



FY 2012/13 Budget In Brief



Located in San Bernardino County and serving approximately 850,000 residents in a 242-square mile service area, the Inland Empire Utilities Agency (IEUA) focuses on: supplying imported water; collecting, treating, and recycling wastewater; and providing other utility-related services to the communities it serves. IEUA strives to provide these services in a regionally planned, managed, and cost effective manner. IEUA serves the cities of Chino, Chino Hills, Fontana, Montclair, Ontario and Upland, as well as the Cucamonga Valley and Monte Vista Water Districts.



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FY 2012/13 GENERAL MANAGER'S MESSAGE

By Thomas A. Love, General Manager

IEUA strives to ensure water quality, reliability, and protecting public health in an environmentally sensitive and cost effective manner. Major challenges that continue to impact IEUA, its member agencies and key stakeholders include: sustaining water reliability through the development of local water supplies; complying with changing state and local regulatory requirements; mitigating impact of a sluggish economic recovery on key revenue sources; and effectively leveraging human, capital, and fiscal resources to enhance efficiencies, succession planning, and cost containment. Addressing these challenges creates IEUA's foundation for efficient delivery of services.

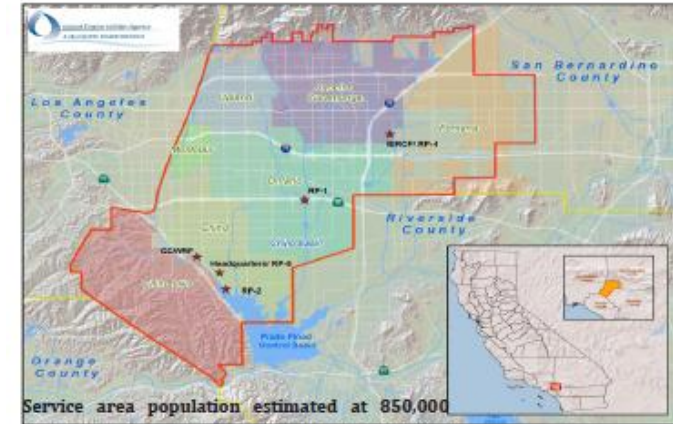
GOALS AND OBJECTIVES

IEUA's Board and management have committed to nine broad policy goals designed to move the Agency forward in executing its *Mission* and attaining its *Vision*:

- Conservation and Water Quality
- Rate Stabilization and Cost Effectiveness
- Operational and Maintenance Efficiency
- Strategic Planning and Capital Implementation
- Technological Innovation
- Waste Management and Resource Utilization
- Community Partnerships
- Fiscal Accountability and Regulatory Compliance
- Staff Training, Development, and Well-being



Service Area Profile

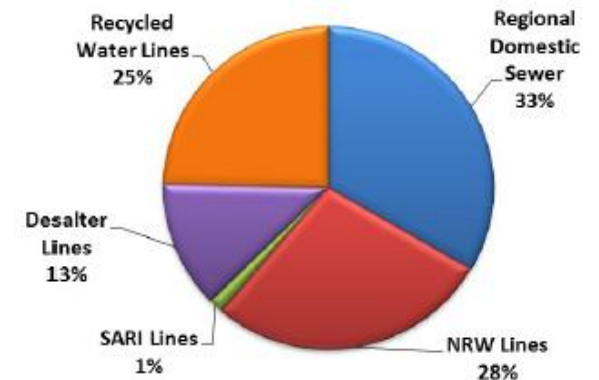


Ten Year Regional Wastewater Capacity (MGD) Projection FY 2021/22

Regional Water Recycling Plant	Design Capacity	Influent Flow	Use %
Regional Water Recycling Plant No. 1	44.0	30.2	69%
Regional Water Recycling Plant No. 4	14.0	11.0	79%
Carbon Canyon Water Recycling Facility	11.4	7.9	69%
Regional Water Recycling Plant No. 5	16.3	13.4	82%
IEUA Total	85.7	62.4	73%

Based on current projections, IEUA's Regional Wastewater capacity is sufficient to sustain regional demands for the next ten years and beyond. Total capacity of the existing system is 85.7 MGD; ten year utilization will be 62.4 MGD. The plants capacity utilization is estimated to be 73% by FY 2021/22.

301 Miles of Pipeline



BUDGET SUMMARY

TOTAL REVENUES & OTHER FUNDING SOURCES

Revenues	FY 2012/13 \$Millions	% of Total
User Charges	\$50.4	40%
Property Tax	32.6	26%
State and Other Loans	13.3	11%
Other Revenues	12.0	10%
Recycled Water Sales	7.8	6%
Connection Fees	5.4	4%
Grants	3.5	3%
Total Revenues & Other Funding Sources	\$125.0	100%

TOTAL EXPENSES & USES OF FUNDS

Expense	FY 2012/13 \$Millions	% of Total
Capital	\$43.4	31%
Employment Expense	33.4	24%
Debt Service	22.9	16%
Utilities	10.4	7%
Operating Fees	8.1	6%
Other Expenses	7.8	6%
Professional Fee's & Services	6.0	4%
Chemicals	4.6	3%
Biosolids Recycling	3.5	3%
Total Expenses	\$140.1	100%

Budgeted expenditures of \$140.1 million exceed revenues of \$125.0 million by \$15.1 million. Funding for the excess expenditures is achieved by using fund reserves. As a result, FY 2012/13 ending fund reserve balance drops to \$76.8 million. Approximately 74% or \$57 million of the ending reserves is designated to meet bond covenant, insurance, retirement requirements, and operating contingencies. The remaining reserve balance of 26% or \$19.8 million is designated for capital improvement and replacement.

RATES

	Units	FY 2011/12	FY 2012/13
	Monthly		
Wastewater - Volumetric	EDU ¹	\$11.14	\$12.39
Recycled Water - Direct Sales	AF ²	\$115	\$155
Recycled Water - Recharge Surcharge	AF	\$40	\$40
Connection Fee's	EDU	\$4,766	\$4,909
Imported Water Surcharge	AF	\$12	\$12
	Monthly		
Imported Water Meter Charge	Meter	\$1,455	\$1,555

1 - EDU—Equivalent Dwelling Unit

2 - AF—Acre Foot

CAPITAL PROJECTS BUDGET BY PROGRAM

Program	\$Millions	%
Recycled & Recharge Water	\$21.1	49%
Regional Wastewater	16.4	38%
Non-Reclaimable Wastewater	3.1	7%
Administration Services	2.8	6%
Total	\$43.4	100%

FY 2012/13 Capital Program Funding Sources \$43.4M



The Capital Improvement Program (CIP) is budgeted at \$43.4 million and is primarily funded on a pay-go basis from fund reserves. Other key funding sources include new EDU connection fees (development impact fees), property tax receipts, State Revolving Fund loans, grants. Approximately 49% of the CIP budget is allocated to the Recycled and Recharge Water Programs, 38% to the Regional Wastewater Program, and 13% to the Administrative services and Non-Reclaimable Water Programs. No expansion of existing facilities is included in the FY 2012/13 to FY 2021/22 Ten Year CIP, as existing treatment capacity is estimated to be sufficient for the next ten years.

Mission

To supply imported and recycled water; collect, treat, and dispose of wastewater; and provide other utility-related services to the communities it serves. The Agency strives to provide these services in a regionally planned, managed, and cost effective manner.

Vision

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.

Agency Structure

A five-member Board of Directors is elected, by Division, to represent IEUA's 850,000 service area residents. A General Manager and an Executive team oversee four (4) IEUA divisions and fifteen (15) department managers that directly supervise operations.

In support of the Agency-wide goals and objectives, each department updates their respective goals and objectives, and develops measurable Key Performance Indicators that measure goal attainment. Departmental budgets are targeted at achievement of IEUA's mission, vision, and policy goals.

BOARD OF DIRECTORS

Terry Catlin	President
Michael E. Camacho	Vice President
Steven J. Elie	Secretary/Treasurer
Gene Koopman	Director
Angel Santiago	Director

EXECUTIVE STAFF

Thomas A. Love	General Manager
Craig D. Miller	Assistant General Manager
Christina Valencia	Chief Financial Officer
Martha Davis	Executive Manager of Policy Development
Randy Lee	Acting Executive Manager of Operations
Jean Cihigoyenette	General Counsel