



**For Immediate Release:**  
**July 5, 2011**  
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## **Inland Empire Utilities Agency Approves Fiscal Year 2011/12 Fiscally Conservative Budget**

**Inland Empire** - The Inland Empire Utilities Agency's Board of Directors recently approved a \$145 million (which is 14% lower than Fiscal Year 2010/2011 Amended Budget of \$169 million) capital and operating budget for Fiscal Year 2011/2012

"With the uncertain economy and challenging condition of the State's budget continuing to be a major concern, the Inland Empire Utilities Agency continues with its cost containment efforts and worked closely with its member agencies to stabilize service rates, including no rate increase in the monthly sewer rate and connection fees," said IEUA Board President Terry Catlin.

Approximately 53% of total expenses, or \$74 million, is operating expense, \$23 million is debt service costs, and capital costs are \$48 million. The total revenues and other funding sources of \$130 million includes \$62 million in operating revenues, \$33 million of property tax revenue, \$20 million of debt proceeds from state loans, \$7.4 million in federal and state grants, \$5.7 million of connection fee revenue, as well as the repayment of \$1 million inter-fund loan and other miscellaneous revenue. The projected shortfall of \$15 million is primarily due to capital expenditures funded by debt proceeds in the capital reserves. The Agency's total reserves for are projected to be \$98 million at the end of FY 2011/2012, of which \$41 million are designated for capital construction and replacement, and \$47 million are restricted for debt service and operating contingencies, as mandated by bond covenants.

The FY 2011/2012 budget presents an operating and financial plan that continues the emphasis in cost containment and the three main "added value" products - recycled water distribution to help drought proof the service area; converting biosolids into compost to ensure healthy soils; and renewable energy through methane gas, solar, wind, and fuel cell generation.

Over the past few years, the Agency and its local retail water providers have invested in an aggressive program to expand delivery of high quality recycled water to its service area. IEUA's goal, in partnership with its local retail water agencies, is to have all of the irrigated public spaces; such as, parks, median strips and schools on recycled water. The ultimate goal is to reach 96,600 acre- feet per year by 2035.

The Inland Empire Regional Composting Facility, a partnership with the Sanitation District of Los Angeles County, has a capacity of processing over 200,000 tons of waste product per year into valuable compost. Located in Rancho Cucamonga, the composting facility is an excellent

example of IEUA's ability to provide a sustainable, cost-effective, and reliable solution to its biosolids management.

To further the generation of clean renewable energy, IEUA has initiated power purchase agreements (PPA) and a strategic Energy Management Plan to gain energy independence from the grid during the peak energy usage hours by the year 2020. To date, 3.5 megawatt (MW) of solar power has been installed at IEUA's recycling facilities and the composting facility. In addition, 1 MW of wind generation and 2.8 MW from the fuel cell system are expected to be installed by fall of 2011 and by spring of 2012, respectively.

"The Board of Directors has made it a priority to implement cost containment measures to minimize rate increases for our customers despite significant inflationary pressures," said Catlin. "Utilities continue to be a major expense for this Agency. Our investments in renewable energy through solar, wind, fuel cells, and methane gas will not only assist us in managing these costs in the future, but will have the added benefit of improving our environment," Catlin added.

"This Agency is serving an increasingly urbanized area with evolving utility needs," commented IEUA General Manager Thomas A. Love. "This budget demonstrates our Board's commitment to respond to the changing dynamics of the area we serve. As staff, we are steadfastly committed to ensuring that the Board's vision, namely, to be the low cost provider of clean and reliable water in cooperation with our regional partners is met.

The Inland Empire Utilities Agency is a municipal water district located in western San Bernardino County, California. The Agency's mission is to supply imported drinking water and recycled water, to collect and treat wastewater and provide other utility-related services to the residents living within its service area. In addition, the Agency has been given numerous prestigious Awards and State and Federal grants for its innovative use of technology to protect the environment in a cost effective manner. The 2011/2012 Adopted Budget, Ten Year Capital Improvement Plan and Long Range Plan of Finance are available on the Agency's website at [www.ieua.org](http://www.ieua.org).