



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

FY 2013/14 Budget and
FY 2013/14-2022/23
Ten Year Capital Improvement Plan

Board of Directors

June 19, 2013

Agenda

- ❖ Key Assumptions
- ❖ Rates for Primary Agency Programs
- ❖ FY 2013/14 Budget
- ❖ FY 2013/14 – 2022/23 TYCIP

Key Assumptions FY 2013/14 Budget & FYs 2014-2023 TYCIP



- ❖ **Revenues:**
 - ❖ Recovery in growth for new EDU connections, recycled water sales, monthly volumetric EDUs, and property tax receipts
- ❖ **Expenses:**
 - ❖ Staffing maintained at 295 FTE authorized positions
 - ❖ 5% vacancy factor
 - ❖ Continue cost containment initiatives
- ❖ **TYCIP**
 - ❖ Focused on R&R
 - ❖ Includes expansion of Southern Service area facilities

Multi-Year Adopted Rates FY 2013/14 through FY 2014/15



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

Rates adopted on February 1, 2012

FY 2013/14 Water Resource Rates



- ❖ AF surcharge increases from \$12/AF to \$13/AF to support water resource planning administrative costs
- ❖ Monthly meter charge increase from \$1.555 to \$1.755/meter necessary to support increase in MWD's Readiness to Serve pass-through fees.

Program	Rate	Current Rates FY 2012/13	FY 2013/14 Effective July 1, 2013
Water Resource	Acre Foot Surcharge	\$12	\$13
	Meter Rate per meter/per month	\$1.555	\$1.755

NRW Program Rates



- ❖ FY 2013/14 rates reflect current “pass-through” rate structure. North NRW rates are subject to change upon finalization of contract negotiations with LACSD.

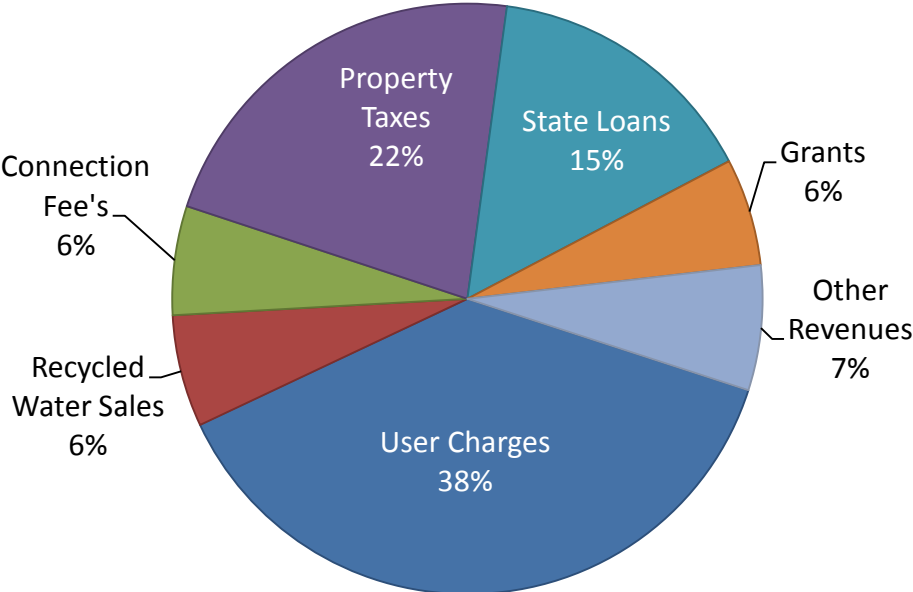
Program	Rate Description	FY 2012/13	FY 2013/14
Non Reclaimable Water System (NRWS)*	Monthly Capital Improvement Fee (CIP)	\$90.00	\$90.00
	Monthly Capacity Unit Fee - North	\$123.27	\$319.00
	Monthly Capacity Unit Fee - South	\$277.17	\$318.49
	Volumetric Fee - North	\$1,465.26	\$1,437.26
	Volumetric Fee -South	\$794.00	\$736.00
	Excess User Charges - North		
	Total Suspended Solids (TSS)	\$268.60	\$294.21
	Chemical Oxygen Demand (COD)	\$101.16	\$110.81
	Excess User Charges – South		
	Total Suspended Solids (TSS)	\$376.00	\$395.00
	Biochemical Oxygen Demand (BOD)	\$253.00	\$266.00
	Operations Surcharge Fee		
	Non-Recycled Water User	50%	50%
	Recycled Water User (Pro-rated)	10% - 50%	10% - 50%

FY 2013/14 Total Sources and Uses of Funds

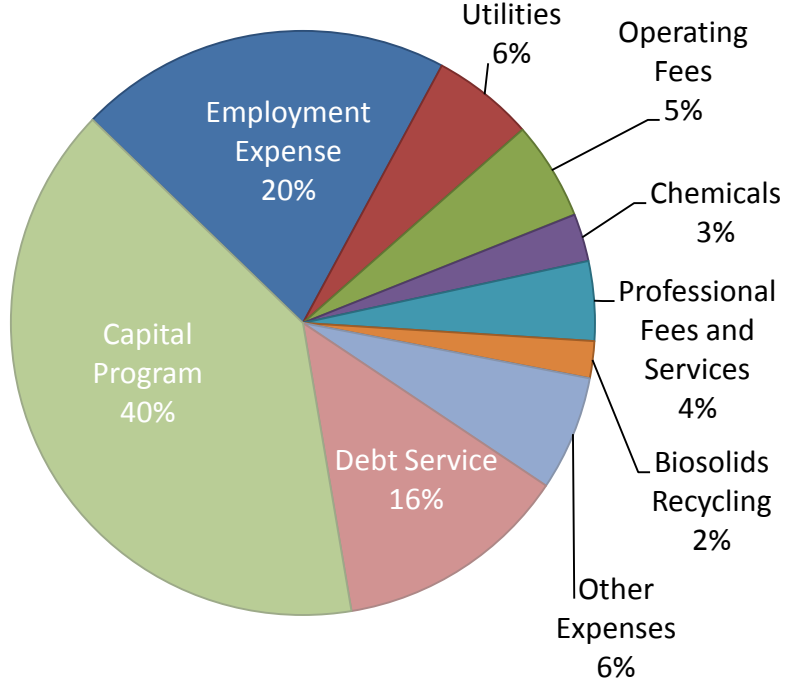
Projected Shortfall \$19.4M



Total Revenue and Other Funding Sources
***\$151.1 Million**



Total Expense and Use of Funds
***\$170.5 Million**



***Net of \$5.5 million Inter-fund loan from RC fund to WC fund.**

Total Sources & Uses of Funds- All Funds

(\$Millions)



Description	FY 2012/13 Amended Budget	FY 2012/13 Projected Actual	FY 2013/14 Budget*	FY 2014/15	FY 2015/16
				FORECAST	
Operating Revenue	\$67.3	\$66.7	\$77.4	\$85.8	\$89.5
Operating Expenses	77.3	68.3	80.4	80.2	81.1
Net Increase (Decrease)	(\$10.0)	(\$1.6)	(\$3.0)	\$5.6	\$8.4
*Other Funding Sources	\$57.3	\$54.7	\$73.7	\$61.9	\$56.8
*Other Uses of Funds	77.5	46.7	90.1	61.8	59.6
Net Increase (Decrease)	(\$20.2)	8.0	(16.4)	0.1	(2.8)
Total Net Increase (Decrease)	(\$30.2)	\$6.4	(\$19.4)	\$5.7	\$5.6
Beginning Fund Balance	\$102.4	\$102.4	\$108.7	\$89.3	\$95.0
Ending Fund Balance	\$72.2	\$108.7	\$89.3	\$95.0	\$100.6
Projected Debt Coverage Ratio	1.35	2.03	1.82	2.12	2.09

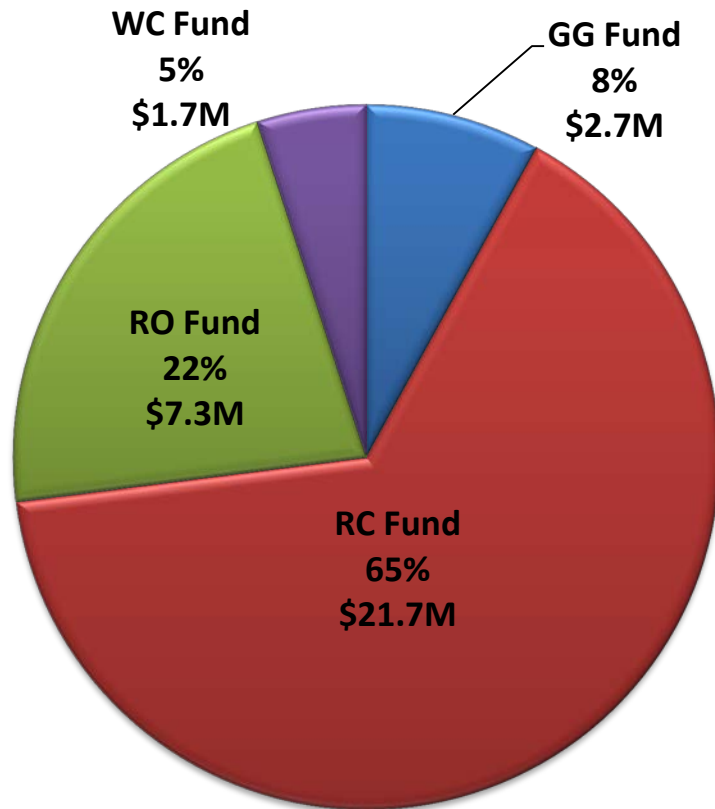
**Net of \$5.5 million Inter-fund loan from RC fund to WC fund*

FY 2013/14

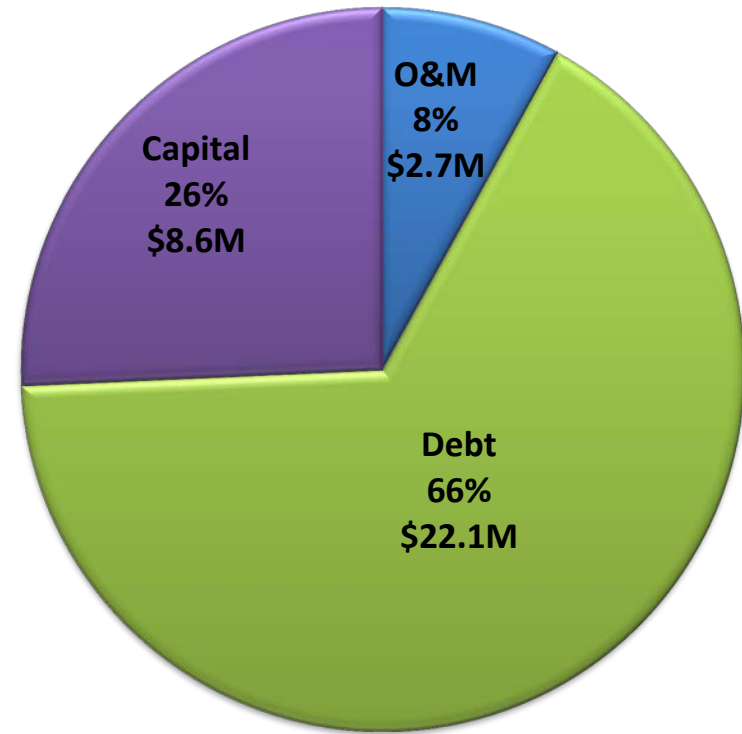
Property Tax Allocation: \$33.4M



Allocation By Fund



Allocation by Use



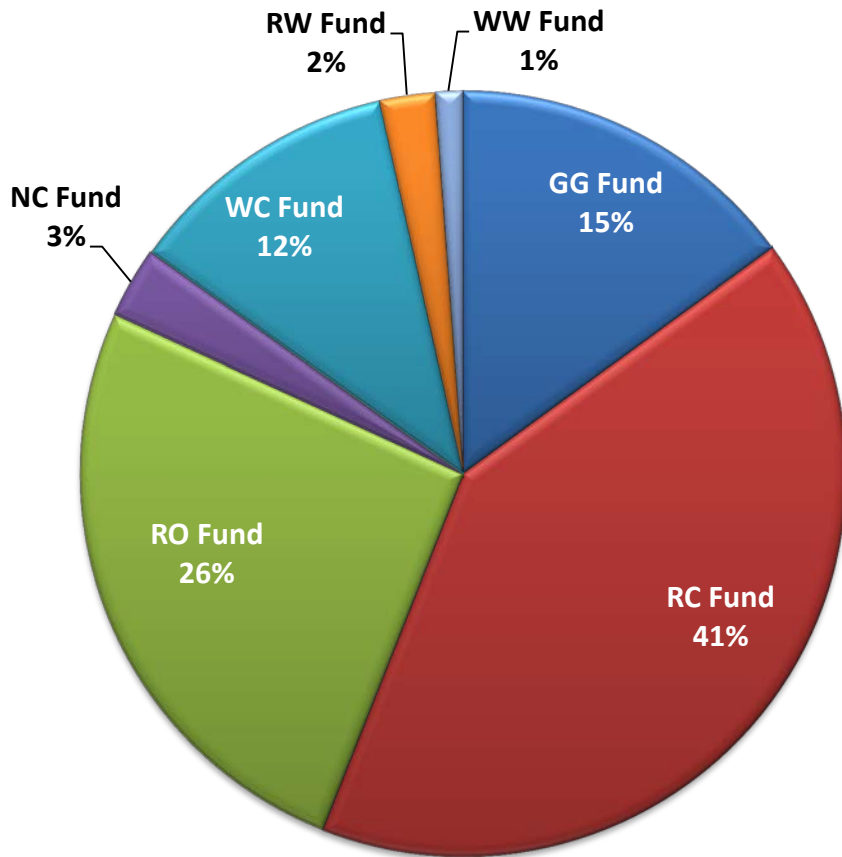
FY 2013/14

Projected Ending Reserve Balances

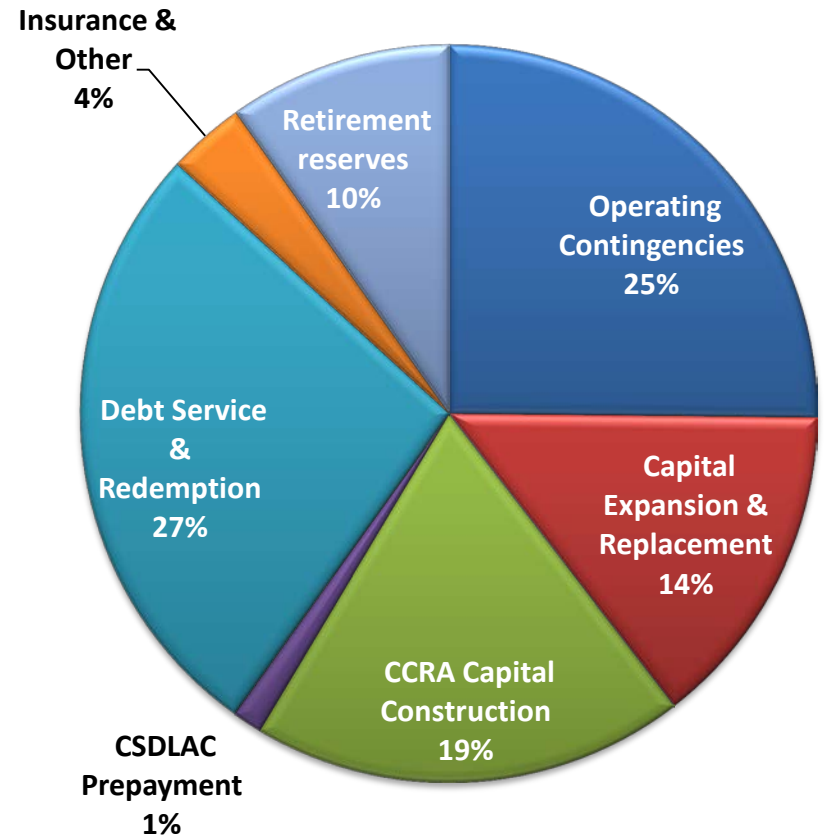
\$89.3M



Reserves by Fund



Reserves by Category



Ending Fund Balances by Category

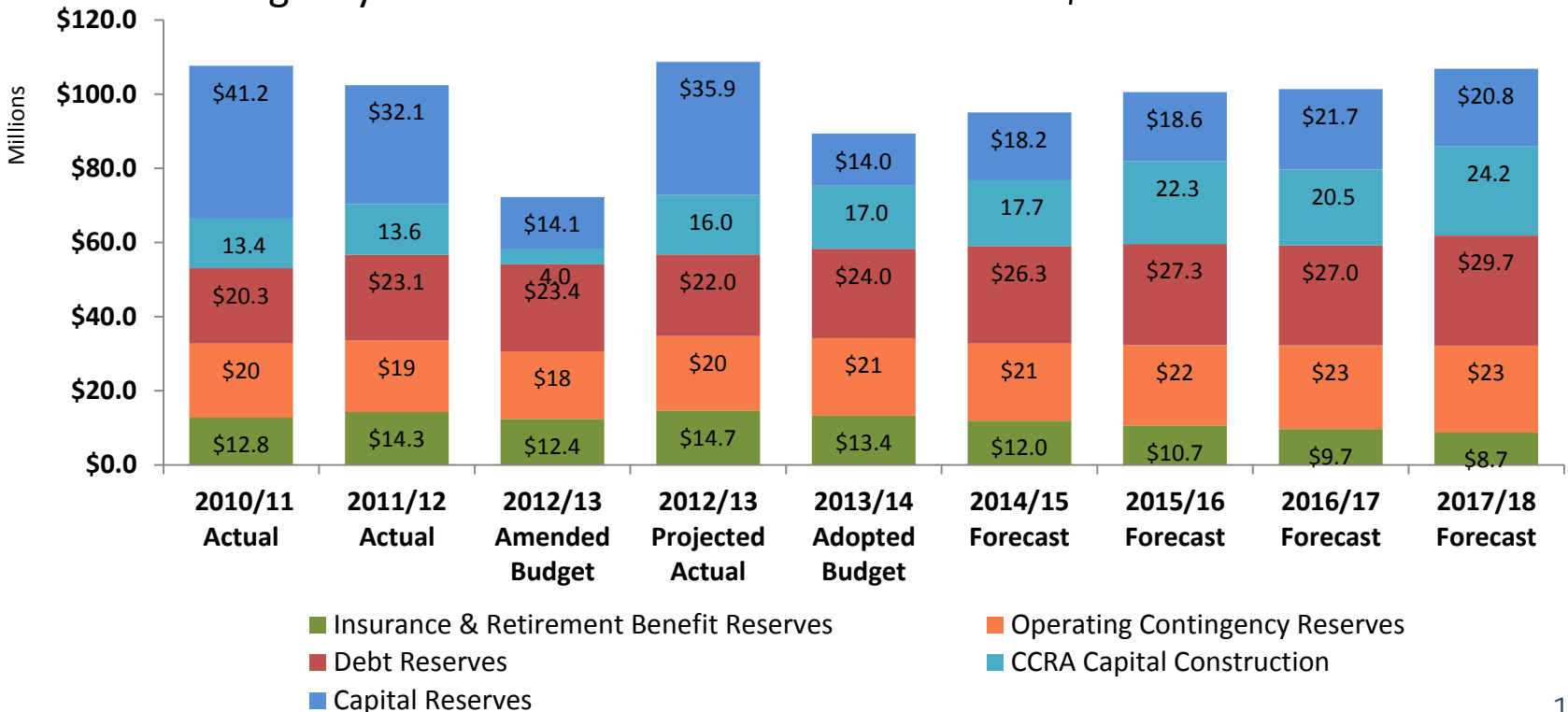


❖ **Restricted Reserves includes;**

- ❖ \$23M average for Operating Contingencies & Debt Service, as legally mandated by the Agency's bond covenants

❖ **Designated Reserves includes:**

- ❖ \$12M average to support Agency's self-funded insurance and retiree benefits
- ❖ \$41M average to fund capital expansion, improvement, replacement, and repair for all Agency facilities and infrastructure valued at \$1.1 billion.





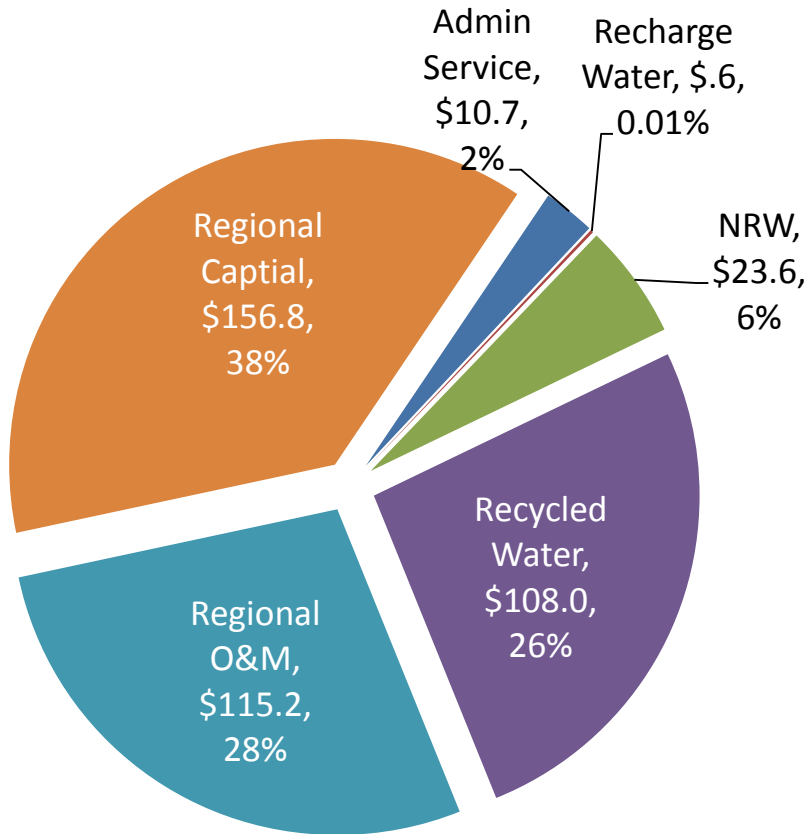
Ten-Year Capital Improvement Plan (TYCIP)

Fiscal Year 2014 -2023

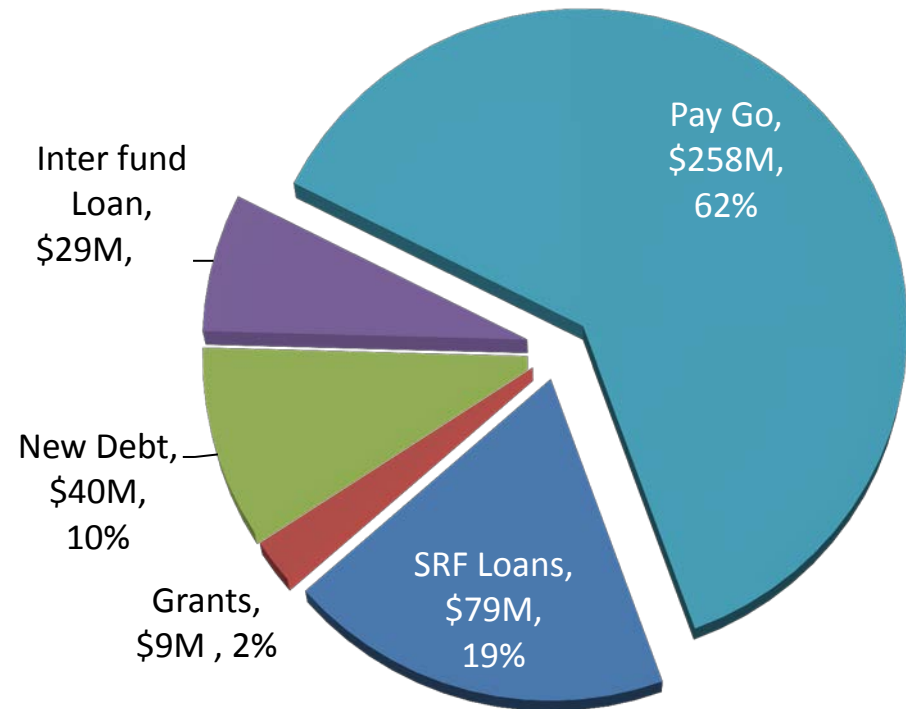
FY2014-2023 TYCIP

\$415M

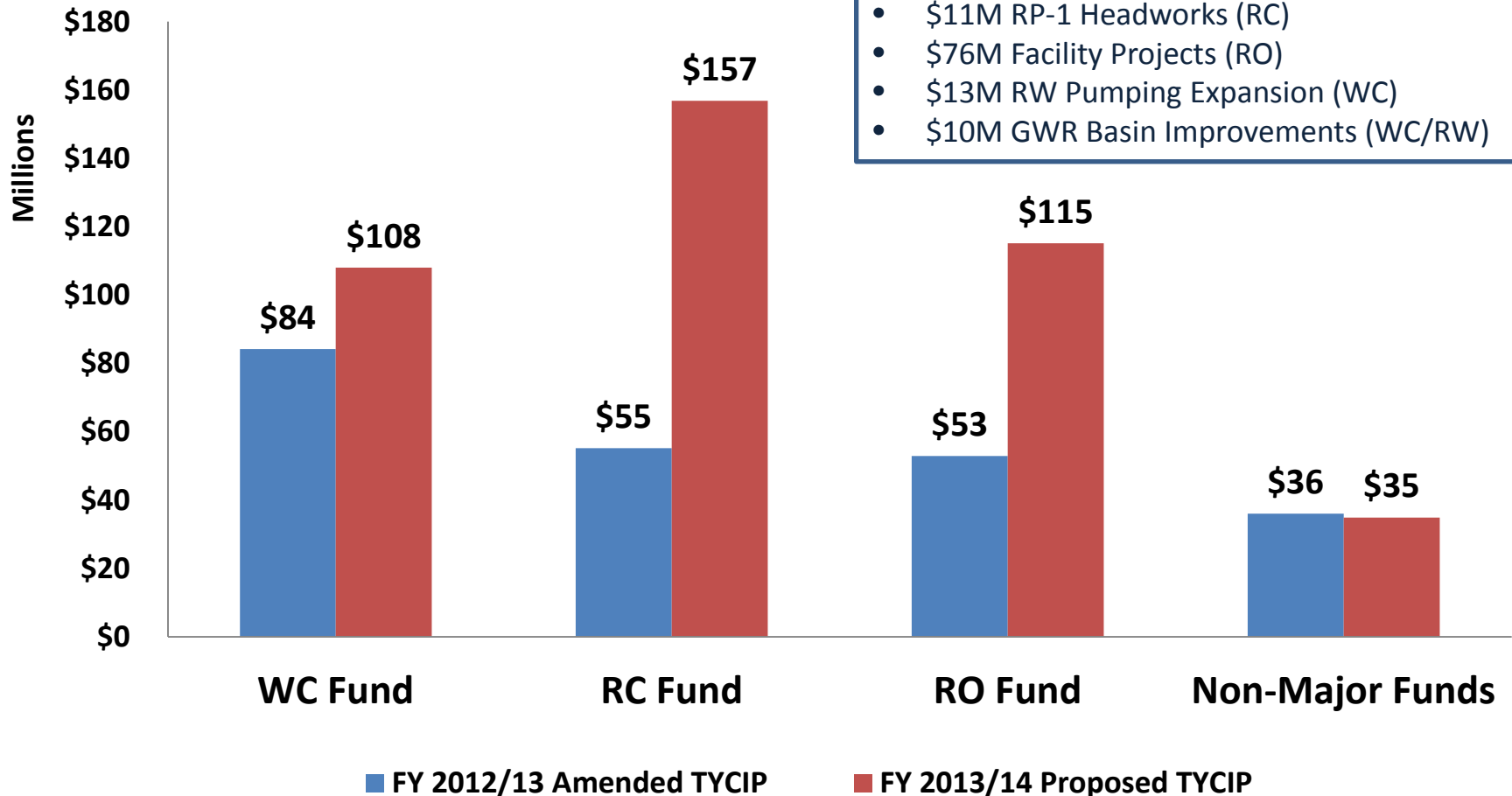
Allocation by Program



Funding Sources

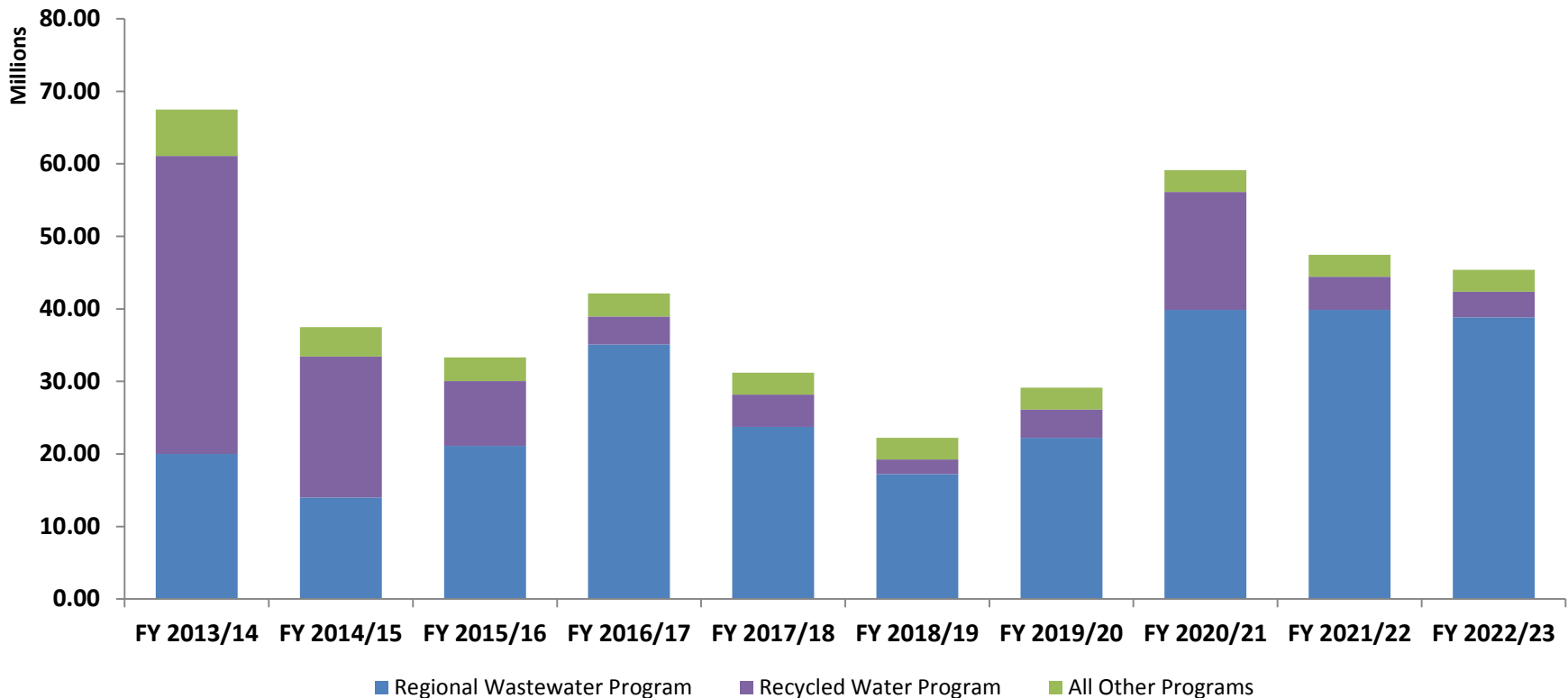


TYCIP – 2012-2022 Amended vs. FY 2013-2023 Proposed \$187M Increase



FY 2014-2023 TYCIP Allocation by Fiscal Year

- ❖ FY 2013/14 Expansion of the Recycled Water Southern & Central Area projects \$32M
- ❖ FY 2016/17 New Operations Laboratory \$14M
- ❖ FY 2020/21 Major projects: RP-5 Liquids & Solids processing \$29M; Regional Facility projects \$9M; RP-1 Outfall Parallel line \$4M, Recycled Water pipeline & reservoirs \$6M





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QUESTIONS?