-filter; providing a meter to measure flow to Santa Ana Regional Interceptor (SARI line); providing a stand-by sludge pump for feeding sludge to the rotary presses; adding two channels to one of the existing rotary presses; providing a stand-by rotary press unit: site drainage improvements
EN07006	RP-1 Facilities Improvements	This project includes upgrade to the de-chlorination pump station at RP-4 to de-chlorinate the effluent before it is discharged into Cucamonga Creek, as well as the excess flow from TP-1 not being used by the pump station and excess flow going to Prado Lake. Currently the basin has a de-chlorination capacity of 11.2 MGD (Million Gallons per Day) with the completion of the RP-4 expansion; flows will increase between 27 to 29 MGD exceeding the capacity of the current de-chlor station.
EN08006	RP-2 & RP-5 IPS Overflow	This project is to be designed to eliminate or minimize the possibility of an over-flow violation for raw sewage discharge should the influent pump station at RP-5 become damaged or inactive. This will be achieved by diverting flow from the Los Serranos trunk sewer (the RP-5 influent) through the stop log structure (ST-1) into the Chino Interceptor under emergency conditions. Then the flow goes into the equalization basin which serves as an emergency lagoon at RP-2. Once the overflowed sewage gets into the RP-2 equalization basin, PS-1 will pump the sewer overflow from the equalization basin to PS-2. From PS-2, the sewerage is then finally pumped to RP-5. The Chino Interceptor will also be extended to PS-2 to give the option to pump flow from this line directly to RP-5.
EN09023	RP-5 & Solids Handling Facility Renewable Energy Independent Review	The RP-5 SHF is dependent upon the reliable delivery of clean, fresh manure to support the achievement of energy production objective at the CDA 1 and REEP. However, due to several factors, the facility has not achieved the projected performance. A comprehensive and independent review of the program has been suggested.
EN11017	Capital Upgrades to RP-1, RP-2, CCWRF, RP-4, & RP-5	Facilities improvements to address critical projects necessary for compliance, safety and process. Miscellaneous capital improvement projects such as Agency-wide HVAC improvement, RP-1 Flare Replacement, Agency-wide Server Room Fire Suppression, CCWRF Filter Media Replacement, RP-5 Bio-filter Media Replacement, RP-5 Chemical Containment Coating, and Chino Creek LEED Restroom.

Fiscal Year 2011/12
Budgeted Project Description
Regional Wastewater Capital Improvement Fund - RC

EN11027	HQ Repairs and Drainage Improvements	The scope includes the investigation and evaluation of the cracks that have been developing through the headquarters buildings and some parking spaces outdoors. Headquarters building perimeter survey and geotechnical borings are also part of the scope. Recommendations on crack repairs will follow after the evaluation phase is completed.
EN11029	Facilities SCADA Master Plan	Westin Engineering, Inc. will first develop a description of the current state of the existing Facilities SCADA Systems. Then through focused interviews and stakeholder workshops, the business and technical requirements for future upgrades and enhancements will be identified. Based on these requirements, the consultant will analyze a number of different alternative approaches for fulfilling the Agency's requirements. The Master Plan will then develop a set of integrated projects designed to move the Agency from the current state of the Facilities SCADA Systems to the desired future state. The future state of the Facilities SCADA Systems will be based on the concept of an Enterprise SCADA System in which access to information from any of the Agency's SCADA Systems, including the Recycled Water and Groundwater Recharge SCADA Systems, is seamless and transparent.
EN11031	RP-5 Flow Equalization and Effluent Monitoring	The existing splitter box contains two gates. The gate that leads to the aeration basin requires actuator upgrade from open/close to modulating. The second gate that leads to the emergency storage basin has two manual gate actuators which need to be replaced with motorized actuators. The outfall gate has an open/close motorized actuator which needs to be upgraded to a modulating actuator with communication to the SCADA. A design will be prepared to address the aforementioned upgrades to allow for automation of the equalizing process at RP-5.
EN11036	HVAC & Server Room Fire Suppression Improvement	The scope of this project will include comprehensive evaluation and assessment of the Agency-wide heating, ventilation and air conditioning systems (HVAC) in order to improve performance and energy efficiency. The Agency will hire an outside consultant to perform the HVAC system assessment and provide recommendations for improvement. Some urgent and critical system replacement/upgrade may be performed as part of this project.
EN11038	RP-1 Digester Gas Condensate Sump Improvements	This project will provide the construction effort to install an automatic condensate sump pumps for seven digester condensate collection vaults. This system will automatically drain these vaults of excessive condensates and accumulated storm water runoff away from the vault, and ensure the continued and safe operation of these vaults. This project will prepare finalize plans, submit construction documents for public bid and award, and provide in-house construction management support.
EN11043	Chino Creek Wetland LEED Restroom	The project will install a new bathroom in the Chino Creek park. Also, a package sewage pump station and a force main to collect and convey the sewage to the collection system is included as part of the project.
EN11044	Casing Extension for Regional and NRW UPRR Crossing	This project scope will satisfy Union Pacific Railroad's request that the casing be extended on existing IEUA pipeline crossing the railroad right of way of their construction project.
EN11051	Central Plant for the New Operations Lab	The scope includes the central plant air conditioning system upgrades and modifications. This includes the installation of backup equipment for the existing chiller system and upsize the system to accommodate the new central lab building which will be located south of HQ Building B. Control integration will also be part of the project. The design of this project will be performed by an outside consultant.

Fiscal Year 2011/12
Budgeted Project Description
Regional Wastewater Capital Improvement Fund – RC

EN12006	Misc. Waste Water Construction and Emergency Projects	This project will allow Engineering to fund unforeseen Regional Wastewater Capital Improvement projects that require immediate attention. This program will provide the Agency to allow the Engineering Department to complete work such as pipeline repairs, property negotiations, domestic sewer connections and other unforeseen, unbudgeted issues without requesting additional funds.
EN12009	CM Misc. Waste Water Construction and Emergency Projects	This project will allow Construction Management to fund unforeseen Regional Wastewater Capital Improvement projects that require immediate attention. This program will provide the Agency to allow the Engineering Department to complete work such as pipeline repairs, property negotiations, domestic sewer connections and other unforeseen, unbudgeted issues without requesting additional funds.
EN12300	FY 2011/12 Regional Sewer Special Projects	This project will fund contingent small regional sewer projects, plan checks, construction permits, and inspection for improvement projects requested by contracting agencies.
PL03006	RP-1 Odor Control Phase I	The design of the odor control facilities was divided into two phases (Phase IA and Phase IB) to allow individual treatment facilities to be brought on line as quickly as possible with minimum impact to current operations. Phase IA includes odor control facilities for the de-watering building, gravity thickener, and side stream treatment process, while Phase IB includes odor control facilities for the head works, rectangular primary clarifiers, and intermediate pump station.
Capital Equipment		
CP11001	Agency Wide Security Equipment Upgrade	Replace existing security system hardware, software, and infrastructure attributes across of the Agency's sites. Purchase new cameras and dedicated servers, integrate the security system signals into the recently installed Wireless Data System and provide real-time (interactive) monitoring of any IEUA site.
EP12001	Rockwell Automation Programmable Logic Control Upgrades	This project consists of upgrading the ControlLogix PLC's from the L55 to the L72 series at RP-1, RP-4 and Prado.
IS12004	Replace 3 Servers on Automation & Control Network	This project will replace three servers, two at RP-1 and one RP-5 VM host server to consolidate and remove old servers.
Capital Replacement		
EN11039	TP-1 Disinfection Pump Improvements	Currently the existing pumps for the disinfection loop system are in constant need of replacement and/or repair. The project will evaluate and replace the pumps with a more durable system. It will also provide an automatic stand-by pump at each delivery points. The improvement will also provide full containment area for each injection point to prevent chemical from spilling into the Plant's storm drain areas. This project will prepare finalize plans, submit construction documents for public bid and award, and provide in-house construction management support.
EN11040	RP-1 Outdoor Lighting Improvements	This project will improvement current out lights with new luminaries that are durable, functional and efficient. The project consist of preparing a finalize construction plan, submit the construction project for public bid and award, and provide in-house construction management support.

Fiscal Year 2011/12
Budgeted Project Description
Regional Wastewater Capital Improvement Fund - RC

EN11042	RP-1 Flare & RP-1/RP-2 Boiler Replacements	The project scope includes the replacement of RP-1 gas flare and the two hot water boilers as well as RP-2 one of the hot water boilers. Existing gas flare at RP-1 will be replaced with Title V gas flare while boiler replacements at RP-1 and RP-2 are necessary to meet the near future stringent regulatory requirements. Design will be done in-house except for consulting engineering services outside the Agency's capabilities such as structural and electrical designs.
Cost Reimbursable		
PL05013	Chino Creek Master Plan-Administration	This project records IEUA labor costs associated with the Administration of Chino Creek Park Master Plan, which includes Administrative support, Accounting and Grant Administration staff time. The project costs are reimbursable by the State Water Recourses Control Board (SWRCB) Prop 13 Grant Administration.
PL05014	Chino Creek Master Plan-Education & Outreach	This Project is to record the IEUA labor costs associated with the outreach and education of the Chino Creek Master Plan, which includes which includes Administrative support, Accounting and Grant Administration staff time. The project costs are reimbursable by the State Water Recourses Control Board (SWRCB) Prop 13 Grant Administration.
Operation & Maintenance		
CW19012	Sewer Office Engineering Projects	This project establishes an annual budget for applying the labor hours for project evaluation, design review, permit issuance, inspection, and closeout for office engineering projects in regards to sewer connections and modifications.
EN03300	Regional System Special Projects & Metering	This project will fund small manhole repairs, plan check, construction permits, and inspection for improvement project permits requested by contracting agencies.
PL05002	Surface Wetland & Habitat	This project is Phase 2 of the Chino Creek Master Plan. Located south of Euclid Avenue, east of the 71 Freeway-Phase 2 will include the construction of wetlands in excess of 100 acres. Project will involve construction of hiking/bicycle trail, educational signs and habitat preserve. This project will be funded/reimbursed by grants and the Orange County Water District (OCWD).
PL05007	Facility Master Plan	This project will update the facilities master plan for the Agency's Capital Facilities. It will assess progress on projects outlined in the last master plan update, outline new initiatives, evaluate capital facilities needs and develop cost and an implementation schedule for use in the Ten-Year Plan. Automation included as part of the last update is expected to keep this mid ten-year plan update at a much lower cost than the 2000 update. As of 2007, this project will also include funds for Chino Creek Master Plan, Chino Creek Integrated Plan, Energy Efficiency Research & updates to the Sewer Model.
TS09003	Electronic O&M Manual Database	Consultant support services for maintaining the electronic Operation and Maintenance (O&M) manual database-driven system and addition of new project O&M documents in the database-driven system.

Fiscal Year 2011/12
 Budgeted Project
 Regional Wastewater Operations and Maintenance Fund - RO

REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND - RO												
Project #	Description	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	Total TYCIP	
Capital Construction												
EN08023	RP-1 Asset Replacement	\$925,000	\$850,000	\$725,000	\$700,000	\$250,000	\$1,300,000	\$300,000	\$2,250,000	\$1,000,000	\$1,000,000	\$9,300,000
EN10010	CCWRF Condition Assessment	60,000	0	0	0	0	0	0	0	0	0	60,000
EP11020	RP-2 Digester Cleaning	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	3,500,000
Total Capital Construction		\$1,335,000	\$1,200,000	\$1,075,000	\$1,050,000	\$600,000	\$1,650,000	\$650,000	\$2,600,000	\$1,350,000	\$1,350,000	\$12,860,000
Capital Replacement												
EN08013	Plant Equipment Improvements	\$425,000	\$575,000	\$1,000,000	\$500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$1,775,000	\$225,515	\$0	\$10,500,515
EN10012	RP-1 Fuel Cell	100,000	0	0	0	0	0	0	0	0	0	100,000
EN11045	CCWRF Secondary Clarifiers Rehab Phase I	290,000	0	0	0	0	0	0	0	0	0	290,000
EP12002	Major Facilities Repairs & Replacements	500,000	1,000,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	7,100,000
Total Capital Replacement		\$1,315,000	\$1,575,000	\$1,700,000	\$1,200,000	\$2,700,000	\$2,700,000	\$2,700,000	\$2,475,000	\$925,515	\$700,000	\$17,990,515
Capital Equipment												
ZZ10800	Financial Planning WIP Adjustment	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$3,500,000
Total Capital Equipment		\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$3,500,000
Total Capital Project Costs		\$2,650,000	\$2,775,000	\$2,775,000	\$2,750,000	\$3,800,000	\$4,850,000	\$3,850,000	\$5,575,000	\$2,775,515	\$2,550,000	\$34,350,515
Cost Reimbursable												
PK11001	Water Discovery Field Trip and Bus Grant	\$44,050	\$44,050	\$44,050	\$44,050	\$0	\$0	\$0	\$0	\$0	\$0	\$176,200
PK11002	Annual Earth Day Event	15,400	15,400	15,400	15,400	0	0	0	0	0	0	61,600
Total Cost Reimbursable		\$59,450	\$59,450	\$59,450	\$59,450	\$0	\$0	\$0	\$0	\$0	\$0	\$237,800
Total O&M Project Costs		\$59,450	\$59,450	\$59,450	\$59,450	\$0	\$0	\$0	\$0	\$0	\$0	\$237,800
TOTAL REGIONAL OPERATIONS FUND - RO		\$2,709,450	\$2,834,450	\$2,834,450	\$2,809,450	\$3,800,000	\$4,850,000	\$3,850,000	\$5,575,000	\$2,775,515	\$2,550,000	\$34,588,315

Fiscal Year 2011/12
Budgeted Project Description
Regional Wastewater Operations and Maintenance Fund – RO

Capital Construction		
EN08023	RP-1 Asset Replacement	The RP-1 Condition Assessment project was developed as a result of the 2005 study conducted by Metcalf and Eddy. The study evaluated all the major equipment, and provided a prioritized list of improvements that needs to be completed for the facility over a ten year time period. Improvements included either repairs, rehabilitation, or study to assess the condition of the equipment and devise a proper response as needed.
EN10010	CCWRF Condition Assessment	The work entails performing a detailed, comprehensive assessment of the condition of capital assets at the Carbon Canyon Wastewater Reclamation Facility (CCWRF).
EP11020	RP-2 Digester Cleaning	Removal of solids from RP-2 Digester #3 and replace valves. Removal of solids from the RP-2 Digester will allow for better processing, reduce equipment failure and increase gas production.
Capital Replacement		
EN08013	Plant Equipment Improvements	Critical equipment replacement for each regional wastewater treatment plant for the next ten years. This project shall provide the means to replace/repair critical equipment at each plant which was not identified through the regular project development. Several emergencies arise primarily due to the age of equipment that needs to be addressed in order to maintain the facilities operation and not violate regulatory limitations. Facilities included: RP-1, RP-2, RP-4, RP-5, Carbon Canyon Wastewater Reclamation Facility (CCWRF), and Urban Water Reclamation Facility (UWRF).
EN10012	RP-1 Fuel Cell	This project scope includes providing technical support and supervision during construction as well as reviewing the design submittals during the design phase. The scope also includes third party evaluation of the current and future SCAQMD regulations and their impact on the fuel cell project in addition to evaluating the Agency's Business Case Evaluation and performing sensitivity analysis.
EN11045	CCWRF Secondary Clarifiers Rehab Phase 1	This project will provide corrosion protection for the headspace portion of the primary clarification diversion structure. Also, the secondary clarifiers will be restored in conditions.
EP12002	Major Facilities Repairs/Replacements	This project will provide a budget to procure required equipment, materials and services as needed related to major facilities repair and replacement requirements.
Cost Reimbursable		
PK11001	Water Discovery Field Trip and Bus Grant	The Water Discovery Field Trip Program is designed to meet the growing need of integrating children with the natural world by using the wetlands to create real life experiences. The bussing mini-grant program will give low-income neighborhood schools, which are unable to afford bussing, the opportunity to experience the Water Discovery Field Trip Program.
PK11002	Annual Earth Day Event	This project is set up to provide a free earth day event that will be hosted at the Chino Creek Wetland and Educational Park.

Fiscal Year 2011/12
 Budgeted Project
 Non-Reclaimable Wastewater (NRW) Fund - NC

Project #	Description	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Total TY/CIP
NON-RECLAIMABLE (NRW) FUND - NC												
Capital Construction												
EC12009	CSDLAC Capital Replacement 4Rs	\$1,485,260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,485,260
EC12018	EE Hydraulic Calibration	40,000	0	0	0	0	0	0	0	0	0	40,000
EC13009	CSDLAC Capital Replacement 4Rs	0	1,429,818	0	0	0	0	0	0	0	0	1,429,818
EC14009	CSDLAC Capital Replacement 4Rs	0	0	1,475,712	0	0	0	0	0	0	0	1,475,712
EC15009	CSDLAC Capital Replacement 4Rs	0	0	0	1,422,984	0	0	0	0	0	0	1,422,984
EC16009	CSDLAC Capital Replacement 4Rs	0	0	0	0	1,471,673	0	0	0	0	0	1,471,673
EC17009	CSDLAC Capital Replacement 4Rs	0	0	0	0	0	1,421,823	1,473,478	1,526,682	1,526,682	0	7,475,347
EN07117	RP2-SARI Dump Site Relocation	25,000	0	0	0	0	0	0	0	0	0	25,000
EN11034	NRW Collection System Repairs Phase 3	123,280	50,000	50,000	0	0	0	0	0	0	0	223,280
EN11035	Philadelphia Pump Station Upgrades	63,000	0	0	0	0	0	0	0	0	0	63,000
EN12008	NRWS Corrn & Emergency Projects	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
EN12101	CM Misc NRWS Construction & Emerg Project	85,000	65,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	550,000
GM11003	CEO/GM NRWS Cap Replacement Costs	20,000	0	0	0	0	0	0	0	0	0	20,000
GM12003	CEO/GM NRWS Cap Replacement Costs	0	20,000	0	0	0	0	0	0	0	0	20,000
GM13003	CEO/GM NRWS Cap Replacement Costs	0	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	160,000
Total Capital Construction		\$1,941,540	\$1,664,818	\$1,695,712	\$1,592,984	\$1,641,673	\$1,591,823	\$1,643,478	\$1,696,682	\$1,696,682	\$1,696,682	\$16,862,074
Capital Equipment												
EC11001	CCTV Video Capture System	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000
EC12012	Flo-Dar Flow Monitoring and Data Logger	12,000	0	0	0	0	0	0	0	0	0	12,000
EC12013	Western Mule Bumper Mounted Hoist	5,100	0	0	0	0	0	0	0	0	0	5,100
Total Capital Equipment		\$47,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,100
Capital Replacement												
EN07011	NRW System Upgrades	\$1,032,500	\$1,132,500	\$1,115,000	\$1,415,000	\$1,315,000	\$1,315,000	\$1,315,000	\$500,000	\$500,000	\$500,000	\$10,140,000
EC07013	East End Meter-Calibration	0	0	0	0	0	50,000	0	0	0	0	50,000
Total Capital Replacement		\$1,032,500	\$1,132,500	\$1,115,000	\$1,415,000	\$1,315,000	\$1,365,000	\$1,315,000	\$500,000	\$500,000	\$500,000	\$10,190,000
Total Capital Project Costs		\$3,021,140	\$2,797,318	\$2,810,712	\$3,007,984	\$2,956,673	\$2,956,823	\$2,958,478	\$2,196,682	\$2,196,682	\$2,196,682	\$27,099,174
Operation & Maintenance												
EC08013	NRW Pipeline Cleaning	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
CM15012	FY 2011/12 NRW OE Projects	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
Total Operation & Maintenance		\$60,000	\$60,000	\$60,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$250,000
Total O & M Project Costs		\$60,000	\$60,000	\$60,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$250,000
TOTAL NON RECLAIMABLE WATER FUND - NC		\$3,081,140	\$2,857,318	\$2,870,712	\$3,017,984	\$2,966,673	\$2,966,823	\$2,968,478	\$2,206,682	\$2,206,682	\$2,206,682	\$27,349,174

**Fiscal Year 2011/12
Budgeted Project
Non-Reclaimable Wastewater (NRW) Fund – NC**

Capital Construction		
EC12009	CSDLAC Capital Replacement 4Rs	The Agency is obligated to pay its proportional share of capital repair, relocation, reconstruction and rehabilitation (4R) costs pursuant to its agreement for wastewater treatment and disposal with the County Sanitation District of Los Angeles County (CSDLAC). The charge is billed to IEUA annually and is listed under paragraph 2(b) of the 1966 Wastewater Disposal Agreement.
EC12018	East End Hydraulic Calibration	This project will allow IEUA to perform periodic calibration of the East End Palmer bowlus flume flow-meter per contractual agreement with CSDLAC.
EN07117	RP-2 SARI Dump Site Relocation	There is currently a dump station on the RP-2 facility for tanker trucks to dump industrial waste into, from which the waste is then conveyed through the Santa Ana Regional Interceptor (SARI) for final treatment and disposal. The existing dump station is located too close to El Prado Road, the main street adjacent to the facility, and the tanker trucks often disrupt the traffic on El Prado Road during unloading operations.
EN11034	NRW Collection System Repairs Phase 3	The project scope will include analyzing the NRW system findings stated in the 2006 NRW capital improvement plan, prepare the necessary repair/rehabilitation designed and construct the recommended repair items.
EN11035	Philadelphia Pump Station Upgrades	This project will mitigate the problems of the Philadelphia Pump Station, including the walls and floor surfaces that will be recoated with a strong resin. The existing T-lock to be taken out and cracks to be filled prior to a new t- lock installation.
EN12008	NRWS Connection & Emergency Projects	This project will allow Engineering to fund NRWS projects that require immediate attention. The project will provide the Agency funds to allow Engineering to complete work such as NRW pipeline repairs, property negotiations, NRW connections and other unforeseen, unbudgeted items without requesting additional funds during the given fiscal year.
EN12011	CM Misc. NRW Construction and Emergency Projects	This project will allow Construction Management to fund NRW projects that require immediate attention. The project will provide the Agency funds to allow Engineering to complete work such as NRW pipeline repairs, property negotiations, NRW connections and other unforeseen, unbudgeted items without requesting additional funds during the given fiscal year.
GM11003	CEO/GM NRW Capital Replacement Costs	Purchase equipment for emergency use at the discretion of the CEO/General Management approval.
Capital Equipment		
EC11001	CCTV Video Capture System	The Agency is currently using POSM-PRO for the CCTV van (CCTV video capture and rating) and POSM View for the office. However, with the advance of technology, there are new options to evaluate and generate reports and interface with GIS. The new capabilities will allow the viewing of the infrastructure condition in GIS and generate capital improvement programs and priorities. These capabilities will help the Agency to better comply with the State mandated Sewer System Management Plan (SSMP) requirements.

**Fiscal Year 2011/12
Budgeted Project
Non-Reclaimable Wastewater (NRW) Fund – NC**

EC12012	Flo-Dar Flow Monitoring and Data Logger	This project includes the purchase and installation of a Flo-Dar Flow monitoring and data logger that will be used primarily to monitor the east end flows to CSDLAC and compare with the existing flume reading, as well as a back up unit. The unit will also be used to monitor flows on an as needed basis in other areas of the collection system.
EC12013	Western Mule Bumper Mounted Hoist	This project includes the purchase and install of a Western Mule Bumper to be mounted on the new pretreatment department sampling vehicle #0608.
Capital Replacement		
EN07011	NRW System Upgrades	Upgrade projects: 1. Emergency By-Pass Vault. 2. Emergency By-Pass Pump. 3. MCC Replacement. 4. PPS Pump Upgrades. 5. PPS Pump Motor Replacement. 6. Ferric Chloride System Upgrade. 7. Pipeline and Manhole Repair.
Operations & Maintenance		
EC08013	NRW Pipeline Cleaning	This budget is established to clean the northern Non-Reclaimable Wastewater System (NRWS) pipeline as a result of the condition assessment conducted by PBS&J. It is expected that approximately 10 miles of pipeline will be cleaned by IEUA staff annually. However, depending on circumstances, this project may be contracted out. The budget will provide funds for the cleaning, profiling, point repairs, disposal of solids removed from the pipeline, and reassessment of inaccessible areas by Closed Circuit Television (CCTV).
CW15012	FY 2011/12 NRW Office Engineering Projects	This project has been set in place to establish an annual budget for applying the labor hours for project evaluation, design review, permit issuance, inspection, and closeout for office engineering projects in regards to NRW connections and modifications.



Pipeline Cleaning Discharge- IEUA Vactor Truck

Fiscal Year 2011/12
 Budgeted Projects
 Recharge Water Fund – RW

RECHARGE WATER FUND - RW		FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	Total TYCIP
Project #	Description											
Capital Construction												
TS07004	Recharge Enhancement Project	\$140,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
	Total Capital Construction	\$140,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
Capital Replacement												
GW11001	FEMA 2010 Storm Damage Basin	\$269,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,000
	Total Capital Equipment	\$269,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,000
Capital Equipment												
IS13005	GWR Server Replacement (Primary & Backup Terminal)	\$0	\$50,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,075
	Total Capital Equipment	\$0	\$50,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,075
	Total Capital Project Costs	\$409,000	\$50,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$459,075
	TOTAL RECHARGE WATER FUND - RW	\$409,000	\$50,075	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$459,075

**Fiscal Year 2011/12
Budgeted Project Description
Recharge Water Fund – RW**

Capital Construction

TS07004 Recharge Enhancement Project

The Agency is undertaking a series of projects intended to enhance the Agency's ability to not only increase the volume of captured storm runoff, but to increase its operational flexibility involving the recharge of imported water, and to reduce the future maintenance and replacement costs associated with the repair of routinely failing levees. This project represents the combination of three existing projects (PL05008, WR06014 and WR06015). These projects generally include new monitoring wells and lysimeters at recycled water basins, new MWD imported water turnouts, GWR SCADA system improvements, internal berm hardening of conservation berms, Montclair inlet modifications, and initial development of a wet basin cleaning vehicle.

Capital Replacement

GW11001 FEMA 2010 Storm Damage Basin

Several recharge basins were damaged during the December 2010 storms, repairs will be approved and funded through the FEMA grant.



College Heights Recharge Basin

Fiscal Year 2011/12
Budgeted Project
Recycled Water Fund - WC

RECYCLED WATER FUND - WC		FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Total TYCIP
Project #	Description											
Capital Construction												
EN06025	Wineville Extension Recycled Water Pipeline	\$8,383,787	\$3,220,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,603,858
EN07010	930 West Reservoir & Pipeline	7,561,747	9,230,599	400,000	400,000	0	0	0	0	0	0	17,592,346
EN08018	1630 West Reservoir & Pipeline	2,470,468	0	0	0	0	0	0	0	0	0	2,470,468
EN09002	Church Street Lateral	25,000	0	0	0	0	0	0	0	0	0	25,000
EN09003	1630 West Pipeline Phase 2 & Lateral	1,829,841	0	0	0	0	0	0	0	0	0	1,829,841
EN09007	1630 East Pipeline Segment B	0	0	0	0	0	0	0	0	1,000,000	4,400,000	5,400,000
EN09012	Victoria & San Sevaine - Wells & Lysimeter Installation	25,000	0	0	0	0	0	0	0	0	0	25,000
EN10001	RP-5 Recycled Water Pump Station Expansion - Phase I	25,000	0	0	0	0	0	0	0	0	0	25,000
EN11030	Northwest Communication Tower	150,000	0	0	0	0	0	0	0	0	0	150,000
EN11033	Temporary Turner Basin Turnout	5,000	0	0	0	0	0	0	0	0	0	5,000
EN11046	RP-1 1930 PS Fifth Pump	100,000	0	0	0	0	0	0	0	0	0	100,000
EN11048	1630 West Pump Station Communication Tower	20,000	0	0	0	0	0	0	0	0	0	20,000
EN11049	1630 West Reservoir Communication Tower	20,000	0	0	0	0	0	0	0	0	0	20,000
EN11050	Turner Basin Turnout Capacity Improvements	450,000	50,000	0	0	0	0	0	0	0	0	500,000
EN12007	Misc. Recycled Water Projects FY 2011/12	170,000	230,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
EN12010	CM Misc. RW Construction & Emerg Proj	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
EN19002	800 Zone Reservoir	0	0	0	0	0	0	0	1,500,000	1,500,000	400,000	3,400,000
EN19003	RP-1 Outfall Parallel Line	0	0	0	0	0	0	0	1,500,000	3,000,000	1,200,000	5,700,000
WR08020	Misc. Connections & Retrofits	425,000	125,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	950,000
WR08023	1630 West Pipeline Phase 1	914,338	0	0	0	0	0	0	0	0	0	914,338
WR08027	1299 East Pipeline	25,000	0	0	0	0	0	0	0	0	0	25,000
WR08028	1299 East Reservoir	25,000	0	0	0	0	0	0	0	0	0	25,000
WR08031	1630 East Pipeline Segment A	25,000	0	0	0	0	0	0	0	0	0	25,000
WR08032	1630 West Pump Station	1,333,662	0	0	0	0	0	0	0	0	0	1,333,662
Total Capital Construction		\$24,183,843	\$13,055,670	\$850,000	\$850,000	\$450,000	\$450,000	\$450,000	\$3,450,000	\$5,950,000	\$6,450,000	\$56,139,513
Total Capital Project Costs		\$24,183,843	\$13,055,670	\$850,000	\$850,000	\$450,000	\$450,000	\$450,000	\$3,450,000	\$5,950,000	\$6,450,000	\$56,139,513
Cost Reimbursable												
EN11047	Memorial Park Lateral and 11th Street Lateral	\$665,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$665,000
WR08018	GWR Relative Risk Assessment	50,750	0	0	0	0	0	0	0	0	0	50,750
Total Cost Reimbursable		\$715,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$715,750
Operation & Maintenance												
CW16012	Recycled Water Office Engineering Projects	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000
PL05002	Surface Wetlands & Habita (MasterPlan)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
EC12019	Pilot Water Softener Rebate Program	120,000	120,000	0	0	0	0	0	0	0	0	240,000
WR11017	Regional Water Budgets (Irrigation Meters)	200,000	0	0	0	0	0	0	0	0	0	200,000
Total Operation & Maintenance		\$400,000	\$200,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$1,240,000
Total O&M Project Costs		\$1,115,750	\$200,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$1,955,750
TOTAL RECYCLED WATER FUND - WC		\$25,299,593	\$13,255,670	\$930,000	\$930,000	\$530,000	\$530,000	\$530,000	\$3,530,000	\$6,030,000	\$6,530,000	\$58,095,263

Fiscal Year 2011/12
Budgeted Project Description
Recycled Water Fund - WC

Capital Construction		
EN06025	Wineville Extension Recycled Water Pipeline	This project consists of the design and construction a 24 and 20 inch recycled water pipeline from the Wineville Recycled Water Pipeline at Jurupa and Wineville to the RP-3 basins at Beech and Jurupa. The pipeline is located in the cities of Ontario and Fontana. The project consists of approximately 24,000 linear feet of pipe and will serve recycled water customers as well as provide recycled water for ground water recharge at the RP-3 and Declez Basins.
EN07010	930 West Reservoir and Pipeline	Design and construction of an 880 HP Pumping Station with capacity of 6,900 Gallons Per Minute. In addition, the project will include the design and construction of approximately 15,000 feet of 36-inch and 2,500 feet of 46-inch pipe to the 900 West Reservoir. The project will be within the cities of Chino and Chino Hills.
EN08018	1630 West Reservoir & Pipeline	The project consists of the design and construction of a 3 million gallon reservoir (1630 W Reservoir). The reservoir will be located on a parcel of land at the northwest quadrant of 19th Street and Sapphire Street in Rancho Cucamonga. The project also includes the design and construction of the pipeline needed to connect the reservoir to the 1630 West Pipeline and Red Hill Park.
EN09002	Church Street Lateral	The Church Street Lateral project is the construction of approximately 4,200 linear feet of 12-inch diameter recycled water pipeline that will convey recycled water westerly from the 1630 Segment A Pipeline. The primary customers for the project will be Victoria Gardens, a shopping center, and Epicenter Stadium, with an estimated recycled water demand of 345 AFY.
EN09003	1630 West Pipeline Phase 2 & Lateral	The project involves construction of 14,500 feet of 24-inch diameter pipeline within the 1630 Pressure Zone West to serve as an inlet/outlet pipeline to the 1630 Pressure Zone West Reservoir. The 1630 W. Recycled Water Pipeline-Segment B starts at the terminus of the 1630 W. Recycled Water Pipeline-Segment A and terminates at the boarder of the City of Upland and the City of Rancho Cucamonga. The pipeline will connect to the 1630 W. This project will also include a provision for the construction of a service laterals to the Euclid median in the City of Upland.
EN09007	1630 East Pipeline Segment B	The project will include the construction of approximately 8,500 linear feet of 36-inch pipeline from the 1630 E Segment A terminus to the 1630 East Reservoir location at the CVWD's Lloyd Michael Treatment Plant. The project will include the retrofit of the existing CVWD potable 16 MGD reservoir to a recycled water reservoir.
EN09012	Victoria & San Sevaine Wells & Lysimeters	Three wells and two lysimeter clusters are needed to recharge recycled water in the Victoria and San Sevaine Basins. These facilities are required by the Phase 2 Groundwater Recharge Permit prior to the delivery of recycled water to these basins.
EN10001	RP-5 Recycled Water Pump Station Expansion- Phase I	This project will plan, design, and construct approximately 1,100 HP/9,200 gpm recycled water pumping station at RP-5.

Fiscal Year 2011/12
Budgeted Project Description
Recycled Water Fund - WC

EN11030	Northwest Communication Tower	This project will consist of the design & construction of the 6B communication tower and associated communication equipment. The scope includes design, easements, CEQA, radio surveys, Federal Aviation Administration and Federal Communication Commission permitting, and construction of the tower. Communication tests will also be performed to ensure all radio communication links meet the Agency's requirements.
EN11033	Temporary Turner Basin Turnout	This project will install a 4 inch PVC pipe from the existing blowoff on 4th street to the concrete lined feed channel at Turner Basin #1. The pipe will be approximately 250 feet long. A pressure reducing valve, propeller type flow meter and isolation valve will be provided. The turnout will be capable of delivering 400 GPM, or an expected 420 acre feet per year, of recycled water to the basin for ground water recharge.
EN11046	RP-1 930 Pump Station Fifth Pump	The project entails adding a fifth 500 hp pump that matches the existing large pump. This project is launched to eliminate any chances of losing a high percentage of pumping capacity should the larger pump or its' accessories (existing) go out of service
EN11048	1630 West Pump Station Communication Tower	Design & construction of the 1630 West Pump Station communication tower, and associated communication equipment. The scope includes design, easements, CEQA, radio surveys, Federal Aviation Administration and Federal Communication Commission permitting, and construction of the communication tower.
EN11049	1630 West Reservoir Communication Tower	Design & construction of the 1630 West Reservoir communication tower, and associated communication equipment. The scope includes design, easements, CEQA, radio surveys, Federal Aviation Administration and Federal Communication Commission permitting, and construction of the communication tower.
EN11050	Turner Basin Turnout Capacity Improvements	The existing turnout at the Turner Basins is undersized and utilizes a drop inlet at a low elevation. The smaller size and the low elevation of the turnout and basin inlet results in the basins being underutilized. This project will install a new, larger turnout to take full advantage of the recharge capacity at the Turner Basins. To eliminate the low elevation limitation, a bypass will be installed under Day Creek Channel. The turnout will include a pressure sustaining ClaVal PRV with dual solenoid flow control, a magnetic flow meter and will be fully automated.
EN12007	Misc. Recycled Water Projects	Required annual budget for emergency recycled water work
EN12010	CM Misc. Recycled Water Construction & Emergency Projects	Required annual budget for emergency recycled water work
WR08020	Misc. Connections, Retrofits and Laterals	This project encompasses the design and construction for recycled water customer connections, on-site retrofits, services laterals and other related services.
WR08023	1630 West Pipeline, Phase 1	This project is to construct two pipelines totaling approximately 30,000 linear feet. These pipelines will convey recycled water to pump stations that serve the cities of Ontario, Upland, and Rancho Cucamonga.
WR08027	1299 East Pipeline	The 1299 East Pipeline is the Regional Pipeline that will serve as a backbone to transport water from the 1158 Pressure Zone to the 1299 Pressure Zone.

Fiscal Year 2011/12
Budgeted Project Description
Recycled Water Fund - WC

WR08028	1299 East Reservoir City of Rancho Cucamonga	The 1299 East Reservoir project consists of the purchase and modification of the existing 1299 reservoir (3.5 million gallon potable water reservoir) owned by Cucamonga Valley Water District.
WR08031	1630 East Pipeline Segment A City of Rancho Cucamonga	The 1630 East Segment A project consists of the construction of a 42-inch diameter recycled water pipeline that will convey recycled water from the 1299 Reservoir site, located at CVWD's 1C Reservoir site to San Sevaine Basin Number 5 (a SBCFCD detention basin).
WR08032	1630 West Pump Station	This project consists of design and construction of a new recycled water pump station. The new pump station will include the installation of three (3) pumps, of approximately 450 hp. The 1630 West Pump Station will be designed to have one lead pump, one lag pump and a stand-by pump held in reserve. Construction work will occur at the City of Ontario's Fern Reservoir site, located at the intersection of Eighth Street and Fern Avenue, in the City of Upland.
Cost Reimbursable		
EN11047	Memorial Park Lateral and 11th Street Lateral	The project will include design and construction of approximately 4,600 linear feet of 8 inch diameter pipeline for the 11th Street lateral, approximately 350 linear feet of 6 inch diameter pipeline for the San Bernardino lateral, approximately 3,250 linear feet of 4 inch pipeline for the 15th Street lateral and approximately 590 linear feet of 4 inch pipeline for the 9th Street lateral.
WR08018	Ground Water Recharge Relative Risk Assessment	Project with the Water Reuse Foundation Tailored Collaboration on the Relative Risks of in-direct potable water reuse.
Operations & Maintenance		
CW16012	Recycled Water Office Engineering Projects	Establishes an annual budget for applying the labor hours for project evaluation, design review, permit issuance, inspection, and closeout for office engineering projects in regards to recycled water connections and modifications.
EC12019	Pilot Water Softener Rebate Program	Reimbursement program for automatic water softener removal rebate program.
PL05002	Surface Wetlands & Habitat	This project is phase II of the Chino Creek Master Plan. Located south of Euclid Avenue, east of the 71 freeway, phase II will include construction of the wetlands of excess of 100 acres. The project will include construction of hiking/biking trail, education signs, and habitat preserve. This project will be funded by grants and the Orange County Water District.
PL05012	Max Benefit Basin Plan Monitor	A basin monitoring program established in 2004 to conduct regular monitoring programs and analyses of the ambient groundwater quality throughout all the groundwater basins in the SAR Watershed every three years.
WR11017	Turner Basin/Guasti Park Multi Use Project	IEUA, San Bernardino County, and several local and regional stakeholders developed the West End Conservation and Groundwater Task Force and have been working diligently on the development of a comprehensive plan that will guide future improvement efforts of the Turner/Guasti site. To date, the Task Force has developed the Turner Basin/Guasti Park Multi-Use Project Implementation.

Fiscal Year 2011/12
Budgeted Project
Water Resources Fund - WW

WATER RESOURCES FUND - WW		FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Total TYCIP
Project #	Description											
Cost Reimbursable												
WR08010	Multi-Family Direct Rebate Program	\$657,834	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$657,834
WR12002	CBWCD Landscape Audit Program	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
WR12005	Residential Landscape Retrofit Program	75,000	75,000	75,000	0	0	0	0	0	0	0	225,000
WR12006	Landscape Alliance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
WR12010	Chino Basin Green Native Plant Program	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
WR12011	MWD Free Nozzle Voucher Program	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
WR12014	USBR Dedicated Meters Program	50,000	0	0	0	0	0	0	0	0	0	50,000
Total Cost Reimbursable		\$964,834	\$257,000	\$257,000	\$182,000	\$182,000	\$182,000	\$182,000	\$182,000	\$182,000	\$182,000	\$2,752,834
Operation & Maintenance												
WR02019	MWD Dry Year Storage Administration	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000
WR08010	Multi-Family Direct Rebate Program	180,796	0	0	0	0	0	0	0	0	0	180,796
WR12002	CBWCD Landscape Audit Program	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
WR12004	Garden in Every School	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
WR12005	Residential Landscape Retrofit Program	25,000	25,000	25,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	495,000
WR12007	MWD Residential Rebates Incentives	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
WR12008	National Theater For Children	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	550,000
WR12009	CII Rebate Incentives	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	600,000
WR12013	Sponsorship & Public Outreach	65,000	65,000	115,000	140,000	150,000	160,000	165,000	175,000	190,000	195,000	1,420,000
WR12014	USBR Dedicated Meters Program	50,000	0	0	0	0	0	0	0	0	0	50,000
WR12015	IEUA Regional Landscape Training Classes	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
Total Operation & Maintenance		\$560,796	\$330,000	\$380,000	\$440,000	\$450,000	\$460,000	\$465,000	\$475,000	\$490,000	\$495,000	\$4,545,796
Total O&M Project Costs		\$1,525,630	\$587,000	\$637,000	\$622,000	\$632,000	\$642,000	\$647,000	\$657,000	\$672,000	\$677,000	\$7,298,630
TOTAL WATER RESOURCES FUND - WW		\$1,525,630	\$587,000	\$637,000	\$622,000	\$632,000	\$642,000	\$647,000	\$657,000	\$672,000	\$677,000	\$7,298,630

Fiscal Year 2011/12
Budgeted Project Description
Water Resources Fund – WW

Cost Reimbursement		
WR08010	Multi- Family Direct Rebate Program	The Multi-Family Program includes the installation of 22,500 Ultra Low Flush and High Efficiency Toilets throughout IEUA service area through direct installations. This Program is 75% complete and will include single family customers in FY 2011/12.
WR12002	CBWCD Landscape Audit Program	This Program provides residential and commercial landscape evaluations for retail member agency customers located throughout the IEUA service area.
WR12005	Residential Landscape Retrofit Program	This residential program provides landscape evaluations and installations of weather based irrigation controllers and high efficiency sprinkler nozzles.
WR12006	Landscape Alliance	This project will provide funding for the IEUA task force developed to discuss and shape the landscape policy within the Chino Basin. The tasks will include educational seminars, meetings, bus tours, and workshops.
WR12010	Chino Basin Green Native Plant Program	This project is a partnership with Lewis Operating Corporation to provide low water use plants and trees for new Lewis housing developments.
WR12011	MWD Free Nozzle Voucher Program	This regional residential program provides high-efficiency sprinkler nozzles through an online voucher redemption program.
WR12014	USBR Dedicated Meters Program	This project will develop water budgets for dedicated irrigation landscape meters for all IEUA member agency customer accounts.
Operation & Maintenance		
WR02019	MWD Dry Year Yield Storage Phase I Administration	This project will record Agency staff labor costs, and expenses not eligible for grant reimbursement, associated with the administration of project WR02017, Dry Year Storage (Conjunctive Use) Program.
WR08010	Multi- Family Direct Rebate Program	The Multi-Family Program includes the installation of 22,500 Ultra Low Flush and High Efficiency Toilets throughout IEUA service area through direct installations. This Program is 75% complete and will include single family customers in FY 2011-12. This is the non-reimbursable portion of the program.
WR12002	CBWCD Landscape Audit Program	This Program provides residential and commercial landscape evaluations for member agency retail customers located throughout the IEUA service area. This is the non-reimbursable portion of the program.
WR12004	Garden in Every School	A garden in every school program installed up to 7 water efficient gardens featuring California friendly native plants and efficient irrigation techniques in elementary schools within the IEUA’s service area.
WR12005	Residential Landscape Retrofit Program	This residential program provides landscape evaluations and installations of weather based irrigation controllers and high efficiency sprinkler nozzles. This is the non-reimbursable portion of the program.
WR12007	MWD Residential Rebate Incentives	This program provides additional residential incentives that are added to MWD’s standard rebates to increase customer interest and program activity.
WR12008	National Theater for Children	This program provides live theatre performances to students in grades K-6, educating them on environmental issues and water use efficiency.

**Fiscal Year 2011/12
Budgeted Project Description
Water Resources Fund – WW**

WR12009	CII Rebate Incentives	This program provides additional commercial, institutional, and industrial incentives that are added to MWD’s standard rebates to increase customer interest and program activity.
WR12013	Sponsorship and Public Outreach	Sponsorship and Public Outreach funding provides support to IEUA’s member agencies through member agency memberships, training, educational workshops and materials, BMP support activities, public outreach activities, and special events.
WR12014	USBR Dedicated Meters Program	This project will develop water budgets for dedicated irrigation landscape meters for all IEUA member agency customer accounts. This is the non-reimbursable portion of the program.
WR12015	IEUA Regional Landscape Training Classes	This program provides residential landscape training classes and workshops for IEUA’s eight retail member agencies that include training on landscape design, plant selection, irrigation system maintenance, irrigation scheduling, composting, mulching, types soil and fertilizers.



Garden in Every School Program



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





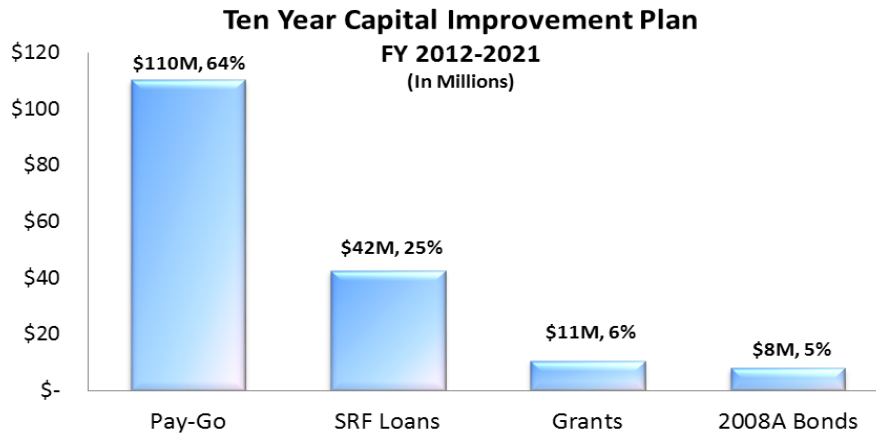
Debt Management

DEBT MANAGEMENT

Introduction

The Agency issues debt to fund the acquisition or construction of capital assets, improvements of existing facilities, or to refund a previous long term debt issue. Since the repayment period for long term debt issued to finance capital improvements should not exceed the expected life of the improvements, the pay-as-you-go (pay-go) means of using current revenues is considered the preferred means of financing these costs. However, if the capital improvements benefit future users, pay-go may not be the most equitable financing method as current users may be burdened with higher rates to support related financing costs and required reserve levels. Therefore, debt will be used to financing capital improvements, so long as the debt repayment term does not exceed the life expectancy of the capital improvements. The issuance of debt to fund operating deficits is not permitted.

Capital projects included in the FY 2012-2021 TYCIP totaling \$171 million will be funded by a combination of low interest state loans, pay-go, federal and state grants, and unexpended 2008A Revenue Bond proceeds. No new bond issues or use of commercial paper proceeds are projected for the ten year period.



Annual Debt Service Summary

Total annual debt service costs are expected to increase approximately \$2 to 2.5 million for the two fiscal years following FY 2011/12. Key drivers for the increase are SRF loans for the Northeast and Southern Recycled Water Area Projects scheduled to be completed in FY 2010/11 and FY 2011/12, and principal payments begin for the 2010A bond issue. SRF loan repayments commence one year after completion of project construction. Debt service including principal and interest for FY 2011/12 is projected to be \$23.1 million, or 15% of \$143.6 million total expenses and other uses of funds.

Total Debt Service							
	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Thereafter
Bonds	\$15,904,950	\$17,335,982	\$17,368,289	\$17,375,269	\$17,360,727	\$17,370,660	\$336,017,322
Notes/SRF Loans*	3,351,346	4,187,965	5,694,054	7,447,581	7,440,863	7,434,146	124,389,785
Financial Expense	401,455	418,300	336,551	416,551	336,551	416,550	6,680,072
Inter Fund Loan	3,925,000	1,180,000	2,215,000	2,225,000	2,227,500	2,220,000	9,407,500
Total	\$23,582,751	\$23,122,247	\$25,613,894	27,464,401	\$27,365,640	\$27,441,356	\$476,494,679

*Includes projected SRF loans

The distribution of FY 2011/12 debt service cost by program is shown in the following chart:

Debt Service by Program						
	Administrative Services	Regional Wastewater	Non-Reclaimable Wastewater	Recharge Water	Recycled Water	Total
Principal	\$0	\$6,411,549	\$125,570	\$528,814	\$3,767,019	\$10,832,952
Interest	0	8,526,329	409,080	699,598	2,235,988	11,870,995
Financial Expense	14,000	267,300	550	134,450	2,000	418,300
Total	\$14,000	\$15,205,178	\$535,200	\$1,362,862	\$6,005,007	\$23,122,247

Total Outstanding Debt Summary

As of June 30, 2012, total current outstanding debt, including principal and interest (excluding projected future SRF and inter-fund loans) is \$511 million; 82% Revenue bonds, 16% SRF Loans, and approximately 2% long term notes:

Total Outstanding Debt						
	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Bonds	\$434,816,061	417,480,079	400,111,790	382,736,521	365,375,794	348,005,135
SRF Loans	57,288,531	82,775,612	77,911,138	73,053,382	68,202,343	63,358,021
Notes	11,308,303	10,478,723	9,649,143	8,819,562	7,989,983	7,160,402
Inter Fund Loans	3,700,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total	\$507,112,895	511,734,414	489,672,071	466,609,465	443,568,120	420,523,558

Total outstanding short and long term debt as of June 30, 2012 consists of the following debt issues.

Bonds	Notes Payable
➤ 2005A Revenue Bonds (1999 Refunding)	➤ State Revolving Fund (SRF) Loans
➤ 2008A Revenue Bonds	➤ City of Fontana Note Payable
➤ 2008B Variable Rate Bonds (2002 Refunding)	➤ SARI Pipeline Capacity 1.5 mgd
➤ 2010A Revenue Bonds (1994 Refunding)	

BONDS

Long term bond issues have been used to build additional facilities and/or expansions, fund the Capital Improvement Program (CIP), and refunding of prior debt issues to reduce debt service costs.

Summary of Outstanding Bond Issues (\$Millions)

	Expected Maturity Date	Rating ⁽¹⁾	Interest Range	Debt Issue at Par	Debt Service Reserve Funds	Balance Outstanding As of 6/30/12 ⁽²⁾
2005A Revenue Bonds (1999 Refinancing)	11/1/2023	AAA/Aaa	3% - 5%	\$24.7	\$2.2	\$36.2
2008A Revenue Bonds	11/01/2038	A1/AA-	4.09% - 4.54%	\$125	\$11.5 ⁽³⁾	\$256.5
2008B Variable Rate Revenue Bonds (2002A Refinancing)	6/01/2032	Aaa/AA-	Variable	\$55.7	\$2.5 ⁽⁴⁾	\$72.4
2010A Revenue Bonds (1994 Refinancing)	8/1/2021	AA-/Aa2	1.35% - 5.0%	\$45.7	0.00	\$52.3
				\$251.1	\$16.2	\$417.4

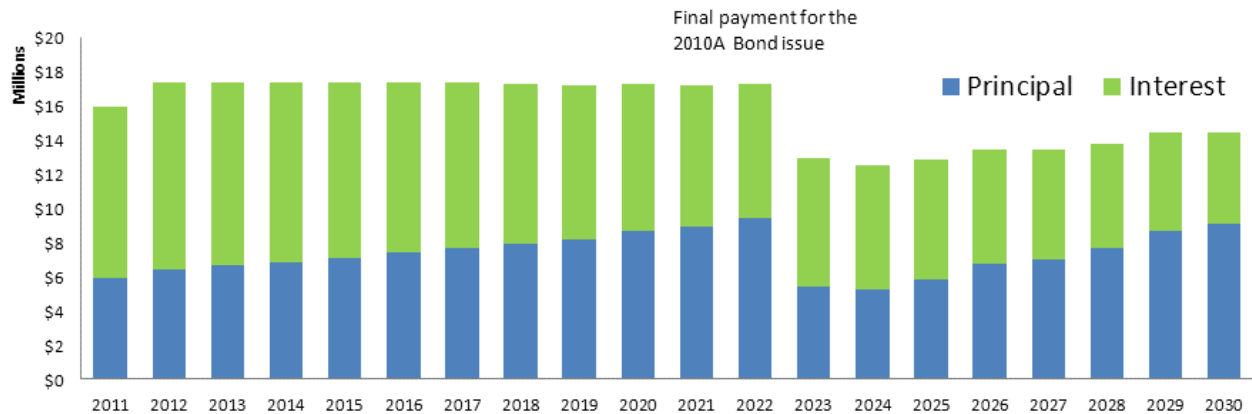
(1) Rating at time of issuance by Moody's Investor Services and Standard & Poor's.

(2) Includes outstanding Principal and Interest

(3) Ambac Surety Bond

(4) In addition to a dedicated reserve, a Letter of Credit with Lloyds of London

Bond Debt Service Schedule



State Revolving Fund (SRF) Loans

SRF loans are issued by the State Water Resources Control Board (SWRCB) and due one year after the completion of construction with principal and interest paid annually for 20 years. SWRCB offers various financing options:

- Standard – 20 year term, 2 % - 2.7% annual interest rate.
- Local Match – 20 year term, zero percent (0%) annual interest rate. Local match of 20% is deducted from loan proceeds during construction.
- Stimulus – 20 year term, 0% annual interest rate for Clean Water related projects, (recycled water)

and 1% annual interest rate for wastewater treatment projects.

Most SRF loans issued to the Agency are based on standard financing with interest rates ranging between 2% and 2.7%, payable in 20 years. The exceptions are the 0% interest rate SRF loans issued under the American Recovery and Reinvestment Act (ARRA) federal stimulus program which include the Recycled Water Phase IV loan for \$16.6 million and over 50% of the \$27 million SRF loan for the RP-1 Dewatering Expansion Facility.

SRF loans are the primary financing source for the Regional Recycled Water Distribution System, (Phases I-VIII), as defined in the Recycled Water Business Plan (RWBP) adopted December 2007.

Summary of Outstanding SRF Loans (\$Millions)

	Fiscal Year Issued	Interest Rate Range	Loan Amount	Financing Terms	Principal Outstanding As of 6/30/12
Recycled Water Program:					
Phase I (CCWRF)	FY 2005	2.2% - 2.6%	\$15	Standard	\$11
Phase II (RP-1 Area)	FY 2007	2.20%	15	Standard	13
Phase III (RP-4 Area)	FY 2008	0%	11	Local Match	9
Phase IV - V (Northeast Area)	FY 2010	.032%-1%	18	Stimulus	17
Phase VI - VIII ⁽¹⁾ (Northwest, Southern & Central Areas)	FY 2012	2.70%	46	Standard	0
Subtotal - Recycled Water			\$105		\$50
Regional Wastewater:					
RP-1 Dewatering Facility Expansion	FY 2010	0% - 1.00%	\$27	Stimulus	\$27
Subtotal - Regional			\$27		\$27
Total SRF Loans			\$132		\$77

(1) Proposed Loans

Recycled Water Distribution System Phases IV & V for \$18 million, net of grant proceeds, was the first appropriation of ARRA federal stimulus funds awarded by the SWRCB under the Clean Water Act. SRF loans issued under the stimulus plan have special financing terms; 1) Recycled Water Loans – 0% interest rate, 20 year term, and are also eligible for grant proceeds, and 2) Regional Wastewater Loans – 0% to 1% interest rate, 20 year term, but are not eligible for grant proceeds, (0% interest rate was issued for “green” eligible costs).

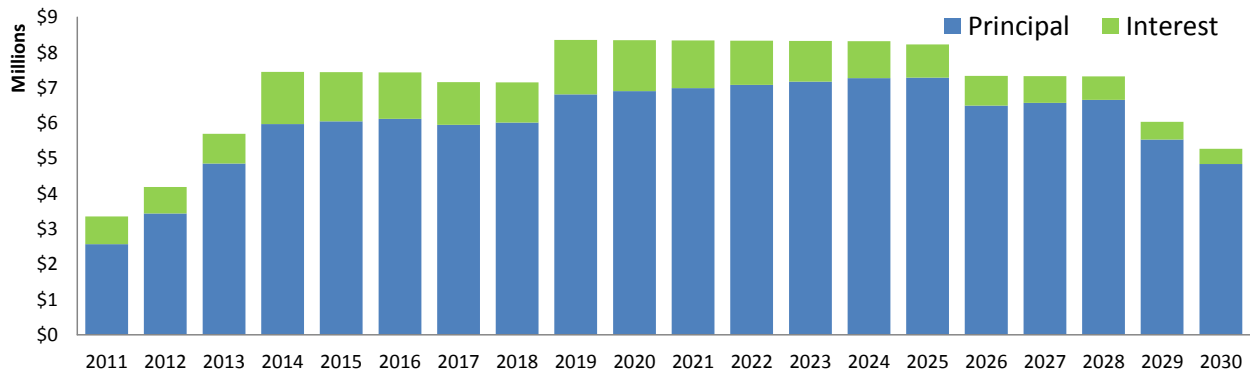
Over the next few years, the Agency will apply for \$46 million of additional SRF Loans with the SWRCB to fund Phases VI - VIII of the Recycled Water Distribution System. Total FY 2011/12 debt service payment for Phases I - V is \$3.3 million and increases to \$7.8 million with the completion of Phase VIII in FY 2018/19.

Notes Payable

The Agency signed a 20 year, 0% interest note in the amount of \$5,625,000 with an initial deposit of \$281,250 for the purchase of 1.5 mgd of SARI pipeline capacity from the Santa Ana Watershed Project Authority (SAWPA) in FY 1997/98. The note is payable in 20 annual installments of \$267,188 through July 15, 2017.

The Agency entered into a \$9.5 million 20 year note payable with the City of Fontana in FY 2008/09 for reimbursement of construction costs for the San Bernardino Regional Lift Station and Force Main in the City of Fontana.

Notes/SRF Debt Service Payment Schedule



Debt Coverage Ratio

The Agency's financial policy goal is to maintain a coverage ratio higher than the minimum required 1.25% for all types of indebtedness. Total bond debt coverage ratio for FY 2011/12 is projected to be 1.32% (net of Water Resources program budget and financial expense) and increases to 1.81% by FY 2015/16. The ratio is projected to remain above the 1.25% benchmark throughout the 5 year period, as legally mandated by bond covenant and is sufficient to maintain the investment grade ratings. The Agency has no legal debt limits imposed by state legislation.

Bond Debt Coverage Ratios						
	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Revenues (1)	\$93,069,061	\$97,777,167	\$102,303,597	\$106,670,371	\$111,218,911	\$116,017,954
O&M and Admin. Expenses	63,656,625	69,318,787	68,854,890	69,584,017	70,187,666	71,028,816
Revenue to pay Senior Debt	\$29,412,436	\$28,458,380	\$33,448,707	\$37,056,354	\$41,094,245	\$44,989,139
Total Senior Debt Service	\$5,594,940	\$0	\$0	\$0	\$0	\$0
Senior Debt Coverage Ratio	5.26	n/a	n/a	n/a	n/a	n/a
Net Revenues	\$23,817,496	\$28,458,380	\$33,448,707	\$37,056,354	\$41,094,245	\$44,989,139
Total Parity Debt	\$11,107,369	\$17,335,982	\$18,874,378	\$20,634,884	\$20,613,625	\$20,616,840

Service						
Parity Debt Coverage Ratio	2.14	1.64	1.77	1.80	1.99	2.18
Net Revenues	\$12,710,127	\$11,122,398	\$14,574,329	\$16,421,469	\$20,480,620	\$24,372,299
Other Subordinate Debt Service	3,351,346	\$4,187,965	\$4,187,966	\$4,187,965	\$4,187,965	\$4,187,966
Total Subordinate Debt Service	3.79	2.66	3.48	3.92	4.89	5.82
Total Debt Coverage Ratio	1.47	1.32	1.45	1.49	1.66	1.81
Remaining Net Revenue	\$9,358,781	\$6,934,433	\$10,386,363	\$12,233,504	\$16,292,655	\$20,184,333

(1) Revenues exclude bond proceeds, grants, State loans, and Water Resources (WW) Fund revenues

(2) O&M Expenses exclude interest expense and Water Resources (WW) Fund expenses, but include financial expense

The Agency has no Senior debt, all outstanding bond issues (2005, 2008A, 2008B and 2010A) and SRF Loan #16 for the RP-1 Dewatering Facility Expansion capital project are classified as parity debt. Subordinate debt consists of all remaining State Revolving Fund (SRF) loans and the two notes payable.

Additionally, the Agency has conservatively funded a debt service reserve to cover its bonded debt service obligations. Reserves for bond debt service are projected to be \$28 million by the end of FY 2015/16. In addition to the debt service reserves reported in the FY 2011/12 budget, \$5.7 million is deposited in restricted debt service reserve accounts and held by trustees and fiscal agents in accordance with bond covenants for a total debt service coverage reserve of \$33.7 million. The \$25.6 million ending debt service reserve reported in FY 2011/12 budget will be held in cash or short term investments.

Long Range Plan of Finance

The Long Range Plan of Finance (LRPF) summarizes the results of a comprehensive financial planning model which was built to provide a clear funding strategy for the Agency in order to meet capital and operating requirements. It is the Agency's objective to develop a feasible plan of finance while ensuring that customers continue to receive efficient service at affordable rates. The LRPF differs from other financial documents of the Agency in that it contemplates the Agency's projected revenues and expenditures to determine the most cost effective funding for both its capital expansion and ongoing maintenance programs.

Financial policies are the best way to ensure long term fiscal health especially in the current economic environment. Sound fiscal policies are regarded by rating agencies as significant and influential when issuing a rating. The following is a listing of Standard & Poor's top ten practices which are also consistent with the Agency's financial policies:

- Established budget reserve
- Regular economic and revenue reviews
- Prioritized spending plans and established Contingency plans
- Formal Capital improvement plan
- Long-term planning
- Debt affordability model
- Pay-as-you-go financing
- Well defined and coordinated economic development plan
- Multi-year financial plan
- Effective management and information

The Agency has long adhered to these policies as a foundation of fiscal stability that allows for meeting its service area’s needs at a reasonable cost of service. The LRPF and annual budget were prepared consistent with these policies. A comprehensive listing of Agency financial policies can be found in the Agency Vision/Policy Goals section of Volume 1.

Credit Rating Summary

As indicated in the Summary of Outstanding Bond Issues table, all of the Agency’s bond issues were rated between AAA/Aaa and A1/AA at the time of issuance. Bonds rated **AAA/Aaa** are evaluated as the best quality. They carry the lowest degree of investment risk. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. Bonds which are rated **A** possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future. Bonds in the Aa, A, and Baa are also assigned "1", "2" or "3" based on the strength of the issue within each category. Accordingly, "A1" would be the strongest group of A securities and "A3" would be the weakest A securities.

Investment Grade Rating	Moody’s	Standard & Poor’s	Fitch
Best Quality	AAA	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aaa	AA	AA
	A1	AA-	AA-
Upper Medium Grade	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BB-	BB-

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Fixed Rate Revenue Bonds, Series 2005A
(Parity Debt)**

Principal Issue Amount: \$24,735,000
Issue Date: May 1, 2005
Maturity Date: November 1, 2023
Rating: Moody's Aaa, S&P AAA

Purpose: To refund a portion of the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 1999 (Inland Empire Utilities Agency Sewer System)

Security: Pursuant to the 2005A Installment Purchase Agreement, the 2005A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources (WW) Fund, and pledged to the 1994 Senior Bonds. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2005/06	\$0	\$0	\$0
2006/07	1,285,000	972,062	2,257,062
2007/08	155,000	1,002,638	1,157,638
2008/09	160,000	997,513	1,157,513
2009/10	165,000	991,825	1,156,825
2010/11	1,320,000	969,138	2,289,138
2011/12	1,290,000	929,988	2,219,988
2012/13	1,325,000	880,825	2,205,825
2013/14	1,390,000	823,213	2,213,213
2014/15	1,445,000	762,900	2,207,900
2015/16	1,505,000	694,644	2,199,644
2016/17	1,585,000	623,208	2,208,208
2017/18	1,655,000	554,475	2,209,475
2018/19	1,720,000	486,975	2,206,975
2019/20	1,790,000	416,775	2,206,775
2020/21	1,860,000	342,613	2,202,613
2021/22	1,935,000	255,875	2,190,875
2022/23	2,030,000	156,750	2,186,750
2023/24	2,120,000	53,000	2,173,000
	<u>\$24,735,000</u>	<u>\$11,914,413</u>	<u>\$36,649,413</u>

Principal payments due annually, November 1.

Interest payments due semi-annually, May 1 and November 1.

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Fixed Rate Revenue Bonds, Series 2008A
(Parity Debt)**

Principal Issue Amount: \$125,000,000
Issue Date: February 5, 2008
Maturity Date: November 1, 2038
Rating: Moody's A1

Purpose: To finance cost of capital replacements and improvements to the Regional Sewer System.

Security: Pursuant to the 2008A Installment Purchase Agreement, the 2008A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources (WW) Fund, and pledged to the 1994 Senior Bonds. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2007/08	\$0	\$1,493,056	\$1,493,056
2008/09	0	6,250,000	6,250,000
2009/10	0	6,250,000	6,250,000
2010/11	0	6,250,000	6,250,000
2011/12	0	6,250,000	6,250,000
2012/13	0	6,250,000	6,250,000
2013/14	0	6,250,000	6,250,000
2014/15	0	6,250,000	6,250,000
2015/16	0	6,250,000	6,250,000
2016/17	0	6,250,000	6,250,000
2017/18	0	6,250,000	6,250,000
2018/19	0	6,250,000	6,250,000
2019/20	0	6,250,000	6,250,000
2020/21	0	6,250,000	6,250,000
2021/22	0	6,250,000	6,250,000
2022/23	0	6,250,000	6,250,000
2023/24	2,620,000	6,184,500	8,804,500
2024/25	2,845,000	6,047,875	8,892,875
2025/26	3,895,000	5,879,375	9,774,375
2026/27	4,100,000	5,679,500	9,779,500
2027/28	4,305,000	5,469,375	9,774,375
2028/29	5,495,000	5,224,375	10,719,375
2029/30	5,790,000	4,942,250	10,732,250
2030/31	6,090,000	4,645,250	10,735,250
2031/32	6,395,000	4,333,125	10,728,125
2032/33	10,210,000	3,918,000	14,128,000
2033/34	10,735,000	3,394,375	14,129,375
2034/35	11,285,000	2,843,875	14,128,875
2035/36	11,865,000	2,265,125	14,130,125
2036/37	12,475,000	1,656,625	14,131,625
2037/38	13,110,000	1,017,000	14,127,000
2038/39	13,785,000	344,625	14,129,625
	\$125,000,000	\$159,088,306	\$284,088,306

Principal due annually, June 30.

Interest due semi-annually, May 1 and November 1.

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Variable Rate Revenue Bonds, Series 2008B
(Parity Debt)**

Principal Issue Amount: \$55,675,000
Issue Date: April 14, 2008
Maturity Date: June 1, 2032
Rating: Moody's A1

Purpose: To refinance the acquisition and construction of capital improvements to Regional Sewer System and refinance the Agency's share of the acquisition and construction of the composting facility, and refinance the Agency's and Chino Basin Watermaster's share of capital improvements to the groundwater recharge facilities ("the Recharge Project").

Security: Pursuant to the 2008B Installment Purchase Agreement, the 2008B Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources (WW) Fund, and pledged to the 1994 Senior Bonds. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Projected Variable		Interest	Total Payment
	Principal	Interest Rate		
2007/08	\$ 450,000	4.00%	\$ 304,087	\$ 754,087
2008/09	1,420,000	4.00%	2,198,585	3,618,585
2009/10	1,475,000	4.00%	2,146,142	3,621,142
2010/11	1,535,000	4.00%	2,087,465	3,622,465
2011/12	1,560,000	4.00%	2,062,431	3,622,431
2012/13	1,660,000	4.00%	1,959,665	3,619,665
2013/14	1,725,000	4.00%	1,897,219	3,622,219
2014/15	1,790,000	4.00%	1,828,583	3,618,583
2015/16	1,865,000	4.00%	1,756,002	3,621,002
2016/17	1,910,000	4.00%	1,711,193	3,621,193
2016/17	2,015,000	4.00%	1,605,881	3,620,881
2018/19	2,095,000	4.00%	1,525,688	3,620,688
2019/20	2,180,000	4.00%	1,441,270	3,621,270
2020/21	2,270,000	4.00%	1,353,332	3,623,332
2021/22	2,355,000	4.00%	1,265,523	3,620,523
2022/23	2,430,000	4.00%	1,192,514	3,622,514
2023/24	2,550,000	4.00%	1,072,573	3,622,573
2024/25	2,650,000	4.00%	970,267	3,620,267
2025/26	2,755,000	4.00%	866,614	3,621,614
2026/27	2,865,000	4.00%	757,005	3,622,005
2027/28	2,970,000	4.00%	652,844	3,622,844
2028/29	3,100,000	4.00%	521,896	3,621,896
2029/30	3,220,000	4.00%	399,487	3,619,487
2030/31	3,350,000	4.00%	271,350	3,621,350
2031/32	3,480,000	4.00%	138,314	3,618,314
	<u>\$ 55,675,000</u>		<u>\$ 31,985,931</u>	<u>\$ 87,660,931</u>

Principal payment due annually, June 1.

Interest payment due first Wednesday of every month.

Fiscal Year: 12 month period starts from July 1 through June 30.

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Revenue Refunding Bonds, Series 2010A
(Parity Debt)**

Principal Issue Amount: \$45,570,000
Issue Date: July 15, 2010
Maturity Date: August 1, 2021
Rating: Moody's Aa2

Purpose: To refund the outstanding Chino Basin Regional Financing Authority 1994 Revenue Bonds

Security: Pursuant to the 2010A Installment Purchase Agreement, the 2010A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources (WW) Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2010/11	0	963,686	963,686
2011/12	3,510,000	1,746,343	5,256,343
2012/13	3,600,000	1,686,650	5,286,650
2013/14	3,700,000	1,595,150	5,295,150
2014/15	3,810,000	1,482,500	5,292,500
2015/16	3,945,000	1,346,450	5,291,450
2016/17	4,105,000	1,185,450	5,290,450
2017/18	4,165,000	1,020,050	5,185,050
2018/19	4,285,000	829,625	5,114,625
2019/20	4,620,000	607,000	5,227,000
2020/21	4,755,000	372,625	5,127,625
2021/22	5,075,000	126,875	5,201,875
	<u>\$45,570,000</u>	<u>\$12,962,403</u>	<u>\$58,532,403</u>

Principal and Interest due annually, August 1.



Personnel

PERSONNEL

The FY 2011/12 staffing plan continues to reflect the collaborative efforts among all departments in efficiently and effectively managing human resources to meet service demands. Employment costs continue to be one of the primary operating expenses for the Agency. The FY 2011/12 employment expense equates to 44% of the Agency's total operating budget.

Some of the several strategies that have been implemented to contain employment costs include:

- Modified Hiring Freeze - only fill positions that satisfy a critical need and will support the Agency's goal of containing operating costs in future years
- Reduced Internship Program - the internship budget has been reduced by 50% from 33 to 17 positions
- Reduced the Number of Contract Limited Term Employees - contract limited term employment has been reduced from 18 to 12
- Evaluation of Organizational Effectiveness - several organizational changes have been implemented to increase operational effectiveness by maximizing staff expertise and Agency resources. The evaluation process and staff reduction through attrition have contributed to cost savings

The employment budget for FY 2011/12, including wages and benefits, is \$32.4 million (net of project allocations), which represents 44% of the Agency's total operating budget of \$74 million. The proposed employment budget includes a 5% vacancy factor, equivalent to approximately 15 FTE's. Limited term employees, who are primarily dedicated to completing engineering, construction, and special projects, are budgeted at 12 positions.

Current employment expense forecasts do not include any COLA increase. The Agency will continue to work closely with the various bargaining labor units to jointly develop viable solutions for the economic issues facing the Agency during these difficult economic times. Changes in future COLA projections are subject to change based upon negotiations.

Personnel Costs by Program

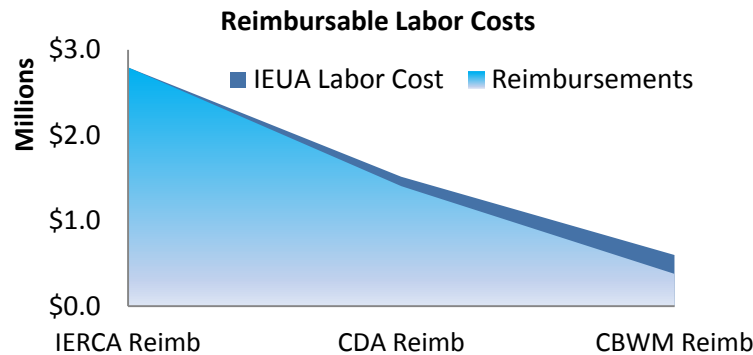
Employment costs are initially accounted for in the Administrative Services Program (GG) Fund and are distributed to projects or activities in various Agency programs. Within some of the program budgets, labor costs that are identified for providing support services to outside agencies are reimbursable based on specific contract agreements.

Allocated Personnel Costs by Program (\$Millions)

Program	Division				Grand Total
	Agency Administration	Finance	Engineering	Operations	
Regional Operations	\$2.01	\$2.35	\$0.08	\$16.37	\$20.81
Regional Capital	.93	1.52	1.15	.34	3.94
Recycled Water	.41	.40	.14	.75	1.70
Non-Reclaimable Wastewater	.22	.18	.05	1.22	1.67
Recharge Water				.60	.60
Water Conservation	.43	.06			.49
Regional Composting (JPA)	.08	.09	.04	2.59	2.80
Chino Basin Desalter (JPA)	.10	.24	.02	1.15	1.51
General Administration*	(.08)	(.20)		(0.79)	(1.07)
TOTAL	\$4.10	\$4.64	\$1.48	\$22.23	\$32.45

*Reflects the net charge to the GG fund, \$1.4 reimbursement for CDA JPA labor and \$326,000 of other labor charges remaining in the fund.

Total labor cost reimbursements from other agencies in FY 2011/12 are estimated to be \$4.6 million. Approximately \$2.8 million of employment costs are reimbursed to the Agency by the Inland Empire Regional Composting Facility (IERCF) and are recorded in the Regional Operations and Maintenance (RO) Fund. The Chino Basin Desalter Authority (CDA) reimburses the Agency approximately \$1.4 million for operations and capital project management costs which are recorded in the GG Fund. The Chino Basin Watermaster (CBWM) partially reimburses labor costs of approximately \$400,000 for recharge water basin maintenance, and is recorded in the Recharge Water (RW) Fund.



The table below shows the number of FTE staff allocated by Agency program based on budgeted activities and the changes between FY 2010/11 and FY 2011/12:

FY 2011/12 FTE Staffing Allocation			
	FTE 11/12	FTE 10/11	Changes
Regional Operations Program	163.7	157.7	+6.0
Regional Capital Program	44.0	40.4	+3.6
Recycled Water Program	31.3	31.2	+0.1
Non-Reclaimable Wastewater Program	14.7	17.6	-2.9
Recharge Water Program	3.0	3.4	-0.4
Water Related Activities & Conservation Programs	3.8	4.0	-0.2
IE Regional Composting Facility / JPA ⁽¹⁾	22.7	26.4	-3.7
Chino Basin Desalter Authority / JPA ⁽²⁾	8.8	8.3	+0.5
General Administration	3.0	6.0	-3.0
Total FTE	295	295	0.0

(1) IEUA labor costs are 100% reimbursable from IERCA

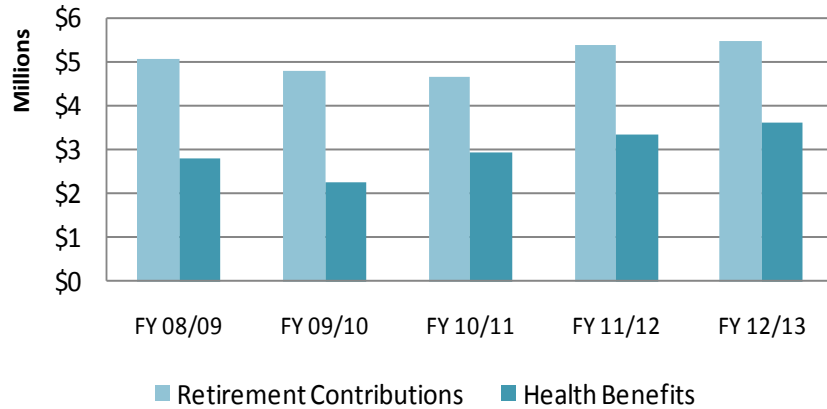
(2) IEUA labor costs are reimbursable from CDA based on agreements

Benefits

Total benefits are budgeted at \$12.5 million, or 33% of the total employment expense in FY 2011/12. The Benefits provided to all full time and limited term contract employees include:

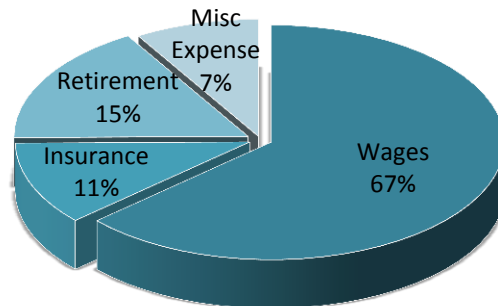
- Insurance (health, dental, vision, life, long term disability and workers' compensation)
- Paid leave (i.e., holiday pay, sick leave, vacation leave, personal leave, executive leave, etc.)
- Retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS)

The FY 2011/12 proposed budget includes increases in both health and retirement benefits an aggregate increase of 14% over the prior year as illustrated in the table below. The FY 2011/12 budget assumes continued moderate increases in CalPERS averaging .35% per year and an average 10% annual increase in health insurance expense.



FY 2011/12 employment costs total \$37.9 million which includes labor and benefit costs (before allocation to other programs and projects). Miscellaneous expense of 7% includes Federal and State employment tax, director fees, auto allowance, and other miscellaneous benefits.

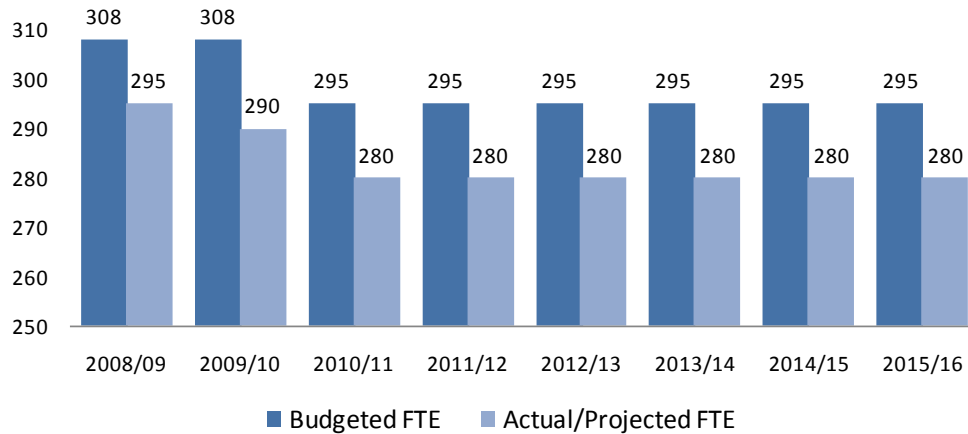
**FY 2011/12 Employment Cost
\$37.9 Million**



Staffing Plan

The FY 2011/12 staffing plan reflects a permanent 4% reduction in staffing, from 308 in FY 2009/10 to 295 Full-Time Equivalents (FTE). The projected actual number of FTE's assumes a 5% vacancy factor which is consistent with the Agency's historical average. Departmental efforts in cross training staff, implementing enhanced technology to reduce shift time and allocating human resources effectively has helped to achieve this permanent reduction.

Budgeted FTE's vs. Actual FTE's



During FY 2010/11 the following organizational changes were made to more effectively optimize resources and better support the Agency's growing program activities;

- The position of Assistant General Manager was added to the Agency's staffing plan
- The Information Services and the Contracts & Procurement Departments were transferred from the Operations Division to the Finance Division

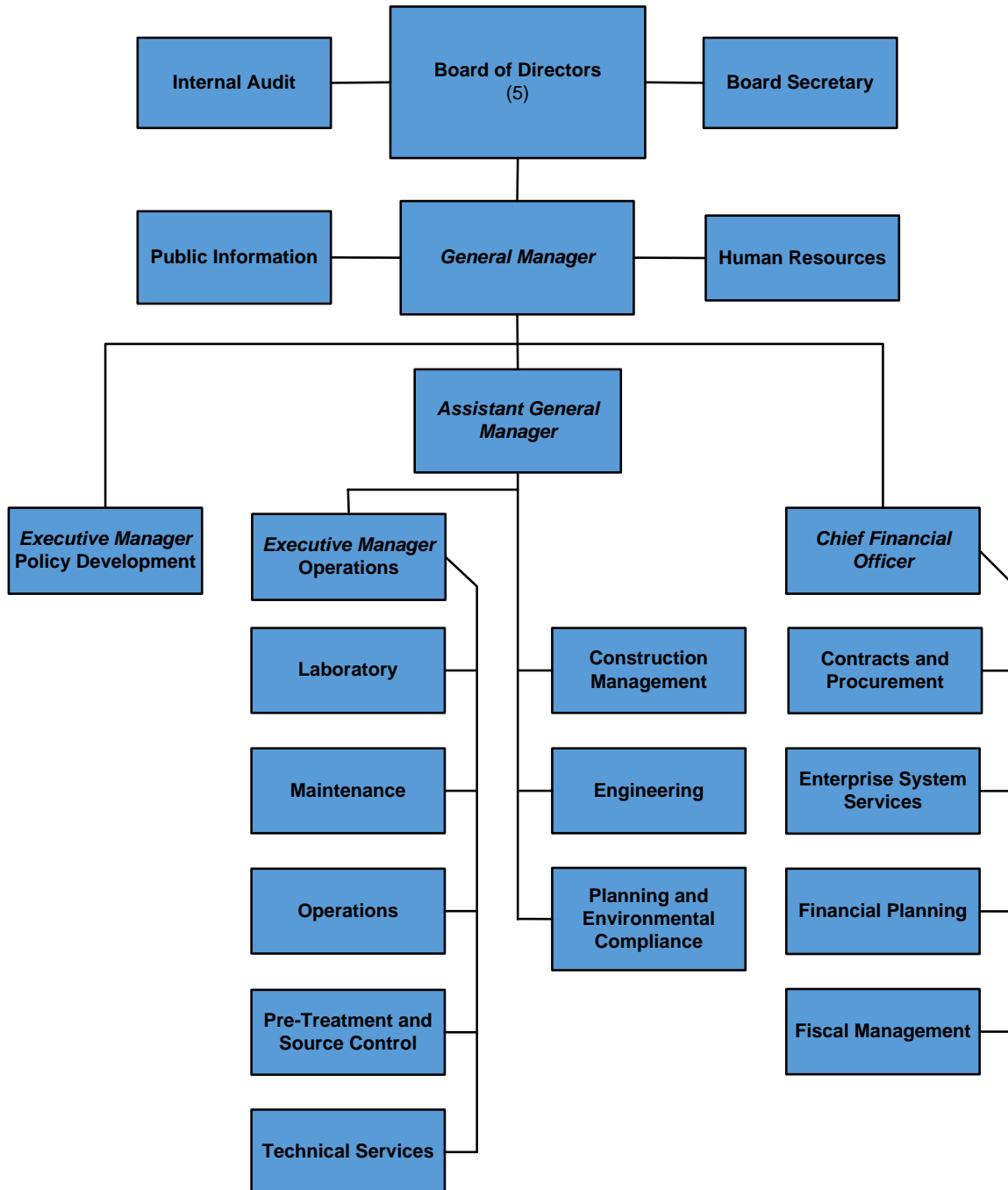
Training and Employee Development Programs

The "Technical Enhancement and Management Succession" (TEAMS) program was developed by the Agency in late 2006 to enhance recruitment, develop and train existing employees, and build a stronger internal leadership pool.

The TEAMS program has evolved and now combines online training, group collaborations, facilitated classes, and external college courses with other public agency employees. This evolution has resulted in a significant savings to the Agency. Consideration in the design of the various TEAMS programs focuses on the balance between both the immediate and future needs of the employees and the Agency.

The current program consists of three certificate programs: Personal Development Program, The Southern California Local Government Supervisory Program, and The Southern California Local Government Leadership Academy. These programs target the developmental needs of the different stages of an employee's lifecycle. Online e-learning is also available to provide every employee with the resources they need to achieve their performance goals and objectives.

Fiscal Year 2011/12 Agency Wide Organizational Chart



**INLAND EMPIRE UTILITIES AGENCY
STAFFING PLAN**

DIVISION Department/Section	ADOPTED	AMENDED	PROPOSED	PROPOSED	FORECAST				
	2010/11	2010/11	Changes	2011/12	2012/13	2013/14	2014/15	2015/16	
BOARD OF DIRECTORS									
Internal Audit	2	2	0	2	2	2	2	2	
AGENCY ADMINISTRATION									
Agency Management	3	4	0	4	4	4	4	4	
Public Information	3	3	0	3	3	3	3	3	
Human Resources	12	12	0	12	12	12	12	12	
Planning and Environmental Compliance	13	13	0	13	13	13	13	13	
Policy Development	1	1	0	1	1	1	1	1	
TOTAL AGENCY ADMINISTRATION	34	35	0	35	35	35	35	35	
FINANCE & ADMINISTRATION DIVISION									
Finance and Administration	1	1	0	1	1	1	1	1	
Fiscal Management	12	12	0	12	12	12	12	12	
Contracts and Procurement	9	9	0	9	9	9	9	9	
Enterprise System Services	8	8	0	8	8	8	8	8	
Financial Planning	9	9	0	9	9	9	9	9	
TOTAL FINANCE	39	39	0	39	39	39	39	39	
ENGINEERING DIVISION									
Engineering Administration	1	0	0	0	0	0	0	0	
Engineering	21	21	0	21	21	21	21	21	
Construction Management	15	16	0	16	16	16	16	16	
TOTAL ENGINEERING DIVISION	37	37	0	37	37	37	37	37	
OPERATIONS ADMINISTRATION									
Operations Administration	3	3	0	3	3	3	3	3	
Pretreatment & Source Control	14	14	0	14	14	14	14	14	
Technical Services	6	6	-1	5	5	5	5	5	
Ground Water Recharge	2	2	1	3	3	3	3	3	
Laboratory	14	14	0	14	14	14	14	14	
RP1 Operations	25	27	0	27	27	27	27	27	
RP4 Operations	4	4	0	4	4	4	4	4	
CCWRF Operations	4	2	0	2	2	2	2	2	
Chino Desalter Operations	4	5	0	5	5	5	5	5	
RP2/RP5 Operations	11	10	0	10	10	10	10	10	
Maintenance	5	5	1	6	6	6	6	6	
Plant Maintenance - RP1/RP4	13	13	0	13	13	13	13	13	
Electrical/Instrument Maint - RP1/RP4	12	13	0	13	13	13	13	13	
Energy Conservation and Administration	4	4	0	4	4	4	4	4	
Maintenance Planning & Materials Management	8	8	0	8	8	8	8	8	
Integrated Systems Services	14	14	-1	13	13	13	13	13	
Plant Maintenance - RP2/CCWRF/RP5	10	9	0	9	9	9	9	9	
Electrical/Instrument Maint - RP-2/CCWRF/RP5	11	10	0	10	10	10	10	10	
Organics Management	21	21	0	21	21	21	21	21	
TOTAL OPERATIONS	185	184	0	184	184	184	184	184	
TOTAL AGENCY STAFF POSITIONS	295	295	0	295	295	295	295	295	
LIMITED TERM POSITIONS									
Limited Term Contract	13	14	(2)	12	3	3	3	3	
Intern Positions	16	17	0	17	17	17	17	17	
SUBTOTAL LIMITED TERM POSITIONS	29	31	(2)	29	20	20	20	20	
GRAND TOTAL AGENCY STAFF POSITIONS	324	326	-2	324	315	315	315	315	



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Departments

DEPARTMENTS

INLAND EMPIRE UTILITIES AGENCY DEPARTMENTAL EXPENSE - BY DIVISION

\$ thousands

	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 AMENDED BUDGET	FY 2010/11 PROJECTED ACTUAL	FY 2011/12 BUDGET
AGENCY MANAGEMENT DIVISION					
Human Resources	\$1,161	\$1,057	\$1,273	\$1,070	\$1,121
Internal Audit	290	282	323	283	306
Office of the General Manager	522	552	1,214	838	932
Planning and Environmental Compliance	2,832	2,497	2,743	2,400	2,902
Public Information	408	397	574	411	497
TOTAL AGENCY MANAGEMENT	\$5,213	\$4,785	\$6,127	\$5,002	\$5,758
FINANCE DIVISION					
Contracts and Procurement	\$874	\$869	\$833	\$839	\$847
Enterprise System Services	2,027	1,989	1,096	1,057	1,036
Financial Planning	14,998	11,373	13,211	13,157	13,147
Fiscal Management	1,027	923	904	886	908
TOTAL FINANCE	\$18,926	\$15,154	\$16,044	\$15,939	\$15,938
ENGINEERING DIVISION					
Construction Management	\$1,237	\$1,659	\$1,568	\$1,284	\$907
Engineering	3,260	2,395	2,399	2,181	2,207
TOTAL ENGINEERING	\$4,497	\$4,054	\$3,967	\$3,465	\$3,114
OPERATIONS DIVISION					
Operations Administration	\$1,515	\$1,089	\$1,242	\$1,242	\$1,485
Laboratory	1,524	1,576	1,562	1,555	1,570
Maintenance	13,873	14,674	19,509	17,845	18,243
Operations, Groundwater Recharge, Organics	17,159	14,777	17,145	15,822	16,615
Pre-Treatment, Source Control & Collections Systems	6,160	7,072	7,352	7,277	7,770
Technical Services	523	529	550	504	556
TOTAL OPERATIONS	\$40,754	\$39,717	\$47,360	\$44,245	\$46,239
ENDING BALANCE AT JUNE 30	\$69,390	\$63,710	\$73,498	\$68,651	\$71,049

Departmental expenses are provided in each department section, which does not include special and cost reimbursable project expenses

AGENCY MANAGEMENT DIVISION

Mission Statement

To manage the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects, planning programs, legislation and outside state/federal grant funding.

Departments

- Human Resources
- Internal Audit
- Office of the General Manager
- Planning & Environmental Compliance
- Public Information

Executive Summary

The Agency Management Division is responsible for the management and administration of all Agency activities. Its purpose is to establish Agency goals, administer Agency programs, organize efficient delivery of the Agency's services, and implement Agency policies pursuant to the direction of the Board of Directors. The division provides management services on all matters pertaining to the business of the Agency. Agency Management is responsible for directing the research of policy development by staff for the Board of Directors.

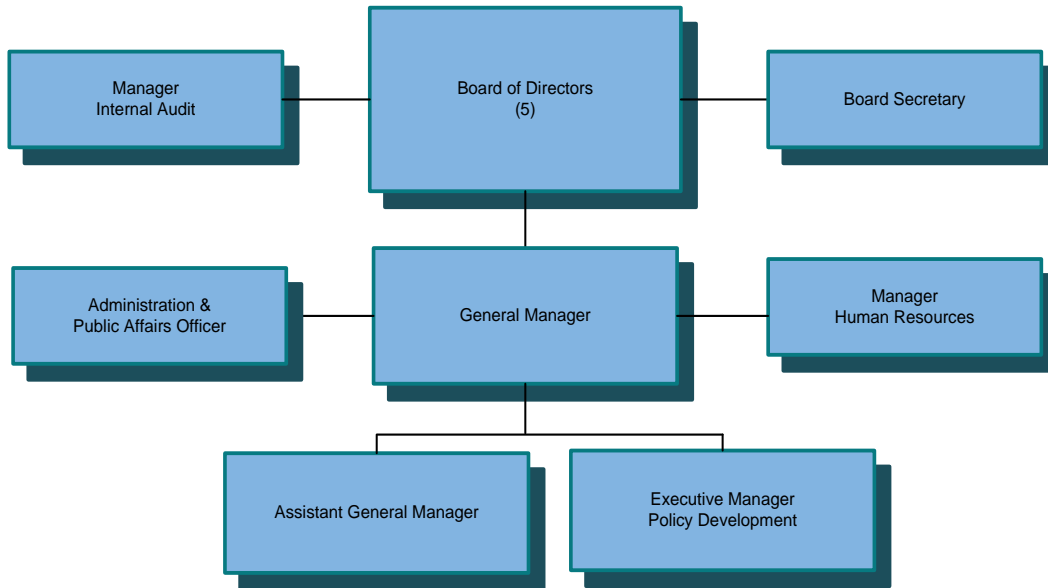
The Agency Management Division has several important objectives it will be striving to accomplish during FY 2011/12. These include cost containment of expenditures within budgeted targets, seeking federal and state grant funding, achieving 100% permit compliance, and providing guidance on new budget performance targets and accountability measures. Total division staffing is budgeted at 35 full time equivalents.

Division Goals

- Hold expenditures within budgeted targets (FY 2012- FY 2016).
- Advocate legislation that is consistent with Board policy.
- Seek State and Federal grant funding for Recharge Master Plan, Renewable Energy, Optimum Basin Management Plan (OMBP), and Recycled Water Program.
- Continue to implement Chino Basin Peace II Program.
- Complete Recycled Water projects on schedule and within budget.
- Maintain 100% permit compliance.
- Coordinate recharge facility operations with San Bernardino County Flood Control District, Chino Basin Water Conservation District and Chino Basin Watermaster to maximize replenishment of storm water, recycled water and imported water supplies.
- Provide leadership and training to all employees to meet Agency goals and objectives.
- Promote energy and water efficiency strategies.

Organization Chart

Agency Administration Division



IEUA Headquarters Building in Chino, CA

OFFICE OF THE GENERAL MANAGER

Mission Statement

To manage the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects, planning, programs, legislation, and funding.

Description and Purpose

The Office of the General Manager is responsible for the overall policy direction and day-to-day management of the Inland Empire Utilities Agency (IEUA). Under the general direction of the General Manager, the Agency is responsible for a number of programs and services including the wholesale distribution of water and recycled water, regional wastewater treatment for a 242 square mile area of Western San Bernardino County, industrial and municipal wastewater collection through biosolids management and other related utility services.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
A1, A2, A4, A6	Water Conservation and Quality	<i>(MI) Expand water conservation programs in coordination with retail agencies to address continuing drought shortages from MWD.</i>			
		(A)Identified additional potential markets of recycled water and composting.	✓		
		(A)Increased overall usage of recycled water by June 30, 2011 from 32,000 AFY to 40,000 AFY.	✓		
		<i>(MI) Work closely with the Chino Basin Watermaster (CBWM) to implement the Optimum Basin Management Plan (OBMP).</i>			
		(A)Implemented Phase 3 of Chino Basin Desalter’s OBMP and the Hydraulic Control Program.		✓	
		<i>(MI) Coordinate and collaborate with other water agencies on programs within the Santa Ana River Watershed.</i>			
		(A)Actively participated in the “One Water-One Watershed” planning process.	✓		
		<i>(MI) Actively participates in MWD, SAWPA and trade association activities to ensure IEUA maintains “best practices” in the industry.</i>			
	(A)Actively participated in benchmarking and best practice surveys to ensure IEUA keeps pace with water/wastewater trends.	✓			

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
C4, F5	Technological Innovation	<i>(MI) Implement Asset Management System for all IEUA facilities.</i>		✓	
		(A)Continued to complete business case analysis on all engineering projects and maintenance programs.			
		<i>(MI) Implement Energy Management Strategy to be self-sufficient by going "gridless" by 2020.</i>			
		(A) Replaced co-generation engines at the RP-1 facility with 2.8 Megawatts (MG) of fuel cell technology.		✓	
		(A)Installed 1.0 (MG) wind turbine at the RP-4 facility.		✓	
		(A)Administered generation of bio-gas energy from commercial food waste at RP-5 Solids Handling and Renewable Energy Efficiency Project (REEP) facilities.		✓	
C1, C2	Rate Stabilization and Cost Effectiveness	<i>(MI) Direct the efforts of all Agency staff to ensure prudent fiscal practices, efficient operations, and adequate capital planning and implementation.</i>			
		(A)Held quarterly budget variance review with all managers to ensure all cost containment objectives are achieved.	✓		
		(A)Implemented annual, moderate rate increases to support operating and maintenance costs, with the ultimate goal of meeting full cost of service rates for all Agency programs.		✓	
		(A)Maintained adequate reserves to ensure Agency's credit coverage ratio remains above 1.25 as legally required by bond covenants.	✓		
EI	Strategic Planning and Capital Implementation	<i>(MI)Plan and direct 10-year capital development and implementation activities to ensure that the growing needs of member agencies are adequately addressed.</i>			
		(A)Carefully monitored building activity and real estate development trends throughout the IEUA service area and region.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
G1, G4	Interagency Relationships and Community Partnerships	<i>(MI) Continue to be an active leader in California water policy issues.</i>			
		(A) Maintained leadership roles on various water associations (e.g., ACWA, Water Reuse Association, SCAP, and CASA).	✓		
		<i>(MI) Provide leadership within the industry on legislative solutions and appropriate regulatory standards for wastewater collection, treatment, and reuse.</i>			
		(A) Conducted annual program updates with federal and state legislative delegations.	✓		
		<i>(MI) Process all Board, Committee, and Joint Power Authority (JPA) agendas in an expeditious and efficient manner.</i>			
		(A) Delivered all Board and Committee packages by no later than three (3) business days prior to the scheduled meeting.	✓		
		(A) Prepared Board and Committee Packages in a neat and orderly manner with minimal errors, as determined by survey completed by the Board Members.	✓		
		(A) Distributed "On Tap" Board actions within the same day after the conclusion of the Board meeting.	✓		
		(A) Distributed signed documents within 24 hours of Board approval.	✓		
		(A) Completed meeting minutes within two (2) days after the Board meeting.	✓		
<i>(MI) Ensure ready accessibility and availability for the Board Members, Executive Management and staff of all agendas and related documentation.</i>					
(A) Ensured that all agendas and related documentation are posted to the Agency's intranet/PIPES within 24 hours after the Board package is distributed.	✓				
H4	Fiscal Accountability and Regulatory Compliance	<i>(MI) Meets all statutory (i.e. Brown Act) and regulatory requirements governing public meetings.</i>			
		(A) Achieved 100 percent compliance at water recycling plants for 2011.	✓		
		(A) Attend Special District training for Board Secretaries annually to stay current on Brown Act Requirements and other special districts laws, follow up with General Counsel.			✓
		(A) Provide training to at least two (2) other administrative staff on the Brown Act.			✓

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
I1	Agency Mission, values and goals	<i>(MI) Adhere to the Agency's missions, values, and goals and comply with the Agency's adopted ethics policies.</i>			
		(A)Promoted employee development programs.	✓		
		(A)Required Board of Directors, Agency Management and personnel demonstrate the highest standards of integrity and accountability while serving the public	✓		

Major Initiatives

- Coordinate - Recycled Water Business Plan with customer development, marketing and operational start-up with retail water agencies.
- Implement - Asset Management Program Implementation with Agency wide, and provide annual work plan updates.
- Development - Chino Desalter Authority financial, operating, and engineering services for the Chino Desalter Phase 3 Expansion.
- Development - Chino Creek Park/RP-5 property development and Chino Creek Master Plan implementation.
- Development - Turner Basin Storm-Water Pilot Project - Implement RW improvements and facilitates Agency coordination.
- Development - Implement renewable energy initiative - "Grid less by 2020" work plan.
- Development - an updated strategic "risk issues" plan for the organization that has been fully embraced by all facets of the organization on the key business principles of the organization:
 - Recycled water
 - Compost and other biosolids products
 - Renewable energy
 - Technical expertise and innovation in developing water related projects that meet the needs of customers and residents within the IEUA service area
- Integration - Recharge Program operations and initiation including close coordination with Chino Basin Watermaster on the integration of Chino Basin Conservation District and San Bernardino Flood Control District facilities.
- Compliance - Operation of IERCF at 100% capacity and ensuring SCAQMD permit compliance.

Major Initiatives (continued)...

- Workforce training and diversity - develop an active program of training for all employees to meet our future technology requirements and actively seek a diverse and talented work force at IEUA.
- Legislation – Actively engage with supporters of federal proposals to develop 1 million acre feet of new water in the next five years in California through Title XVI and conservation, while advocating for improvements to drought mitigation and relief programs. State legislative focus; California budget, feed-in tariff energy regulations, and water infrastructure financing proposals.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Budgeted Operating Expenses	\$70,692,649	\$66,473,235	\$66,979,908	\$74,040,043
Staffing (Agency-Wide)*	295	290	280	280
Employment Expense Ratio	\$112,502	\$113,981	\$112,421	\$115,541
Public Speeches	50	50	50	48
Positions taken on legislative bills	14	18	16	16

*Full Time Equivalents

Goals and Objectives

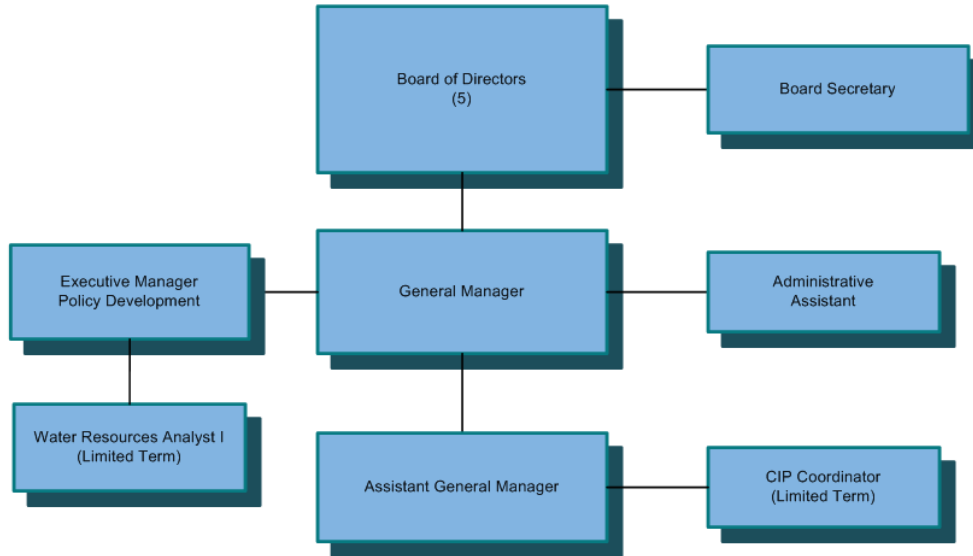
AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
G4	IEUA shall continue to be an active leader in California water policy issues	<ul style="list-style-type: none"> • Maintain leadership roles on various water associations (e.g., ACWA, Water Reuse Association, SCAP, and CASA)
A2, F1	Expand water conservation programs in coordination with retail agencies to address drought shortages	<ul style="list-style-type: none"> • Identify additional potential markets of recycled water and composting • Increase overall usage of recycled water by June 30, 2012 from 35,000 AFY to 39,000 AFY
A1	Provide leadership on legislative solutions and regulatory standards for wastewater collection, treatment, and reuse	<ul style="list-style-type: none"> • Continue to pursue legislative support for the Agency's programs • Conduct annual program updates with federal and state legislative delegations
A6	Work closely with the Chino Basin Watermaster (CBWM) to implement the Optimum Basin Management Plan (OBMP)	<ul style="list-style-type: none"> • Implement Phase 3 of Chino Basin Desalter's OBMP and the Hydraulic Control Program
A4	Coordinate and collaborate with other water agencies on programs within the Santa Ana River Watershed	<ul style="list-style-type: none"> • Actively participate in the "One Water-One Watershed" planning process

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
C1	In collaboration with our member contracting agencies and consistent with the Agency's Long Range Plan of Finance, moderate rate increases will be imposed to maintain stable revenue basis to meet operating and maintenance requirements, and maintain fund balances at a level that ensures the Agency's financial health	<ul style="list-style-type: none"> • Implement annual moderate rate increases to support operating and maintenance costs for all Agency programs, with the ultimate goal of meeting full cost of service rates for all Agency programs • In collaboration with member agencies, maintain adequate reserves to maintain the Agency's credit coverage ratio above 1.25 as legally required by bond covenants
C2	Directs the effort of all Agency staff to ensure prudent fiscal practices, efficient operations, and adequate capital planning and implementation	<ul style="list-style-type: none"> • Quarterly budget variance review with all managers to ensure all cost containment objectives are achieved
C4	Implement Asset Management System for all IEUA facilities	<ul style="list-style-type: none"> • Continue to complete business case analysis on all engineering projects and maintenance programs
E1	Plan and direct 10-year capital development and implementation activities to ensure growing needs of member agencies are adequately addressed	<ul style="list-style-type: none"> • Carefully monitor building activity and real estate development trends throughout the IEUA service area and region
F5	Implement Energy Management Strategy to be self-sufficient by going "Gridless" by 2020	<ul style="list-style-type: none"> • Replace the co-generation engines at the RP-1 facility with 2.8 Megawatts (MG) of fuel cell technology • Install 1.0 (MG) wind turbine at the RP4 facility • Administer generation of bio-gas energy from commercial food waste at RP-5 Solids Handling and Renewable Energy Efficiency Project (REEP) facilities. Total energy to be generated is estimated at 3.0 MG by the completion of Phase I and II • Identify opportunities to implement elements of "Grid less by 2020" work plan
H4	Ensure that all agendas are completed and all meetings are conducted according to state law and Board policy	<ul style="list-style-type: none"> • To comply with the Brown Act requirements, and other laws pertaining to special districts, and consult with General Counsel • Provide training to at least 2 other administrative staff on Brown Act

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
G1	Process all Board, Committee, and Joint Power Authority (JPA) agendas in an expeditious and efficient manner	<ul style="list-style-type: none"> • Deliver all Board and Committee packages by no later than three (3) business days prior to the scheduled meeting • Prepare Board and Committee Packages in a neat and orderly manner with minimal errors, as determined by survey of the Board Members • Distribute “On Tap” Board actions within the same day after the Board meeting concludes • Distribute signed documents within 24 hours of Board approval • Complete meeting minutes within two (2) days after the meeting
I1	Adhere to the Agency’s mission, values, and goals, and comply with the Agency’s adopted ethics policies	<ul style="list-style-type: none"> • Promote employee development programs such as; Southern California Local Government Leadership Academy and Supervisory Program, Team Phase II, MindLeaders Personal Learning Plans • Require Board of Directors, Agency Management and personnel to demonstrate the highest standards of integrity and accountability
A2	Actively participate in MWD, SAWPA activities to ensure IEUA maintains “best practices” in the industry	<ul style="list-style-type: none"> • Actively participate in benchmarking and best practice surveys to ensure IEUA keeps pace with water/wastewater trends
G1	Ensure ready accessibility and availability for the Board Members, Executive Management and staff of all agendas and documentation	<ul style="list-style-type: none"> • Ensure that all agendas and related documentation are posted to the Agency’s intranet/PIPES within 24 hours after Board package is distributed
H4	Meet all statutory (i.e., Brown Act) and regulatory requirements	<ul style="list-style-type: none"> • Achieve 100 percent compliance at water recycling plants for FY 2011/12

Organizational Chart

Agency Management



Position Summary

In FY 2010/11 an Assistant General Manager joined the Agency.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
General Manager/CEO	1	1	1	1
Assistant General Manager	0	0	1	1
Manager of Policy Development	0	1	1	1
Board Secretary	1	1	1	1
CIP Coordinator-LT	0	0	1	1
Water Resources Analyst - LT	0	0	1	1
Administrative Assistant	1	1	1	1
Total	3	4	7	7

Expenses

Increases in employment expense are due to additional positions being added to the department.

	FY 10/11				
	FY 08/09 Actual	FY 09/10 Actual	Amended Budget	Projected Actual	FY 11/12 Budget
Employment Expense	\$470,709	\$522,096	\$1,137,176	\$797,143	\$870,086
Administrative Expense	50,984	30,241	77,053	41,342	61,965
Total	\$521,693	\$552,337	\$1,214,229	\$838,485	\$932,051



Garden in Every School Program

HUMAN RESOURCES DEPARTMENT

Mission Statement

The Human Resources Department endeavors to assist the Agency in becoming an employer of choice in the Inland Empire by providing effective and efficient support to the Agency’s most valued asset, its employees. The Department strives to ensure: the successful selection and retention of the best qualified candidates; the implementation of valuable benefits; the maintenance and enhancement of staff skills through training; and, the resolution of personnel issues in a timely manner with the highest standards of confidentiality, integrity, courtesy, and respect. The Human Resources Department further endeavors to provide administrative and records management support in a responsive, effective and professional manner.

Description and Purpose

The Human Resources Department strives to promote progressive practices within each respective field. While each field operates independently, together they form a cohesive unit serving Agency staff, while ensuring compliance with respective State and Federal laws and regulations. Several areas served by Human Resources include recruitment and retention; administration of Agency policies and procedures; application of the Memorandums of Understanding and Personnel Manuals for the various bargaining units; management of a large range of benefits options; development of the Agency’s in-house training program, TEAMS; and compliance with State and Federal regulations such as the Family Medical Leave Act, Americans with Disabilities Act, and COBRA. In addition, the Human Resources Department is charged with discovering new ways to motivate staff and provide a rewarding work environment for Agency employees.

The Human Resources Department encompasses a variety of Agency administrative duties including the maintenance and dissemination of Agency policies and procedures; receptionist duties; Agency vehicle and conference room reservations; maintenance of the reprographics center for compiling documentation, point of contact and agency liaisons for agency sponsored meetings, coordination of agendas for various Agency committee meetings, and administration of all official Agency records.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
B1	Enhance Agency Productivity by promoting a paperless environment	(A)Designed and created HR related forms utilizing software aimed at promoting a paperless environment by eliminating paper employment applications/status letters and successfully transitioning 100% to an online submission/notification process by June 30, 2011.	✓		
		(A)Eliminated paper distribution of Position Control and Merit Review Reports, copies of finalized employee appraisals to department managers and open enrollment memos by providing them via electronic distribution.	✓		
		(A)Streamlined recruitment process to reduce steps, increase use of technology, and focus on selection methods by increasing computer based and on line testing.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
B1 (Cont.)	Enhance Agency Productivity by promoting a paperless environment (Continued)	(A)Increased the use of new technologies such as social networking, web 2.0 applications, and web-based testing to expand the Agency's ability to attract, recruit, and hire a high quality workforce by creating Agency presence on social networking sites (i.e., Zumeo, twitter) to market job opportunities and engage Nexters.	✓		
		(A)Updated and improved both the TEAMS and Human Resources website on PIPES for content and design by changing the information structure; the site provides easy electronic/automated access to valuable information, resources, links, and documents.	✓		
		(A)Designed and developed a plan to successfully implement an enterprise-wide electronic records management program.		✓	
D1	Provide efficient records management	<i>(MI) Provide efficient records management for the administration of all official agency records</i>			
		(A)As an on-going process, revised current policies, developed new policies, and new standard operating procedures (SOPs) for efficient management of Agency records.	✓		
H4	Comply with federal, state and local regulatory mandates and requirements	<i>(MI) Adapt Human Resources processes to comply with new regulatory requirements</i>			
		(A)Navigated and implemented the first phase of regulatory changes as a result of national health care reform.	✓		
		(A)Completed the follow up to the internal audit for the 2007 Human Resources Audit with results showing a significant improvement in Human Resources processes.	✓		
		(A)Successfully audited all health, dental, and vision plans to ensure that eligibility of dependent children were consistent with plan guidelines.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
H4 (Cont.)	Comply with federal, state and local regulatory mandates and requirements	(A)Compiled and submitted 2009 compensation information for all Agency employees as well as for Chino Basin Desalter Authority and Inland Empire Regional Composting Authority in accordance with the State Controller's guidelines for the State of California Local Government Compensation Report for Special Districts.	✓		
I2	Maintain a working environment that recognizes a dedicated staff in support of the Agency's mission and goals	(MI) Prepare for MOU negotiations and initiate the bargaining process			
		(A)Promoted and sustained open communication with all levels of staff in order to effectively resolve work related issues.	✓		
		(A)Recognized outstanding and dedicated staff and their contributions in a cost effective manner by capitalizing on the Agency's various award recognition programs including service awards, STAR awards, and employee suggestion program awards.	✓		
		(A)Conducted the 2010 IEUA Employee Climate Survey. Action plans were developed to address the findings in order to improve upon both the Agency's strengths and weaknesses.	✓		
I3	Design, implement, foster, and support a learning environment to encourage growth and development of Agency staff	(MI) Provide training and development opportunities for Agency Staff			
		(A) Incorporated the use of Personal Learning Plans (PLPs) into the performance appraisal process and evaluated the effectiveness of the Personal Development.	✓		
		(A)Developed and implemented a supervisory skills program for new supervisors.	✓		
		(A)Implemented an onboarding program to expedite the socialization process and enhance effectiveness for new employees.			

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
I3 (Cont.)	Design, implement, foster, and support a learning environment to encourage growth and development of Agency staff	(A)Continued participation in the Southern California Local Government Supervisory Program and the Southern California Local Government Leadership Academy.	✓		
		(A)Utilized participation in the Leadership academy as an element of succession planning.	✓		
		(A)Trained supervisory and management staff on the effects of the 2010 labor negotiations regarding the Agency's performance appraisal process, timesheet issues, and changes to the MOUs and personnel manuals.	✓		
		(A)Trained records management staff on the administrative management, monitoring, and upkeep of the Liberty Net system.	✓		
		(A)Trained records management staff to be proficient in Versatile Retention utilization.	✓		
		(A)Trained Agency's management, supervisors and records management liaisons on "best practices" in records management including Generally Accepted Records Keeping Principles (GARP), eDiscovery, records retention, and the Public Records Request Act. Training was conducted by outside consultant Kroll Ontrack.	✓		
I5	Implement modern recruitment strategies	<i>(MI) Incorporate flexible and responsive recruitment strategies</i>			
		(A)Promoted creative approaches to recruitment practices (i.e recruitment video, virtual job fairs, etc.) with the implementation of the first phase of the new online applicant tracking system, NEOGOV and participation in the April 2011 virtual job fair at the University of La Verne.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
I5 (Cont...)	Implement modern recruitment strategies	(A)Continued to utilize websites, publications, and other resources to increase exposure of employment opportunities.	✓		
		(A)Incorporated efficient and cost effective methods of job related testing tools with the utilization of cost and time-saving testing options such as modular based tests to customize testing to fit the specific needs of each hiring manager, concentrating on core competencies.	✓		
I6	Promote IEUA as an Employer of Choice within the Inland Empire	<i>(MI) Develop branding strategies and launch educational campaign on Employee services</i>	✓		
		(A)Developed strategies to advertise IEUA as an employer of choice to potential qualified candidates by continuation of partnership with CalPoly Pomona and the University of California at Riverside to build Agency recognition; attended one college fair at each school, placed advertisements, and received free email blasts to all students for each intern opening as part of our partnership package.			
		(A)Created partnerships with outside agencies to build Agency Specific branding and recruitment strategies by expanding our presence at Southern California college campuses and being recognized with a full page Employer Spotlight article on the Agency's Internship Program for Cal Poly Pomona's Career Center Spring and Summer 2010 Newsletters.	✓		
(A)Improved communication and education of employee benefits to increase employee knowledge of benefits programs and services by hosting a two part retirement workshop presented by representatives of CalPERS and the Social Security Administration (SSA) to educate employees on the retirement benefits offered by the CalPERS pension plan and to better understand the coordination of the SSA pension benefit with the CalPERS pension benefit.	✓				

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
I6 (Cont.)	Promote IEUA as an Employer of Choice within the Inland Empire (Continued)	(A)Collaborated with the State of California and hosted an onsite webinar designed to educate employees in the state's disability insurance and paid family leave programs.	✓		
		(A)Organized several onsite visits by various benefit representatives to discuss a wide range of educational topics including Flexible Spending Accounts, Voluntary Benefits, Deferred Compensation, Retirement and Wellness/Fitness.	✓		
		(A)Hosted the annual benefits fair providing both vendors and staff the opportunity to communicate and participate in the benefits available to Agency staff.	✓		
		(A)Implemented a new Flexible Spending Account Administrator and updated the Voluntary Benefits Insurance Programs to ensure optimal benefit level and customer service to employees.	✓		

Major Initiatives

- **Continue to provide educational session on employee benefits** - Staff will continue to provide benefit related workshops, webinars and lunch and learn meetings to further educate employees on their benefit options and to allow employees to ask questions and address their concerns.
- **Implement Phase II of the online applicant tracking system** – Staff will launch the second phase of implementation designed to further automate the hiring process, streamline procedures, reduce paperwork, and provide hiring manager with up to date information to facilitate the decision making process.
- **National Health Care Reform** – Staff will continue to follow, navigate and implement legally mandated federal and state regulatory changes as a result of national health care reform.
- **Negotiations** – Prepare for MOU negotiations by December 2010, initiate negotiations by March 2011 and implement new contracts by July 1, 2011.
- **Records Management Program** – Develop and implement an agency-wide program for the management of all records, including electronic records and e-mails as official agency documents.

Major Initiatives Continued...

- **Staffing Plan** – Staff will be working with the management team to identify and fill key positions which are critical to ensure we continue to provide excellent services to our customers within our approved 295 FTE staffing plan.
- **State of California Local Government Compensation Report for Special Districts** – Staff will compile and submit compensation information for 2010 for all Agency employees as well as compensation information for Chino Basin Desalter Authority (CDA) and Inland Empire Regional Composting Authority (IERCA) in accordance with the State Controller’s guidelines ensuring the Agency, CDA and IERCA are in compliance.
- **Training and Development** – Evaluate the effectiveness and implement new strategies in the TEAMS Program to provide low cost learning and growth opportunities for staff.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
New Hires	31	18	14	14
Average Recruitment Processing Time	52 days	43 days	40 days	40 days
Average New Hire Processing Time	11 days	16 days	13 days	13 days
Separations	51	32	30	30
Turnover Ratio	8%	5%	5%	5%
Open Enrollment Transactions Processed	51	167	150	150
FMLA Requests	35	41	30	30
Customer Satisfaction Surveys	5	24	5	5
Material Content Satisfaction (TEAMS)	84.3%	91.4%	90%	*
Facilitator Rating Satisfaction (TEAMS)	89.7%	97.2%	90%	*
Training Hours per Employee	*	*	*	20
Satisfaction Rating of On-boarding Process	*	*	*	75%
Personal Learning Plan (PL) Participation	*	*	*	75%
Public Record Requests	34	69	90	108
Destruction of Records	235	243	600	720
Electronically Stored Information (LibertyNet)	130	372	230	276
Grievances Filed	2	1	3	2
Grievances Resolved at Appeals Committee Level	2	1	1	2
Disciplinary Actions Processed	17	5	5	5
Disciplinary Actions Appealed	1	0	1	0

*Performance/Workload Indicators were not measured in these years

Goals and Objectives

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
B1	Enhance Agency productivity by promoting a paperless environment	<ul style="list-style-type: none"> • Eliminate paper Request to Fill Vacant Position Form, by transitioning 100% to an online requisition submission process by December 31, 2011 • Continue designing and creating HR related forms utilizing software aimed at promoting a paperless environment • Continue streamlining the recruitment process to reduce steps, increase use of technology, and increase focus on selection methods • Continue to increase the use of new technologies such as social networking, web 2.0 applications, and web-based testing to expand the Agency's ability to attract, recruit, and hire a high quality workforce • Utilize technology to improve information access and enable employee self-service on the TEAMS and Human Resources website on PIPES by facilitating interactive web access to information, resources, links and documents • Continue to design and develop a plan to successfully implement an enterprise-wide electronic records management program • Collaborate with ISS to evaluate and test the integration of SharePoint for use in managing electronic records • Assist in the development and implementation of electronic time sheets
	Implement a new schedule of fees for public records request	<ul style="list-style-type: none"> • Survey, review, revise, design and present documentation initiating a new schedule of fees for public records requests by June 2012
D1	Develop a consensus-building approach to the development of effective policies and procedures	<ul style="list-style-type: none"> • As an ongoing process, revise current policies; develop new policies, procedures, and new standard operating procedures (SOPs) to ensure best practices in Human Resources and Records Management • Update and distribute the Records Management Manual

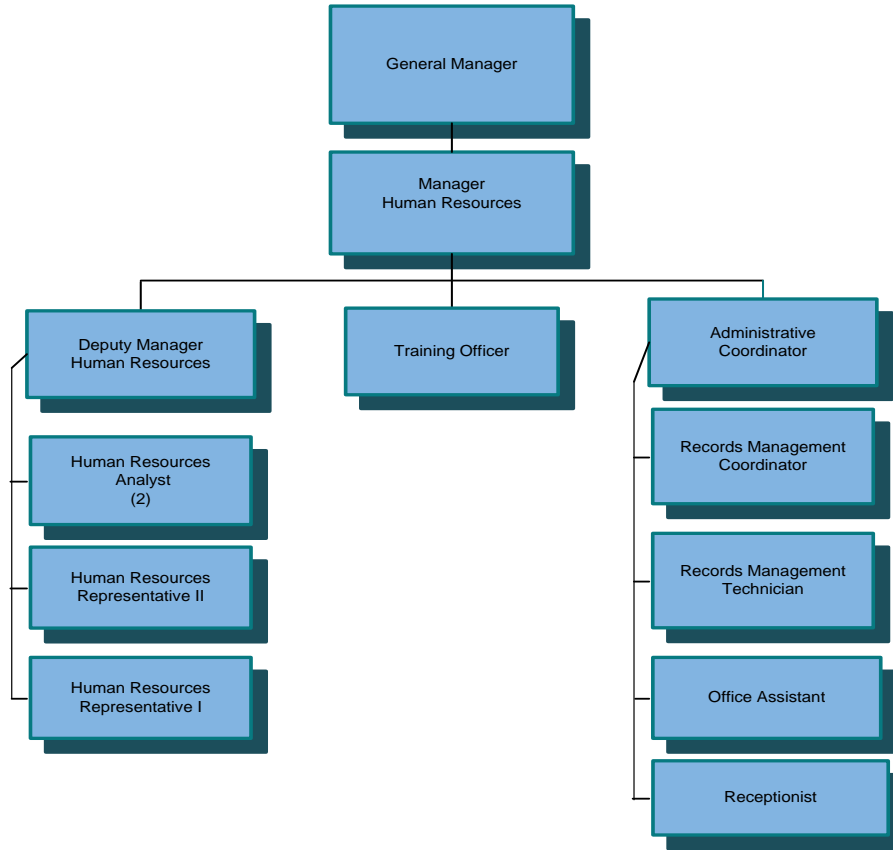
AGENCYWIDE		
GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
I2	Maintain a working environment that recognizes a dedicated staff in support of the Agency's mission and goals	<ul style="list-style-type: none"> Promote and sustain open communication with all levels of staff in order to effectively resolve work related issues in a harmonious manner Develop creative and cost-effective ways to reward and recognize outstanding and dedicated staff for their contributions by updating the Agency's various award recognition programs to reflect the Agency's cost containment strategies
I3	Design, implement, foster and support a learning environment which encourages growth and development of Agency staff	<ul style="list-style-type: none"> Increase by 10% the use of Personal Learning Plans (PLPs) into the performance appraisal process Evaluate and reassess the effectiveness of the Personal Development Program Develop and facilitate independent developmental workshops on an as needed basis Evaluate the effectiveness of the supervisory skills program for first time supervisors Continue participation, in collaboration with Cal Poly Pomona and other local cities, in the Southern California Local Government Supervisory Program Continue participation, in collaboration with Cal Poly Pomona and other local cities, in the Southern California Local Government Leadership Academy Utilize participation in the Leadership Academy as an element of succession planning Evaluate and reassess the effectiveness of the On-boarding Program for new employees Continue to train records management staff on the administrative management, monitoring and upkeep of the Liberty Net system Continue to train Agency liaisons to be proficient in Versatile Retention utilization

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
I5	Implement strategies and modern recruitment practices that provide flexible and responsive recruiting solutions that will assist the Agency in filling positions in a timely and effective manner	<ul style="list-style-type: none"> • Launch NEOGOV’s online requisition and Subject Matter Experts (SMEs) scoring functionality to further reduce approval and review processes and streamline/accelerate data flow • Reduce advertising costs by maximizing the use of NEOGOV’s job interest/e-mail alerts capabilities, allowing the Agency to create a pool of interested applicants before a position is advertised • Continue to promote creative approaches to recruitment practices (i.e., recruitment video, virtual job fairs, etc.) • As needed, continue to utilize websites, publications, and other resources to increase exposure of employment opportunities • Continue to incorporate efficient and cost effective methods of job related testing tools • Evaluate the effectiveness of the changes made to the recruitment and selection process by reviewing the survey results from FY 2010/11 hiring managers
I6	Promote IEUA as an Employer of Choice within the Inland Empire	<ul style="list-style-type: none"> • Continue to develop strategies to brand/advertise IEUA as an employer of choice to potential qualified candidates • Expand college recruiting and maintain partnerships with key universities to build on relationships that will identify talent early and expand internship program to create a pool of quality talent • Develop creative communication methods and continue education of employee benefits to increase employee knowledge of benefit programs and services • As a proactive measure and as part of the onboarding program, formalize the current exit interview process into a system that records, stores, tracks exit information to facilitate and identify any trends

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Chart

Human Resources



Position Summary

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Human Resources	1	1	1	1
Deputy Manager of Human Resources	1	1	1	1
Training Officer	1	1	1	1
Human Resources Analyst	3	3	2	2
Human Resources Representative I	2	2	1	1
Human Resources Representative II	0	0	1	1
Administration Coordinator	1	1	1	1
Office Assistant	1	1	1	1
Record Management Coordinator	2	2	1	1
Record Management Technician	0	0	1	1
Receptionist	1	1	1	1
Total	13	13	12	12

Expenses

The Administrative Expense includes recruitment related expenses, training consulting services, and employees' education reimbursements.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expense	\$923,245	\$874,421	\$913,265	\$828,534	\$793,860
Administrative Expense	238,147	182,604	360,141	241,764	327,955
Total	\$1,161,392	\$1,057,025	\$1,273,406	\$1,070,298	\$1,121,815



Coopers Hawk at Chino Creek Park behind Agency Headquarters Building

INTERNAL AUDIT DEPARTMENT

Mission Statement

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve accountability and integrity, improve operations and instill confidence among its employees and the citizens it serves by:

- Promoting a sound control environment.
- Providing independent, objective assurance and consulting services.
- Improving Agency risk management, control and governance.
- Promoting the Agency's vision and mission with a high degree of professionalism.

Description and Purpose

The purpose of the Internal Audit Department (Internal Audit) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls, compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations. Additionally, the purpose of Internal Audit is to provide as a service to management, and as a way of adding value to improve the operations of the Agency, consulting services, analyses, recommendations, and information concerning their operations. The Internal Audit Department assists management and staff in achieving its objectives by providing recommendations and consulting services based on an analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations.

The Internal Audit Department performs audits and abides by the *International Standards for the Professional Practice of Internal Auditing and the Code of Ethics* issued by the Institute of Internal Auditors (IIA). The Internal Audit Department adopted four values which form the foundation for its purpose: independence, integrity, professionalism and collaboration.

The Internal Audit Department reports to the Board through the Audit Committee and is an independent function from management. The authority and responsibilities of the Internal Audit Department are specifically defined in the Internal Audit Department Charter approved by the Board.



Pipe Garden display at the Chino Creek Park in Chino, CA

Accomplishments

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
H3,H4, H5, H6	Develop Internal Audit plans and procedures	<i>(MI) Develop the FY 2010/11 Audit Plan using appropriate risk-based methodology for Audit Committee review and approval</i>			
		(A)Updated the Risk Assessment of Agency operations by September 2010.	✓		
		(A)Develop the Fiscal Year 2010/11 Audit Plan based on the Risk Assessment and presented to the Audit Committee and Board of Directors for approval.	✓		
		(A)Revised as deemed necessary the Internal Audit Department Policies and Procedures and submitted for Audit Committee review.	✓		
		(A)Revised and updated the Audit Committee Charter and the Internal Audit Department Charter as required by the IAD and AC Charters. The Charters updates were approved by the Audit Committee and the Board of Directors in December 2010. The annual review is required to ensure compliance with best practices, industry standards and incorporate any required policy changes.	✓		
		<i>(MI) Conduct audits in accordance to International Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, as required by the Annual Audit Plan and using an appropriate risk-assessment approach during each audit and to assure best business practices are employed and assist the Agency achieve organizational goals and objectives</i>			
		(A)Formulated the FY 2010/11 Audit Plan approved by the Audit Committee and the Board of Directors in September 2010 and supported by an Agency-wide Risk Assessment. As part of the FY 2010/11 Audit Plan was the originally proposed five year Audit Plan which is intended to cover all Agency operations. The FY 2010/11 Audit Plan was amended March 2011 to accommodate higher priority audits and projects. During audits, recommendations provided to assure policies and procedures are followed and Agency goals and objectives are achieved.	✓		

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
H3,H4, H5,H6 (Cont)	Develop Internal Audit plans and procedures	(MI) Coordinate with Fiscal Management to complete CAFR review by December 2011 to meet the December 31, 2011 deadline mandated by the Agency's Fiscal Ordinance.			
		(A)Assisted the Fiscal Management Department in reviewing the 2010 CAFR to ensure accurate and professional presentation of the Agency's financial statements in December 2010.	✓		
		(A)Assisted with coordinating efforts with External Auditors for interim financial audit and final audit work and related work.	✓		
	Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations	(MI) Promote a sound control environment for IEUA by conducting independent, objective audits, reviews and analysis of Agency operations			
		(A)Completed annual, unannounced Petty Cash Audits in January 2010 to ensure funds are accounted for and used appropriately as required by policy.	✓		
		(A)Completed the Construction Management Follow-up Audit to determine if CM implemented the 18 recommendations made in the Marc 2008 audit report: of the 18 recommendations originally provided, 17 are implemented and one is in the progress. IA also identified additional enhancements and provided 10 new recommendations.	✓		
		(A)Completed a Payroll Audit to determine if appropriate internal controls exist to ensure payroll transactions are adequately authorized, accurate, processed timely, and match supporting documents. Identified four observations and provided four recommendations.	✓		
		(A)Completed the Accounts Payable Audit to determine if appropriate controls exist to ensure transactions are adequately authorized, paid timely, and disbursements are handled to ensure disbursements are handled according to the Agency's Ordinance, policies and procedures; reconciled timely. Identified opportunities for improvements and provided 18 recommendations.	✓		

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
H3,H4, H5, H6 (Cont.)	Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations (Continued)	(A)Completed the Human Resources Follow-up Audit to determine the implementation status of the 30 recommendations made in the 2007 report. 30 recommendations were originally provided, 23 were fully implemented, 6 are in progress, and 1 is no longer applicable. Follow up recommendations were made.	✓		
		(A)Completed the Contracts and Procurement Follow-up Audit to determine the implementation status of the 25 recommendations made in the original 2008 report. 25 recommendations originally provided, 17 have been implemented, 2 are no longer applicable and 6 are in progress. Two follow-up recommendations were made.	✓		
		(A)Completed the Laboratories Follow-up Audit. Based on the results of the follow-up review, of the 18 recommendations provided during the original audit, the Lab fully implemented 12 recommendations, and 6 are in progress. Final report was issued June 2010.	✓		
		(A)Completed the CDA Accounts Receivables Audit - to ensure IEUA recovers all costs incurred on behalf of operating/administering the Chino Basin Desalter Authority. The audit offers five recommendations to improve billing and receivable functions and to clarify the requirements of the agreement. Lastly, IA also identified the need to create an SOP for accounts receivable processes, which is required under the O&M agreement. Final report was issued in February 2011.	✓		

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal		
H3,H4, H5, H6 (Cont.)	Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations (Continued)	(A)Completed the RCA Accounts Receivable Audit - to determine whether the RCA has paid IEUA for all costs incurred on its behalf. The audit identified opportunities for improvements and offers three recommendations to improve billing and receivable functions. Lastly, IA identified the need to create an SOP for accounts receivable processes.	✓				
		(A)Intercompany Receivables Audit for the Watermaster account - to determine whether accounts receivable functions are performed timely and effectively and according to the requirements of the agreement.	✓				
		(A)RFP and selection process for external audit services for the selection of a new CPA firm for financial and single audit services in February 2011 through 2013.	✓				
		(A)Conducted an Environmental Compliance Audit to review the three main permitting categories, which are water/wastewater, air, and industrial/ domestic waste and determine if adequate controls are in place to ensure permits are maintained current and all required document retention and reporting is adhered to.	✓				
		<i>(MI) Follow Up Audits Completed: to determine if business units effectively implemented recommendations resulting from the original audit and/or if alternate controls satisfy the recommendations provided</i>					
		(A) Laboratories Follow-up Audit Human Resources Follow-up Construction Management Follow-up Contracts and Procurement Follow-up Accounts Receivable Follow-Up Materials Management/Warehouse Follow Up	✓ ✓ ✓ ✓ ✓ ✓				

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal		In Progress /On Going
H3,H4, H5, H6 (Cont.)	Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations (Continued)	<i>(MI) Promote a sound control environment to help the Agency achieve goals and promote the Agency's vision and mission by keeping audit staff abreast of auditing trends and developments:</i>			
		(A) Maintained and updated the Internal Audit Department's web-page. Located under "Services" in the Agency's intranet PIPES.	✓		
		(A) Attended workshops provided by the Institute of Internal Auditors (IIA), Government Finance Officer's Association (GFOA) and the Association of Government Accountants (AGA) to ensure continuing professional development and to stay abreast of best practices and changes.	✓		
		(A) Attained several hours of professional development and a higher degree as required by the Institute of Internal Auditors <i>Standards</i> to ensure staff is continually improving and maintains current and abreast of new auditing trends and best practices.	✓		

Major Initiatives

- **Develop the Fiscal Year 2011/12 Audit Plan** - using an appropriate risk-based methodology and present to the Audit Committee and Board of Directors for review and approval in September 2011.
- **Coordinate efforts with Fiscal Management during the preparation and review of the CAFR**- coordinate with department staff to insure the Comprehensive Annual Financial Report (CAFR) is reviewed by Internal Audit staff by December 2011. Timely completion and review of the CAFR will allow the Audit Committee and Board of Directors time to approve release of the CAFR in time to meet the December 31 date mandated by the Agency's Fiscal Ordinance.
- **Accounts Receivable Audit & Follow-Up** - To ensure all billing and receivable functions are adequate and recover all revenue due to the Agency, collected all revenue based on billings, accounted for amounts owed and revenue received and to determine if adequate policies and procedures are in place for accounts receivable processes. Lastly, to follow-up on recommendations made in the March 2007 audit report. The audit areas to be covered include: proper internal controls and separation of duties; effective billing/invoicing functions; access to cash/checks and electronic payments and controls; timeliness and accuracy of receivables; proper coding of revenue; accuracy of aging reports; SAP controls and authorizations; and other audit areas as deemed appropriate.

Major Initiatives Continued...

- **Accounts Payable Audit & Follow-Up** - The objectives of the audit were: To determine if appropriate controls exist to ensure transactions are adequately authorized, paid timely, prevent duplicate payments, and ensure discounts are taken and sales taxes are paid; to ensure disbursements are handled according to the Agency's Ordinance, policies, and procedures; to evaluate controls with regards to the vendor database; and to evaluate whether bank accounts are reconciled timely. To follow up on the status of the original 18 recommendations provided in the May 2010 audit report, the recommendations are provided to prevent duplicate payments; enhance procedures to ensure invoices are paid timely; adequately segregate all payable duties; promote the requirements under the Agency's policy for reimbursements; enhance security over employee personal information; incorporate additional controls to the vendor database; review and reconcile bank accounts timely; and complete Standard Operating Procedures to update changes resulting from implementing SAP.
- **Environmental Compliance Audit** to review the three main permitting categories, which are water/wastewater, air, and industrial/domestic waste and determine if adequate controls are in place to ensure permits are maintained current and all required document retention and reporting is adhered to.
- **Warehouse Operations Follow-Up Audit** - To evaluate actions taken to address the original 15 recommendations provided in the July 2006 audit report. In the 2006 audit, IA concluded that opportunities exist to better meet the department's demands for material availability through better business practices rather than expanding warehouse space and staff. New observations and opportunities to further increase efficiencies have been identified during this follow-up and are being evaluated and discussed with warehouse staff/management.
- **Payroll Audit Follow-Up** - Purpose of audit was to determine if appropriate internal controls exist to ensure payroll transactions are adequately authorized, accurate, processed timely, and match supporting documents. Identified four observations and provided four recommendations. One recommendation is for the Human Resources Department to ensure all supporting documentation matches the pay deductions elected by the employees. Two recommendations were for the Financial Management Department regarding the timely completion and review of bank reconciliations and the timely posting of banking fees. The last recommendation was for both HR and FMD to update the Agency's Resolution to require that all employees with access to confidential information sign a confidentiality agreement. Final Report was issued September 2010.
- **Management Requests/Special Projects** - Assist Agency managers with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures or providing review and feedback on new policies or procedures. Most importantly, special projects are accepted where auditor independence is not impaired.
- **Continued update and revision to the Audit Committee Charter, the Internal Audit Department Charter and the Standard Operating Procedures** - to ensure compliance with required professional mandates and recommended best practices.
- **Continuous Professional Development** - as required under by the Institute of Internal Auditors and the *International Standards for the Professional Practice for Internal Auditing* to stay abreast of emerging auditing trends and best practices.

Performance Measures / Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Audit Plan completion	July 2008	September 2009	September 2010	September 2011
Scheduled audits completed	4 of 5	2 of 2	4 of 4	4 of 4
Follow up of completed audits	2 of 9	4 of 4	4 of 4	1 of 1
Audits completed within Budgeted Time	4 of 4	6 of 6	8 of 8	5 of 5
Special Projects Completed	4 of 4	1 of 1	TBD	TBD

Goals and Objectives

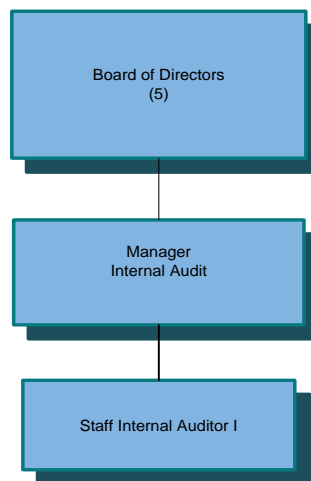
AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
H3,H4,H5	Develop Internal Audit plans and procedures.	<ul style="list-style-type: none"> Update the Risk Assessment of Agency operations by September 2011 <ul style="list-style-type: none"> Develop the Fiscal Year 2011/12 Audit Plan based on the Risk Assessment and present to the Audit Committee for approval Revise as deemed necessary the Internal Audit Department Policies and Procedures and submit for Audit Committee evaluation Revise and update the Audit Committee Charter and the Internal Audit Department Charter by December 2011, to ensure compliance with best practices, industry standards and required policy changes Revise as appropriate all IAD SOP's.
H3, H5	Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations.	<ul style="list-style-type: none"> Annually coordinate efforts between the External Auditors and Agency staff to ensure the required annual financial audits are in time for Board review and approval by December 2011 Conduct audits identified in the Fiscal Year 2011/12 Annual Audit Plan. It is anticipated that the proposed plan will include: <ul style="list-style-type: none"> On-going Petty Cash Audits Accounts Receivable Follow-up audit Accounts Payable Follow-up audit Environmental Compliance audit Warehouse Follow-up audit Management Requests/Special Projects Payroll Follow-up audit

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
H3, H5 (Continued)	Promote a sound control environment for IEUA by conducting independent, objective audits of Agency operations.	<ul style="list-style-type: none"> • Provide a Report for the Audit Committee on the status of all outstanding recommendations after all Follow-Up reviews have been completed • Provide on-going support and incorporate audit procedures during operational audits to review security configuration of SAP • Assist Fiscal Management Department by reviewing the CAFR to ensure accurate and professional presentation • Assist Agency management and department managers with reviewing contracts or performing special projects or analysis as requested so long as independence is not compromised and resources allow. • Conduct internal projects/reviews or investigations requiring audit services by the Internal Audit Department • Prepare reports and documents for the Audit Committee as required under the Internal Audit Department and the Audit Committee Charters • Maintain professional, independent and objective staff.

* Please refer to the Agency Vision/Policy Goals tab for the Agency-wide Goal description.

Organizational Chart

Internal Audit



Position Summary

No change in budgeted FTE for FY 2011/12.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager Internal Audit	1	1	1	1
Staff Internal Auditor	1	1	1	1
Total	2	2	2	2

Expenses

In FY 2011/12 expenses remain consistent with prior years. Administrative expense has increased slightly over the prior years' due an increase in outside auditing fees.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expense	\$173,546	\$181,491	\$196,602	\$160,393	\$178,548
Administrative Expense	116,358	100,797	126,682	122,312	126,970
Total	\$289,904	\$282,288	\$323,284	\$282,705	\$305,518



Water Discovery Program at Chino Creek Park in Chino, CA

PLANNING AND ENVIRONMENTAL COMPLIANCE

Mission Statement

Plan and implement projects and programs to cost effectively meet future regional water and wastewater management needs through enhanced partnerships with various regional stakeholders. Promote and monitor Agency programs to maintain compliance with all applicable federal, state and local environmental and workplace requirements while minimizing Agency liability.

Description and Purpose

The Planning and Environmental Compliance Department includes the following three groups: Planning and Water Resources, Environmental Compliance and Safety & Risk.

The Planning and Water Resources group is responsible for the development of environmental and feasibility reports, plans, and programs to meet and sustain the region's existing and future water supply and wastewater management needs in an integrated manner.

The Environmental Compliance group is responsible for monitoring the Agency's water and wastewater facilities, air pollution control systems, bio-solids treatment and composting facilities to ensure compliance with all local, state and federal regulations governing Publically Owned Treatment Works (POTW).

The Safety and Risk group is responsible for the promotion of a safe, hazard free working environment through the monitoring of the Agency's Safety programs, initiatives and policies, designed to ensure compliance with all applicable local, state and federal regulations governing the workplace and its employees.

Accomplishments

Planning

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
A2, A3	Actively support the implementation of local and regional water supply planning, projects, and programs	<i>(MI) Implement local regional water supply planning projects and programs</i>			
		(A) Effectively coordinated and interacted with MWD staff.	✓		
		(A) Effectively implemented and managed the Dry Year Yield program.	✓		
		(A) Established/maintained strong coordination and partnerships with all regional stakeholders			
		(A) Developed, maintained, or improved the reliability and availability of local water supplies.	✓		
		(A) Actively participated in the development of enhanced groundwater recharge within the Chino Basin.	✓		

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
A5, E4	Ensure Agency readiness through effective monitoring and planning for regional growth and resultant capital expansion	<i>(MI) Implement effective regional growth and capital expansion strategies</i>			
		(A)Effectively coordinated with member agencies to develop a detailed and accurate Ten Year Capital Improvement Plan.	✓		
		(A)Maintained an accurate tracking report of service area building activity (projected vs. actual) report.	✓		
		(A)Appropriately tracked and coordinated all Agency environmental permitting (CEQA/NEPA, 401, 404 and 1600.	✓		
A1	Support, promote, and participate in local and regional water conservation programs	<i>(MI) Engage in Water Conservation promotional campaigns and apply for grant-funded water-conservation programs</i>			
		(A)Coordinated and promoted IEUA and MWD water conservation programs with member agencies.	✓		
		(A)Maintained IEUA grant eligibility through reporting and compliance with AB 1420 and SBx77.	✓		
		(A)Tracked and Implemented impending conservation legislation as it impacts IEUA grant compliance and water reduction requirements.	✓		
		(A)Pursued and coordinated various other conservation grant programs previously not explored.	✓		

Environmental Compliance

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
H2, I4	Proactively promote and maintain Compliance related to environmental protection and the Agency and public's health and safety	<i>(MI) Achieve 100% compliance with all applicable federal, state, and local laws, rules, orders, ordinances, and requirements (Regional Board, DHS, ACOE, DF&G, etc.) .</i>			
		(A)Ensured appropriated identification and timely reporting of all compliance requirements.	✓		
		(A)Administered and monitored required staff training.	✓		
		(A)Remained current with industry standards and new/proposed regulatory requirements through networking and personal study.	✓		
		(A)Obtained necessary permits for compliance (Water Quality, Air Quality, Fish and Game).	✓		

Safety and Risk

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	In Progress		
			Met Goal	/On Going	Unable to Meet Goal
H3, I4	Minimize Agency and public liability through comprehensive risk management practices	<i>(MI) Conduct analysis and evaluation of Agency insurance programs to ensure maximum coverage and minimal liabilities</i>			
		(A)Analyzed Agency insurance programs to ensure proper and adequate coverage is provided to both the Agency and the public.	✓		
		(A)Evaluated the Agency's vendor insurance program requirements in efforts to increase efficiencies with certificate receipt.	✓		
		(A)Effectively managed the Agency's workers' compensation program through continuous comprehensive review and monitoring of open claims and new workplace activity.	✓		
		<i>(MI) Provide detailed safety analysis to reduce incidents at all Agency facilities</i>			
		(A)Conducted root cause analysis for safety incidents to identify commonalities.	✓		
		(A)Inspected and updated safety documents (Safety Manual, Emergency Manual, and Confined Space Manual) on an annual basis.	✓		
		(A)Conducted annual environmental and safety audits for each facility.	✓		

Major Initiatives

Planning

- Optimize Agency participation and support for local and regional water conservation and recycled water programs.
- Enhance Agency partnerships with all regional stakeholders through increased regional water management and conservation efforts.
- Ensure Agency sustainability through proactive program, policy and reporting initiatives in cooperation with regional stakeholders.

Environmental Compliance

- Increase internal training within the department to maximize support to ensure Agency compliance with regulatory permitting requirements throughout the Agency facilities.
- Explore additional methods to maintain involvement throughout the Agency in efforts to proactively address environmental compliance related items in the design, construction and operation of Agency projects and facilities.

Major Initiatives Continued...

- Proactively research and monitor changes in regulatory requirements in support of the Operations Division to achieve current and future compliance with the regulatory requirements that impact during the day to day operation of the facilities.

Safety & Risk

- Increase awareness of safety related programs and work practices throughout Agency facilities in support of reducing safety related incidents.
- Enhance involvement throughout the Agency in efforts to proactively address safety compliance related items in the design, construction and operation of Agency projects and facilities.
- Maximize Agency compliance with federal, state and local regulatory requirements through increased customer service and use of safety resources.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Active Water Conservation in AF/YR	1,000	800	650	400
Value of Water Conserved \$/AF	\$530,000	\$564,000	\$385,000	\$200,000
# of Rebates/Incentives Distributed /YR	5,000	8,000	5,000	5,000
# of Direct Installed HET Toilets	8,000	6,500	5,000	4,000
RWQCB/SWRCB Reports	74	48	48	60
CDPH	13	13	13	13
EPA	3	3	3	3
SCAQMD Reports	34	30	37	40
Breakdown Reports /Incident Reports	11	13	3	5
SCE Annual Efficiency Report	2	2	2	2
NRWS Permits	17	14	29	10
Regional Permits	4	5	9	25
Workplace Safety/Lost Time Accidents	4	3	1	0
Workers' Compensation Claims	16	11	10	8
Vehicle Accidents	18	10	9	5

Goals and Objectives

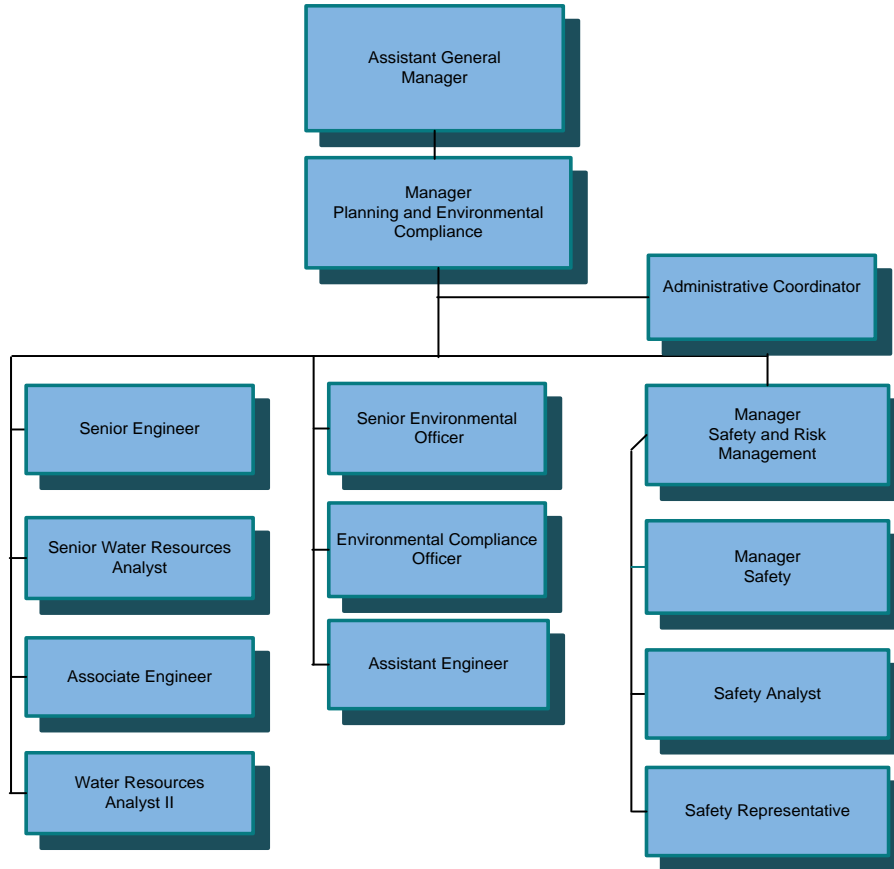
AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
H2, I4	Proactively promote and maintain compliance related to the protection of the environment and the Agency and public's health and safety	<ul style="list-style-type: none"> • Appropriate identification and timely reporting of all compliance requirements • Administer and monitor required staff training (safety and regulatory tailgates and training sessions) • Conduct root cause analysis for safety incidents to identify commonalities • Through personal study and industry networking, maintain current with new and proposed regulatory requirements • Conduct regular and annual environmental and safety audits for each facility • Obtain necessary permits for compliance (Water Quality, Air Quality, Fish and Game) • Inspect and update safety documents (Safety Manual, Emergency Manual and Confined Space Manual) on an annual basis
A2, A3	Actively support the implementation of local and regional water supply planning, projects and programs	<ul style="list-style-type: none"> • Effectively coordinate and interact with MWD staff • Effectively implement and manage the Dry Year Yield program • Establish and/or maintain strong coordination and partnerships with all regional stakeholders • Maintain, develop and/or improve the reliability and availability of local water supplies • Actively participate in the development of enhanced groundwater recharge within the Chino Basin

AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
A5, E4	Ensure Agency readiness through effective monitoring and planning for regional growth and resultant capital expansion	<ul style="list-style-type: none"> Effectively coordinate with member agencies to develop a detailed and accurate Ten Year Capital Improvement Plan Maintain an accurate tracking report of service area building activity (projected vs. actual) report Appropriately track and coordinate all agency environmental permitting (CEQA/NEPA, 401, 404 and 1600)
A1	Support, promote and participate in local and regional water conservation programs	<ul style="list-style-type: none"> Effectively coordinate and promote IEUA and MWD water conservation programs with member agencies Maintain IEUA grant eligibility through reporting and compliance with AB 1420 and SBx77 Track and implement impending conservation legislation as it impacts IEUA grant compliance and water reduction requirements Pursue and coordinate conservation grant programs
H3	Minimize Agency and public liability through comprehensive risk management and security practices	<ul style="list-style-type: none"> Analyze Agency insurance programs to ensure proper and adequate coverage is provided to both the Agency and the public Evaluate the Agency's Vendor insurance program requirements in efforts to increase efficiencies with certificate receipt Effectively manage the Agency's workers' compensation program through continuous comprehensive review and monitoring of open claims and new workplace activity Enhance Agency-wide security programs through increased awareness and collaboration

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organization Chart

Planning and Environmental Compliance



Position Summary

Budgeted FTE's remain the same as prior year.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Executive Manager of Policy Development	1	0	0	0
Manager of Planning and Water Resources	1	0	0	0
Manager of Planning and Environmental Compliance	0	1	1	1
Manager of Technical Services and Env. Compliance	1	0	0	0
Manager of Safety and Risk Management	1	1	1	1
Manager of Safety	1	1	1	1
Senior Environmental Compliance Officer	1	1	1	1
Environmental Compliance Officer	1	1	1	1
Senior Water Resource Analyst	1	1	1	1
Water Resources Analyst II	1	1	1	1
Safety Analyst	1	1	1	1
Safety Representative	1	1	1	1
Senior Engineer	1	1	1	1
Administrative Coordinator	1	1	1	1
Associate Engineer	1	1	1	1
Assistant Engineer	1	1	1	1
Total	15	13	13	13

Expense

Insurance expense includes Workers Compensation, liability, casualty, vehicle and claims management. Administrative expense includes professional fees for legal settlements, safety consulting and supplies. Operating expense includes environmental compliance permits. In FY 2011/12 administrative expense increases as security related items are now being budgeted in this department.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	Projected Actual	FY 11/12 Budget
Employment Expense	\$1,510,543	\$1,283,737	\$1,219,815	\$1,111,811	\$1,173,633
Administrative Expense	370,167	293,653	209,465	206,832	546,449
Insurance Expense	742,048	654,038	929,500	701,754	756,000
Operating Expense	209,457	265,482	384,483	379,812	425,440
Total	\$2,832,215	\$2,496,910	\$2,743,263	\$2,400,209	\$2,901,522

PUBLIC INFORMATION DEPARTMENT

Mission Statement

To establish and strengthen relations with news media, elected officials, business, civic organizations, and general members of the public in order to enhance public awareness of the Agency's programs, projects, and services.

Description and Purpose

The Public Information Department is a liaison between the Agency and its stakeholders. The department is responsible for developing and directing the Agency's community relations and public outreach programs. The Public Information Officer plans and coordinates informative events and promotions for the public as well as representing the Agency during such community projects and public gatherings.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
G1	Improve relations with Agency Stakeholders	<i>(MI)Strengthen relationships and improve upon communication with Agency's stakeholders</i>			
		(A)Finalized Agency branding with Human Resources and Engineering then updated IEUA's website to be more "user-friendly".	✓		
		(A)Expanded community and K-6 th grade schools water education outreach with our conservation partners - Held 4 Garden in Every School garden dedications, plus the dedication of the Garden in the Park.	✓		
		(A)Continued hosting IEUA's Water Leadership Breakfast, distribution of IEUA newsletters and host water facility tours in coordination with the Metropolitan Water District.	✓		
		(A)Scheduled plant tours and IEUA Open Houses during the month of April and during the Annual Water Fair in October.	✓		
		(A)Promoted awareness of water conservation, recycled water, and annual compost week in the month of May.	✓		
		(A)Represented the Agency at local chamber, government agencies and professional/community groups and organizations and provided montly reports to technical and policy committees, Landscape Alliance, and CBWM.	✓		
		(A)Provided quarterly reports to Executive Management and Board of Directors.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
G4	Further develop media relations	(MI) Cultivate positive relationships with local and regional media			
		(A)Circulated regular press releases on Agency accomplishments and milestones.	✓		
		(A)Scheduled meetings with editorial boards for the Inland Valley Daily Bulletin and provided oral reports to the Board of Directors and Executive Management.	✓		
G2	Increase Public Recognition	(MI) Increase IEUA's identity through public recognition			
		(A)Produced 29 full page ads as part of our 2011 community outreach campaign with Chino Basin Watermaster, Chino Basin Water Conservation District, Three Valleys Municipal Water District, and Western Municipal Water District in the Inland Valley Daily Bulletin newspaper.	✓		
		(A)Produced the monthly Water Conservation ad campaign in the Inland Valley Daily Bulletin newspaper.	✓		

Major Initiatives

- Communication - Enhanced external communications will remain a top Agency priority. Media relations will continue to be cultivated, and press releases will remain a major effort, along with the Agency internal newsletter and external E-Basin update.
- Seek Opportunities - The Public Information Department will continue to seek local community opportunities with our chambers and water conservation partners to expand outreach regarding conservation.
- Coordinate - with the Agency's Site Administrator to enhance and expand on annual Earth Day activities and school programs in the Garden. Work with outside water agencies, Cal State San Bernardino Water Resource Institute, and Home Depot on the Inland Empire Garden Friendly program.

Performance / Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
No. of Agency Tours	60	52- 60	72	72
No. of Agency Brochures Produced	2	2	1	1
No. of Press Releases	36	24-30	18	15
Circulation of Annual Reports	1,500	1,500	14,000	14,000
Circulation of newspaper inserts	29	29	29	29
Speeches	25	24	6	6

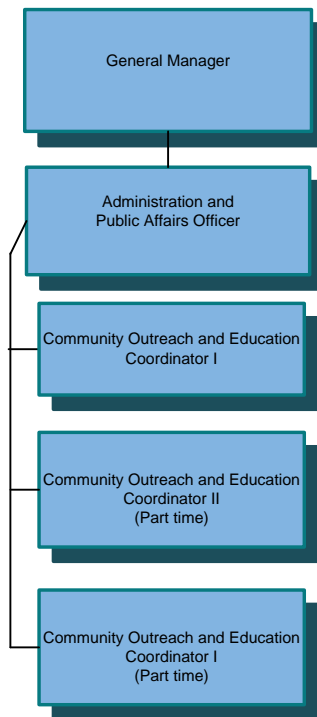
Goals and Objectives

AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
G1	Strengthen relationships and improve upon communication with Agency's stakeholders	<ul style="list-style-type: none"> Expand community and K-6th grade schools water education outreach GIES with our conservation partners to include Jr. High and High Schools Provide a monthly written report to stakeholders (Chino e-Basin update) Schedule plant tours and plan IEUA open house during the month of April (Earth Day Event) and the annual Water Fair that is held in October each year. Provide written reports to the Board of Directors and Executive Management Working with Agency's departments to promote awareness of water conservation, recycled water and compost. For example, prepare public service announcements for annual compost week scheduled for the first week each May. Provide quarterly report (oral or written) to Executive Management Continue hosting IEUA's Water Leadership Breakfast, distribution of IEUA news releases, and host water facility tours in coordination with the Metropolitan Water District Represent the Agency at local chamber, government agencies and professional/community groups and organizations

AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
G2	Increase IEUA's identity through public recognition	<ul style="list-style-type: none"> • Produce 29 full page ads as part of our 2011 community outreach campaign with Chino Basin Watermaster and Chino Basin Water Conservation District in the Inland Valley Daily Bulletin newspaper • Produce the monthly Water Conservation Ad campaign in the Inland Valley Daily Bulletin newspaper
G4	Cultivate positive relationships with local and regional media	<ul style="list-style-type: none"> • Circulate regular press releases on Agency accomplishments and milestones • Schedule meeting with editorial boards for the Inland Valley Daily Bulletin and provide an oral report to the Board of Directors and Executive Management

Organizational Chart

Public Information



Position Summary

Staffing for FY 2011/12 remains the same as prior year.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Administration and Public Information Officer	1	1	1	1
Community Outreach and Education Coordinator I	1	1.5	1.5	1.5
Community Outreach and Education Coordinator II	0	.5	.5	.5
Total	2	3	3	3

Expenses

Increasing administrative expense reflects increasing media outreach costs.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	Projected Actual	FY 11/12 Budget
Employment Expense	\$200,003	\$238,500	\$244,070	\$234,946	\$243,883
Administrative Expense*	207,607	157,853	329,418	175,674	253,371
Total	\$407,610	\$396,353	\$573,488	\$410,620	\$497,254

*Administrative Expenses reflect IEUA's media outreach



IEUA Headquarters Chino, CA

FINANCE DIVISION

Mission Statement

To provide quality, cost effective service to all Agency staff and doing so with excellence, responsiveness, and reliability while safeguarding Agency assets.

Departments

- Contracts and Procurement
- Enterprise Systems Services
- Financial Planning
- Fiscal Management

Executive Summary

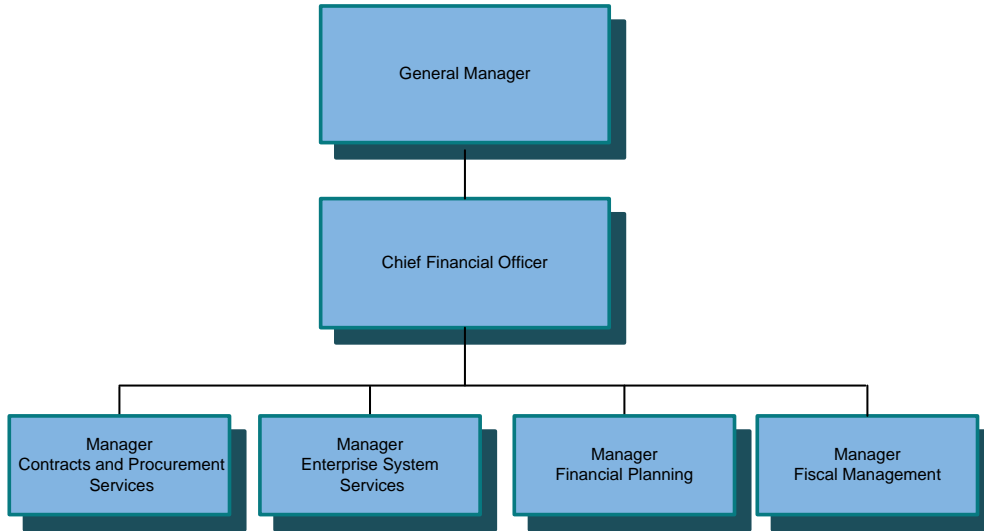
Services provided include administrative support functions; fiscal accountability and regulatory compliance; internal and external financial reporting; budgetary monitoring, control, and analysis. Total staffing is budgeted at 39 full time equivalents.

Division Goals

- Improve all division processes through technological innovation.
- Communicate Agency financial status and division accomplishments to all interested stakeholders by means of various reports including the Comprehensive Annual Financial Report and the annual budget.
- Maximize usefulness of information provided to stakeholders by regular and timely reporting of financial results.
- Promote valued customer service to all divisions and departments by expeditious responses and providing expert analysis.
- Exercise fiscal responsibility through appropriate budgetary monitoring and control of all Agency expenses.
- Ensure compliance with federal and state laws and regulations for all financial and operational activities.
- Provide regular and effective internal and external training to promote and develop staff knowledge, capabilities, and skills.
- Maintain a productive and safe work environment for all Agency staff by constant monitoring of workplace locations and the application of existing and newly issued OSHA and other regulatory guidelines.
- Maintain Agency administrative facilities in safe and clean working condition consistent with the Agency's established tradition of "environmentally friendly".
- Develop and maintain a budget process that provides management and the Board of Directors with strategic planning and identification of financial resources to meet the Agency's long range needs.

Organization Chart

Finance Division



Regional Plant No. 5 - Chino, CA

CONTRACTS AND PROCUREMENT DEPARTMENT

Mission Statement

Provide cost-effective, responsive, and environmentally-friendly purchasing, contract administration and customer support to all Agency Departments in a professional and ethical manner.

Description and Purpose

The Contracts and Procurement Department (CAP) is responsible for the acquisition of equipment, materials, supplies, and services. In addition, the department provides facilities and logistical support, including security management. This is accomplished through business practices as outlined in the Procurement Ordinance as well as associated policies and procedures. Department ethic guidelines have been established and adhered to in conducting business on behalf of the Agency. CAP collaborates with user departments to provide procurement support, and contract administration and management.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B2	Enhance efficiency of the contracting and purchasing processes	<i>(MI) Increase the accuracy, effectiveness of purchasing and contracting activities while decreasing turnaround time and enhancing user friendliness.</i>			
		(A)Decreased the turnaround time for completing CAP-IT work orders by 10%.	✓		
		(A)Increased the frequency of viewing the CAP-IT request database to identify incomplete requests and respond to the Requestor within three (3) days.	✓		
		(A)Provided customer outreach monthly to train the customer on use of the system for entering more comprehensive requests.		✓	
H6	Develop procurement process cost reduction strategies, innovative procurement solutions, and new approaches to meet business challenges	<i>(MI) Implement cost reduction strategies and new approaches to solve business challenges through a cross-functional Procurement Advisory Board representing key stakeholders</i>			
		(A)Published a report to identify the largest areas for cost reduction by December 15, 2010.	✓		
		(A)Initiated at least three identified cost savings measures by June 30, 2011.	✓		
		(A)Identified cost of asset replacement for establishing capital budgets and replacement strategies.		✓	
		(A)Developed a work plan to identify areas for material cost reductions (e.g., chemicals, utilities, services, etc.).	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet
E5	Drive continuous improvement of efficient and effective procurement business practices	<i>MI) Increase competition to exercise fiscal responsibility and control of agency expenses</i>			
		(A)Researched other potential sources of supply for PR's identified as non-competitive/single source, to identify opportunities for competition in the marketplace.	✓		
		(A)Awarded contracts to the best value source of supply through the competitive solicitation process, thus reducing overall cost to the Agency.	✓		
		(A)Successfully issued one competitive award from a (single sourced) PR to a new source of supply, meeting the SOW need of the customer and increasing value to the Agency.		✓	
		(A)Increased the number of new vendors/suppliers by 10% over the number of new vendors/suppliers established during FY 2009/10.	✓		
		(A)Increased the cost savings by 5% over the dollars reported during FY 2009/10 by June 30, 2011.		✓	
		<i>(MI) Streamline purchasing processes through increased technology applications.</i>			
		(A)Processed approved purchase requisitions within the published lead time schedule and document success through the P2P tracking report system.		✓	
G1	Optimize customer service both internally and externally	<i>(MI) Process approved PR's within the CAP published Service Level Objectives</i>			
		(A)Prioritized purchase requisitions (PR) in queue to meet CAP published Service Level Objective as well as customer schedules whenever possible.		✓	
		(A)Demonstrated an increase in service level as measured by the Customer Satisfaction Survey results over the previous survey.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
D3	Continuously monitor the Security Program for effectiveness and efficiency	<i>(MI) Evaluate and improve the procedures, policies, protocols, and practices of the Security Program to gauge effective and compliance by staff, contractors, and visitors</i>			
		(A)Surveyed and inspected all facilities, providing corrective action reports to management.	✓		
		(A)Provided at least one Security Awareness/Workplace Violence training session for new hires.	✓		
		(A)Managed incident reports, ensuring immediate distribution to responsible management and supervision; provided quarterly reports to executive management.	✓		
A6	Increase ground water recharge efforts through procurement practices	<i>(MI) Establish one additional master contract with a secondary back-up source for earth work in the recharge basins</i>			
		(A)Supported customer's key initiative to keep recharge basins percolating into the aquifer by October 31, 2010.	✓		
		(A)Provided a secondary source (master back-up contract) for earth work.		✓	
D2	Support and foster increased environmental stewardship	<i>(MI) increase the use of green product throughout all Agency facilities</i>			
		(A)Increased green office supply purchase by 5% over last year, as measured by the Office Depot's annual year end Business Review Report, by December 30, 2010.	✓		
		(A)Investigated and pursued 5 new janitorial green products for use throughout the Agency by June 30, 2011.		✓	
B1	Implement procurement programs to increase staff efficiency	<i>(MI) Implement the Voyager Fuel Procurement Card Program Agency-wide by March 30, 2011</i>			
		(A)Updated policies and SOP's for the program by December 1, 2010	✓		
		(A)Audited transaction activity and provided quarterly management reports on usage and trends.		✓	
		(A)Immediately reported any and all suspicious activity for investigation and action.		✓	

Major Initiatives

- **Customer Service**—CAP is committed to strengthening our customer service and support to our internal customers.
- **Best Practices** – CAP is committed to continuous improvement by ensuring that processes and procedures are in line with industry best practices, ensuring staff is trained accordingly and resources are correctly allocated.
- **Environmental Purchasing and Programs** – CAP will strive to identify economically feasible “green” sources of supply in support of the Agency’s vision of promoting sustainability, conservation and environmental protection.
- **Cost Containment** – CAP staff is committed to keeping cost at or below market through competitive sourcing and best value negotiations.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Purchase Orders Issued	2605	1725*	2632	2700
Contracts/Agreements/BPAs	320	240*	308	315
Payment Discounts	145	145*	150	150
% Customer Satisfaction \geq Good/Exceeds	85%	81.8%	87%	88%
PR’s processed within Service Level Objectives	91%	93%	95%	95%

*Reduction in purchase orders is FY 09/10 is due to TYCIP program reductions.

Goals and Objectives

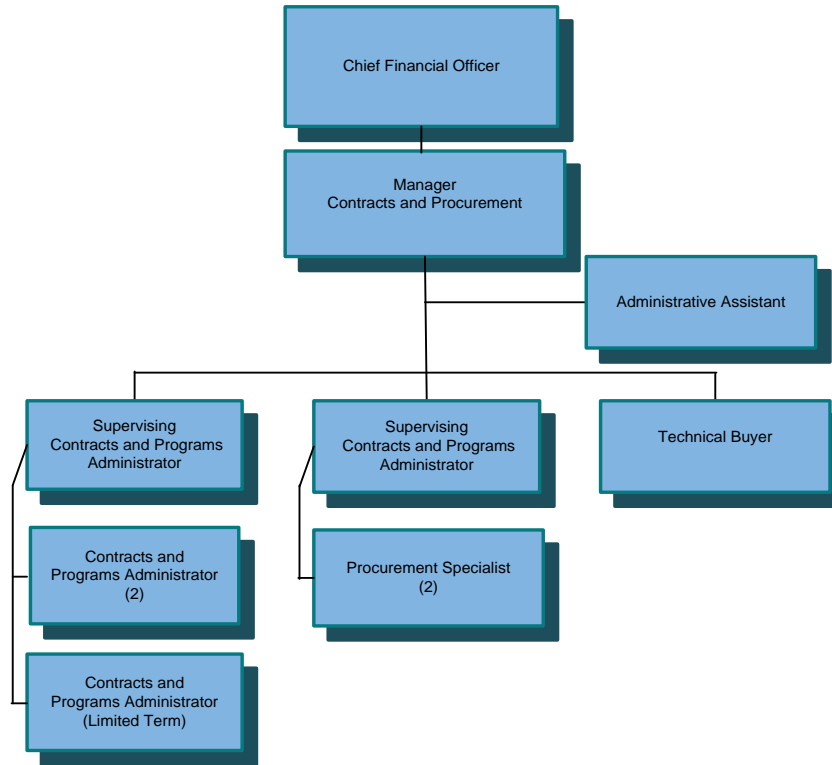
AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
H6	Drive continuous improvement of best value procurements for Agency-wide cost reduction	<ul style="list-style-type: none"> • In collaboration with Maintenance staff, establish master contracts for the following by April 30, 2012: <ul style="list-style-type: none"> -Equipment rebuilds; -Roofing services; -Asphalt work; - Heavy equipment rentals & repair services; - Centrifuge repairs • Increase cost avoidance with the use of price-down clauses in contract – quantifying savings by April 30, 2012

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
H6 (continued)	Drive continuous improvement of efficient and effective procurement business practices	<ul style="list-style-type: none"> • In collaboration with ESS, enhance the business system and reporting to identify PO delivery receipt and material ship date by June 30, 2012 • Process approved purchase requisitions within the published lead time schedule and document success through the P2P tracking report/issue report by May 30, 2012 • Formalize an expediting process for urgent/high-visibility projects
G1	Optimize customer service by processing approved purchase requisitions (PR's) within the CAP published Service Level Objectives	<ul style="list-style-type: none"> • Prioritize PR's in queue to meet CAP published Service Level Objectives, as well as customer schedules whenever possible • Demonstrate an increase in service level as measured by the Customer Satisfaction Survey results over the previous year
E5	Increase competition to exercise fiscal responsibility and control of Agency expenses	<ul style="list-style-type: none"> • Through the competitive solicitation process, award to the best value source of supply, thus reducing overall cost to the Agency
G1, G3	Establish a formalized "Small Business Program."	<ul style="list-style-type: none"> • Conduct at least two IEUA Small Business Workshops by March 1, 2012 • Collaborate with MWD with Small Business Vendor Fair & Business Strategies Workshop
B2	Decrease the turnaround time for completing CAP-IT work orders by five percent	<ul style="list-style-type: none"> • Increase customer service for processing CAP-IT requests and document the service processing time via a quarterly report • Provide customer outreach monthly to train the customer on use of the system for entering more comprehensive requests
B1	Reduce the Agency's cost for cell phones Agency-wide by at least 10 percent.	<ul style="list-style-type: none"> • Review by Division cell phones usage and cost. Conduct a cost analysis of the program and review current program guidelines • Draft a staff memorandum identifying changes to the Cell Phone Program which will reduce the overall cost to the Agency

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Chart

Contracts and Procurement



Position Summary

FY 2011/12 staffing remains at 10 FTE.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Contracts and Procurement	1	1	1	1
Supervising Contracts & Program Administrator	2	2	2	2
Contracts & Programs Administrator	2	2	2	2
Contracts & Programs Administrator- LT	1	1	1	1
Technical Buyer	1	1	1	1
Procurement Specialist	2	2	2	2
Administrative Assistant	1	1	1	1
Total	10	10	10	10

Expenses

Expense for FY 2011/12 remains on target due to overall cost containment measures.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expenses	\$858,990	\$850,961	\$800,624	\$812,625	\$825,885
Administrative Expenses	15,361	17,161	32,257	26,770	21,205
Total	\$874,351	\$869,119	\$832,881	\$839,395	\$847,090



Agricultural Use of Recycled Water Chino, CA

ENTERPRISE SYSTEM SERVICES

Mission Statement

Provide dependable, easy-to-use information system solutions, as well as related advisory and application development services, to optimize Agency-wide business processes, enabling staff to efficiently and effectively achieve their objectives. Use evolving information technology and methods to provide greater return on investment from the Agency’s staff, core business systems, and information assets.

Description and Purpose

The Enterprise System Services Department supports the Agency’s business system solution needs, including enhancement and support of the Agency’s core SAP ERP and Geographical Information Services application systems, development of custom applications and reports, and integration of Agency systems and data.

The ESS Department contains two teams: Applications Team and Business Systems Analyst Team.

- The Business Systems Analysts perform functional support of SAP and non-SAP business application systems, identifying opportunities for reporting, data analysis, and business process performance improvement, and providing users with training materials and services.
- The Applications Team administers the Agency’s core SAP ERP system and develops technical solutions in response to unique Agency requirements. They are responsible for planning, designing, implementing, and supporting system application development and integration.

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B3	Provide Agency users reliable information systems, providing high performance applications and data integrity	<i>(MI) Based on FY 2009/10 IS User Survey, identify key opportunities for improvement and implement corrective action</i>			
		(A)Improved User Survey scores for key areas identified by June 30, 2011.		✓	
		<i>(MI) Review and refine master data change control process implemented in Spring/Summer 2010 and recommend changes for lower priority master data types for change control process analysis.</i>			
		(A)Audited master data control documentation to ensure compliance, interviewed key stakeholders to assess process effectiveness and efficiency, identified possible improvement recommendations by June 30, 2011.		✓	
		(A)Working with key Agency stakeholders, reached agreement on master data management roles, responsibilities, and process by June 30, 2011.		✓	

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B4	Ensure that the Agency's information assets and systems are properly safeguarded from inappropriate use and access, protected from disasters, and available to conform to public information access rights	<i>(MI) Provide technical support to departmental efforts against detrimental uses of Agency systems and information assets</i>		✓	
		(A)Supported the Agency's Disaster Recovery Planning process, driven by the Safety and Risk Department.	✓		
		(A)Supported Internal Audit (IA)'s review and evaluation of functions performed by each application user role.	✓		
		(A)Supplied user roles' authorization information and educated IA on functionality inherent in each transaction.			
D2	Provide exceptional and responsive customer service	<i>(MI)Implement support upgrades, evolve and enhance system functions, employ consistent change and request management processes</i>	✓		
		(A)Tracked all support and development issues/requests; documented findings and root-cause analysis for key issues.	✓		
		(A)Discussed proposed changes at weekly Change and Request Management (ChARM) status meetings. Performed required preparation to support changes moved into the production environment.			
		<i>(MI) Review FY 2009/10 IS User Survey data and feedback</i>		✓	
(A)Developed and executed SAP user training, improved User Survey scores for key areas, and achieved or exceeded Overall User Satisfaction scores identified on the BIS User Survey.					

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B3,D1, D2	Control the cost of supporting the Agency's increasingly complex information systems	<i>(MI) Minimize external and internal support costs</i>	✓		
		(A)Developed BIS Department skills to enable greater self-sufficiency in core technology areas.	✓		
		(A)Controlled external expenditures for consultant support by staying within the FY 2010/11 professional services budget (demonstrating a >40% reduction from FY 2009/10).	✓		
		(A)Developed and implemented a cross-training plan to distribute the Senior Systems Administrator's support responsibilities to other department staff in expectation of the position's vacancy in the 3 rd quarter of FY 2010/11.			
B2,D3, D6, E2	Facilitate Agency operational performance through appropriate and cost-effective use of evolving information technologies and practices	<i>(MI) Work with key user groups to develop and maintain roadmaps to enhance business system functionality, process performance, reporting, and analytics to support group business plans and priorities</i>	✓		
		(A)Maintained roadmaps and supporting schedule for system requirements.	✓		
		(A)Executed roadmap schedules as agreed upon with user groups.	✓		
		(A)Met quarterly with key process owners and participants to review the status of key issues, solution development work, discussed new requirements, and reached agreements on priorities, responsibilities, and due dates.	✓		
		<i>(MI) Work to identify vital information required from SAP and other Agency systems; create reports and queries for users/departments and train select users to access and manipulate information directly</i>		✓	
(A)Implemented business intelligence functions, designed queries/reports and trained power users in at least 2 areas. Based upon successful piloting of business intelligence functions, moved pilots into production environment.					

Agency Wide Goal	Departmental Wide Goal	FY 2010/11 Major Initiatives (MI) & Accomplishments (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B2,D3, D6,E2 (Cont.)	Facilitate Agency operational performance through appropriate and cost-effective use of evolving information technologies and practices (Cont.)	(A) Investigated business information tools to support executive and managers, improving ease of access to key information and analytical tools to support decision making by June 30, 2011.		✓	
		(MI) Improve system ease-of-use			
		(A) Identified and deployed one solution to serve as a test case for improving SAP ease-of-use. Planned for further enhancements, such as SAP web-based NetWeaver Business Client interface, Adobe Interactive Forms, and GIS.		✓	
B2, D4	Provide information technology and business systems solution consulting services that address user's unique business information requirements	(MI) Integrate and leverage the Agency's information and technology assets			
		(A) Employed User Groups in assessing and proposing improvements to systems ease-of-use, process efficiency and effectiveness, and reporting, and identified and proposed other key process user groups (ongoing).	✓		
		(A) Working with key business process owners, performed assessments of key processes, e.g., Accounts Payable, Maintenance & Inventory Management, Project and Asset Lifecycle, Payroll and Labor Resource Tracking. Used assessments to develop user training plans, process and system improvement proposals. Completed assessment and improvement plans for key process areas identified by executive management by June 30, 2011.	✓		

Major Initiatives

- **Process Improvement Initiative** - Leveraging the Agency's core information systems and data, work with user groups to assess and develop improvement recommendations for core Agency business processes and information access. Conduct surveys, regular meetings with business process owners and key process constituents. Deploy new technologies to improve process efficiency and effectiveness, and integration of Agency systems and tools. Key focus areas for process improvement in FY 2011/12 include labor (labor recording, reporting, payroll), procurement (integration with vendors, procurement status visibility), and moving design data from CAD-to-GIS.

Major Initiatives (Continued)

- **Business Intelligence & Analytics (Reporting) Initiative** - Employ business reporting tools to enhance information value and analysis, and increase user self-sufficiency in accessing and using information. Work with key user groups to develop processes and procedures for effective maintenance of master data, with the objective of ensuring data quality.
- **User Productivity Initiative** - Introduce tools to make Agency’s systems easier to use, resulting in demonstrable improvement in staff system acceptance and business process efficiency and effectiveness. The key focus areas for user productivity in FY 2011/12 include implementing web-based access to SAP, setting up role and business activity focused work centers (e.g., maintenance planner and goods receipt work centers), and providing “dashboards” of business data.
- **Service Excellence Initiative** - Ensure that user application and training needs are identified and responded to in a professional and timely manner. Work with Agency management and users to identify system enhancements that will deliver operational performance improvements, and align business information services resources to deliver the required capabilities based on user priorities and business needs. In FY 2011/12 this includes continued work with user groups focused on the Procure-to-Pay Process, Finance & Budget, Asset Management & Maintenance, and GIS. In addition, an Agency user group focused on Project Management & Accounting will be established.

Goals and Objectives

AGENCYWIDE		
GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
B3	Provide Agency users reliable information systems, providing high performance applications and data integrity	<ul style="list-style-type: none"> • Review SAP system performance, growth, & system capacity status. Identify key functions that are utilizing significant resources for further analysis <ul style="list-style-type: none"> PI: 1) Develop quarterly performance analysis report. Include identification of application functions that consume excessive server and storage performance and drive mitigation plans • Develop plan for BW system maintenance, change management, & development standards by July 2011 • Perform periodic (1-2 per year) vendor version upgrades to SAP & ESRI/GIS

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
B4	Ensure that the Agency's information assets and systems are properly safeguarded from inappropriate use and access, protected from disasters, and available to conform to public information access rights	<ul style="list-style-type: none"> • Support the Agency's Disaster Recovery Planning process, driven by the Risk & Safety Department and ISS • Support Internal Audit (IA) review and evaluation of various functions performed by each application user role. PI: Upon request by Internal Audit, supply user roles' authorization information, and educate IA on functionality inherent in each transaction (ongoing) • Review SAP user roles and refine to create a more focused set of required transactions by December 31, 2011
D2	Provide exceptional and responsive service	<ul style="list-style-type: none"> • Provide timely and knowledgeable support and training to users, ensuring that the Agency's investment in systems are protected by implementing support upgrades, evolving and enhancing system functions, and employing consistent change and request management processes to ensure that enhancements are properly designed, developed, tested, and documented, and training is effectively delivered <p>PI: 1) Track all support and development issues and requests, documenting findings and root-cause analysis for key issues. (Ongoing)</p> <p>PI: 2) All proposed changes are discussed at the weekly Change & Request Management (CHaRM) status meetings, and required preparation is performed per plan to support changes moved into the production environment. (Ongoing)</p> <p>PI: 3) Educate key user departments on relevant application solutions available to address key business requirements. (Ongoing)</p>
B3, D1, D2	Control the cost of supporting the Agency's increasingly complex information systems	<ul style="list-style-type: none"> • Develop ESS staff skills to enable greater self sufficiency in core technology areas, with the objective of minimizing external support costs <p>PI: 1) Control all external expenditures for consultant support by staying within the FY 2011/12 professional services budget</p> <p>PI: 2) Cross train ESS staff in critical areas, such as Materials Management, Grants & Plant Maintenance by June 30, 2012</p>

AGENCYWIDE		
GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
B2, D3, D6, E2	Facilitate Agency operational performance through appropriate and cost effective use of evolving information technologies and practices	<ul style="list-style-type: none"> • Team with key Agency stakeholders (Human Resources, Fiscal Management, and Maintenance, Operations) to implement the Labor Project. <ul style="list-style-type: none"> PI: 1) Implement Organization Structure in SAP by March, 2011 PI: 2) Implement solution to capture all primary & secondary labor data in SAP, provide key labor reports, and forward labor data to IFAS Payroll system for processing by Summer 2011 PI: 3) Implement Employee & Manager Self-Service solution to provide user-friendly labor data entry & review screens by CY 2011 Q3/4 PI: 4) Support payroll solution vendor selection and implementation by January 1, 2012 PI: 5) Drive development & execution of a plan to archive key IFAS data and reports, enabling the Agency to “unplug IFAS” and eliminate related support contracts and costs PI: 6) Working with key stakeholders, select solution option for automated labor time evaluation and begin implementation in CY 2012 Q1/2 • Implement enhancements to streamline Grants tracking and billing functions by September, 2011 • Streamline the CAD to GIS process, making design data available in GIS faster by CY 2011 Q3 • Execute User Productivity Initiative plan: <ul style="list-style-type: none"> PI: 1) Set up SAP Portal & NetWeaver Business Client and connect these components to SAP Business Warehouse and ERP system by April 2011 PI: 2) Implement role & function-based work centers to improve ease-of-use and user productivity. Implement 2 work centers by July, 2011 and 4 to 8 by December 31, 2011

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
B2, D4	Provide information technology and business system solution consulting services that address users' unique business information requirements, while integrating and leveraging the Agency's information and technology assets	<ul style="list-style-type: none"> • Working with key stakeholders in Contracts & Procurement and Maintenance Departments, add objectives to Procure-to-Pay roadmap that will speed communication of PO, vendor product delivery date status, maintenance of vendor master data (e.g., shipping/billing address, contact name), enhance warehouse efficiency, and reduce manual administrative activities using options such as eCommerce, eCatalogue, and Vendor Self-Service by October 2011 • Create draft Business Intelligence (BI) roadmaps and schedule for one or more key function or process, e.g., Finance/Budgeting, Maintenance/Inventory, and Procurement by May 2011 (Execute roadmaps per identified schedule.) • Working with key user groups (Maintenance, Procure-to-Pay, Projects, Finance & Accounting, and GIS) develop and maintain roadmaps to enhance business system functionality, process performance, and reporting and analytics to support those group business plans and priorities <ul style="list-style-type: none"> PI: 1) Execute roadmap schedules as agreed upon with users groups. (Ongoing) PI: 2) Meet quarterly with key process owners and participants to review status of development roadmaps and key issues, discuss new requirements, and reach agreement on priorities, responsibilities, and due dates. (Ongoing) PI: 3) Facilitate organization of Projects User Group by June 30, 2012 • Working with key business process owners, perform assessments of key functions and processes, e.g., Human Resources, Workforce Budgeting & Scheduling, Project & Asset Lifecycle). Use assessments to develop user training plans and process and system improvement proposals. PI: Complete assessment and improvement plans for key process areas identified by executive management by June 30, 2012

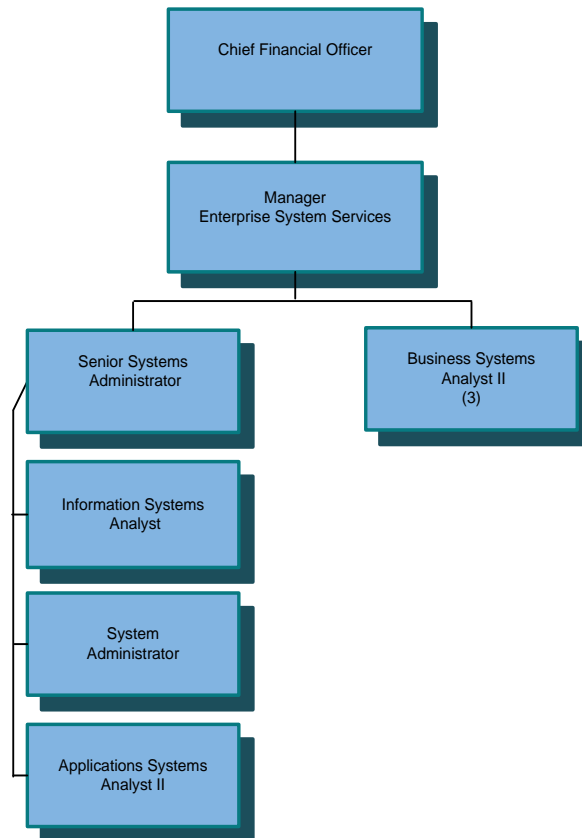
Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Keep average time spent performing maintenance per year below 40%	*	40%	35%	35%
Achieve 99.9% system availability level for the SAP production systems	*	99%	99.9%	99%
Refresh the SAP QA environment with new test data at least twice per year	*	2	2	2
Keep system to no more than five support packs behind the vendor's current version	*	2	<5	<5

*Not measured in these years

Organizational Chart

Enterprise System Services



Position Summary

FY 2011/12 staffing remains at FTE.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Enterprise System Services	1	1	1	1
Senior Systems Administrator	1	1	1	1
Systems Administrator	1	1	1	1
Information Systems Analyst	1	1	1	1
Business Systems Analyst II	3	3	3	3
Application Systems Analyst II	0	0	0	1
Application Systems Analyst	1	1	1	0
Total	8	8	8	8

Expenses

The decrease in FY 2010/11 and FY 2011/12 budget and actual expense reflects the Information Services department separation into the Enterprise System Services and Integrated Systems Service departments. The majority of the operating expense is now budgeted in the operations division.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 10/11 Projected Actual	FY 11/12 Budget
Employment Expenses	\$1,153,780	\$1,184,649	\$819,130	\$816,482	\$743,206
Administrative Expenses	68,085	61,648	48,223	46,148	24,251
Operating Expenses	805,178	742,492	228,495	194,235	268,663
Total	\$2,027,043	\$1,988,789	\$1,095,848	\$1,056,865	\$1,036,120



**Garden in Every School Program –
Sponsored by IEUA**

FINANCIAL PLANNING DEPARTMENT

Mission Statement

To develop and oversee a budget process that provides the Board of Directors, management and stakeholders with strategic planning and identification of financial resources to meet the Agency’s long range financial needs; evaluate financing options to effectively meet future capital requirements consistent with the Agency’s Long Range Plan of Finance (LRPF), including securing local, state and federal grants; managing the Agency’s investments to secure the safety of principal, optimize earnings, and meet operating needs.

Description and Purpose

The Financial Planning Department consists of the Financial Planning and Grants Administration groups that:

- Oversee the administration of the Agency’s budget to ensure appropriations comply with those approved by the Board of Directors; support the development and enhancement of the SAP financial and budget applications that facilitate the planning, monitoring and reporting of the budgetary process.
- Manage the Agency’s investment portfolio to ensure the safety of principal, while optimizing investment earnings; monitor daily cash activities to fund operating requirements in a timely manner and sustain the Agency’s credit standing; administer outstanding debt to ensure timely payment and compliance with respective bond covenants; evaluate different financing options to fund future capital replacement and improvement requirements consistent with the Agency’s Long Range Plan of Finance.
- Proactively identify and secure grant opportunities in conjunction with Executive Management and Project Managers to fund capital projects throughout the Agency; oversee the Agency’s grants management; provide centralized Agency grant administrative oversight to ensure regulatory compliance, cost eligibility, and accurate and timely reporting in accordance with grantor compliance requirements.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
E1, E3	Strategic Financial Planning	<i>(MI) Update the Long Range Plan of Finance to reflect current assumptions and conditions</i>			
		(A)Further developed the 10 year financial model to streamline the Long Range Plan of Finance revision process.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
C2,C5, H3	Budgeting and Budgetary Control	<i>(MI) Assume lead role and ensure timely completion and adoption of the Agency's annual budget, and monitoring of budget control and reporting</i>			
		(A)Monitored and maintained budget controls through regular quarterly one to one sessions with the General Manager/Chief Executive Officer, Chief Financial Officer and department managers to review actual to budget variances and cost reduction initiatives.	✓		
		(A)Received "Outstanding" rating on GFOA Budget Presentation award on at least two overall categories and receive budget award from the CSMFO for the FY 2010/11 budget document.	✓		
		(A)Coordinated, prepared and review the Agency's consolidated annual budget by program, departments and division by May 2010.	✓		
H5	Banking and Cash Management	<i>(MI) Monitor all bank and investment accounts to ensure accurate recording and timeliness of transactions</i>			
		(A)Monitored daily cash balances to minimize bank service charges and maximize interest earnings.	✓		
		(A)Ensured monthly reconciliations are performed on all bank accounts.	✓		
		(A)Confirmed account balances are accurately reported in the Treasurer's Report of Financial Affairs.	✓		
B2	Financial System Enhancements	<i>(MI) Work in collaboration with Information Services department to complete significant enhancements to increase efficiencies and performance</i>			
		(A)Worked with Information Services staff to develop additional financial reports through Crystal Report software as supplement to standard SAP reports to provide end users with effective analytical tools.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
H1	Financial Policies	<i>(MI) Refine and monitor Reserve Balance Policies to ensure a prudent level of reserves is maintained to protect against a reduction of service due to unforeseen events</i>			
		(A)Worked with Board of Directors and Executive Management to update target reserve levels and report status on a quarterly basis.	✓		
H5	External Financial and Accounting Services	<i>(MI) Provide full financial and accounting services to two Joint Powers Authorities</i>			
		(A)Worked in collaboration with Fiscal Management in the preparation of the Chino Basin Desalter Authority (CDA) and Inland Empire Regional Composting Authority (IERCA) budget process for FY 2010/11.	✓		
		(A)Monitored and maintained budget controls through regular budget variance reporting and analysis for the CDA and IERCA.	✓		
C3	Funding Opportunities	<i>(MI) Focus on American Recovery and Reinvestment Act (ARRA) Grant and SRF loan funding opportunities for Agency Capital projects, and ensure compliance, accurate record keeping, and timely submittal of applications and invoices</i>			
		(A)Continued monitoring the performance of ARRA grant and SRF loan funding to ensure full grant compliance with State and Federal grantor agencies.	✓		
		(A)Provided notification to Executive Management, Department Managers, and Project Managers for possible ARRA grant funding sources.	✓		
		(A)Assisted Agency management and staff to understand ARRA compliance requirements such as Buy American and Davis Bacon Act.	✓		
		(A)Functioned as the lead group in billing and collection tasks of the MWD LPP Rebate program and the DWR Urban Drought Assistance Grant program.		✓	
		(A)Maintained a grant management database, updated the grant status report monthly, and prepared a monthly General Manager's Report on current grant status.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B2	Strategic Planning	<i>(MI)Strengthen the Grant Management Process</i>			
		(A)Continued to evaluate the SAP Grants Management (GM) module to prepare for full implementation starting July 2010.		✓	
		(A)Established a focus task team to assist in the evaluation of the GM module and overall grants administration process; the task team will consist of key stakeholders from project management, contract management, accounting and billing, and IS Business Analysts to ensure key integration points are addressed effectively.		✓	
		(A)Documented grants administration SOP by June 2011 following the completion of the GM module implementation.		✓	
		(A)Maintained centralized grant contract filing system for both the hard copy and electronic versions of grant documents.		✓	

Major Initiatives

- **Work in collaboration** - with ERP Business Analyst and key stakeholders to continue system enhancements that will better streamline business processes and provide end users more effective analytical tools and reports.
- **Work with Executive Management** - to establish a grant application request and approval process policy to evaluate the cost benefit of potential grant opportunities and how they support the Agency's goals and objectives.
- **Complete development** - of the Grants Administration module to automate and streamline the grant recording, billing, reporting and record keeping process.
- **Assist** - department managers in further developing key performance measures that are consistent with Agency wide goals and objectives and effectively monitor results and outcomes for their departments.

Performance Measures/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Average Size of Investment Portfolio*	\$185,000,000	\$63,000,000	\$75,622,310	\$85,000,000
Average Rate of Return on Investments	2.10%	1.4%	.926%	1.25%
Budget Preparation and Report related: Training (O&M/Capital) sessions	11	8	8	10
Open Houses	5	4	2	4
Workshops	3	4	7	4
Grant/ Loan applications submitted	8	8	8	9
Grants awarded national average rate/IEUA rate	30% / 50%	30% / 50%	30% / 50%	30%/50%
Grant/ Loan Billings	\$21,000,000	\$32,000,000	\$32,000,000	30,000,000
Grant / Loan billings and status reports submitted by the due date	71	85	187	200
Average number of days to file grant/loan billing	30	30	30	30
Average number of days to collect grant/loan billings	120	120	120	120
Amount of stimulus funding received under ARRA	N/A	\$63,000,000	N/A	N/A
On time submittal of Quarterly Budget Variance report	75%	100%	100%	100%
On time submittal of Treasurer's Report of Financial Affairs	67%	100%	100%	100%
On time submittal of Quarterly Capital Call	100%	100%	100%	100%

* Includes proceeds from 2008A Revenue Bonds

Goals and Objectives

AGENCY WIDE GOAL*	DEPARTMENTAL GOAL	DEPARTMENT OBJECTIVE
C2, C5, H3	Budgeting and Budgetary Control – the department will continue to assume the leading role and ensure budget monitoring, timely completion and adoption of the Agency’s annual budget	<ul style="list-style-type: none"> • Coordinate, prepare, and review the Agency’s consolidated annual budget by programs, departments, and divisions by May 2012 • Monitor and maintain budget controls through regular budget variance reporting and analysis, and work in collaboration with Management to continue cost management practices • Facilitate quarterly sessions with the Chief Executive Officer/General Manager, Chief Finance Officer and department managers to review actual to budget variances and report on the progress and status of cost management practices • Continue to work with key staff in developing more in depth analytical methods and processes for major expense categories such as labor, utilities, chemicals, biosolids and professional services • Receive “Outstanding” rating in the GFOA Budget Presentation award, on at least two overall categories and receive budget award from the CSMFO for the FY 2011/12 IEUA budget document
H5	Banking and Cash Management Services – monitor all bank and investment accounts to ensure accurate recording and timeliness of transactions	<ul style="list-style-type: none"> • Monitor daily cash balances to minimize bank service charges and maximize interest earnings • Ensure monthly reconciliations are performed on all bank accounts • Confirm account balances are accurately reported in the Treasurer’s Report of Financial Affairs
H1	Financial Policies – refine and monitor Reserve Balance Policies to ensure a prudent level of reserves is maintained to protect against a reduction of service due to unforeseen events	<ul style="list-style-type: none"> • Work with Board of Directors and Executive Management to update target reserves levels and report status on a quarterly basis
E1, E3	Strategic Financial Planning – update the Long Range Plan of Finance to reflect current assumptions and conditions	<ul style="list-style-type: none"> • Further develop the 10 year financial model to streamline the Long Range Plan of Finance revision process

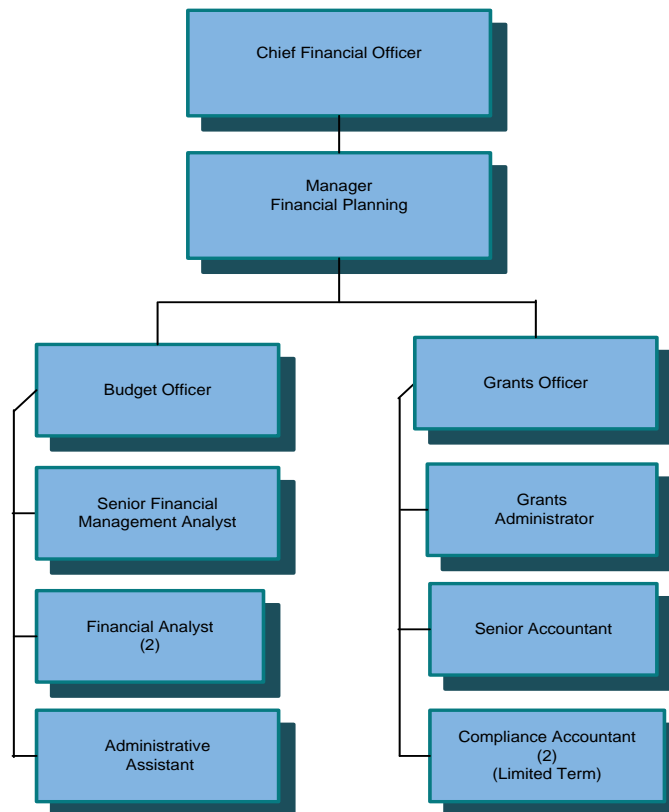
AGENCY WIDE GOAL*	DEPARTMENTAL GOAL	DEPARTMENT OBJECTIVE
H5	External Financial and Accounting Services – provide full financial and accounting services to two Joint Powers Authorities	<ul style="list-style-type: none"> • Work in collaboration with Fiscal Management in the preparation of the Chino Basin Desalter Authority (CDA) and Inland Empire Regional Composting Authority (IERCA) budget process for FY 2011/12 • Monitor and maintain budget controls through regular budget variance reporting and analysis for the CDA and IERCA
B2	Financial System Enhancements – work with Enterprise System Services department to complete significant enhancements to increase efficiencies and performance	<ul style="list-style-type: none"> • Work with Enterprise System Services staff to develop additional financial reports through Crystal Report software as a supplement to the standard SAP reports to provide end users with more effective analytical tools; sample reports to develop includes: labor distribution summary, budget summary by cost center or by cost elements, weekly cash summary, plan vs. actual comparison, etc. (The above supports the Agency’s Financial Policy, under the sub-section of Auditing, Accounting, and Financial Reporting)
D2	Enhance the Budget Preparation process	<ul style="list-style-type: none"> • Work with Business Analyst and key subject matter experts to improve functionality and reporting of the Budget Preparation module • Evaluate the labor and expense allocation process to simplify the process and leverage system functionality where available • Evaluate the assessment cycle process to incorporate statistical data in the distribution of expense allocation
C3	Focus on American Recovery and Reinvestment Act (ARRA) Grant and SRF loan funding opportunities for Agency capital projects, and ensure compliance, accurate record keeping and timely submittal of applications and invoices	<ul style="list-style-type: none"> • Monitor the performance of ARRA grant and SRF loan funding to ensure full grant compliance with State and Federal grantor agencies • Provide notification to Executive Management, Department Managers, and Project Managers for possible ARRA grant funding sources • Assist Agency management and staff to understand ARRA compliance requirements such as Buy American and Davis Bacon Act • Function as the lead group in billing and collection tasks of the MWD LPP Rebate program and the DWR Urban Drought Assistance Grant program • Maintain a grant management database, update the grant status report monthly, and prepare a monthly General Manager’s Report on grants

AGENCY WIDE GOAL*	DEPARTMENTAL GOAL	DEPARTMENT OBJECTIVE
B2	Strengthen the Grant Management process	<ul style="list-style-type: none"> Continue to evaluate the SAP Grants Management (GM) module to prepare for full implementation starting July 2010 Establish a focus task team to assist in the evaluation of the GM module and overall grants administration process; the task team will consist of key stakeholders from project management, contracts management, accounting and billing, and ESS Business Analysts to ensure key integration points are addressed effectively Document grants administration SOP by June 2011 following the completion of the GM module implementation Continue to maintain centralized grant contract filing system for both the hard copy and electronic version grant documents

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organization Chart

Financial Planning



Position Summary

In FY 2010/11 the department has 9 budgeted FTE and 2 limited term positions, the staffing will remain the same in FY 2011/12.

	FY 08/09 Actual	FY 09/10 Budget	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Financial Planning	1	1	1	1
Budget Officer	1	1	1	1
Grants Officer	1	1	1	1
Senior Financial Management Analyst	1	1	1	1
Grants Administrator	1	1	1	1
Financial Analyst	2	2	2	2
Senior Accountant	1	1	1	1
Compliance Accountant-LT	1	1	2	2
Administrative Assistant	0	0	1	1
Total	9	9	11	11

Expenses

Fluctuations of interest rates for some of the debt services can be attributed to changes in the Agency's overall debt payment. For a complete review of Agency's debt, visit the Debt Management section of the budget document.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 10/11 Projected Actual	FY 11/12 Budget
Employment Expense	\$918,633	\$967,811	\$922,078	\$891,680	\$834,270
Administrative Expense	21,818	5,843	60,725	25,379	26,530
Interest and Financial Exp	14,057,818	10,399,615	12,228,524	12,239,936	12,286,297
Total	\$14,998,269	\$11,373,269	\$13,211,327	\$13,156,995	\$13,147,097

FISCAL MANAGEMENT DEPARTMENT

Mission Statement

To safeguard the Agency’s resources effectively and efficiently and to maintain accountability and equity to the public, their elected officials and Agency personnel by providing accurate and clear financial statements and records. Provide cost effective and timely fiscal and accounting services to the Agency departments including payroll, billing, revenue collection, and general accounting and financial reporting in a professional manner. Strive to communicate and cooperate with all departments to ensure a high level of support while maintaining a positive attitude.

Description and Purpose

The Fiscal Management Department is responsible for the recording, maintaining, and safe-keeping of the Agency’s financial information, and safeguarding of the Agency’s assets. The department has a staff of 12 full-time personnel who handle segregated functions in the areas of general accounting and financial reporting. Responsibilities include accounts payable and receivable, cash applications, fixed asset accounting, payroll, financial reporting, and various financial analyses.

Accomplishments

The Agency’s Comprehensive Annual Financial Report (CAFR) has been consistently awarded the prestigious award of excellence in financial reporting from the Government Finance Officers Association (GFOA). The most recent award was for the Fiscal Year 2009/10.

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
H4, H5	Financial and Accounting Services Financial and Accounting Services	<i>(MI) Provide accounting services to all agency departments</i>			
		(A)Completed FY 2010/11 audit of Inland Empire Utilities Agency by November 30, 2010 and receive GFOA, CAFR award for FY 2010/11.	✓		
		(A)Completed and issued Comprehensive Annual Financial Report by December 31, 2010.	✓		
		<i>(MI)External Financial and Accounting Services – provide full financial and accounting services to two Joint Powers Authorities</i>			
		(A)Completed annual audit of both Chino Basin Desalter Authority and Inland Empire Regional Composting Authority by January 31, 2011.	✓		
		(A)Completed Annual Financial Reports for both entities by February 28, 2011.	✓		
		(A)Developed disaster recovery plan for key functional area by May 2010.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
I3	Staff Training, Development, and Wellbeing	(MI) Staff Training to Develop a Diverse and Qualified Work Force			
		(A)Identified back-up for critical functions, completed cross-training by September 30, 2010.		✓	
		(A)Worked with staff to develop individualized training program using Mindleader Program by March 31, 2011.		✓	
		(A)Completed cross-training plan by March 2011.		✓	

Major Initiatives

- Work with the SAP Business Analyst Group to complete several critical tasks related to the major functions of Fiscal Management, such as: Month-end closing processes; critical financial reports; Time and Attendance implementation, etc.
- Continue to evaluate all options for the implementation of Human Resources and Payroll system.

Performance Measures/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Accounts Payable Transactions	64,570	80,256	84,000	84,000
Accounts Payable Checks /ACH / Wires	9,268	9,062	9,500	9,400
Accounts Receivable Transactions	14,348	13,343	14,500	15,000
Cash Receipts Transactions	32,095	32,672	32,500	33,000
Fixed Asset Transactions	14,857	12,222	14,000	14,000
General Ledger Transactions	378,691	395,704	379,500	380,000
Payroll and Secondary Labor Transactions	543,102	606,624	605,000	605,500
General Ledger # of Account Analysis	800	780	780	780
Payroll Processing - # of Employees	347	320	310	310

Goals and Objectives

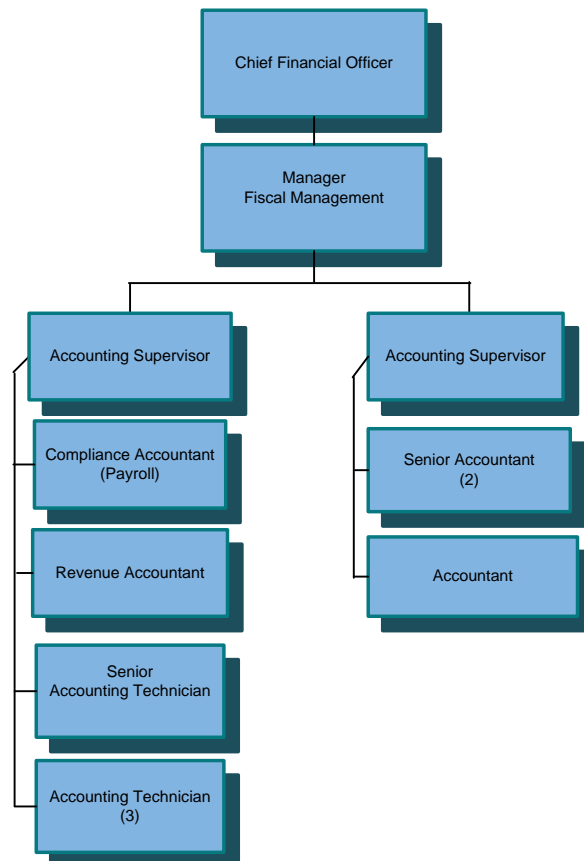
AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
H5	Financial and Accounting Services – provide accounting services to all agency departments	<ul style="list-style-type: none"> • Complete FY 2010/11 audit of Inland Empire Utilities Agency by October 30, 2011 • Complete and issue Comprehensive Annual Financial Report by December 21, 2011 • Receive GFOA CAFR award for FY 2009/10

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
G1, H5	External Financial and Accounting Services – provide full financial and accounting services to two Joint Powers Authorities.	<ul style="list-style-type: none"> • Complete annual audit of both Chino Basin Desalter Authority and Inland Empire Regional Composting Authority by November 30, 2011 • Complete Annual Financial Reports for both entities by January 31, 2012
B1	Replace the current payroll system	<ul style="list-style-type: none"> • Develop a plan to successfully replace the legacy payroll system by December 31, 2011
I3	Staff Training to Develop a Diverse and Qualified Work Force.	<ul style="list-style-type: none"> • Leverage SAP and other technology to enhance business processes • Continue cross training plan • Complete each staff’s individualized training program using Mindleader program by November 30, 2011

* Please refer to the Agency Vision/Policy Goals tab for the Agencywide Goal description

Organization Chart

Fiscal Management



Position Summary

FY 2011/12 staff remains at 12 FTE.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Fiscal Management	1	1	1	1
Accounting Supervisor	2	2	2	2
Senior Accountants	3	2	2	2
Accountants	1	2	3	3
Senior Accounting Technician	1	1	1	1
Accounting Technician	4	4	3	3
Total Fiscal Management	12	12	12	12

Expenses

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 10/11 Projected Actual	FY 11/12 Budget
Employment Expense	\$982,966	\$912,295	\$876,259	\$865,510	\$885,260
Administrative Expense	26,500	10,621	27,300	19,979	22,600
Total Expenses	\$1,026,897	\$922,916	\$903,559	\$885,489	\$907,860



Regional Plant No. 5 Recycled Water Pump Station

ENGINEERING DIVISION

Mission Statement

To engineer and construct state of the art facilities and infrastructure to meet the dynamic and growing water importation, recycled water demand, wastewater collection, treatment and disposal needs of the Agency's service area, and to implement the Capital Improvement Program (CIP) with well managed and cost effective solutions.

Departments

- Construction Management
- Engineering

Executive Summary

The Engineering Division continues to address cost containment within Agency's CIP. FY 2011/12 projects in the Regional Capital program have been reduced to \$19 million from prior year's budget of \$39 million, due to deferred growth in the Agency's service area, lower construction bids received, and a move to in-house design. The implementation of the Recycled Water Business Plan is nearing completion, with \$24 million budgeted for the Recycled Water fund. The Engineering Division continues to meet the needs of the current capital budget program, maintain high quality and low cost in the facilities produced, provide value engineering for all projects, and respond rapidly to emergencies, if needed. Total budgeted resources for the division amount to \$3.5 million. For FY 2011/12 staffing is budgeted at 43 positions.

Division Goals

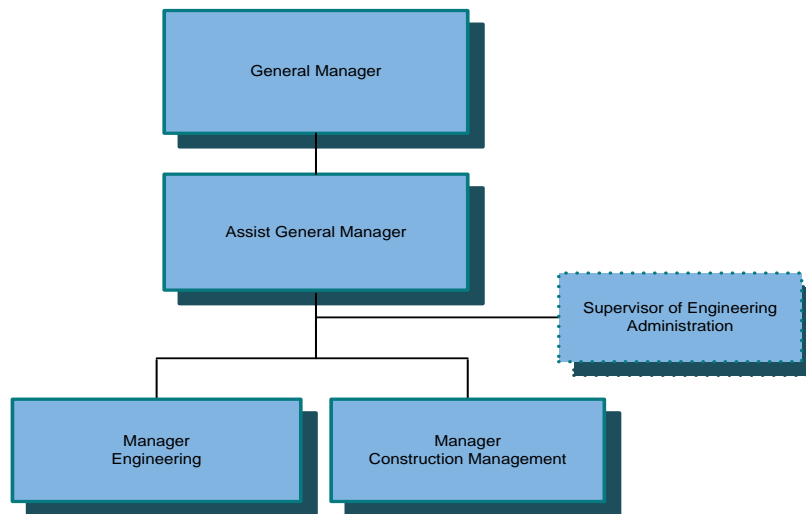
- Evaluating and positioning staff to maintain accurate ratios to support design and construction demands.
- Transition of in-house design to maximize in-house resources and reduce construction costs.
- Utilization of contract staff for project management and effectively enhancing the department's resources to meet the short term needs.
- Focusing attention on the implementation of administrative projects that have a direct impact on the productivity of the department. Most significant are the implementation and tracking of administrative, engineering, and construction metrics; integrating asset management principles into planning and strategic business processes; and Operations & Maintenance (O&M) electronic manuals.
- Continuously focus on the implementation of the Recycled Water Business Plan adopted in December 2007.
- Provide resources and technical expertise in assisting member agencies to increase recycled water customers and deliveries.
- Identifying and obtaining state and federal grant and loan funds for Recycled Water Program to meet the goal of no regional capital funds used.

Division Goals Continued...

- Continuation of the Communications Plan to increase, generate and distribute consistent public information prior to and throughout the construction phase of a project. The plan will provide specific communication procedures and safety guidelines to be followed.

Organization Chart

Engineering Division



Regional Plant No. 1 Asset Management Project

CONSTRUCTION MANAGEMENT DEPARTMENT

Mission Statement

To construct state of the art facilities and infrastructure to meet the dynamic and growing water importation, recycled water demand, wastewater collection, treatment, and disposal needs of the Agency's service area with well managed and cost effective solutions.

Description and Purpose

To provide project management services to oversee construction of water, wastewater, and energy projects that implement the Agency's Capital Improvement Program. Management, inspection and construction of the designs integrate the latest, most cost-effective technologies into the IEUA service area.

Currently, a total of 19 staff contributes to the success of the department, providing many diversified tasks such as:

- Capital facilities construction and budgeting
- Grants, permits, and environmental compliance reporting
- Coordination of construction projects with those of other Agency departments
- Updating project schedules
- Preparation of requests for proposals and replies to project information requests from contractors
- Construction management support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards
- Interfacing with contractors and suppliers to clarify project specifications
- Coordination with Member Agencies to develop the recycled water customer connections strategic plan
- Bi-weekly and monthly reports which track schedules, plan vs. budget, resource hours, General Managers Report, Bi-Annual Project Summary Report, and various budget reports.

Accomplishments

FY 2010/11 continued to be another significant year for Construction. Construction projects completed include the NRW Asset Management Phase II, NRW Collection System Repairs Phase II, RP-2 SARI Dump Site Relocation, RP-2 & RP-5 IPS Overflow, Church Street Lateral, RP-5 Recycled Water Pump Station Expansion - Phase I, Chino Avenue Sewer Rehabilitation, RP-2 Dewater Cake Storage System, RP-1 Filtrate/Centrates Pipeline Improvement, Chino I Landscape Improvements, RP-5 SHF Manure Digesters Cleaning, RP-1 Dechlor/Solids Upgrades, RP1 Digester No. 3 Repair, Installation of PRV Between 1158 and 1050/930 Pressure Zones, Prado Lake Discharge Control Valve, IS Service Room Modifications and Air Conditioning, SCADA Service Room Modifications and Air Conditioning, NRWS Philadelphia Pump Station, Install Backup Generator RP-4, IERCF Amendment Hopper Sliding Plates, IERCF Amendment Hopper Modifications, Casing Extension of Etiwanda Interceptor Crossing UPRR, 1299 East Pipeline, 1299 East Reservoir Conversion and 1630 East Pump Station, and 1630 East Pipeline Segment A.

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
E2	Provide high quality project management and design for the completion of Capital Improvement Projects	<i>(MI) Continue implementing effective project management protocols and focusing on meeting schedules and budgets</i>			
		(A)Minimized the cost of change orders for construction contracts by performing thorough cost analysis.	✓		
		(A)Kept the number of request-for-information (RFI's) less than 25 for every million spent.	✓		
		(A)Managed projects to levels which maximize quality and operational effectiveness.	✓		
		(A)Held construction management costs below 4% of total construction costs (excluding outside consulting).	✓		
		(A)Provided in-house construction management quality design reviews while holding errors and omissions change orders below 7 % of total construction costs. Non errors and omissions change orders will be held under 3% of total construction costs.	✓		
		(A)Transferred as-built drawings and complete project close out procedures including project acceptance within 60 days of completion of construction.	✓		
		(A)Completed all training and transfer all O&M manuals to operations and maintenance prior to facility start-up on all projects.	✓		
D2	Improve and streamline the design process	(A)Provided seamless project transfers to Operations.	✓		
		<i>(MI)Continue to improve the Engineering design process to increase efficiency</i>			
		(A)Provided engineering support by attending project design meetings.	✓		
		(A)Provided value engineering services during design reviews to maximize quality and minimize cost.	✓		
		(A)Continued to work with the Engineering Department on the as-built process.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
B3, D1	Expand knowledge of current technologies and engineering practices	<i>(MI) Increase development and training on current industry practices and new technologies</i>			
		(A)Continued to provide workshops, presentations, and meetings.	✓		
		(A)Implemented the Web Based Document Control Construction Program.	✓		
		(A)Conducted department SOP Training.	✓		

Major Initiatives

The following list represents projects with a total project budget of over \$14 million in process during FY 2011/12:

- **RP-5 System Facility Upgrade & Improvements**
This project consists of 27 subprojects which improve the RP-5 complex including Magnolia Channel Wetlands and Riparian Stream Restoration, Mountain Avenue Landscaping and Street Improvement, Chino and other projects within RP-5.
- **RP-1 Dewatering Facility Expansion**
This project will expand the dewatering capacity at RP-1 from the current daily flow of 44 million gallons per day (mgd) to the ultimate daily flow of 60 mgd by replacing the filter belt presses with a fully automated centrifuge system. The design will also include an increased dewatered cake storage system to hold a minimum of 48 hours of dewatering activity, a redundant screw conveyance system to eliminate bottle-necking during routine maintenance, and a temporary facility to maintain current dewatering activities during construction.
- **NRW System Upgrades**
The scope of work contains multiple projects that will upgrade the NRW system including Philadelphia pump station upgrades, repair/rehabilitation of NRW pipelines and manholes based on the initial NRW master plan study conducted by PBS&J in 2005.
- **900 W. Reservoir & Pipeline**
This project is the backbone of the Chino Hills Recycled Water system and consists of a 5 MG reservoir located within the corporate limits of Chino Hills and the feeder line approximately 12,500 feet in total length from the proposed reservoir to an existing connection point located at the northwest quadrant of the San Antonio Channel Crossing and Chino Hills Parkway.
- **RP-1 Asset Replacement**
The RP-1 Condition Assessment project was developed as a result of the 2005 study conducted by Metcalf and Eddy. The study evaluated all the major equipment, and provided a prioritized list of improvements that needs to be completed for the facility over a ten year time period. Improvements included repairs, rehabilitation, or studies to assess the condition of the equipment and devise a proper response as needed.

Major Initiatives (Continued)

➤ Wineville Ext Recycled Water Pipeline

This project involves construction of a 24 and 20 inch recycled water pipeline from the Wineville Recycled Water Pipeline at Jurupa and Wineville to the RP-3 basins at Beech and Jurupa. The pipeline is located in the cities of Ontario and Fontana. The project consists of approximately 24,000 lineal feet of pipe and will serve recycled water customers as well as provide recycled water for ground water recharge at the RP-3 and Declez Basins.

➤ 1630 W. Recycled Water Pipeline Segment A

The project involves construction of 11,500 feet of 24-inch diameter pipeline within the 1630 Pressure Zone West. The 1630 W. Recycled Water Pipeline Segment A starts at the 1630 W. Pump Station in the Vineyard Park of the City of Ontario and terminates at the start point of the 1630 W. Recycled Water Pipeline Segment B.

➤ 1630 W. Recycled Water Pump Station

The project consists of detailed design and construction of 1630 Zone West Pumping Station. The pump station, which will pump water from the 1299 Pressure Zone to the 1630 Zone Reservoir, will be located at Vineyard Park in Ontario or at a vacant future school site adjacent to the park.

Performance / Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Capital Spending (\$Millions)	\$78	\$68	\$41	\$39
Added or Omitted Change Orders (b), (d)	5.73%	7.7%	3.52%	≤10%
Non Added or Omitted Change Orders (b), (e)	3.09%	5.1%	3.49%	≤10%
Actual Expenditures as a Percentage of Forecasted Expenditures	67%	62%	65%	≥80%
Construction Management Costs (a), (b), (c)	3.69%	2.5%	5.87%	≤10%

(a) This indicator will measure IEUA construction staff only

(b) Beginning FY 2011/12 includes completed projects only

$$(c) \quad \% \text{ of Construction Management Costs} = \frac{\text{Total Construction Management Costs}}{\text{Total Construction Costs}}$$

$$(d) \quad \% \text{ Added/Omitted Change Orders} = \frac{\text{Total Added/Omitted Change Orders}}{\text{Original Construction Contract Amount}}$$

$$(e) \quad \% \text{ of Non-Added/Omitted Change Orders} = \frac{\text{Total Non-Added/Omitted Change Orders}}{\text{Original Construction Contract Amount}}$$

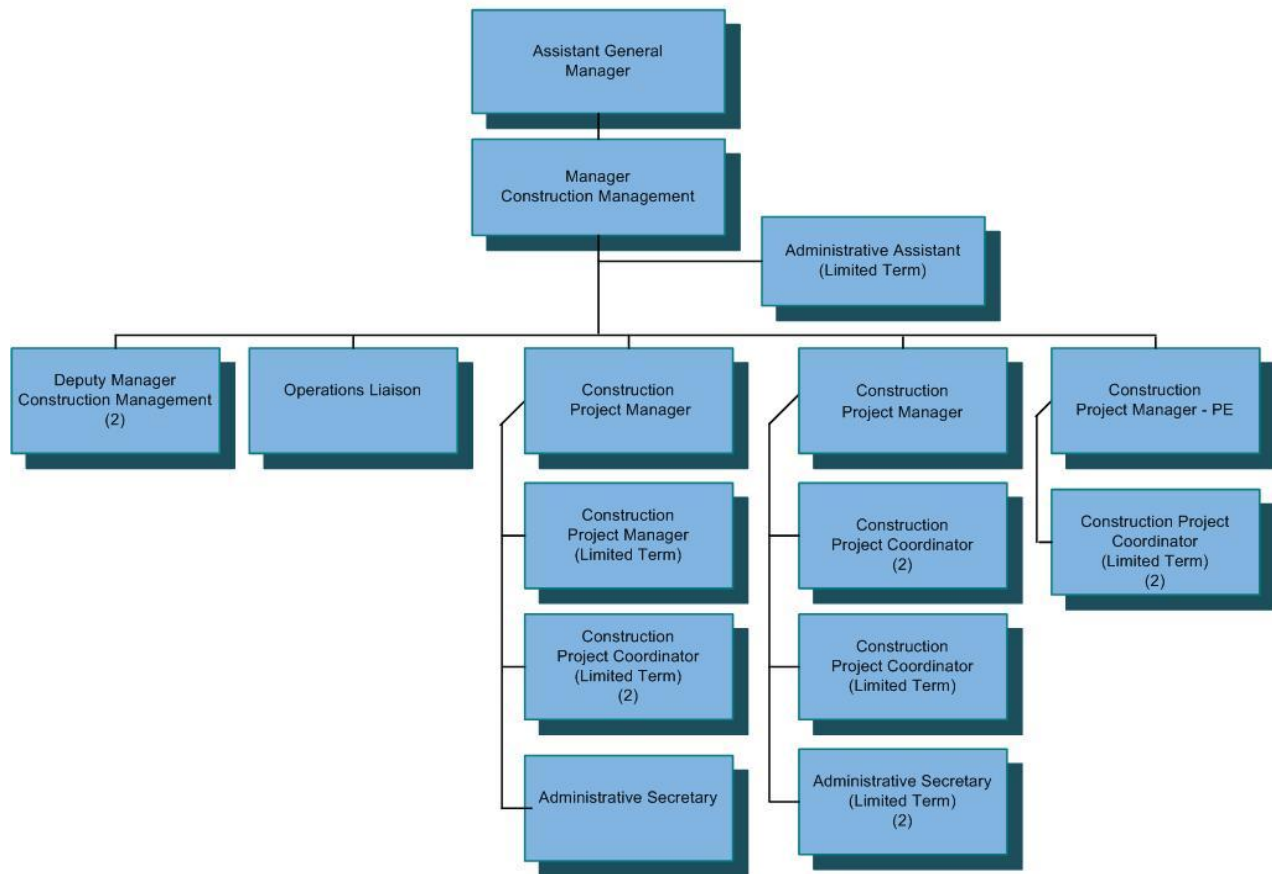
Goals and Objectives

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
E2	Provide high quality project management for the completion of Capital Improvement Projects	<ul style="list-style-type: none"> • Continue to implement effective project management protocols and focus on meeting schedules and budgets • Minimize the cost of change orders for construction contracts by performing thorough cost analysis • Hold construction management costs below 10% of total construction costs (excluding outside consulting) • Manage projects to levels which maximize quality and operational effectiveness, by providing in-house construction management quality design reviews while holding added or omitted change orders below 10% of total construction costs; Non added or omitted change orders will be held under 10% of total construction costs • Transfer as-built drawings and complete project close out procedures including project acceptance within 60 days of completion of construction • Provide seamless project transfers to Operations • Complete all training and transfer all O&M manuals to operations and maintenance prior to facility start-up on all projects
B3, D1	Expand knowledge of current technologies and construction management practices	<ul style="list-style-type: none"> • Continue to provide staff workshops, presentations, and meetings • Expand the Web Based Document Control Construction Program • Continue to conduct department SOP Training
D2	Improve and streamline the design process	<ul style="list-style-type: none"> • Provide engineering support by attending project design meetings • Provide value engineering services during design reviews to maximize quality and minimize cost • Continue to work with the Engineering Department on the as-built process

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Chart

Construction Management



Position Summary

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Engineering, Energy & Const. Mgmt.	1	0	0	0
Manager of Construction Management	1	1	1	1
Manager of Energy Production & Maintenance	1	1	0	0
Deputy Manager of Construction Management	1	2	2	2
Construction Project Manager PE	1	1	1	1
Construction Project Manager	2	2	2	2
Construction Project Manager-LT	0	0	1	1
Construction Project Coordinator	4	3	2	2
Construction Project Coordinator-LT	5	5	5	5
Operations Liaison	1	1	1	1
Administrative Assistant-LT	0	0	1	1
Administrative Secretary- LT	1	1	2	2
Administrative Secretary	2	2	1	1
Total	20	19	19	19

Expenses

Reduction in employment expense is projected, based on a 5% vacancy factor to be maintained Agency-wide in FY 2011/12. Deferral and reduction in capital expenditures account for some of the positions on hold for the fiscal year.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expenses	\$1,221,824	\$1,638,549	\$1,522,281	\$1,258,724	\$871,980
Administrative Expenses	14,775	20,797	45,505	25,650	34,797
Total	\$1,236,599	\$1,659,346	\$1,567,786	\$1,284,374	\$906,777



Magnolia Channel Project - Chino, CA

ENGINEERING DEPARTMENT

Mission Statement

To engineer state of the art facilities and infrastructure to meet the dynamic and growing water importation, recycled water demand, wastewater collection, treatment, and disposal needs of the Agency's service area with well managed and cost effective solutions.

Description and Purpose

The Engineering Department provides design and program management services for water, wastewater, and energy projects that implement the Agency's Capital Improvement Program (CIP). The department also provides management of the designs and integration of the latest and most cost-effective technologies into the IEUA service area along with development of the Regional Recycled Water Program, in partnership with the Chino Basin Watermaster, the cities, and agencies served by IEUA.

Currently, a total of 24 personnel contribute to the success of the department, providing many diversified tasks such as:

- Administration of regional and non-reclaimable pipeline plan checks and permits
- Capital facilities planning and budgeting
- Administration of grants, permits, and environmental compliance reports
- Provide in-house design services
- Coordination of engineering design projects with those of other Agency departments and external Member Agencies
- Development of plans and specifications for the bid process and preparation of the project budgets and schedules
- Preparation of Requests for Proposals and replies to project information requests from prospective consultants and contractors
- Review and check of design reports, proposals, and specifications submitted by consulting engineers and subsequent management of those consultant services
- Engineering support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards
- Interfacing with contractors and suppliers to clarify project specifications
- Coordination with Member Agencies to develop the recycled water customer connections strategic plan
- Develop plans and specifications and Engineering Reports for the recycled water customer retrofits
- Provide site supervisor training to Member Agencies and recycled water customers to promote the proper use of recycled water and the necessary training to manage a site with recycled water
- Provide support to Operations and Member Agencies in the coordination and development of demand management strategies for recycled water
- Provide Engineering support to the Agencies Operations and Maintenance Departments
- Development of an Asset Management Plan with key components including condition assessment, Levels of Service, asset value and disposition, and associated operational and financial reports

Accomplishments

During FY 2010/11, the Engineering Department managed 92 Capital Improvement Projects with a total value of over \$445 million.

The Agency's water recycling program was expanded to meet increasing service area needs. Design projects completed include the RP-1 930 Recycled Water Pump Station Expansion, Onsite School Retrofits for six sites, 930 to 800 zone flow meter installation, Recycled Water Programming Modifications, Turner Basin Temporary Improvements, RP-4 Headwork's Retrofit, RP-1 Flare/Boiler Replacement, Gate Replacement RP-1 Headwork's, HQ Central Plant Improvements, Facilities SCADA Master Plan, CCWRF Secondary Rehabilitation and IERCF Process Improvements.

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
E2	Provide high quality project management and design for the completion of CIP	<i>(MI) Begin implementing effective project management protocols and focusing on meeting schedules and budgets</i>			
		(A)Minimized the number and cost of change orders for construction contracts by performing high quality designs.	✓		
		(A)Kept the number of request-for-information (RFI's) less than 25 for every million spent during the construction process.	✓		
		(A)Provided high quality designs to ensure cost effective, efficient and ease of operations.	✓		
		(A)Implemented in-house design for nine new projects.	✓		
D2	Improve and streamline the design process	<i>(MI) Continue to improve the design process by increasing efficiency</i>			
		(A)Understood operation and maintenance, and construction management needs through design sessions and post project implementation feedback sessions to identify and incorporate improvements.	✓		
		(A)Developed design standards for engineering projects.	✓		
		<i>(MI) Maintain a 30 day completion of as-built drawings</i>			
		(A)Processed all newly competed project as-built drawings within 30 days of receipt.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
D2 (cont.)	Improve and streamline the design process (continued)	(MI) Meet the Agency goal of a 30 day invoice processing cycle time			
		(A)Processed for approval/rejection all invoices received in the department within 14 calendar days.		✓	
D4	Expand knowledge of current technologies and engineering practices	(MI) Increase conference attendance and present papers on IEUA engineering activities at both national and state conferences			
		(A)Presented two papers on IEUA engineering activities at conferences.	✓		
		(A)Increased attendance at local professional group meetings.	✓		
		(A)Continued to provide technology transfer workshops, presentations, and meetings with other Southern California public agencies.	✓		
C4	Manage projects to levels which maximize quality and operational effectiveness	(MI) Ensure maximum quality and operational effectiveness			
		(A)Provided value engineering services during design review.	✓		
		(A)Held added or omitted change orders below 7% of total construction costs. Non added or omitted Change Orders were held under 3% of total construction costs. Total of all Change Orders should be held under 10% of Total Construction Costs.	✓		
		(A)Provided seamless project transfers to Construction Management.	✓		
		(MI) Integrate E&CM needs into the Enterprise Resources Planning software (SAP)			
		(A)Reviewed E&CM reporting requirements and developed Asset Management within SAP for condition assessment and asset disposal.		✓	
		(A)Developed Asset Management within SAP specifically for condition assessment and asset disposal.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
F1,F2	Provided the maximum benefits from the use of Recycled Water	<i>(MI) Increase the use, availability, and reliability of Recycled water from supplies available from wastewater treatment facilities owned by the Agency</i>			
		(A)Increased recycled water connected demand to 50,000 AF during FY 2010/11.		✓	
		(A)Completed the Recycled Water Business Plan on schedule and within budget.	✓		
		<i>(MI) Continue to expand the Recycled Water System</i>			
		(A)Obtained SRF Loan funding for the Southern area of the Recycled Water Business Plan.	✓		
		(A)Worked with contracting agencies to maximize Recycled Water use and implement demand management strategies.	✓		

Major Initiatives

The following list represents projects with a total project budget of over \$14 million in process during FY 2011/12:

➤ **NRW System Upgrades**

The scope of work contains multiple projects that will upgrade the NRW system including Philadelphia pump station upgrades, repair/rehabilitation of NRW pipelines and manholes based on the initial NRW master plan study conducted by PBS&J in 2005.

➤ **RP-5 SHF/REEP Lease Implementation**

On March 17, 2010, the Agency signed a multi-year agreement with Environ Strategy Consultants, Inc. (ESCI), by which ESCI will lease, operate and maintain the RP-5 Solids Handling Facility (RP-5 SHF) for ten years subject to extension. ESCI will be processing food waste using the two existing vertical digesters at RP-5 SHF with the purpose of generating digester gas. The digester gas will be conveyed to the REEP facility for power generation using the two REEP engines (1,500 kW each). ESCI will complete Phase I by October 1, 2011 using one digester and one REEP engine. Phase II will follow after two years. Total food waste processed will be about 150 and 300 tons per day for Phases I & II respectively. The Agency will be purchasing power and heat from ESCI at the agreed upon price in the Agreement.

➤ **RP-1 Fuel Cell Implementation**

The scope of work includes providing technical support and supervision during construction of the fuel cell as well as reviewing the design submittals. The scope also includes third party evaluation of the current and future SCAQMD regulations and their impact on the fuel cell project in addition to evaluating the Agency's Business Case Evaluation and performing sensitivity analysis.

Major Initiatives Continued

➤ **RP-4 Wind Power**

The project will construct a 1.0-MW wind turbine unit inside the RP-4 site. The wind turbine will be the backbone for an on-site power generation system. All project phases (design, construction and start up) will be handled by Foundation Windpower via a Power Purchase Agreement. The same entity will handle the operation and maintenance of the facility throughout the term of the agreement (20-years).

➤ **General Asset Management Projects at all Plants**

This includes replacing critical assets at all Agency plants that are at the end of their useful life.

➤ **Plant Improvements**

This project will improve certain areas of all Agency plants for safety, reliability and cost savings.

➤ **930 W. Reservoir & Pipeline**

This project is the backbone of the Chino Hills Recycled Water system and consists of a 5 MG reservoir located within the corporate limits of Chino Hills and the feeder line approximately 12,500 feet in total length from the proposed reservoir to an existing connection point located at the northwest quadrant of the San Antonio Channel Crossing and Chino Hills Parkway. The project will also include the expansion of the water pump station at Carbon Canyon Water Reclamation Facility.

➤ **Central Area**

The Central Area Recycled Water Project includes 4.6 miles of 24 inch pipe which will primarily build the Regional Recycled Water distribution system in the southern part of the City of Fontana and the eastern part of the City of Ontario. The pipeline will allow for the connection of commercial, industrial customers, parks and schools within the cities of Ontario and Fontana and also utilize RP-3 and Declez Basins for Recycled Water recharge. The project will approximately connect 3,000-4,000 AFY of recycled water.

➤ **Turner Basin Turnout Projects**

The Turner Basins are capable of receiving up to 10 cubic feet per second of recycled water flow for ground water recharge. The existing recycled water recharge facilities at the Turner Basins are not capable of fully utilizing the basins potential. The basin improvement projects will enable the full recharge capacity of the basin. The project will be completed in-house.

In FY 2011/2012 the Engineering Department will complete in house design for the following 14 projects:

- Plant Asset Management (5)
- Plant Improvement (5)
- NRW System Asset Management
- Philadelphia LS Asset Management Phase II
- Recycled Water Asset Management
- Turner Basin Improvements

The Recycled Water Program has a goal of increasing recycled water connected demand to 50,000 AF in FY 2011/12. The following table lists some of the major usage categories:

Projected New Users for FY 2011/12	
Type	Projected Connected Demand (AFY)
Agricultural	2,500
Parks/Schools	200
Landscape	2,000
Industrial	250
TOTAL	5,000

Performance / Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Capital Spending (\$Millions)	\$78	\$68	\$41	\$39
Total Recycled Water connected demand (AFY)	27,000	32,400	45,000	50,000
# of RFI's Generated/ \$1 Million Spent	18.77	24.35	24.5	≤25
Added or Omitted Change Orders	5.73	7.7%	4.0%	≤7%
Non Added or Omitted Change Orders ^(a)	3.09	5.1%	2.5%	≤3%
Actual Expenditures as a Percentage of Forecasted Expenditures	67%	62%	65%	≥80%
Invoices Processed	*	70% ≤ 14 Days	70% ≤ 14 Days	70% ≤ 14 days
Project Quality Survey	*	*	*	≥90% rating on 90% of projects completed
Administrative Quality Survey	*	*	*	≥90%

(a) Both of these indicators combined should not exceed 10%

**Indicators were not measured at this time*

Goals and Objectives

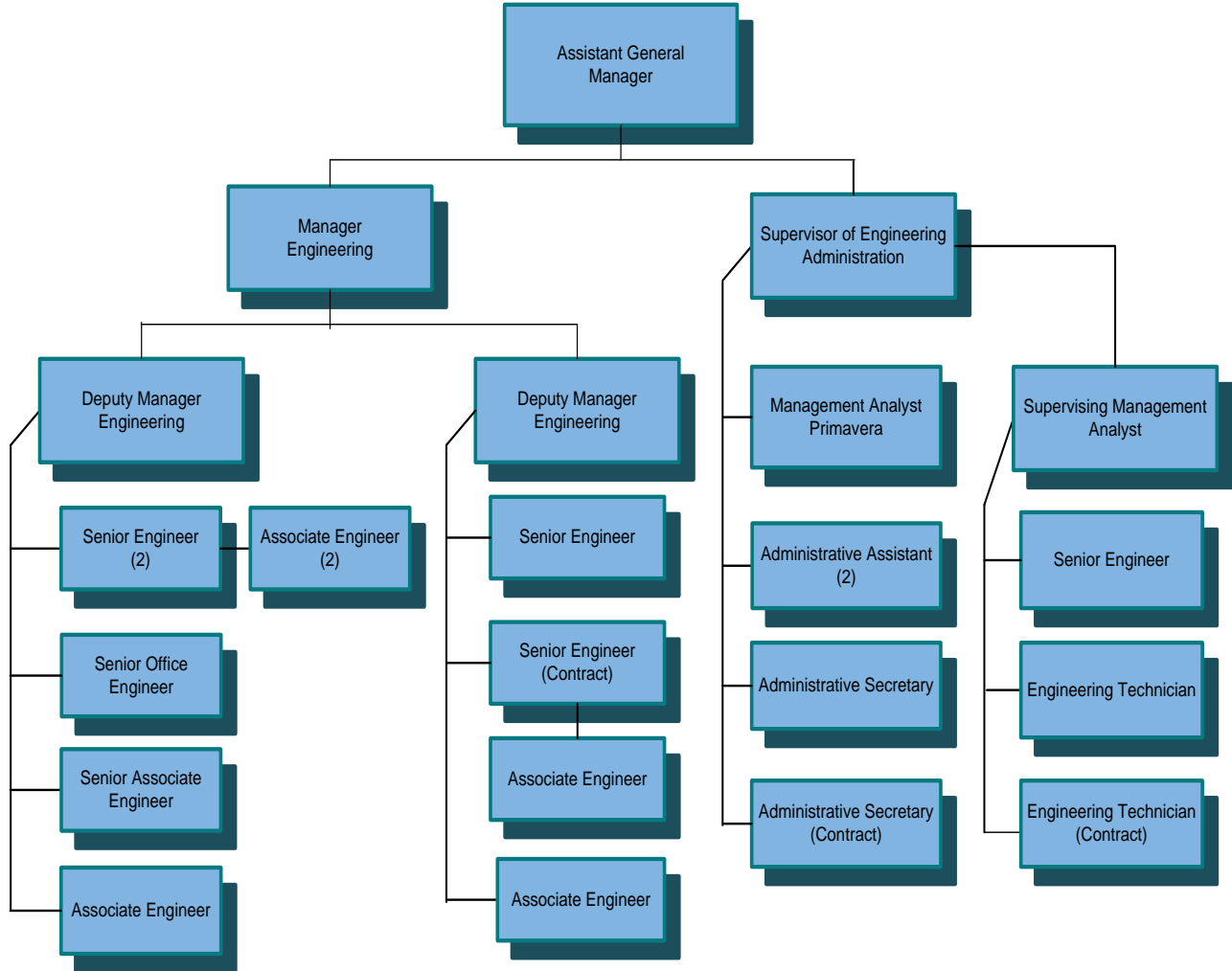
AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
E2	Engineering: Provide high quality project management and design for the completion of Capital Improvement Projects	<ul style="list-style-type: none"> • Begin implementing effective project management protocols and focusing on meeting schedules and budgets • Minimize the number and cost of change orders for construction contracts by performing high quality designs • The number of request-for-information (RFI's) less than 25 for every million spent during the construction process • Provide high quality designs to ensure cost effective, efficient and ease of operations • Implement in-house design for new projects
D2	Improve and streamline the design process	<ul style="list-style-type: none"> • Understand operation and maintenance, and construction management needs through design sessions and post project implementation feedback sessions to identify and incorporate improvements • Develop design standards for engineering projects • Minimize paper copies and improve electronic filing systems
D4	Expand knowledge of current technologies and engineering practices	<ul style="list-style-type: none"> • Present two papers on IEUA engineering activities at conferences • Increase attendance at local professional group meetings • Continue to provide technology transfer
C4	Manage projects to levels which maximize quality and operational effectiveness	<ul style="list-style-type: none"> • Provide value engineering services during design reviews to maximize quality and minimize cost • Holding added or omitted change orders below 7% of total construction cost. Non added or omitted Change Orders will be held under 3% of total construction cost. Total of all Change Orders should be held under 10% of total Construction Cost • Provide seamless project transfers to Construction Management • Design a project quality survey to measure the effectiveness of completed projects; issue survey to internal project clients; target goal is 90% rating on 90% of the projects completed.

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
F1	Recycled Water: Provide the maximum public benefits from the use of recycled water supplies available from wastewater treatment facilities owned by the Agency	<ul style="list-style-type: none"> • Increase recycled water connected demand to 50,000 AF during FY 2011/12 • Complete the Recycled Water Business Plan on schedule and within budget
F2	Continue to expand Recycled Water System to increase use and reliability	<ul style="list-style-type: none"> • Contribute to obtaining SRF Loan funding for the Southern area of the Recycled Water Business plan • Continue to work with contracting agencies to maximize Recycled Water use and implement demand management strategies
B2	Administrative: Integrate E&CM needs into the Enterprise Resource Planning software (SAP)	<ul style="list-style-type: none"> • Coordinate the project closure process to ensure timely recording of assets, including attributes and financial valuation • Develop Asset Management within SAP, specifically for condition assessment and asset disposal
D2	Maintain a 30 day completion of as-built drawings	<ul style="list-style-type: none"> • Process all newly completed project as-built drawings within 30 days of receipt
	Meet the Agency goal of a 30 day invoice processing cycle time	<ul style="list-style-type: none"> • Process for approval / rejection, 70% of all invoices received in the department within 14 calendar days
	Monitor the effectiveness and responsiveness of Engineering regarding administrative issues to other Agency departments	<ul style="list-style-type: none"> • Design a survey to measure the effectiveness and responsiveness of Engineering to respond and comply to administrative issues for other Agency departments; issue survey to CAP, Financial Planning, Fiscal Management and Human Resources; target goal is >=90% rating on surveys.

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Chart

Engineering



Position Summary

FY 2011/12 reflects Agency-wide cost containment efforts to eliminate positions through attrition and reduction of limited term positions.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Engineering	1	1	1	1
Manager of Program Funding	1	1	0	0
Deputy Manager of Engineering	2	2	2	2
Senior Engineer	5	5	4	4
Senior Engineer - Contract	1	1	1	1
Senior Office Engineer	1	1	1	1
Senior Associate Engineer	1	1	1	1
Associate Engineer	5	5	5	5
Assistant Engineer	1	1	0	0
Engineer Technician	2	2	1	1
Engineer Technician - Contract	1	1	1	1
Supervisor of Engineering Administration	1	1	1	1
Supervising Management Analyst	1	1	1	1
Management Analyst	1	1	1	1
Administrative Secretary	1	1	1	1
Administrative Secretary - Contract	1	1	1	1
Administrative Assistant	2	2	2	2
Total	28	28	24	24

Expenses

The reduction in employment expense in FY 2009/10 can be attributed to the reorganization of the department in October 2008. Reduction of employment expense is related to cost containment efforts and the reduction of the overall capital budget.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expenses	\$3,200,479	\$2,377,535	\$2,331,330	\$2,157,576	\$2,153,227
Administrative Expenses	59,844	17,428	68,160	23,050	54,060
Total	\$3,260,323	\$2,394,963	\$2,399,490	\$2,180,626	\$2,207,287

OPERATIONS DIVISION

Mission Statement

To manage and maintain Agency assets efficiently and cost-effectively, to safely meet all regulatory standards, and to protect public health and the environment while producing renewable energy, high quality recycled water and organic compost.

Departments

- Operations Administration
- Laboratory
- Maintenance
- Operations
- Pre-Treatment, Source Control & Collections System
- Technical Services

Executive Summary

The Operations Division, comprised of 184 employees in six (6) departments, is responsible for the day-to-day operation of the Agency's seven (7) facilities which include four (4) wastewater treatment and reclamation plants, Regional Plant 1 (RP-1), Regional Plant 4 (RP-4), Regional Plant 5 (RP-5), and Carbon Canyon Water Reclamation Facility (CCWRF), a biosolids treatment-only plant at Regional Plant 2 (RP-2), the Inland Empire Regional Composting Facility (IERCF) and the Chino 1 Desalter.

Regional Plant 1 (RP-1) – Wastewater Treatment Facility- 44 MGD tertiary water reclamation and solids handling facility located in the City of Ontario. Treatment processes include screening, primary sedimentation, activated sludge, secondary sedimentation, filtration and chlorination/de-chlorination. Solids handling processes include sludge thickening, anaerobic digestion and belt press dewatering.

Regional Plant 2 (RP-2) Biosolids Treatment Facility - Solids handling facility located in the City of Chino. Solids handling processes include sludge thickening, anaerobic digestion and belt press dewatering.

Regional Plant 4 (RP-4) – Wastewater Treatment Facility - 14 MGD tertiary water reclamation facilities located in the City of Rancho Cucamonga. Treatment processes include screening, primary sedimentation, activated sludge, secondary sedimentation, filtration and chlorination/de-chlorination.

Regional Plant 5 (RP-5) – Wastewater Treatment Facility - 16.3 MGD tertiary water reclamation facility located in the City of Chino. Treatment processes include screening, primary sedimentation, activated sludge, secondary sedimentation, filtration and chlorination/de-chlorination.

Carbon Canyon Water Reclamation Facility (CCWRF) – Wastewater Treatment Facility - 11.4 MGD tertiary water reclamation facility located in the City of Chino. Treatment processes include screening, primary sedimentation, activated sludge, secondary sedimentation, filtration and chlorination/de-chlorination.

Inland Empire Regional Compost Facility (IERCF) – Biosolids Treatment Facility - 205 wet ton/day biosolids composting facility. Biosolids and wood amendment are processed in a fully enclosed, state of the art, compost facility. Treatment processes include mixing, aeration, screening, curing and storage.

Chino 1 Desalter (CDA) – Water Treatment Facility - 14.2 MGD groundwater desalination facility located in the City of Chino. High salt and nitrate groundwater receives advanced treatment prior to being sent to local potable water systems. Treatment processes include ion exchange, reverse osmosis and chemical injection.

Areas of responsibility include wastewater treatment, organics and energy management, production and distribution of recycled water, groundwater recharge program with recycled water and stormwater, compliance with various governmental regulations regarding the treatment of water, wastewater, asset management, air quality, building and plant maintenance, laboratory services, collections systems, source control, acquisition of materials, supplies and services; security management, and support of the Agency's business systems applications.

Division Goals

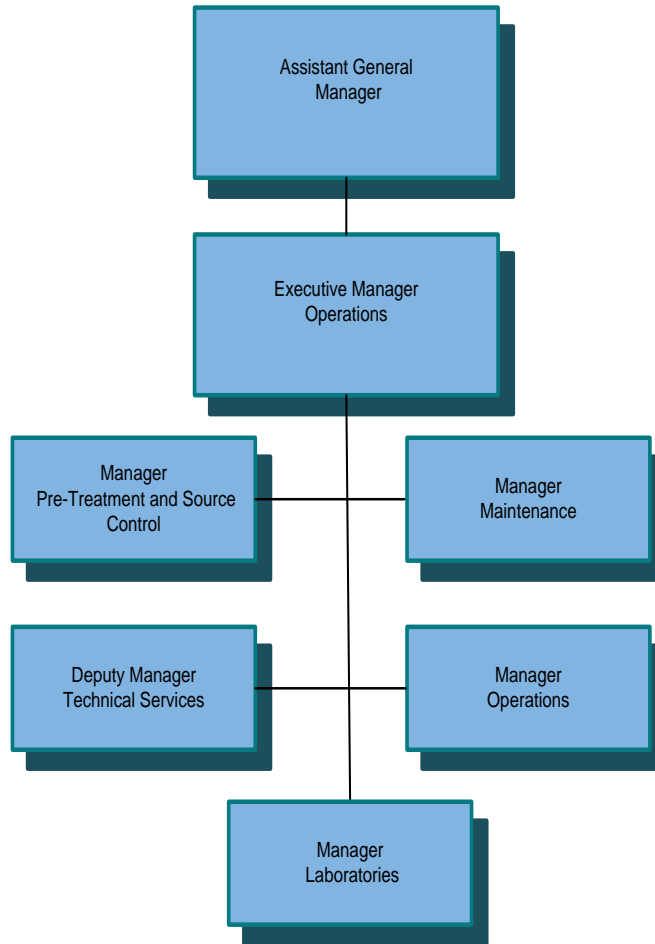
- Protect public health and the environment.
- Achieve full regulatory compliance with local, state and federal requirements.
- Develop and implement "Go Gridless" by 2020 plan.
- Provide staff with a safe work environment.
- Develop and implement an effective asset management plan.
- Beneficial reuse of the biosolids, recycled water and biogas generated by Agency facilities.
- Provide Agency-wide operational and technical support.
- Develop and implement a comprehensive facility management program.
- Develop and implement a cost containment strategic plan.
- Develop and implement a strategic plan for optimal information technology systems.



RP-1 Maintenance Facility – Ontario, CA

Organization Chart

Operations and Maintenance Division



LABORATORY DEPARTMENT

Mission Statement

Provide high quality, reliable analytical support to the Agency in its efforts to protect the public's health and environment in accordance with Environmental Laboratory Accreditation Program (ELAP) Quality Assurance/Quality Control requirements.

Description and Purpose

The laboratory provides the analytical support to allow efficient operation of the Agency's five recycling facilities, Regional Plant 1 (RP-1) in Ontario, Carbon Canyon Wastewater Reclamation Facility (CCWRF) and Regional Plant 5 (RP-5) located in Chino, and Regional Plant 4 (RP-4) located in Rancho Cucamonga, support of our groundwater recharge monitoring efforts, and verify their compliance with State and Federal discharge limits. The Agency laboratory is a modern, full service laboratory certified by the State of California Environmental Laboratory Accreditation Program for wastewater and drinking water testing. It follows the strict guidelines for the production of quality results required by the Environmental Protection Agency (EPA) and California Department of Public Health (CDPH).

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
D7	Effective monitoring and refinement of established Laboratory Key Performance Indicators (KPIs)	<i>(MI) Achieve >90% laboratory KPIs</i>			
		(A) KPIs were met at 96% or greater.	✓		
		<i>(MI) Conduct monthly KPI reviews</i>			
		(A) KPI's are monitored and reviewed monthly.	✓		
D2	Effective and accurate sample analysis and data collection	<i>(MI) Achieve less than 1% quality control failure rate</i>			
		(A) Laboratory QC failures in which data was unable to be reported occurred for <1% of the samples analyzed.	✓		
		<i>(MI) Meet established turnaround times >95% of the time</i>			
		(A) Sample reports were processed and data was submitted to requesters or for monthly and quarterly regulatory reports within the laboratories established turnaround times 96% of the time.	✓		

Agency Wide Goal	Departmental Goal	FY 2009/10 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
H4	Maintain Compliance and Protect Public Health	<i>(MI) Conduct annual review of protocols for immediate notification of non-compliance with permit</i>			
		(A)Laboratory SOP for data reporting was reviewed and contact list was updated to reflect changes due to operation supervision rotations.	✓		
		<i>(MI) Conduct annual reviews of sampling/testing requirements</i>			
		(A)New CDPH Notification levels were updated in the LIMs database.	✓		
		(A)Meetings were held with operations staff to review required and process sampling needs, major modifications were made for process control sampling at the plants.	✓		
		<i>(MI) Review data daily/weekly/monthly to ensure all required analyses are performed as required</i>			
		(A)Reviews taking place have ensured samples are analyzed as required per permits, sample holding times and turnaround times are meeting regulatory and IEUA established time.	✓		
		<i>(MI) Coordinate monitoring of Constituents of Emerging Concern (CECs)</i>			
		(A)Annual sampling of CECs for GWR permit occurred in August per the permit.	✓		
(A)SAWPA sampling event completed in May 2010 and data was reviewed with the SAWPA EC Task Force in the fall of 2010.	✓				
(A)EPA special sampling event for large treatment plants occurred in January 2011.	✓				
D3	Maintain Environmental Laboratory Certification Program (ELAP) Accreditation	<i>(MI)100% compliance with Performance Evaluation samples</i>			
		(A)100% acceptable rating for all unknowns.	✓		
		<i>(MI) Conduct annual internal audit of procedures and documentation</i>			
		(A)All SOPs were reviewed and updated and necessary.	✓		

Agency Wide Goal	Departmental Goal	FY 2009/10 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
D1	Conduct laboratory interdepartmental training	<i>(MI) Conduct annual sample collection training sessions to Operations and Pretreatment and Source Control staff</i>			
		(A)All staff completed required training.	✓		
		<i>(MI) Conduct annual microbiology training</i>			
		(A)Microbiology training classes were held for interested operations staff.	✓		
		<i>(MI) Conduct annual Laboratory Information Management System (LIMS) training for all users</i>			
		(A)Training was delayed due to an upgrade of the LIMS database. First annual training session will occur in FY 2011/12.			✓
E2	Provide support to Engineering for the design of the new Laboratory	<i>(MI) Attend all scheduled meeting and provide lab specific input</i>			
		(A)All staff attended all meetings and tours of other labs including the recently completed OCWD laboratory. Actively participated in review of design drawings for the new lab. Project was put on hold after 50% design completion.	✓		
B2	Further develop and refine the LIMS-Linko databases	<i>(MI) Coordinate with Pretreatment and Source Control in order to make the transfer of data between the two databases more efficiently</i>			
		(A)Assisted with the development of the Linko generated Chain of Custodies, these Chain of Custodies have significantly reduced inconsistencies in the sample site names, and are easier to read reducing the time spent in the lab logging the samples in LIMS.	✓		
		(A)LIMS was updated with site names and locations to match exactly the industry permits, ensuring the data is transferred into Linko cleanly.	✓		
B1	Effectively develop and conduct documented procedures and technology training	<i>(MI) Conduct 5 specific procedures and technology training tailgates per year</i>			
		(A)New instrument training occurred and staff was trained to perform additional procedures.	✓		
		<i>(MI) Conduct annual review of laboratory SOPs and QC procedures</i>			
		(A)Annual reviews and updates of SOPs and the laboratory QA manual were completed.	✓		

Major Initiatives

➤ Maintain Compliance and Protecting Public Health -

- Continue to produce high quality data for Agency requirements based on NPDES and CDPH permits as well as the Pretreatment program for Regional and Non-Reclaimable Wastewater System (NRWS) sewage systems.
- Coordinate testing for Chemicals of Emerging Concern (CECs) with other local Agency's through SAWPA, the State and Regional Water Quality Control Boards as well as through Agency supported research studies.
- Support Operations and Environment Compliance with the review and possible implementation of new regulations such as the SWRCB proposed regulations for CECs and Toxicity, and the anticipated new EPA regulations for Perchlorate and Hexavalent Chromium.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Sample Load	24,891	24,497	17,400	16,500
Number of Analyses Performed	86,489	83,629	72,300	70,000
Quality Control Failures	<1%	<1%	<1%	<1%
ELAP Performance Evaluation Repeats per Calendar Year	1	0	0	0
Safety- Lost Time Accidents	0	0	0	0
Samples Completed Within Regulatory Holding Times*	N/A	N/A	99%	100%
Samples Completed Within IEUA Laboratory Established Times*	N/A	N/A	96%	95%

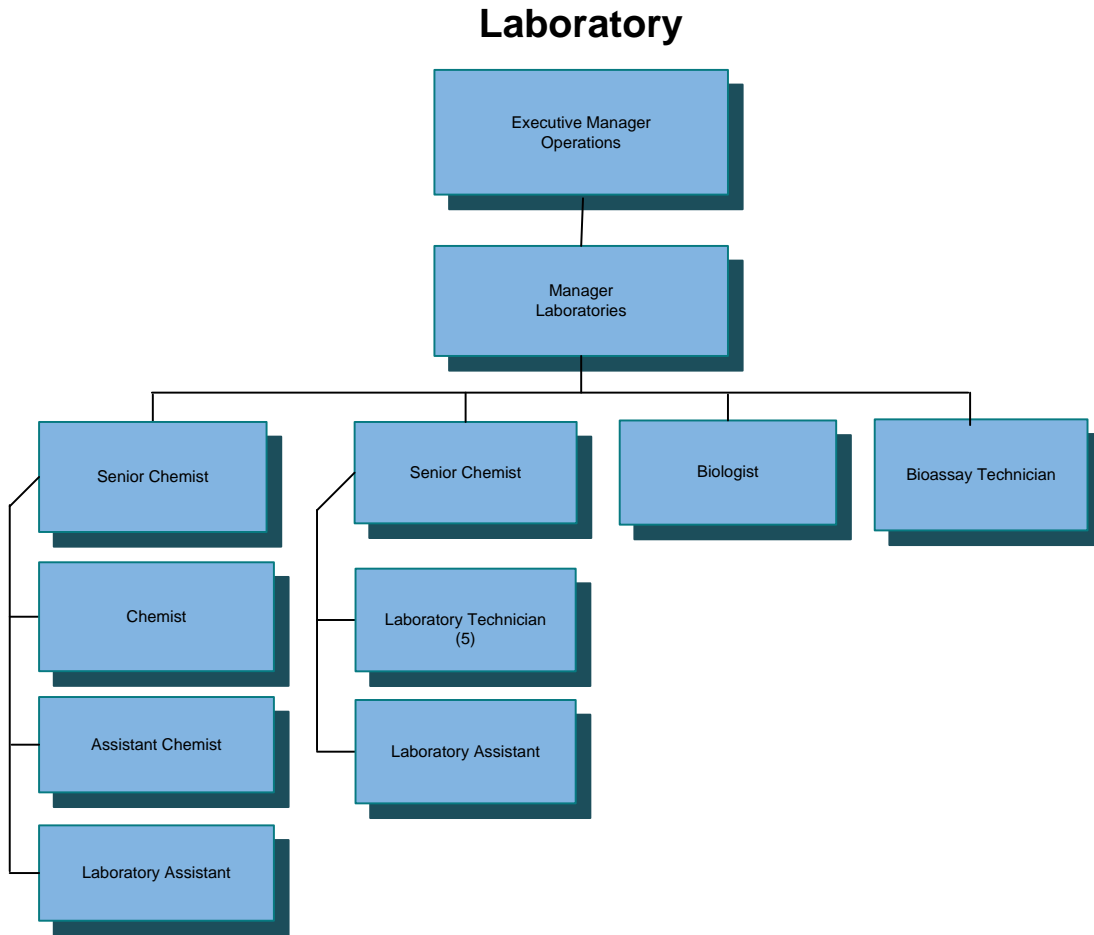
*New in FY 2009/10

Goals and Objectives

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
D7	Effective monitoring and refinement of established Laboratory Key Performance Indicators (KPI's)	<ul style="list-style-type: none"> • Achieve >90% laboratory KPIs • Conduct monthly KPI reviews
A5	Effective and accurate sample analysis and data collection	<ul style="list-style-type: none"> • Achieve less than 1% quality control failure rate • Meet established turnaround times >95% of the time
H4	Maintain Compliance and Protect Public Health	<ul style="list-style-type: none"> • Conduct annual review of protocols for immediate notification of non-compliance with permit by Jan. 1, 2012 • Conduct annual reviews of sampling/testing requirement by Mar. 1, 2012 • Review data daily/weekly/monthly to ensure all required analyses are performed as required • Coordinate monitoring of Constituents of Emerging Concern (CECs) • Continuously monitor CDPH and NPDES regulations for changes.
A5, H4	Maintain Environmental Laboratory Certification Program (ELAP) Accreditation	<ul style="list-style-type: none"> • 100% compliance with Performance Evaluation samples by study closing date. • Conduct annual internal audit of procedures and documentation by Jan. 1, 2012 • Incorporate new analysis methods to the IEUA laboratories ELAP certification, in order to perform additional testing in house by Oct. 31, 2011
D1	Conduct laboratory interdepartmental training	<ul style="list-style-type: none"> • Conduct annual sample collection training sessions to Operations and SC&PT in May 2012 • Conduct annual microbiology training January and February 2012 • Conduct annual Laboratory Information Management System (LIMS) training for all users in February 2012
B3	Develop electronic data transfer from LIMS to CDPH database	<ul style="list-style-type: none"> • Coordinate with Integrated System Services staff to create automated Electronic Data Transfer (EDT) files from LIMS database complete by Sept. 1, 2011
D1	Effectively develop and conduct documented procedures and technology training	<ul style="list-style-type: none"> • Conduct 5 specific procedures and technology training tailgates per year • Conduct annual review of laboratory SOP's and quality control procedures by Jan. 1, 2012

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Chart



Position Summary

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Laboratories	1	1	1	1
Senior Chemist	2	2	2	2
Chemist	0	1	1	1
Assistant Chemist	2	1	1	1
Biologist	1	1	1	1
Bioassay Technician	1	1	1	1
Laboratory Technician	5	5	5	4
Laboratory Assistant	2	2	2	2
Total	14	14	14	13

Expenses

In FY 2011/12 departmental expense increases slightly due to contract lab costs for testing constituents for the GWR permit that IEUA lab is not certified to perform. The department will have 2 annual sampling events. The annual events for the permit are cycled through each quarter based on a calendar year. The 2011 annual event occurs in November 2011 and the 2012 event occurs in February 2012, the cost for a single annual event is \$48,000.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expense	\$1,079,828	\$1,140,302	\$1,094,021	\$1,082,660	\$1,063,759
Operating Expense	435,688	427,656	447,444	463,277	498,801
Administrative Expenses	8,118	8,114	8,616	9,344	7,591
Total	\$1,523,633	\$1,576,072	\$1,561,856	\$1,555,281	\$1,570,151



Samples for Testing - RP1 Laboratory

MAINTENANCE DEPARTMENT

Mission Statement

Provide cost effective asset management and facility reliability, in addition to maximizing the production of on-site energy from renewable fuel sources.

Description and Purpose

The Inland Empire Utilities Agency (IEUA) currently owns and/or operates and maintains 5 Wastewater treatment facilities, 125 miles of collection system, a Desalter facility, 14 supply water well sites, 3 sewage lift stations, a recycled water distribution and storage system, 19 groundwater recharge basins, 8 megawatts of gas fueled Combined Heat & Power (CHP) energy generation, 12 megawatts of diesel fueled emergency generation, a 400,000 square foot indoor composting facility and a 66,000 square foot Headquarters building. The assets included in these facilities are now greater than 10,000 individual maintainable units.

The Maintenance Department is responsible for providing the Operations Division with the level of equipment reliability required to maintain regulatory compliance at all facilities. There are currently 76 employees in this department which comprise the Energy Production, Electrical, Instrumentation, Process Control, Mechanical & General Maintenance, Technology Services, Planning, Warehouse and Inventory Control sections. In addition to providing the required preventative and corrective maintenance activities, this department also operates the Agency's Cogeneration facilities.

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
D2	Provide regional facilities with minimal unscheduled outages	<i>(MI) Optimize Energy management</i>			
		(A)Implemented energy sub-metering at the MCC level by June 2011		✓	
		<i>(MI) Optimize hot water loop operation</i>			
		(A)Completed installation of a larger load heat exchanger at RP2 to increase heating capacity and improve the efficiency of the hot water process		✓	
		<i>(MI) Purchase, install and maintain hardware needed for the Agency's networks, desktops and mobile users; regularly maintain and replace this hardware to ensure that the Agency receives full value from its investment; and manage the hardware so that it is deployed within the Agency to most effectively meet needs of users and applications</i>			
		(A)Employed a "run-to-failure" computer hardware strategy, where appropriate, to minimize expenditures in the short run. Purchase and install hardware as needed for replacement of failed equipment. Execute per approved Technology Capital Plan by June 30, 2011	✓		
		(A)Upgraded Agency telephone system and implemented by March 31, 2011		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
D7	Efficiently tracking KPI's to promote focus on established operational goals and targets	<i>(MI) Develop Key Performance Indicators (KPI's) specific to maintenance operations</i>			
		(A)Implemented vibration monitoring	✓		
		(A)Developed an asset condition monitoring strategy	✓		
D3	Develop and implement practices to ensure reliability, efficiency and safety at Agency facilities	<i>(MI) Conduct efficiency studies on high energy systems</i>			
		(A)Coordinated and supported SCE facility energy audits	✓		
		(A)Identified equipment with large energy usage, verified performance and usage methods, and prepared reports for Executive Management		✓	
B1	Implement innovative technology with a cost effective approach to operating practices	<i>(MI) Optimize CMMS to support Agency asset management</i>			
		(A)Implemented recommendations received from Plant Maintenance consultant (Vesta)	✓		
		<i>(MI) Ensure that the Agency's information assets and systems are properly safeguarded from inappropriate use and access, protected from disasters, and available to conform to public information access rights</i>			
		(A)Tested and improved the technical portion of the Agency's Disaster Recovery Plan. Updated plan by December 30, 2010	✓		
		(A)Implemented a secure site-to-site VPN connection between key business network servers and DCS/SCADA servers, by October 31, 2010		✓	
		<i>(MI) Control the cost of supporting the Agency's increasingly complex information systems</i>			
		(A)Utilized server virtualization technology to maximize investment in server hardware. Virtualized Security servers and internal website server by September 1, 2010	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B1	Implement innovative technology with a cost effective approach to operating practices (cont)	(A)Developed a base DCS/SCADA standards document for future IEUA projects, resulting in fewer design meetings for DCS staff and a more consistent system implementation. Created document by March 31, 2011		✓	
		<i>(MI) Control the cost of supporting the Agency's increasingly complex information systems</i>			
		(A)Utilized server virtualization technology to maximize investment in server hardware. Virtualized Security servers and internal website server by September 1, 2010	✓		
D1	Design and implement programs which improve the knowledge and skill of the Agency's workforce	<i>(MI) Develop a technical training schedule for staff</i>			
		(A)Researched available "no-cost" training from local utilities. AQMD, and on-line sources	✓		
		<i>(MI) Provide exceptional and responsive customer service</i>			
		(A)Provided timely and knowledgeable support and training to users, ensuring the Agency's investment in systems is protected by implementing support upgrades, evolving and enhancing system functions, and employing consistent change and request management processes to ensure that enhancements are properly designed, developed, tested, and documented, and training is effectively communicated and documented.	✓		
(A)Tracked all support and development issues and requests.	✓				
D5	Promote efficiency by recognizing staff for implemented ideas and suggestions	<i>(MI) Optimize report generation and data accuracy</i>			
		(A)Conducted quarterly meetings to review needs and user feedback	✓		
		(A)Addressed needs and implemented modified reports as necessary	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B3	Utilize IT-rich equipment and asset management strategies, practices to achieve cost containment and improved customer service	<i>(MI) Provide oversight for new project equipment documentation into CMMS</i>		✓	
		(A)Reviewed new equipment list for upload of data into CMMS within 45 days following project commissioning			
F5	Optimize and maximize power generation using renewable energy sources at Agency facilities	<i>(MI) Provide CM with technical support for renewable energy projects</i>		✓	
		(A)Provided technical support to the Project Manager during the design and construction phase of the fuel cell and wind power projects			
B3,B4	Develop and periodically monitor a strategic technology plan to stay abreast of new developments and to ensure that information technology and automation impact all areas of the Agency's business and operations	<i>(MI) Provide Agency users with a reliable and high performance computing infrastructure</i>		✓	
		(A)Drove the Quality Improvement Program to identify high impact or recurring issues, and develop corrective action plans, including tracking problems by type, technology, documented solution, and root cause, and issued bi-annual reports identifying key problem areas and showing a decreasing number of recurring issues		✓	
		(A)Expanded use of Group Policies to secure the Agency's business network workstations and servers, utilized this tool to provide additional consistent configuration enhancements, developed a list of goals to accomplish by September 30, 2010 and implemented changes based on list by December 31, 2010		✓	
		(A)Utilized Configuration Manager to efficiently apply security updates, support packs and updated system drivers to Agency's workstations; implemented and reported on features by March 31, 2011		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
B2	Ensure the workforce is productive and efficient by employing current technological enhancements including the use of internet and web-based products	<i>(MI) facilitate Agency operational performance through appropriate and cost effective use of evolving information technologies and practices</i>			
		(A)Evaluated options for replacing the Liberty document management application (product is being phased out by the vendor), developed high level requirements and determined budget requirements for replacing Liberty in FY 2011/12 or FY 2012/13 by January 15, 2011	✓		
		(A)Researched options for replacing the current IFAS payroll system with a new solution in FY 2011/12 and made a recommendation for a replacement solution by October 29, 2010		✓	

Major Initiatives

- **Implementation of Sub-Metering** – Sub-metering will be implemented at all major motor control centers throughout the Agency. This will allow the Agency to increase operating efficiency by understanding load patterns and identifying malfunctioning equipment.
- **Aeration Panel and Digester Cleaning** – Replace all the membrane panels at RP-5 and RP-1 and clean Digester #3 at RP-2.
- **Execute the Upgrades of the Prado Lift Station Controls** – Staff will install a new local control panel which will improve station monitoring by adding additional critical signals to the remote monitoring capabilities.
- **Implement Asset Condition Monitoring Program** – Perform vibration analysis on critical equipment throughout the Agency. Implement an oil analysis on all large electrical transformers to improve the reliability of the Agency’s electrical systems.
- **Advance IT technology** – Design and implement an Agency-wide technology infrastructure based on a unified plan. This includes implementing a single sign-on for systems such as Primavera and LIMS and providing a plan for connecting physical building access (door and gates) into the Agency’s network.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Preventative Work Orders Completed	64,539	32,000	25,000	25,000
Corrective Work Orders Completed	7,266	5,200	4,160	6,000
Kilowatt Hours Produced from Digester Gas	10,000,000	12,000,000	12,000,000	12,000,000
Kilowatt Hours Produced from Natural Gas	600,000	100,000	100,000	100,000
Kilowatt Hours Produced from Solar	3,500,000	7,000,000	7,000,000	6,800,000
Natural Gas Purchased (Therms)	400,000	180,000	180,000	180,000
Electricity Purchased (Kilowatt hours)	54,000,000	54,000,000	54,000,000	55,000,000
Safety - Lost Time Accidents	1	0	0	0

Performance/Workload Indicators Continued...

	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Response time to critical user requests during business hours	15 min. from receipt of request	N/A*	N/A
Agency Wide Area Network Availability during Business Hours (by location)	99%	99%	99%
HQ Local Area Network Availability during Business Hours	99.5%	99.5%	99.5%
Primary Agency Business System Availability during Business Hours (by server group)	99.9%	99.9%	99.95
Perform nightly backups of all core business systems and weekly backups of all Agency data repositories and file servers (% completed)	99.5% of nightly backups; 100% of weekly backups	N/A*	N/A

*This data will no longer be measured

Goals and Objectives

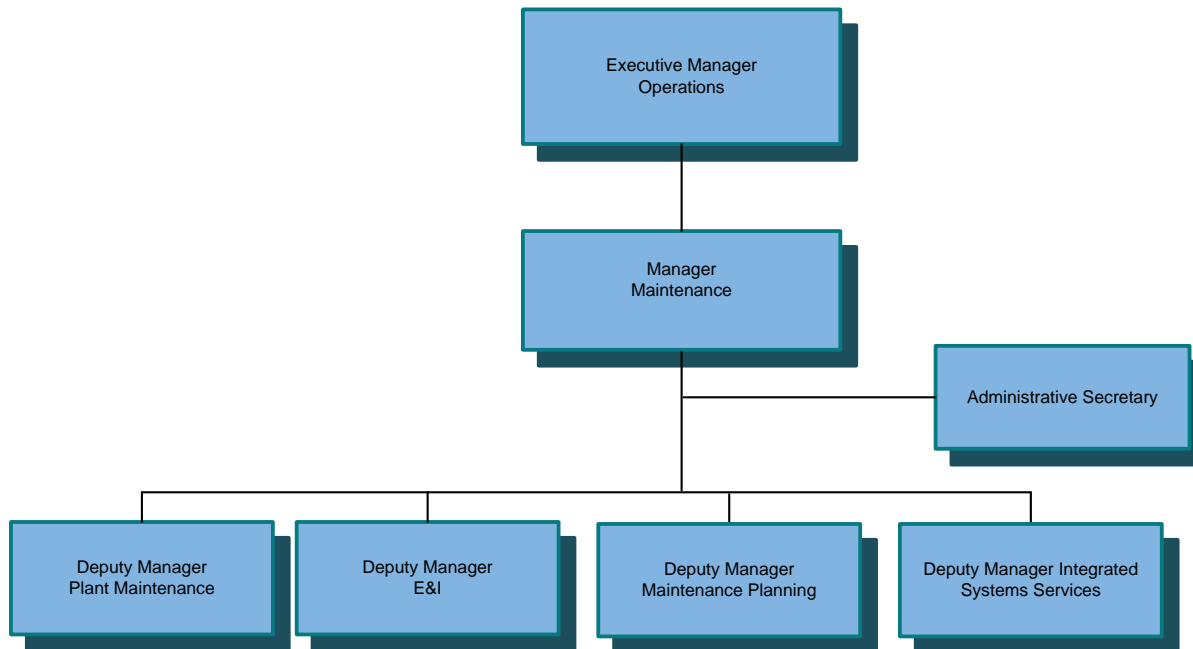
* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
D3	Increase the reliability of the Agency's assets	<ul style="list-style-type: none"> • Optimize the maintenance strategy of critical assets • Develop and implement a Motor Circuit Analysis (MCA) program • Implement Phase II of the Vibration Analysis program • Develop a comprehensive Lubrication Management program • Perform oil analysis on all the Agency's transformers
D2	Optimize energy usage at all facilities	<ul style="list-style-type: none"> • Identify the current efficiencies of all motors above 50HP and conduct a business case analysis (BCE) to explore replacement options • Implement sub-metering on all equipment with high energy usage • Assess the effectiveness of the lighting control systems at HQ-A & B • Optimize the setting for all the HVAC thermometers at all the Agency's facilities • Develop a single line diagram for all facilities that identifies all the motors above 50HP • Complete 144 panel replacements at RP-1
C4	Provide support to the Agency's Asset Management Program	<ul style="list-style-type: none"> • Align asset hierarchy in SAP with Agency's asset management goals • Ensure that all non-linear assets are in SAP • Assist the Engineering Department with the development of smart tags • Develop and implement a strategy for tagging the Agency's assets at the field level • Maintain the asset registry within the Plant Maintenance Module in SAP
C4	Improve the availability of the ICE engines at RP-1 and RP-2 and the recycled water pumps at all facilities	<ul style="list-style-type: none"> • Increase the reliability of the biogas compressors • Develop a proactive maintenance strategy for the recycled water pumps

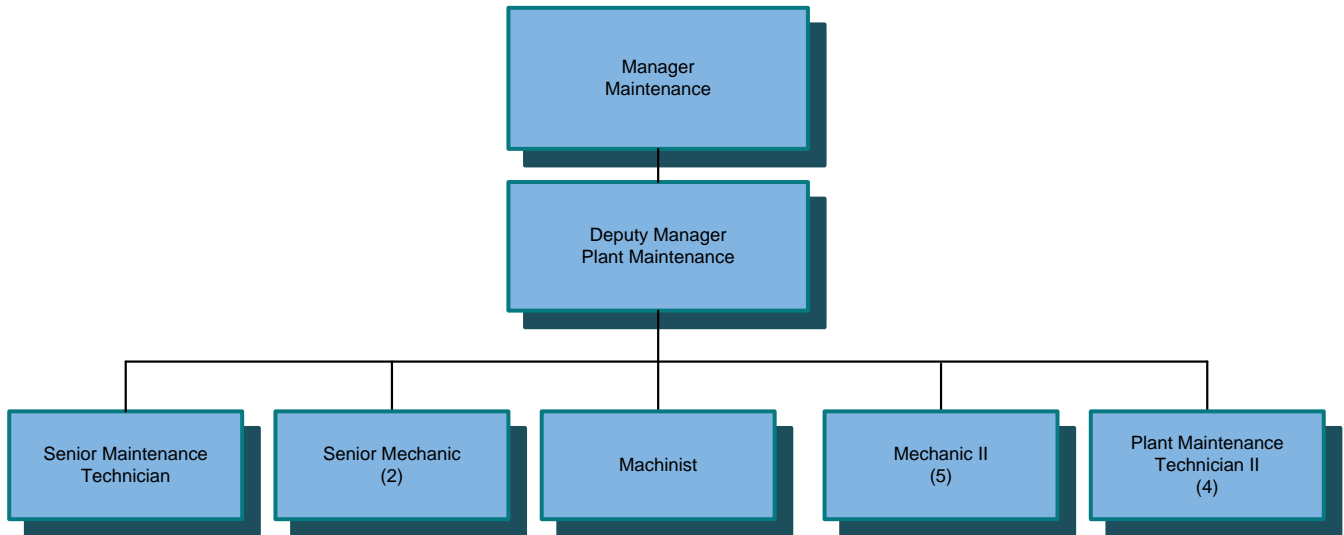
AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
D3	Provide technical support for the Agency's renewable energy project	<ul style="list-style-type: none"> • Provide technical support for the fuel cell and wind power projects
B1, B3	Leverage investment in Microsoft products, Microwave technology, and virtualization software to provide an efficient infrastructure which can be centrally and proactively managed	<ul style="list-style-type: none"> • Develop a plan for migrating Agency gate access to an Active Directory-based solution which provides a single directory for account creation and the ability to remotely manage gates • Improve the Agency's current disaster recovery plan by utilizing Agency Data Centers and high speed microwave connections to "clone" virtualized systems to remote locations • Monitor networked devices from a centralized location

Organizational Chart

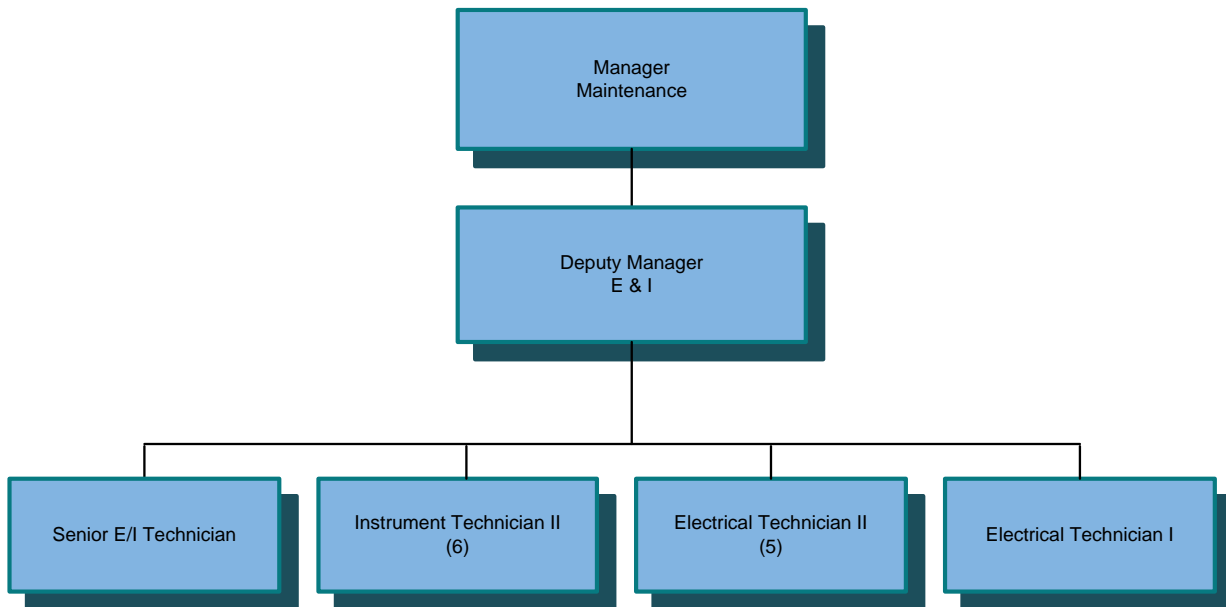
140000 - Maintenance



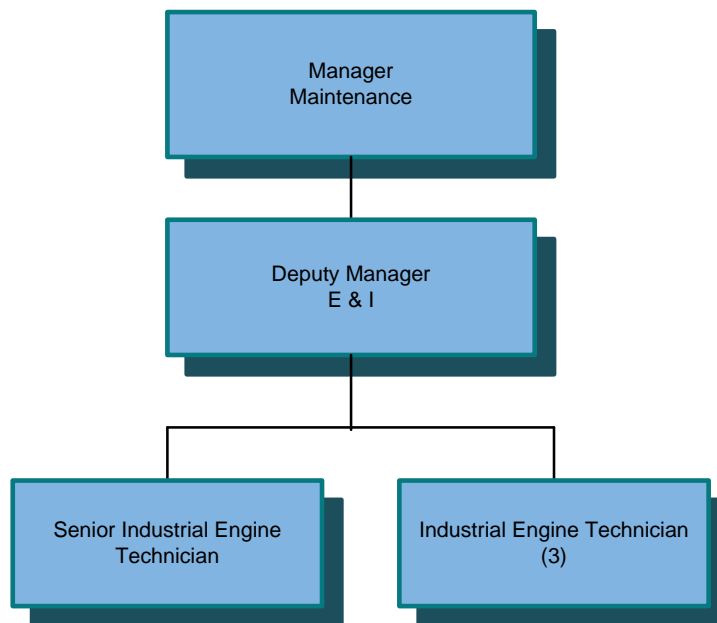
141000 – Plant Maintenance RP1 & RP4



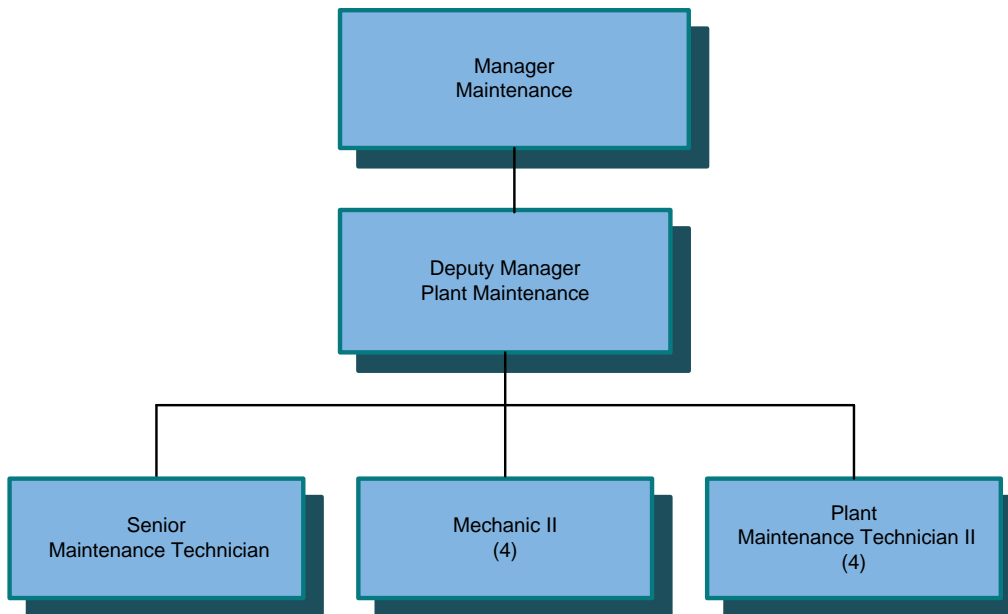
142000 – Electrical/Instrument Maintenance RP1 & RP4



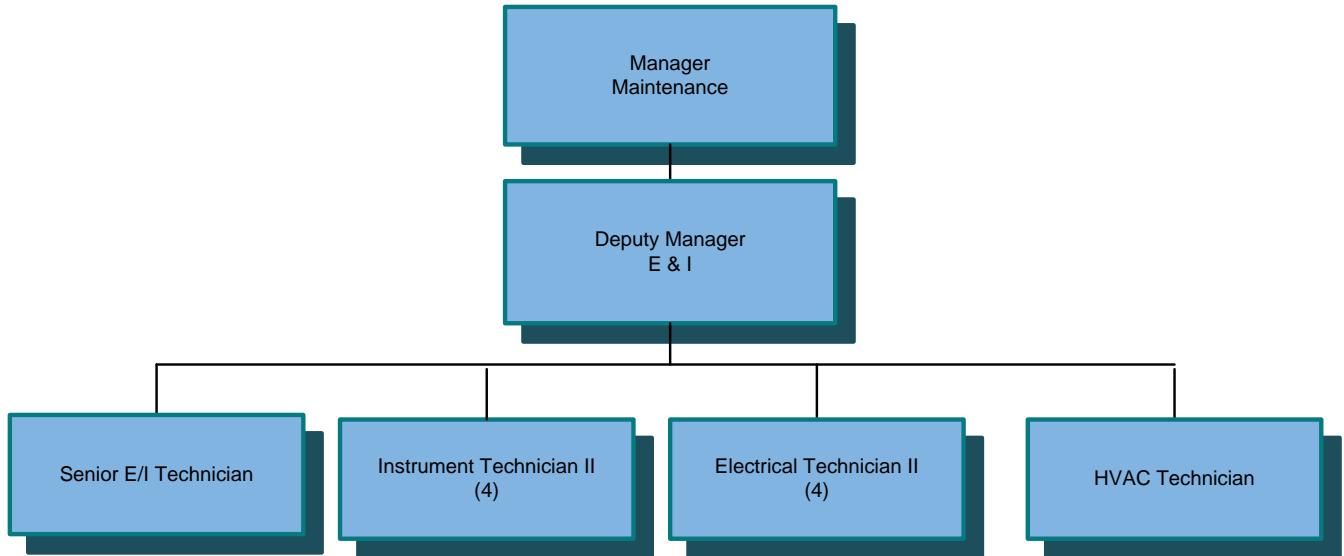
143000 - Energy Conservation & Administration



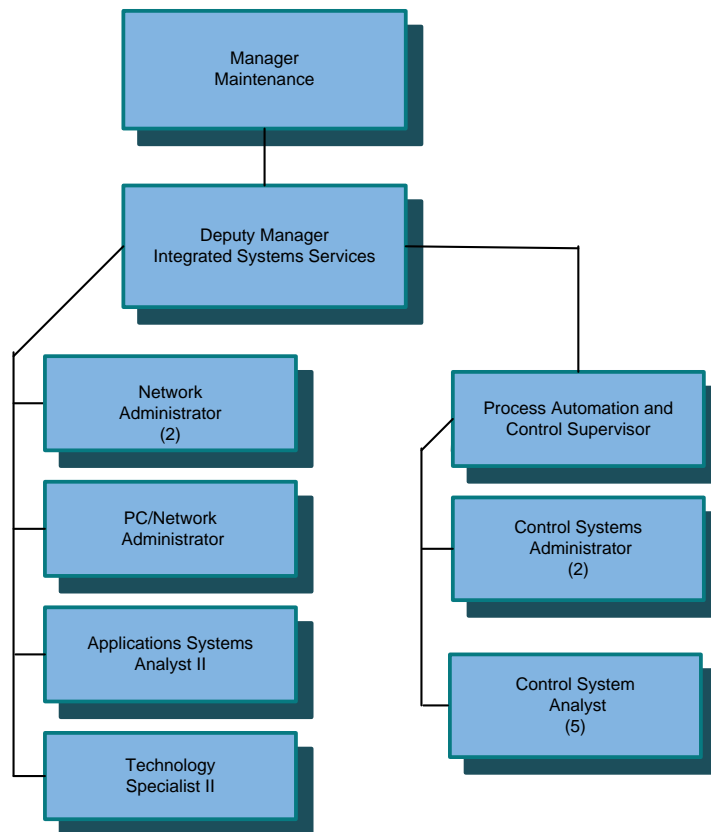
144000 - Plant Maintenance RP2/CCWRF/RP5



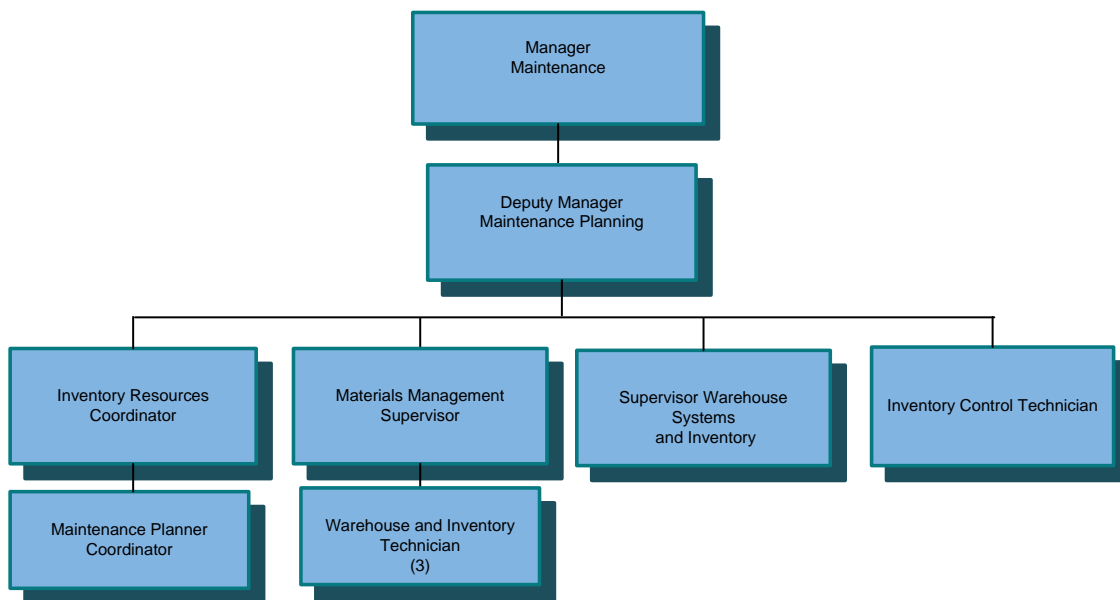
145000 – Electrical/Instrument Maintenance RP2/CCWRF/RP5



146000 – Integrated Systems Services



156000 – Maintenance Planning & Materials Management



Position Summary

In FY 2009/10 the Information Services and Process Automation & Control departments merged to create Integrated Systems Services. Due to continued cost containment efforts, one position in department 145 will remain on hold for FY 2011/12.

By Department	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
140 – Maintenance	5	6	5	6
141 - RP1/RP4 Plant Maintenance	12	11	13	13
142 - RP1/RP4 E&I Maintenance	12	12	13	13
143 – Energy Conservation and Administration	4	4	4	4
144 - RP5/Carbon Canyon Plant Maintenance	9	10	9	9
145 - RP5/Carbon Canyon E&I Maintenance	12	12	10	10
146 – Integrated Systems Services	9	14	14	13
156 – Maintenance Planning & Material Mgmt	8	8	8	8
Total	71	77	76	76

140- Maintenance	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Maintenance	1	1	1	1
Deputy Manager E/I	1	1	1	1
Deputy Manager Plant Maintenance	1	1	1	1
Deputy Manager of Integrated Systems Services	0	0	0	1
Deputy Manager Maintenance Planning	1	1	1	1
Associate Engineer	0	1	0	0
Administrative Secretary	1	1	1	1
Total	5	6	5	6

141 - RP1/RP4 Plant Maintenance	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Plant Maintenance Technician II	4	4	4	4
Senior Maintenance Technician	1	0	1	1
Senior Mechanic	2	2	2	2
Mechanic II	4	4	5	5
Machinist	1	1	1	1
Total	12	11	13	13

142 - RP1/RP4 E&I Maintenance	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Senior E&I Technician	1	1	1	1
Electrical Technician II	5	5	5	5
Instrument Technician II	5	5	6	6
Electrical Technician I	0	0	1	1
Office Assistant	1	1	0	0
Total	12	12	13	13

143 - Energy Conservation and Administration	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Senior Industrial Engine Technician	1	1	1	1
Industrial Engine Technician	3	3	3	3
Total	4	4	4	4

144 - RP5/Carbon Canyon Plant Maintenance	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Senior Maintenance Technician	1	2	1	1
Plant Maintenance Technician II	3	3	4	4
Plant Maintenance Technician I	1	1	0	0
Mechanic II	4	4	4	4
Total	9	10	9	9

145 - RP5/Carbon Canyon E&I Maintenance	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Senior E&I Technician	1	1	1	1
Electrical Technician II	5	5	5	4
Instrument Technician II	5	5	4	4
HVAC Technician	1	1	1	1
Total	12	12	11	10

146 – Integrated Systems Services	FY 08/09 Actual	FY 09/10 Actual*	FY 10/11 Amended Budget	FY 11/12 Budget
Applications Systems Analyst II	0	1	1	1
Network Administrator	0	1	2	2
PC/Network Administrator	0	1	1	1
Technology Specialist II	0	1	1	1
Process Control Systems Supervisor	1	1	1	1
Control Systems Administrator	2	2	2	2
Control Systems Analyst	6	6	5	5
Total	9	14	13	13

*FY 2009/10 the Information Services and Process Automation & Control departments merged to create Integrated Systems Services

156 – Maintenance Planning & Materials Management	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 10/11 Budget
Supervisor Warehouse Systems & Inventory	1	1	1	1
Materials Management Supervisor	1	1	1	1
Maintenance Planner Coordinator	1	1	1	1
Warehouse & Inventory Technician	3	3	3	3
Inventory Control Technician	1	1	1	1
Inventory Resource Coordinator	1	1	1	1
Total	8	8	8	8

Expenses

Operating Expenses in FY 2011/12 are projected increase over the prior year projected actual by slightly more than 2%. In FY 2011/12 budgeted labor increases over projected actual due to increased budget for over-time and shift differential pay. This may or may not be used during the year.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expense	\$5,474,054	\$5,704,516	\$6,099,031	\$5,844,480	\$6,113,088
Administrative Expense	132,190	159,048	346,644	227,020	212,486
Operating Expense	8,266,412	8,810,435	13,063,124	11,773,342	11,917,116
Total	\$13,872,656	\$14,673,999	\$19,508,799	\$17,844,842	\$18,242,690



Digester No. 3 - Regional Plant No. 1 – Ontario, CA

OPERATIONS DEPARTMENT

Mission Statement

Provide quality water and wastewater treatment; maximize the continued availability of high quality recycled water; manage groundwater recharge and biosolids composting in the safest, most efficient, cost effective and environmentally compliant manner.

Description and Purpose

The Operations Department includes the following three groups; Facility Operations, Groundwater Recharge and Organics Management. These groups are responsible for potable water treatment and distribution; treatment of wastewater and distribution of recycled water for groundwater recharge and irrigation including agricultural crops, municipal parks and landscaping, and other types of reuse; maximizing production of biogas as a fuel source for energy generation through digestion of biosolids; dewatering of biosolids for subsequent disposal and production of high quality compost. In order to provide these services, IEUA operates a regional wastewater collection system; five (5) water reclamation treatment facilities; a regional recycled water distribution system; groundwater recharge basins; and the Inland Empire Regional Composting Facility (IERCF) for organics management and composting of biosolids.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
D7	Efficient tracking and modifications of Key Performance Indicators (KPI's) as necessary to promote focus on established operational goals and targets	<i>(MI) Effectively monitor and refine established facility Key Performance Indicators (KPI's)</i>			
		(A)Achieved >90% KPIs.		✓	
		(A)Conducted monthly KPI review meetings.		✓	
F3	Maximize Agency revenue potential through the effective use and/or marketing of wastewater residual products	<i>(MI) Achieve cost effective biosolids management</i>			
		(A)Achieved 142,000 wet/year biosolids throughput at IERCF.		✓	
		(A)Increased Total Solids (TS) percentage in biosolids produced at RP-1 and RP-2.		✓	
		(A)Maintained biosolids production to less than 73,000 wet ton/year through efficient dewatering and sludge drying bed management.		✓	
		<i>(MI) Recycle all Agency biosolids at IERCF</i>			
		(A)Marketed 100% of compost produced.		✓	
		(A)Obtained long term, high value contract(s) for finished compost.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
F5	Optimize and maximize power generation using renewable energy sources at Agency facilities	<i>(MI) Achieve effective energy management</i>			
		(A)Developed and implemented a peak period recycled water (RW) management plan.	✓		
		<i>(MI) Maximize digester gas production</i>			
		(A)Optimized digester loading, mixing, and heating operation through routine inspection and maintenance.		✓	
B1,B4	Implement a innovative and strategic technology plan to stay abreast of new developments in key operating practices and administrative functions	<i>(MI) Promote optimized use of automation within all facilities</i>			
		(A)Conducted annual alarm historian audits by June 2011.		✓	
		(A)Identified automation opportunities; documented and provided to Maintenance Department by December and June 2011.		✓	
H4	Maintain Compliance and protect public health and the environment	<i>(MI) Maintain 100% compliance with all Permits</i>			
		(A)Conduct annual reviews of sampling/testing requirements by January 2011.	✓		
		(A)Conducted annual reviews of AQMD permit compliance with Environmental Compliance Department by June 2011.	✓		
D5	Promote ideas for improving efficiencies by recognizing and rewarding staff for implemented suggestions	<i>(MI) Ensure accurate and efficient data collection and management</i>			
		(A)Conducted annual round and spreadsheet review and updates by June 2011.		✓	
		(A)Conducted annual laboratory analysis schedule/needs assessment by January 2011.	✓		
D3	Develop and implement best maintenance practices that ensure optimal reliability, efficiency, and safety	<i>(MI) Provide excellent customer service</i>			
		(A)Had no RW interruptions due to lack of transmission line preventive maintenance.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal		
D3 (Cont)	Develop and implement best maintenance practices that ensure optimal reliability, efficiency, and safety (Continued)	(A)Developed and fostered professional relationships with Member Agency have assigned RS staff on an ongoing basis.		✓			
		(A)Provided timely and professional emergency assistance to Contracting Agencies and documented through recurring recycled water reports.		✓			
		(A)Provided a minimum of 7-day written notice to all contracting Agencies for any scheduled service interruption.		✓			
		(A)Appropriately tracked and reported RW use through recurring RW reports.		✓			
		(MI) Achieve effective basin maintenance					
		(A)Developed annual Basin Maintenance Plan by April 1, 2011, and clearly identified, prioritized, and estimated costs for recommended basin maintenance activities for FY 2011/12.		✓			
F1, F4	Provide the maximum public benefit from recycled water produced by IEUA while supporting a regional approach to community wastewater collection and management	(MI) Maintain maximum system designed reliability					
		(A) Supplied 40,000 AF of recycled water.		✓			
		(A)Developed and implemented a phased RW demand management plan from May through September 2010.	✓				
		(A)Implemented RW pipeline asset management and RW transmission system preventive maintenance programs.		✓			
D4	Continually review and assess industry practices to keep the Agency on the cutting edge of operational and maintenance efficiency	(MI) Effectively develop and conduct documented process and industry training					
		(A)Conducted 20 facility specific process, technology, or equipment training tailgates per year.		✓			
		(A)Conducted annual review of facility O&M manual; provided documented deficiencies to Technical Services by March 2011.		✓			

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal
D3,D6	Develop maintenance management practices that maximize efficiency including effective management of UPC computation and tracking	(MI) Minimize overtime use			
		(A)Reduced after hour facility call-outs by 10%.		✓	
		(A)Conducted daily reviews of the automated on-call tracking report to reduce unnecessary call-outs.		✓	
I4		(MI) Achieve zero employee work related accidents			
		(A)Conducted all required safety tailgate trainings.	✓		
		(A)Conducted intradepartmental annual safety audits.	✓		
		(A)Conducted annual emergency response drills.	✓		
D1	Design and implement programs which improve the knowledge and skill levels of the Agency's workforce	(MI) Maximize staff cross-training			
		(A)Continued to implement the cross training plan for each facility, RW distribution and GWR.	✓		
		(A)Achieved 75% of certified operations staff trained to operate more than 1 facility by January 2011.	✓		
E3	Maintain long-term and strategic planning in support of the Agency's mission and goals	(MI) Establish and monitor staff performance objectives			
		(A)Developed Staff Objective matrix to support established Division/Department goals & objectives.		✓	
F2	Provide for and encourage the use of recycled water for uses permitted by California Law	(MI) Maximize Recycled Water Recharge			
		(A) Achieved 15,000 AF of RW recharge.		✓	
		(A)Submitted one complete Start-Up Protocols at least one month prior to infrastructure completion.		✓	
		(A)Maintained RWC Management plan, updated on a monthly basis, and adjusted RW recharge as necessary.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On Going	Unable to Meet Goal	
A6	Partner with local and regional agencies to implement groundwater programs to increase operational yield and protect the integrity of the groundwater basin	(MI) Maximize diluent water recharge				
		(A)Tracked and effectively communicated availability and use of the State Water Project water to CBWM and MWD.		✓		
		(A)Prepared pre-storm forecasts and post storm summaries by 3-days prior and 2-days after, respectively.		✓		
		(A)Conducted pre-storm planning and storm response site inspections, sample collections, and post-storm data interpretation.		✓		
		(MI) Effectively and appropriately administer all Groundwater Recharge O&M Agreements				
		(A)Supported Financial Planning in the development of a draft budget for CBWM by March 1, 2011.	✓			
		(A)Prepared accurate quarterly variance reports to GRCC.		✓		
E2	Implement and maintain state of the art infrastructure to maximize efficiency and productivity while meeting needs of area constituencies	(MI) Provide Support to Construction Management to ensure appropriate and timely equipment/process start-up				
		(A)Attended weekly construction management meetings.		✓		
		(A)Processed all Shut-Down Tie-In requests within 14 days.		✓		
		(A)Attended all appropriately scheduled, contract required equipment training.		✓		
C4	Efficiently manage Agency's assets to ensure optimal productivity and cost effective operating and maintenance strategies and practices	(MI) Effectively support the development of Project Scope and Design				
		(A) Completed timely and thorough review of design documentation.		✓		
		(A) Actively participated in design review meetings and workshops.		✓		

Major Initiatives

Facility Operations Group

- Establish effective monitoring and refinement of existing facility Key Performance Indicators (KPI's).
- Through process optimization and the addition of biosolids to the digestion system, Operations staff will increase the reliability, quality and production of biogas to reduce the Agency dependence on other costly fuel alternatives.
- Achieve cost effective biosolids management by increasing efficiency of dewatering and sludge drying processes.
- Maintain consistent supply of high quality recycled water to all users.
- Maintain complete permit compliance at each facility.
- Continued optimization of chemical use through effective implementation of KPI's and tracking of Unit Production Costs.
- Effective recycled water pumping and distribution management.

Groundwater Recharge (GWR) Group

- Coordinate and implement Phase II Recycled Water Groundwater Recharge Programs.
- Initiate recycled water Start-up Protocols for basins having Recycled Water available.
- Maximization of groundwater recharge imported and storm water sources through effective basin maintenance. Develop annual basin maintenance plan which clearly identify, prioritize, and estimate costs for recommended basin maintenance.
- Meet the FY 2011/12 recharge goals of the Chino Basin Watermaster that include maximum storm water capture, minimal use of import water and maximized Recycled Water use commensurate with a recharge site's management plan.

Organics Management Group (IERCF)

- Sustain self-reliance in organics and biosolids management by beneficially reusing 100% of Agency generated organic solids and sell 100% of the compost produced at the IERCF.
- Achieve cost effective biosolids management by maintaining 138,000 wet ton/year biosolids throughput.
- Obtain long term, high value contracts for all IERCF compost.
- Obtain long term, high value contracts for end product compost.

Performance / Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Major Capital Projects Commissioned	5	4	6	5
No. of Workplace Safety/Lost Time Accidents	2	1	0	0
Agency Wide Chemical Expenditures	\$5,021,712	\$4,581,655	\$4,438,040	\$4,459,389
Groundwater Recharge (AF)	10,340	26,484	23,000	25,000
Compost Production (Cubic Yards)	197,012	230,049	240,000	240,000

Goals & Objectives

AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
A6	Maximize Diluents Water Recharge	<ul style="list-style-type: none"> Track and effectively communicate availability and use of the State Water Project water to CBWM and MWD Prepare pre-storm forecasts and post storm summaries by 3-days prior and 2-days after, respectively Conduct pre-storm planning and storm response site inspections, sample collection and post-storm data interpretation
	Effectively and appropriately administer all Groundwater Recharge O&M agreements	<ul style="list-style-type: none"> Support Financial Planning in the development of a draft budget for CBWM by March 1, 2012 Prepare accurate quarterly variance reports to GRCC
B1,B4	Promote optimized use of automation within all facilities	<ul style="list-style-type: none"> Conduct annual alarm historian audits by June 2012 Identification of automation opportunities. Document and provide to Maintenance Department by June 2012
	Effectively support the development of Project Scope and Design	<ul style="list-style-type: none"> Complete timely and complete review of design documentation Actively participate in design review meetings and workshops
D1	Maximize staff cross training	<ul style="list-style-type: none"> Continue to implement the cross training plan for each facility, RW distribution and GWR 80% of certified operations staff trained to operate more than 1 facility by June 2012

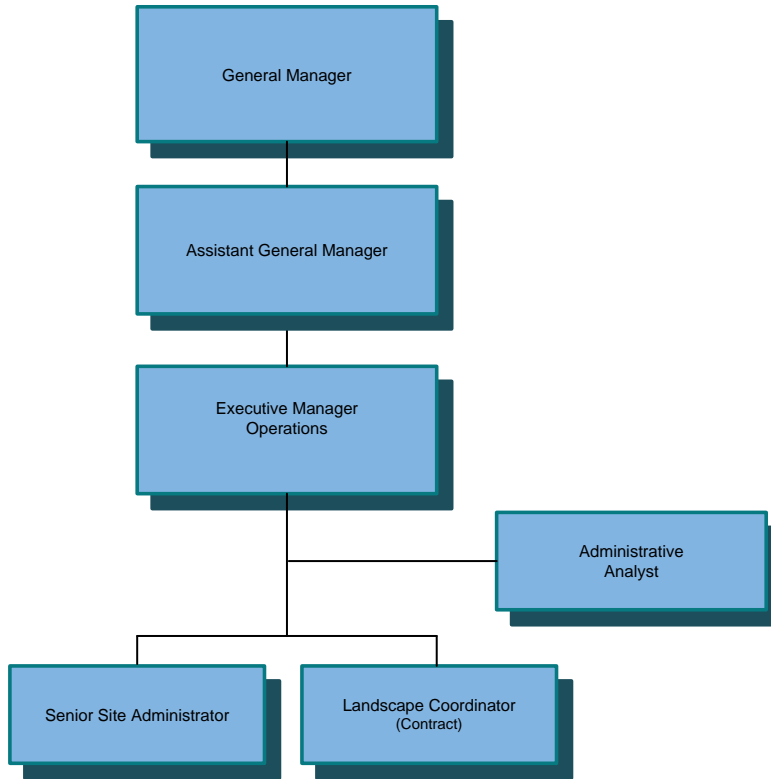
AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
D3,D6	Minimize overtime use	<ul style="list-style-type: none"> • Reduce after hour facility call-outs by 5% • Conduct daily review of the automated On-call tracking report to reduce unnecessary call-outs
D3	Provide excellent customer service	<ul style="list-style-type: none"> • No RW interruptions due to lack of transmission line preventive maintenance • Develop and foster professional relationships with Contracting Agency's assigned RW staff on ongoing basis • Provide timely and professional emergency assistance to Contracting Agencies and document through recurring RW reports • Provide a minimum of 7-day written notice to all Contracting Agencies for any scheduled service interruption • Appropriately track and report RW use through recurring RW reports
	Effective basin maintenance	<ul style="list-style-type: none"> • Develop annual Basin Maintenance Plan by April 1, 2012 - clearly identify, prioritize and estimate costs for recommended basin maintenance activities for FY 2012/13
D4	Effectively develop and conduct documented process and industry training	<ul style="list-style-type: none"> • Conduct 20 facility specific process, technology or equipment training tailgates per year • Conduct annual review of facility O&M manual - provide documented deficiencies to TS by March 2012
D5	Accurate and efficient data collection and management	<ul style="list-style-type: none"> • Conduct annual round and spreadsheet review and updates by March 2012 • Conduct annual laboratory analysis schedule/needs assessment by February 2012
D7	Effective monitoring and refinement of established facility Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> • Achieve >90% facility KPIs • Conduct monthly KPI review meetings
E2	Provide support to Construction Management to ensure appropriate and timely equipment/process start-up	<ul style="list-style-type: none"> • Attend weekly construction management meetings • Process all Shut-Down Tie-In requests within 14-days • Attend all appropriately scheduled, contract required equipment training
E3	Establishment and monitoring of staff performance objectives	<ul style="list-style-type: none"> • Development of Staff Objective matrix to support established Division/ Department goals & objectives

AGENCYWIDE GOAL	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
F1,F4	Maintain maximum system designed reliability	<ul style="list-style-type: none"> • Supply 40,000 AF of Recycled Water • Develop and implement a phased RW demand management plan from May thru September 2012 • Implementation of RW pipeline asset management and RW transmission system preventive maintenance programs
F2	Maximize RW Recharge	<ul style="list-style-type: none"> • Achieve 14,000 AF of RW recharge during dry years • Submit complete Start-Up Protocols at least one month prior to infrastructure completion • Maintain RWC Management plan - update on a monthly basis and adjust RW recharge as necessary
F3	Recycle all Agency biosolids at IERCF	<ul style="list-style-type: none"> • Market 100% of compost produced • Obtain long term, high value contract(s) for finished compost
	Cost effective biosolids management	<ul style="list-style-type: none"> • Achieve 138,000 wet/year biosolids throughput at IERCF • Increase Total Solids (TS) percentage in biosolids produced at RP-1 and RP-2 • Maintain biosolids production to less than 65,000 wet ton/year through efficient dewatering and sludge drying bed management
F5	Effective energy management	<ul style="list-style-type: none"> • Develop and implement a peak period Recycled Water (RW) management plan
	Maximize digester gas production.	<ul style="list-style-type: none"> • Optimize digester loading, mixing and heating operation through routine inspection and maintenance
H4	Maintain 100% compliance with all Permits.	<ul style="list-style-type: none"> • Conduct annual reviews of sampling/ testing requirements by February 2012 • Conduct annual reviews of AQMD permit compliance with Environmental Compliance Department by November 2011
I4	No employee work related accidents.	<ul style="list-style-type: none"> • Conduct all required safety tailgate trainings • Conduct intra-departmental annual safety audits • Conduct annual emergency response drills

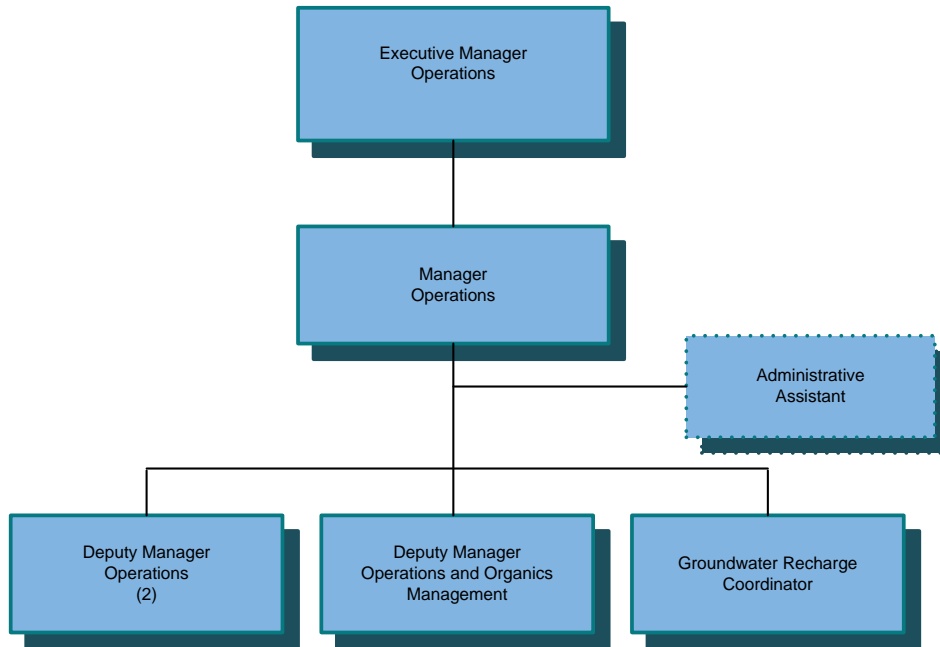
* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Structure

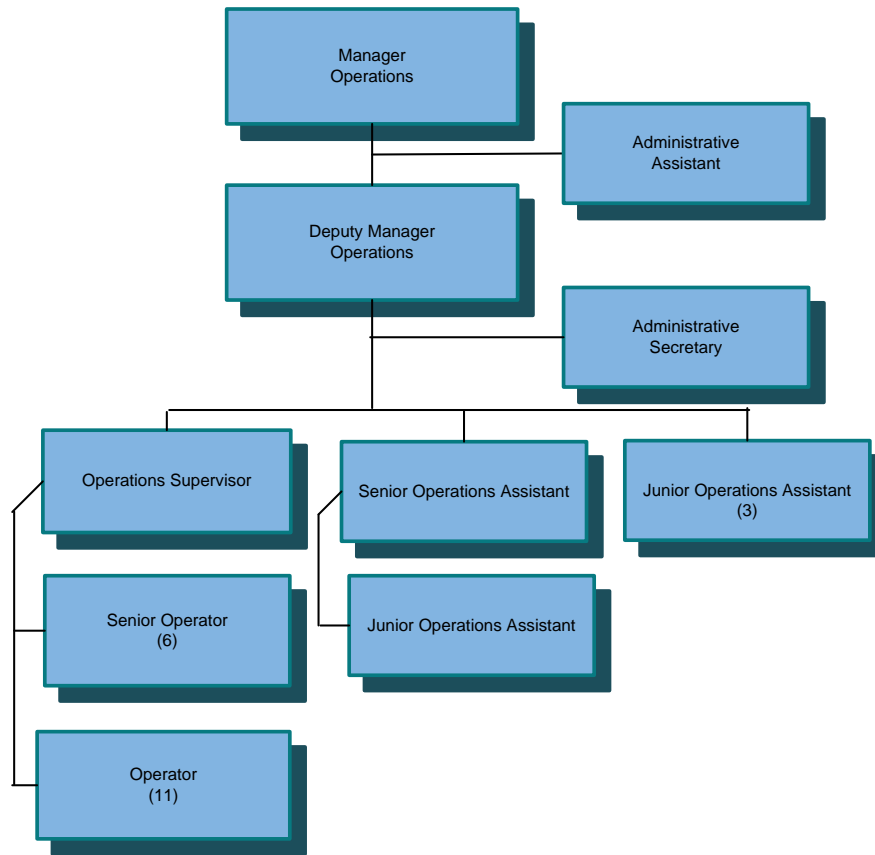
Operations Administration



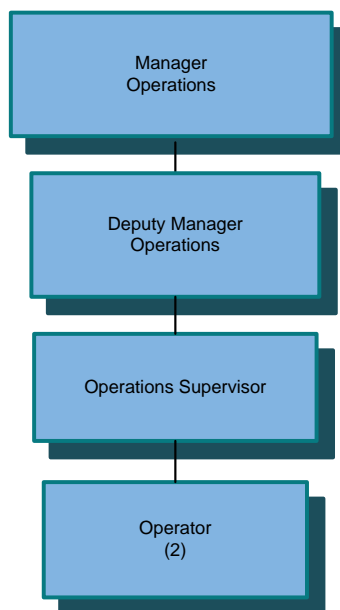
150000 - Operations



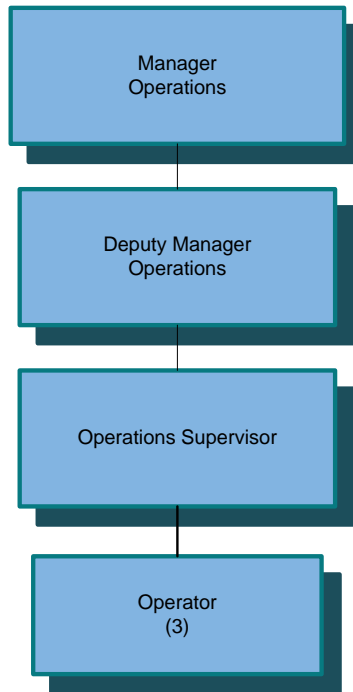
151000 - RP1 Operations



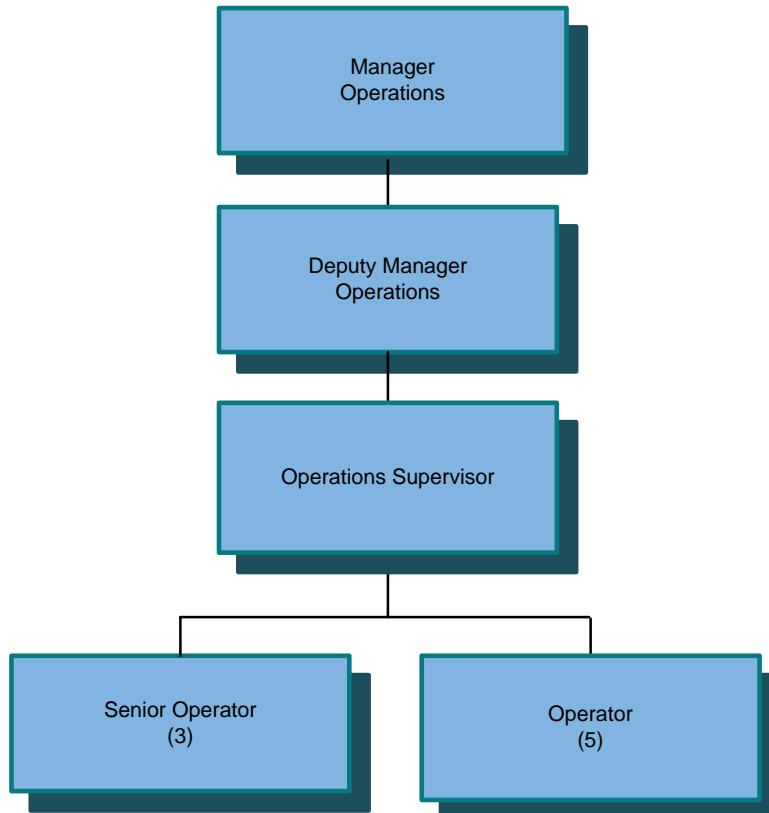
152000 - Carbon Canyon Water Recycling Facilities Operations



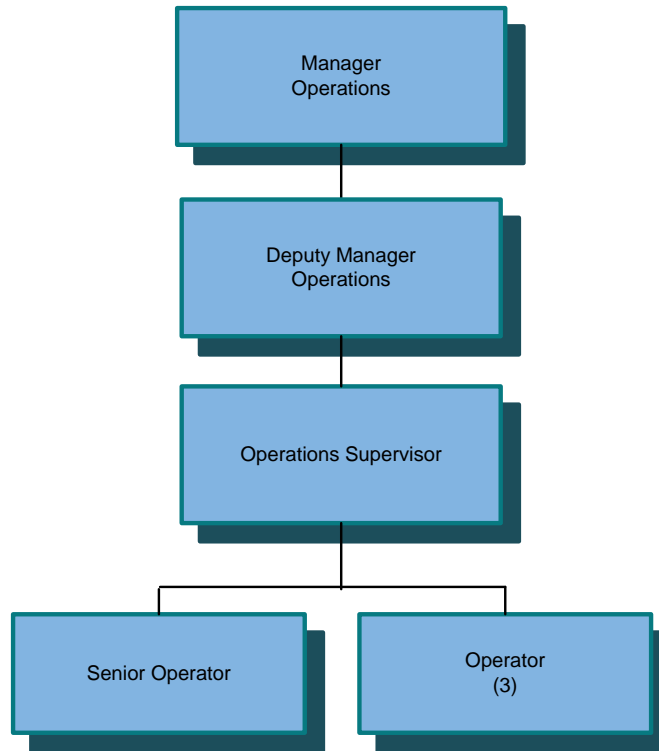
153000 - RP4 Operations



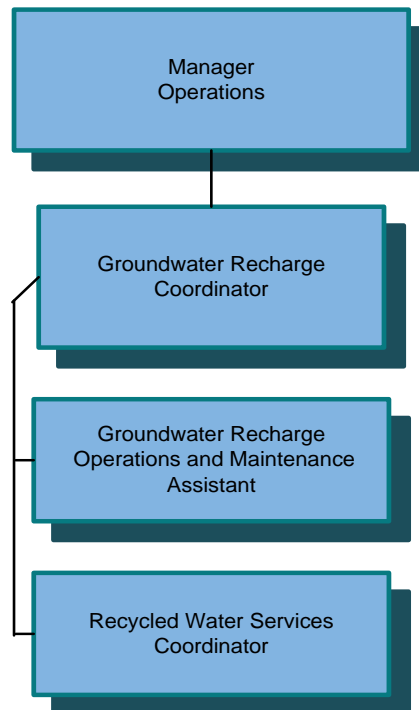
154000 - RP2/RP5 Operations



157000 - Desalter Operations



161000 - Groundwater Recharge



Position Summary

Operations Administration	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Executive Manager of Operations	1	1	1	1
Administrative Analyst	1	1	1	1
Senior Site Administrator*	N/A	1	1	1
Landscape Coordinator – Contract*	N/A	1	1	1
Total	2	4	4	4

*Position moved from the Finance division to the Operations division in FY 2009/10.

151000-RP-1 Operations	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Manager of Operations	1	1	1	1
Deputy Manager of Operations	1	1	1	1
Operations Supervisor	2	1	1	1
Senior Operations Assistant	0	1	1	1
Junior Operations Assistant	1	2	3	4
Senior Operator	8	7	6	6
Recycled Water Service Coordinator	1	1	1	0
Operator	9	13	11	11
Administrative Assistant	1	1	1	1
Administrative Secretary	1	1	1	1
Total	25	29	27	27

152000- Carbon Canyon Operations	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Senior Operator	2	2	0	0
Operator	1	2	2	2
Total	3	4	2	2

153000-RP-4 Operations	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Operations Supervisor	1	1	1	1
Operator	3	3	3	3
Total	4	4	4	4

154000-RP-2/RP-5 Operations	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 10/11 Budget
Deputy Manager of Operations	1	1	1	1
Operations Supervisor	2	1	1	1
Senior Operator	3	3	3	3
Operator	9	6	5	5
Total	17	12	10	10

157000-Desalter Operations	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Operations Supervisor	1	1	1	1
Senior Operator	0	0	1	1
Operator	3	3	3	3
Total	4	4	5	5

161000-Groundwater Recharge Operations	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Groundwater Recharge Coordinator	1	1	1	1
Groundwater Recharge O & M Assistant	0	0	0	1
Recycled Water Services Coordinator	0	0	0	1
Total	2	2	2	3

Expenses

FY 2008/09 operating expense includes a \$3 million contribution to IERCA operations. Operating expense includes contract labor and materials and other professional fees, materials and supplies, bio-solids recycling, utilities and chemicals.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expense	\$6,656,369	\$6,487,238	\$6,587,777	\$6,345,921	\$6,709,746
Administrative Expenses	113,009	98,177	184,705	123,402	124,839
Operating Expense	10,389,771	8,191,371	10,372,153	9,352,882	9,780,038
Total	\$17,159,149	\$14,776,786	\$17,144,635	\$15,822,205	\$16,614,623

PRE-TREATMENT, SOURCE CONTROL & COLLECTION SYSTEMS

Mission Statement:

Implement an effective Pre-Treatment and Source Control (PT & SC) Program that protects the integrity of the water reclamation process, ensures compliance with all applicable Federal, State, and local regulatory requirements, and maintains the collection systems to prevent sewer system overflows.

Description and Purpose:

IEUA operates two sewage collection systems: the Non-Reclaimable Wastewater System (NRWS), which is designed to collect non-reclaimable wastewater, and the Regional System, designed for domestic sewage and/or reclaimable wastewater generating from the local businesses and industries.

The NRWS collects and conveys high saline wastewater outside the Chino Groundwater Basin area due to the restrictive salinity requirements imposed upon IEUA's regional wastewater recycling facilities. Wastewaters containing high levels of dissolved salts or other chemicals that may degrade or limit the use of recycled water are collected from the NRW industrial users. This flow is conveyed to 1) the County Sanitation District of Los Angeles County's (CSDLAC) wastewater sewerage system for treatment and ultimate disposal in the Pacific Ocean, and 2) through the Inland Empire Brine Line (IEBL) Sewer to the County Sanitation Districts of Orange County (CSDOC) for treatment and ultimate disposal into the Pacific Ocean. The Regional Recycling Plants discharge effluents to natural surface waters or to systems that serve to recharge the Chino Groundwater Basin. Presently, the North NRWS has approximately 75 miles of line varying in size from 12 inches to 36 inches in diameter of primarily Clay pipeline. IEUA owns approximately 3.1 miles of pipeline in the South NRWS System. The NRWS currently has 55 industries connected to the system. The benefit of having the NRWS in the IEUA service area is huge. It enables IEUA to export high strength wastes generated from these large industries, thus eliminating the impact from their wastewater on the IEUA Regional Recycling Plants.

IEUA operates and maintains 92 miles of Regional Sewer System pipelines. There are currently 30 permitted Significant Industrial User's (SIUs) that discharge wastewater as part of their normal operations. Non-SIUs such as commercial and light industrial are permitted and inspected through the Regional Contracting Agencies (RCA) source control programs.

The IEUA pretreatment group works in concert with the industries and RCAs to determine the best method of wastewater disposal. If the SIUs wastewater is suitable for recycling, the industry can be permitted to discharge flow via the regional sewer pipelines that lead to one of the four Regional Recycling Plants currently operated by IEUA. The industry must abide by strict permit discharge standards the pretreatment department has developed so the treatment plants operate smoothly and do not violate their NPDES discharge requirements. It is the responsibility of both the pretreatment group and SIUs to monitor pollutant concentrations in the industrial discharges so that IEUA plant operations are not impacted.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On going	Unable to Meet Goal
A5, C3, D4, H4	Implement a cost effective pretreatment program that complies with all applicable Federal, State, and local requirements for Regional and NRWS sewage systems	<i>(MI) Implement a Federal Pretreatment Program streamlining regulations when applicable</i>			
		(A)Updated the Regional Wastewater Ordinance No. 87.	✓		
		(A)Revision of NRWS Ordinance No. 62 is in progress and expected to be completed by June 2011.		✓	
		<i>(MI) Effectively develop and conduct documented procedures and technology training</i>			
		(A)Conduct annual review of PT&SC SOP's and quality control procedures.		✓	
A5, C3, D4, H4	Implement a cost effective pretreatment program that complies with all applicable Federal, State, and local requirements for Regional and NRWS sewage systems (continued)	<i>(MI) Maintain 100% compliance with established Pre-Treatment Regulations and Permits</i>			
		(A)Conducted bi-annual EPA mandated inspections and compliance monitoring activities.	✓		
		(A)Processed late notices, deficiency letters and reporting violations as necessary.	✓		
		(A)Reviewed and updated the "No Drugs Down the Drain" program and conducted public outreach.	✓		
		<i>(MI) No Sanitary Sewer Overflows (SSO) due to lack of maintenance</i>			
		(A)Populate all collection system PMs into CMMS by December 2011.		✓	
		(A)Conducted all routine and on-demand cleaning of the Regional and NRW sewer system and treatment plants.		✓	
		(A)Responded to all Sanitary Sewers Overflows (SSO) and treatment plant emergencies in a timely manner and provide assistance to other contracting agencies.		✓	
E3	Oversee the CIP developed from the NRWS CCTV and Condition Assessment	<i>(MI) Support and assist the development of Project Scope and Design related to the Regional and NRW sewer system</i>			
		(A)Actively participated in design review meetings, workshops, and assisted during construction.	✓		

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress /On going	Unable to Meet Goal
D2	Sewer System Management Plan (SSMP)	(MI) Implementation of IEUA Sewer System Management Plan			
		(A)SSMP is being implemented within the IEUA service area. The plan consists of 12 elements was approved by the IEUA Board of Directors in May 2009. In May 2011, the biennial audit was completed and no significant issues were identified. A copy of this plan is available for the general public on the IEUA website.	✓		
A4,G3	Continue efforts on the Agency-wide Salinity Reduction Program to help reduce salinity into the Regional Treatment Plants	(MI) Implementation of Agency-wide Salinity Reduction Program			
		(A)Work with the contracting agencies to minimize the salt loading from commercial, industrials, and residential self-regenerating water softeners.	✓		
		(A)Identify Regional industrial users suitable for connection to the NRWS.		✓	
		(A)Implement Agency Residential Self Regenerating Water Softener Removal Rebate Program.	✓		
A5,H3, D7	Implement a cost effective program that supports IEUA's operations and maintenance activities and complies with all Federal, State and local requirements	(MI) Develop and Implement Key Performance Indicators.			
		(A)Develop and implement KPI's by January 2010.	✓		
		(A) Achieve >90% of PT&SC KPIs.		✓	
		(A)Minimize staff emergency response time, from two hours to one hour after business hours and from one hour to 30 minutes during business hours.		✓	
		(MI) Minimize overtime use			
		(A) Reduce after hour call-outs by 10%.	✓		
		(MI) No employee work related accidents			
		(A)Conduct all required safety tailgate trainings.	✓		

Major Initiatives

- **Salinity Management and Reduction Program** – Revise the existing Regional Wastewater Ordinance to include a prohibition for the installation of residential Self-Regenerating Water Softeners (SRWS). Collaborate with the contracting agencies to develop a model ordinance that can be used by the contracting agencies prohibiting commercial SRWS and installations of new residential SRWS. Continue with the implementation of the SRWS rebate program for the voluntary removal of existing residential SRWS. Encourage the existing regional SIUs that discharge more than 550 mg/L TDS to divert their discharge to the NRWS when feasible.
- **Permitting Zero Discharge Industries** – Following the guidelines from RWQCB, in cooperation with the contracting agencies, IEUA will permit all zero discharge industries within the IEUA service area.
- **Public Outreach Program** – Continue with public education and outreach programs for *No Drugs Down the Drain* (NDDD) and *Don't Flush Trouble*. NDDD is an outreach program that educates the public on proper handling and disposal of used pharmaceuticals. *Don't Flush Trouble* deals with common household items that could cause a sanitary sewer overflow when flushed down the toilet.
- **East End Flowmeter Evaluation** – Continue to work with CSDLAC to increase the accuracy of the flow-meter.
- **Provide support** – provide support to Planning Department and Engineering Department for new connections and EDU calculations.
- **Ground Water Recharge Program Support** – Proactively support GWR and Operations through enhanced source control activities.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12* Target
Processing Time/NRWS Capacity Contracts	90 Days	90 Days	75 Days	70 Days
Processed NRWS Capacity Contracts	1	1	7	3
NRWS Industries Monitoring Events	750	954	1026	1020
NRWS Industries Inspection Events	120	83	100	110
Regional Contracting Agency Program Audited	2	2	2	2
NRWS/SAWPA Connections Approved	2	2	1	2
Regional SIUs Monitoring Events	150	153	148	140
Regional SIUs Inspected	105	82	100	100
NRW System Pipeline cleaned (miles)	2	13	5	10
NRW System Pipeline CCTV (miles)	5	2	5	5
Regional System Pipeline cleaned (miles)	8	14	15	15
Regional System Pipeline CCTV (miles)	10	8	10	10
Safety – Lost Time Accidents	0	0	0	0

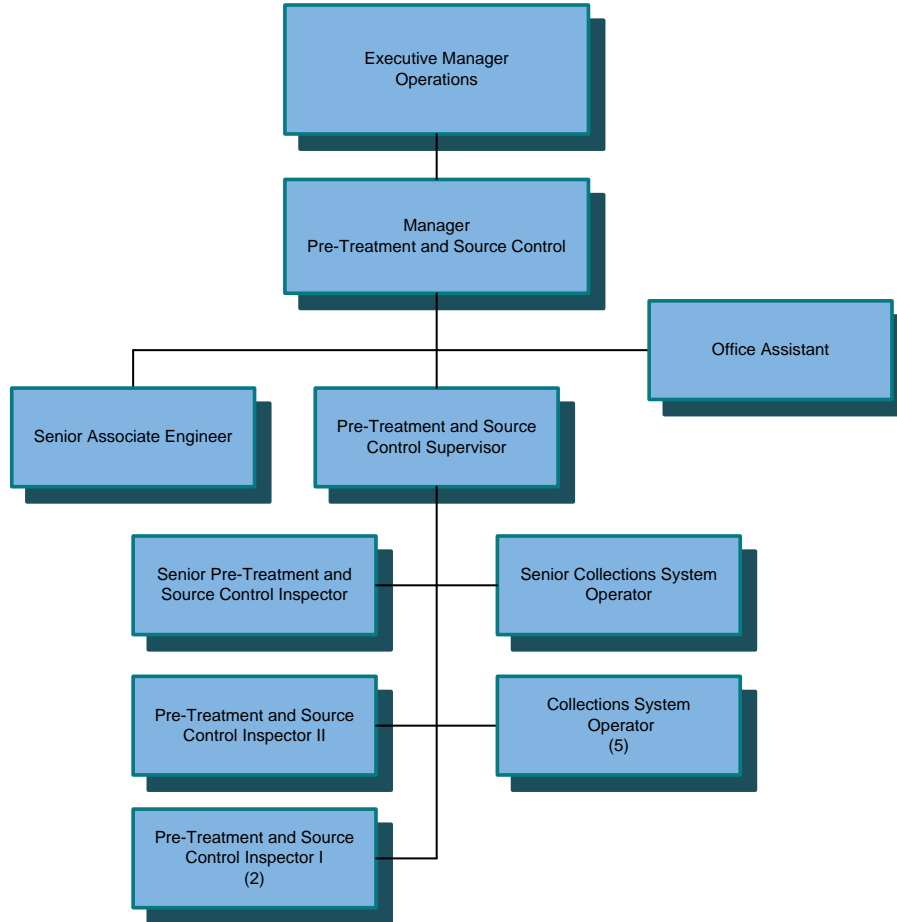
* Projected figures under normal conditions.

Goals and Objectives

AGENCYWIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
D7	Develop and Implement Key Performance Indicators	<ul style="list-style-type: none"> Continue the implementation and expansion of the department KPI's Achieve >90% of PT&SC KPI's
D2	Minimize overtime use	<ul style="list-style-type: none"> Reduce after hour call-outs by 10%
I4	No employee work related accidents	<ul style="list-style-type: none"> Conduct all required safety tailgate trainings
G3	Maintain 100% compliance with established Pre-Treatment Regulations and Permits	<ul style="list-style-type: none"> Conduct bi-annual routine, as needed on-demand inspections and sampling activities Process late notices, deficiency letters and reporting violations as necessary Review and update the "No Drugs Down the Drain" program and conduct public outreach No Wipes Flush
F4	No Sanitary Sewer Overflows (SSO) due to lack of maintenance	<ul style="list-style-type: none"> Populate all collection system PM's into CMMS by December 2011 Conduct all routine and on-demand cleaning of the Regional and NRW sewer system and treatment plants Respond to all Sanitary Sewers Overflows (SSO) and treatment plant emergencies in a timely manner and provide assistance to other contracting agencies
B2	Effectively develop and conduct documented procedures and technology training	<ul style="list-style-type: none"> Conduct annual review of PT&SC SOP's and quality control procedures
A4	Implementation of Agency-wide Salinity Reduction Program	<ul style="list-style-type: none"> Work with the contracting agencies to minimize the salt loading from commercial, industrials, and residential self-regenerating water softeners Water Softener Prohibition Ordinance Identify Regional industrial users suitable for connection to the NRWS
E2	Support the development of project scope and design related to the Regional and NRW sewer system	<ul style="list-style-type: none"> Actively participate in design review meetings, workshops, and assist during construction
D6	Improve accuracy of data collection for invoicing and revenue to recover all expenses related to NRW operations	<ul style="list-style-type: none"> Increase calibration frequency of critical flow meters Improve sample collection and analysis for accurate billing of NRW customers

Organizational Chart

Pre-Treatment and Source Control



Position Summary

	FY 08/09 Actual	FY 09/10 Budget	FY 10/11 Amended Budget	FY 11/12 Budget
Mgr. of Pre-Treatment & Source Control	1	1	1	1
Senior Associate Engineer	1	1	1	1
PSC&CS Supervisor	1	1	1	1
PSC&CS Senior Inspector	1	1	1	1
PSC&CS Inspector II	1	1	1	1
PSC&CS Inspector I	2	2	2	2
Sr. Collection System Operator	1	1	1	1
Collection System Operator	5	5	5	5
Office Assistant	1	1	1	1
Total	14	14	14	14

Expenses

Annual operating expense increases are the result of rate increases from CSDLAC and SAWPA for the NRWS. Since the NRWS rates are based on “pass through” charges, the rate increases are offset by corresponding user charges.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11		FY 11/12 Budget
			Amended Budget	Projected Actual	
Employment Expense	\$1,046,360	\$1,060,628	\$1,039,976	\$1,030,023	\$1,027,139
Operating Expense	5,106,267	6,004,077	6,301,970	6,237,383	6,733,091
Administrative Expenses	7,826	7,667	10,137	9,687	9,937
Total	\$6,160,453	\$7,072,372	\$7,352,083	\$7,277,093	\$7,770,167



IERCF Ventilation Cleaning

TECHNICAL SERVICES DEPARTMENT

Mission Statement

Provide technical assistance for the Agency's facilities and systems to maintain and preserve compliant water, wastewater, and air treatment quality in the most reliable and cost-effective manner.

Description and Purpose

The Technical Services Department is responsible for providing needed technical assistance to the Operations, Maintenance, Pre-treatment and Source Control, Engineering, and Construction Management Departments. Key activities of the Technical Service Department include:

- Regularly schedule reviews for each facility to discuss Key Performance Indicators (KPI) with focus on deviations from predetermined parameter targets and actions necessary for remediation.
- Unit Production Costs (UPC) of operations and maintenance for each facility track audit report on a monthly basis and serve as a primary management tool for ensuring cost-effectiveness.
- Provides assistance to other departments; review new project designs, troubleshoot treatment process operations and performance, and conduct special studies and review of new technologies.
- Provides capital project startup and transition assistance to the Construction Management and Operations Departments.

Accomplishments

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
D6	Performance Management Process Evaluation and Optimization	<i>(MI) Monitor and refine Unit Production Costs (UPC) data</i>			
		(A)Created and distributed monthly UPC Reports.		✓	
		(A)Addressed adverse process/cost trends, identified any efficiency opportunities, and then documented in a quarterly report to Executive Management.		✓	
D1	Develop and implement high level training programs	<i>(MI) Standardize and update all operating procedures</i>			
		(A)Developed standardized O&M Manual for RP-I by June 30, 2011.		✓	
		(A)Conducted training for Operations staff on the proper use of O&M manuals within two months of the completion of the manuals.		✓	

Agency Wide Goal	Departmental Goal	FY 2010/11 Major Initiatives (MI) & Accomplishment (A)	Met Goal	In Progress/ On Going	Unable to Meet Goal
B1	Evaluate new and emerging technologies	<i>(MI) Implement new high-tech testing procedures</i>			
		(A)Initiated the testing of online ammonia and nitrate analyzers in RP-5 aeration basins.		✓	
I4	Maintain the highest safety standards possible	<i>(MI) Achieve zero no-lost-time accidents</i>			
		(A)Conducted all required safety tailgate trainings.		✓	
D4	Provide resources and trainings for staff to keep abreast of changing rules and regulations	<i>(MI) Ensure staff is fully cognizant of rules and regulations</i>			
		(A)Encouraged staff participation in local water/wastewater/air regulatory and association committee meetings as measured by documented attendance.		✓	
C4	Provide support to Engineering and Construction Management	<i>(MI) During design and construction phases, ensure designs meet operational needs</i>			
		(A)Attended design and construction meetings, provided input and document suggestions for Executive Management review, and lead start-up activities.		✓	
		(A)Assisted in the development of work plans for the replacement of aeration diffusers at CCWRF.		✓	
		(A)Assisted in the development of Key Performance Indicators.		✓	
		(A)Provided analysis and recommendations on projects under construction.		✓	

Major Initiatives

- **Technical Assistance Program** - Advise Maintenance, Laboratory, Pre-Treatment and Source Control and Collection System Departments in the development and implementation of their Key Performance Indicators.
- **Regulatory Permit Compliance Plan** - Detailed attention to regulatory requirements, continued development and/or updating of Standard Operating Procedures (SOP's), Unit Process Control Procedures (UPCP's) and increased staff development through supervision and training.

Major Initiatives Continued...

- **Chemical Optimization Plan** - Optimization of chemical use through effective implementation of Key Performance Indicators and tracking of Unit Production Costs.
- **Best Practices and Procedures Implementation Plan** - Preparation of Standard Operating Procedures and Unit Process Control Procedures for the existing wastewater facilities.
- **Continued Updates** - Updating existing Facility O&M Manuals.
- **Maintenance Department Support** – Provide analysis and recommendations on projects being considered by Maintenance, and assist the Maintenance Department in the development and implementation of their Key Performance Indicators.

Performance/Workload Indicators

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Projected Actual	FY 11/12 Target
Number of monthly KPI reports created and distributed	N/A	12	12	12
Number of quarterly UPC reports created and distributed	N/A	4	4	4

Goals & Objectives

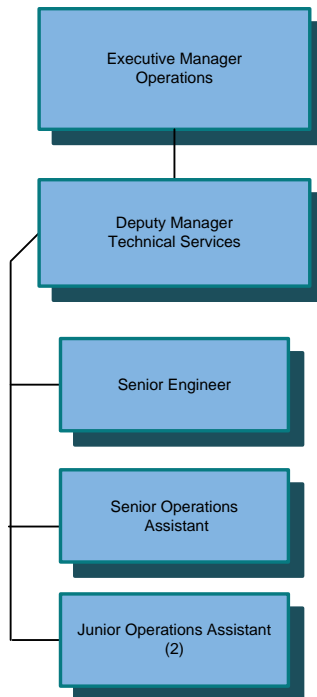
AGENCY WIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
D6	Monitoring and refinement of Unit Production Costs (UPC) data	<ul style="list-style-type: none"> • Create and distribute monthly UPC reports • Address adverse process/cost trends and identify any efficiency opportunities. Document in a report to Executive Management on a quarterly basis
D1	Standardize and update all operating procedures	<ul style="list-style-type: none"> • Lead efforts on the in-house updating of the RP-1 O&M Manual • Conduct training for Operations staff on the proper use of O&M Manuals within two months of the completion of the manuals
B1	Evaluate new and emerging technologies	<ul style="list-style-type: none"> • Evaluate emerging technologies for introducing oxygen into the activated sludge process in a more efficient manner than currently used

AGENCY WIDE GOAL*	DEPARTMENT GOAL	DEPARTMENT OBJECTIVE
I4	No lost time accidents	<ul style="list-style-type: none"> Conduct all required safety tailgate training
D4	Ensure staff is fully aware of new rules and regulations	<ul style="list-style-type: none"> Encourage staff participation in local water/wastewater/air regulatory and association committee meetings as measured by documented attendance
C4	Provide support to Engineering and Construction Management during design and construction phases to ensure designs meet Operational needs	<ul style="list-style-type: none"> Attend design and construction meetings, provide input and document suggestions for Executive Management review and lead start-up activities Assist in the development and implementation of Key Performance Indicators Provide analysis and recommendations on projects under consideration

* Please refer to the Agency Vision/Policy Goals tab for the Agency wide Goal description.

Organizational Structure

Technical Services



Position Summary

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 11/12 Budget
Deputy Manager of Technical Services	0	1	1	1
Process Control Coordinator	1	0	0	0
Senior Engineer	2	2	2	1
Senior Operations Assistant	1	1	1	1
Junior Operations Assistant	1	2	2	2
Total	5	6	6	5

Expenses

FY 2011/12 operating expense includes an additional expense for an oxygen transfer study for aeration basins.

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Amended Budget	FY 10/11 Projected Actual	FY 11/12 Budget
Employment Expense	\$509,501	\$523,783	\$493,586	\$478,200	\$503,256
Administrative Expense	2,041	4,010	8,090	10,053	6,290
Operating Expense	11,512	1,240	48,059	15,549	46,300
Total	\$523,054	\$529,033	\$549,735	\$503,802	\$555,846



Regional Plant No. 5 - Control Room



Area Profile / Demographics

AREA PROFILE/ DEMOGRAPHICS

Region

The Inland Empire Utilities Agency is located in San Bernardino County, approximately 35 miles east of Los Angeles in an area referred to as the Inland Empire, or “IE”. The area has moderate temperatures and low humidity year round. The average annual temperatures range from the 40’s to 70’s in January to the 60’s to 90’s in July. There are 312 average annual days of sunshine and the average rainfall in the service area is 16 inches per year.

The service area is uniquely positioned in a well-developed transportation center with three major railroads, four major freeway systems; the Interstate 10 San Bernardino, State Route 60 Pomona, State Route 210 Foothill, and Interstate 15 Ontario/Barstow, the Metrolink Railway system, the Chino Airport and the Ontario International Airport. Many of the Southern California’s recreational and cultural attractions are less than an hour away, including world renowned attractions such as: Disneyland, J. Paul Getty Museum, Universal Studios, Long Beach Aquarium, the mountains, beaches, and deserts.

History

In the late 1800’s a Canadian engineer named George Chaffey and his brother William bought 6,218 acres of land (now a part of the Agency’s service area) with water rights for \$60,000. The primary requirement for utilization of the land was water. George Chaffey created a mutual water company and pipe system of irrigation that became the standard for water system management in Southern California.

The Inland Empire Utilities Agency (IEUA), formerly the Chino Basin Municipal Water District, was established by a majority vote in a special election on June 6, 1950, with the mission to supply supplemental water a population of approximately 80,000 residents in the Chino Basin. The original boundaries of the Agency’s service area only encompassed 92 square miles. Today, the Agency’s service area has expanded to 242 square miles with a current population of approximately 796,000 residents. The boundary of the Agency’s service area encompasses the urban west end of San Bernardino County, immediately east of the Los Angeles County line and encompasses the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland and Rancho Cucamonga.

In 1951, the Agency annexed with the Metropolitan Water District of Southern California (MWD). MWD is the supplier of imported water from the Colorado River. In the 1960’s, the Agency began domestic sewage and industrial waste collection. The Agency’s regional water and wastewater services are essentially wholesale services provided to the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland and the Cucamonga Valley Water District, collectively known as the “Contracting Agencies”.

In 1969, the Agency started construction of a non-reclaimable wastewater system (the “NRW” System), for the collection of industrial wastewater. In 1990, the Agency began the design and construction of an outdoor composting facility to co-compost the municipal sludge from the Agency’s wastewater treatment plants with dairy manure from the Chino agricultural preserve. In 1998, the Agency began operation of a recycled water distribution system. In February 2002, the Agency and the County Sanitation Districts of Los Angeles County (CSDLAC), entered into a Joint Power Authority (JPA) with the Inland Empire Regional Composting Authority (IERCA), to construct an indoor composting facility. The Inland Empire Regional Composting Facility (IERCF), located in Rancho Cucamonga, is the nation’s largest indoor biosolids composting facility and has been in operation since 2007. Also in 2002, the Agency expanded the scope of operations of the Agency by financing the design and construction, along with the Chino Basin Watermaster, of facilities to replenish the Chino Groundwater Basin by delivering potable water, storm water and recycled water through the Agency’s distribution system to refurbish the groundwater basins.

Since its inception, IEUA has expanded its areas of responsibility from a supplemental water supplier to a regional wastewater treatment agency with domestic and industrial disposal systems and energy recovery/ production facilities. In addition, IEUA has become a recycled water supplier, biosolids/compost provider and continues to be a leader in water quality management and protection. IEUA closely coordinates its water resources management program in the Chino Groundwater Basin with the Chino Basin Watermaster, the San Bernardino County Flood Control District, the Chino Basin Water Conservation District, and local water and sewer retail agencies.

Governance

IEUA is governed by a five-member Board of Directors, elected to represent individual areas or Divisions. Each Board member is elected by Division to serve a four-year term.

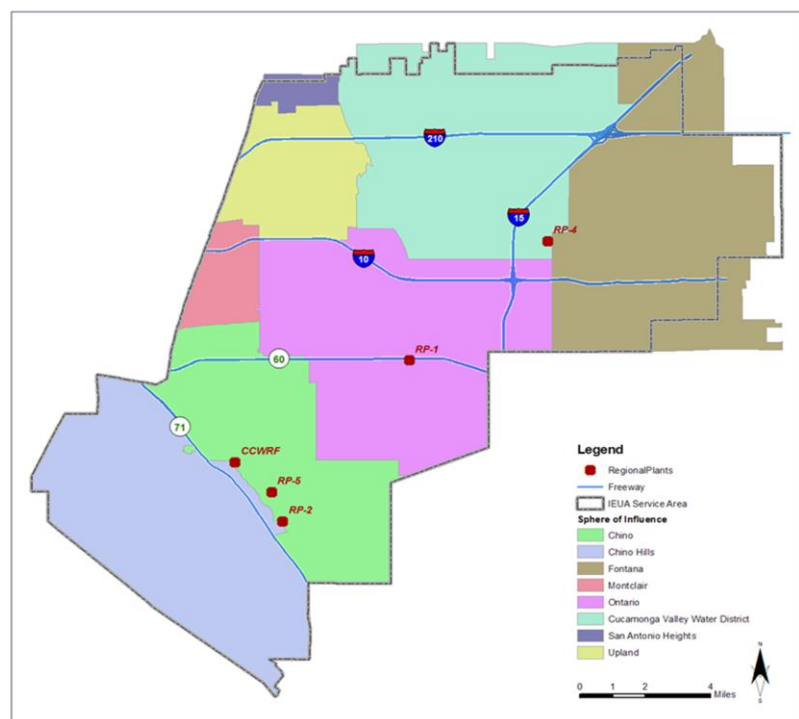
- Division 1 Upland/Montclair
- Division 2 Ontario
- Division 3 Chino/Chino Hills/Montclair
- Division 4 Fontana/Rialto/Bloomington
- Division 5 Rancho Cucamonga

IEUA has one representative on the Metropolitan Water District’s (MWD) Board of Directors and two representatives on the Santa Ana Watershed Project Authority Commission (SAWPA).

Contracting Agencies

IEUA coordinates its activities with contracting agencies in the region, to determine capital spending requirements needed to meet future wastewater service needs, and sets priorities for future water supplies, recycling, and wastewater capital projects. IEUA provides regional wastewater-related services to seven contracting agencies:

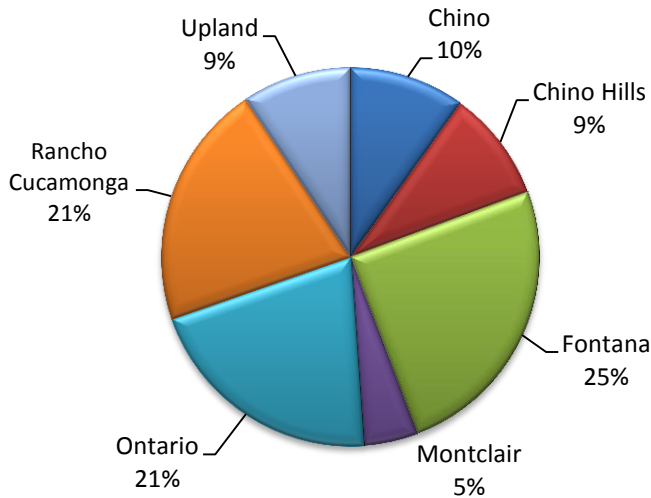
- City of Chino
- City of Chino Hills
- Cucamonga Valley Water District (CVWD)
- City of Fontana
- City of Montclair
- City of Ontario
- City of Upland



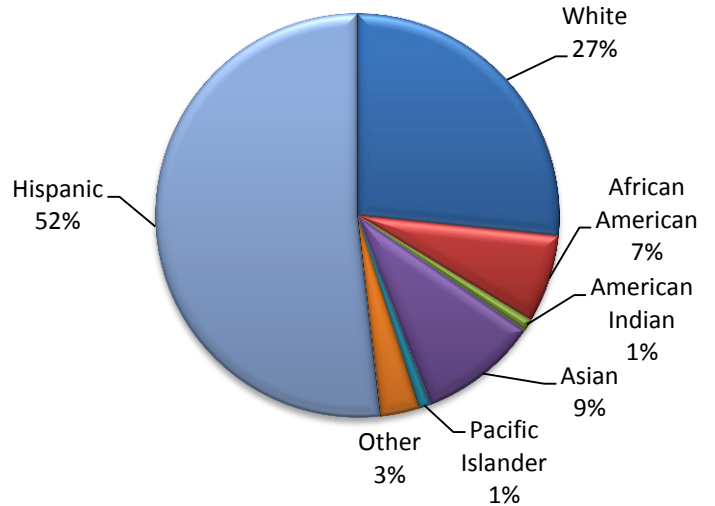
Anticipated Growth

The Agency's service area population is projected to be 799,000 in FY 2011/12. The current economic downturn has reduced the growth rate approximation to only 1% in the ensuing years. Nonetheless, the region's geographic location, rising labor force, outstanding academic resources, and sophisticated logistics infrastructure have allowed the Inland Empire to become one of California's fastest growing regions.

Service Area Population 788,400



Service Area Demographics 2010

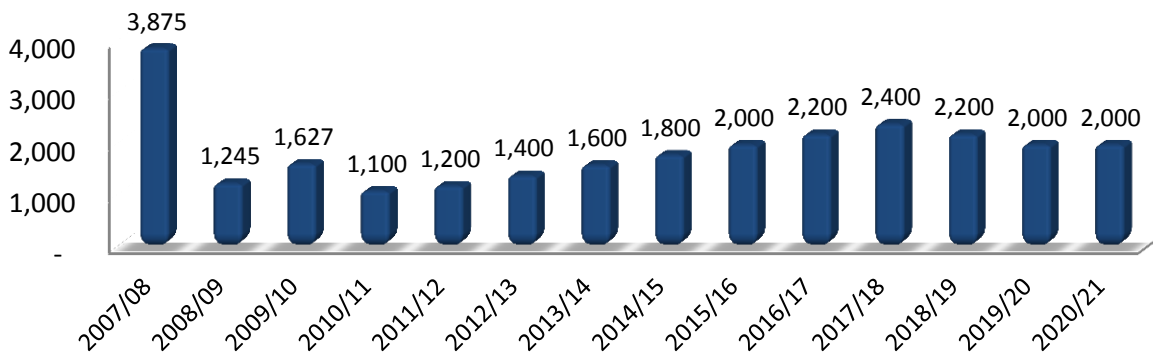


Source: State of California, Department of Finance, 3-A

Regional Wastewater Flows

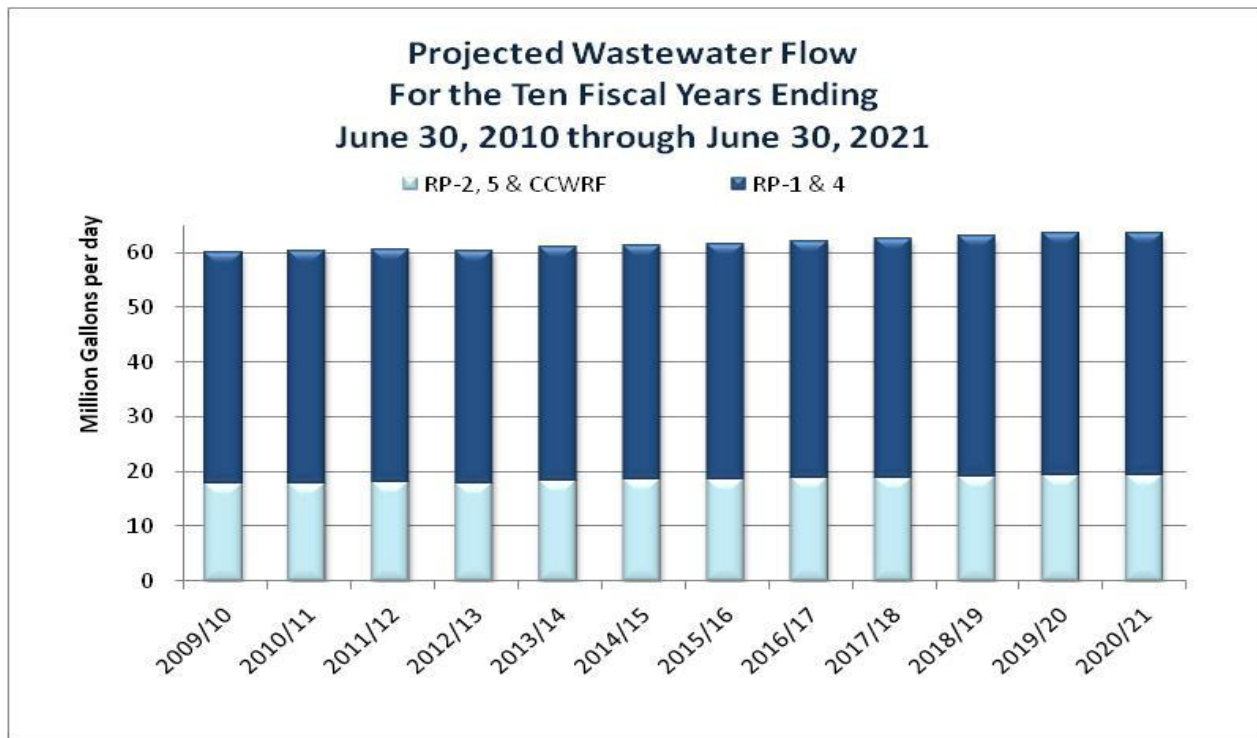
The Agency utilizes *Equivalent Dwelling Units (EDU)* as the unit for measuring and forecasting the amount of water required by each household to sustain the quality of life in the area. Each EDU equals approximately 98,550 gallons per year for a single residential household. As a result of the current economic recession and the drastic reduction in new development throughout the Agency's service areas, the number of new connections (EDUs) dropped to low record levels in 2008. New connections are anticipated to gradually increase in the ensuing years.

Projected New EDU Connections by Fiscal Year



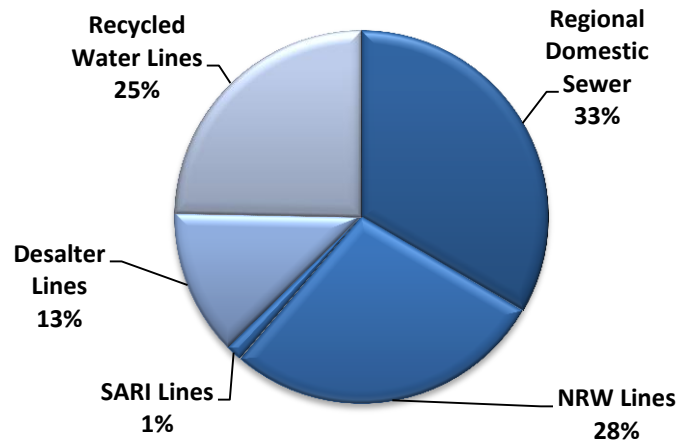
Projected Wastewater Flow for the Ten Fiscal Years Ending June 30, 2011 through June 30, 2021
Based on the lower flow forecast scenario in Million Gallons per Day (MGD)

Fiscal Year	RP-1 & 4 (MGD)	RP-2, 5 & CCWRF (MGD)	Total (MGD)
2009/10	42.3	17.7	60.0
2010/11	42.4	17.8	60.2
2011/12	42.5	17.9	60.4
2012/13	42.6	17.7	60.2
2013/14	42.7	18.2	60.9
2014/15	42.9	18.3	61.2
2015/16	43.1	18.5	61.6
2016/17	43.4	18.6	62.0
2017/18	43.6	18.8	62.4
2018/19	43.9	19.0	62.9
2019/20	44.2	19.2	63.4
2020/21	44.2	19.2	63.4



Source: Statistics were derived from IEUA Ten Year Capital Plan.

299 Miles of Pipeline



Local Economic Conditions and Outlook ¹

Housing Market - Inland Empire home markets have improved a little, with 48.9% of inland homes still worth less than what the owners owe, the market has a very long way to go before it is healed. This is the major economic difficulty facing the region. Until foreclosures and short sales fall dramatically, and residential construction improves the region faces a slow recovery.

There are 853,076 inland empire homes with mortgages, with 417,266 of those upside down (48.9%), meaning they are worth less than what homeowners owe. Many families will continue making payments hoping prices will increase enough to break even. However many will give up, sending a continuing flow of foreclosures or short sales into the market. This will cause home prices to remain too low for new homes to compete. Since construction was 21.6% of the growth in the Inland Empire's job base during the 2000-2007 upturn, the area's recession will likely continue for some time.

Employment - The U.S. unemployment rate was 8.8% in March 2011. For February 2011, data was available for metropolitan areas with more than 1 million people. It showed the Inland Empire's rate of 13.9% to be the highest among 49 metropolitan areas. In 2011, the Inland Empire economy should gain 5,200 jobs (0.5%), after dropping -161,300 during 2008-2010 and wiping out the jobs gained in the 2004-2007 boom. The turnaround will be very modest because the area's traditional competitive advantages (undeveloped land, and modestly priced labor) that have powered its blue collar sectors, have been overcome by the deep mortgage crisis affecting construction and California's lack of manufacturing competitiveness.

Manufacturing - Home construction and civil engineering employment could be stronger than expected if serious action is taken to bring down the balances that underwater homeowners owe on their mortgages, allowing construction to return. However, that appears unlikely. Another possibility would be if the already high levels of existing home sales lead to more than expected job growth in finance, escrow, title and home insurance since 62% of inland families can afford the bottom 50% of area homes. However that has not occurred, despite record high sales in 2009-2010.

¹ Source: John Husing Quarterly Economic Report, April 2011

Median annual income in the Agency’s service area is estimated to be \$67,294, San Bernardino County is \$65,000 and statewide median income is estimated to be \$58,931.

Chino Hills	\$99,172
Chino	68,932
Upland	65,333
Montclair	52,108
Ontario	53,224
Fontana	59,185
Rancho Cucamonga	73,103
Average / 7 Cities	
Average / 7 Cities	\$67,294
San Bernardino County	\$65,000
State of California	\$58,931

Source: City-data.com (2009)

Area’s largest public and private employers:

Firm	Location	Number of Employees
Ontario International Airport	Ontario	7,510
Kaiser Hospital & Medical Group	Fontana	5,682
Fontana Unified School District	Fontana	3,953
Chino Unified School District	Chino	3,200
California Institution For Men	Chino	2,327
Chaffey community College District	Rancho	1,385
North American Medical Management	Ontario	1,304
City of Ontario	Ontario	1,075
California Steel Industries, Inc.	Fontana	956

Source: San Bernardino Area Chamber of Commerce

Colleges and Universities nearest the Agency with more than 2,000 students in FALL 2010

College or University	Number of Full Time Students
California State University—Fullerton	34,915
Riverside Community College	50,000
Mt. San Antonio College	40,525
California State Polytechnic University—Pomona	21,100
Chaffey Community College	20,304
University of California—Riverside	20,746
California State University—San Bernardino	17,852
Citrus College	14,500
University of La Verne	7,485
DeVry University - California	7,234
University of Redlands	2,410

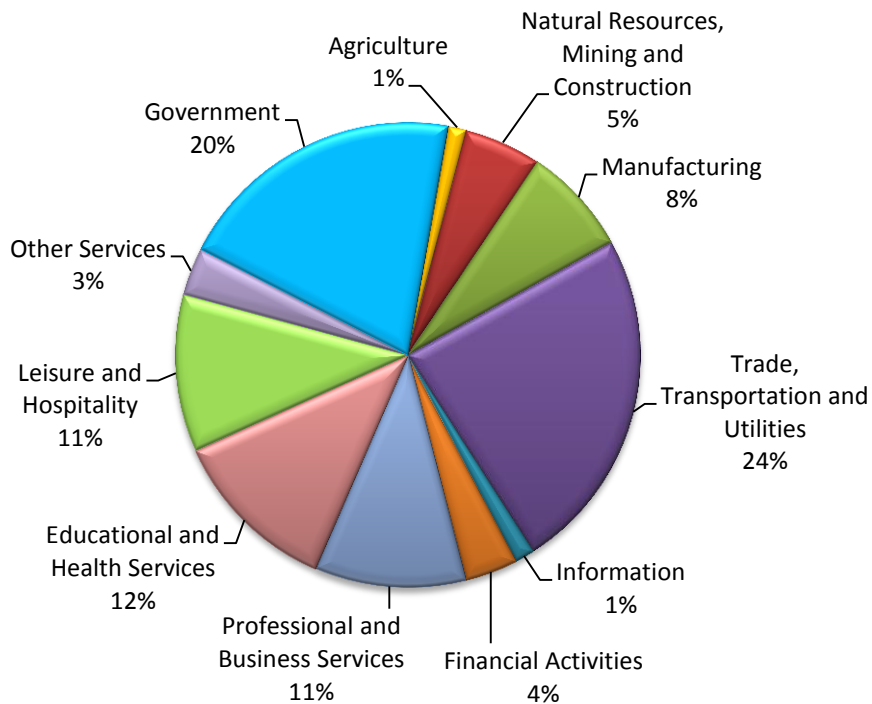
Source: National Center for Educational Statistics

San Bernardino County Population Data

	2009	2008
Total Population	2,017,673	2,015,355
Male	50.20%	50.20%
Female	49.80%	49.80%
0 to 19 years	33.10%	33.07%
20 to 34 years	23.59%	23.60%
35 to 54 years	26.87%	26.90%
55 to 64 years	8.25%	8.20%
65 years and over	8.60%	8.30%
Median age (years)	30.2	30.3

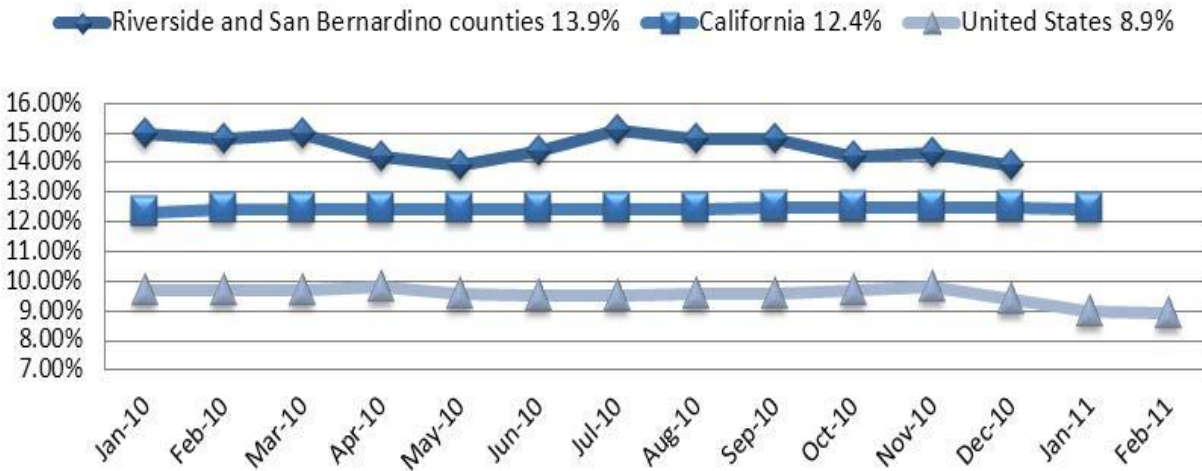
Source: <http://www.labormarketinfo.edd.ca.gov/>

San Bernardino County Jobs by Industry



Source: <http://www.labormarketinfo.edd.ca.gov/>
Source: Bureau of Labor Statistics

2010 Unemployment



Historic and Projected Population and Assessed Values

The Agency's population in FY 2011/12 is estimated to be approximately 799,000 and its total gross assessed valuation was determined to be \$53 billion. The Agency's ten-year historic and projected population and gross assessed valuation totals are presented in the charts below.

Historic Population and Gross Assessed Values for the Past Ten Fiscal Years

Fiscal Year	Population (thousands)	Assessed Value (\$billion)
2000/01	678	37.8
2001/02	680	41.2
2002/03	691	45.0
2003/04	711	49.5
2004/05	748	51.5
2005/06	766	54.5
2006/07	798	56.8
2007/08	808	59.6
2008/09	815	56.7
2009/10	788	54.1

**Projected Population and Gross Assessed Values
Fiscal Years Ending June 30, 2011 through June 30, 2020**

Fiscal Year	Projected Population* (thousands)	Projected Assessed Value (\$millions)
2010/11	796	53.2
2011/12	799	52.7
2012/13	806	52.7
2013/14	814	52.9
2014/15	821	53.5
2015/16	829	54.3
2016/17	829	55.1
2017/18	838	55.7
2018/19	846	56.8
2019/20	863	57.4

* Population statistics derived from Department of Finance 2010-11 with an estimated 1% increase/yr

Summary of Assessed Values for the Past Ten Fiscal Years

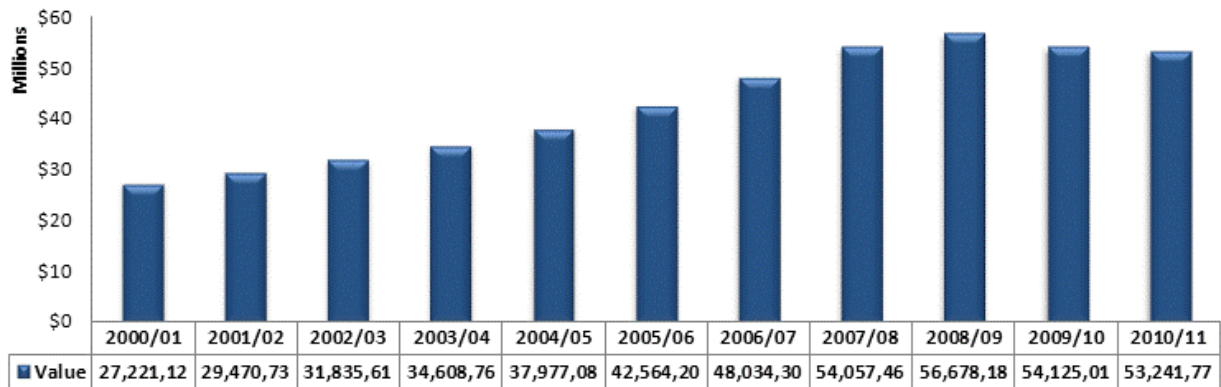
Assessed Values—Excludes Redevelopment Agency Incremental Value (Dollars in Thousands)

Fiscal Year Actual	Original Area	Mid-Valley Area	Bryant Area	North Perimeter	Total	Annual Increase/ (Decrease)	Annual % Change
2000/01	13,429,944	13,743,015	37,795	10,368	27,221,122	1,433,876	5.56%
2001/02	14,114,400	15,316,981	28,680	10,674	29,470,735	2,249,613	8.26%
2002/03	14,586,122	17,209,045	29,062	11,390	31,835,619	2,364,884	8.02%
2003/04	15,627,835	18,937,535	29,910	13,489	34,608,769	2,773,150	8.71%
2004/05	16,951,298	20,980,992	29,534	15,264	37,977,088	3,368,319	9.73%
2005/06	18,841,618	23,671,021	31,437	20,127	42,564,203	4,587,115	12.08%
2006/07	21,113,133	26,863,628	34,023	23,516	48,034,300	5,470,097	12.85%
2007/08	23,454,004	30,534,586	43,059	25,811	54,057,460	6,023,160	12.54%
2008/09	24,290,032	32,307,275	52,437	28,446	56,678,190	2,620,730	4.85%
2009/10	22,626,054	31,419,205	54,325	25,432	54,125,016	(2,553,173)	(4.50%)
2010/11	22,114,577	31,042,637	54,543	30,013	53,241,770	(883,246)	(4.00%)

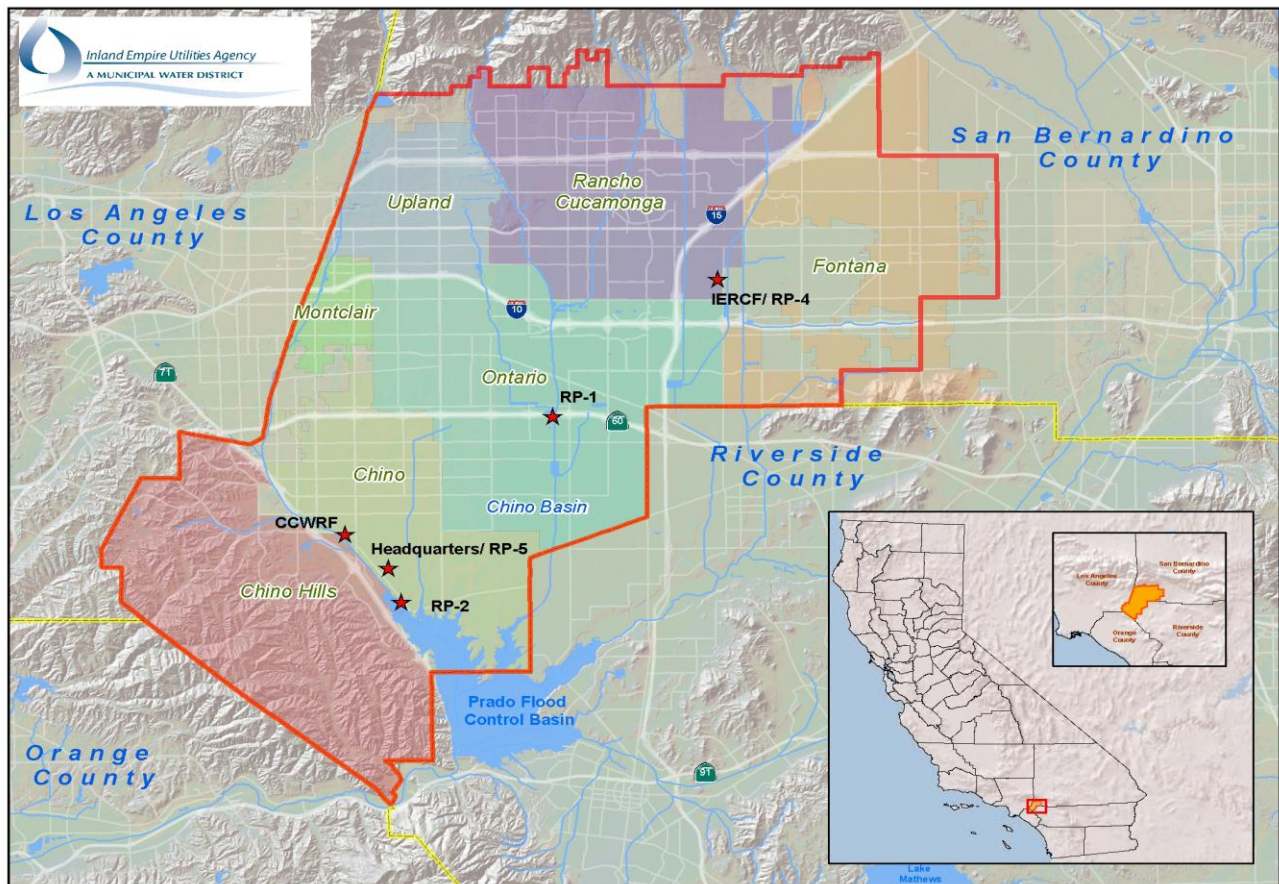
Fiscal Year	Original Area	Mid-Valley Area	Bryant Area	North Perimeter	*Projected Total	Annual Increase/ (Decrease)	Annual % Change
2011/12	21,893,431	30,732,211	53,998	29,713	52,709,352	(532,418)	(1.00%)
2012/13	21,893,431	30,732,210	53,998	29,713	52,709,352	0	0.00%
2013/14	22,022,898	30,885,872	54,268	29,861	52,972,899	263,547	0.50%
2014/15	22,222,927	31,194,730	54,810	30,160	53,502,628	529,729	1.00%
2015/16	22,556,271	31,662,651	55,632	30,612	54,305,167	802,539	1.50%
2016/17	22,894,615	32,137,591	56,467	31,072	55,119,745	814,578	1.50%
2017/18	23,123,561	32,458,967	57,032	31,382	55,670,942	551,197	1.00%
2018/19	23,354,797	32,783,557	57,602	31,696	56,227,652	556,709	1.00%
2019/20	23,588,345	33,111,392	58,178	32,013	56,789,928	562,277	1.00%
2020/21	23,824,228	33,442,506	58,760	32,333	57,357,827	567,899	1.00%

*Based on the FY 2011/12 Property Tax budget assumption

Summary of Assessed Values For the Past Ten Fiscal Years



Inland Empire Utilities Agency





Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Appendices

INLAND EMPIRE UTILITIES AGENCY
ADOPTED FY 2011/12 USER FEES FOR IMPLEMENTATION
 July 1, 2011

WASTEWATER PROGRAM

		ADOPTED RATES FY 2011/12	IMPLEMENTED RATES FY 2010/11
Total Volumetric (EDU) Fee	per equivalent dwelling unit per month	\$11.14	\$11.14
	per million gallons	\$1,713.27	\$1,713.27
Excess User Charges:			
Suspended Solids in excess of 300 milligrams per liter	per ton dry weight	\$467.77	\$467.77
Biochemical Oxygen Demand in excess of 300 milligrams per liter	per ton dry weight	\$459.74	\$459.74
Domestic Waste Truck Rates(Regional System):			
Initial Permit Application Fee	initial charge	\$155.00	\$240.00
Permit Renewal Fee	renewal fee	\$103.00	\$90.00
Trucked Waste Volumetric Fee	per load up to 2,000 gallons	\$62.00	\$60.00
	per load over 2,000 gallons	\$0.02 per one (1) gallon	\$0.02 per one (1) gallon
Tertiary Treatment Fees (Non-Regional Agency):			
Tertiary Plant #1	per million gallons		
Tertiary Plant #5	per million gallons		
Regional Capacity Fee	per equivalent dwelling unit	\$4,766.00	\$4,766.00
<u>NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)</u>			
Initial Capacity fee per unit		\$215,000.00	\$215,000.00
Monthly Capital Improvement Program (CIP) Fee		\$90.00	\$90.00
Monthly Capacity Unit Fee (NRW North System)			
Per Capacity Unit		\$192.91	\$268.46
Monthly Capacity Unit Fee (NRW South System)			
Per Capacity Unit		\$244.73	\$204.88
Excess User Charges (NRW North System)			
Total Suspended Solids in excess (TSS) of 315 milligrams per liter	per 1,000 pounds dry weight	\$268.60	\$245.44
Chemical Oxygen Demand (COD) of 737 milligrams per liter	per 1,000 pounds dry weight	\$101.16	\$92.94
Excess User Charges (NRW South System)			
Total Suspended Solids in excess (TSS)	per 1,000 pounds dry weight	\$416.00	\$462.00
Biochemical Oxygen Demand (BOD)	per 1,000 pounds dry weight	\$281.00	\$312.00
Volumetric Fee (NRW North System)			
Direct Line Deliveries	per million gallons	\$1,040.35	\$1,522.36
Minimum Volumetric Charge	<= 100,000 gallons per month per capacity unit	\$104.04	\$152.24
Volumetric Fee (NRW South System)			
Direct Line Deliveries	per million gallons	\$862.00	\$891.00
Minimum Volumetric Charge	<= 168,350.17 gallons per month per capacity unit	\$86.20	\$89.10
Truck Station Deliveries: (NRW North System)			
Per Load Up to 5,000 gallons		\$175.20	\$194.70
Incremental above 5,000 gallons (unit calculation changed)		\$0.010 per one (1) gallon	\$0.020 per one (1) gallon

INLAND EMPIRE UTILITIES AGENCY
ADOPTED FY 2011/12 USER FEES FOR IMPLEMENTATION
July 1, 2011

NON-RECLAIMABLE WASTEWATER SYSTEM (cont)

Truck Station Deliveries: (NRW South System)

		ADOPTED RATES FY 2011/12	IMPLEMENTED RATES FY 2010/11
<u>Tier Schedule</u>			
	<u>BOD or TSS Concentration</u>		
Brine	Less than 100 mg/l per 5,000 gallon truck	\$208.35	\$200.23
Tier 1 (Non Brine)	100 to 999 mg/l	\$233.35 /gallon	\$225.23 /gallon
Tier 2 (Non Brine)	1,000 to 2,499 mg/l	\$328.35 /gallon	\$310.23 /gallon
Tier 3 (Non Brine)	2,500 mg/l and higher	\$170.8500 /gallon	\$162.73 /gallon
Per Load Up to 5,000 gallons		0.683 / pound of TSS	0.683 / pound of TSS
Incremental above 5,000 gallons (unit calculation changed)		0.672 / pound of BOD	0.672 / pound of BOD

Administrative Surcharge			
Non-Recycled Water Users	% of Capacity and Volumetric charges	50%	50%
Recycled Water Users	% of Capacity and Volumetric charges	10%	10%
All NRW Connected Users	% of Strength charges	50%	50%

Application Fees:

Capacity Right/Capacity Option agreement	per each agreement	No Charge	No Charge
Converting a capacity option agreement to a capacity right agreement		No Charge	No Charge

New Permit Fees:

For Wastewater Generators who discharge directly through the pipeline connection			
Categorical Industrial User		\$2,626.00	\$2,472.00
with Combined Waste Stream Formula, add		\$656.00	\$618.00
with Production Based Standards, add		\$328.00	\$309.00
with Multiple Categories, add		\$1,313.00	\$1,236.00
Non-Categorical, Significant, Industrial User		\$1,969.00	\$1,854.00
Non-Categorical, Non-Significant Industrial User		\$1,641.00	\$1,545.00

Wastewater Permit Renewal Fees:

For Wastewater Generators who discharge directly through the pipeline connection			
Categorical Industrial Users		\$1,969.00	\$1,854.00
with Combined Waste Stream Formula, add		\$328.00	\$309.00
with Production Based Standards, add		\$164.00	\$155.00
with Multiple Categories, add		\$656.00	\$618.00
Non-Categorical, Significant Industrial User		\$492.00	\$464.00
Non-Categorical, Non-Significant Industrial User		\$328.00	\$309.00

New Permit Fees:

For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRWS sewer system			
Categorical Industrial User		\$1,641.00	\$1,545.00
with Combined Waste Stream Formula, add		\$656.00	\$618.00
with Production Based Standards, add		\$328.00	\$309.00
with Multiple Categories, add		\$1,313.00	\$1,236.00
Non-Categorical, Significant, Industrial User		\$985.00	\$927.00
Non-Categorical, Non-Significant Industrial User		\$656.00	\$618.00

Wastewater Permit Renewal Fees:

For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRWS sewer system			
Categorical Industrial Users		\$1,313.00	\$1,236.00
with Combined Waste Stream Formula, add		\$328.00	\$309.00
with Production Based Standards, add		\$164.00	\$155.00
with Multiple Categories, add		\$656.00	\$618.00
Non-Categorical, Significant Industrial User		\$492.00	\$464.00
Non-Categorical, Non-Significant Industrial User		\$328.00	\$309.00

INLAND EMPIRE UTILITIES AGENCY
ADOPTED FY 2011/12 USER FEES FOR IMPLEMENTATION
July 1, 2011

	ADOPTED RATES FY 2011/12	IMPLEMENTED RATES FY 2010/11
<u>NON-RECLAIMABLE WASTEWATER SYSTEM (cont)</u>		
Initial Wastewater Hauler Permit Application & Permit Fees (NRWS):		
Permit Application for Wastewater Hauler	\$155.00	\$155.00
Permit Renewal for Wastewater Hauler	\$103.00	\$103.00
Major Permit Modification /Facility Expansion Fee		
Major Permit Modification	\$985.00	\$865.00
Facility Expansion	\$985.00	\$865.00
Minor Permit Modification Fees:		
Changes of Equipment Maintenance or Monitoring Requirements/Changes of Discharge Limits	\$459.00	\$433.00
Change of Limits/Evaluation of Toxic Organic Management Plan Processing	No Charge	No Charge
Business Name Change/Owner Name Change	\$131.00	\$124.00
<u>RECYCLED WATER SALES</u>		
Sales to Regional Contracting Agencies /certain retail customers		
<i>Direct Sale</i> (All Tertiary Plants)		
7/1/2010 - 12/31/2011 per million gallons	\$291.50	\$230.13
7/1/2009 - 12/31/2010 per acre foot	\$115.00	\$75.00
1/1/2011 - 06/30/2011 per million gallons	\$353.05	\$291.50
1/1/2011 - 06/30/2011 per acre foot	\$115.00	\$95.00
<i>Recharge Sale</i> (All Tertiary Plants)		
7/1/2009 - 12/31/2010 per million gallons	\$352.90	\$260.86
7/1/2009 - 12/31/2010 per acre foot	\$145.00	\$85.00
1/1/2011 - 06/30/2011 per million gallons	\$445.15	\$352.90
1/1/2011 - 06/30/2011 per acre foot	\$145.00	\$115.00
<u>IMPORTED (MWD) POTABLE WATER SALES</u>		
Agency Surcharge added to MWD rates per acre foot	\$12.00	\$12.00
Imported Water Rates (including the above surcharges):		
Full Service Untreated Water		
Tier 1 7/1/2011- 12/31/2011 per acre foot	\$539.00	\$496.00
Tier 1 1/1/2011- 12/31/2012 per acre foot	\$572.00	\$539.00
Tier 2 7/1/2011 - 12/31/2011 per acre foot	\$664.00	\$606.00
Tier 2 1/1/2012 - 12/31/2012 per acre foot	\$698.00	\$664.00
MWD Penalty Rates for Exceeding Tier I Allocation		
<i>Water Use</i>	<i>Base Water Rate</i>	<i>Penalty Rates</i>
100% of Allocation	Tier 1	0
Between 100% - 115% of Allocation	Tier 1	2 x Tier 2
Greater than 115% of Allocation	Tier 1	4 x Tier 2
New Connections w/o Tier 1 Allocation		
		Tier 1
		Tier 1 + (2 x Tier 2)
		Tier 1 + (4 x Tier 2)
		Tier 2
		Tier 2
Ground Water Storage Program		
Replenishment Water Untreated		
7/1/2010 - 12/31/2010 per acre foot	\$421.00	\$378.00
1/1/2011 - 12/31/2011 per acre foot	\$454.00	\$421.00
Capacity Meter Charge		
	\$5.00	\$5.00
Capacity Reservation Charge		
7/1/2010 - 12/31/2011 per cubic foot per second (cfs)	\$7,200.00	\$7,200.00
1/1/2011 - 12/31/2011 per cubic foot per second (cfs)	\$7,400.00	NA
Industrial Connection Minimum Charge		
	\$1,000.00	\$1,000.00
Retail Meter Charge		
(for MWD Readiness-to-Serve Charges) per meter per month		\$1.075

(Refer to respective rate resolutions for details)

RESOLUTION NO. 2011-4-6

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE, RECYCLED WATER, NON-RECLAIMABLE WASTEWATER, AND WATER RESOURCES PROGRAMS AND FIXING TIME AND PLACE OF HEARING THEREON

WHEREAS, pursuant to the Chino Basin Regional Sewage Service Contract, this Board of Directors shall adopt its resolution of intent to adopt budgets for its Regional Sewage Program and fix a time and place of hearing thereon; and

WHEREAS, this Board of Directors shall also adopt its resolution to hold a public hearing to receive public comments on the proposed FY 2011/12 budgets and rates for the Recycled Water, Non-Reclaimable Wastewater, and Water Resources Programs.

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1: That the Board of Directors hereby declares its intent to adopt Regional Sewage and said proposed budgets for Fiscal Year 2011/12,

Section 2: That the Board of Directors hereby fixes a time and place for hearing on said proposed budgets as follows:

Date	Time	Place
June 1, 2011	10:00 a.m.	Office of the Agency 6075 Kimball Ave. Chino, CA 91708

Section 3: That the Secretary is hereby authorized and directed to distribute copies of this Resolution. The draft program budget of the Regional Sewage Recycled Water, Non-Reclaimable Wastewater, Water Resources will be distributed following review by the Board of Directors.

Section 4: Upon adoption of this resolution, Resolution No. 2010-4-1 is hereby rescinded in its entirety.

ADOPTED this 20th day of April, 2011.



Terry Catlin
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steve J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-4-6 was adopted
at a regular Board meeting on April 20, 2011, of said Agency by the following vote:

AYES: Santiago, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie, Secretary/Treasurer

(Seal)

* A MUNICIPAL WATER DISTRICT

RESOLUTION NO. 2011-2-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY* (IEUA), SAN
BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING
THE REIMBURSEMENT PAYMENT FOR FISCAL YEAR
2011/12

WHEREAS, the Contracting Agency Advisory Committees have agreed to approve a Reimbursement Payment adjustment prior to adoption of the final Ten-Year CIP and Budget, based on the IEUA Long Range Financial Plan, draft CIP and Los Angeles area *Engineering News Record* construction cost index (ENRCCILA);

WHEREAS, on behalf of the Contracting Agencies, the Chairman of the Regional Policy Committee has requested in writing that the IEUA Board of Directors adjust the Reimbursement Payment in accordance with Section 9A, Part C of the Regional Sewage Contract;

WHEREAS, the financing of the Ten-Year Capital Improvement Program requires that the Reimbursement Payment to be maintained at \$4,766 per Equivalent Dwelling Unit (EDU) effective July 1, 2011;

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER the following to be effective July 1, 2011;

Section 1. That the Reimbursement Payment for the Contracting Agencies will be remained at \$4,766 per EDU as of Fiscal Year 2011/12.

Section 2. That the provisions of the Regional Sewage Service Contract and any amendments thereto, are hereby applicable and will remain in full force and effect.

Section 3. That upon the effective date of this Resolution, Resolution No. 2010-5-1 is hereby rescinded.

ADOPTED this 16th day of February, 2011



President of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

ATTEST:




Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of Directors
thereof

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-2-1 was adopted at a regular Board Meeting on February 16, 2011, of said Agency by the following vote:

AYES: Santiago, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*A Municipal Water District

RESOLUTION NO. 2011-2-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR IMPROVEMENT DISTRICT "C" FOR FISCAL YEAR 2011/12

WHEREAS, pursuant to the Regional Sewage Service Contract, the Regional Contracting Agencies Advisory Committees have received and reviewed the FY 2011/12 Regional Wastewater Program Budget with an associated service rate for Fiscal Year 2011/12;

WHEREAS, The Regional Advisory Committees have reviewed and recommended service rates for Fiscal Year 2011/12:

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2011:

Section 1. Effective July 1, 2011, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$11.14 per equivalent service unit (EDU) per month or \$1,713.27 per million gallons.

Section 2. The provisions of the Regional Sewage Service Contract and any amendments thereto are hereby applicable and will remain in full force and effect.


Section 3. That upon the effective date of this Resolution, Resolution No. 2010-5-2 is hereby rescinded.

ADOPTED this 16th day of February, 2011.



President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:



Secretary of the Inland Empire Utilities Agency* and of the Board of Directors thereof

* A Municipal Water District

RESOLUTION NO. 2011-2-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RATES COVERING THE SALE OF RECYCLED WATER FOR FISCAL YEAR 2011/12

WHEREAS, The Regional Advisory Committees have reviewed and recommended service rates for Fiscal Year 2011/12:

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. That effective July 1, 2011, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$353.05 per million gallons or \$115.00 per acre foot.

Section 2. That effective July 1, 2011, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$445.15 per million gallons or \$145.00 per acre foot.

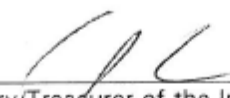
Section 3. Upon the effective date of this Resolution, Resolution No. 2010-5-3 is hereby rescinded in their entirety.

ADOPTED this 16th day of February, 2011.



President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:




Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-2-3, was adopted at a regular meeting on February 16, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2011-5-2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEARS 2011/12 AND 2012/13

WHEREAS, the Inland Empire Utilities Agency* is a member agency of the Santa Ana Watershed Project Authority;

WHEREAS, the Joint Exercise of Powers Agreement (JPA), which created SAWPA, requires approval by the member agency of all general and specific project budgets of SAWPA to the extent that such budgets may impose any liability on the member agency; and

WHEREAS, Paragraphs 9 and 27 of the JPA require the District's approval of such budgets be evidenced by a certified copy of a Resolution of Approval filed with SAWPA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year 2011/12 and Fiscal Year 2012/13 Budget, directs the Board Secretary to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$317,980 (FY 2011/12) and \$339,600 (FY 2012/13).

ADOPTED this 18th day of May, 2011



President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:



Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

STATE OF CALIFORNIA)
COUNTY OF)SS
SAN BERNARDINO)

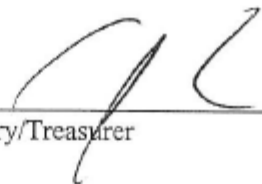
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2011-5-2 was adopted at a
regular Board Meeting on May 18, 2011, of said Agency by the following vote:

AYES: Santiago, Elie, Camacho, Koopman, Catlin

NOES: None

ABSTAIN: None

ABSENT: None



Secretary/Treasurer

(SEAL)

*A Municipal Water District

RESOLUTION NO. 2011-6-11

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR
FISCAL YEAR 2011/12

WHEREAS, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

WHEREAS, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriation may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

WHEREAS, Article XIII B and its implementing legislation were modified by Proposition 111 and SB88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriation Limits;

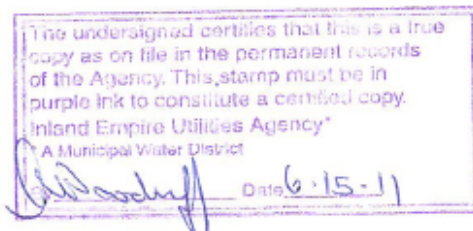
WHEREAS, Inland Empire Utilities Agency*, as a local government, is required under Article XIII B to annually establish an appropriation limit for the following fiscal year;

WHEREAS, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of the Agency;

WHEREAS, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

WHEREAS, it is Inland Empire Utilities Agency's* intent to establish this year's Appropriation Limits, following the California League of Cities Uniform Guidelines dated March, 1991; and

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2011/12 Appropriation Limits are now available.



NOW, THEREFORE, the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the County's population growth (since 1986/87) as its population adjustment factor.

Section 3. Appropriation Limits. That pursuant to Section 7910 of the Government Code and Exhibits I through IV attached hereto and made a part hereof, the Board of Directors does hereby establish the following Appropriation Limits for Fiscal Year 2011/12:


<u>EXHIBIT</u>	<u>FUND</u>	<u>APPROPRIATION LIMITS</u>
I	General Fund	\$15,866,669
II	Regional Wastewater Capital Improvement Fund	\$93,505,378
III	Regional Operations Maintenance Fund	\$21,662,290
IV	Recycled Water Fund	<u>\$3,600,115</u>
	Total	\$134,634,452

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriation Limits and the Total Appropriation Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 45-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon the effective date of this Resolution, Resolution No. 2010-6-1 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2011



Michael Camacho
Vice President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire Utilities
Agency* and of the Board of Directors thereof


(SEAL)

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-11, was adopted at a
regular Board meeting on June 15, 2011, of said Agency by the following vote:

- AYES: Santiago, Elie, Koopman, Camacho
- NOES: None
- ABSTAIN: None
- ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
General Fund**

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$1,964,160
Revenues	<u>\$ 475,362</u>	<u>(342,172)</u>
Appropriation Subject to Limitation		<u>\$1,621,988*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1978-79	\$1,621,988	N/A	N/A	\$1,621,988
1979-80	1,621,988	10.17%	5.97%	1,893,625
1980-81	1,893,625	12.11%	5.56%	2,240,979
1981-82	2,240,979	9.12%	5.50%	2,579,851
1982-83	2,579,851	6.79%	3.85%	2,861,055
1983-84	2,861,055	2.35%	3.17%	3,020,988
1984-85	3,020,988	4.74%	3.08%	3,261,640
1985-86	3,261,640	3.74%	3.66%	3,507,466
1986-87	3,507,466	2.30%	4.94%	3,765,392
1987-88	3,765,392	3.04%	5.19%	4,081,225
1988-89	4,081,225	3.93%	5.58%	4,478,299
1989-90	4,478,299	4.98%	6.18%	4,991,860
1990-91	4,991,860	4.21%	6.70%	5,550,552
1991-92	5,550,552	4.14%	5.46%	6,095,952
1992-93	6,095,952	<.64%>	3.92%	6,294,370
1993-94	6,294,370	2.72%	3.20%	6,672,475
1994-95	6,672,475	.71%	1.56%	6,824,679
1995-96	6,824,679	4.72%	1.62%	7,262,585
1996-97	7,262,585	5.21%	1.02%	7,718,904
1997-98	7,718,904	4.67%	.09%	8,086,648
1998-99	8,086,648	4.15%	.98%	8,504,782
1999-2000	8,504,782	4.53%	1.37%	9,011,740
2000-2001	9,011,740	4.91%	1.82%	9,626,414
2001-2002	9,626,414	7.82%	1.95%	10,581,194
2002-2003	10,581,194	<1.27%>	2.72%	10,730,595
2003-2004	10,730,595	2.31%	2.59%	11,262,814
2004-2005	11,262,814	3.28%	2.52%	11,925,225
2005-2006	11,925,225	5.26%	2.49%	12,864,859
2006-2007	12,864,859	3.96%	2.10%	13,655,168
2007-2008	13,655,168	4.42%	1.86%	14,523,939
2008-2009	14,523,939	4.29%	1.45%	15,366,648
2009-2010	15,366,648	0.62%	0.79%	15,584,070
2010-2011	15,584,070	<2.54%>	0.65%	15,317,335
2011-2012	15,317,335	2.51%	1.05%	15,866,669

Factor #1 – The change in the California Per Capita Personal Income Index.

Factor #2 – Percent of increase in San Bernardino County population.

All factors provided by State Department of Finance, May 2011.

* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

EXHIBIT II

APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Regional Wastewater Capital Improvement Fund (Improvement District C)

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$17,954,195
Revenues	<u>\$ 2,578,964</u>	<u>(8,395,597)</u>
Appropriation Subject to Limitation		<u>\$ 9,558,698*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1978-79	\$9,558,698	N/A	N/A	\$9,558,698
1979-80	9,558,698	10.17%	5.97%	11,159,507
1980-81	11,159,507	12.11%	5.56%	13,206,531
1981-82	13,206,531	9.12%	5.50%	15,203,570
1982-83	15,203,570	6.79%	3.85%	16,860,759
1983-84	16,860,759	2.35%	3.17%	17,803,275
1984-85	17,803,275	4.74%	3.08%	19,221,482
1985-86	19,221,482	3.74%	3.66%	20,670,183
1986-87	20,670,183	2.30%	4.94%	22,190,190
1987-88	22,190,190	3.04%	5.19%	24,051,453
1988-89	24,051,453	3.93%	5.58%	26,391,490
1989-90	26,391,490	4.98%	6.18%	29,418,004
1990-91	29,418,004	4.21%	6.70%	32,710,488
1991-92	32,710,488	4.14%	5.46%	35,924,635
1992-93	35,924,635	<.64%>	3.92%	37,093,950
1993-94	37,093,950	2.72%	3.20%	39,322,198
1994-95	39,322,198	.71%	1.56%	40,219,167
1995-96	40,219,167	4.72%	1.62%	42,799,830
1996-97	42,799,830	5.21%	1.02%	45,489,004
1997-98	45,489,004	4.67%	.09%	47,656,192
1998-99	47,656,192	4.15%	.98%	50,120,336
1999-2000	50,120,336	4.53%	1.37%	53,107,938
2000-2001	53,107,938	4.91%	1.82%	56,730,335
2001-2002	56,730,335	7.82%	1.95%	62,357,043
2002-2003	62,357,043	<1.27%>	2.72%	63,237,491
2003-2004	63,237,491	2.31%	2.59%	66,373,962
2004-2005	66,373,962	3.28%	2.52%	70,277,680
2005-2006	70,277,680	5.26%	2.49%	75,815,128
2006-2007	75,815,128	3.96%	2.10%	80,472,573
2007-2008	80,472,573	4.42%	1.86%	85,592,409
2008-2009	85,592,409	4.29%	1.45%	90,558,656
2009-2010	90,558,656	0.62%	0.79%	91,839,969
2010-2011	91,839,969	<2.54%>	0.85%	90,268,045
2011-2012	90,268,045	2.51%	1.05%	93,505,378

Factor #1 – The change in the California Per Capita Personal Income Index.

Factor #2 – Percent of increase in San Bernardino County population.

All factors provided by State Department of Finance, May 2011.

* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

**APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Regional Wastewater Operations & Maintenance Fund**

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$2,260,247
Revenues	<u>\$ 935,780</u>	<u>(45,794)</u>
Appropriation Subject to Limitation		<u>\$2,214,453*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1978-79	\$2,214,453	N/A	N/A	\$2,214,453
1979-80	2,214,453	10.17%	5.97%	2,585,311
1980-81	2,585,311	12.11%	5.56%	3,059,543
1981-82	3,059,543	9.12%	5.50%	3,522,195
1982-83	3,522,195	6.79%	3.85%	3,906,114
1983-84	3,906,114	2.35%	3.17%	4,124,466
1984-85	4,124,466	4.74%	3.08%	4,453,020
1985-86	4,453,020	3.74%	3.66%	4,788,639
1986-87	4,788,639	2.30%	4.94%	5,140,777
1987-88	5,140,777	3.04%	5.19%	5,571,974
1988-89	5,571,974	3.93%	5.58%	6,114,008
1989-90	6,114,088	4.98%	6.18%	6,815,237
1990-91	6,815,237	4.21%	6.70%	7,578,003
1991-92	7,578,003	4.14%	5.46%	8,322,621
1992-93	8,322,621	<.64% >	3.92%	8,593,515
1993-94	8,593,515	2.72%	3.20%	9,109,731
1994-95	9,109,731	.71%	1.56%	9,317,531
1995-96	9,317,531	4.72%	1.62%	9,915,390
1996-97	9,915,390	5.21%	1.02%	10,538,388
1997-98	10,538,388	4.67%	.09%	11,040,458
1998-99	11,040,458	4.15%	.98%	11,611,324
1999-2000	11,611,324	4.53%	1.37%	12,303,459
2000-2001	12,303,459	4.91%	1.82%	13,142,656
2001-2002	13,142,656	7.62%	1.95%	14,446,189
2002-2003	14,446,189	<1.27% >	2.72%	14,650,161
2003-2004	14,650,161	2.31%	2.59%	15,376,784
2004-2005	15,376,784	3.28%	2.52%	16,281,154
2005-2006	16,281,154	5.26%	2.49%	17,564,009
2006-2007	17,564,009	3.96%	2.10%	18,642,994
2007-2008	18,642,994	4.42%	1.86%	19,829,101
2008-2009	19,829,101	4.29%	1.45%	20,979,626
2009-2010	20,979,626	0.62%	0.79%	21,276,466
2010-2011	21,276,466	<2.54% >	0.85%	20,912,301
2011-2012	20,912,301	2.51%	1.05%	21,662,290

Factor #1 - The change in the California Per Capita Personal Income Index.

Factor #2 - Percent of increase in San Bernardino County population.

All factors provided by State Department of Finance, May 2011.

* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Recycled Water Fund

2008-09 Base Year

	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$8,824,659
Revenues	<u>\$ 0</u>	<u>(5,337,998)</u>
Appropriation Subject to Limitation		<u>\$3,486,661*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
2009-2010	3,486,661	0.62%	0.79%	3,535,994
2010-2011	3,535,994	<2.54%>	0.85%	3,475,472
2011-2012	3,475,475	2.51%	1.05%	3,600,115

Factor #1 - The change in the California Per Capita Personal Income Index.

Factor #2 - Percent of increase in San Bernardino County population.

All factors provided by State Department of Finance, May 2011.

* Details for Base Year 2008/09 data are available in FY 2008/09 Adopted Budget.

APPROPRIATION LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriation Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of California per capita income, or U.S. CPI, each agency may choose either the growth in the California per capita income, or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriation Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2011/12 are the change in California per capita personal income and the change in San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last four years and for FY 2011/12. The increase in the limit is based upon population changes of 1.05% within the county and a per capita personal income change of 2.51%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2007/08	\$119,945,449	\$ 32,559,580
2008/09	\$126,904,930	\$ 34,106,160
2009/10	\$132,236,499	\$ 34,441,435
2010/11	\$129,973,153	\$ 33,821,422
2011/12	\$134,634,452	\$ 32,965,008

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriation limit and has been in compliance.

INLAND EMPIRE UTILITIES AGENCY
ADOPTED BUDGET FISCAL YEAR 2011/2012
SCHEDULE OF APPROPRIATIONS

	ADMINISTRATIVE SERVICES	REGIONAL WASTEWATER	NON-RECLAIMABLE WASTEWATER	RECHARGE WATER	RECYCLED WATER	WATER	AGENCY TOTAL
TOTAL EXPENSES	\$4,098,320	\$5,328,834	\$6,600,265	\$961,950	\$6,911,108	\$5,139,566	\$74,040,043
NET CHANGES IN - CAPITAL OUTLAY	1,361,050	18,692,160	3,021,140	409,000	24,183,843	0	47,667,193
DEBT PAYMENTS	14,000	15,205,179	535,200	1,112,862	6,005,008	0	22,872,249
NET OTHER (SOURCES)/USES OF FUNDS	(1,361,050)	5,420,507	46,276	(924,250)	(1,481,663)	300,000	(180)
SUBTOTAL OF APPROPRIATIONS	\$4,112,320	\$87,646,680	\$10,202,881	\$1,559,562	\$35,618,296	\$5,439,566	\$144,579,305
INCREASE (DECREASE) IN WORKING CAPITAL RESERVES	449,517	(6,874,513)	(468,502)	(43,118)	(7,080,936)	(413,022)	(14,430,574)
TOTAL APPROPRIATION	\$4,561,837	\$80,772,167	\$9,734,379	\$1,516,444	\$28,537,360	\$5,026,544	\$130,148,731
LESS: NON-TAX PROCEEDS	(1,924,636)	(52,092,610)	(9,734,379)	(1,516,444)	(26,889,110)	(5,026,544)	(97,183,723)
APPROPRIATION SUBJECT TO LIMITATION	\$2,637,201	\$28,679,557	\$0	\$0	\$1,648,250	\$0	\$32,065,008
APPROPRIATION LIMIT	\$15,866,669	\$115,167,668	EXEMPT	EXEMPT	\$3,600,115	EXEMPT	\$134,634,452

☆

☆ By resolution, the Appropriation Limit for Regional Program Funds is established as follows:

Regional Wastewater Capital Improvement	\$93,505,378
Regional Wastewater Operations and Maintenance	<u>21,662,290</u>
Combined Regional Wastewater Appropriation Limit	\$115,167,668


RESOLUTION NO. 2011-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL
YEAR 2011/12

NOW, THEREFORE, the Board of Directors of the Inland Empire
Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That this Board of Directors hereby approves and adopts
the budget for Fiscal Year 2011/12, subject to amendment upon receipt from the
County of San Bernardino final data regarding property tax valuations and
allocations and/or loss of tax revenue by action of the State legislature.

ADOPTED this 15th day of June, 2011.

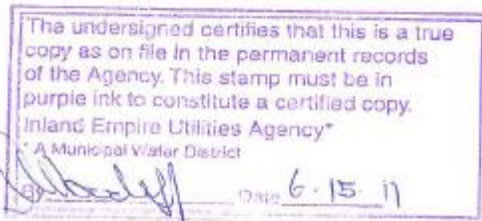


Michael Camacho
Vice President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof



STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-2 was adopted at a regular Board meeting on June 15, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Koopman, Camacho
NOES: None
ABSTAIN: None
ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
 Inland Empire Utilities Agency*
 A Metropolitan Water District
 Date: 6-15-11

RESOLUTION NO. 2011-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER HAULERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2011/2012.

WHEREAS, it is necessary to establish service rates for processing and issuing permits to Domestic and Industrial Wastewater Haulers permitted by IEUA, and service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency (Agency)'s Regional Wastewater System;

WHEREAS, it is necessary to establish application fees for processing and issuing for Wastewater Discharge Permits for industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System;

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 87, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2011:

Section 1 That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follow:

Initial Permit Application Fee	\$ 155.00
Permit Renewal Fee	\$ 103.00

Section 2 That wastewater volumetric fee for domestic and industrial wastewater hauler is as follow:

For each load up to 2,000 gallons	\$ 62.00
Loads in excess of 2,000 gallons	\$ 0.02 per one (1) gallon

Section 3 That a rate schedule effective July 1, 2011, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Suspended Solids in excess of 300 mg/L	\$ 467.77 per Ton (dry weight)

Biochemical Oxygen Demand in excess of 300 mg/L \$ 459.74 per Ton (dry weight)

Section 4 A Non-Compliance fee of \$100.00 will be assessed to reinstate elapsed or expired insurance requirements.

Section 5 That Initial Industrial Wastewater Discharge Permit Application and Permit Renewal fees for industrial wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$2,626.00
with Combined Waste Stream Formula, add	\$656.00
with Production Based Standards, add	\$328.00
with Multiple Categories, add	\$1,313.00
Non-Categorical, Significant Industrial User	\$1,969.00
Non-Categorical, Non-Significant Industrial User	\$1,641.00

Permit Renewal Fees:

Categorical Industrial User	\$1,969.00
with Combined Waste Stream Formula, add	\$328.00
with Production Based Standards, add	\$164.00
with Multiple Categories, add	\$656.00
Non-Categorical, Significant Industrial User	\$492.00
Non-Categorical, Non-Significant Industrial User	\$328.00

Section 6 That Initial Industrial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the Regional Sewer System shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$1,641.00
with Combined Waste Stream Formula, add	\$656.00
with Production Based Standards, add	\$328.00
with Multiple Categories, add	\$1,313.00
Non-Categorical, Significant Industrial User	\$985.00
Non-Categorical, Non-Significant Industrial User	\$656.00

One-time permit fee for permit term of one year or less shall be equal to one-half of the above applicable permit fee.

Permit Renewal Fees:

Categorical Industrial User	\$1,313.00
with Combined Waste Stream Formula, add	\$328.00
with Production Based Standards, add	\$164.00
with Multiple Categories, add	\$656.00
Non-Categorical, Significant Industrial User	\$492.00
Non-Categorical, Non-Significant Industrial User	\$328.00

Section 7 That initial Industrial Wastewater Hauler Permit application and Permit Renewal fees shall be:

Initial Permit Application for Wastewater Hauler	\$155.00
Permit Renewal for Wastewater Hauler	\$103.00

Section 8 That Major Permit Modification or Facility Expansion fees shall be:

\$985.00

Major Permit Modification shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include but are not limited to the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 9 That Minor Permit Modification fees shall be:

\$459.00

That for change of business name or ownership only shall be:

\$131.00

Minor Permit Modification shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include but are not limited to the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 10 Toxic Organic Management Plan (TOMP) Processing

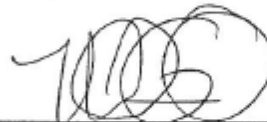
No Charge

Section 11 That IEUA will pass on to wastewater permit holder any other charges, such as, but not limited to, excessive strength, laboratory analysis, inspection activities, etc.

Section 12 That all provisions of the *Regional Wastewater Ordinance* and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, Resolution No. 2010-6-3 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2011.



Michael Camacho
Vice President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

(SEAL)

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-3, was adopted at a regular
Board meeting on June 15, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Koopman, Camacho

NOES: None

ABSTAIN: None

ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2011-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR 2011/12

WHEREAS, it is necessary to establish initial and monthly capacity charges, volumetric flow charges, CIP charges, trucked wastewater delivery charges and excessive strength charges;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s NRWS;

WHEREAS, one NRWS Capacity Unit is defined as an equalized discharge at the flow rate of 15 gallons per minute (GPM);

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 62, Section 601-605, may establish said fees and charges by resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2011

Section 1 That the Initial Capacity Charge for the purchase of NRWS Capacity Rights shall be set at \$215,000 per Capacity Unit.

Section 2 That the monthly charges for discharge to the NRWS are as follows:

(A) CAPACITY CHARGES:

For discharge to the NORTH NRWS, which reaches jurisdiction of the County Sanitation Districts of Los Angeles County (CSDLAC), the monthly Capacity Charge is \$192.91 per Capacity Unit.

For discharge to the SOUTH NRWS, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$244.04 per Capacity Unit.



The monthly Capital Improvements Program (CIP) charge for both North and South NRWS is \$90.00 per Capacity Unit per month.

(B) VOLUMETRIC CHARGES

For discharge to the NORTH NRWS, the monthly Volumetric Charge is \$1,486.46 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less is \$148.65 per Capacity Unit per month.

The Volumetric Charge is \$1,040.35 per Million Gallons for the Ion Exchange water treatment plants that discharge to the WEST EDISON LINE in the NORTH NRWS. The minimum Volumetric Charge for discharge of 100,000 gallons or less is \$104.04 per Capacity Unit per month.

For discharge to the SOUTH NRWS, the monthly Volumetric Charge is \$830.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less is \$83.00 per Capacity Unit per month.

The Agency's volumetric charges are summarized in Table 1.

Table 1 – Summary of Volumetric Charges

NRWS System	Volumetric Charge (\$/Million Gallons)	Minimum Volumetric Charge (≤100,000 Gallon Per Month) (\$/Month/Capacity Unit)
NORTH NRWS	\$1,486.46	\$148.65
WEST EDISON LINE	\$1,040.35	\$104.04
SOUTH NRWS	\$830.00	\$83.00

(C) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the NRWS, via pipeline or hauled by truck, for excessive Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

For discharge to the NORTH NRWS:

<u>QUANTITY</u>	<u>RATE</u>
TSS in excess of 320 mg/L	\$268.60 per 1,000 pounds (dry weight)
COD in excess of 738 mg/L	\$101.16 per 1,000 pounds (dry weight)

For discharge to the South NRWS:

<u>QUANTITY</u>	<u>RATE</u>
TSS	\$335.00 per 1,000 pounds (dry weight)
BOD	\$225.00 per 1,000 pounds (dry weight)

Strength charges are calculated from the average of all the samples collected during the calendar month and is invoiced on a quarterly basis. If the Industrial User's quarterly strength charge is \$25.00 or less, the strength charge will be waived.

The Agency's strength charges are summarized in Table 2.

Table 2 – Summary of Strength Charges

System	TSS (\$/Per 1,000 lbs dry)	COD (\$/Per 1,000 lbs dry)	BOD (\$/Per 1,000 lbs dry)
NORTH NRWS	\$268.60 (In excess of 320 mg/L)	\$101.16 (In excess of 738 mg/L)	N/A
SOUTH NRWS	\$335.00	N/A	\$225.00

(D) Administrative Charges

- (a) Capacity Administrative Charge for industries that use recycled water and those who do not use recycled water shall be 10% and 50%, respectively. The reduced 10% administration charge will be applied based on a pro-rata ratio of the recycled water to total water usage. This charge shall be added to the Capacity Charge of Section 2(A).
- (b) Volumetric Administrative Charge for industries that use recycled water and those who do not use recycled water shall be 10% and 50%, respectively. The reduced 10% administration charge will be applied based on a pro-rata ratio of the recycled water to total water usage. This charge shall be added to the Volumetric Charge or to the minimum Volumetric Charge of Section 2(B).
- (c) Strength Administrative Charge of 50% shall be applied to the Strength Charges of Section 2(C) for industrial users that discharge to the NRWS via pipeline. This charge shall be added to the Strength Charge of Section 2(C).
- (d) IEUA contracting agencies shall be considered as Recycled Water User for billing purposes.

The Agency's administrative charges are summarized in Table 3.

Table 3 – Summary of Agency's Administrative Charges

Administrative Charge	Recycled Water User	Non-Recycled Water User
Capacity Admin. Charge*	10%	50%
Volumetric Admin. Charge*	10%	50%
Strength Admin. Charge	50%	50%

* Administrative charges are pro-rated for recycled water users

(E) Other Charges

IEUA will pass on any other charges from CSDLAC or SAWPA invoiced to the Agency to dischargers to the NRWS, such as, but not limited to, flow and strength imbalance charges, permit, inspection, analytical fees, etc. No administrative charges are applied to other charges.

Section 3 For trucked discharges to the NORTH NRWS, the minimum wastewater discharge rate of 5,000 gallons (or less) per trucked load and the incremental rates per one (1) gallon are as follows:

QUANTITY	RATE
Minimum trucked wastewater	\$175.20 per load of 5,000 gallons or less
Incremental above 5,000 gallons	\$0.01 per one (1) gallon

Trucked wastewater charges for this Section include the Agency's capacity and volumetric administrative charges; and are subject to the same strength charges as defined in Section 2(C) and 2(D).

Section 4 For trucked discharges to the SOUTH NRWS, the wastewater discharge rate shall be based on the applicable Tiered Schedule as established by the higher concentration value for BOD or TSS. The South NRWS Tiered Rate Schedule for Trucks is shown in Table 4.

Table 4 – SOUTH NRWS Tiered Rate Schedule for Trucks (FY 11-12)

Tiered Schedule	BOD or TSS Concentration	Total Volumetric Charge Up to 5,000 gallon	Incremental Charge above 5,000 gallons, \$ per one (1) gallon	BOD Charges	TSS Charges
Brine	Less than 100 mg/L	\$208.19	\$0.010	N/A	N/A
Tier 1 (Non-Brine)	100 to 999 mg/L	\$233.19	\$0.014	N/A	N/A
Tier 2 (Non-Brine)	1,000 to 2,499 mg/L	\$328.19	\$0.029	N/A	N/A
Tier 3 (Non-Brine)	2,500 mg/L and higher	\$171.19	\$0.003	\$0.616 per pound of BOD	\$0.574 per pound of TSS

Section 5 That Application fees for a Capacity Right Agreement shall be: No Charge

Section 6 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$2,626.00
with Combined Waste Stream Formula, add	\$656.00
with Production Based Standards, add	\$328.00
with Multiple Categories, add	\$1,313.00
Non-Categorical, Significant Industrial User	\$1,969.00
Non-Categorical, Non-Significant Industrial User	\$1,641.00

Permit Renewal Fees:

Categorical Industrial User	\$1,969.00
with Combined Waste Stream Formula, add	\$328.00
with Production Based Standards, add	\$164.00
with Multiple Categories, add	\$656.00
Non-Categorical, Significant Industrial User	\$492.00
Non-Categorical, Non-Significant Industrial User	\$328.00

Section 7 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$1,641.00
with Combined Waste Stream Formula, add	\$656.00
with Production Based Standards, add	\$328.00
with Multiple Categories, add	\$1,313.00
Non-Categorical, Significant Industrial User	\$985.00
Non-Categorical, Non-Significant Industrial User	\$656.00

Permit Renewal Fees:

Categorical Industrial User	\$1,313.00
with Combined Waste Stream Formula, add	\$328.00
with Production Based Standards, add	\$164.00
with Multiple Categories, add	\$656.00
Non-Categorical, Significant Industrial User	\$492.00
Non-Categorical, Non-Significant Industrial User	\$328.00

Section 8 That initial Wastewater Hauler Permit application and Permit Renewal fees for the North NRWS shall be:

Initial Permit Application for Wastewater Hauler	\$155.00
Permit Renewal for Wastewater Hauler	\$103.00

South NRWS Wastewater Hauler Permit Application and Permit Renewal are processed and administered by Santa Ana Watershed Project Authority (SAWPA).

Section 9 That Major Permit Modification or Facility Expansion fees shall be: \$985.00

Major Permit Modification shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 10 That Minor Permit Modification fees shall be: \$459.00

That for change of business name or ownership only shall be: \$131.00

Minor Permit Modification shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 11 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 12 That all provisions of the Non-Reclaimable Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, the Resolution No. 2010-6-04 is hereby rescinded in its entirety.

* * *

ADOPTED this 15th day of June, 2011.



Michael Camacho
Vice President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

(SEAL)

* A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-4 as adopted at a regular Board meeting on June 15, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Koopman, Camacho
NOES: None
ABSTAIN: None
ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2011-6-5



RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES AND SUPPLEMENTAL SURCHARGE

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 70, the Board of Directors of Inland Empire Utilities Agency* (Agency) establishes, from time to time, rates for water sold or delivered by direct connections to the Rialto Reach of the Foothill Feeder of the Metropolitan Water District (Metropolitan);

WHEREAS, the Board of Directors of the Agency establishes rates for delivery of imported water supplies; and

WHEREAS, the Board of Directors has determined that the levy of a per acre-foot administrative surcharge is required to maintain sufficient appropriated reserves and to provide for the Agency's administrative and operational costs associated with the delivery of imported water supplies; and

WHEREAS, the Board of Directors has also determined that a local water agency, by written request, could be levied a supplemental per acre foot surcharge for delivered imported water to fund the local cost for water conservation programs; and

WHEREAS, modification of this policy may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS the following to be effective July 1, 2011 and January 1, 2012:

Section 1. That the rates of sales of imported water shall consist of the base rate charged by Metropolitan for each class of water plus a surcharge of twelve dollars (\$12) per acre foot, of which eight dollars (\$8) is used for administration, operation, maintenance, and depreciation expenses of the agency, and four dollars (\$4) is used to support a regional water conservation program. The rates, by class of water, including the surcharge, are as follows:

- (a) **FOR TIER 1 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

7/1/2011 – 12/31/2011 (\$527 + \$12)	\$539.00 per acre foot
1/1/2012 – 12/31/2012 (\$560 + \$12)	\$572.00 per acre foot

(b) FOR TIER 2 FULL SERVICE UNTREATED WATER – i.e., domestic and municipal purposes:

7/1/2011 – 12/31/2011 (\$652 + \$12)	\$664.00 per acre foot
1/1/2012 – 12/31/2012 (\$686 + \$12)	\$698.00 per acre foot

(c) FOR GROUND WATER STORAGE PROGRAM

REPLENISHMENT WATER UNTREATED – This rate is available contingent upon the requirements of Metropolitan’s Administrative Code, and includes water delivered for groundwater replenishment and storage, by direct or in-lieu methods.

7/1/2011 – 12/31/2011 (\$409 + \$12)	\$421.00 per acre foot
1/1/2012 – 12/31/2012 (\$442 + \$12)	\$454.00 per acre foot

(d) METROPOLITAN WATER SUPPLY PLAN PENALTY RATES – these rates will be applied to IEUA and its member agencies if IEUA exceeds its imported water allocation from MWD and is invoiced by MWD for drought or DYY penalty rates, for FY 2011/12. Any such penalty rates shall be “passed through” to the appropriate agency that caused the imposition of a penalty rate by MWD.

Standard MWD Penalty Rates			
Water Use	Base Water Rate	Penalty Rate	Total Rate
100% of Allocation	Tier 1	0	Tier 1
Between 100% and 115%	Tier 1	2 x Tier 2	Tier 1 + (2 x Tier 2)
Greater Than 115%	Tier 1	4 x Tier 2	Tier 1 + (4 x Tier 2)

Section 2. That IEUA will impose any Metropolitan rates and charges, applicable to each service connection, if invoiced by Metropolitan to IEUA during FY 2011/12.

Section 3. That additional charges will also be levied during FY 2011/12 in the form of a capacity meter charge of \$5.00 per diameter inch of meter per month.

Section 4. That the Metropolitan levied Capacity Charge (\$/cfs) shall be as follows:

7/1/2011 – 12/31/2011	\$7,200 per cubic foot per second (cfs)
1/1/2012 – 12/31/2012	\$7,400 per cubic foot per second (cfs)

Section 5. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full service industrial connection beginning 7/1/2011 through 6/30/2012.

Section 5. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full service industrial connection beginning 7/1/2011 through 6/30/2012.


Section 6. That the allocation of Tier 1 for Calendar Year 2012 will be:

• Water Facilities Authority	31,383.7	AF
• Cucamonga Valley Water District	28,368.5	AF
• Inland Empire Utilities Agency	59,752.2	AF

Section 7. That water delivered for domestic and municipal purposes through a newly constructed metropolitan service connection that has not been allocated a Tier 1 share of IEUA's 10 year contract for firm water service will be billed at the Tier 2 rate. Any unused portion of Tier 1 will be allocated to new connections at the end of Calendar Year 2012 based on purchases year to date. An adjustment to Tier 1 rates will be issued for any Tier 1 allocation.

Section 8. That upon the effective date of this Resolution, Resolution No. 2010-6-5 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2011.



Michael Camacho
Vice President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-5, was adopted at a regular Board meeting on June 15, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Koopman, Camacho
NOES: None
ABSTAIN: None
ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2011-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RETAIL METER CHARGE RATE COVERING READINESS-TO-SERVE STANDBY CHARGE REVENUE DEBT

WHEREAS, pursuant to Division III, Part III, Section 301(D) of Ordinance No. 70, the Board of Directors of Inland Empire Utilities Agency* (IEUA) is required to establish, annually, a Retail Meter Charge rate to yield revenues sufficient to cover the under collection of IEUA's Readiness-to-Serve charge by Metropolitan Water District's standby charge and the recharge water activities effective July 1, 2011; and

WHEREAS, the Board of Directors of the IEUA shall establish an annual basic charge for each active retail water meter served by an IEUA Local Agency which exists as of April 1 of each year.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS that the following to be effective July 1, 2011:


- Section 1.** That the rate for each active retail water meter shall be \$1.455 per meter per month.
- Section 2.** That upon the effective date of this Resolution, Resolution No. 2010-6-6 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2011.

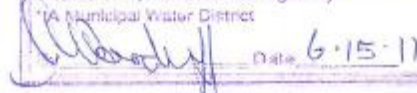


Michael Camacho
Vice President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:


Steven J. Elie
Secretary/Treasurer of the Inland Empire Utilities Agency* and the Board of Directors thereof

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
*A Municipal Water District


Date: 6-15-11

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-6, was adopted at a regular Board meeting on June 15, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Koopman, Camacho
NOES: None
ABSTAIN: None
ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2011-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR
FISCAL YEAR 2011/12.

WHEREAS, the Board of Directors of Inland Empire Utilities Agency* is required by Agency Ordinance No. 28, Section 3, to establish, from time to time, rates for rental of maintenance and construction equipment.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, pursuant to Ordinance No. 28, that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2011.

Upon the effective date of this Resolution, Resolution No. 2010-6-7 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2011.



Michael Camacho
Vice President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

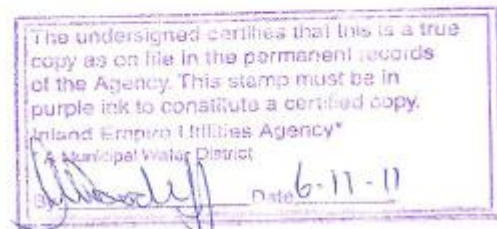


EXHIBIT 1

**INLAND EMPIRE UTILITIES AGENCY*
 MAINTENANCE EQUIPMENT RENTAL RATES
 FISCAL YEAR 2011/12**

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
Tractor with or without 25 ton low bed trailer	per mile	\$ 11.54
With one operator	per hour portal-to-portal	63.89
With two operators	per hour portal-to-portal	122.79
 Vactor Super Jet Line Cleaner and Equipment		
With one operator	per hour portal-to-portal	66.90
With two operators	per hour portal-to-portal	119.25
 Tractor with or without Backhoe	per hour portal-to-portal	59.87
 Camera Van		
With one operator	per hour portal-to-portal	67.25
With two operators	per hour portal-to-portal	127.08
 Gap Vactor Truck		
With one operator	per hour portal-to-portal	109.68
With two operators	per hour portal-to-portal	169.50
 Safety Van		
With one operator	per hour portal-to-portal	71.10
With two operators	per hour portal-to-portal	136.54
 Water Truck		
With one operator	per hour portal-to-portal	66.78
With two operators	per hour portal-to-portal	126.61

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-7 was adopted at a
regular Board meeting on June 15, 2011, of said Agency* by the following vote:

- AYES: Santiago, Elie, Koopman, Camacho
- NOES: None
- ABSTAIN: None
- ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2011-6-8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY ANALYSES FOR FISCAL YEAR 2011/12

WHEREAS, The Agency occasionally enters into agreements with other local governmental agencies to perform laboratory analyses; and

WHEREAS, the most efficient and practical method of charging for this work is through the establishment of a price for each analysis.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS, that, effective July 1, 2011, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto.


Upon the effective date of this Resolution, Resolution No. 2010-6-8 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2011.

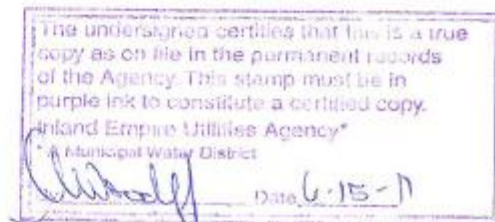


Michael Camacho
Vice President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof



STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-8, was adopted at a regular Board meeting on June 15, 2011, of said Agency* by the following vote:

AYES: Santiago, Elie, Koopman, Camacho
NOES: None
ABSTAIN: None
ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

INLAND EMPIRE UTILITIES AGENCY
LABORATORY PRICES - FY 2011/12

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$13.50
Ammonia as Nitrogen	EPA 350.1	\$13.50
Ammonia as Nitrogen	EPA 350.3	\$12.50
Anion Sum	SM 1050	\$2.00
BOD, Soluble	SM 5210	\$40.00
BOD, Total	SM 5210	\$35.00
Bromide	EPA 300.0	\$10.00
Cation Sum	SM 1050	\$2.00
Chloride	EPA 300.0	\$8.25
Chlorine Residual	SM 4500-Cl G	\$15.00
COD	SM 5220D	\$30.00
Conductivity	ISM 2510	\$8.00
Corrosivity	ISM 2330B	\$37.00
<i>If Alkalinity, Ca, EC or pH are requested on the sample, Corrosivity cost is reduced by their respective prices.</i>		
Cyanide, Total	SM 4500-CN E	\$27.00
Cyanide, Available	EPA OIA-1677	\$40.00
Cyanide, Free	ASTM D7237	\$25.00
Dissolved Organic Carbon	SM 5310B	\$35.00
Dissolved Organic Carbon	SM 5310C	\$30.00
Dissolved Oxygen	EPA 360.1	\$11.00
Fluoride	EPA 300.0	\$8.50
Fluoride	SM 4500-F C	\$15.00
Hardness, Total (Calculation)	EPA 200.7	\$19.35
<i>If Ca & Mg are requested on the sample, Hardness by Calculation cost is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$16.50
Mercury	EPA 245.2	\$36.00
Metals Digestion (Liquid)		\$15.00
Metals Digestion (solid)		\$40.00
Metals by ICP	EPA 200.7	\$9.00 ea
Metals by ICP/MS	EPA 200.8	\$9.00 ea
Nitrate as Nitrogen	EPA 300.0	\$8.25
Nitrite as Nitrogen	EPA 300.0	\$8.25
Nitrogen, Organic	Various	\$65.00
Oil & Grease, Non-polar	EPA1664A	\$30.00
Oil & Grease, Total	EPA1664A	\$27.00
pH	SM 4500-H+ B	\$4.50
Phosphorus, Ortho	SM 4500-P E	\$20.00
Phosphorus, Ortho	EPA 300.0	\$8.25
Phosphorus, Total	EPA 365.4	\$38.00
<i>If TKN is also requested, EPA 365.4 cost reduced by \$20</i>		
Phosphorus, Total	SM 5400-P E	\$30.00

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$9.00
Sulfate	EPA 300.0	\$8.25
Sulfide, Dissolved	SM 4500-S D	\$20.00
Sulfide, Total	SM 4500-S D	\$16.50
TDS	ISM 2540C	\$13.50
TDS, Fixed	EPA 160.4	\$20.00
TKN	EPA 351.2	\$54.00
TOC	EPA 5310B	\$30.00
TOC	SM 5310C	\$22.50
Total Solids	SM 2540B	\$10.00
TSS	SM 2540D	\$13.50
Turbidity	EPA 180.1	\$8.00
Volatile Solids	EPA 160.4	\$15.00
Volatile Suspended Solids	EPA 160.4	\$20.00

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Acute	EPA 2002	\$300.00
Bioassay, C.Dubia, Chronic	EPA 1002	\$900.00
Coliform, Fecal	SM 9221E	\$22.50
Coliform, Total (10 Tube)	ISM 9221B	\$20.00
Coliform, Total (15 Tube)	ISM 9221B	\$22.50
Coliform, (Colilert MPN)	ISM 9223	\$25.00
Coliform, (Colilert Precense/Absenq	SM 9223	\$20.00
Heterotrophic Plate Count	SM 9215B	\$18.00

Organic Chemistry		
Test	Method	Price
Acrolein & Acrylonitrile	EPA 624	\$135.00
MTBE	EPA 524.2	\$112.50
NDMA	GCMSMS	\$450.00
Pesticides	EPA 608	\$220.00
Pesticides w/ PCBs	EPA 608	\$280.00
PCBs	EPA 608	\$220.00
Semi-Volatiles (Short list DW)	EPA 525	\$295.00
Semi-Volatiles (Acid Extractables)	EPA 625	\$225.00
Semi-Volatiles (Base/Neutrals)	EPA 625	\$225.00
Semi-Volatiles (BNA)	EPA 625	\$325.00
tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$135.00
Thiobencarb	EPA 525	\$270.00
Volatiles, DW	EPA 524.2	\$135.00
Volatiles, WW	EPA 624	\$150.00

RESOLUTION NO. 2011-6-9

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING
EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR
SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES
FOR FISCAL YEAR 2011/12

WHEREAS, pursuant to Section 26-45.2 of the City of Fontana's Ordinance No. 918 adopted in August 1988, there shall be an additional monthly sewer charge imposed for property served which is located outside the boundaries of Improvement District "C" of the Inland Empire Utilities Agency; and

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the City on July 1 and will be set at the amount of certain sewer taxes per EDU being received from the taxable area within Improvement District "C"; and

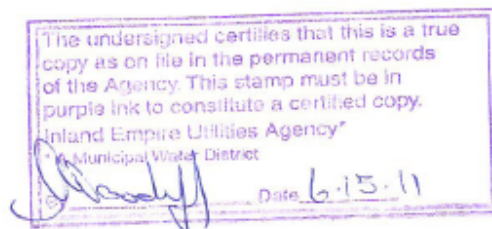
WHEREAS, these taxes are to be the Improvement District "C" portion of taxes plus the portion of the Agency's General Taxes applied each year to the Regional and Tertiary Wastewater Systems and the General Administrative expenditures for the Regional and Tertiary Wastewater Systems; and

WHEREAS, modification to this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2011:

Section 1. That the monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2010/11 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2010/11 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the monthly sewer service charge should be set at a rate of \$13.28 per month per Equivalent Dwelling Unit (EDU).

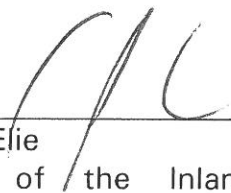


ADOPTED this 15th day of June, 2011.



Michael Camacho
Vice President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2011-6-9 was adopted at
a regular Board meeting on June 15, 2011, of said Agency by the following vote:

AYES: Santiago, Elie, Koopman, Camacho
NOES: None
ABSTAIN: None
ABSENT: Catlin



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

EXHIBIT 1

**AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2011/12
CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE**

The information utilized includes the EDU projections identified in the Wastewater Operations and Maintenance Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2010/11. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2010/11 Agency assessed value -	=	\$80,494,609,597	
FY 2010/11 Projected number of EDU's within Agency	=	252,140	EDU per month
		<u>\$80,494,609,597</u>	
		252,140	= \$319,245.70

Annual tax obligation is calculated by:

\$319,245.70 X 0.000499 (adjusted Agency tax rate)	=	\$159.30	per year
or	=	\$13.28	per month



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Glossary

GLOSSARY AND GENERAL TERMS

A

ACRE-FOOT (AF) – A unit of measurement equivalent to 325,900 gallons of water, which meets the need of two average families in and around the home for one year.

ACCRUAL BASIS ACCOUNTING – Under this accounting method, transactions are recognized when occurred, regardless of the timing of related cash receipts and disbursements.

AD VALOREM TAX – A levy upon the assessed valuation of property within IEUA’s service area. As used in this budget, it represents a limited revenue source for retiring voter-approved general obligation bond indebtedness.

ADMINISTRATIVE SERVICES PROGRAM – A program used to account for financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

AERATED STATIC PILE (ASP) – A composting method that processes 150,000 wet tons of biosolids into high-quality compost annually.

AEROBICALLY - Living, active, or occurring only in the presence of oxygen.

AGENCY WIDE SYSTEMS MANAGEMENT PROJECT (AWSM) – This is an agency-wide project. The purpose of the AWESOME project is to replace all software the Agency uses to run its business and maintain its equipment, while making staff more productive and knowledgeable.

THE AMERICAN RECOVERY AND REINVESTMENT ACT – The American Recovery and Reinvestment Act (ARRA) of 2009 is a stimulus bill that was signed into law by President Obama on February 17, 2009, which will provide approximately \$787 billion of funding to both state and local governments through a series of grants and loans distributed by various federal agencies, or in the case of local governments, sub-allocated by the states. Many of the funds will be distributed only for “shovel ready” projects and must be obligated within a specific time period. In addition, the ARRA sets forth some other broad requirements. First, no funds may be allocated for zoos, aquariums, golf courses, swimming pools, or casinos. Second, contractors and subcontractors working on projects funded by the ARRA must be paid the prevailing wage rate, as set forth in the Davis Bacon Act. Finally, the new law requires that a preference be given to American-made goods in construction and infrastructure projects financed by the Act.

ANIONS – Are Chloride, Fluoride, Nitrate, Nitrite, Phosphate and Sulfate.

ANOXIC – Meaning greatly deficient in oxygen.

APPROPRIATION – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSESSED VALUATION – A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSET – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

A

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – ACWA was founded in 1910, representing and providing key services to members has been ACWA's most important charge. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWA's involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their

ASSOCIATION OF COMPOST PRODUCERS – The Association of Compost Producers is a non-profit organization whose members are public agencies and private companies involved in the production and marketing of compost.

AUTOMATED CLEARING HOUSE – A secure, private electronic payment transfer system that connects all US financial institutions.

B

BIOSOLIDS RECYCLING – Removal of sludge from treatment plants for composting.

BOND MARKET ASSOCIATION (BMA) MUNICIPAL SWAP INDEX – The BMA Index is a national rate based on a market basket of (approximately 250) high grade, seven-day tax-exempt variable rate demand obligation issues of \$10 million or more. This index is the principal benchmark for the floating rate interest payments for tax-exempt issuers.

BOND – A written promise to pay a specified sum of money (called principal or face value), at a specified date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

BOND COVENANT – A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution, or indenture. (Example: pledged revenues).

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period, and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

BUDGETARY CONTROL – The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

BUDGET CALENDAR – The schedule of key dates which the Agency follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET MESSAGE – A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

C

CALPERS – California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

CALIFORNIA ASSOCIATION OF SANITATION DISTRICTS (CASA) – CASA is a non-profit organization whose members are public agencies involved in wastewater collection, treatment and disposal.

CALIFORNIA WATER ENVIRONMENT ASSOCIATION – A not-for-profit association that train and certify wastewater professionals and disseminate technical information.

CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC) – The CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

CAPITAL CAPACITY REIMBURSEMENT ACCOUNT – Accounts that are established and maintained by the Contracting Agencies, and to which connection fees are deposited or credited.

CAPITAL OUTLAY – Expenditures resulting in the acquisition of or addition to the government's general fixed assets having a useful life greater than one year.

CAPITAL PROJECT – Major construction, acquisition, or renovation which increases the useful life and value of the asset. It also includes non-routine capital expenditures (maintenance and repair) greater than or equal to \$5,000 and extends the asset's estimated useful life and capabilities. It is also sometimes referred to as Capital Expenditure.

CAPITAL IMPROVEMENT FUND – A fund used to account for costs incurred in acquisition, construction, and expansion of major capital facilities. It also includes expenditures for meeting the debt service obligations and the associated administrative costs.

CATIONS – Are Ammonia, Calcium, Magnesium, Potassium, and Sodium.

CHINO BASIN – An area which is underlain by the Chino and Cucamonga groundwater basins and portion of the Claremont Heights groundwater basins, within San Bernardino County.

CHINO BASIN DESALTER AUTHORITY (CDA) – A joint power authority (JPA) formed in September 2001, which comprises of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, the Santa Ana River Water Company, and Inland Empire Utilities Agency (IEUA). IEUA serves as a non-voting member and handles all finance and accounting functions for the JPA. Its main purpose is to manage the production, treatment, and distribution of water produced by the desalination facilities.

CHINO BASIN WATER CONSERVATION DISTRICT (CBWCD) – An agency whose goal is the protection of the Chino Basin in order to guarantee that current and future water needs will be met. The agency's service area includes the cities of Chino, Chino Hills, Montclair, Ontario, Rancho Cucamonga, and Upland.

CHINO BASIN WATERMASTER (CBWM) – An organization that consists of various entities pumping water from the Chino Basin including cities, water districts, water companies, agricultural, commercial and other private concerns.

C

CLEAN WATER STATE REVOLVING FUND – Established in 1987 by the Clean Water Act, part of the United States Environmental Protection Agency’s Office of Wastewater Management.

CALIFORNIA CLEAN WATER STATE REVOLVING FUND (CWSRF)- overseen by the State Water Resources Control Board, the fund serves to finance “construction ready” water and wastewater infrastructure projects.

CAP-IT- Contracts and Procurement” work order tracking system used to track miscellaneous requests for building or repairs.

COMPOST – A product resulting from the decomposition and sanitization of organic materials through processes that involve the reactions between controlled aerobic conditions (that require oxygen), temperature, moisture, microbial activity, and time. In this process, microbes (microorganisms which usually include types of bacteria and fungi) break down organic materials into smaller, more useable substances.

CO-COMPOSTING – A process to manufacture compost from biosolids and cow manure that produces a soil amendment/fertilizer product. This process removes large quantities of salt from the Agency’s service area and thus prevents the salt from reaching the underlying groundwater basin.

COLA – Cost of living adjustments, an increase in wages.

CONJUNCTIVE USE – A software program used to inventory, manage, and install software on workstations.

CONJUNCTIVE USE – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.

CONNECTION FEES – A deposit or credit made to the Capital Capacity Reimbursement Account of a contracting agency for new connections to the IEUA sewer system

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTING AGENCIES – Any sewage collection agency located, in whole or in part, within the boundaries of IEUA which has entered into a service contract with IEUA. The current contracting agencies with IEUA include Cities of Chino, Chino Hills, Upland, Montclair, Ontario, Fontana, and Cucamonga Valley Water Districts.

COUNTY SANITATION DISTRICT OF LOS ANGELES COUNTY (CSDLAC) – A special district created within Los Angeles County to treat residential and industrial wastewater discharge.

COST CONTAINMENT STRATEGY – An action plan to identify cost reduction opportunities across the Agency by major expense categories and capital expenditures. Progress is monitored and reported as part of the budget to actual variance process.

D

DEBT SERVICE – The current year portion of interest costs and current year principal payments incurred on long-term debt issued by the Agency.

D

DEPARTMENT – An organizational unit comprised of program managers where each unit is managed by a single program manager.

DEPARTMENT OF WATER RESOURCES (DWR) – DWR operates and maintains the State Water Project, including the California Aqueduct. The department also provides dam safety and flood control services, assists local water districts in water management and conservation activities, promotes recreational opportunities, and plans for future statewide water needs.

DENITRIFICATION – is a biological process where the nitrate-nitrogen is converted to nitrogen gas, which can then be liberated into the atmosphere. Denitrification is commonly used to remove nitrogen from sewage and municipal wastewater; it is also an instrumental process in wetlands and riparian for the removal of excess nitrate from groundwater resulting from excessive agricultural or residential fertilizer usage.

DISASTER RECOVERY PLAN – A written plan that describes how to recover systems and/or services in the event of a disaster.

Don't Flush Trouble (DFT) – Public education program to reduce the flushing of wipes and other hazardous items

E

EFFLUENT – Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

ENCUMBRANCES – Commitments related to unperformed contracts for goods or services for which part of an appropriation has been reserved. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

EQUIVALENT DWELLING UNIT (EDU) – EDU is a numerical value designation where 1 EDU represents the sewage flow from a single family residential household and is approximately equal to 270 gallons per day of sewage discharge.

EXPENSES – Charges incurred, whether paid or unpaid, for operation, maintenance, interest and other charges presumed to benefit the current fiscal period.

F

FISCAL YEAR – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operations. Inland Empire Utilities Agency operates on a fiscal year from July 1, through June 30.

FISCAL CONTROL ORDINANCE – The purpose of this ordinance is to provide for a system of financial administration, accounting, fiscal and budgetary control which conforms to generally accepted accounting principles and practices.

FLOATING-TO-FLOATING INTEREST RATE SWAP – One type of interest rate swap structures in which the Agency enters into a receive-floating and pay-floating interest rate swap.

FULL TIME EQUIVALENTS (FTE) – The conversion of a part-time, temporary, or volunteer position to a decimal equivalent of a full-time position based on an annual amount of 2,080 hours worked.

F

FUND – A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

FUND BALANCE – The difference between fund assets and fund liabilities of governmental funds.

FUND TRANSFER – Fund transfer required to maintain a given level of fund balance in accordance with Board policies and bond covenants.

G

GASB 34 – Statement No. 34 issued by the Governmental Accounting Standards Board (GASB) that was implemented by the Commission in FY 2001/02. GASB 34 established new financial reporting standards for state and local governments. Under the new financial reporting model, governmental financial statements include basic financial statements that present both government-wide and fund financial statements and required supplementary information, including Management’s Discussion and Analysis.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – Minimum standards and guidelines for financial accounting and reporting. GAAP encompass the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

GOALS AND OBJECTIVES – Specific projects and programs to be undertaken utilizing allocated financial resources, and are designed to further the achievement of the Agency’s vision.

GRANTS MANAGEMENT – The management of contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

GROUNDWATER – Water that occurs beneath the land surface and fills partially or wholly pore spaces of the alluvium, soil or rock formation in which it is situated. Does not include water which is being produced with oil in the production of oil and gas or in a bona fide mining operation.

GROUNDWATER BASIN – A groundwater reservoir defined by the entire overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of successively deeper aquifers may differ and make it difficult to define the limits of the basin.

GROUNDWATER RECHARGE – The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

GROUP POLICIES – centrally managed set of computer-based policies used to manage computer and end user settings.

H

HAZMAT MANAGEMENT PROGRAM – Hazardous material management program that aims to ensure safety compliance.

H

High Temperature Fuel Cell (HTFC)- means of addressing local generation of power and the production and distribution of hydrogen by co-producing hydrogen and electricity.

I

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA) – A joint power authority (JPA) established by IEUA and the County Sanitation District of Los Angeles County (CSDLAC) in February 2002 for recycling biosolids.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY (IERCF) – A fully enclosed, nuisance and odor free composting facility owned by the IERCA, for processing and recycling biosolids, which is located in Rancho Cucamonga, California.

INTEREST – Revenue derived from the investment of idle cash and/or reserves.

INTEREST RATE SWAP – A contractual agreement between two parties who agree to exchange (swap) certain cash flows for a defined period of time. The swap is designed to generate a net change in the interest rate cash flow related to an asset or liability, but neither impacts the principal of that asset or liability nor results in the creation of any new principal.

INSTITUTE OF INTERNAL AUDITORS (IIA)- Established in 1941 as an international professional association and recognized as the internal audit profession's leader in certification, education and technical guidance.

INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) – The Integrated Regional Water Management planning process is a local water management approach preferred by the Governor, the State Department of Water Resources, and State Water Resources Control Board. It is aimed at securing long-term water supply reliability within California by first recognizing the inter-connectivity of water supplies and the environment and then pursuing projects yielding multiple benefits for water supplies, water quality, and natural resources

L

LIABILITY – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer asset or provide service to other entities in the future as a result of past transaction or event.

LONDON INTER BANK OFFERED RATE (LIBOR) – The primary fixed income index reference rate used in the European financial markets.

LONG RANGE PLAN OF FINANCE – A report that summarizes the results of a comprehensive financial planning model built to provide a clear funding strategy for the Agency to meet capital and operating requirements.

M

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) – MWD is one of the world's largest water agencies. It imports almost 60 percent of the water used by more than 15 million people in urban Southern California. MWD wholesales water to its 27 member agencies, including IEUA. Metropolitan is governed by a 51 member Board of Director's representing its member agencies.

M

MEGAWATTS (MG) - One million watts

MILLION GALLONS PER DAY (MGD) – MGD is the term used to represent million gallons per day of sewage discharged to IEUA wastewater treatment facilities.

N

NO DRUGS DOWN THE DRAIN (NDDD) –Program aimed at discouraging residents from flushing expired drugs.

NITRIFICATION – The process by which bacteria in soil and water oxidize ammonia and ammonium ions to form nitrites and nitrates.

NON-RECLAIMABLE WASTEWATER – Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as defined by federal, state, or regional agencies authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

NON-RECLAIMABLE WASTEWATER (NRW) PROGRAM – The activities of the NRW System, which is owned and operated by the Agency and provides for the export of high-salinity and industrial wastewater generated within the Agency’s service area to the Pacific Ocean.

O

ONE WATER ONE WATERSHED PROGRAM (OWOW) – "One Water One Watershed" (OWOW) is a new and innovative planning process being developed within the Santa Ana Watershed. Through collaborative strategic partnerships and building upon the successful watershed planning in the past, the next generation of integrated regional watershed planning is under development to solve problems on a regional scale and give all water interests a voice in the planning process.

OPERATION AND MAINTENANCE BUDGET (OPERATING BUDGET) – Plans of current expenses and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

OPERATING EXPENSES – Proprietary fund expenses related directly to the fund’s primary activities.

OPTIMUM BASIN MANAGEMENT PLAN (OBMP) – A comprehensive plan to increase artificial groundwater recharge within Chino Basin using stormwater, recycled water and imported water.

ORANGE COUNTY SANITATION DISTRICT (OCSD) – A public agency located in Fountain Valley, Orange County providing wastewater treatment services for 21 cities and 3 sanitary districts in the Orange County.

ORDINANCE – A law set forth by a governmental or legislative body.

ORGANICS MANAGEMENT PROGRAM – The activities for processing treated water, methane gas and biosolids into useable marketable products, i.e. recycled water, renewable energy, and high quality compost.

P

PAY-AS-YOU-GO (PAYGO) – The practice of funding construction expenditures from current operating revenue in lieu of using debt proceeds.

PEACE II – Approved by the Court on December 2007 as part of the Chino Basin Watermaster’s Optimum Basin Management Plan (OBMP) and provides for the “re-operation” and attainment of “hydraulic control” in the groundwater basins.

P

Personal Learning Plans (PLPs)- identify employee strengths and weaknesses and provide for personal and professional growth

PHASE 2 PERMIT – Issued by the Regional Water Quality Control Board (RWQCB), Santa Ana Region with input from the California Department of Public Health, for Water Recycling Requirements for IEUA and CBWM, Chino Basin Recycled Water Groundwater Recharge Program.

POWER PURCHASE AGREEMENT (PPA) – An agreement that the Agency does not have to provide any capital cost funding, but the Agency agrees to purchase all solar power generated by a provider at a pre-determined rate by the PPA vendor who constructs, at their sole cost a solar power plant.

PRIMARY TREATED WATER – First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

PROGRAM – Group activities, operations or organizational units directed to attaining specific purposes or objectives.

PROGRAM BUDGET – A budget wherein expenses are based primarily on the functions or activities of a government rather than based on specific items of cost, or specific departments.

PROPOSITION 1A – The proposition is intended to protect revenues collected by local governments from being transferred to the California state government for statewide use. The provisions may be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature approves the suspension.

PROPOSITION 13 – In March 2000, California voters approved Proposition 13 (2000 Water Bond), which authorizes the State of California to sell \$1.97 billion in general obligation bonds to support safe drinking, water quality, flood protection, and water reliability projects throughout the state. The State Water Resources Control Board (SWRCB) was authorized to allocate \$763.9 million of these funds to local projects throughout California. Most of this funding has been awarded to projects through competitive grant selection processes. In the recent years, IEUA received about \$40 million of Proposition 13 funding for Regional Recycled Water Distribution System, Recharge Basin Facilities Improvement Project, etc. The Chino Basin Desalter Authority received \$48 million of Proposition 13 funding for Chino II Desalter Project.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

Publicly Owned Treatment Works (POTW) – members of the Southern California Alliance of Publicly Owned Treatment Works (SCAP). See SCAP definition.

Q

Quality Improvement Program – Identify high impact or recurring issues, and develop corrective action plans.

R

RAND® – The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing public and private sectors around the world.

READINESS-TO-SERVE (RTS) CHARGE – A Metropolitan Water District charge to its member agencies. The Charge is designed to provide firm revenue for the MWD’s capital improvement program (CIP) and debt service to meet the reliability and quality needs of existing users.

RECHARGE – The physical process where water naturally percolates or sinks into a groundwater basin.

RECHARGE BASIN – A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

RECHARGE WATER PROGRAM – The activities for development of increased recharge capacity within the Chino Basin region using stormwater, recycled water, and imported water.

RECYCLED WATER – Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

RECYCLED WATER BUSINESS PLAN (RWBP) - Developed to accelerate the implementation of the 2005 Regional Recycled Water Implementation Plan with a goal of increasing the demand for recycled water connection to 50,000 acre foot per year (AFY) by FY 2011/12.

RECYCLED WATER PROGRAM – The activities for the use of recycled water to meet Southern California’s water demand. Recycled water is a proven technology and implementing its use will provide a more dependable local supply of water, as well as, reduce the likelihood of water rationing during droughts.

RECYCLING – A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term “recycled water” to reclaimed water.

RED TEAM – A group of stakeholders (users and suppliers) that was formed to accelerate recycled water use in the IEUA service areas.

REGIONAL COMPOSTING AUTHORITY – (See Inland Empire Regional Composting Authority)

REGIONAL WASTEWATER PROGRAM – The activities associated with the primary, secondary and tertiary treatments of domestic wastewater delivered by the contracting agencies to the Agency’s interceptors and wastewater treatment facilities.

REGIONAL WATER QUALITY CONTROL BOARD (RWQCB) – An organization with the mission to preserve, enhance and restore the quality of California’s water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.

RENEWABLE ENERGY – Energy that is produced from clean renewable sources such as solar power, wind power and natural gas produced from the decomposition of organic materials.

R

REQUEST FOR INFORMATION (RFI)- is a standard business process whose purpose is to collect written information about a specific topic.

REQUEST FOR PROPOSAL (RFP)- an early stage in a procurement process, issuing an invitation for vendors, often through a bidding process, to submit a proposal on a project

RESERVE – An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

RESOLUTION – A special or temporary order of a legislative body requiring less formality than a statute or ordinance.

REVENUE – Income generated by taxes, user charges, connection fees, investment income, bonds and leases.

Return on Investment (ROI)- the amount, expressed as a percentage, that is earned on a company's total capital calculated by dividing the total capital into earnings before interest, taxes, or dividends are paid.

S

SALINITY – Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids – TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SAN ANTONIO WATER COMPANY- A Mutual Water Company incorporated in 1882 and serving most residents of the unincorporated area of San Antonio Heights, the entities of Upland and Ontario

SANTA ANA REGIONAL INTERCEPTOR (SARI) – Underground regional wastewater interceptor line owned by Santa Ana Watershed Project Authority.

SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) – A Joint Exercise of Powers Agency created to implement the regional components for water quality management as set forth in the adopted water quality control plan for the Santa Ana River Watershed. Member agencies include: Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District and Eastern Municipal Water District.

SERVICE AREA – The territory served by IEUA for sewage collection and treatment operations.

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (SBCFCD) – An agency whose goal is to intercept and convey flood flows through and away from the major developed areas of the County by a system of facilities, including dams, conservation basins, channels, and storm drains.

SECONDARY TREATMENT – Generally, a level of treatment that produces 85% removal efficiencies for biological oxygen demand and suspend.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCQMD) – This is an air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties.

S

SEWER SYSTEM MANAGEMENT PLAN (SSMP) – IEUA Sewer System Management Plan (SSMP) was adopted by the Board in April 2009 to comply with the State Water Resources Control Board Order No. 2007-003. This Order established the General Waste Discharge Requirements (WDR) for all public entities that own or operate sanitary sewer systems greater than one mile in length of sewer line within the state of California to prevent and minimize sanitary sewer overflows (SSO).

SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS (SCAP) – SCAP is a non-profit corporation organized to help ensure that regulations affecting Publicly Owned Treatment Works (POTWs) and collection systems are reasonable and in the public's best interest and to provide leadership, technical assistance and timely information to promote regulations that focus on the sustainable protection of the environment and public health. As of December 2010, 86 of its 106 POTW members were public wastewater agencies located in seven counties. Collectively, the POTWs members provide over 1 billion gallons per day of wastewater treatment to more than 18 million people in Southern California, and produce over 1.4 million wet tons of biosolids per year.

SPECIAL PROJECTS – Special projects are a collection of operation and maintenance expenses that are incurred by the Agency in pursuit of very specific goals and objectives that are consistent with the Agency's mission. They are, by their nature, a unique form of cost accounting. Special projects may consist of direct labor, materials and supplies, and outside consultant fees, but they may not contain any expenditure for any type of capital asset, such as construction or equipment costs. Example of a special project: a long-term planning or feasibility study that would involve the efforts of several different departments or in partnership with other agencies over a protracted period of time.

STATE REVOLVING FUND (SRF) – The Federal Clean Water Act amendments of 1897 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loan can also be used to support reclamation nonpoint source pollution, storm drainage, and estuary projects.

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – This is a joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SWAP POLICY – A policy to establish guidelines to govern the evaluation, approval, execution, management and monitoring of swaps.

T

TAXES – Compulsory charges levied by a government to finance services performed for the common benefit.

TEETER PLAN – California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies.

TEN YEAR CAPITAL IMPROVEMENT PLAN – Volume II of the Agency's annual budget, this report is prepared each year to identify capital spending requirements, forecasted capacity demands and long term programs.

T

TERTIARY TREATMENT – The treatment of wastewater beyond the secondary or biological stage. Normally implies the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

THREE YEAR BUSINESS PLAN – The Three Year Business Plan (3YBP) was adopted by the Board on December 2007 to accelerate the construction of the Agency’s Regional Recycled Water Distribution System. The ultimate goal of the 3YBP is to increase direct sales of recycled water to 50,000 AFY (Acre Foot per Year) by FY 2012. Activities for the 3YBP are reported in the Recycled Water (WC) Fund.

TIER I/II RATES – Water supply rates charged by MWD to its customers. Tier I rate recovers the cost of maintaining a reliable amount of supply. Tier II rate is set at MWD’s cost of developing additional supply to encourage efficient use of local resources.

TITLE 22 – Regulations set forth by the California Department of Health Services. Required to ensure water quality standards are being met.

U

UNITED STATES BUREAU OF RECLAMATION (USBR) – A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

URBAN WATER MANAGEMENT PLAN - Describes all water supplies and demands within IEUAs service area in accordance with California State Law.

V

VOLUMETRIC FEES – Fees charged to customers for their metered wastewater flows.

W

WASTEWATER – Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result of use.

WASTEWATER FACILITIES MASTER PLAN – The primary policy guiding the development of the Agency’s Ten Year Capital Improvement Plan. Used to coordinate an integrated water resources planning framework.

WATER EDUCATION WATER AWARENESS COMMITTEE (WEWAC) - A committee that promotes efficient use of water and public awareness of the importance of water in the Southern California.

WATER FACILITIES AUTHORITY – A public agency that treats and supplies approximately 40,000 acre-feet of imported water each year. This imported water serves as a supplemental source of water for approximately 450,000 residents in the west end of San Bernardino County.

WATER RESOURCES PROGRAM – The activities to support water management and conservation programs to increase the reliability of existing water supplies and reduce the cost of imported water purchases.

W

WATER REUSE ASSOCIATION – The WaterReuse Association is a nonprofit organization whose mission is to advance the beneficial and efficient use of water resources through education, sound science, and technology using reclamation, recycling, reuse and desalination for the benefit of our members, the public, and the environment

WATER SUPPLY ALLOCATION PLAN (WSAP) - developed by the Metropolitan Water District of Southern California's (MWD) for drought management purposes.

WATER USE EFFIEICNEY PLAN (WUE) - Plan designed to supplement existing surface water and groundwater supplies.



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





Acronyms

ACRONYMS

	3YBP	Three Year Business Plan
	4R	Repair, Relocation, Reconstruction, and Rehabilitation
A	AB939	Assembly Bill for Material Recycling
	ABRA	Human Resources Software
	ACH	Automated Clearing House
	ACOE	Army Corp of Engineers
	ACP	Association of Compost Producers
	ACWA	Association of California Water Agencies
	AF	Acre-Feet
	AFY	Acre-Feet per Year
	AMTA	American Membrane Technology Association
	AQMD	Air Quality Management District
	ARRA	American Recovery Rehabilitation Act
	ASP	Aerated Static Pile
	AWSM	Agency Wide Systems Management Project
	AWWA	American Water Works Association
B	BCE	Business Case Evaluations
	BMA	Bond Market Association
	BMP	Best Management Practice
	BMPTF	Basin Monitoring Program Task Force
	BOD	Biochemical Oxygen Demand
	BPA	Blanket Purchase Agreement
	BUCS	Budget Update and Control System
	BW	Business Warehouse
C	CAFR	Comprehensive Annual Financial Report
	CaLEEP	California Local Energy Efficiency Project
	CalPERS	California Public Employees Retirement System
	CASA	California Association of Sanitation Districts
	CBFIP	Chino Basin Facilities Improvement Project
	CBGRMP	Chino Basin Groundwater Master Plan
	CBWCD	Chino Basin Water Conservation District
	CBWM	Chino Basin Watermaster
	CCMP	Chino Creek Master Plan
	CCMS	Computerized Maintenance Management System
	CCRA	Capital Capacity Reimbursement Account
	CCTV	Closed Circuit Television
	CCW	Carbon Canyon Wastewater
	CCWRF	Carbon Canyon Wastewater Reclamation Facility
	CCWRP	Carbon Canyon Water Recycling Plant
	CDA	Chino Desalter Authority
	CEC	California Energy Commission
	CEMS	Continuous Emission Monitoring System
	CEQA	California Environmental Quality Act
	ChARM	Change & Request Management
	CHP	Combined Heat and Power
	CIA	Cash In Advance
	CII	Commercial, Industrial and Institutional

C	CIM	California Institute for Men
	CIP	Capital Improvement Program
	CIW	California Institute for Women
	CM	Construction Management
	CMMS	Computerized Maintenance Management System
	COBRA	Consolidated Omnibus Budget Reconciliation Act
	COD	Chemical Oxygen Demand
	CPE	Continuing Professional Education
	CPI	Consumer Price Index
	CPUC	California Public Utilities Commission
	CSDLAC	County Sanitation District of Los Angeles County
	CSI	California Solar Incentive
	CSMFO	California Society of Municipal Finance Officers
	CUPA	Certified Unified Program Agency
	CUWCC	California Urban Water Conservation Council
	CWA	Clean Water Act
CWE	California Water Environment Association	
CWSFR	California Clean Water State Revolving Fund	
D	DAFT	Dissolved Air Flotation Thickener
	DCS	Distribution Control System
	DF&G	Department of Fish and Game
	DFT	Don't Flush Trouble
	DHS	California Department of Health Services
	DOE	Department of Energy
	DWR	Department of Water Resources
	DYY	Dry Year Yield
E	E&I	Electrical and Instrumentation
	EC	Emerging Constituents
	ECOP	Environmental Compliance Operations Program
	EDU	Equivalent Dwelling Unit
	EEO	Equal Employment Opportunity
	EE&CM	Engineering, Energy, & Construction Management
	ELAP	Environmental Laboratory Accreditation Program
	EP	Energy Production
	EPA	Environmental Protection Agency
ERP	Enterprise Resources Planning	
F	FEMA	Federal Emergency Management Agency
	FMLA	Family Medical Leave Act
	FOG	Fats, Oils and Grease
	FTE	Full Time Equivalents
	FY	Fiscal Year
G	GAAP	General Accepted Accounting Principles
	GASB	Governmental Accounting Standards Board
	GCMS	Gas Chromatograph/Mass Spectrometer
	GFOA	Government Finance Officers Association

G	GG	Administrative Services Program
	GIS	Geographic Information System
	GIES	Garden in Every School
	GM	Grants Management
	GPM	Gallons per Minute
	GWR	Groundwater Recharge
	GWRMP	Groundwater Recharge Master Plan
H	H2S	Hydrogen Sulfide
	HCMP	Hydraulic Control Monitoring Program
	HECW	High-Efficiency Clothes Washers
	HET	High-Efficiency Toilet
	HQ	Headquarters
	HR	Human Resources
	HTFC	High Temperature Fuel Cell
	HVAC	Heating/Ventilation/Air Conditioning
I	I&C	Instrumentation & Control
	IAD	Internal Audit Department
	ICE	Internal Combustion Engine
	ICP	Inductively Coupled Plasma
	IDC	Improvement District "C"
	IDS	Intrusion Detection System
	IERCA	Inland Empire Regional Composting Authority
	IERCF	Inland Empire Regional Composting Facility
	IEUA	Inland Empire Utilities Agency
	IFAS	Integrated Financial and Administrative Solution
	IIA	Institute of Internal Auditors
	IPS	Intermediate Pump Station
	IPS	Intrusion Prevention System
IRP	Integrated Resource Plan	
J	JPA	Joint Powers Authority
K	KPI	Key Performance Indicators
	KVM	Keyboard/Video/Mouse
	kWh	Kilowatt hour
L	LACSD	Los Angeles County Sanitation District
	LAN	Local Area Network
	LEED	Leadership in Energy and Environmental Design
	LIBOR	London Inter-Bank Offered Rate
	LIMS	Laboratory Information Management System
	LPP	Local Projects Program
	LRP	Local Resources Program
	LRPF	Long Range Plan of Finance
	LS	Lift Station
M	Mg/L	Milligrams per liter
	MGD	Million Gallons per Day

M

MG	Megawatts
MPC	Milk Producer's Council
MOU	Memorandum of Understanding
MSDS	Materials Safety Data Sheets
MW	Megawatts
MWD	Metropolitan Water District of Southern California

N

NAC	Network Access Control
NC	Non-Reclaimable Wastewater Program
NDDD	No Drugs Down the Drain
NDMA	Nitrosodimethylamine
NFPA	National Fire Protection Association
NPDES	National Pollution Discharge Elimination System
NPI	National Purchasing Institute
NRW	Non-Reclaimable Wastewater
NRWS	Non-Reclaimable Wastewater System
NTC	National Theatre for Children
NWRA	National Water Resources Association

O

O&M	Operations & Maintenance
OBMP	Optimum Basin Management Plan
OCSD	Orange County Sanitation District
OCWD	Orange County Water District
OES	Office of Emergency Services
OFA	Office of Finance and Administration
OM	Organics Management Program
OP	Obligation Payment Fund, Wastewater Program, Debt Services
ORC	Organic Rankine Cycle
ORP	Oxidation Reduction Potential
OTDR	Optical Time Domain Reflectometer
OWOW	One Water One Watershed

P

PAY-GO	Pay-As-You-Go
P&ID	Piping and Instrumentation Diagrams
PD	Positive Displacement
PE	Perkin Elmer
PIER	Public Interest Energy Research
PIPES	IEUA's Intranet
PIO	Public Information officer
PLC	Programmable Logic Computer
PLP	Personal Learning Plan
PM	Plant Maintenance
PMT	Plant Maintenance Technician
POTW's	Publically Owned Treatment Works
PPA	Power Purchase Agreement
PTSC	Pretreatment and Source Control
PZ	Pressure Zone

Q	QA/QS	Quality Assurance / Quality Control
R	RAS	Return Activated Sludge
	RATA	Relative Accuracy Test Audit
	RC	Regional Capital Improvement (Wastewater) Program
	RCA	Regional Composting Authority
	RDA	Redevelopment Agency
	REEP	Renewable Energy Efficiency Project
	RFI	Request for Information
	RFP	Request for Proposal
	RO	Regional Operations and Maintenance (Wastewater) Program
	ROI	Return on Investment
	RP-1	Regional Plant No.1 in the City of Ontario
	RP-2	Regional Plant No.2 in the City of Chino
	RP-4	Regional Plant No.4 in the City of Rancho Cucamonga
	RP-5	Regional Plant No.5 in the City of Chino
	RW	Recharge Water Program
	RWBP	Recycled Water Business Plan
	RWC	Recycled Water Contribution
	RWQCB	Regional Water Quality Control Board
S	SAC	San Antonio Channel
	SAP	Systems Applications and Products
	SARDA	Santa Ana River Dischargers Association
	SARI	Santa Ana River Interceptor
	SAWA	Santa Ana Watershed Association
	SAWPA	Santa Ana Watershed Project Authority
	SAWCO	San Antonio Water Company
	SBCFCD	San Bernardino County Flood Control District
	SCADA	Supervisory Control and Data Acquisition
	SCAP	Southern California Alliance of Publicly Owned Treatment Works
	SCAQMD	South Coast Air Quality Management District
	SCE	Southern California Edison
	SE	Sterling Engine
	SEIR	Subsequent Environmental Impact Report
	SIU	Significant Industrial User
	SKU	Stock Keeping Unit
	SOP	Standard Operating Procedures
	SRF	State Revolving Fund
	SRWS	Self Regenerating Water Softener
	SSMP	Sewer Systems Management Plan
	SSO	Sanitary Sewer Overflows
	STA	United States Composting Council's Seal of Testing Assurance
	SWRCB	State Water Resources Control Board
	SWP	State Water Project
T	TDS	Total Dissolved Solids
	TEAMS	Technical Enhancement and Management Succession

T

TIN	Total Inorganic Nitrogen
TKN	Total Kjeldahl Nitrogen
TMECC	Testing Methods for Evaluating Compost and Compost Products
TO	Wastewater Program - Tertiary Operations & Maintenance
TOC	Total Organic Carbon
TMDL	Total Maximum Daily Load
TP	Tertiary Plant
TSS	Total Suspended Solids
TYCIP	Ten Year Capital Improvement Plan

U

UA	Unauthorized Activities
ULFT	Ultra Low-Flush Toilets
UPC	Unit Production Cost
UPCP	Unit Process Control Procedure
UPS	Uninterruptible Power Supply
USACOE	US Army Core of Engineers
USBR	United States Bureau of Reclamation
UWMP	Urban Water Management Plan
UWRF	Urban Water Reclamation Facility

V

VFD	Variable Frequency Drives
VOC	Volatile Organic Compound

W

WAN	Wide Area Network
WC	Recycled Water Program
WDR	Wastewater Discharge Requirement
WEF	Water Environment Federation
WEFTEC	Water Environment Federation Annual Technical Exhibition and Conference
WEWAC	Water Education Water Awareness Committee
WFA	Water Facilities Authorities
WFMP	Wastewater Facilities Master Plan
WM	Chino Basin Watermaster
WS	Workstation
WSAP	Water Supply Allocation Plan
WUE	Water Use Efficiency
WW	Water Resources Program

Y

YCF	Youth Correctional Facility
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Solar panels at the Inland Empire Regional Composting Facility (IERCA)



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT





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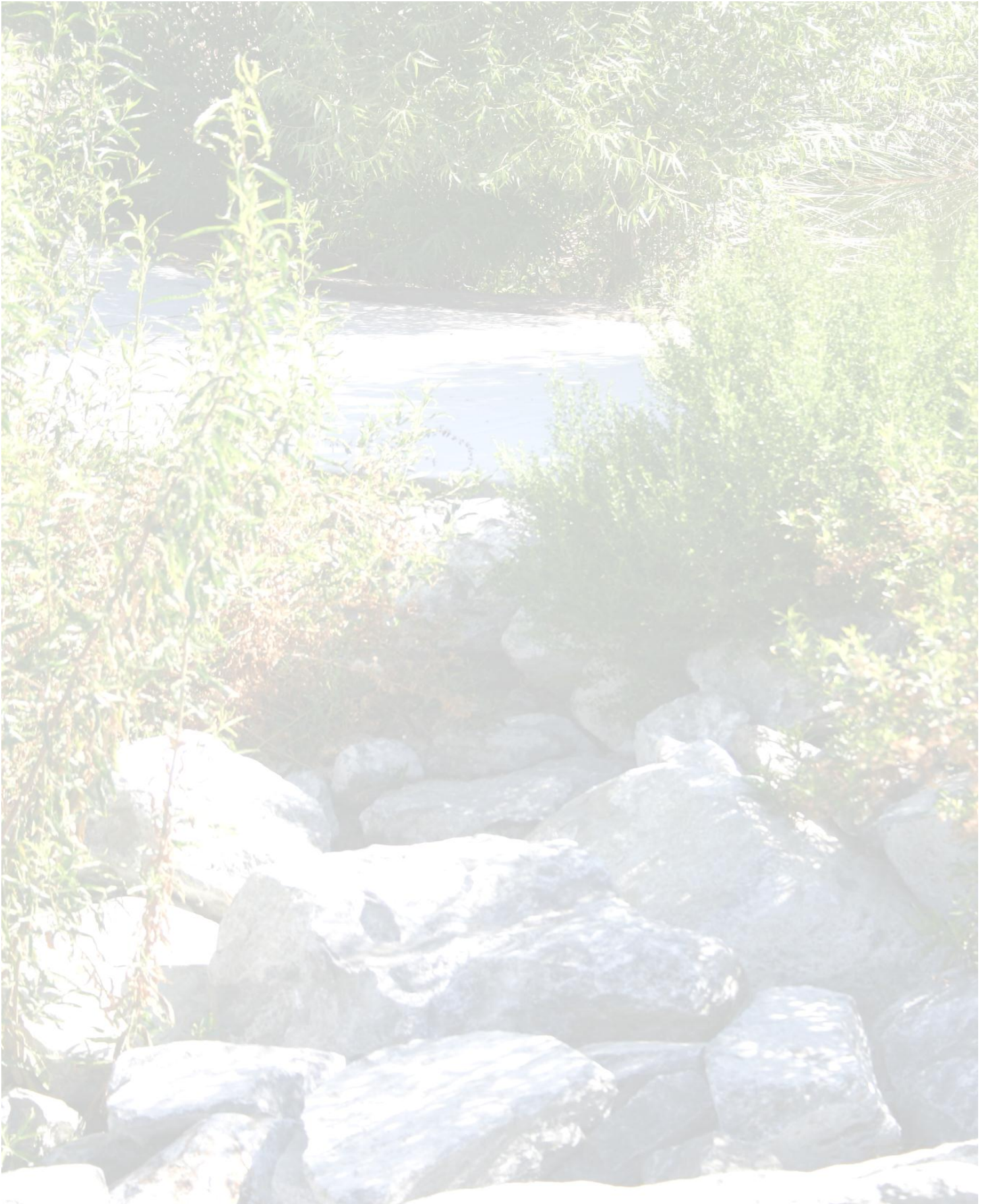
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GFOA Detailed Criteria Location Guide
Distinguished Budget Presentation Awards Program

Name of Entity: Inland Empire Utilities Agency
State/Province: CA

Cite specific page references on the lines in response to each question.

Introduction and Overview

#C1. **Mandatory:** The document shall include a table of contents that makes it easier to locate information in the document.

*** Table of Contents**

1. Is a comprehensive table of contents provided? Yes, i - vi
2. Are all pages in the document numbered or otherwise identified? Yes
3. Do the page number references in the budget or electronic table of contents agree with the related page numbers in the budget or electronic submission? Yes

#P1: The document should include a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.

Strategic Goals and Strategies

1. Are non-financial policies/goals included? pp. 2, 6, 21-42, 176- 322
2. Are these policies/goals included together in the Budget Message or in another section that is separate from the departmental sections? Agency Visions/Policy Goals (pp. 21-50)
3. Are other planning processes discussed? pp. 51-54, 164-165

#P2: The document should describe the entity's short-term factors that influence the decisions made in the development of the budget for the upcoming year.

Short-term organization factors

1. Are short-term factors addressed? pp. 2, 6, 41-42, 72-326
2. Does the document discuss how the short-term factors guided the development of the annual budget? Budget Message/Executive Summary ; Budget Process, Program Funds
3. Is a summary of service level changes presented? N/A

#P3. **Mandatory:** The document shall include a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (*e.g., transmittal letter, budget summary section*).

*** Priorities and Issues**

1. Does the message highlight the principal issues facing the governing body in developing the budget (*e.g., policy issues, economic factors, regulatory, and legislative challenges*)? pp. 1-6, 7-20
2. Does the message describe the action to be taken to address these issues? Yes, pp. 1-6, 7-20
3. Does the message explain how the priorities for the budget year differ from the priorities of the current year? Yes, pp. 1-6, 7-20
4. Is the message comprehensive enough to address the entire entity? Yes, pp. 1-6, 7-20

#C2. **Mandatory:** The document should provide an overview of significant budgetary items and trends. An overview should be presented within the budget document either in a separate section (*e.g., executive summary*) or integrated within the transmittal letter or as a separate budget-in-brief document.

*** Budget Overview**

1. Is an overview contained in the budget message/transmittal letter, executive summary, or in a separate budget-in-brief document? separate budget-in-brief document, pp. 7-20
2. Is summary information on significant budgetary items conveyed in an easy to read format? pp. 19-20
3. Is summary information on budgetary trends provided? pp. 19-20

Financial Structure, Policy, and Process

#O1. **Mandatory:** The document shall include an organization chart(s) for the entire entity.

*** Organization Chart**

1. Is an organization chart provided which shows the entire entity? pp. 174

#F1: The document should include and describe all funds that are subject to appropriation.

Fund Descriptions and Fund Structure

1. Is a narrative or graphic overview of the entity's budgetary fund structure included in the document? pp. 69-71
2. Does the document indicate which funds are appropriated? (Other funds for which financial plans are prepared also may be included in the document.) pp. 70
3. Does the document include a description of each individual major fund included within the document? Program Budget, pp. 69-126

- If additional or fewer funds are included in the audited financial statements, does the document indicate this fact? NA

#O2: The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate.

**Department/
Fund
Relationship**

- Is the relationship between the entity's functional units, major funds, and nonmajor funds in the aggregate explained or illustrated? pp. 69-71

#F2: The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

**Basis of
Budgeting**

- Is the basis of budgeting defined (*eg., modified accrual, cash, or accrual*) for all funds included in the document? Budget Process (Budget Basis) pp. 54
- If the basis of budgeting is the same as the basis of accounting used in the entity's audited financial statements, is that fact clearly stated? Budget Process (Budget Basis) pp. 54
- If the basis of budgeting is not the same as the basis of accounting used in the entity's audited financial statements, are the differences described? NA

#P4. **Mandatory:** The document should include a coherent statement of entity-wide long-term financial policies.

*** Financial
Policies**

- Is there a summary of financial policies and goals? Agency Vision/Policy Goals pp. 43-50
- Do the financial policies include the entity's definition of a balanced budget? Financial Policies pp. 44
- Are all financial policies presented in one place? Financial Policies pp.43-50

#P5. **Mandatory:** The document shall describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.

*** Budget
Process**

- Is a description of the process used to develop, review, and adopt the budget included in the document? Budget Process, pp. 51-54
- Is a budget calendar provided to supplement (not replace) the narrative information on the budget process? pp. 52
- Is a discussion of how the budget is amended provided in the budget document available to the public (including the budgetary level of control)? Budget Process (Budgetary Control) pp. 53

Financial Summaries

#F3. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.

*** Consolidated
Financial
Schedule**

- Does the document include an overview of revenues and other financing sources and expenditures and other financing uses of all appropriated funds? Budget Message, pp. 2-3, 8-20
- Are revenues and other financing sources and expenditures and other financing uses presented either (1) together in a single schedule OR (2) in separate but adjacent/sequential schedules OR (3) in a matrix? Single pp. 3-4, 8-9, 19-20,71; By Program pp. 77, 100-101, 107, 112-113, 120, 126
- Are revenues presented by major type in this schedule (*e.g., property taxes, intergovernmental, sales taxes, fees and charges*)? yes, pp. 3-4, 19-20, 71
- Are expenditures presented by function, organizational unit, or object in this schedule? (For funds other than the main operating fund of the entity, a presentation by fund normally would satisfy this requirement.) Yes, pp. 3-4, 8, 19-20, By division pp. 176

#F4. **Mandatory:** The document must include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year.

*** Three/(Four)
Year
Consolidated
and Fund
Financial
Schedules**

- For annual budgets, are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and the budget year presented together on the same schedule(s) or on schedules presented on adjacent/sequential pages? pp. 8, 19-20, 73, 77, 100-101, 107, 112-113, 120, 126
- Is this information presented for the appropriated funds in total (or for the entity as a whole if no appropriated funds are included)? pp. 3-4, 8, 19-20,
- Is this information also presented at a minimum for each major fund and for other (i.e. nonmajor) funds in the aggregate (or for each significant fund and other funds in the aggregate if no appropriated funds are included)? pp. 71, 77, 100-101, 107, 112-113, 120, 126
- For biennial budgets, are revenues and other financing sources and expenditures and other financing uses for the prior year, the current year, and both budget years presented together on the same schedule(s) or on separate schedules presented on adjacent/sequential pages? NA

#F5. **Mandatory:** The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document).

*** Fund
Balance**

1. Does the document include the entity's definition of "fund balance" (or of "fund equity" if no governmental funds are included in the entity - frequently the noncapital portion of net assets)? pp. 12-13, 75, 89, 94, 98, 105, 110, 118, 124.
2. Is the fund balance (equity) information presented for the budget year? FY08/09 to FY15/16; pp. 8,19,20
3. Is there a schedule showing (1) beginning fund balances, (2) increases and decreases in total fund balances (reported separately), and (3) ending fund balances for appropriated governmental funds? (1) pp. 8, (2) pp.19
4. Is this information presented at a minimum for each major fund and for nonmajor governmental funds in the aggregate? pp. 19, 75, 89, 94, 98, 105, 110, 118, 124.
5. If fund balances of any major fund or the nonmajor funds in the aggregate are anticipated to increase or decline by more than 10%, does the document include a discussion of the causes and/or consequences of these changes in fund balance? pp. 12-13, 75, 89, 94, 98, 105, 110, 118, 124.
6. If an entity has no governmental funds, is the change in the fund equity presented for (1) the entity as a whole, (2) the main operating fund, and (3) each significant fund? NA
7. If an entity has no governmental funds and the fund equity of any significant fund or other funds in the aggregate is anticipated to change by more than 10%, does the document include a discussion of the causes and/or consequences of any change in fund equity that is greater than 10% in either a significant fund or other funds in the aggregate? NA
8. For biennial budgets is the change in fund equity presented separately for both years of the biennium? NA
5-yr plan (single year budget+ 4 year forecast)

#F6. **Mandatory:** The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.

*** Revenues**

1. Are individual revenue sources described? pp. 55-68, 73, 80-84, 91, 96, 103, 108, 115-117, 122-123
2. Do the revenue sources that are described represent at least 75 percent of the total revenues of all appropriated funds? Yes, pp. 55-68
3. Are the methods used to estimate revenues for the budget year described (*e.g., trend analysis, estimates from another government or consulting firm*)? Yes, pp. 55-68
4. If revenues are projected based on trend information, are both those trends and the underlying assumptions adequately described? pp. 55-68, 73, 80-84, 91, 96, 103, 108, 115-117, 122-123

#F7: The document should explain long-range financial plans and its affect upon the budget and the budget process.

**Long-range
Financial
Plans**

1. Are long-range financial plans identified? pp. 7-13, 41-50
2. Do your long-range financial plans extend out at least two years beyond the budget year? pp. 7-13, 20
3. Is there a concise explanation or illustration of the linkage between the entity's long-range financial plans and strategic goals? pp. 41-51

Capital and Debt

#F8. **Mandatory:** The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.

*** Capital
Expenditures**

1. Does the document define "capital expenditures"? pp. 395 - Glossary
2. Does the document indicate the total dollar amount of capital expenditures for the budget year (both budget years for biennial budgets)? pp. 128, 136-158 by program 19
3. Are significant nonrecurring capital expenditures described along with dollar amounts? (Information in a separate CIP document does not satisfy this criterion.) pp. 130-135
4. If the entity has no significant nonrecurring capital expenditures, is that fact clearly stated in the document? NA

#F9: The document should describe if and to what extent significant nonrecurring capital investments will affect the entity's current and future operating budget and the services that the entity provides.

**Impact of
Capital
Investments on
Operating
Budget**

1. Are anticipated operating costs associated with significant nonrecurring capital investments described and quantified (*e.g., additional personnel costs, additional maintenance costs, or additional utility costs*)? (Information in a separate CIP document does not satisfy this criterion.) pp. 130-135
2. Are anticipated savings or revenues expected to result from significant nonrecurring capital investments described and quantified (*e.g., reduced utility costs, lower maintenance costs*)? pp. 127-128, 130-135

#F10. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations.

*** Debt**

1. If the entity has legal debt limits:
 - Are debt limits described? pp. 159-169
 - Are the amounts of debt limits expressed in terms of total dollars, millage rates or percentages of assessed value? In total dollars and debt, pp. 159-169
 - Are the amounts of debt subject to debt limits identified in the same terms used to describe the debt limits themselves? pp. 159-169
2. If the entity has no legal debt limits, is that fact clearly stated within the budget document? pp. 163
3. If the entity does not have and does not intend to issue debt, is that fact clearly stated? pp. 159-169
4. Is the amount of principal and interest payments for the budget year (two years for biennial budgets) shown for each major fund (for appropriated funds), for each significant unappropriated fund and for other funds in the aggregate? pp. 11, 19-20; pp. 69-126

Departmental Information

#O3. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.

*** Position
Summary
Schedule**

1. Is a summary table of position counts provided for the entire entity? pp. 8-9, 171-173, 175
2. Does the table include the prior year, the current year, and budget year position counts? pp. 8-9, 171-173, 175
3. Are changes in staffing levels for the budget year explained? pp. 8-9, 171-173, 175
4. If there are no changes in staffing levels, is that item noted? pp. 175

#O4. **Mandatory:** The document shall describe activities, services or functions carried out by organizational units.

*** Department
Descriptions**

1. Does the document clearly present the organizational units (*e.g., divisions, departments, offices, agencies, or programs*)? Each department is separated within the departmental section, pp. 178-322
2. Does the document provide descriptions of each organizational unit? pp. 178-322 includes department backgrounds and organizational charts.

#O5: The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*).

**Unit Goals
and
Objectives**

1. Are unit goals and objectives identified? pp. 178-325 (Excluding organizational charts)
2. Are unit goals clearly linked to the overall goals of the entity? Each departments goals are linked through a table in the departments section, Dept. Section pp.179-326
3. Are objectives quantifiable? Yes, includes performance measures & workload indicators, pp. 178-326
4. Are timeframes on objectives noted? Yes, part of the goals & objectives section, pp. 178-326

#O6: The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.

**Performance
Measures**

1. Are performance data for individual departments included in the document? pp. 182-318 (major initiatives & performance/workload indicators)
2. Are performance data directly related to the stated goals and objectives of the unit? Yes, strategies and activities necessary to meet the goals & objectives are clearly listed.
3. Do performance measures focus on results and accomplishments (*e.g., output measures, efficiency and effectiveness measures*) rather than inputs (*e.g., dollars spent*)? Performance measures include output related to the mission and goals & objectives, of each unit.

Document-wide Criteria

#C3: The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.

**Statistical/
Supplemental
Section**

1. Is statistical information that defines the community included in the document (*e.g., population, composition of population, land area, and average household income*)? Area Profile/Demographics pp. 327-336
2. Is supplemental information on the local economy included in the document (*e.g., major industries, top taxpayers, employment levels, and comparisons to other local communities*)? pp. 327-328, 331-336
3. Is other pertinent information on the community (*e.g., local history, location, public safety, education, culture, recreation, transportation, healthcare, utilities, and governmental structure*) included in the document? pp. 327-328, 331-334

#C4: A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.

Glossary

1. Is a glossary that defines technical terms related to finance and accounting, as well as non-financial terms related to the entity, included in the document? Yes, pp. 3893-406
2. Are acronyms or abbreviations used in the document defined in the glossary? Yes, pp. 407-412
3. Is the glossary written in non-technical language? Yes, pp. 493-406

#C5: Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.

**Charts and
Graphs**

1. Are charts and graphs used in the document to convey essential information (*e.g., key policies, trends, choices and impacts*)? pp.3,4,9,10,13, 55-61,64,65,68,73,75,80,82,85,87-89,91-94,95-98,105,110, etc.
2. Do the graphics supplement the information contained in the narratives? The charts and graphs provide supplemental information to the text by providing a clear picture to the reader.

#C6: The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.

**Understand-
ability and
Usability**

1. Is page formatting consistent? All pages have been numbered
2. Are the main sections of the document easily identifiable? Indicated by the table of contents and dividers
3. Is the level of detail appropriate? There is sufficient detail to be easily understood by the reader
4. Are text, tables, and graphs legible? Clear and legible text, tables and graphs are labeled throughout
5. Are budget numbers in the document accurate and consistent throughout the document? Yes