



Fiscal Year 2015/16 and 2016/17
Operating and Capital Program Budget
June 2015



Seventh Street Basin

Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development, and protecting the environment.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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PRESENTED TO

Inland Empire Utilities Agency

California

For the Fiscal Year Beginning

July 1, 2014

Executive Director

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, 2014**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

DROUGHT EFFECTS –
LAKE MEAD, CA



BUDGET
MESSAGE/EXECUTIVE
SUMMARY

GENERAL MANAGER’S MESSAGE

The Honorable Board of Directors
 Inland Empire Utilities Agency

June 17, 2015

This year, the Inland Empire Utilities Agency (IEUA), formerly known as the Chino Basin Municipal Water District (CBMWD), celebrates its 65th anniversary. Since its formation, the Agency’s mission has evolved from a purveyor of water imported as a member of the Metropolitan Water District of Southern Area (MWD) to a population of approximately 80,000 people, to becoming a “water resources steward of the region” as a regional provider of wastewater treatment with domestic and industrial systems, developing energy production facilities, taking a leadership role in promoting integrated water resource management, and maintaining a high standard of community and educational outreach. Through its member agencies, the Agency now serves approximately 850,000 residents in a 242 square mile area in the southwest corner of the San Bernardino County.

IEUA continues to distribute imported water, along with providing a critical array of water management services to the region. The Agency is the regional provider of wastewater treatment with domestic and industrial systems, producing and distribution high quality recycled water. It has developed critical renewable energy production and compost facilities, contributing to the region’s sustainable use of these resources. And it is the regional leader in promoting integrated water resource management, regional water efficiency, and a high standard of community and educational outreach.

The General Manager’s biennial budget for Fiscal Years (FYs) 2015/16 and 2016/17 and the Ten Year Capital Improvement Plan (TYCIP) for Fiscal Years 2015/16 through 2024/25 uphold the Agency’s commitment to safeguarding and enhancing the quality of life in the Inland Empire in a sustainable and cost effective manner. A summary of the key revenues, expenses and changes in fund balance is provided in Table 1.

Table 1: Summary of Adopted Biennial Budget FYs 2015/16 and 2016/17 (\$Millions)

Description	2015/16	2016/17
Major Revenues and Funding Sources:		
Operating System Revenues	\$122.4	\$136.6
Connection Fees	\$23.3	\$30.6
Property Tax Receipts	\$41.1	\$42.4
Grants	\$8.9	\$7.7
Other	\$26.9	\$40.6
Total Revenues and Funding Sources	\$222.6	\$257.9
Major Expenses and Uses of Funds:		
Operating System Costs	\$153.2	\$150.5
Capital Improvement Plan (CIP)	\$43.9	\$52.5
Debt Service	\$23.5	\$24.7



Description	2015/16	2016/17
Total Expenses and Other Uses of Funds	\$220.6	\$227.7
Fund Increase (Decrease)	\$2.0	\$30.2
Beginning Fund Balance, July 1st	\$125.6	\$127.6
Estimated Ending Fund Balance, June 30	\$127.6	\$157.8

The 2015 Strategic Plan, which identifies the major initiatives to be accomplished through 2019, is the basis for the biennial budget for FYs 2015/16 – 2016/17 and TYCIP for FYs 2017-2025. These initiatives ensure the Agency continues to fulfill its mission, vision, and values and the Board’s key policy objectives defined in the IEUA Business Goals: Water Reliability, Environmental Stewardship, Fiscal Responsibility, Wastewater Management and Business Practices. The summary of the key assumptions, drivers, changes, and objectives for the biennial budget and TYCIP are provided in the Executive Summary section.

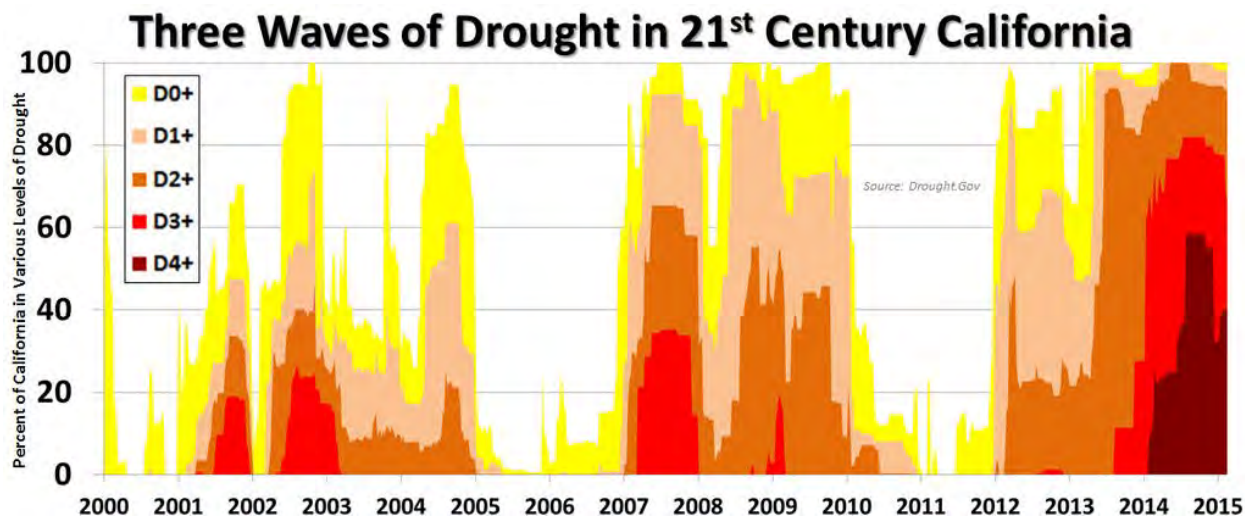
Opportunities and Challenges

Despite a weakening global economy, nearly every sector of the U.S. economy continues to show signs of steady growth. According to the Beacon Economics Quarterly Report (Q1 2015), employment levels have returned to their pre-recession high corporate profits and the equity markets are near all-time highs while interest rates remain low. At the forefront of the growth is the California economy with nearly every key economic indicator trending in the right direction. The CalCheck Report: Updated on the California’s Economic Health (May 6, 2015) describes the state’s economy as “both deepening and broadening” with job growth outperforming the nation for 37 consecutive months. The state’s unemployment rate has dropped significantly from a peak of 12.2% in March 2010 to 6.5% in March 2015. The higher employment level and favorable economic conditions are resulting in significantly higher revenues by the state than projected in the FY 2014/15 budget. The Governor’s FY 2015/16 May revised budget reported a \$6.7 billion increase in General Fund revenues compared to the January budget. The increase was primarily driven by increased capital gains and personal income taxes.

With the state’s economy in stronger footing, attention has shifted to the water shortages caused by the ongoing drought. Although drought conditions are prevalent throughout the southwestern region of the U.S., coping with a fourth consecutive year of historically dry weather, California has become the focal point of the current drought crisis.

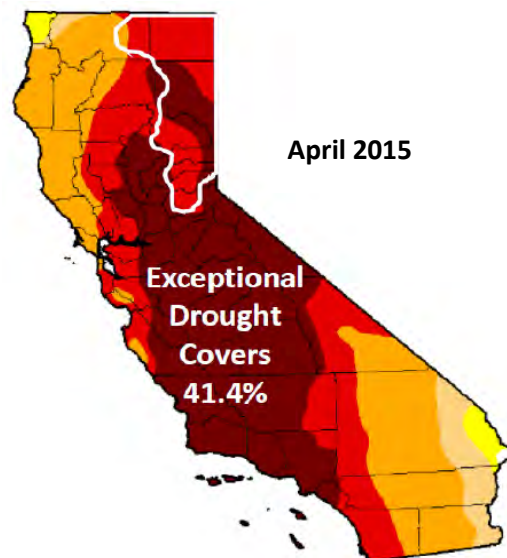
GENERAL MANAGER'S MESSAGE

Droughts are not uncommon in California. Since the year 2000, California has experienced three waves of drought: 2001-2005, 2007-2010, and the ongoing drought of 2012. However, no drought in the last 100 years has been as severe as the current one.



In April 2015, the U.S. Drought Monitor reported 98 percent of California was experiencing some level of drought. Over 40 percent of the state was reported to be under “exceptional drought” conditions: the most intense rating issued by the U.S. Drought Monitor. These unprecedented drought conditions and the possibility that they will continue into a fifth consecutive year in 2016 and beyond, led to the enactment of historic sustainable groundwater laws in September 2014 aimed to protect the groundwater basins that provide more than half of the water California’s use in dry years. Agency management was a key participant in the crafting of the Sustainable Groundwater Management Act which requires local agencies to form sustainable groundwater management agencies by June 2017 and adopt sustainability plans by 2022.

In January 2014 Governor Edmund G. Brown, Jr. declared a drought state of emergency and urged for a voluntary reduction of water use by 20 percent. The Governor issued a second Executive Order in April 2014 and a directive in July 2014 adopting emergency regulations for water conservation to prevent waste and unreasonable use. The severity of California’s drought was further heightened by the Department of Water (DWR) annual measurement of the Sierra Nevada snowpack on April 1, 2015 of only 5 percent; the lowest average since 1950. This prompted the Governor to issue another Executive Order (B-29-15) calling for a statewide mandatory reduction in urban water use of 25 percent from 2013 levels by February 2016. The statewide mandate was



the first in California's history and underscores the severity of the current drought and the need to conserve diminishing water supplies across the state.

The response by the State to the current drought will provide long term benefits in preserving and optimizing the beneficial use of the water resources throughout the state. In addition to promoting a more holistic and collaborative approach to water resource management throughout the state, these regulations will undoubtedly transform the way Californian's think about and use water going forward.

Water Reliability

The Agency, in partnership with its member agencies, invests in a wide range of regional programs to promote water use efficiency, eliminate waste and unreasonable use, and enhance regional water resiliency. In support of the Governor's statewide mandate to reduce water use, the IEUA Board of Directors adopted Drought Resolution (2015-5-8) in May 2015. The Drought Resolution calls for aggressive actions to reduce outdoor water use and preserve remaining water supplies in the Chino Basin. Included in the FYs 2015/16 – 2016/17 biennial budgets is an expansion of the Agency's regional conservation program including: rebates for turf removal, landscape equipment upgrades, indoor water saving devices, free landscape evaluations, and increased public outreach and messaging to heighten public awareness on the urgency to preserve our regional water supplies.

Also in support of the Governor's Executive Order, MWD implemented a Water Supply Allocation Plan (WASP) Level 3, declaring a regional shortage level and reducing tier 1 allocations by 15 percent effective July 1, 2015. As a member of MWD, all of the water imported into the region by the Agency is through the State Water Project (SWP). About one fourth of the water used in the region is imported from MWD. The reduced allocation directly impact wholesale deliveries by the Agency to its member agencies. Pursuant to the Governor's Executive Order B-29-15, all of Agency's member agencies are required to reduce urban water use between 24 to 36 percent by February 2016.

To mitigate the uncertainty of SWP water supplies due to recurring drought conditions and operational constraints, over the last 15 years the Agency has invested more than \$275 million in developing and enhancing regional water supplies, including infrastructure improvements, construction of state-of-the-art recycled water and groundwater recharge facilities, and water use efficiency programs. A major facet of the Agency's integrated water resource management program is optimizing beneficial use of recycled water generated in its recycling water facilities.

In FY 2013/14, the Agency achieved a new milestone with the delivery of nearly 38,000 acre-feet (AF) of recycled water; 14,000 AF of which was recharged into the Chino Basin for future use. Another significant accomplishment is the completion of the Central/Wineville Area

GENERAL MANAGER'S MESSAGE

recycled water projects in July 2015. These projects will distribute recycled water to the southern part of the City of Fontana and the eastern part of the City of Ontario completing the backbone of the regional recycled water distribution system. Total project yield is estimated between 3,000 and 4,000 acre-feet per year (AFY); comprised primarily of additional groundwater recharged to the RP-3 and Declez basins.

The Recycled Water Program Strategy (RWPS), one of the Agency's master plans, was recently updated to help maximize the beneficial use of recycled water throughout the year by shifting towards groundwater recharge, injection and possibly direct potable reuse. The projects proposed through 2035, with a focus on the first ten years (TYCIP), address improvements necessary to either increase the ability to deliver reuse supply to groundwater recharge, or relieve capacity constraints in order to meet the demand forecast.

More information on these programs is provided in the Water Resources program section.

Environmental Stewardship

The Agency is committed to protection of the environment through conservation and sustainable practices implemented on a regional and watershed basis. Included in the biennial budget are various projects that pool together multiple agencies in the region to collaborate in large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana Watershed. As one of ten agencies participating in the Santa Ana River Multiple Species Habitat Conservation Plan, led by the San Bernardino Valley Municipal Water District (SBVMWD), the Agency will work closely with the U. S. Fish and Wildlife Service to mitigate any potential impact to federally-listed endangered, threatened, or special status species from future water projects in the Upper Santa Ana River region.

The Agency is also a key participant in the Santa Ana River Watershed-Scale Conjunctive Use Program (SARCUP), along with SBVMWD, Eastern Municipal Water District (EMWD), Western Municipal Water District (WMWD), and Orange County Water District (OCWD). The primary objective of the participants, known as the Santa Ana River Watermaster Action Team (Action Team), is to develop cooperative plans for SARCUP to maximize development of local and imported water supplies as equitable partners and not to compete for grants or imported water supplies that can be used for SARCUP. These projects will be the basis for the 2015 One Water One Watershed (OWOW) grant application for \$60 million from the Department of Water Resources (DWR) Proposition 84 grant funding. The Action Team will also work collaboratively on regional water use efficiency programs and habitat restoration/Arundo removal programs.

Fiscal Responsibility

The Operating Budget for FYs 2015/16 – 2016/17 is the Agency’s first biennial budget. The transition from a single year budget to a biennial budget was one of the key objectives of the IEUA Business Goal Fiscal Responsibility. Another important milestone was the adoption of five year rates and fees for FYs 2015/16 – 2019/20 for the Agency’s regional wastewater and recycled water programs and the new water connection fee. Included in the FY 2015/16 – 2016/17 biennial budget are the first two years of five year rates. These multi-year rates achieve another key policy principle; the establishment of rates and fees that fully recover the cost of providing the service. Having full cost of service rates and fees is essential in ensuring the Agency has the fiscal fortitude to effectively address economic and environmental variability. The incremental increases over the five-year period lessen the impact to ratepayers, as well as provide our member agencies with more stable and predictable forecasts.

Other key policy principles defining the adopted multi-year rates include: ensuring rates are reasonable and equitable by establishing a clear nexus between what a customer pays and the benefit of the services received, as legally mandated; making growth pay for growth by establishing a new regional water connection fee and adjusting the regional wastewater connection fee to adequately fund future capacity expansion and enhancement of existing facilities to support future growth; and eliminating reliance on property taxes to subsidize day-to-day operating costs and ensure uninterrupted service during times of revenue shortfall. Property tax receipts make up approximately 20 per cent of the Agency’s total revenues, including connection fees. Although the state’s fiscal position has drastically improved over the last several years lessening the risk of another shift of local property taxes to cover state budget shortfalls; the next economic downturn increases the risk of another shift by the state exponentially. As noted in the Governor’s FY 2015/16 May revised budget, despite higher revenues “the budget remains precariously balanced and faces the prospect of deficits in succeeding years”.

Another significant milestone for the Agency is the establishment of a regional water connection fee to support future expansion and enhancement of its regional water system. Premised on the policy principle “growth pays for growth”, the new water connection fee will ensure that future users pay for the benefit provided by the regional water system comprised of potable water, recycled water and groundwater recharge facilities. Based on the adopted TYCIP for FYs 2016 -2025, approximately 94 percent of the new water connection fees will be designated to support expansion and enhancement of the Agency’s recycled water and groundwater recharge facilities. The remaining six percent will support investment in the Agency’s regional integrated water resource management program. The Agency worked closely with its member agencies and the Business Industry Association (BIA) in establishing the new regional water connection fee. BIA recognizes the need to have a reliable and resilient water supply that supports economic development by meeting the needs of current and future customers.

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The Agency continues to be committed to sustainable cost containment as demonstrated in the adopted biennial budget. The number of authorized full time equivalent (FTEs) of 290 is maintained over the two-year budget period, and projected to be sustained over the ensuing three years. Succession planning for the impending retirement of the Agency's "baby boomers", many of whom are in senior positions, will be managed through an incremental reduction in the vacancy factor. Budgeted at a rate of five percent in FY 2014/15, the vacancy factor is reduced to four percent and then three percent over the next two fiscal years, respectively. Over the prior three fiscal years, the actual vacancy factor has averaged just below nine percent; indicative of the Agency's commitment to cost containment.

In late April 2015, the Agency submitted a pre-application for a State Revolving Fund (SRF) loan and Proposition 1A grant for \$31 million in support of the 2015 Drought Relief Recycled Water Supply Optimization Program Phase 1 (Optimization Program). The Optimization Program will deliver an estimated 4,000 AFY of recycled water, bringing the Agency closer to its goal of 50,000 AFY of recycled water deliveries by 2025. The Agency will continue to aggressively pursue federal, state and regional grants and incentives, including rebates offered by MWD, and low interest SRF loans, to reduce the cost of executing the planned programs and projects included in the adopted biennial budget and TYCIP.

Wastewater Management

Although the pace of new development lost some momentum in 2015 compared to the prior fiscal year, forecasts by the Agency's member agencies indicate a rebound in new development over the next five to ten years. As a regional wastewater service provider, the Agency is required to maintain capacity within systems and facilities to meet essential service demands to protect public health and the environment. One of the key objectives included in the IEUA Business Goal Wastewater Management is to ensure that systems are managed and constructed so that 90 percent of capacity is never exceeded.

To prepare for the anticipated growth, the Agency initiated an update of some of the key long term planning documents, amongst them the Wastewater Facilities Master Plan (WFMP) last updated in 2002, the Recycled Water System Master Plan, and the Chino Basin Organics Management Master Plan (Master Plans). The update included an assessment of the general plans for each of the Agency's member agencies to identify planned land use and growth projections through 2060. These growth forecasts served as the basis to identify future water, wastewater and organics infrastructure needs throughout the Agency's service area.



As identified in the updated WFMP, member agencies project a total of 40,523 new equivalent dwelling units (EDU) connections over the next ten

years. Approximately 60 percent of the growth is expected in the southern section of the Agency's service area; predominantly in the cities of Ontario and Fontana. Some of the major construction projects to be executed over the next ten years include: the relocation of the Regional Water Recycling Plant No. 2 (RP-2) solids handling processes to the Regional Water Recycling Plant No. 5 (RP-5) facility, expansion of RP-5 liquid treatment, rehabilitation and expansion of the Regional Water Recycling Plant No. 1 (RP-1) solids and liquid treatment processes. The RP-2 solids handling facility is located in the City of Chino on land leased from the U. S. Army Corps of Engineers (Army Corps). Portions of the RP-2 facility are located in the 100-year flood plain. Triggering the relocation of the RP-2 facility is the proposed raising of the maximum operation water level behind the Prado Dam to allow for greater water storage and conservation by the Army Corps and Orange County Flood Control District. As reported in the adopted TYCIP, the estimated cost of these major construction projects is about \$400 million, excluding the ultimate decommission of the RP-2 site prior to expiration of the lease in 2035.

The acquisition, construction, improvement and expansion of the Agency's regional wastewater system are supported by the regional wastewater connection fee. To ensure timely completion of capital projects, the Agency conducted an engineering study of its regional wastewater connection fee. The study determined an adjustment of \$1,182 to the existing fee of \$5,107 per new EDU connection was needed to adequately support future expansion of the regional wastewater system. A phased implementation of the necessary adjustment is included in the adopted multi-year rates.

Conclusion

Over the last twelve months, the Agency accomplished many significant milestones; none of which could have been possible without the collaboration of our member agencies, stakeholders, and dedicated Agency team. Some of these milestones will help position the Agency in a more stable fiscal and operational status to more effectively execute the planned initiatives as outlined in the adopted biennial budget and TYCIP, as well as leverage opportunities and address unplanned challenges that arise along the way.

One of these challenges is meeting the Governor's mandate to reduce urban water use by 25 percent. Assisting our member agencies to meet this requirement is a top priority for the Agency. Proceeds received from the SAWPA Prop 84 grant will be used to develop a "toolkit" member agencies can use to enhance water use efficiency and mitigate the impact of the mandated cutbacks; such as expansion of the turf removal program rebates, compilation of parcel and climate data for use in the implementation of financially stable rate structures, and state-of-the-art technology to more effectively detect water leaks.

As the "Steward of the Region", the Agency is committed to sustainably enhancing the quality of life in the Inland Empire by ensuring that a clean, reliable and resilient water supply is available now and in the future. These principles will continue to guide the Agency and its member

GENERAL MANAGER'S MESSAGE

agencies in developing and prioritizing initiatives to effectively address the effects of climate change and its impact to our region's vital water resources.

Respectfully submitted,



P. Joseph Grindstaff
General Manager

EXECUTIVE SUMMARY

The Operating Budget for Fiscal Years 2015/16 - 2016/17 is the Agency’s first biennial budget. The transition from a single year budget to a biennial budget was one of the key objectives of the IEUA Business Goal Fiscal Responsibility. Included in the biennial Operating Budget are the first two years of five year rates adopted for FYs 2015/16 – 2019/20 for the Agency’s Regional Wastewater and Recycled Water programs. The adoption of multiyear rates is another key objective identified in the IEUA Business Goals and the Strategic Plan FYs 2015-2019. The projects included in the FYs 2016 – 2025 Ten Year Capital Improvement Plan (TYCIP) adopted by the IEUA Board on March 18, 2015 are necessary to accomplish the Agency’s goals based on the physical condition of assets and forecasted regional projections of water and wastewater needs. The biennial Operating Budget and the TYCIP continue to demonstrate the Agency’s commitment to deliver reliable, high quality essential services to its customers in a regionally planned, cost effective manner.

IEUA BUSINESS GOALS

The IEUA Business Goals align with the Agency’s mission, vision and values which are defined by the needs of the Agency’s stakeholders and the public value provided to the communities served. The IEUA Business Goals, adopted by the IEUA Board on October 2013, are categorized into six main areas as indicated in Figure 1-1:

Figure 1-1: IEUA’s Business Goals



Within each *Business Goal*, the key *Objectives* developed highlight major elements, such as Funding and Appropriation, Budget Planning, Reserves and Creditworthiness under Fiscal Responsibility. These high level *Objectives* are further defined by *Commitments* which align with the level of service the Agency is committed to provide to its customers and stakeholders. For example, the *Commitment* under the key *Objective* Funding and Appropriations of the IEUA Business Goal Fiscal Responsibility calls for the adoption of multiyear budgets and rates: “*IEUA will provide multiyear forecasts for operational, repair & replacement, capital investment and*

debt service costs to support the adoption of multiyear budgets and rates to enhance predictability and stability for its customers”.

The IEUA Business Goals served as the basis for the Agency’s Strategic Plan for FYs 2015-2019 which defines the strategy and work plans to be integrated in the Agency’s planning documents, amongst them the biennial Operating Budget, Ten Year Capital Improvement Plan, Facilities Master Plan, Asset Management Plan, Integrated Resources Plan, Energy Management Plan and Urban Water Management Plan. The current Strategic Plan guides the development of departmental goals and objectives as part of the budget process and included in the Department section.

FY 2015/16 – 2016/17 BUDGET OVERVIEW

The FYs 2015/16 – 2016/17 biennial Operating Budget include the first two years of the five year rates (FYs 2015/16 - 2019/20) for the Regional Wastewater and Recycled Water programs, a significant milestone in the Agency’s adopted rate history. Establishing rates and fees that fully recover the cost of providing services is essential in ensuring the Agency can effectively respond to economic and environmental variability. The incremental increases over the five year period lessen the impact to ratepayers, as well as provide our member agencies with more stable and predictable forecasts.

Another major milestone for the Agency is the establishment of a water connection fee to support future expansion and enhancement of its regional water system which is comprised of potable water, recycled water, and groundwater recharge facilities. Similar to the existing wastewater connection fee, the new water connection fee will be levied on new development to ensure future customers pay their proportionate share for the benefit received from existing available capacity and expansion of the system to meet their future needs. Continual development of the regional water system is essential to ensuring water reliability and resiliency for the region now and in the future. A detail listing of the adopted rates and fees is provided in the Program Rates section below.

The adopted multiyear rates and fees are premised on the following key policy principles:

- **Fully recover costs** – adoption of multi-year rates that achieve full cost of service;
- **Be equitable** – ensure rates and fees maintain a clear nexus between what a customer pays and the benefit received;
- **Ensure regional water reliability and sustainability** – continue development of regional water supplies;
- **Make “growth pay for growth”** – increase the regional wastewater connection fee and establish a new water connection fee to support future expansion and improvement of the regional wastewater and water systems;
- **Eliminate property tax subsidies for operations and maintenance** – use of property tax receipts to support regional capital investments in water reliability and sustainability;

EXECUTIVE SUMMARY

- **Provide fiscal stability** – maintain rates and fees that ensure uninterrupted service during times of revenue uncertainty; and
- **Be legally compliant** – ensure rates and fees are reasonable as mandated by Proposition 26.

PROGRAM RATES AND FEES

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 in Figure 1-8 under the Programs section below.

Wastewater Volumetric Rates

The Agency’s wastewater volumetric rates support the operations and maintenance of the regional wastewater system. System growth and available capacity are measured by Equivalent Dwelling Units (EDUs). One EDU represents approximately 98,550 gallons of wastewater per year for a single residential home, or 270 gallons per day (GPD).

The adoption of the five year EDU volumetric rates by the Agency’s Board fulfill the Agency’s commitment to recovering full cost of service, achieved by the rates below in Table 1-1 by FY 2018/19. The adopted rate of \$15.89 for FY 2015/16 is effective beginning on October 1, 2015. The next rate increase will take effect on July 1, 2016 for FY 2016/17.

Table 1-1: Adopted EDU Volumetric Rates FYs 2015/16 – 2019/20

2015/16	2016/17	2017/18	2018/19	2019/20
\$15.89	\$17.14	\$18.39	\$19.59	\$20.00

Wastewater Connection Fees

The wastewater connection fee supports the acquisition, construction, improvement, and expansion of the Agency’s regional wastewater system. The Agency’s updated Facilities Master Plan, Asset Management Plan, and Capital Improvement Plans (CIPs) identified capital projects over the next 20 years (through 2035) needed to meet anticipated growth and increased service demand in the region. In order to secure the financial resources needed for the timely execution the major wastewater projects needed to support future growth, Carollo Engineers, Inc. (Carollo) was commissioned to conduct a rate analysis of IEUA’s regional wastewater connection fee.

The rate study determined an increase to the existing connection fee from \$5,107 to \$6,289 per equivalent dwelling unit (EDU) was needed to adequately support future expansion and improvement of the Agency’s regional wastewater system, (The 2015 Wastewater Connection Fee Report dated April 10, 2015). To lessen the impact on new development for projects already underway or in the pipeline, IEUA Board agreed to defer the effective date for the FY 2015/16 fee until January 1, 2016, maintaining the current wastewater connection fee unchanged through December 31, 2015. Additionally, the increase to the wastewater connection will be phased in through FY 2019/20 as reported on Table 1-2.

Table 1-2: Wastewater Connection Fees FYs 2015/16 – 2019/20

Fiscal Year	Effective date	Fee/EDU	Key Assumptions
2015/16	7/01/2015	\$5,107	No change in the existing fee.
	1/01/2016	\$5,415	Phased implementation of the proposed increase from \$5,107 to \$6,289 per EDU; \$308 1/1/16 and \$308 1/1/17 plus 5% per annum.
2016/17	07/01/2016	\$5,415	No change.
2016/17	01/01/17	\$6,009	Phased implementation of \$308 per EDU + 5%.
2017/18	7/01/2017	\$6,309	Assumes a 5% increase each fiscal year.
2018/19	7/01/2018	\$6,624	
2019/20	7/01/2019	\$6,955	

Water Connection Fee

Premised on the principle that “growth pays for growth”, the new water connection fee will support future capital investment and expansion of the Agency’s regional water system which is comprised of potable water, recycled water, and groundwater recharge facilities. The Governor’s Executive Order issued on April 1, 2015, mandating a statewide cutback in urban water use of 25 percent through February 2016 as compared to 2013, coupled with the reduced allocation of imported water supplies from the State Water Project, make it essential for the region to secure and develop more reliable and resilient local water supplies. Future economic development is dependent on having a reliable and sustainable water supply that can meet the needs of existing and future residents throughout the region. Included in IEUA’s long term planning documents is the expansion of the Agency’s regional recycled water distribution system and groundwater recharge facilities, as well as continual development of local water supplies.

EXECUTIVE SUMMARY

Based on the Carollo 2015 Water Connection Fee Update Final Report dated April 16, 2015, the new water connection fee should have been \$1,386 per meter equivalent unit. To lessen the impact on new development, the new connection fee will be initially set at \$693 per meter equivalent units (MEU) with an effective date of January 1, 2016, as reported on Table 1-3. This represents 50 percent of the proposed rate in 2015 Water Connection Fee Update Final Report (April 16, 2015). The proposed implementation of the water connection fee is phased in over a period of 18 months with annual adjustment of 5 percent beginning January 1, 2017.

Table 1-3: Water Connection Fee for FYs 2015/16 – 2019/20

	2015/16	2016/17		2017/18	2018/19	2019/20
<i>Effective Date</i>	1/01/16	7/01/16	01/01/17	7/01/17	7/01/18	7/01/19
Water Connection Fee /MEU*	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684

** MEU based on standard residential meter sizes of 5/8" and 3/4"*

Based on the adopted TYCIP for FYs 2016-2025, approximately 94 percent of the new water connection fee is designated for capital projects needed to enhance and expand the Agency’s regional recycled water distribution system and groundwater recharge facilities. The remaining six percent is allocated to support investment in water resource capital, such as the development of regional water supplies and water resources capital projects, including a small portion of the Agency’s committed contribution to support regional resiliency projects submitted by member agencies budgeted in the Water Resources (WW) Fund.

Recycled Water Program Rates

The recycled water volumetric rates support the costs associated with the operations and maintenance of the Agency’s water recycling facilities, operating costs for the groundwater recharge basins not reimbursed by Chino Basin Watermaster (Watermaster), including the Agency’s pro-rata share for basins recharged with recycled water, and debt service costs related to the financing of existing facilities and infrastructure (including the Southern Area and Wineville Area capital projects).

The recycled water rates for FYs 2015/16 through 2019/20, shown on Table 1-4, as recommended by the IEUA Board, achieve full cost of service over three years. The adopted multiyear rates are maintained at 70 percent of the MWD Untreated Tier 1 rate. The “70 percent” threshold established by the IEUA Board ensures that rates remain affordable and recycled water continues to be a good value for the region.

Table 1-4: Recycled Water Program Proposed Multi-Year Rates

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Effective Date</i>	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
Direct Delivery/AF	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/AF	\$410	\$470	\$530	\$540	\$550

Non-Reclaimable Wastewater (NRW) Rates

The Agency operates a non-reclaimable wastewater (NRWS) collections system which includes pipelines and pump stations to export the high-salinity industrial wastewater generated within the Agency’s service area for treatment and eventual discharge to the Pacific Ocean. The NRWS is comprised of two separate collection systems independent of the Agency’s regional wastewater system: the North System which discharges to the County Sanitation District of Los Angeles (SDLAC) treatment facility in the city of Carson, and the South System which discharges to the Santa Ana Watershed Project Authority (SAWPA) and the Orange County Sanitation District (OCSD) facility in Fountain Valley. The treated brine is then discharged to the Pacific Ocean. The NRW rates are primarily based on pass-through charges from SDLAC and SAWPA for volumetric, capacity, and strength as summarized in Table 1-5.

Table 1-5: NRW System Rates for FYs 2014/15 and 2015/16

Program	Rate Description	2014/15	2015/16
	Effective Date	07/01/14	07/01/15
Non-Reclaimable Wastewater Rates	North System SDLAC	13,112 CU	13,611 CU
	Flow/mg	\$835.80	\$948.00
	COD/klb	\$147.84	\$210.00
	TSS/klb	\$418.22	\$433.00
	Peak/mg	\$317.54	\$360.00
	Ad Valorem Tax	5%	5.5%
	South System (SAWPA)		
	Capacity/cu	\$334.43	\$351.17
	Flow/mg	\$777.00	\$817.00
	BOD/klb	\$295.00	\$301.00
	TSS/klb	\$411.00	\$420.00

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Rates for FY 2016/17 will be adopted in June 2016 based on pass-through rates established by SAWPA and SDLAC.

Potable Water Rates

Currently, the potable water rates are comprised of a monthly meter charge and an acre foot (AF) surcharge imposed on imported water deliveries. Revenue generated from these rates is recorded in the Agency's Water Resources (WW) fund. An evaluation of the potable water rates

was initiated as part of the rate study conducted by Carollo. The key objective of the evaluation was to restructure the rates to more equitably align the incurrence and recovery of costs amongst ratepayers. Since the evaluation and analysis is slated for completion in the fall of 2015, no changes to the current rates are proposed for FY 2015/16, as reported on Table 1-6. Based on the IEUA Board adoption of the new multiyear rates in the fall of 2015, the estimated rates for FY 2016/17 through FY 2019/20 reported on Table 1-6 reflect the most likely rate structure to be implemented.

Table 1-6: Potable Water Rates

	2014/15 Current	2015/16	2016/17 Estimated	2017/18 Estimated	2018/19 Estimated	2019/20 Estimated
AF Surcharge	\$15.0	\$15.0	\$67.0	\$68.0	\$70.0	\$73.0
Water Meter Rate/Account	\$2.105	\$2.105	n/a	n/a	n/a	n/a
Meter Equivalent Units (MEU)	n/a	n/a	\$1.10	\$1.20	\$1.30	\$1.40

TOTAL REVENUES, EXPENDITURES, AND FUND BALANCE

A comparative overview of total revenues and other funding sources, total operating expenses and other uses of funds, and ending fund balance for fiscal years beginning FY 2012/13 through FY 2019/20 are provided on Table 1-7.

FYs 2015/16 and 2016/17 total operating revenues are budgeted at \$132.9 million and \$147.1 million, respectively. Multi-year rate increases for wastewater volumetric user charges, recycled water sales, as well as projected increase in recycled water deliveries account for an increase of \$6.2 million in operating revenues for FY 2015/16, and \$9.2 million for FY 2016/17. A higher number of new connections and the establishment of a new water connection fee account for most of the increase in non-operating revenue of \$8 million in FY 2015/16 and \$7.3 million in FY 2016/17. Additionally, grant receipts and proceeds from state loans to support the new water quality laboratory and recycled water capital project expenditures account for \$36.4 million in these two fiscal years.

Total operating expenses are budgeted at \$153.3 million for FY 2015/16 and \$150.5 million for FY 2016/17. The significant increases of operating expense in both years as compared to FY 2014/15 are due to an increase in special (O&M) project costs: approximately \$15 million for water conservation and resiliency projects and \$12 million for water quality related projects. Also, a payment of \$4.5 million is budgeted in each fiscal year against the Agency's long term unfunded pension liability.

Total non-operating expense is comprised primarily of debt service payments and capital improvement plan (CIP) expenditures, which account for \$67 million and \$76 million in the two fiscal years. The projected increase of \$9 million in FY 2016/17 is due to higher CIP costs for projects such as the RP-5 Solids Treatment Facility of \$4 million and the Supervisory Control and Data Acquisition (SCADA) Enterprise System of \$4.2 million.

Included in both revenue and expense categories are the "pass-through" sale and purchase of imported potable water deliveries of approximately \$41 million which is based on a budget of 50,000 AF per fiscal year.

Based on key budget and rate assumptions, total ending fund balance is projected to increase in FY 2015/16 and FY 2016/17 and in ensuing years.

Table 1-7: Comparative of Total Revenues, Total Expenses, and Fund Balance (\$Millions)

Fiscal Year	Actual	Actual	Amended Budget	Projected Actual	Biennial Budget		Forecast		
	2012/13	2013/14	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Operating Revenues	\$101.1	116.3	124.8	123.2	132.9	147.1	153.8	163.6	170.6
Operating Expense	(102.2)	(115.1)	(135.7)	(132.5)	(153.3)	(150.5)	(148.9)	(156.9)	(157.0)
Operating Net Increase (Decrease)	(1.1)	1.2	(10.9)	(9.3)	(20.4)	(3.4)	4.9	6.7	13.6
Other Funding Sources	75.0	59.3	72.6	92.4	89.7	110.8	118.4	136.7	127.9
Debt Service	(21.5)	(20.6)	(44.4)	(54.8)	(23.5)	(24.7)	(52.5)	(49.6)	(46.8)
Capital Program	(23.0)	(34.9)	(66.7)	(53.8)	(43.8)	(52.5)	(59.8)	(93.5)	(71.8)
Non-Operating Increase (Decrease)	30.5	3.8	(38.5)	(16.2)	22.4	33.6	6.1	(6.4)	9.3
Total Increase (Decrease)	29.4	5.0	(49.4)	(25.5)	2.0	30.2	11.0	0.3	22.9
Beginning Fund Balance	116.7	146.1	151.1	151.1	125.6	127.6	157.8	168.8	169.1
Ending Fund Balance	\$146.1	151.1	101.7	125.6	127.6	157.8	168.8	169.1	192.0

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The following sections provide further details on total revenues and other funding sources and total expenses and other uses of funds for major categories.

REVENUES AND OTHER FUNDING SOURCES HIGHLIGHTS

Total revenues and other funding sources of \$222.6 million and \$257.9 million are budgeted for FY 2015/16 and FY 2016/17 respectively. In FY 2015/16, total revenues and funding sources are approximately \$7.0 million, or three percent, higher than the \$215.6 million projected in FY 2014/15. An additional increase of \$35.3 million is budgeted in FY 2016/17 compared to FY 2015/16. As highlighted in Table 1-8, user charges, recycled water sales and regional connections fees account for most of the anticipated increases. The key drivers for the increases are a combination of higher volume of recycled water deliveries, a greater number of new regional connections, the new water connection fee effective on January 1, 2016, and rate increases. Offsetting the increases is a reduction of approximately \$12.2 million in other funding sources from \$16.3 million in FY 2014/15 to \$4.1 million in FY 2015/16. Included in FY 2014/15 is an inter-fund loan of \$10.5 million from the Regional Wastewater Capital Improvement (RC) fund to the Recycled Water program and a \$4.3 million loan from Administrative Services (GG) fund to Water Resources (WW) fund to support administrative costs and regional water use efficiency and resiliency projects.

Table 1-8: Major Revenues and Funding Sources (\$Millions)

		ACTUAL	AMENDED	PROJECTED	BIENNIAL BUDGET	
Funding Sources	Types	2013/14	2014/15	2014/15	2015/16	2016/17
User Charges	Operating	\$55.9	\$61.8	\$62.1	\$67.0	\$76.7
Property Taxes	Mixed	38.5	40.2	39.6	41.1	42.4
Contract Cost Reimbursement*	Operating	6.1	8.6	7.4	10.5	12.7
Recycled Water Sales	Operating	10.8	11.6	11.6	14.0	17.8
Regional Connection Fees	Other Sources	9.8	15.3	15.3	23.3	30.6
Water Sales	Operating	40.2	40.8	40.8	41.4	42.1
State Loans	Other Sources	10.2	11.1	20.2	12.3	23.6
Grants	Other Sources	2.4	2.3	2.3	8.9	7.7
Other**	Mixed	1.7	5.7	16.3	4.1	4.3
Total		\$175.6	\$197.4	\$215.6	\$222.6	\$257.9

*Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.

**Includes capital contract reimbursements from Chino Basin Watermaster for various joint recharge basin improvement projects, lease revenues, and inter-fund loans

The primary sources of the \$222.6 million and \$257.9 million total revenues and other funding sources budgeted in FY 2015/16 and FY 2016/17 is summarized in Table 1-9:

Table 1-9: Total Revenues and Other Funding Sources (\$ Millions)

Revenues	2015/16	2016/17	Description
User Charges	\$67.0	\$76.7	Regional Wastewater Program EDU service charges; Non-Reclaimable Wastewater (NRW) program pass-through volumetric, capacity and strength charges; Imported potable water surcharge and monthly meter charges.
State and Other Loans	12.3	23.6	State Revolving Fund (SRF) loan proceeds for Recycled Water and Regional Wastewater capital construction projects.
Property Tax	41.1	42.4	San Bernardino County-wide ad-valorem property taxes and pass-through incremental taxes.
Grants	8.9	7.7	Federal, state and local grants for regional recycled water distribution system, construction of the water quality laboratory, and support of water resource programs.
Recycled Water Sales	14	17.8	Direct and groundwater recharge recycled water sales and Metropolitan Water District of Southern California (MWD) Local Program Project (LPP) rebate.
Connection Fees	23.3	30.6	New connection fees for the Regional Wastewater and Regional Water systems.
Water Purchases	41.4	42.1	Purchases of pass-through MWD imported potable water budgeted at 50,000 acre feet per year (AFY).
Other Revenues	14.6	17.0	Reimbursements for operational and administration support from Chino Basin Water Master (CBWM), Chino Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), inter-fund loans, lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	\$222.6	\$257.9	

Total imported water deliveries of 50,000 AF are budgeted in FY 2015/16 and are equal to the projected deliveries for the same fiscal year. The “pass-through” sale of imported water deliveries is estimated at \$41.4 million. The \$15 per AF surcharge totaling \$750,000 imposed on imported water deliveries is included in User Charges.

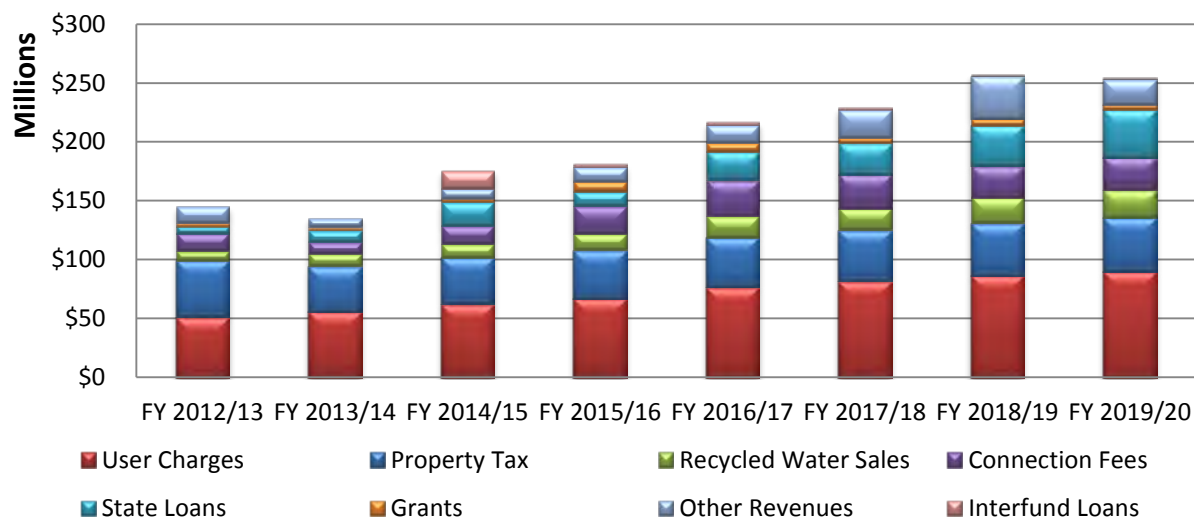
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To demonstrate the Agency’s commitment in addressing the critical drought issues in California, the Agency re-allocated property tax receipts from the Administrative Services (GG) Fund to the Water Resources (WW) Fund in the amount of \$1.5 million each fiscal year beginning in FY 2014/15 through FY 2024/25. The property tax receipts will support regional drought resiliency, water use efficiency and reliability projects. Further details on key revenue and other funding sources are included in the Agency’s biennial budget document under “Revenue” section.

TREND IN TOTAL REVENUES AND OTHER FUNDING SOURCES

Figure 1-2 shows actual revenues for FY 2012/13 and FY 2013/14, projected actuals for FY 2014/15, biennial Operating Budget for FYs 2015/16 and 2016 /17, forecasts through FY 2019/20.

Figure 1-2: Trend of Revenues and Other Funding Sources



Adoption of the five-year rates for the Agency’s core programs that fully recover the cost of providing the service provides the Agency with stable and predictable revenue stream as shown future years (FYs 2017/18 – 2019/20).

EXPENSES AND OTHER USES OF FUNDS HIGHLIGHTS

Total expenses and other uses of funds for FY 2015/16 of \$220.6 million is approximately 9 percent, or \$20.5 million, lower than the \$241.1 million projected for FY 2014/15. As highlighted in Table 1-10 below, the decrease is primarily due to lower capital project expenditures and debt service costs. Included in debt service costs in FY 2014/15 is the early retirement of the 2005A Revenue Bond of \$14 million executed in November 2014. The decrease is partially offset by

an increase of \$19.5 million in operating expenses in FY 2015/16 compared to the \$93.1 million projected for FY 2014/15. The increase in operating expense is primarily due to higher non-capital (O&M) project costs of \$22.2 million budgeted in FY 2015/16 which includes the Chino Basin Groundwater Supply Wells and Raw Water supplies project targeting trichloroethylene (TCE) clean up in Chino Basin. The slight increase of \$7.1 million in total expenses and other uses of funds in FY 2016/17 compared to FY 2015/16 are primarily due to higher CIP costs.

Table 1-10: Major Drivers of Estimated Change in Total Uses of Funds (\$Millions)

Uses of Funds	Type	ACTUAL	AMENDED	PROJECTED	BIENNIAL BUDGET	
		2013/14	2014/15	2014/15	2015/16	2016/17
Employment	Operating	\$33.2	\$40.5	\$39.4	\$40.6	\$42.7
Operating Expenses*	Operating	82.0	95.2	93.1	112.6	107.8
CIP	Capital	34.9	66.7	53.8	43.9	52.5
Debt Service	Operating	20.5	44.4	54.8	23.5	24.7
Total		\$170.6	\$246.8	\$241.1	\$220.6	\$227.7

*Includes chemicals, utilities, materials and supplies, biosolids recycling, operating fees, professional fees, and office & admin.

The major expenses and other uses of funds budgeted in FYs 2015/16 and 2016/17 are summarized on Table 1-11.

Table 1-11: Total Expenses and Other Uses of Funds by Category (\$Millions)

Expenses	BIENNIAL BUDGET		Description
	2015/16	2016/17	
Employment Expenses	\$40.6	\$42.7	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation. Maintain 290 FTEs with a vacancy factor of 3%.
Utilities	11.2	11.6	Includes electricity, natural gas, fuel cell, solar power, telephone, and potable water costs.
Operating Fees	13.3	13.7	Includes pass-through charges from Sanitation District of Los Angeles County (SDLAC) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand / chemical oxygen demand.
Chemicals	4.4	4.5	Chemicals necessary to meet the wastewater treatment process compliance performance goals and sustainment of the high quality recycled water.
Professional Fees & Svs.	9.2	8.5	Includes contract services such as legal, external auditing, landscaping, security, janitorial services, etc.

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Expenses	BIENNIAL BUDGET		Description
	2015/16	2016/17	
Biosolids Recycling	4.4	4.3	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchase	41.4	42.1	Pass-through purchase imported potable water from Metropolitan Water District of Southern California (MWD).
Other Expenses	28.7	23.1	Includes contract work/operations projects, office and administration expenses, and materials and supplies.
Capital	43.9	52.5	Includes expenditures for over 100 capital projects over the next two fiscal years and CSDLAC 4Rs.
Debt Service	23.5	24.7	Includes principal and interest payment of SRF loans and bonds.
Total Expenses and Other Uses of Funds	\$220.6	\$227.7	

TREND IN TOTAL EXPENSES AND OTHER USES OF FUNDS

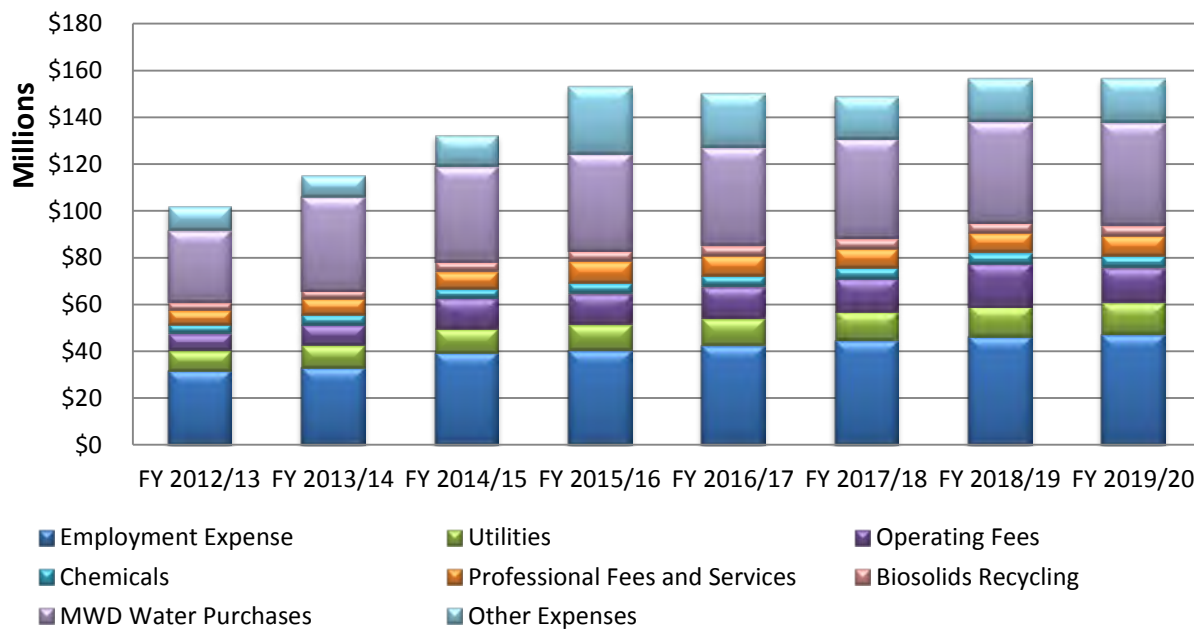
Figure 1-3 below compares actual total expenses and other uses of funds for FY 2012/13 and FY 2013/14, projected actuals for FY 2014/15, biennial budget for FY 2015/16 and FY 2016/17, and forecasts for FY 2017/18 through FY 2019/20. Overall, operating expenses are stable and average about \$153 million between FY 2015/16 and FY 2019/20. A key expense that fluctuates is the special (O&M) projects.

Compared to the \$241.1 million projected actual for FY 2014/15, the decrease of nearly \$21 million to \$220.6 million budgeted in the FY 2015/16 is primarily due to lower capital expenditures of \$9.9 million and lower debt service costs of \$31.3 million offset by higher non-capital project costs of \$14.4 million. Completion of two major construction projects: the Southern Area and Wineville/Central Area recycled water projects; and early retirement of 2005A Revenue Bonds account for the higher CIP and debt service costs as projected in FY 2014/15.

For FY 2016/17, the CIP is estimated at \$52.5 million (which includes SDLAC CIP costs of \$738,000 and \$500,000 of capital investment for IERCA) compared to \$43.9 million budgeted in FY 2015/16 primarily accounts for the increase of \$7.1 million in total expenses and other uses of funds. Process improvement projects at the Agency's oldest facility (Regional Plant No.1) located in the city of Ontario account for a major portion of the higher CIP expenditures.

Forecasted total expenses and other uses of funds for fiscal years subsequent to FY 2015/16 as indicated in Figure 1-3, are relatively stable as a result of the Agency’s continuing commitment to cost containment.

Figure 1-3: Trend of Expenses and Other Uses of Funds



STAFFING/EMPLOYMENT EXPENSES

No change in the 290 authorized full time equivalent (FTE) positions is included in the biennial budget for FYs 2015/16 and 2016/17, or proposed through FY 2019/20, as reported in Figure 1-4. Succession planning for the impending retirement of the Agency’s “baby-boomers” will be accommodated through an incremental reduction in the budgeted vacancy factor. Included the biennial budget is a reduction of the vacancy factor from 8.6 percent (actual average over the last three fiscal years) to 4 percent in FY 2015/16 and 3 percent in FY 2016/17, and projected to be maintained at 3 percent through FY 2019/20 (Figure 1-4).

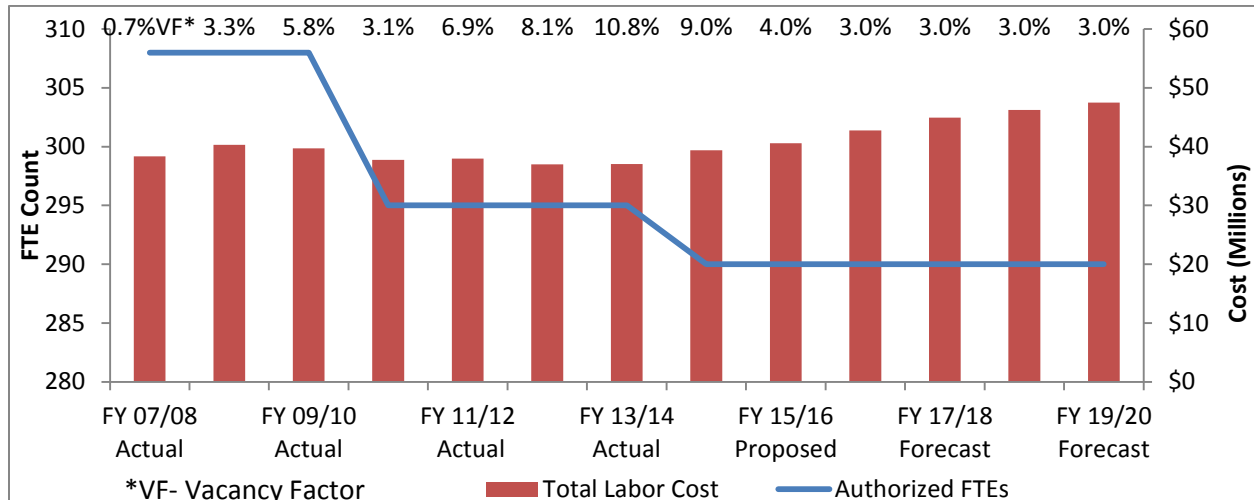
In addition to the 278 FTEs budgeted in the FY 2015/16 (net of a 4 percent vacancy factor), 20 interns and 18 limited-term positions are also included; primarily to support engineering, construction management, finance and accounting, and grants administration activities.

Employment costs of \$40.6 million in FY 2015/16 and \$42.7 million in FY 2016/7 (Tables 1-9 and 1-10), are comprised of wages and benefits and are net of labor charges allocated to the Agency’s Capital Improvement Program (CIP). Net employment costs represent approximately 26 percent of the Agency’s total FY 2015/16 operating expenses of \$153.3 million. Included in

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the FY 2015/16 employment budget is the prefunding of unfunded accrued liabilities (UALs) for employee retirement benefits, projected increase in health insurance premiums, and pension rate contributions.

Figure 1-4: Net Employment Costs and Staffing Trend



As part of the Agency’s continual commitment to cost containment, only vacant positions deemed critical to day-to-day operations and business enterprises are filled. By following this policy, the Agency has achieved substantial savings in employment costs as indicated by the significantly high vacancy factor maintained since FY 2011/12 reported in Figure 1-3. The reduced staffing level has been supported by cross-training, leveraging enhanced technology to automate and streamline business processes, and more strategic allocation of resources throughout the organization. Since FY 2007/08, the Agency has successfully reduced FTE staffing level from 308 to 290.

CAPITAL IMPROVEMENT PROGRAM (CIP)

The key emphasis of the FYs 2016-2025 TYCIP is the continual need for maintenance, rehabilitation, and replacement of aging equipment and facilities, and the need for expansion and enhancement of the regional wastewater and regional water systems to meet future growth. Based on member agency growth projections over the next ten years, expansion and improvement of existing facilities will be needed to adequately support higher service demands. A summary of the Agency’s CIP by fund for the next 10 fiscal years is summarized in Table 1-12.

Table 1-12: Ten Year Capital Improvement Plan by Fund (\$Millions)

Fund	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 through FY 2024/25	Total
Regional Wastewater Capital (RC)	\$12.8	\$16.1	\$16.8	\$55.5	\$58.0	\$189.7	\$348.9
Regional Wastewater Operations (RO)	21.5	15.9	16.1	11.3	2.9	63.3	131.0
Recycled Water (WC)	18.4	20.8	15.3	4.9	4.4	11.4	75.2
Non-Reclaimable Wastewater (NC)	1.5	1.3	1.1	2.5	1.1	9.7	17.2
Water Resources (WW)	7.1	8.4	7.9	7.9	7.9	21.7	60.9
Recharge Water (RW)	1.6	4.7	12.7	22.0	8.3	-	49.3
Admin Services (GG)	3.2	1.4	1.0	0.6	0.9	2.4	9.5
Total	\$66.1	\$68.6	\$70.9	\$104.7	\$83.5	\$298.2	\$692.0

The FY 2015/16 total projects budgeted at \$66.1 million is comprised of \$43.2 million for capital project spending and \$22.2 million for operations and maintenance related projects, and includes \$738,000 of SDLAC capital replacement, repair, relocation and refurbishment (4Rs) project costs. Total CIP costs are primarily funded by regional wastewater fees, regional water connection fees, property tax receipts and SRF loans and related grants.

Regional wastewater projects are major components of the FY 2015/16 and FY 2016/17 CIP budgets. The Chino Basin Groundwater Supply Wells and Raw Water Pipeline project, with budget of \$12 million over the next two years, will fund three new groundwater supply wells and approximately 30,000 feet of raw water pipeline. This project will enhance groundwater recharge facilities in the region. In addition, construction of the Water Quality Laboratory project, with a biennial budget of \$8.7 million, will replace the existing facility at Regional Water Recycling Plant (RP-1). The current facility is plagued with inadequate ventilation issues which make bioassay and other testing challenging. Other major projects include replacement of the Supervisory Control and Data Acquisition (SCADA) System network in Regional Wastewater Operations and Maintenance (RO) fund for \$5.2 million, and the RP-1 Mixed Liquor Return Pump Improvements and RP-5 Solids Treatment Facility in the Regional Wastewater Capital (RC) fund for \$4 million each.

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A more detailed discussion on the CIP and major projects is provided under the Capital section and in the FY 2015/16 – 2024/25 TYCIP.

DEBT SERVICE COSTS

Total debt service costs of \$23.4 million budgeted in FY 2015/16 account for nearly 11 percent of total expenditures. A slight increase to \$24.7 million is projected in FY 2016/17. Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans and inter-fund loans.

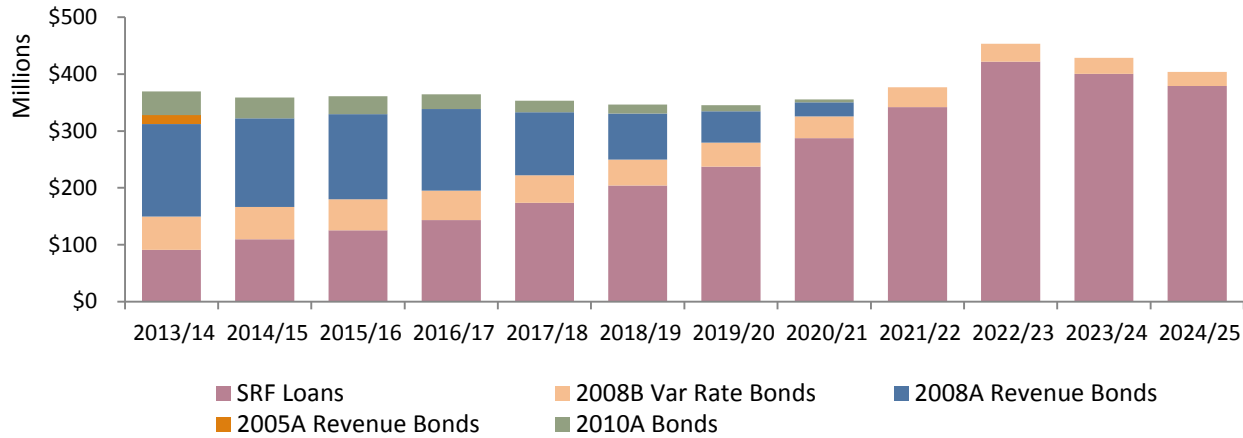
Debt service costs are primarily funded with property tax receipts, consistent with the Agency's financial policy, which allocated property tax receipts first to fund debt service costs, then to fund capital improvement, and lastly to supplement operations and administrative costs. Other funding sources include regional connection fees and rates. Table 1-13 below shows the estimated biennial debt service costs by program, excluding inter-fund loans.

Table 1-13: Debt Service Costs by Program (\$Millions)

Program Fund	FY 2015/16	FY 2016/17
Admin Services (GG)	2.0	0.0
Non-Reclaimable Wastewater (NRW)	0.6	0.6
Regional Wastewater Capital (RC)	13.5	13.7
Regional Wastewater Operations (RO)	0.2	0.2
Recharge Water (RW)	0.9	1.0
Recycled Water (WC)	6.2	9.2
Total Debt Service Costs	\$23.4	\$24.7

Total outstanding debt, exclusive inter fund loans, at end of FY 2015/16 is approximately \$367 million comprised of \$235 million in bond indentures, \$125 million in low interest State Revolving Fund (SRF) loans, and \$7 million in other notes payable. Included in the five year business plan is the early repayment of the 2008A Revenue Bonds (2008A Bonds) with an outstanding principal balance of \$125 million and annual interest rate of 5 percent. The proposed repayment is planned over a five year period beginning in FY 2017/18 when the bonds are eligible for refunding as indicated in Figure 1-5. At an interest rate of 5 percent and scheduled maturity of 2038, total interest savings are estimated at \$80 million with present value savings of over \$50 million.

Figure 1-5: Total Outstanding Principal Debt with 2008A Bond Payoff



TOTAL FUND BALANCE

Total fund balance (reserves), the net worth measured by total assets minus total liabilities, is a strong indicator of the Agency’s financial health. In addition to calculating fund balances at the Agency-wide level, IEUA also maintains fund balances at the individual program fund level. The aggregate ending fund balance in FY 2015/16 is estimated to be \$127.6 million, a slight increase of \$2.0 million compared to the FY 2014/15 projected ending fund balance of \$125.6 million. The significant fund balance increase of \$30.2 million projected at the end of FY 2016/17 is primarily driven by an increase of revenues due to a combination of a projected higher volume of recycled water deliveries, a greater number of new regional wastewater connections, the addition of a new regional water connection fee and rate increases (Table 1-14).

EXECUTIVE SUMMARY

Table 1-14: Fund Balance Position (\$Millions)

	Actual FY 2013/14	Amended Budget FY 2014/15	Projected Actual FY 2014/15	Adopted FY 2015/16	Adopted FY 2016/17
Net Increase (Decrease) in Fund Balance	\$5.0	(\$49.4)	(\$25.5)	\$2.0	\$30.2
Beginning Fund Balance, July 1	146.1	151.1	151.1	125.6	127.6
Ending Fund Balance, June 30	\$151.1	\$101.7	\$125.6	\$127.6	\$157.8

Table 1-15 below provides an overview of estimated fund balances by fund for FYs 2014/15 through 2016/17.

Table 1-15: Changes in Fund Balances by Fund (\$Millions)

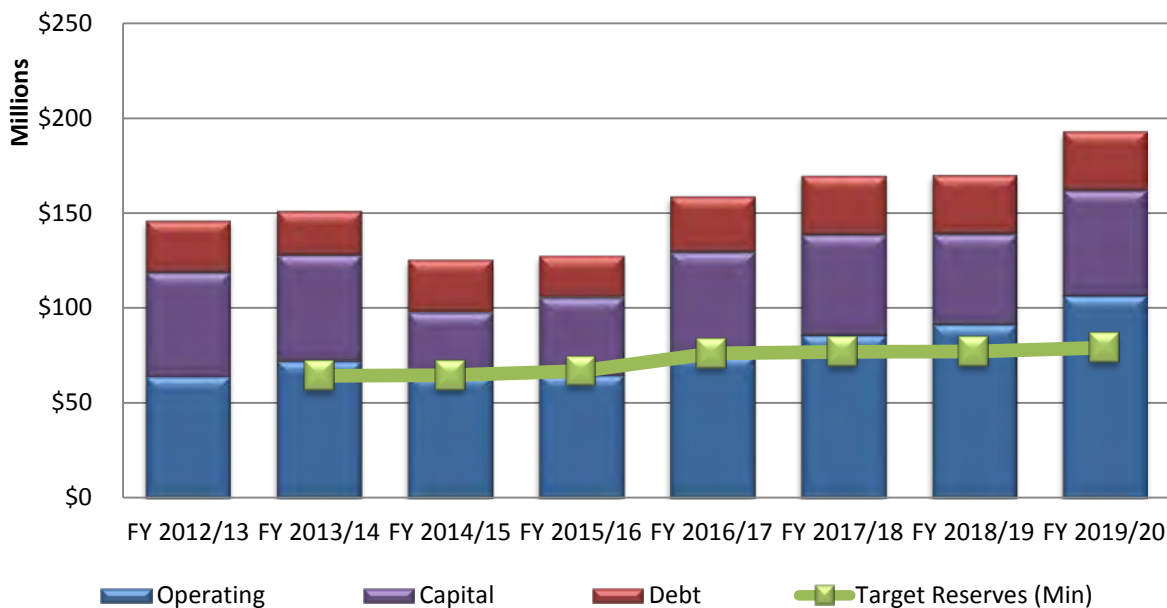
Fund	Projected	Biennial Budget	
	FY 2014/15	FY 2015/16	FY 2016/17
Administrative Services (GG)	\$21.8	\$20.7	\$21.7
Regional Wastewater Capital Improvement (RC)	48.3	53.3	66.8
Regional Wastewater Operation & Maintenance (RO)	33.5	32.0	40.6
Non-Reclaimable Wastewater (NC)	3.1	2.9	5.1
Recharge Water (RW)	3.1	2.7	2.8
Recycled Water (WC)	12.8	14.4	18.9
Water Resources (WW)	3.0	1.6	1.9
Total	\$125.6	\$127.6	\$157.8

As noted on Table 1-15, the Regional Wastewater Capital Improvement (RC) fund shows the most significant increases in both FY 2015/16 and FY 2016/17. This increase in RC fund balance is primarily due to a higher number in new wastewater connections projected for both fiscal years. Project spending is offset by additional state loans and grants.

Fund reserves are designated for specific purposes, as defined in the Agency’s Reserve Policy updated as of June 2015. The primary designations include: an operating contingency of a minimum of four months and a target of six months, debt service minimum as required by the current bond covenants and loan agreements and target amount equal to the highest annual cost in the ensuing five years, capital construction and improvement minimum equal to total CIP for the following fiscal year and a target equal to the total CIP requirements for the following three fiscal years, replacement and rehabilitation (R&R) minimum and target criteria equal to capital construction and improvement, supplemental water resources with a minimum of \$10 million and target of \$30 million, workers’ compensation and liability self-insurance programs with a target of \$6 million, and employee retirement benefits , including other post-employment benefits (OPEB) and pension benefits at a minimum of \$6 million.

A comparison of the Agency’s actual and projected total fund balance to the minimum and target levels beginning in FY 2012/13 through FY 2019/20 is provided in Figure 1-6. The upward trend beginning in FY 2016/17 reflects the projected increase in revenues in future years, particularly from connection fees, and additional state loans and grants.

Figure 1-6: Trend of Operating, Capital, and Debt Fund Balances



A forecast summary on the estimated fund balance is provided under the following Program Budgets section. The criterion for each minimum and maximum target level varies by type of reserve and is further defined in the Agency’s Reserve Policy included in the Appendix.

EXECUTIVE SUMMARY

DEBT COVERAGE RATIO (DCR)

The Debt Coverage Ratio (DCR) is the measurement of an entity’s ability to generate enough cash to cover debt payments (principal and interest). Credit agencies, such as Moody’s Investor Services (Moody’s) and Standard & Poors (S&P) assign credit ratings to organizations and specific debt issues to reflect the credit worthiness and serve as a notable reference to the investment community. The DCR is one of the financial ratios applied in the evaluation of an organization’s overall credit rating can affect market accessibility and the cost of future borrowings.

Current covenants for outstanding bonded debt require the Agency to maintain a minimum total DCR of 1.25 times (x) or higher on total outstanding debt, including loans and notes. A DCR of 1.25 means the Agency will generate a minimum of 1.25 times more (or 25 percent more) than is required to pay debt service costs. The Agency has established a minimum DCR target of 1.60x for parity debt, which represents the majority of the total outstanding debt. There is no senior debt currently outstanding. The Agency has no legal debt limits imposed by state legislation. As indicated in Table 1-16, the favorable trend of the Agency’s DCR projected through FY 2019/20 is primarily driven by a combination of higher system revenues and the early retirement of high interest debt beginning in FY 2017/18.

Table 1-16: Debt Coverage Ratio Projected Trend

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	<i>Projected</i>	<i>Biennial Budget</i>		<i>Forecast</i>		
DCR	2.46x	2.32x	3.19x	3.44x	3.70x	3.96x

LONG-RANGE PLAN OF FINANCE

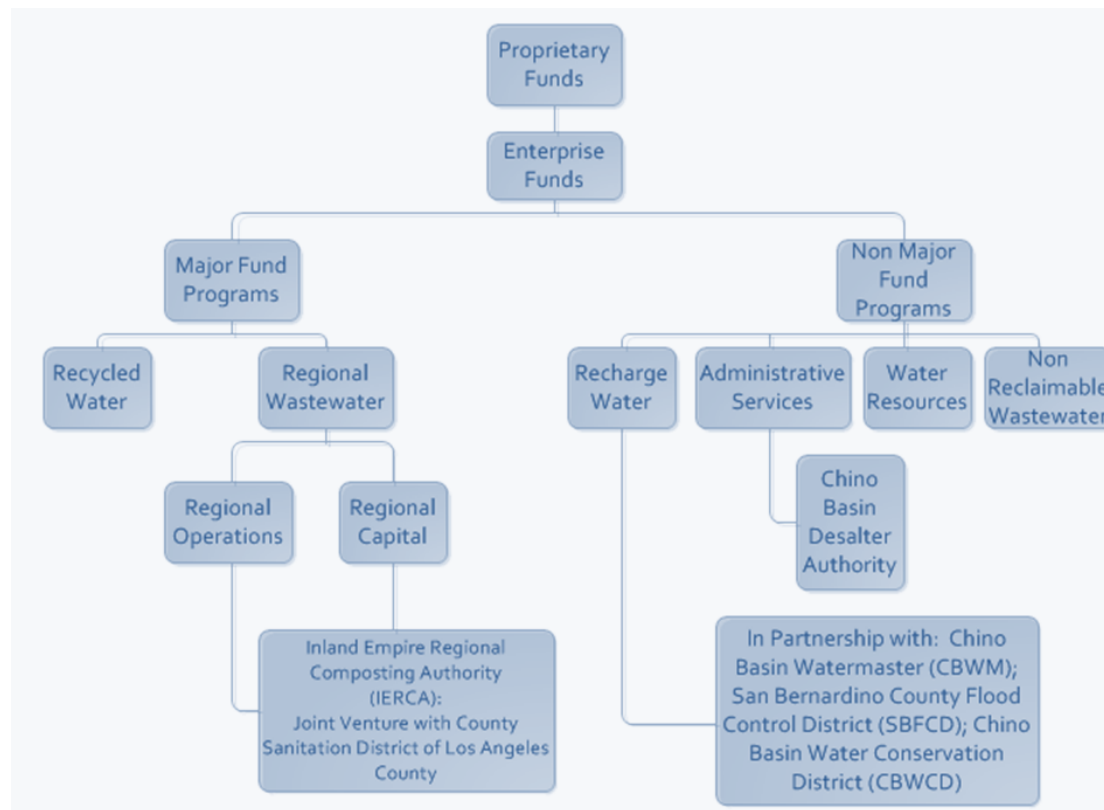
In addition to the annual adoption of the Operating Budget and TYCIP, the Agency is also in the process of updating the Long-Range Plan of Finance (LRPF). The LRPF aligns the Agency’s financial capacity with long-term service objectives. The LRPF uses forecasts to provide insight into the Agency’s future financial capacity so that Agency strategies can achieve long term sustainability of financial and service objectives. It provides the most cost-effective funding strategy to support the operations and capital requirements in line with established policies and goals.

Development of the LRPF is ongoing. Some of the proposed features of the new financial model include an extended scope from 10 to 50 years, multiple “what if” scenarios to highlight the impact of a variation of inputs, and on-screen graphic presentations to more effectively communicate scenario alternatives and outcomes. The Agency’s long range financial model will allow integration of the Agency’s various long term planning initiatives, some of which include the Facilities Master Plan Update, Recycled Water Program Strategy, Integrated Resources Plan, and the Energy Management Plan. Integrating these critical initiatives into the financial planning process will help ensure the Agency has the appropriate funding, fund reserves, and other essential resources necessary to fulfill its mission, vision, and values.

PROGRAMS

Figure 1-7 below provides an overview of the Agency’s fund structure. As a municipal water district, the Agency engages in primarily enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program comprised of the Regional Operations and Capital funds and by extension the Inland Empire Regional Composting Authority.

Figure 1-7: Inland Empire Utilities Agency (IEUA) Fund Structure



EXECUTIVE SUMMARY

Each individual enterprise fund is classified in either a Major Fund or Non-Major Fund group. Each fund group is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, including related liabilities and residual equities or balances. Changes in the fund group are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-17 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency’s audited FY 2013/14 Comprehensive Annual Financial Report (CAFR).

Table 1-17: Definition of Major and Non-Major Fund Groups

Major Funds	Non-Major Funds
<p>The Major Fund Group is used to account for the resources devoted to funding the operating, capital, and debt service costs associated with the operation, asset acquisition and capital construction, improvement and expansion of the Agency’s domestic wastewater treatment plant facilities, the recycled water distribution system, and the recharge water basins. The following programs make up the Major Fund group:</p> <ul style="list-style-type: none"> ■ Regional Wastewater ■ Recycled Water 	<p>The Non-Major Funds 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, the operational and administrative support for the Chino Basin Desalter, the purchase of common Agency assets, the management and distribution of wholesale and potable water, the development and implementation of regional water conservation initiatives, and water resource planning. The following funds/programs make up the Non-Major Funds group:</p> <ul style="list-style-type: none"> ■ Administrative Services ■ Non-Reclaimable Wastewater ■ Water Resources ■ Recharge Water

Details of each programs’ purpose, initiatives, rate setting, biennial budget and forecasts for the next three fiscal years, as well as the programs’ reflection of the Agency’s mission, goals, and objectives to service the region are included in the Program section.

DEPARTMENTS

The basis for departments’ goals and objectives included in the FY 2015/16 and FY 2016/17 biennial Operating Budget is the Strategic Plan which identifies work plans that will guide the Agency over the next five years (2015 – 2019) in meeting the IEUA Business Goals and fulfilling its mission, vision, and values.

Each department updates their respective goals and objectives and develops measurable Key Performance Indicators (KPIs). These departmental KPIs serve as criteria for policy makers,

management, and other stakeholders in determining and measuring the degree of goal attainment. The departmental budgets delineate the assignment and management of responsibilities and the human, financial, and capital resources necessary to support the Agency's mission, vision, and policy goals. Details on department budgets, goals and objectives, staffing, major initiatives, and performance and workload indicators are presented by division and department in the Department section.

JOINT POWERS AUTHORITIES (JPAS)

Inland Empire Regional Composting Authority

The Inland Empire Regional Composting Authority (IERCA) was formed February, 2002 as a JPA to divert organic solids from landfill disposal and to become a consumer of recycled organic products generated from within the community. The JPA was entered into between the Agency and County Sanitation District No. 2 of Los Angeles County (CSDLAC) to implement their shared goal of development of a sustainable biosolids management project.

In 2007, the two joint powers agencies completed the construction of the 410,000 square feet facility called the Inland Empire Regional Composting Facility (IERCF) on approximately 22 acres of land in the City of Rancho Cucamonga. The property is ideally situated in an industrial area adjacent to Regional Plant No. 4 (RP-4), a wastewater treatment plant owned and operated by the Inland Empire Utilities Agency (IEUA). The proximity of the facility to the RP-4 provides opportunities to improve staffing options and optimize energy usage at the locations.

In 2013, IERCF received the Governor's Environmental and Economic Leadership Award (GEELA) for the design and construction of North America's largest, fully enclosed composting facility, which produces approximately 230,000 cubic yards of compost per year. The facility utilizes aerated static pile composting technology to process a mixture of biosolids, green waste, and wood waste to generate Class A exceptional quality compost for use in local agriculture and/or horticulture markets. All of the facility's emissions are processed through a biofilter to meet air quality requirements.

As a 50/50 partner in the JPA, the Agency is responsible for the operational and administrative activities of the IERCF and employs all of the staff assigned to the facility. Employment costs for IERCF staff are recorded in the Agency's RO Fund, and are fully reimbursable by the IERCA.

Starting in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2015/16 will be \$54 per wet ton of biosolids, and is budgeted to pay for operating expenses and a portion of capital replacement costs. The fee is projected to generate revenue of \$7.8 million based on budgeted tonnage of 145,000, an increase of 2,500 tons from FY 2014/15 production.

EXECUTIVE SUMMARY

The Agency's share of the IERCA operating costs are budgeted in the RO fund under biosolids recycling costs. The budget of \$4.3 million assumes that 100 percent of the biosolids generated from the Agency's five regional water recycling plants will be transported to the IERCA composter for processing.

Chino Basin Desalter Authority

Beginning in FY 2013/14, the Board of the Chino Basin Desalter Authority (CDA) decided to transition most of its administrative and financial reporting functions from IEUA and assume these responsibilities. However, IEUA continues to operate the Chino Desalter No. 1 facility and oversee grants administration activities related to the CDA Expansion Projects. Grant funded projects include a \$52 million grant awarded by the California Department of Public Health (CDPH), \$26 million United States Bureau of Reclamation Title XVI grants for the Lower Chino Dairy Area Desalination Demonstration, and Reclamation Project, and other future state and federal grants that IEUA receives on behalf of the CDA.

The CDA was formed in September 2001 as a Joint Power Authority (JPA) to manage and operate the Chino Desalter No. 1 (CDA 1). Chino Desalter No. 2 (CDA 2) is being managed and operated by Jurupa Community Services District (JCSD). The members of the JPA include the cities of Chino, Chino Hills, Ontario and Norco, the JCSD, the Santa Ana River Water Company, the Inland Empire Utilities Agency, and the Western Municipal Water District.

There are eight directors, one from each entity, on the CDA Board. As an ex-officio member of the JPA, the Agency has appointed one of its Board of Directors to sit on the JPA Board as a non-voting member to participate in all discussions concerning issues before the CDA Board of Directors.

CDA 1, located in the southern part of the city of Chino, started operating in September 2000, and is designed to produce 9,200 acre feet per year (AFYI) of desalinated water. The Agency's CDA 1 related costs, primarily comprised of employment costs, are recorded in the Administrative Service (GG) fund. Included in the FY 2015/16 GG Fund budget is an estimated CDA contract cost reimbursement budget of approximately \$1.4 million.



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (In Thousands)**

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16 PROPOSED BUDGET							FY 2016/17	
	ACTUAL	ACTUAL	PROJECTED ACTUAL	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	\$51,184	\$55,989	\$62,138	\$0	\$11,725	\$0	\$49,696	\$0	\$0	\$5,620	\$67,041	\$76,665
Property Tax	3,789	3,144	1,666	1,793	0	\$0	0	0	0	1,793	1,793	1,891
Cost Reimbursement JPA	5,397	4,960	5,203	1,391	0	\$0	3,350	742	0	0	5,483	5,738
Contract Cost reimbursement	1,123	602	1,193	0	0	\$0	531	50	5	1,477	2,063	1,593
Interest Revenue	1,179	551	623	215	85	\$365	154	10	192	14	1,036	1,321
Recycled Water Sales	34,855	10,831	11,582	0	0	\$0	0	0	14,022	0	14,022	17,814
Water Sales	0	40,225	40,828	0	0	\$0	0	0	0	41,441	41,441	42,062
TOTAL REVENUES	\$101,061	\$116,301	\$123,234	\$3,398	\$11,810	\$365	\$53,731	\$802	\$14,219	\$48,552	\$132,878	\$147,085
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$44,268	\$35,343	\$37,908	\$0	\$0	\$26,752	\$9,054	\$0	\$2,058	\$1,500	\$39,364	\$40,500
Regional System Connection Fees	14,614	9,789	15,321	0	0	\$22,647	0	0	683	0	23,329	30,636
State Loans	6,350	10,178	20,243	0	0	0	948	0	11,367	0	12,315	23,641
Grants	2,775	2,372	2,338	0	0	0	3,525	0	4,417	1,000	8,942	7,710
Sale of Assets	4,805	48	0	0	0	0	0	0	0	0	0	0
Capital Cost Reimbursement	362	550	1,030	0	0	0	0	1,487	1,444	0	2,931	5,419
Other Revenues	1,639	1,006	732	34	117	6	738	0	0	0	895	913
Sale of Capacity	215	0	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	14,808	0	0	0	0	0	0	2,000	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$75,029	\$59,286	\$92,379	\$34	\$117	\$49,405	\$14,265	\$1,487	\$19,969	\$4,500	\$89,777	\$110,819
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$176,091	\$175,587	\$215,613	\$3,432	\$11,927	\$49,770	\$67,997	\$2,289	\$34,188	\$53,052	\$222,654	\$257,904
EXPENSES												
Employment Expenses	\$31,945	\$33,166	\$39,381	\$2,030	\$2,030	\$3,013	\$27,887	\$650	\$3,249	\$1,750	\$40,610	\$42,737
Contract Work/Special Projects	3,666	2,623	7,809	1,425	210	850	10,445	100	2,100	7,077	22,207	16,117
Utilities	8,773	9,586	10,428	699	72	0	7,381	122	2,877	0	11,150	11,617
Operating Fees	7,060	8,658	13,046	6	7,020	240	2,274	5	198	3,562	13,306	13,651
Chemicals	3,736	4,245	3,981	0	170	0	4,225	0	0	0	4,395	4,524
Professional Fees and Services	6,208	6,902	7,629	4,254	150	300	3,216	530	643	157	9,250	8,539
Office and Administrative expenses	1,282	1,431	1,518	1,575	0	0	406	16	0	60	2,057	2,465
Biosolids Recycling	3,398	3,567	3,991	25	25	0	4,233	76	0	0	4,359	4,300
Materials & Supplies	2,495	2,509	2,514	438	106	0	2,005	82	169	0	2,799	2,883
Operation Contribution to IERCA	71	0	0	0	0	0	0	0	0	0	0	0
MWD Water Purchases	30,754	40,225	40,828	0	0	0	0	0	0	41,441	41,441	42,062
Other Expenses	2,851	2,228	1,371	(7,921)	598	1,605	5,652	0	1,356	406	1,697	1,596
TOTAL EXPENSES	\$102,238	\$115,139	\$132,496	\$2,532	\$10,382	\$6,008	\$67,723	\$1,580	\$10,592	\$54,453	\$153,270	\$150,492
CAPITAL PROGRAM												
CSDLAC 4Rs	\$1,206	\$776	\$738	\$0	\$738	\$0	\$0	\$0	\$0	\$0	\$738	\$738
IERCA investment	500	0	500	0	0	0	0	0	0	0	0	500
Capital Construction and Expansion	21,271	21,562	52,561	1,770	600	11,960	11,071	1,455	16,293	0	43,149	51,292
TOTAL CAPITAL PROGRAM	\$22,977	\$22,338	\$53,799	\$1,770	\$1,338	\$11,960	\$11,071	\$1,455	\$16,293	\$0	\$43,886	\$52,530
DEBT SERVICE												
Financial Expenses	\$205	(\$146)	\$3,847	\$18	\$2	\$381	\$2	\$145	\$2	\$0	\$549	\$349
Interest	10,015	9,063	9,526	0	385	6,043	214	143	2,816	0	9,601	9,810
Principal	11,307	11,629	26,612	0	159	7,078	0	632	3,412	0	11,281	12,528
Short Term Inter-Fund Loan	0	0	14,830	2,000	0	0	0	0	0	32	2,032	2,032
TOTAL DEBT SERVICE	\$21,526	\$20,546	\$54,815	\$2,018	\$545	\$13,502	\$216	\$920	\$6,230	\$32	\$23,463	\$24,718
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$0	\$0	\$1,059	(\$36)	(\$1,069)	\$82	\$315	(\$351)	\$0	\$0	\$0
Debt Service	0	0	0	0	0	(1,925)	0	460	1,465	0	0	0
Operation support	0	0	0	0	0	(6,000)	6,000	466	(466)	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$0	\$0	\$1,059	(\$36)	(\$8,994)	\$6,082	\$1,241	\$648	\$0	\$0	\$0
FUND BALANCE												
Net Increase (Decrease)	\$29,419	\$4,999	(\$25,497)	(\$1,118)	(\$180)	\$4,988	(\$1,492)	(\$364)	\$1,593	(\$1,391)	\$2,036	\$30,165
Beginning Fund Balance July 01	116,714	146,133	151,132	21,809	3,080	48,333	33,545	3,107	12,798	2,963	125,635	127,671
ENDING BALANCE AT JUNE 30	\$146,133	\$151,132	\$125,635	\$20,691	\$2,900	\$53,321	\$32,053	\$2,743	\$14,391	\$1,572	\$127,671	\$157,836
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$21,198	\$23,910	\$27,423	\$1,066	\$1,051	\$0	\$18,458	\$1,744	\$3,637	\$1,572	\$27,527	\$27,606
Capital Expansion & Replacement	26,446	18,993	8,363	0	566	3,821	0	500	4,461	0	9,349	13,284
CCRA Capital Construction	28,247	36,785	25,106	0	0	30,885	0	0	0	0	30,885	40,021
Rehabilitation/Replacement Reserve	17,694	19,903	15,524	0	0	3,000	13,380	0	500	0	16,880	26,278
CSDLAC Prepayment	1,008	1,008	738	0	738	0	0	0	0	0	738	738
Debt Service & Redemption	27,246	23,048	27,452	0	546	15,615	216	499	5,792	0	22,668	29,285
Insurance & Other	5,519	5,644	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Retirement reserves	18,775	21,842	15,030	13,625	0	0	0	0	0	0	13,625	14,625
ENDING BALANCE AT JUNE 30	\$146,133	\$151,132	\$125,635	\$20,691	\$2,900	\$53,321	\$32,053	\$2,743	\$14,391	\$1,572	\$127,671	\$157,836

EXECUTIVE SUMMARY

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)

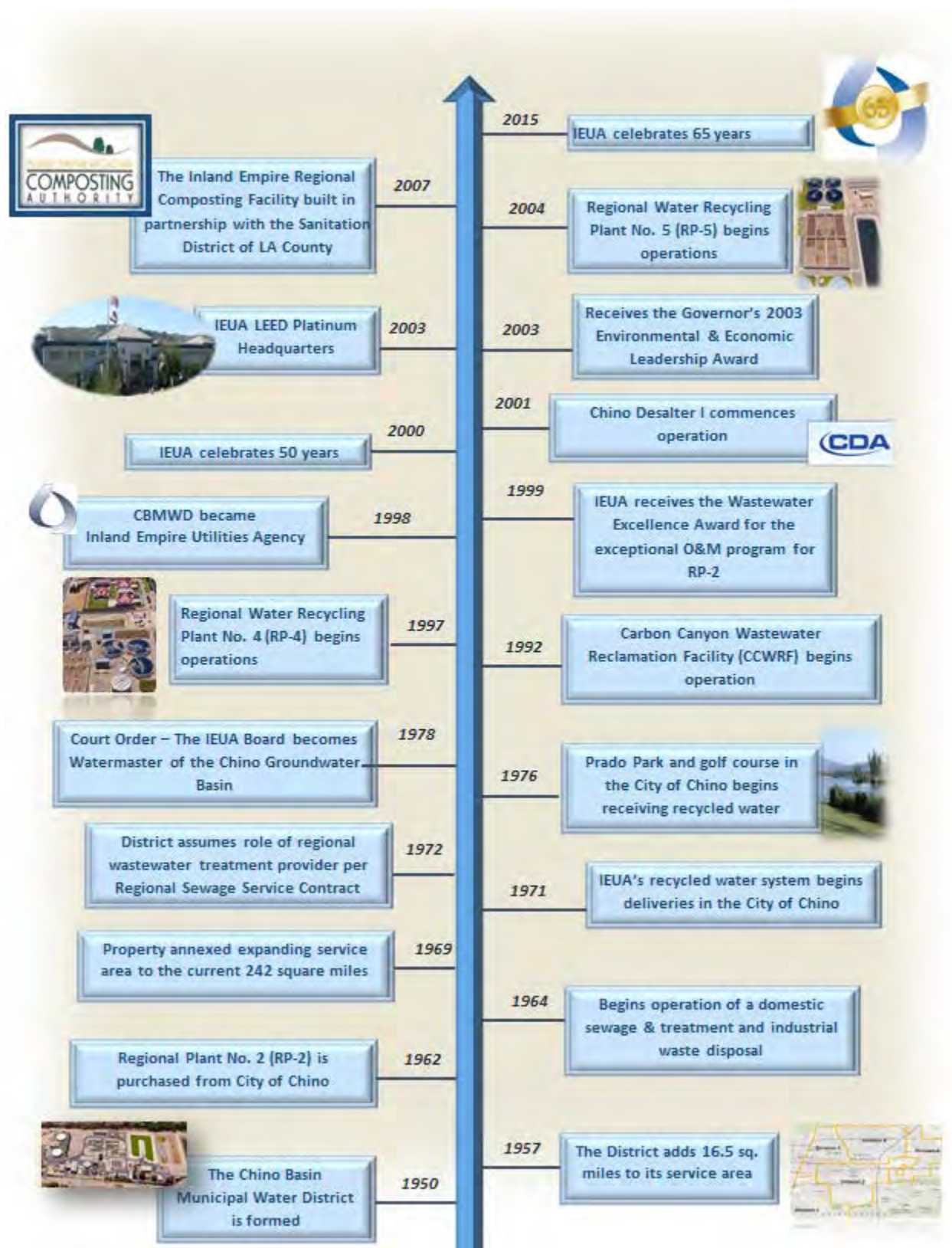
	2012/2013	2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST	FORECAST	FORECAST
REVENUES									
User Charges	\$51,184	\$55,989	\$61,813	\$62,138	\$67,041	\$76,665	\$81,666	\$86,581	\$89,985
Property Tax - O&M	3,789	3,144	3,216	1,666	1,793	1,891	1,993	2,063	2,134
Cost Reimbursement from JPA	5,397	4,960	5,438	5,203	5,483	5,738	5,972	6,130	6,289
Contract Cost reimbursement	1,123	602	1,193	1,193	2,063	1,593	1,593	1,593	1,593
Interest Revenue	812	551	743	623	1,036	1,321	1,868	2,472	3,196
Recycled Water Sales	7,952	10,831	11,582	11,582	14,022	17,814	18,055	21,467	23,376
Water Sales	30,805	40,225	40,828	40,828	41,441	42,062	42,693	43,334	43,984
TOTAL REVENUES	\$101,061	\$116,301	\$124,813	\$123,234	\$132,878	\$147,085	\$153,840	\$163,639	\$170,556
OTHER FINANCING SOURCES									
Property Tax - Debt , Capital, Reserves	\$44,268	\$35,343	\$36,987	\$37,908	\$39,364	\$40,500	\$41,670	\$42,473	\$43,293
Connection Fees	14,614	9,789	15,321	15,321	23,329	30,636	28,754	26,755	27,969
State Loans	6,350	10,178	11,074	20,243	12,315	23,641	26,912	34,769	40,679
Grants	2,775	2,372	2,320	2,338	8,942	7,710	4,500	5,600	4,000
Sale of Assets	4,805	48	0	0	0	0	0	0	0
Capital Contract Reimbursement	362	550	1,969	1,030	2,931	5,419	13,596	24,096	8,951
Other Revenues	1,639	1,006	607	732	895	913	948	983	1,994
Sale of Capacity	215	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	4,308	14,808	2,000	2,000	2,000	1,000	1,000
TOTAL OTHER FINANCING SOURCES	\$75,029	\$59,286	\$72,587	\$92,379	\$89,777	\$110,819	\$118,380	\$135,678	\$127,886
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$176,091	\$175,587	\$197,400	\$215,613	\$222,654	\$257,904	\$272,220	\$299,317	\$298,442
EXPENSES									
Employment Expense	\$31,945	\$33,166	\$40,539	\$39,381	\$40,610	\$42,737	\$44,939	\$46,224	\$47,480
Contract Work/Special Projects	3,666	2,623	11,306	7,809	22,207	16,117	11,117	11,107	11,782
Utilities	8,773	9,586	9,220	10,428	11,150	11,617	12,183	13,056	13,673
Operating Fees	7,060	8,658	11,039	13,046	13,306	13,651	14,106	18,372	14,957
Chemicals	3,736	4,245	4,523	3,981	4,395	4,524	4,660	4,800	4,944
Professional Fees and Services	6,208	6,902	7,753	7,629	9,250	8,539	8,088	8,246	8,428
Office and Administrative Expense	1,282	1,431	1,983	1,518	2,057	2,465	2,318	2,631	2,363
Biosolids Recycling	3,398	3,567	4,060	3,991	4,359	4,300	4,386	4,465	4,564
Materials & Supplies	2,495	2,509	2,959	2,514	2,799	2,883	2,996	3,076	3,166
Operation Contribution to IERCA	71	0	0	0	0	0	0	0	0
MWD Water Purchases	30,754	40,225	40,828	40,828	41,441	42,062	42,693	43,334	43,984
Other Expenses	2,851	2,228	1,492	1,371	1,697	1,596	1,481	1,565	1,597
TOTAL EXPENSES	\$102,238	\$115,139	\$135,702	\$132,496	\$153,270	\$150,492	\$148,967	\$156,877	\$156,938
CAPITAL PROGRAM									
CSDLAC 4Rs	\$1,206	\$776	\$738	\$738	\$738	\$738	\$738	\$738	\$737
IERCA investment	500	0	500	500	0	500	0	500	0
Capital Construction & Expansion	21,271	21,562	65,483	52,561	43,149	51,292	59,067	92,303	71,025
Rehab & Replacement	0	12,564	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$22,977	\$34,902	\$66,721	\$53,799	\$43,886	\$52,530	\$59,804	\$93,540	\$71,762
DEBT SERVICE									
Financial Expenses	\$205	(\$146)	\$3,871	\$3,847	\$549	\$349	\$349	\$549	\$349
Interest	10,015	9,063	9,605	9,526	9,601	9,810	10,294	8,966	7,806
Principal	11,307	11,629	26,612	26,612	11,281	12,528	39,797	38,003	36,609
Short Term Inter-Fund Loan	0	0	4,308	14,830	2,032	2,032	2,047	1,063	2,053
TOTAL DEBT SERVICE	\$21,526	\$20,546	\$44,396	\$54,815	\$23,463	\$24,718	\$52,487	\$48,581	\$46,817
FUND BALANCE									
Net Increase (Decrease)	\$29,419	\$4,999	(\$49,419)	(\$25,497)	\$2,036	\$30,165	\$10,961	\$318	\$22,925
Beginning Fund Balance July 01	\$116,714	\$146,133	\$151,132	\$151,132	\$125,635	\$127,671	\$157,836	\$168,797	\$169,116
ENDING BALANCE AT JUNE 30	\$146,133	\$151,132	\$101,713	\$125,635	\$127,671	\$157,836	\$168,797	\$169,116	\$192,040
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$21,198	\$23,910	\$25,191	\$27,423	\$27,527	\$27,606	\$29,398	\$27,827	\$30,360
Capital Expansion & Replacement	26,446	18,993	(19,909)	8,363	9,349	13,284	12,660	14,945	22,882
CCRA Capital Construction	28,247	36,785	36,106	25,106	30,885	40,021	39,585	31,510	31,427
Rehabilitation/Replacement Reserve	17,694	19,903	10,051	15,524	16,880	26,278	34,045	39,944	50,892
CSDLAC Prepayment	1,008	1,008	738	738	738	738	738	737	0
Debt Service & Redemption	27,246	23,048	27,249	27,452	22,668	29,285	30,601	31,144	31,131
Insurance & Other	5,519	5,644	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Retirement reserves	18,775	21,842	16,286	15,030	13,625	14,625	15,770	17,007	19,349
ENDING BALANCE AT JUNE 30	\$146,133	\$151,132	\$101,713	\$125,635	\$127,671	\$157,836	\$168,797	\$169,116	\$192,040

DRIED OUT LAKE ON A
GOLF COURSE –
LA QUINTA, CA



AREA PROFILE AND
POLICY GOALS

AGENCY PROFILE AND POLICY GOALS





Pursuant to the Regional Sewage System Contract, IEUA provides regional wastewater-related services to seven contracting agencies:

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

2015

IEUA has continued to expand its mission as a supplemental water supplier to a regional wastewater treatment agency with domestic and industrial disposal systems, a generator of renewable energy and high quality biosolids compost materials, and a regional purveyor of recycled water. IEUA continues to take the lead in regional water development, protection, conservation, and sustainability. The Agency operates five regional water recycling plants (RWRPs), four of which generate recycled water. The Agency's regional water and wastewater services are essentially wholesale services provided to its member agencies. Today the Agency serves approximately 850,000 residents through its member agencies.

Completion of the regional recycled water distribution system.

2015

2013

Historic milestone in recycled water sales achieved the 38,000 acre-feet in total direct and groundwater recharge deliveries.

The Inland Empire Utilities Agency, in partnership with the Sanitation Districts of Los Angeles County (SDLAC), formed the Inland Empire Regional Composting Authority to construct the Inland Empire Regional Composting Facility, a state-of-the-art fully enclosed compost manufacturing facility designed to meet strict air quality standards.

2007

2004

Major milestone achieved with the opening of the outfall gate at IEUA's RP-5, allowing discharge to the Chino Creek Wetlands Park for the first time. The first phase of the RP-5 facility was designed to treat 15 million gallons per day of municipal wastewater.

AGENCY PROFILE AND POLICY GOALS

IEUA became the first public agency in the United States to receive the Platinum rating from the U.S. Green Building Council's Leadership in Environmental and Energy Design LEED™ for its new headquarters facility. IEUA built an environmentally friendly headquarters that takes water and energy conservation to new levels. The Agency also received the prestigious Governor's 2003 Environmental and Economic Leadership Award.

2003

2001

The Agency partnered with the Chino Basin Watermaster (CBWM) on the CBWM's Optimum Basin Management Program Recharge Master Plan Phase II, which was designed to artificially increase groundwater recharge within the Chino Basin using storm water, recycled water, and imported water.

Completed construction of the first regional pipeline; the beginning of the backbone distribution system for the Agency's regional recycled water distribution system.

2000

1997

Located in Rancho Cucamonga, RP-4 serves areas of Fontana, Rancho Cucamonga, and San Bernardino County [A Conservation Partnership Award for technical innovation for the ultraviolet disinfection project at the Agency's RP-4 facility.

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 China Agricultural Preserve.

1990

1972

Completed negotiations to purchase three domestic wastewater treatment plants, pursuant to the Regional Sewerage Service Contract. The District assumed the role of regional wastewater treatment provider.

1970

Adopted the General Plan for Water and Wastewater Systems to improve water management in the Chino Basin as mandated by the Orange County Water District vs. City of Chino (Case No. 117628, Judgement: April 17, 1969 effective October 1, 1970)

Began construction of a non-reclaimable wastewater system (NRWS) for the collection of high-salinity industrial wastewater generated within the District's service area. The NRWS is physically separated from the regional wastewater system and provides a means for segregating poor quality saline wastewater and enhancing the quality of the recycled water generated by the treatment of municipal wastewater flows. The District's service area expands to 242 square miles.

1969

1964

Entered into the domestic sewage collection and industrial waste business resulting in the construction of the Southwest Chino Truck Sewer to transport collected wastewater to the treatment plants owned by the cities.

Contracted with the Metropolitan Water District of Southern California (MWD) to import potable water to its service area. MWD is a public agency that provides supplemental imported water from northern California (State Water Project) and the Colorado River (Colorado River Aqueduct) to 26 member agencies located in Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura counties. The District's original source of imported water was the Colorado River. Today all MWD imported water is delivered via the State Water Project (SWP) and makes up about one-third of the water distributed by IEUA.

1951

1950

The Chino Basin Municipal Water District was formed on June 6, 1950, with the mission to supply supplemental water to the Chino Basin. The first organized meeting of the Board of Directors was called to order on December 7, 1950. The District provides service to approximately 80,000 residents in a 92 square mile area.

AGENCY PROFILE AND POLICY GOALS

Mission Statement

Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development, and protecting the environment.

Key areas of service:

- Securing and supplying imported water.
- Collecting and treating wastewater
- Producing high-quality renewable products such as recycled water, compost, and energy.
- Promoting sustainable use of groundwater and development of local water supplies

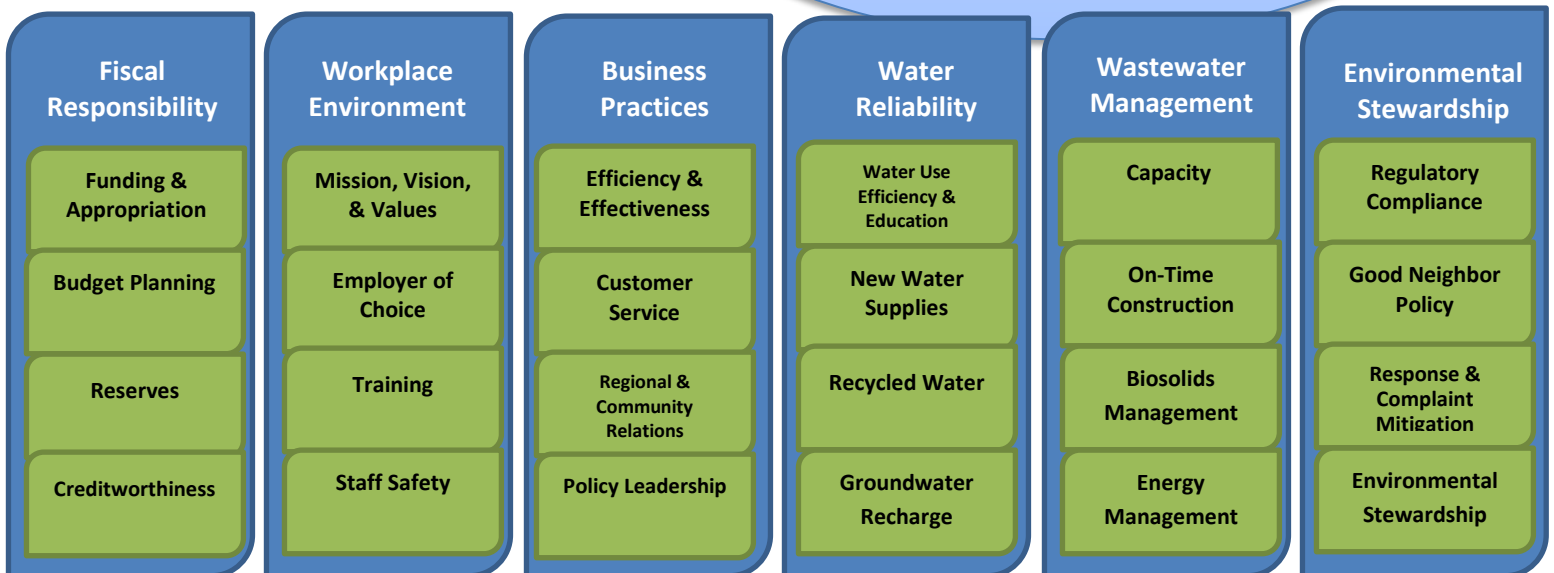
Vision

To become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region.

Values

Leading the way, Planning for the future, Protecting the resources of the communities we serve. The Inland Empire Utilities Agency is:

- Committed to applying ethical, fiscally responsible, transparent, and environmentally sustainable principles to all aspects of business.
- Working with integrity as one team, while celebrating the region's diversity.
- Staying in the forefront of the industry through education, innovation, efficiency, and creativity.





The IEUA Business Goals align with the Agency’s Mission, Vision, and Values which are defined by the needs of our stakeholders and the public value provided to the community. Within each Business Goal category, several Objectives were established to support the Business Goal. For each Objective, a ‘Commitment’ was developed to define the level of service that IEUA will provide. These Objectives and Commitments are evaluated and derived into work plans to ensure that current and future needs of the Agency and region are appropriately met. The IEUA Strategic Business Plan (Plan), which serves as the basis for the framework for decision making over a five-year period. The Plan outlines fundamental decisions that shape what the Agency plans to accomplish and sets a rational course of action.

The IEUA Business Goals are categorized into six primary areas;

- Fiscal Responsibility
- Workplace Environment
- Water Reliability
- Wastewater Management
- Environmental Stewardship
- Business Practices

IEUA Business Goal Overview

A. Fiscal Responsibility

IEUA will safeguard Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

Key Objectives -

<p>Funding and Appropriation – <i>IEUA will appropriately fund operational, maintenance, and capital investment costs.</i></p>	<p>Budget Planning – <i>IEUA will accurately forecast future operation, repair, and replacement (R&R), capital improvement, and debt service costs as needed for the creation of multiyear budgets and rate resolutions that create fiscal stabilization for IEUA and the Member Agencies.</i></p>	<p>Reserves – <i>IEUA will preserve fund reserves that sustain the Agency’s long term fiscal health, high quality credit rating, and ensure its ability to effectively address economic variability</i></p>	<p>Credit Worthiness – <i>IEUA will sustain a high quality credit rating and debt service coverage ratio to safeguard the Agency’s fiscal health and reduce future borrowing costs.</i></p>
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AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview

A. Fiscal Responsibility

IEUA will safeguard Agency's fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

Commitments -

Adopt service rates and fees that fully support the costs of service and provide a reliable and steady flow of operating revenue to support all operational expenses, capital replacement, and debt service costs. In addition, IEUA will ensure that service rates and fees support the Agency's goal to sustain high quality Commitment Levels	Provide multiyear forecasts for operational, R&R, capital investment, and debt service costs to support the adoption of multiyear budgets and rates enhancing dependability and stability.	Adopt financial policies to establish and preserve fund reserves above legally or contractually mandated levels to maintain Commitment Levels. In addition, IEUA will support short and long-term funding requirements and sustain the Agency's long-term fiscal health and high quality credit rating to reduce future borrowing costs.	Reinstate the Agency's credit rating to AAA by FY 2017/18 to reduce borrowing costs anticipated for the expansion and improvement of existing facilities to meet future growth in the Agency's service area.
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IEUA Business Goal Overview	FY 2014/15
A. Fiscal Responsibility	Status Update
Work Plan	
1. Adopt rates that fully meet cost of service for key Agency programs; Non-Reclaimable Wastewater (NRWS) System, Regional Wastewater, and Recycled Water by July 2019, and Water Resources by July 2020	5 Year Rate Adopted for Wastewater and Recycled Water Programs
2. Continue commitment to cost containment for operating and capital costs	To date, the Agency has achieved over \$245 million in cost containment initiatives
3. Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	\$40 million received



IEUA Business Goal Overview	FY 2014/15
A. Fiscal Responsibility	Status Update
4. Amend the Regional Sewerage Service Contract set to expire in 2022.	Renegotiation to commence in FY 2015/16
5. Begin the engineering study for regional connection fees by May 2014	Completed May 2015
6. Fully fund the Other Post Employment Benefit (OPEB) unfunded accrued liability by July 2019	Established a trust account in May 2014, \$7 million paid as of 6/30/15
7. Fully fund the pension unfunded accrued liability by July 2024	First annual installment of \$4.5 million made in June 2014
8. Initiate discussion prior to January 2018 to revise and renew the Regional Sewerage Service Contract set to expire in 2023	Renegotiation to commence in FY 2015/16
9. Transition to a biennial budget beginning July 1, 2015	Completed June 2015
10. Integrate and fully fund the Replacement and Rehabilitation (R&R) projects identified in the Agency's Asset Management Plan (AMP) into the annual capital improvement plan (CIP)	Adopted CIP of FY 2014/15 based on AMP
11. Integrate projects identified in the long range financial planning documents, such as the Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budget by July 2016	Ongoing Target FY 2016/17
12. Annually update the Agency's Investment Policy to ensure appropriate balance among safety, liquidity, and yield considerations	Completed June 2015
13. Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs	Refunding of 2005A Revenue Bond completed in November 2014
14. Annually, review and update the Agency's reserve policy to ensure sufficient funding to meet operating, capital, debt service, obligations, unforeseen events, and comply with legally mandated requirements	Reserve Policy will be re-evaluated in the fall of 2015
15. Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating by FY 2017/18	Ongoing Target FY 2017/18
16. Conduct or participate in a consortium to compile performance measures for agencies across the state that will serve as a benchmarking tool to drive awareness of strengths and opportunities for improvement by June 2016	Ongoing Target FY 2015/16
17. Annually promote superior customer service when working internally with colleagues	Ongoing

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
B. Workplace Environment			
<i>IEUA is committed to provide a positive workplace environment by recruiting, retaining, and developing a highly skilled team dedicated to the Agency's Mission, Vision, and Values</i>			
Key Objectives -			
Mission, Vision, & Values – <i>IEUA will uphold Business Goals, Objectives, and Commitment Levels that support and advance the Agency's Mission, Vision, and Values</i>	Employer of Choice – <i>IEUA will be an Employer of Choice</i>	Training – <i>IEUA will provide employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs</i>	Staff Safety – <i>IEUA will promote and ensure a safe and healthy work environment to protect employees and Stakeholders</i>
Commitments -			
<i>Maintain the highest standard of ethical conduct from all Agency Staff by promoting values of prudent leadership, integrity, collaboration, open communication, respect, accountability, high quality, passion, and efficiency to support the Agency's Mission, Vision, and Values</i>	<i>Provide a work environment that will attract and retain highly skilled, motivated, professional, and committed employees</i>	<i>Facilitate and provide opportunities for staff to further their personal/professional development in support of maintaining a highly skilled workforce</i>	<i>No more than 1 day of lost time due to work related illness or injury per 1,000 days worked</i>

IEUA Business Goal Overview	FY 2014/15
B. Workplace Environment	Status Update
Work Plan	
1. Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Ongoing
2. Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Ongoing Target FY 2017/18
3. Develop a plan to conduct a feedback study to measure employee satisfaction by December 2014	Ongoing Target FY 2015/16
4. Implement the Agency-wide Classification and Compensation Study by November 2014	Ongoing Completed three of the five employee bargaining units as of June 2015
5. Review and update the STAR Award Program to more effectively recognize outstanding performance by December 2014	Ongoing Target Dec. 2015
6. Implement strategies and recruitment practices that provide flexible and responsive solutions to assist the Agency in filling positions in a timely	Ongoing Target FY 2015/16



IEUA Business Goal Overview		FY 2014/15
B. Workplace Environment		Status Update
and effective manner by July 2014		
7. Establish a cross training program across departments and divisions to enhance understanding of Agency programs by June 2015		Ongoing
8. Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, thereby streamlining individual Unit MOUs by July 2016		Ongoing Target FY 2016/17
9. Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations		Ongoing
10. Promote positive labor relations by conducting routine informal labor/management meetings with unit representative		Ongoing
11. Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017		Ongoing Target FY 2017/18
12. Achieve a Cal Star Award certification from OSHA by June 2019		Ongoing Target FY 2018/19
13. Review and revise the Emergency Preparedness Plan by July 2017		Ongoing Target FY 2017/18
14. Annually, review and revise the Workplace Injury Illness Prevention Program to prevent work related injuries/illness and reduce loss of time worked		Completed May 2015
15. Promote a safer work environment by administering and monitoring required safety and regulatory trainings		Ongoing
16. Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values		Ongoing

IEUA Business Goal Overview			
C. Business Practices			
<i>IEUA is committed to applying ethical, fiscally responsible, and environmentally sustainable principles to all aspects of business and organizational conduct</i>			
Key Objectives -			
Efficiency & Effectiveness – <i>IEUA will promote standards of efficiency and effectiveness in all Agency business practices and processes.</i>	Customer Service – <i>IEUA will provide excellent customer service that is cost effective, efficient, innovative, and reliable</i>	Regional & Community Relations – <i>IEUA will cultivate a positive and transparent relationship with its Stakeholders to enhance quality of life, preserve our heritage, and protect the environment</i>	Policy Leadership – <i>IEUA will effectively advocate, campaign, and guide the development of policies and legislation that benefit the Region IEUA serves</i>

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
C. Business Practices			
IEUA is committed to applying ethical, fiscally responsible, and environmentally sustainable principles to all aspects of business and organizational conduct			
Commitments -			
<i>Integrate Lean techniques to evaluate its current business practices and processes and identify ways to improve the quality, cost, and value of the services the Agency provides to the Member Agencies and to the Public</i>	<i>Respond to and meet the Member Agencies expectations for enhanced value added services. IEUA will solicit Stakeholders feedback on performance and goal alignment on an annual basis.</i>	<i>Partner with its Stakeholders on common issues to create and implement integrated and innovative solutions, minimize duplication of efforts and support education and outreach to the Public. Furthermore, IEUA will incorporate Member Agencies into various IEUA related projects and programs to ensure that a transparent and broader regional representation is achieved</i>	<i>Promote a collaborative approach for the development of positions on policies, legislation, and regulations that impact Agency policy objectives</i>

IEUA Business Goal Overview	FY 2014/15
C. Business Practices	Status Update
Work Plan	
1. Review and update the Asset Management Plan by December 2014	Completed January 2015
2. Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirements and eliminates redundant archiving systems by December 2015	Ongoing Assessment of existing system and process complete as of June 2015
3. Determine the scope for Geographic Information Systems online applications to share information with member agencies by September 2014	Ongoing Target FY 2015/16
4. Develop a program that annually measures the effectiveness and efficiency of Agency core services based on stakeholder feedback on "quality, cost, and value"	Completed May 2015
5. Leverage private/public partnership opportunities	Ongoing
6. Continue to apply Lean management principles to streamline current	Ongoing



IEUA Business Goal Overview		FY 2014/15
C. Business Practices		Status Update
business processes and systems and eliminate waste and redundancies		Completed development of engineering dashboard
7.	Update and maintain the Agency's website to clearly communicate key activities, issues, policies, and key documents, and continue to optimize use of social network media	Completed redesign of Agency website on November 25, 2014
8.	Meet annually with affiliated agencies and elected representatives	Ongoing
9.	Meet annually with the region's congressional and state delegations to advance key legislation	Sponsored tours/visits with members of our State delegation and three members of our federal delegation.
10.	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Actively participate in ACWA, CASA, NACWA, etc.
11.	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Ongoing
12.	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the region	Ongoing
13.	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Ongoing
14.	Annually, promote superior customer service when working internally with colleagues	Ongoing

IEUA Business Goal Overview

D. Water Reliability

IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

Key Objectives -

Water Use & Efficiency- <i>IEUA will promote education and water use efficiency to enhance water supplies within the Region and exceed State goals for reductions in per capita water use within the IEUA Service Area.</i>	New Water Supplies- <i>IEUA will support the Member Agencies and Regional Water Agencies with the development of reliable, drought-proof and diverse local water resources and</i>	Recycled Water <i>IEUA will support maximizing beneficial reuse of recycled water to enhance reliability and reduce dependence on Imported Water.</i>	Groundwater Recharge- <i>IEUA will support the recharge of all available storm water and maximize the recharge of recycled water within the Chino Groundwater Basin. Furthermore, IEUA will pursue the</i>
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AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
D. Water Reliability			
<p>IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.</p>			
	Supplemental Water supplies in order to reduce dependence on Imported Water supplies.		purchase and storage of cost-effective Supplemental Water supplies.
Commitments -			
Promote to reduce water use in the IEUA Service Area to less than 200 gallons per capita per day (GPCD) by 2018.	Promote reducing demand for Imported Water during dry and normal years and storing Imported Water into the Chino Groundwater Basin during wet years. In addition, IEUA will support maximizing the beneficial use of existing water infrastructure, while meeting future increased demands through investment in local water resources, Supplemental Water supplies and conservation efforts	Complete the development of recycled water infrastructure and will support the Member Agencies in achieving reuse of 50,000 AFY by 2025.	Support the recharge of all available storm water and maximize the recharge of recycled water within the Chino Groundwater Basin. Furthermore, IEUA will pursue the purchase and storage of cost-effective Supplemental Water supplies.

IEUA Business Goal Overview	FY 2014/15
D. Water Reliability	Status Update
Work Plan	
1. Complete update of the Water Use Efficiency Business Plan by December 2014, the Integrated Resources Plan by October 2014, and the Urban Water Management Plan by June 2016	Ongoing Target FY 2015/16
2. Develop new targets and programs to achieve 20 x 2020 requirement through water use efficiency measures by December 2014	Ongoing Target FY 2015/16
3. Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Ongoing Target FY 2015/16
4. Advocate for ordinances promoting storm water capture	Ongoing Target FY 2016/17
5. Work with other Agencies to optimize use of recycled water to reach 50,000 AFY by June 2022	Ongoing Target FY 2021/22



IEUA Business Goal Overview	FY 2014/15
D. Water Reliability	Status Update
6. Identify and evaluate supplemental water supplies for the region by October 2014	Ongoing Target FY 2015/16
7. Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Ongoing Target FY 2016/17
8. Complete water softener ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Ongoing
9. Identify and protect the best recharge land sites in the service region by June 2016	Ongoing Target FY 2015/16
10. Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Ongoing Target FY 2015/16
11. Coordinate with Chino Basin Watermaster on the Recharge Master Plan Update by July 2019	Ongoing Target FY 2019/20
12. Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Ongoing
13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Ongoing

IEUA Business Goal Overview			
E. Wastewater Management			
<i>IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.</i>			
Key Objectives -			
Capacity- <i>IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.</i>	On-Time Construction- <i>IEUA will ensure capital projects are designed and implemented in a timely and economically responsible manner.</i>	Biosolids Management- <i>IEUA will manage all Agency produced biosolids in a compliant, fiscally prudent and environmentally sustainable manner.</i>	Energy Management- <i>IEUA will optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distributed generation and greenhouse gas reduction goals, and provide for future rate stabilization.</i>

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
Commitments -			
<i>Ensure that systems are managed and constructed so that 90% of capacity is never exceeded.</i>	<i>Design and construct facilities through efficient project management to ensure that 80% of projects are completed on schedule and 90% of projects are on budget.</i>	<i>Ensure that 95% of the Inland Regional Compost Facility's capacity is utilized, all biosolids produced by IEUA are treated at IERCF, Agency solids generation is minimized through efficient dewatering operations and all compost is marketed for beneficial use.</i>	<i>Optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, and achieve statewide renewable energy, distributed generation, and greenhouse gas.</i>

IEUA Business Goal Overview	FY 2014/15
E. Wastewater Management	Status Update
Work Plan	
1. Update Wastewater Facilities Master Plan by December 2014 and thereafter every 10 years to ensure timely expansion of Agency facilities to address anticipated regional growth.	Completed May 2015
2. Ensure reliability of Agency assets by annually implementing the asset management monitoring and assessment program (Asset Management Plan)	Annual Completed January 2015
3. Monitor treatment plant performance and initiate corrections to maintain 100% regulatory compliance	Ongoing
4. Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2015	Completed May 2015
5. Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Ongoing
6. Conduct Lessons Learned sessions to evaluate key construction implementations	Predesign slated for completion in December 2015
7. Continue to optimize operation of digestion and dewatering centrifuges to minimize operational costs	Ongoing
8. Develop a Biosolids Capacity Marketing Plan maximizing material input and output by June 2017	Ongoing Target FY 2016/17
9. Develop a design concept for the proposed South Compost Facility by December 2014	Completed May 2015
10. Develop a comprehensive Energy Management Master Plan by June 2015	Plan to be presented to Agency Board in



	September 2015
11. Complete an Agency-wide greenhouse gas emission (GHG) baseline assessment using the Climate Registry protocol to allow the Agency to sell credits by July 2016	Ongoing Target FY 2016/17

IEUA Business Goal Overview			
F. Environmental Stewardship			
<i>IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.</i>			
Key Objectives -			
Regulatory Compliance - <i>IEUA will comply with all federal, state and local laws at each Agency facility.</i>	Good Neighbor Policy - <i>IEUA will control odors at all Agency facilities for the purpose of improving the environment and being a good neighbor to the local community.</i>	Response & Complaint Mitigation - <i>IEUA will investigate and appropriately respond in a timely manner to any environmental issue or complaint received at any Agency facility.</i>	Environmental Responsibility - <i>IEUA will strive to implement actions that enhance or promote environmental sustainability and the preservation of the region's heritage.</i>
Commitments -			
<i>Have no more than 2 notices of violation annually from the State Water Resources Control Board (SWRCB), Air Quality Management District (AQMD), or Non-Reclaimable Waste System (NRWS) for all Agency owned and operated facilities.</i>	<i>Perform a quarterly odor monitoring assessment to develop actual and acceptable baseline odor thresholds. Acceptable baseline thresholds will be used to measure treatment plant performance and drive necessary capital improvements.</i>	<i>IEUA will immediately respond to any event that threatens public health and safety and will respond within 5 working days to any non-emergency complaint or suggestion.</i>	<i>Consider and assess environmental sustainability, public use and heritage preservation options for all of its programs and projects.</i>

IEUA Business Goal Overview	FY 2014/15
F. Environmental Stewardship	Status Update
Work Plan	
1. Develop and update logical, technically based, defensible, local limits for regional significant industrial users by August 2015 and review every five years	Ongoing Target FY 2015/16

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview	FY 2014/15
F. Environmental Stewardship	Status Update
2. Complete odor baselines report by June 2015	Completed May 2015
3. Develop a communication plan to promote being a good neighbor by June 2015	Completed December 2014
4. Strive for 100% use of Agency bi-products by 2021	Ongoing
5. Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Ongoing
6. Annually review and update Key Performance Indicators (KPI's) to monitor and comply with all regulatory requirements	Ongoing
7. Annually review and update the Emergency Response and Operational Plans for all facilities	Ongoing Target FY 2015/16
8. Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Ongoing
9. Complete a performance assessment of the Platinum LEED rated headquarters and develop a plan to ensure performance, as appropriate, to the platinum standard	Ongoing Target FY 2016/17
10. Support legislation to reduce drugs in waterways through take back programs	Ongoing Target FY 2016/17
11. Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Ongoing Target FY 2015/16

Budget Priorities

The Operating Budget for Fiscal Years 2015/16 - 2016/17 is the Agency's first biennial budget. The transition from a single year budget to a biennial budget was a key objective of the IEUA Business Goal Fiscal Responsibility. During the budget process, the Agency evaluates the current issues and priorities in order to maximize available resources and provide the appropriate commitment to service in the most effective, efficient and fiscally responsible manner possible.

The biennial Operating Budget and the Ten Year Capital Improvement Plan (TYCIP) continue to demonstrate the Agency's commitment to deliver reliable, high quality essential services to its customers in a regionally planned, cost effective manner. Included in the biennial Operating Budget are the first two years of five year rates adopted for FYs 2015/16 – 2019/20 for the Agency's Regional Wastewater and Recycled Water programs. The projects included in the FYs 2016 – 2025 TYCIP adopted by the IEUA Board on March 18, 2015 are necessary to accomplish the Agency's goals based on the physical condition of assets and forecasted regional projections of water and wastewater needs.



The development of the budget for Fiscal Years 2015/16 – 2016/17 was driven by the following objectives consistent with the IEUA Business Goals:

Fiscal Responsibility

- **Budget Planning objective to accurately forecast future operational, repair, and replacement, capital improvement, and debt service costs as needed for creation of multiyear budgets and rate resolutions that create fiscal stabilization for IEUA and its member agencies.** The Strategic Plan was integrated into the Agency's operating and capital budget. The transition to a biennial budget is complete and was approved by the Board on June 17, 2015. Funding strategies are developed for retiree long-term unfunded obligations. Plans will be developed based on research results to resolve the Fontana extra territorial issues.
- **Funding Appropriation will appropriately fund operational, maintenance, and capital investment costs.** IEUA adopted service rates and charges that fully support the costs of service and provide a reliable and steady flow of operating revenue to support all operational expenses, capital replacement, and debt service costs in commitment to sustain high quality levels of service. This provides a framework to ensure financial stability for the Agency. The Agency is continuing its commitment to cost containment throughout the organization.
- **Reserves will be preserved to sustain the Agency long-term fiscal health, high quality credit rating, and to ensure its ability to effectively address economic variability.** IEUA adopts financial policies to establish and preserve fund reserves above legally or contractually mandated levels to maintain commitment levels. In addition, IEUA supports short and long-term funding requirements and sustains the Agency's long-term fiscal health and high quality credit rating to reduce future borrowing costs.
- **Creditworthiness will help IEUA sustain a high quality credit rating and debt service coverage ratio to safeguard the agency's fiscal health and reduce future borrowing costs.** IEUA is working to reinstate the Agency's credit rating to AAA by FY 2017/18 to reduce borrowing costs anticipated for the expansion and improvement of existing facilities to meet future growth in the Agency's service area. The Agency will also perform timely investment on R&R to ensure adequate maintenance of the Agency's equipment and facilities.

AGENCY PROFILE AND POLICY GOALS

Workplace Environment

- **Mission, Vision, & Values are supported and advanced by the Agency striving to uphold business goals, objectives, and commitment levels.** IEUA will maintain the highest standard of ethical conduct from all Agency staff promoting values of prudent leadership, integrity, collaboration, open communication, respect, accountability, high quality, passion, and efficiency.
- **Employer of Choice to build a positive culture and collaboration among IEUA staff and with member agencies, regional stakeholders, and brand IEUA as the innovative leader and place to work in the Inland Empire.** IEUA will provide a work environment that will attract and retain highly skilled, motivated, professional, and committed employees. Cross functional teamwork will be promoted, as well as ethical and honest employee and employer relations. Performance will be managed, and effective succession planning will take place.
- **Staff Safety will promote and ensure a safe and healthy work environment to protect employees and stakeholders.** IEUA will strive to have no more than one day lost time due to work related illness or injury per 1,000 days worked. A safe work environment will be provided to employees in compliance with federal and state safety regulations. Safety and regulatory training will continue to be administered and monitored.

Business Practices

- **Efficiency and Effectiveness will be promoted in all Agency business practices and processes.** IEUA will integrate LEAN techniques to evaluate its current business practices and processes and identify ways to improve quality, cost, and value of the service the Agency provides to its member agencies and to the public.
- **Customer Service will be provided at an excellent level that is cost-effective, innovative, and reliable.** IEUA will respond to and meet the member agencies expectations for enhanced value added services. IEUA will solicit stakeholder's feedback on performance and goal alignment on an annual basis.
- **Regional Leadership and Community Relations will cultivate a positive and transparent relationship with its stakeholders to enhance quality of life, preserve heritage, and protect the environment.** IEUA will partner with its stakeholders on common issues to create and implement integrated and innovative solutions, minimize duplication of efforts and support education and outreach to the public. Member agencies and regional water agencies will be incorporated into various IEUA related projects and programs to ensure that a transparent and broader regional representation is achieved.



- **Policy Leadership** will help effectively advocate, campaign, and guide the development of policies and legislation that benefit the region IEUA serves. IEUA will promote a collaborative approach for the development of positions on policies, legislation, and regulations that impact Agency policy objectives.

Water Reliability

- **Water Use Efficiency and Education** will be promoted to enhance water supplies within the region and exceed State goals for reductions in per capita water use within the IEUA service area. IEUA will promote reducing water use in the IEUA service area to less than 200 gallons per capita per day (GPCD) by 2018, and will support legislation that firms up water supply reliability and regulatory stability.
- **New Water Supplies** will be sought after to support member agencies and regional water agencies with the development of reliable, drought-proof, and diverse local water resources and supplemental water supplies in order to reduce dependence on imported water supplies. IEUA will promote reducing demand for imported water during dry and normal years and storing imported water into the Chino Groundwater Basin during wet years. In addition, IEUA will support maximizing the beneficial use of existing water infrastructure, while meeting future increase demands through investment in local water resources, supplemental water supplies, and conservation efforts.
- **Recycled Water** will continue to be supported to maximize beneficial reuse, enhance reliability, and reduce dependence on imported water. IEUA will complete the development of recycled water infrastructure and will support the member agencies in achieving reuse of 50,000 AFY by 2025.
- **Groundwater Recharge** will continue to be supported. IEUA will support the recharge of all available storm water and maximize the recharge of recycled water within the Chino Groundwater Basin. The purchase and storage of cost-effective supplemental water supplies will also continue to be pursued.

Wastewater Management

- **Capacity** will be maintained within systems and facilities to meet essential service demands and to protect public health and the environment. IEUA will ensure that systems are managed and constructed so that 90% of capacity is never exceeded.
- **On-Time Construction** will ensure capital projects are designed and implemented in a timely and economically responsible manner. IEUA will design and construct facilities through efficient project management to ensure that 80% of projects are completed on schedule and 90 percent of projects are on budget.

AGENCY PROFILE AND POLICY GOALS

- **Biosolids Management will be handled in a compliant, fiscally prudent, and environmentally sustainable manner.** IEUA will ensure that 95 percent of the IERCF's capacity is utilized, all biosolids produced by IEUA are treated at the IERCF, Agency solids generation is minimized through efficient dewatering operations, and that all compost is marketed for beneficial use.
- **Energy Management to optimize energy use and to effectively manage renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distributed generation and greenhouse gas reduction goals, and provide future rate stabilization.** The Agency will achieve peak power independence by 2020 through implementation of renewable projects, energy management agreements, and operational efficiencies.

Environmental Stewardship

- **Regulatory Compliance with all federal, state, and local laws at each Agency facility.** IEUA will strive to have no more than 2 notices of violation annually from the SWRCB, AQMD, or the NRWS for all Agency owned and operated facilities.
- **Good Neighbor Policy to control odors at all Agency facilities for the purpose of improving the environment and being a good neighbor to the local community.** Quarterly odor monitoring assessments will take place to develop actual and acceptable baseline odor thresholds. Acceptable baseline thresholds will be used to measure treatment plant performance and drive necessary capital improvements.
- **Responsive and Complaint Mitigation involving investigating and appropriately responding in a timely manner to any environmental issue or complaint received at any Agency facility.** IEUA will immediately respond to any event that threatens public health and safety and will respond within 5 working days to any non-emergency complaint or suggestion
- **Environmental Responsibility by striving to implement actions that enhance or promote environmental sustainability and the preservation of the regions heritage.** The Agency will consider and assess environmental sustainability, public use, and heritage preservation options for all of its programs and projects.

Over the next ten years, the Agency will address R&R of aging equipment and facilities as well as expansion of the Regional Wastewater System in order to meet anticipated growth and higher service demands. The severity and uncertainty of the ongoing drought crisis and shrinking water supplies raise regional water reliability and sustainability as a major priority and challenge for the Agency and its member agencies. With the state's economy on stronger footing, attention has shifted to the water shortages caused by the ongoing drought. Although



drought conditions are prevalent throughout the southwestern region of the U.S., coping with a fourth consecutive year of historically dry weather, California has become the focal point of the current drought crisis. With all of the planning initiatives underway, the Agency will be better positioned to continue to “drought proof” the region by continuing to develop local water supplies, optimize beneficial use of recycled water, maximize groundwater recharge, and secure alternative water supplies to reduce reliance on uncertain imported water supplies from the State Water Project. The ability to leverage property taxes and available “drought” funding will be essential in achieving these objectives.

Financial Policies

The Agency’s practices are guided by the following budget and financial policies.

Policies	Description	Achievements
A. Operating Budget	1. The Agency will budget revenues and expenditures on the basis of a fiscal year that begins on July 1 and ends on the following June 30	Adoption of the Agency’s first biennial budget in June 2015
	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 GFOA	The Agency’s fiscal year 2014/15 budget received GFOA’s Distinguished Budget award with special recognition as an outstanding policy document and financial plan, as well as the CSFMO Operating Budget award
	3. The operating budget is the short-term action plan for development and execution of the Agency’s strategic plan, consistent with the Agency’s long range plan of finance (LRPF). The LRPF is updated every two to three years with corresponding adjustments to the operating budget to assure continual alignment of short-term budgetary goals with the long-term strategic plan	Development of the LRPF is ongoing. Some of the features of the new financial model include an extended scope from 10 to 50 years and multiple “what if” scenarios to highlight the impact of a variation of inputs
	4. The 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	A series of budget and rate workshops were held with the Agency’s Board of Directors, member agencies, and the regional partners providing an opportunity

AGENCY PROFILE AND POLICY GOALS

Policies	Description	Achievements
A. Operating Budget	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	for input throughout the rate and budget development process
	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 2014. Meetings were held with all departments to compile budgetary, statistical and descriptive information; multiple budget training sessions were facilitated throughout 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 FY 2015/16 – 2024/25 TYCIP was adopted by the Board in March 2015. The TYCIP total ten year project budget is \$692 million. Included in the TYCIP are projects needed to respond to drought and water reliability needs and meet anticipated growth and service demand in the region
A. Balanced Budget	1. The budget should be balanced with the current revenues equal to or greater than current expenses	Budgets are balanced using a combination of current revenues and reserves, and the budget is monitored throughout the year, regular variance reports are prepared and presented to the Agency’s Board
	2. Any fund, when operating or capital expenses exceed revenues, will utilize the respective fund reserves to meet the shortfall	Reserves will be used to balance any projected shortfall in net revenues. A surplus is projected for the two adopted budget years
B. Revenues	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. The Agency strives	The Agency adopted a five year rate structure for two of its core programs: Regional Wastewater and Recycled Water. The adopted multi-year rates achieve full cost of service meaning revenues generated are



Policies	Description	Achievements
	<p>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</p>	<p>sufficient to meet that program’s cost of delivery service including R&R costs. This reduces the need for fund transfers between programs, and minimizes reliance on property taxes historically used to supplement the shortfall in operating costs not recovered by rates.</p>
<p>C. Debt Management</p>	<ol style="list-style-type: none"> 1. 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>Projections indicate that in order to fund aggregate capital expenses of over \$500 million over the next 10 years, the Agency will require new borrowing of nearly \$300 million. The continued use of State Revolving Funds (SRF) low interest loans/grants reflects the Agency’s goal to fund capital investment with the lowest cost of financing. Securing federal and state grants and SRF loans will continue to be an important part of the overall financing strategy</p>
<p>D. Capital Planning</p>	<ol style="list-style-type: none"> 1. The Ten Year Capital Improvement Plan (TYCIP) will be reviewed and adjusted annually 2. Support the TYCIP for meeting service area’s growth through various funding alternatives including revenue bonds and short term borrowings 3. Future operating, maintenance and replacement costs associated with new capital improvements will be forecasted and included in future year projected costs 	<p>The FY 2015/16 – 2024/25 TYCIP was adopted by the Board in March 2015. Next planned update in 2016</p> <p>Adopted in May 2015 are regional capital and water connection fees to support future expansion and enhancement of the regional water system which is comprised of potable, recycled and groundwater recharge facilities</p> <p>Two major components in the overall TYCIP are the continuing need for maintenance, repair and replacement of aging equipment and facilities, and the need for expansion of the regional system to meet future growth</p>
<p>E. Long Range Planning and</p>	<ol style="list-style-type: none"> 1. Long-term planning uses trends and projected changes in population growth, service levels, property assessment 	<p>The annual budget document is a ten year forecast of future revenues and expenses. The Long Range Plan</p>

AGENCY PROFILE AND POLICY GOALS

Policies	Description	Achievements
Forecasting	values, new development, and general economic conditions to forecast future revenues and expenditures in the near term of 5 to 10 fiscal years and long term up to 50 years	of Finance (LRPF) model is used as a planning tool to project revenues and expenditures up to a 50 year period
F. 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 unmodified 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
	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 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	The agency received the GFOA Award for Excellence in Financial Reporting for 17th consecutive year and the Excellence in Budgeting award from CSMFO for the last 13 consecutive years. Internal Audit provided a quality review prior to adoption by the Board and submission to GFOA



Policies	Description	Achievements
	been achieved	
G. Fund Reserve Balances	1. The Agency will maintain fund reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. As a regional provider of public services with an extensive investment in public infrastructure, operating facilities, other related assets; the Agency must establish and maintain a prudent level of reserves to meet its commitment to deliver reliable and high quality essential services to its customers	Review of the current Reserve Policy will take place in the fall of 2015
H. Debt Ratio	1. As required by Agency bond covenants, the Agency seeks to maintain a legally required debt coverage ratio (DCR) of at least 1.25 times debt service costs due in any given year. The Agency applies ceilings on the amount of long-term debt that can be issued as these policies are designed to maintain the Agency's credit strength	Annual fluctuations in the DCR are primarily driven by changes in funding sources. In FY 2013/14 a reduction of new wastewater EDU connections and significantly lower property tax receipts dropped the DCR to 2.09. An increase in DCR is projected for the current fiscal year based on increased operating revenue and a higher number of new wastewater and water connections
J. 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 was presented to the Board for review and approval in June 2015
	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	Accounts receivable are collected within the average billing cycle of 30 days. Grant reimbursement billings and subsequent receipt averaged 60 days

AGENCY PROFILE AND POLICY GOALS

Policies	Description	Achievements
	<p>relations with employees, contractors, suppliers, and other government entities</p> <p>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</p>	<p>Cash flow projections are updated on a daily basis. Cash flows are maintained through collaborative efforts with various departments on sources and uses of funds forecasted. Bi-weekly cash flow meetings are held to discuss current cash position and investment opportunities</p>
<p>K. Human Resource Management</p>	<p>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</p> <p>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</p> <p>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</p>	<p>The number of authorized full time equivalent (FTEs) remains at 290 in FY 2015/16. Additionally, the Agency will reduce the budgeted vacancy factor to 4 percent. The reduction is in preparation for succession planning due to impending retirements. The actual average vacancy factor was nearly 9 percent in FY 2014/15</p> <p>Limited term employees, which have averaged approximately 14 positions in the last five years. Limited term (LT) positions are planned to increase to 18 to support long-term planning initiatives and grant administration</p> <p>Initiated an Agency wide Classification and Compensation study to develop a fair, consistent, and competitive compensation program. As of June 2015, three of five bargaining units have ratified</p>
<p>L. Risk Management</p>	<p>1. Risk Management policies are designed to protect against losses that would affect its assets and hence, its ability to provide ongoing services</p>	<p>Promote a safe, hazard free working environment through the monitoring of the Agency's Safety programs, initiatives and policies, designed to ensure compliance with</p>



Policies	Description	Achievements
		all applicable local, state and federal regulations governing the workplace and its employees

BUDGET PROCESS

The budget is the primary performance tool used to measure accountability of public agencies, ensuring the public trust for taxpayer dollars and service rates and fees. The budget communicates to all stakeholders (i.e., elected officials, regional agencies, and citizens) how their investments 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.



Strategic Planning

In June 2015, the Agency adopted its first biennial operating budget for FYs 2015/16 – 2016/17. Both the biennial budget and the FYs 2016 – 2025 Ten Year Capital Improvement Plan (TYCIP) are guided by the 2015 Strategic Plan which identifies the major initiatives to be accomplished over a five year period (2014 - 2019). The basis for the 2015 Strategic Plan are the IEUA



Business Goals which guide the Agency's decisions and action in fulfilling its mission, vision, and values.

To determine the short-term and long-term strategic direction and to demonstrate the Agency's ability to maintain fiscally sound operations while delivering its capital program within the established policy and financial goals, the Agency from time to time, reviews and updates its vision, goals and objectives. These updates are integrated in the Agency's long term planning documents, including; the Asset Management Plan, TYCIP, Long Range Plan of Finance (LRPF), and master plans, such as the Facilities Master Plan, Recycled Water Program Strategy, Energy Management Plan, and Integrated Resources Plan. These strategic planning tools serve to present a systemic and disciplined approach in mapping out the Agency's service area growth and future needs, and determining financial requirements, such as maintaining rates to support the cost of service and capital improvement plan for the region, sustaining reserve levels to safeguard the Agency fiscal health, and maintaining a debt coverage ratio that preserves market access and achieves the lowest cost of future borrowing.

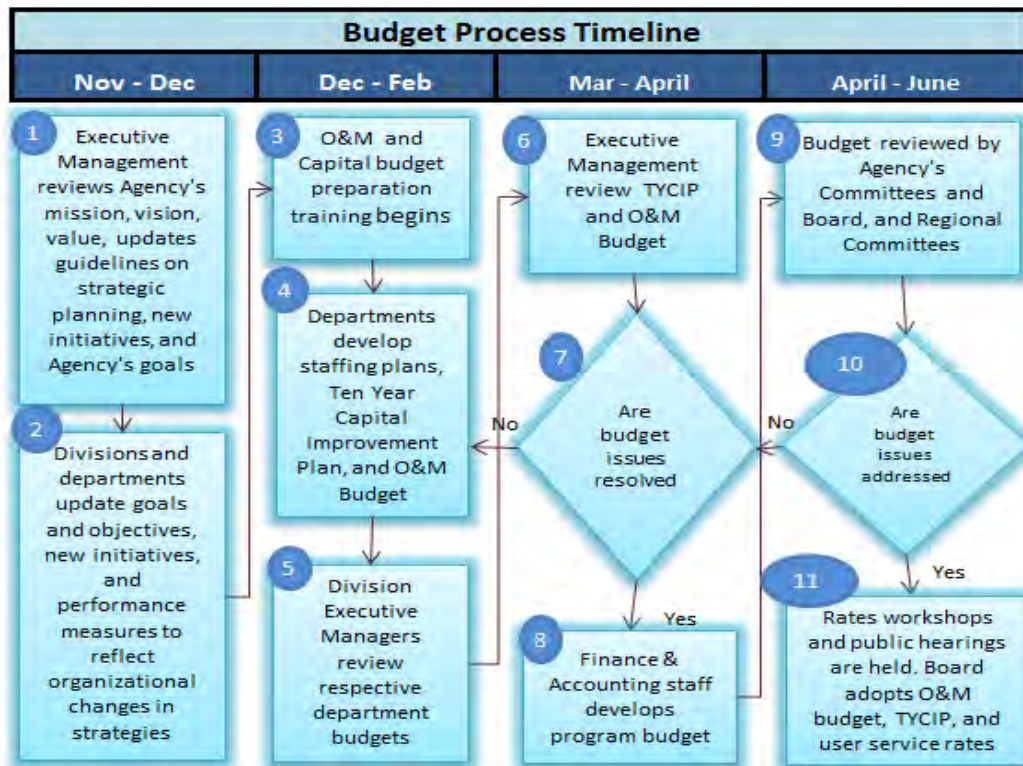
Budget Preparation Process and Timeline

The preparation of the Operation and Maintenance (O&M) budget and Capital Improvement Plan (CIP) begins in December with the issuance of the General Manager's (GM) budget message. The GM budget message communicates the guidelines and the Agency's key business goals and objectives for the preparation of the Five Year Business Plan (operation budget), and the Ten Year Capital Improvement Plan (TYCIP) to all Department Managers and Supervisors.

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

BUDGET PROCESS

Figure 3-1: Budget Timeline



Starting July 1, 2015, the Agency will be implementing a biennial budget for FYs 2015/16 and 2016/17. A mid-year budget review process will be scheduled in the spring of 2016 to determine whether any adjustments pertinent to the FY 2016/17 O&M budget or the TYCIP are necessary. Recommended changes to the FY 2016/17 O&M budget and TYCIP will be presented to the Board as budget amendments for their review and approval in May/June 2016.

Executive Management Responsibilities

During the budget preparation process, Executive Management meets with staff to review and evaluate both O&M and capital budget requests to ensure they align with the Agency's goals and objectives. A key objective is sustainability of high quality services while simultaneously aiming for greater operating efficiencies to minimize service rate impact. To ensure long term sustainability, Executive Management closely monitors fund balance reserves and key financial ratios to ensure the Agency's financial position can effectively address economic variability. In some cases, this means re-examining operating priorities and costs, streamlining procedures, consolidating or realigning resources, updating policies, and adjusting service rates and fees. Public budget workshops are held to inform the IEUA Board, contracting member agencies, and



key stakeholders of the major drivers, objectives, budget assumptions, proposed rate structures, capital programs, and respective policy issues.

Subsequently, the proposed budget and rates as recommended by Executive Management are presented to the Board's Finance, Legal, and Administration Committee for review and recommendation in April and May.

Regional Wastewater and Recycled Water Program budgets and the respective service rates are presented to the Regional Committees, which are comprised of representatives from the Agency's contracting agencies. Upon the Regional Committees' review and recommendation, in accordance with the Regional Sewage Service Contract, the Agency's Board of Directors approves and adopts the final budget document, rate resolutions, and TYCIP before June 30th.

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 O&M budget requests that are pertinent to the department's goal performances and consistent with the IEUA Business Goals, objectives, and commitments.

Budget Preparation Training

To assist Agency staff with the budget preparation process, Finance and Accounting staff collaborate with key staff from other departments conduct training sessions on the O&M and capital budget, during December and January. Open houses are also facilitated to further assist staff in the budgeting and reporting process. Reference materials, such as labor rates, staffing plans, project lists, and instructions for budget preparation are posted in the Agency's intranet website. In addition, "subject matter experts", a group of trained staff on budget preparation, are available to assist staff throughout the budget preparation cycle. One-on-one sessions are facilitated by Finance and Accounting staff with Department Managers throughout the process to ensure key priorities and assumptions are properly accounted for in the budget.

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 and low interest financing to support capital projects; adjust user charges and service fees based on cost of services and replacement and rehabilitation (R&R) requirements. In any fund, when operating or capital costs exceed revenues, the respective fund reserves will be used to meet the shortfall.

BUDGET PROCESS

The biennial budget is balanced with a combination of increases in service rates and fees, grants and state loans, conservative expense forecasts that sufficiently support the capital programs and O&M costs, and fund reserves. Capital program will be funded by regional connection fees, federal and state grants and loans, a portion of property taxes, and fund reserves. The projected net increase of \$2 million will help to build funds reserves which will support future capital investments.

Budgetary Control

The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the IEUA Board. The Agency's Fiscal Control Ordinance establishes the Agency's basic principles of financial control and provides the General Manager (GM) and the Chief Financial Officer/Assistant General Manager (CFO/AGM) the authorization to approve the transfer of appropriations among departments, expense categories within a single fund's budget. Any increase in appropriation in any fund budget, whether accomplished through a change in anticipated revenues or increase in total project budget, requires GM or CFO authorization at a specific threshold, prior to Board approval. The only exception is the GM contingency account controlled by the GM. Based on the Fiscal Ordinance the GM is authorized to transfer GM Contingency account budget between funds within operating budget as needed to support unplanned costs. Information on all budget transfers is presented to the Board as part of quarterly variance reporting.

Budget Variance Monitoring and Reporting

Budget-to-actual reports on O&M and capital activities are available online and on a real time basis through the Agency's Enterprise Resource Planning (ERP) financial system. The financial system monitors budget consumption and notifies Department Managers and the Budget Officer via email of any budgetary control issues. Department Managers are required to prepare and submit budget variance analysis to the Divisional (Executive) Managers on a quarterly and specific reporting period basis, in accordance with budget variance guidelines.

In addition, the Finance & Accounting department facilitates quarterly sessions with the Executive Management and the Department Managers to review and discuss their responsible cost centers' budget-to-actual variances and department performance goals and report on the progress. Subsequently, staff presents the Agency's quarterly budget-to-actual variances to the Finance, Legal, and Administration Committee and the Board of Directors, along with a report on budgetary fund transfers, and the status of departmental goals and objectives. The on-going budget review process is essential in monitoring year to date operational and capital expenditures. This proactive approach serves as an early warning mechanism to Department managers of any substantial variance in actual spending compared to the budgeted amount.

In the event that the overall adopted O&M Budget or CIP 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 majority approval by the Board is required to amend the budgeted appropriation.

Financial Policies

The Agency's budget is guided and developed in reference to the following financial policies and ordinances which support the IEUA Business Goal of fiscal accountability on funding and appropriation, as well as in compliance with legal requirements.

Reserve Policy. This policy establishes appropriate fund reserves by categories, identified purpose for each category, appropriate target levels, funding sources and conditions under which they are to be used and replenished. It is consistent with sound prudent fiscal practices, compliant with legal requirements, and essential to ensure the Agency can effectively address economic and environmental variability. Periodic review of this policy is performed to ensure they remain relevant and align with Agency policies and strategic goals.

Investment Policy. This policy establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. It encompasses those funds over which the Agency exercises fiscal control, stipulates allowable and unallowable investment alternatives and establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business. It also prioritizes the Agency's public funds management objectives of; safety, liquidity, and yield. This policy is reviewed biennially, or whenever there are recommended changes, whichever occurs first.

Fiscal Ordinance. This ordinance provides a system of financial administration, accounting, and fiscal budgetary control. It also defines the parameters of budget adjustments in operating and non-operating expenditures, as well as the approval requirements. It is periodically reviewed and updated to reflect necessary changes in the IEUA Business Goals and supporting policies. For example, the transition of the Agency's budget from a single year budget to a biennial budget.

Procurement Ordinance. This ordinance establishes procurement thresholds, expenditure (approval) limits, delegated authority, solicitation requirements and protocols to ensuring adequate fiscal controls and transparency of the Agency's expenditures. This ordinance is being reviewed and updated periodically to address changes in procurement or contracting process, or authorization limit.

BUDGET PROCESS

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 all activities as proprietary funds (Enterprise funds), which are used to account for operations that are financed and operated in a manner similar to a private business enterprise. Enterprise funds account for operations that provide essential services on a continuous basis, and are substantially financed by revenue derived from user charges and fees.

The budgets for all of the Agency's proprietary funds are prepared using the accrual basis of accounting; budgeted and actual revenues are recognized when earned, and expenses are recognized as they are incurred, in conformity with Generally Accepted Accounting Principles (GAAP) and consistent with the Agency's Comprehensive Annual Financial Report (CAFR). The only exceptions are those listed below:

- Capital outlay is budgeted as an expenditure
- Capitalized interest is budgeted as interest expense
- Principal payments are shown as expenditures rather than reductions to liabilities and accounted for on a payment due date basis
- Debt proceeds are accounted for as other funding sources
- Grant receipts are recorded as other funding sources rather than contributions in aid
- Payments on long-term receivables are recorded as other funding sources
- Proceeds from the sale of assets are recognized as other funding sources
- Depreciation and amortization are not budgeted
- Losses from sale of assets are not budgeted
- Deferred costs, such as bond financing cost premiums or discounts are fully expensed at the point of issuance and not amortized

MILLERTON LAKE –
SAN JOAGUIN RIVER



REVENUES

REVENUES AND OTHER FUNDING SOURCES

Revenues and Other Funding Sources

The Agency is working towards maintaining a rate structure where revenues generated by a specific program are sufficient to meet that program’s cost of service as well as rehabilitation and replacement (R&R) costs. This provides the basis for specific program rate increases, reduces the need for fund transfers between programs, and minimizes reliance on property taxes.

The Agency’s FY 2015/16 total revenues and other funding sources of \$222.6 million represent an increase of \$7.0 million over the FY 2014/15 projected actual of \$215.6 million. FY 2016/17 total revenues and other funding sources are projected to be \$257.9 million, an increase of \$35.3 million over FY 2015/16. Revenue increases can be attributed to a combination of factors, such as an increase in new connections to the regional wastewater system, new water connection fees, an increase in volume of recycled water sales, and service rate increases to reach cost of service. In addition, SRF loan receipts are increasing in FY 2016/17 as construction begins on the water quality laboratory and various other planned recycled water projects.

Table 4-1: Total Revenues and Other Funding Sources (\$Millions)

Revenues	2015/16 Budget	2016/17 Budget	Description
User Charges	\$67.0	\$76.7	Regional Wastewater Program EDU volumetric service charges, NRW pass through user charges, capacity and surcharges, and monthly meter fees for imported water deliveries.
State and Other Loans	12.3	23.6	State revolving fund loan proceeds for the Recycled Water Capital construction program.
Property Tax	41.1	42.4	Share of the San Bernardino County-wide secured property tax levy and RDA incremental taxes.
Grants	8.9	7.7	Various Federal, State, and Local grants primarily in support of the Agency’s Recycled Water Distribution System capital construction.
Recycled Water Sales	14.0	17.8	Recycled water sales and MWD Local Project Program (LPP) rebate.
Connection Fees	23.3	30.6	New EDU connections to the Regional Wastewater sewer system, and water connection fees to the Regional Water system.
Water Sales	41.4	42.1	Pass-through purchases of MWD imported water (50,000 acre feet).
Other Revenues	14.6	17.0	Various reimbursements for operational and capital expenses, program rebates, and interest earnings.
Total Revenues & Other Funding Sources	\$222.6	\$257.9	



Table 4-2 shows FYs 2015/16 and 2016/17 revenues and funding sources and by program fund, including percent change relative to prior fiscal years. The estimated 3 percent increase from FY 2014/15 can be attributed to a combination of rate increases for the Regional Wastewater and Recycled Water programs and projected growth in new wastewater connections from anticipated new development.

Table 4-2: Total Revenues and Funding Sources by Program (\$Thousands)

	FY 2014/15 Projected Actual	FY 2015/16 Adopted Budget	% Change FY 2015/16 vs. FY 2014/15	FY 2016/17 Adopted Budget	% Change FY 2016/17 vs. FY 2015/16
Administrative Services					
Property Tax	1,666	1,792	8%	1,891	5%
Cost Reimbursement*	1,261	1,391	10%	1,439	3%
Other Revenue**	133	249	87%	313	26%
Total	3,060	3,432	12%	3,643	6%
Non-Reclaimable Wastewater					
User Charges	10,333	11,725	13%	12,144	4%
Other Revenue**	187	202	8%	2,207	993%
Total	10,520	11,927	13%	14,351	20%
Regional Wastewater					
User Charges	45,988	49,696	8%	55,023	11%
Property Tax	34,429	35,806	4%	36,880	3%
Cost Reimbursement*	3,440	3,881	13%	3,619	(7%)
State Loans and Grants	0	4,473	-	11,182	150%
Connection Fees	15,321	22,647	48%	26,161	16%
Other Revenue**	911	1,263	39%	1,457	15%
Total	100,089	117,766	18%	134,322	14%
Recharge Water					
Cost Reimbursement*	1,100	2,279	107%	5,474	140%
State Loans and Grants	0	0	-	60	-
Other Revenue**	15	10	(33%)	10	0%
Total	1,115	2,289	105%	5,544	142%
Recycled Water					
Property Tax	1,979	2,058	4%	2,120	3%
Cost Reimbursement*	530	1,449	173%	718	(50%)
State Loans and Grants	22,580	15,785	(30%)	18,109	15%
Connection Fees	0	683	-	4,475	555%
Water Sales	11,581	14,022	21%	17,814	27%
Other Revenue**	10,603	191	(98%)	216	13%
Total	47,273	34,188	(28%)	43,452	27%

REVENUES AND OTHER FUNDING SOURCES

	FY 2014/15 Projected Actual	FY 2015/16 Adopted Budget	% Change FY 2015/16 vs. FY 2014/15	FY 2016/17 Adopted Budget	% Change FY 2016/17 vs. FY 2015/16
Water Resources					
User Charges	5,817	5,620	(3%)	9,498	69%
Property Tax	1,500	1,500	0%	1,500	0%
Cost Reimbursement*	1,095	1,477	35%	1,500	2%
State Loans and Grants	0	1,000	-	2,000	100%
Water Sales	40,828	41,441	2%	42,062	1%
Other Revenue**	4,314	2,014	(53%)	31	(98%)
Total	53,554	53,052	(1%)	56,591	7%

*Includes cost reimbursements from JPAs, contract cost reimbursements, and capital contract reimbursements.

**Includes interest revenue, other revenue, and inter-fund loan revenue.

User Charges

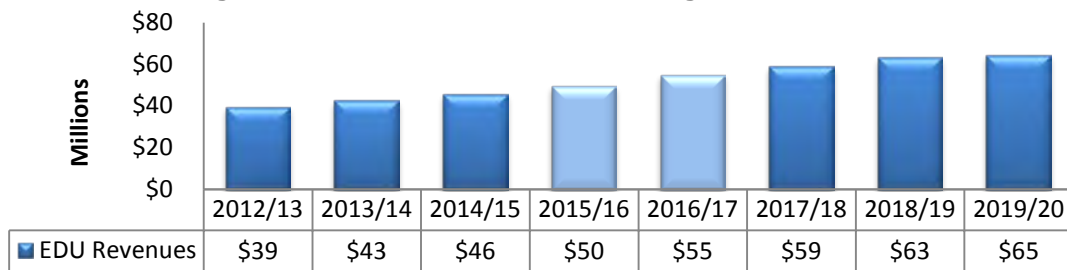
User charges are comprised of two primary user fees: Equivalent Dwelling Units (EDU) volumetric fees paid by users discharging to the Agency’s regional wastewater system, and NRW fees paid by industrial and commercial users connected to the Agency’s brine line system. Also included are surcharges and meter charges on imported water deliveries.

EDU Service Charges

The regional wastewater system growth and available wastewater capacity is reported by Equivalent Dwelling Units or EDUs. EDUs 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 (GPD). EDU service charges support the operations and maintenance of the Regional Wastewater Program and are recorded in the Regional Wastewater Operations & Maintenance (RO) fund.

Total FYs 2015/16 and 2016/17 EDU service charges budgeted in the RO fund are estimated to be \$50 million and \$55.0 million respectively, as shown in Figure 4-1. Future year forecasts include rate increases through FY 2019/20.

Figure 4-1: Total EDU Service Charge Revenues



The adoption of a five-year EDU volumetric rate by the Agency's Board of Directors demonstrates the Agency's commitment to have rates that fully recover the cost of service. Based on the assumption of incremental rate increases, full cost of service, including operating, R&R, and debt service costs is projected to be reached in FY 2018/19. The FY 2015/16 EDU volumetric rate of \$15.89 will be effective on October 1, 2015 and FY 2016/17 rate of \$17.14 will begin on July 1, 2016. The adopted rates for the RO fund are provided in Table 4-3.

Table 4-3: Multi-Year Adopted EDU Volumetric Rate

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Effective Date</i>	10/1/15	7/1/16	7/1/17	7/1/18	7/1/19
EDU Connection Fee	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00

IEUA's service area overall water use has been declining since FY 2006/07, leading to a decrease in the Agency's wastewater flows of approximately 10 percent. Other local agencies in Orange and Los Angeles counties are reporting similar trends. A conservative growth rate of 0.25 percent in the number of billable volumetric EDUs is projected for FY 2015/16 and FY 2016/17 as well as the ensuing fiscal years as shown below on Table 4-4.

Table 4-4: Estimated Growth Rate in the Number of Billable Volumetric EDUs

	2015/16	2016/17	2017/18	2018/19	2019/20
Growth Rate	0.25%	0.25%	0.25%	0.25%	0.25%
Estimated No. of Billable Volumetric EDUs (In thousands)	3,194	3,202	3,210	3,218	3,226

REVENUES AND OTHER FUNDING SOURCES

NRW User Charges

Revenues for the Non-Reclaimable Wastewater (NRW) system consist of cost recovery and user fees in the form of pass-through charges, capital surcharge, and operating fees. The NRW system operated by the Agency is comprised of a North and a South system and is used to export industrial, high-salinity wastewater out of the Agencies service area. The North system conveys the non-reclaimable wastewater to the Sanitation District of Los Angeles County (SDLAC) for treatment and disposal. The South system conveys wastewater through the Brine Line owned by the Santa Ana Watershed Project Authority (SAWPA), and eventually to the Orange County Sanitation Districts (OCSD) for treatment and disposal. Diversion of this high salinity wastewater away from the Agency’s regional water recycling plants contributes to the high-quality recycled water produced by the Agency.

The NRW program pass-through rate structure was initially implemented in FY 2004/05. This pass-through approach allows the Agency to fully recover capacity, volumetric, and strength fees billed by SDLAC for the North system and SAWPA for the South system. In 2014 a new IEUA and SDLAC NRWS Wastewater Disposal agreement became effective as a result of the new agreement different rates apply to the northern and southern systems. The Pass-through rates for both systems are listed on Table 4-5.

Table 4-5: NRW North and South Systems Pass-Through Rates

Rate Description	2014/15	2015/16 Adopted
North System	13,112 CU	13,611 CU
Flow/mg	\$835.80	\$948.00
COD/klb	\$147.84	\$210.00
TSS/klb	\$418.22	\$433.00
Peak/mg	\$317.54	\$360.00
Ad Valorem Tax	5%	5.5%
South System		
Capacity/cu	\$334.43	\$351.17
Flow/mg	\$777.00	\$817.00
BOD/klb	\$295.00	\$301.00



Rate Description	2014/15	2015/16 Adopted
TSS/klb	\$411.00	\$420.00

In addition to the pass-through rates, the user charges include the Agency’s operating and capital costs associated with the operations, maintenance, replacement, and improvement of the NRWS system. These Agency program costs are recovered as follows:

- North System – prorated based on the number of capacity units issued per customer
- South System – a 50 percent operating surcharge is imposed on volumetric, capacity, and strength charges

To promote the use of recycled water throughout the Agency’s service area, the Agency offered a discounted operating surcharge to NRWS customers who converted to recycled water. Beginning in FY 2014/15, the Agency began phasing out the discount by offering an initial credit of 50 percent on the direct delivery recycled water rate. Using the FY 2014/15 direct delivery rate of \$290.00 per AF as the baseline. The discount will decline by 5 percent each fiscal year until it expires on June 30, 2024.

The NRW Program projects total revenues and other funding sources of \$12.1 million and \$14.3 million in FY 2015/16 and FY 2016/17, respectively. Revenues include fees for volumetric, capacity, strength, administrative and operations, capacity fees (CIP) and interest income.

Recycled Water Sales

IEUA began producing recycled water in the 1970s as a low cost alternative to potable water for large irrigation customers. By 2014, IEUA and its local water providers have invested over \$250 million in the Regional Recycled Water Distribution System (RRWDS) to expand beneficial use of high quality recycled water through direct deliveries and groundwater recharge. Optimization of recycled water use helps to reduce reliance on limited and expensive imported water.

In recent years recycled water and groundwater recharge sales began increasing significantly. Sales have increased to an average of over 30,000 acre-feet per year (AFY). This can be attributed in part to the San Bernardino Avenue Lift Station and the Montclair Lift Station that allow the routing of additional raw wastewater to the recycling plants in the northern service area. There is a high demand for recycled water in the northern service area primarily due to the expansion of the Agency’s RRWDS and higher number of groundwater recharge basins.

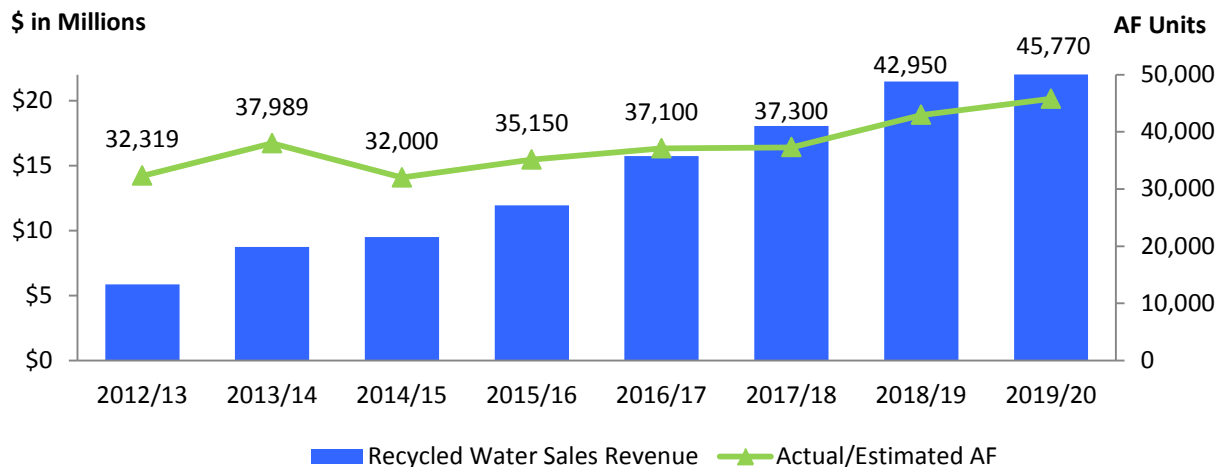
In FY 2015/16 recycled water deliveries are budgeted at 35,150 acre feet (AF), comprised of 23,700 AF in direct deliveries and 11,450 AF in groundwater recharge deliveries. FY 2016/17

REVENUES AND OTHER FUNDING SOURCES

direct and groundwater recharge deliveries are budgeted at 24,200 AF and 12,900 AF, respectively, for a total of 37,100 AF. The increase in deliveries in these years can be attributed to the completion of the Wineville pipelines and San Sevaine basin improvements projected to be complete in FY 2016/17.

The groundwater recharge rate includes a \$60/AF surcharge to support a portion of the groundwater recharge basin maintenance and improvements costs not reimbursed by Chino Basin Watermaster (CBWM) and the Agency’s pro-rata share of operating costs for recharge basins recharged with recycled water. Figure 4-2 shows the historical, budgeted, and forecasted recycled water deliveries by AF and the respective revenues by fiscal year.

Figure 4-2: Total Recycled Water Sales by Fiscal Year



Total recycled water sales are estimated to generate \$11.9 million in FY 2015/16 and \$15.7 million in FY 2016/17. The Metropolitan Water District (MWD) Local Project Program (LPP) rebate is also budgeted at \$2.1 million for each fiscal year which is based on the recycled water sold in excess of 3,500 AF up to 17,000 AF at a rate of \$154/AF, resulting in a maximum rebate of \$2.1 million per year. The LPP program is scheduled to expire in June 2017.

In May 2015, the Agency’s Board of Directors approved a five year rate, for both direct and recharge recycled water sales as indicated in Table 4-6.

Table 4-6: Recycled Water Multi-Year Rates

	Effective 7/1/15	Effective 10/1/2015	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018	Effective 7/1/2019
Direct Delivery Sales AF Rate	\$290	\$350	\$410	\$470	\$480	\$490
Recharge Delivery Sales AF Rate	\$335	\$410	\$470	\$530	\$540	\$550

State Loans

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 the State Water Resources Control Board (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 to promote the use of recycled water, water reuse, and water reclamation.

In May 2015, the Governor of California proposed \$2.2 billion of Proposition 1 funding to continue the state's response to drought impacts. These Emergency Drought Response programs provide funding for water projects including groundwater storage, storm water management, water recycling, and wastewater treatment among others. These funds are made available through the 2014 Water Bond, which authorized \$7.5 billion in general obligation bonds for water projects in the State of California.

The Agency submitted a pre-application for an SRF loan and Proposition 1 grant for \$45 million in support of the 2015 Drought Relief Recycled Water Supply Optimization Program Phase 1 (Optimization Program). The Optimization Program is comprised of IEUA and member agency water recycling infrastructure projects and will deliver an estimated 5,000 acre-feet per year (AFY) of recycled water. This will bring the Agency closer to its goal of 50,000 AFY of recycled water deliveries by 2025.

Currently the Agency has a \$26 million, 1 percent, 30-year SRF loan for Recycled Water projects, and a \$17 million, 2.6 percent, 30-year SRF loan for the Water Quality Laboratory projects. The Agency will continue to move forward with emergency drought response projects while awaiting approval for the above mentioned loan. In FY 2015/16 proceeds from state loans are projected to be \$12.3 million, or 5 percent, of the Agency's total revenues and other funding sources. For FY 2016/17 state loan proceeds are projected to be \$23.6 million, or 9 percent, of the Agency's total revenues and other funding sources. Repayment of SRF loans begin one year after the completion of construction. More details on the financing terms and debt service are provided in the Debt Management section.

REVENUES AND OTHER FUNDING SOURCES

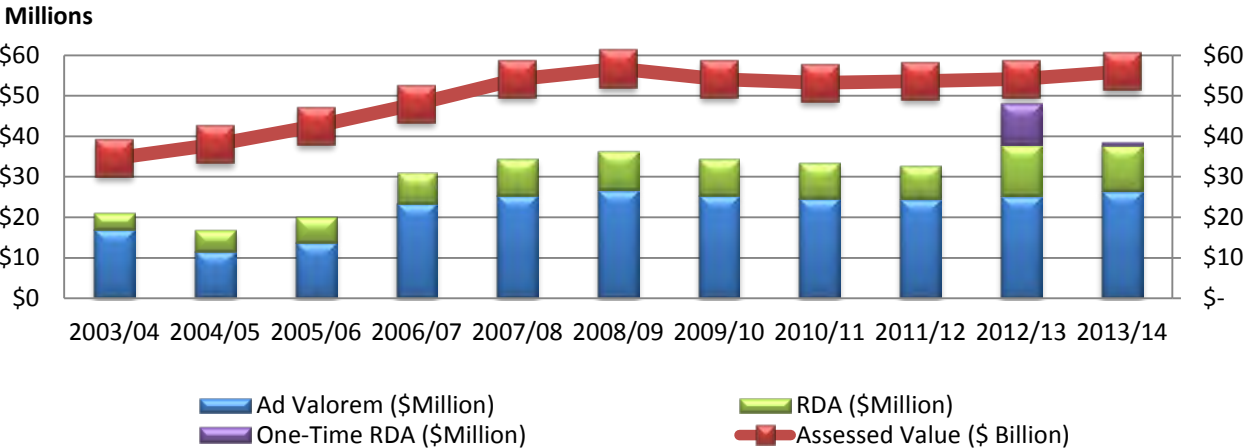
Property Tax Receipts

The Agency receives an allocated share of the San Bernardino County secured property tax levy, pursuant to the California Revenues and Taxation Code. Payments from the County are regulated by the California Teeter Plan which allows taxing agencies to collect 100 percent of assessed taxes each year in lieu of receiving only those taxes actually collected by the County.

A key assumption in the Agency’s long term planning is the continual receipt of property taxes. Although the significant improvement in the State’s fiscal position has lessened the risk of shifts of local revenues to support budget deficits, significant downturn in economic conditions may once again trigger such shifts in the future. Given this uncertainty, the Board is committed to reducing reliance on property taxes to support operating costs and other recurring costs which are more appropriately supported by service charges and fees. A key objective for the Agency is to have full cost of service rates for all programs (Business Goal Fiscal Responsibility). The multi-year rates adopted by the Board for the Regional Wastewater and Recycled Water programs achieve this objective and will allow the investment of property taxes for capital initiatives/projects that support continual economic development in the region and safeguard the quality of life of the residents served through the Agency’s water and sewer member agencies (Business Goal Water Reliability).

The Agency is in the process of completing a series of long term planning documents, including the Facilities Wastewater Master Plan, Integrated Resources Plan, Conservation Plan Update, Energy Master Plan, and the Recycled Water Program Strategy. Projects defined through this process and fully vetted by the member agencies are integrated into the Agency’s Ten Year Capital Improvement Plan and Operating Budget (TYCIP) beginning in FY 2015/16. A key funding source for the approved projects is property taxes. Figure 4-3 shows the historical trend of property tax receipts and assessed property values for the Agency service area.

Figure 4-3: Comparative of Property Tax Receipts and Assessed Property Values





The Agency's apportionment of property tax proceeds from the County of San Bernardino includes:

- General – 1 percent of general property taxes applied to assessed property values within the Agency's service area and paid directly by the County Tax Assessor, including 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 purpose of acquiring, enhancing, and expanding wastewater treatment facilities in the Agency's service area and is allocated 100 percent to the Regional Wastewater Capital Improvement (RC) Fund
- "Pass Through" Taxes – 1 percent of tax increment applied to the redevelopment areas covered under the pass through agreement established prior to the passage of SB1290 (1994) between the Agency and the former Redevelopment Agencies (RDA) and upheld under ABX1 26 (RDA Dissolution Act)

The rapid growth of the Inland Empire since the 1970's has significantly increased property values throughout the Agency's service area. Property tax revenues peaked in FY 2008/09 and then began to decline in response to the 2008 economic downturn. The slow and steady recovery of the housing market and improvement of assessed property values has stabilized property tax receipts and, to some degree, facilitated the Agency's ability to better forecast future trends.

One uncertainty is the distribution of "unobligated funds," from the successor agencies as they wind down the affairs of the former RDAs. In FY 2012/13, the Agency received an additional \$10.2 million in property taxes related to the due diligence reporting (DDR) mandated by the Department of Finance, which required successor agencies to submit any excess or "unobligated" funds not needed to meet the Recognized Obligation Payment schedule (ROPs) to their respective county tax assessor. Although it is anticipated that these types of distributions will continue as successor agencies continue to wind down, it is highly unlikely that future distributions will be of a similar magnitude. Since the timing and the amount of these receipts is difficult to forecast, the Agency's FYs 2015/16 and 2016/17 budget does not include these types of receipts.

The San Bernardino Tax Assessor estimated a 5 percent increase in total property tax receipts for FY 2015/16 and 4 percent increase in FY 2016/17. "A significant reason for the increase is the continuing recovery of the real estate market and the restoration of assessed property values. The Agency projected a more conservative growth in property tax receipts for FY 2015/16 of 4 percent based on projected receipts for FY 2014/15, followed by 3 percent to 2 percent increase in the future years (Table 4-7).

REVENUES AND OTHER FUNDING SOURCES

Table 4-7: Historic and Projected Property Tax Growth Rate

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
3%	5%	4%	3%	3%	2%

Property tax receipts are projected at \$41.1 million for FY 2015/16, (a significant funding source, property taxes represent approximately 19 percent of the Agency’s total revenues of \$222.1 million) which equates to 5 percent more than the FY 2014/15 projection. Beginning in FY 2014/15, the Agency shifted a portion of the property taxes receipt allocation from the Administrative Service (GG) fund to the Water Resources (WW) fund. The re-allocation of property taxes will help support drought resiliency and water reliability projects. No change in the percentage allocation to the RO, RC, and Recycled Water (WC) program is proposed for FY 2015/16 and FY 2016/17 (Table 4-8).

Table 4-8: Property Tax Allocation by Fund (\$Millions)

Fund	Percent	2015/16	2016/17
RC Fund	65%	\$26.8	\$27.6
RO Fund	22%	9.0	9.3
WC Fund	5%	2.0	2.1
WW Fund	4%	1.5	1.5
GG Fund	4%	1.8	1.9
Total		\$41.1	\$42.4

Grant Revenues

As a municipal water district, the Agency is eligible for grants from various federal, state, and local grantors such as:

- United States Bureau of Reclamation (USBR)
- California Department of Parks and Recreation (DPR)
- State Water Resources Control Board (SWRCB)
- Santa Ana Watershed Project Authority (SAWPA)
- Metropolitan Water District of Southern California (MWD)

Grants are an important source of funding for Agency projects. IEUA applies for grants when offered by the SWRCB in conjunction with SRF loans. Grants receipts from the SWRCB are projected in FYs 2015/16 and 2016/17 for the Wineville recycled water pipeline projects and the new operations laboratory project.

The Wineville recycled water project SRF loan is one of the largest SRF loan packages IEUA has received, and includes a \$4,000,000 Proposition 50 grant. The Central Wineville SRF loan package was awarded under the Governor’s “Proclamation of a State of Emergency” an \$800 million Drought Proclamation that was issued on January 17, 2014.

In March 2014, IEUA received from the SWRCB a 30-year SRF loan agreement, and a \$1 million principal forgiveness grant as part of the loan package for the water quality laboratory building project.

SAWPA is the regional watershed planning group for the Santa Ana River Watershed and facilitates efforts to develop a watershed planning framework to guide water resource management. In 2006, California voters passed Proposition 84 to promote the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006. Chapter 2 of the Act authorized \$1 billion for the Integrated Regional Water Management (IRWM) Program which was further allocated into eleven (11) funding regions in California. The Santa Ana Region received \$114 million in the grant funding allocation from the Department of Water Resources (DWR). IEUA was awarded a total of \$3 million for the SAWPA Proposition 84 IRWM grant. The SAWPA grant provides funding for several of IEUA’s recycled water, groundwater, and conservation projects.

FYs 2015/16 and 2016/17 grant receipts are projected to be \$8.9 million and \$7.7 million, respectively, of which approximately 40 percent are in support of recycled water capital projects. Table 4-9 below is a listing of grant receipts for FYs 2015/16 and FY 2016/17.

Table 4-9: Projected Grant Receipts by Grantor (\$Millions)

Grantor	Fund	Project	Description	FY 2015/16	FY 2016/17
SWRCB	Recycled Water	Recycled Water Distribution Systems	Extension of recycled water pipelines	\$2.6	\$2.1
	Regional Wastewater Operations Fund	Water Quality Operations Laboratory	Construction of a 16,000 sq. ft. water quality laboratory	0.5	0.5
SAWPA	Recycled Water	Recycled Water Distribution Systems	To increase recycled water direct use by 1,500 AFY and indirect use by 4,500 AFY	1.0	0.0

REVENUES AND OTHER FUNDING SOURCES

Grantor	Fund	Project	Description	FY 2015/16	FY 2016/17
	Recycled Water	San Sevaine Basin Improvements	For increased infiltration of recycled water, 4,500 AFY, and storm water runoff capture of 2,000 AFY in the Basin	0.8	0.0
	Water Resources Fund	Regional Drought and Water Conservation	Water Use Efficiency Programs	1.0	2.0
	Recharge Water	Lower Day Basin Improvements	Project is expected to capture and recharge an additional 800 AFY of storm water	0	.06
USBR	Regional Wastewater Operations Fund	Groundwater Supply Wells	Project consists of pipelines, wells, and TCE mitigation	3.0	3.0
Total Grant Funding:				\$8.9	\$7.7

The Agency also provides grant administration services to its member agencies and JPA partners. Currently, the Agency grants administration staff is managing the Chino Basin Desalter Authority (CDA) Phase III Expansion project. This project was awarded a combination of five grants from the SWRCB and USBR.

The largest grant of \$52M, awarded by the SWRCB Drinking Water Division, was awarded to enable CDA to meet safe drinking water standards and reduce demand on the Colorado River. Additionally IEUA was authorized \$26 million by the USBR for the Lower Chino Basin Dairy Area Desalination, Reclamation and Reuse Program. IEUA, for CDA, has received a grant of \$5.0 million in support of the \$64.0 million Concentrate Reduction Facility (CRF) project.

- \$52.0 million (CDPH) Proposition 50 grant
 On July 1, 2014 the administration of the Drinking Water Program (DWP) was transferred from the California Department of Public Health (DPH) to the State Water Board. This transfer of responsibility aligns the state’s drinking water and water quality programs in an integrated organizational structure to best position the state to both effectively protect water quality and the public health as it relates to water quality, while meeting current needs and future demands on water supplies.

- \$5.0 million USBR Title XVI Water Reclamation and Reuse Program
 On May 19, 2015, the USBR announced IEUA will be receiving a \$5 million grant award to support the CRF project construction, a core component of the \$150 million CDA Phase 3 Expansion Project.

Regional Wastewater System Connection Fees

The Agency levies a fee on all new connections that connect to its regional sewer system. The regional wastewater connection is planned and designed using a raw wastewater generation factor of 270 gallons per day per equivalent dwelling unit (GPD/EDU) as specified in Exhibit J of the Regional Sewage Service Contract (Regional Contract). One EDU is equivalent to one new connection unit. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the Agency’s regional wastewater system. Pursuant to the Regional Contract, new EDU connection fees are collected by each of the Agency’s contracting member agencies and 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 the identified and projected capital needs of the Agency over the ensuing nine months, as calculated and reported by IEUA each quarter. Capital calls are calculated based on the percentage of each contracting agency’s CCRA account balance relative to the aggregate amount.

The Agency’s Board of Directors approved the adoption of a five year rates in 2015 for the RC fund for Fiscal Years 2015/16 through 2019/20 following an extensive rate study, workshops and peer reviews. Table 4-10 shows the adopted multi-year fees.

Table 4-10: Adopted Multi-Year Regional Wastewater Connection Fees

	2015/16		2016/17		2017/18	2018/19	2019/20
<i>Effective Date</i>	7/01/15	1/01/16	7/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Wastewater Connection Fee /EDU	\$5,107	\$5,415	\$5,415	\$6,009	\$6,309	\$6,624	\$6,955

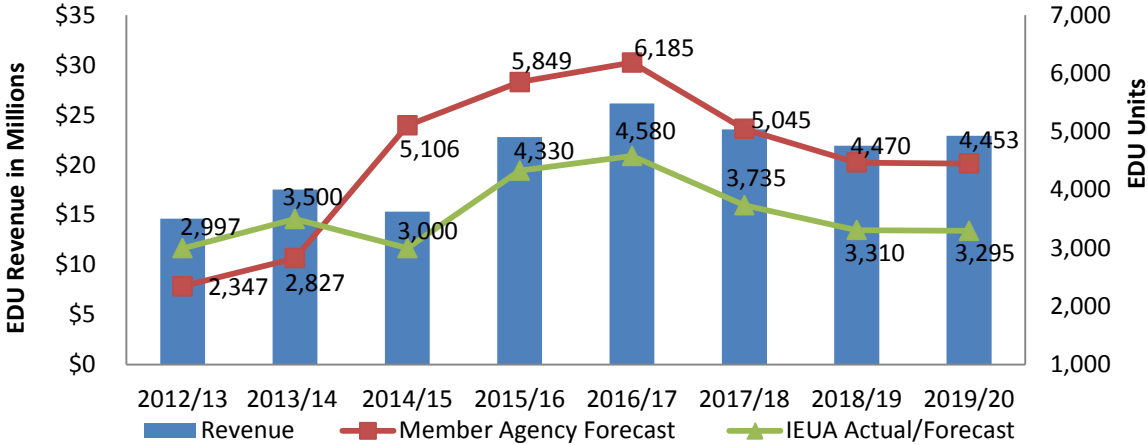
The FY 2015/16 connection fee revenues are projected to be approximately \$22.6 million for a total of 4,330 new connections at an adopted fee of \$5,107 per EDU effective July 1, 2015 and \$5,415 effective January 1, 2016. In FY 2016/17 connection fee revenues are projected at \$26.2 million with a total of 4,580 new connections. In an effort to lessen the impact to the development community of the rate increase, the Board agreed to defer the effective dates for the FY 2015/16 and FY 2016/17 fee increase until January 1st of each year maintaining the current wastewater connection fee unchanged for the first half of the fiscal year.

In accordance with the Regional Contract, the Agency conducts a survey of member agencies to determine the number of new wastewater connections expected for the next ten years. Although projections from the member agencies have historically been more optimistic, the Agency applies more conservative assumptions in forecasting the number of new connections.

REVENUES AND OTHER FUNDING SOURCES

Figure 4-4 shows a comparison of historical and forecasted new wastewater connections between FY 2012/13 and FY 2019/20 by IEUA and its contracting agencies.

**Figure 4-4: Historical and Projected Wastewater Connections
FY 2012/13 to FY 2019/20**



Water Connection Fee

In FY 2015/16 a new water connection fee was established to support future capital investment and expansion of the Agency’s regional water system. The Agency’s regional water system is comprised of potable water, recycled water, and groundwater recharge facilities. Included in IEUA’s long term planning documents is the expansion of the Agency’s RRWDS and groundwater recharge facilities, as well as continual development of local water supplies.

These capital investment projects recorded in the WC, RW, and WW programs will be supported by the new water connection fee. Based on the adopted FYs 2016-2025 TYCIP, over 90 percent of the new water connection fee is designated to capital projects enhancing and expanding the Agency’s RRWDS and groundwater recharge facilities. The remaining amount is allocated to support investment in water resource capital, such as the development of regional water supplies and water resources capital projects, including a small portion of the Agency’s committed contribution to support regional resiliency projects submitted by member agencies.

The water connection fee will be initially set at \$693 per meter equivalent units (MEU) per residential unit (based on 5/8” and 3/4” meter sizes) with an effective date of January 1, 2016, as reported on Table 4-11.

Table 4-11: Multi-Year Adopted Water Connection Fee

	2015/16	2016/17		2017/18	2018/19	2019/20
<i>Effective Date</i>	1/01/16	7/01/16	01/01/17	7/01/17	7/01/18	7/01/19
Water Connection Fee /MEU	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684

The FY 2015/16 water connection fee revenues are projected to be approximately \$683,000 for a total of 985 new connections. In FY 2016/17 connection fee revenues are projected at \$4.5 million with a total of 4,167 new connections. To lessen the impact on new development, the implementation of the connection fee is phased in over a period of 18 months with annual adjustment of 5 percent beginning January 1, 2017.

Potable Water Rates

Currently, the potable water rates are comprised of a monthly meter charge and an AF surcharge imposed on imported water deliveries. Revenue generated from these rates is recorded in the Agency's WW fund. An evaluation of the potable water rates was initiated as part of the rate study conducted by Carrollo. The key objective of the evaluation was to restructure the rates to more equitably align the incurrence and recovery of costs amongst ratepayers. Since the evaluation and analysis is slated for completion in the fall of 2015, no changes to the current rates are proposed for FY 2015/16, as reported on Table 4-12. With the plan for the IEUA Board to adopt the new multiyear rates in the fall of 2015, discussion will resume in July 2015. Table 4-12 includes the adopted FY 2015/16 rates.

Table 4-12: Potable Water Rates

	2014/15 Actual	2015/16 Budget
AF Surcharge	\$15.0	\$15.0
Water Meter Rate/Account	\$2.105	\$2.105
Meter Equivalent Units (MEU)	n/a	n/a

REVENUES AND OTHER FUNDING SOURCES

Inter-Fund Loans

Inter-fund loans are used as needed to supplement capital costs, debt service costs, or operating costs not supported by rates or fund reserves. Proceeds from inter-fund loan receipts are reported as part of other funding sources in the receiving fund and the fund issuing the inter-fund loan reports the corresponding amount as part of its debt service cost. Payments are recorded in reverse in future years.

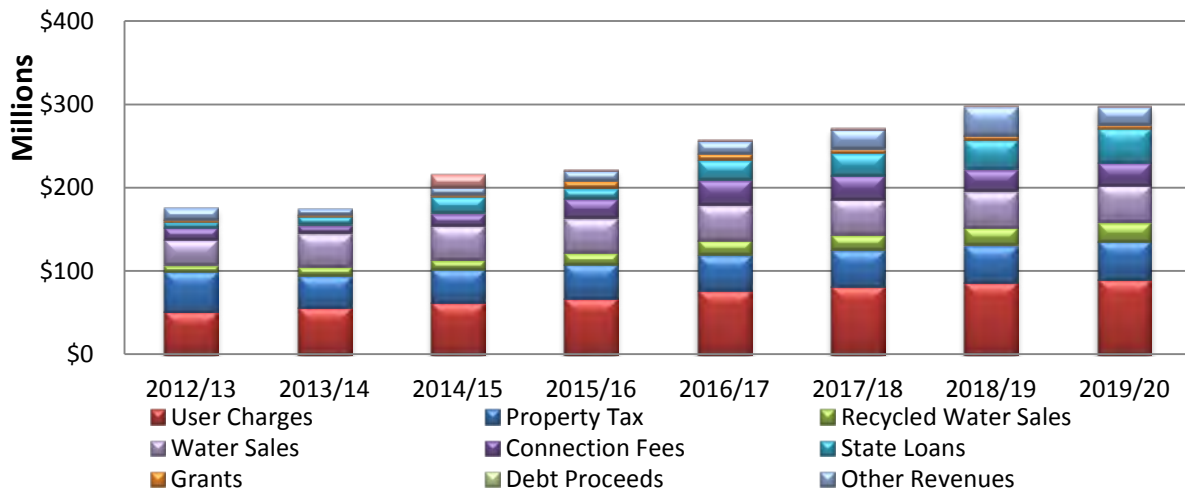
In FY 2015/16 the WW fund is projected to receive a \$2.0 million inter-fund loan from the GG fund to support the implementation and administration of regional drought and conservation projects. In FY 2013/14 the Board approved an additional inter-fund loan of \$5.5 million from the RC fund to the WC fund to support ongoing capital construction costs. Due to the timing of the SRF loan proceeds, and the required cash flow for completion of the Wineville recycled water projects near the end of FY 2014/15, the inter-fund loan supported from RC fund to WC fund of \$5.5 million was increased to \$10.5 million.

Table 4-13: Repayment Schedule of Inter-Fund Loans (\$Millions)

Inter Fund Loan Issued	From	To	Loan Amount	Proposed Repayment Amount 2015/16	Repayment Schedule
2007/08	Non-Reclaimable Wastewater (NC) Fund	Recycled Water	\$9.0	\$0	2016/17 \$2.0 2017/18 \$2.0 2018/19 \$1.0 2019/20 \$1.0 2020/21 \$3.0 Total \$9.0
2007/08	Regional Wastewater Capital (RC) Fund	Recycled Water	\$3.0	\$0	2022/23 \$1.0 2023/24 \$1.0 2024/25 \$1.0 Total \$3.0
2009/10	Non-Reclaimable Wastewater (NC) Fund	Recycled Water	\$6.0	\$0	2020/21 \$2.0 2021/22 \$3.0 2022/23 \$1.0 Total \$6.0
2014/15	Regional Wastewater Capital (RC) Fund	Recycled Water	\$10.5	\$0	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5 Total \$10.5
2014/15	Administrative Services (GG) Fund	Water Fund	\$4.3	\$0	To be determined
		Grand Total	\$32.8	\$0	\$29.7

The increase in total revenue and other funding sources, as shown in Figure 4-5, is due to a combination of the adopted multi-year rates for the Regional Wastewater and Recycled Water programs, higher number of new connections from new development, increase in property tax receipts, as well as federal, state loans, and grants proceeds supporting the construction of recycled water distribution system and a water quality laboratory account.

Figure 4-5: Historic and Projected Trend of Total Revenues & Other Funding Source by Type



*Other revenues include: reimbursements from JPAs, contract costs, or capital contracts, and interest revenue.

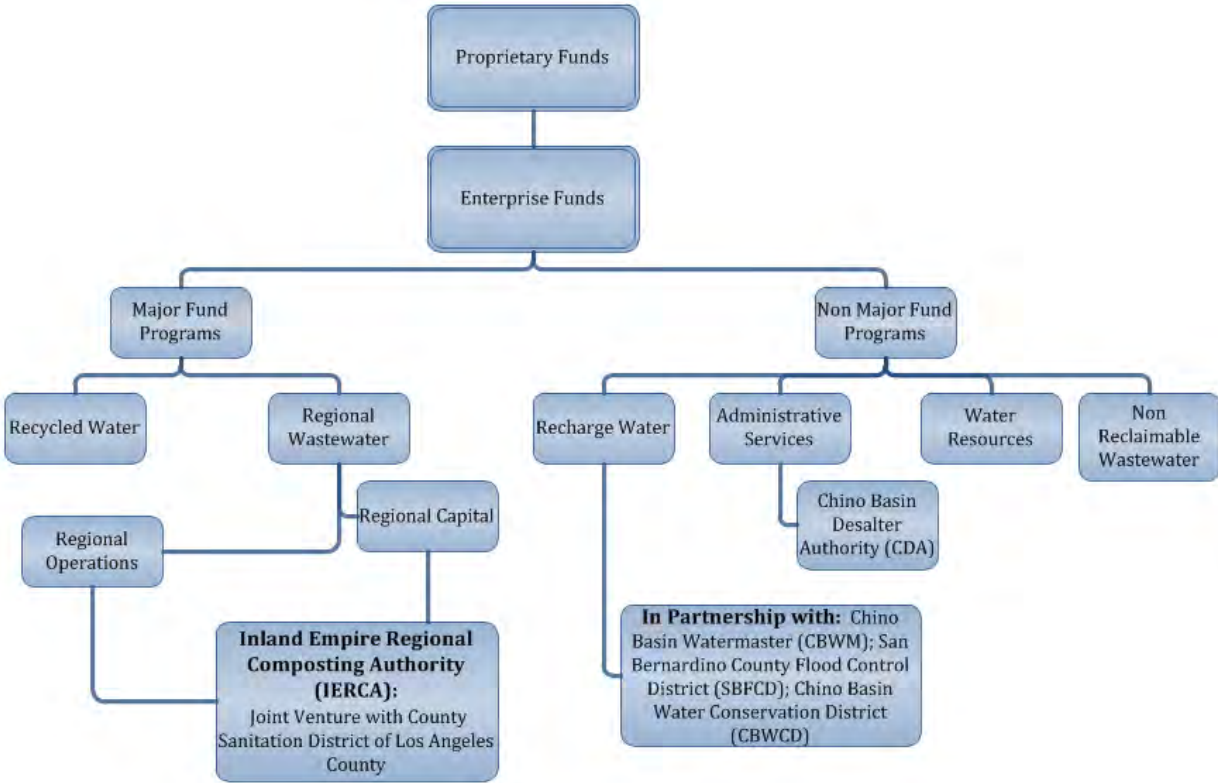


PARCHED AQUEDUCT
VICTORVILLE, CA

PROGRAMS/FUNDS

FUND STRUCTURE

**Figure 5-1: Inland Empire Utilities Agency (IEUA)
Fund Structure**



As a municipal water district, the Agency engages in enterprise operations in various separate and distinct activities, including:

- Wholesale distribution of imported potable water delivered by the Metropolitan Water District of Southern California (MWD) and regional planning, management, and conservation of water resources
- Collection and treatment of domestic wastewater and the construction, improvement, replacement, and repair of regional conveyance and water recycling plant facilities
- Purveyor of recycled water and construction of the Regional Recycled Water Distribution system, including support of the related retrofits and lateral construction
- Maintenance of regional groundwater recharge basins in collaboration with Chino Basin Watermaster (CBWM) to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water
- Organics management through effective operation of the Inland Empire Regional Composting Authority (IERCA) indoor composting facility designed to produce high-quality compost, in partnership with the County Sanitation District No. 2 of Los Angeles County (CSDLAC). These costs are recorded in the Regional Wastewater Operations & Maintenance (RO) Fund

- Ongoing expansion of the Agency's renewable energy portfolio to continue towards the goal of achieving energy independence by 2020 through solar, wind, fuel cells, and bio-gas renewable energy generation
- Operations and maintenance of the non-reclaimable wastewater system to export high-salinity industrial wastewater generated within the IEUA service area for discharge to the Pacific Ocean, and to protect the quality of the Agency's recycled water, and
- Operations and maintenance support of the Chino Desalter No. 1 facility and grants administration on behalf of the Chino Basin Desalter Authority (CDA). Reimbursements of related costs from CDA are recorded in the Administrative Services Fund.

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, with the exceptions summarized in section 3 Budget Process, pages 3-5. The Agency develops its sources and uses of funds estimates for the annual budget in a manner consistent with Generally Accepted Accounting Principles (GAAP). Financial resources are allocated to and accounted for in individual funds based upon the purposes of which they are to be spent and 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 support of a particular program or activity is necessary. All of the programs' (funds') budgets are appropriated upon approval and adoption of the annual budget by the Agency's Board of Directors.

Each individual enterprise fund includes both capital and operations budgets, and is defined as a fiscal and accounting entity with a self-balancing set of accounts. Each enterprise fund records 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. Each fund is classified as either a major fund or non-major fund group as prescribed by Governmental Accounting Standard Board (GASB) 34. The following definitions of Major and Non-Major Funds are consistent with the Agency's audited Comprehensive Annual Financial Report (CAFR).

Major Funds

The Regional Wastewater and Recycled Water Program funds make up the major fund Group. These funds 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 facilities and the recycled water distribution system.

FUND STRUCTURE

Non-Major Funds

The Non-Reclaimable Wastewater Program, Administrative Services, Recharge Water, and Water Resources funds are designated as the non-major funds. These funds record capital and operating costs associated with: the acquisition, expansion, and construction of the interceptors and appurtenant facilities and treatment capacity of non-reclaimable wastewater processing plants, the administrative and overhead expenses for the various departments, the operational and administrative support for the Chino Basin Desalter, the purchase of common Agency assets, the operations and maintenance of ground water recharge basins, the management and distribution of wholesale of potable water, the development and implementation of regional water conservation initiatives, and the planning for water resources.

Details on each program fund's initiatives, activities, and budget are provided in the individual program fund section. A summary of the Agency's various program budgets is provided in the following schedule, Sources and Uses of Funds – By Program Fund.



Regional Water Recycling Plant No. 1 (RP-1)



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (In Thousands)**

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16 PROPOSED BUDGET							FY 2016/17	
	ACTUAL	ACTUAL	PROJECTED ACTUAL	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	\$51,184	\$55,989	\$62,138	\$0	\$11,725	\$0	\$49,696	\$0	\$0	\$5,620	\$67,041	\$76,665
Property Tax	3,789	3,144	1,666	1,793	0	\$0	0	0	0	0	1,793	1,891
Cost Reimbursement JPA	5,397	4,960	5,203	1,391	0	\$0	3,350	742	0	0	5,483	5,738
Contract Cost reimbursement	1,123	602	1,193	0	0	\$0	531	50	5	1,477	2,063	1,593
Interest Revenue	1,179	551	623	215	85	\$365	154	10	192	14	1,036	1,321
Recycled Water Sales	34,855	10,831	11,582	0	0	\$0	0	0	14,022	0	14,022	17,814
Water Sales	0	40,225	40,828	0	0	\$0	0	0	0	41,441	41,441	42,062
TOTAL REVENUES	\$101,061	\$116,301	\$123,234	\$3,398	\$11,810	\$365	\$53,731	\$802	\$14,219	\$48,552	\$132,878	\$147,085
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$44,268	\$35,343	\$37,908	\$0	\$0	\$26,752	\$9,054	\$0	\$2,058	\$1,500	\$39,364	\$40,500
Regional System Connection Fees	14,614	9,789	15,321	0	0	\$22,647	0	0	683	0	23,329	30,636
State Loans	6,350	10,178	20,243	0	0	0	948	0	11,367	0	12,315	23,641
Grants	2,775	2,372	2,338	0	0	0	3,525	0	4,417	1,000	8,942	7,710
Sale of Assets	4,805	48	0	0	0	0	0	0	0	0	0	0
Capital Cost Reimbursement	362	550	1,030	0	0	0	0	1,487	1,444	0	2,931	5,419
Other Revenues	1,639	1,006	732	34	117	6	738	0	0	0	895	913
Sale of Capacity	215	0	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	14,808	0	0	0	0	0	0	2,000	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$75,029	\$59,286	\$92,379	\$34	\$117	\$49,405	\$14,265	\$1,487	\$19,969	\$4,500	\$89,777	\$110,819
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$176,091	\$175,587	\$215,613	\$3,432	\$11,927	\$49,770	\$67,997	\$2,289	\$34,188	\$53,052	\$222,654	\$257,904
EXPENSES												
Employment Expenses	\$31,945	\$33,166	\$39,381	\$2,030	\$2,030	\$3,013	\$27,887	\$650	\$3,249	\$1,750	\$40,610	\$42,737
Contract Work/Special Projects	3,666	2,623	7,809	1,425	210	850	10,445	100	2,100	7,077	22,207	16,117
Utilities	8,773	9,586	10,428	699	72	0	7,381	122	2,877	0	11,150	11,617
Operating Fees	7,060	8,658	13,046	6	7,020	240	2,274	5	198	3,562	13,306	13,651
Chemicals	3,736	4,245	3,981	0	170	0	4,225	0	0	0	4,395	4,524
Professional Fees and Services	6,208	6,902	7,629	4,254	150	300	3,216	530	643	157	9,250	8,539
Office and Administrative expenses	1,282	1,431	1,518	1,575	0	0	406	16	0	60	2,057	2,465
Biosolids Recycling	3,398	3,567	3,991	25	25	0	4,233	76	0	0	4,359	4,300
Materials & Supplies	2,495	2,509	2,514	438	106	0	2,005	82	169	0	2,799	2,883
Operation Contribution to IERCA	71	0	0	0	0	0	0	0	0	0	0	0
MWD Water Purchases	30,754	40,225	40,828	0	0	0	0	0	0	41,441	41,441	42,062
Other Expenses	2,851	2,228	1,371	(7,921)	598	1,605	5,652	0	1,356	406	1,697	1,596
TOTAL EXPENSES	\$102,238	\$115,139	\$132,496	\$2,532	\$10,382	\$6,008	\$67,723	\$1,580	\$10,592	\$54,453	\$153,270	\$150,492
CAPITAL PROGRAM												
CSDLAC 4Rs	\$1,206	\$776	\$738	\$0	\$738	\$0	\$0	\$0	\$0	\$0	\$738	\$738
IERCA investment	500	0	500	0	0	0	0	0	0	0	0	500
Capital Construction and Expansion	21,271	21,562	52,561	1,770	600	11,960	11,071	1,455	16,293	0	43,149	51,292
TOTAL CAPITAL PROGRAM	\$22,977	\$22,338	\$53,799	\$1,770	\$1,338	\$11,960	\$11,071	\$1,455	\$16,293	\$0	\$43,886	\$52,530
DEBT SERVICE												
Financial Expenses	\$205	(\$146)	\$3,847	\$18	\$2	\$381	\$2	\$145	\$2	\$0	\$549	\$349
Interest	10,015	9,063	9,526	0	385	6,043	214	143	2,816	0	9,601	9,810
Principal	11,307	11,629	26,612	0	159	7,078	0	632	3,412	0	11,281	12,528
Short Term Inter-Fund Loan	0	0	14,830	2,000	0	0	0	0	0	32	2,032	2,032
TOTAL DEBT SERVICE	\$21,526	\$20,546	\$54,815	\$2,018	\$545	\$13,502	\$216	\$920	\$6,230	\$32	\$23,463	\$24,718
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$0	\$0	\$1,059	(\$36)	(\$1,069)	\$82	\$315	(\$351)	\$0	\$0	\$0
Debt Service	0	0	0	0	0	(1,925)	0	460	1,465	0	0	0
Operation support	0	0	0	0	0	(6,000)	6,000	466	(466)	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$0	\$0	\$1,059	(\$36)	(\$8,994)	\$6,082	\$1,241	\$648	\$0	\$0	\$0
FUND BALANCE												
Net Increase (Decrease)	\$29,419	\$4,999	(\$25,497)	(\$1,118)	(\$180)	\$4,988	(\$1,492)	(\$364)	\$1,593	(\$1,391)	\$2,036	\$30,165
Beginning Fund Balance July 01	116,714	146,133	151,132	21,809	3,080	48,333	33,545	3,107	12,798	2,963	125,635	127,671
ENDING BALANCE AT JUNE 30	\$146,133	\$151,132	\$125,635	\$20,691	\$2,900	\$53,321	\$32,053	\$2,743	\$14,391	\$1,572	\$127,671	\$157,836
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$21,198	\$23,910	\$27,423	\$1,066	\$1,051	\$0	\$18,458	\$1,744	\$3,637	\$1,572	\$27,527	\$27,606
Capital Expansion & Replacement	26,446	18,993	8,363	0	566	3,821	0	500	4,461	0	9,349	13,284
CCRA Capital Construction	28,247	36,785	25,106	0	0	30,885	0	0	0	0	30,885	40,021
Rehabilitation/Replacement Reserve	17,694	19,903	15,524	0	0	3,000	13,380	0	500	0	16,880	26,278
CSDLAC Prepayment	1,008	1,008	738	0	738	0	0	0	0	0	738	738
Debt Service & Redemption	27,246	23,048	27,452	0	546	15,615	216	499	5,792	0	22,668	29,285
Insurance & Other	5,519	5,644	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Retirement reserves	18,775	21,842	15,030	13,625	0	0	0	0	0	0	13,625	14,625
ENDING BALANCE AT JUNE 30	\$146,133	\$151,132	\$125,635	\$20,691	\$2,900	\$53,321	\$32,053	\$2,743	\$14,391	\$1,572	\$127,671	\$157,836

ADMINISTRATIVE SERVICES PROGRAM

Programmatic Overview

The Administrative Services (GG) fund serves as the Agency's general fund. The GG fund records revenues and expenses associated with overall Agency labor and administration. Expenses for employment, general and administrative services, capital acquisitions for items such as computers, printer copiers and pooled vehicles, and non-capital and non-project related materials, supplies, tools, and contract services, including landscaping, janitorial, external auditing, etc. are budgeted and expensed in the GG fund.

Systematic allocations to other programs and departments are based on either direct staff participation in specific program activities or projects, frequency of equipment or service usage, or estimated amount of resources needed to support overall program functions. Undistributed costs remain as expenses in the GG fund.

Fund Description

The primary funding sources for the GG fund are property tax receipts, reimbursement for services provided to the Chino Basin Desalter Authority (CDA), and inter-fund transfers from RC, WC, Non-Reclaimable Wastewater (NRW) funds for capital acquisition costs of general use assets.

Cost Allocation

All of the Agency's general and administrative costs and 100 percent of employment costs are initially recorded in the GG fund. Throughout the year, pertinent expenses such as employment, general equipment, and facilities maintenance expenses are allocated to the Agency's various programs and projects.

The GG fund retains approximately 5 percent of unallocated employment expenses and approximately 4 percent of the Agency-wide costs. Table 5-1 below shows the percent allocation of the employment costs by program for FYs 2014/15 and 2015/16. The Personnel section includes a more detailed discussion of the Agency's staffing plan and related cost analysis.



Table 5-1: Employment Costs Allocation

Program	Allocation Percentage		
	2014/15	2015/16	2016/17
Regional Wastewater	68.5%	67.9%	67.9%
Recycled Water	8.5%	8.0%	8.0%
Administrative Services/Chino Basin Desalter Operations	4.0%	5.0%	5.0%
Organics Management/IERCA Operations	8.5%	8.2%	8.2%
Non-Reclaimable Wastewater System	5.5%	5.0%	5.0%
Water Resources	3.0%	4.3%	4.3%
Recharge Water	2.0%	1.6%	1.6%
Total	100%	100%	100%

The Agency provides contract services to other agencies in the forms of financial, treasury and debt management, grants administration, accounts payable and accounts receivable processing, program/project management, and plant operations. Table 5-2 shows the projected costs reimbursements from other agencies for providing IEUA staff support and associated administrative expenses. Reimbursements from the CDA are recorded in the GG fund. Other reimbursements from the Inland Empire Regional Composting Authority (IERCA) and the Chino Basin Water Master (CBWM) are recorded in the Regional Wastewater Operations and Maintenance (RO) fund and Recharge Water (RW) fund, respectively.

Table 5-2: Cost Reimbursements by Agency

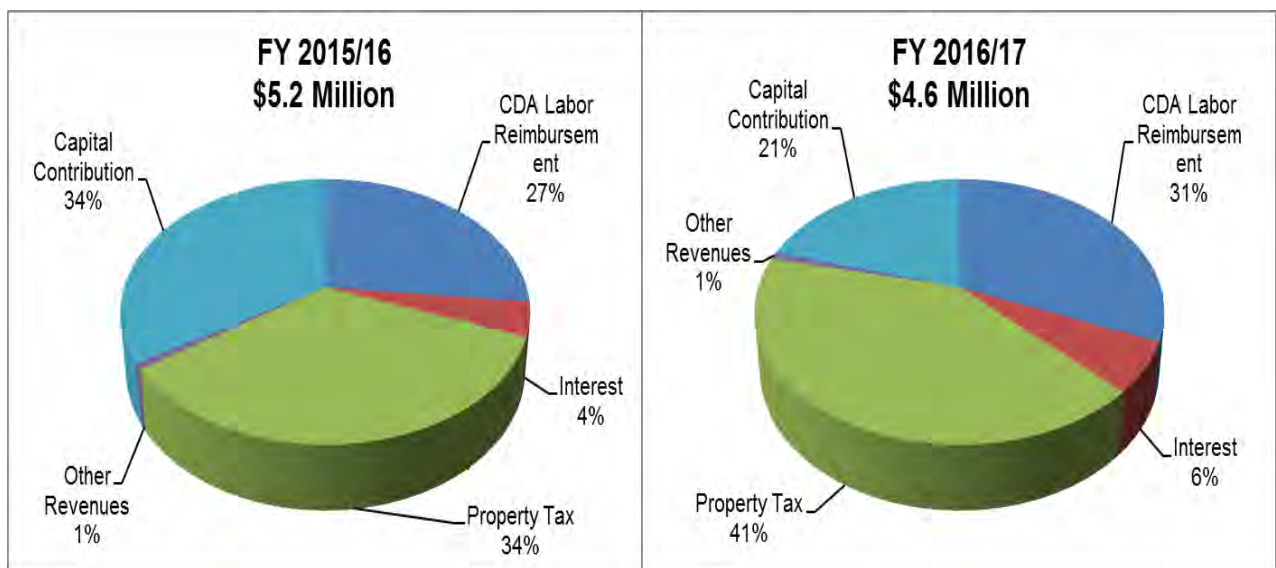
Agency	Expenses	2015/16 \$Millions	2016/17 \$Millions
Chino Basin Desalter Authority (CDA)	IEUA staff support for the operation & maintenance of the Chino Desalter Plant No. 1 located in Chino, CA, and administration for CDA grants.	\$1.4	\$1.4
Inland Empire Regional Composting Authority (IERCA)	IEUA staff labor and overall administrative support for the operation & maintenance of the composting facility in Rancho Cucamonga, CA (labor allocation reimbursement is recorded in RO fund)	3.4	3.5
Chino Basin Watermaster (CBWM)	IEUA staff labor and administrative costs for the operation & maintenance of groundwater recharge basins and debt service costs associated with the certain improvements to groundwater recharge facilities (reimbursement is recorded in the RW fund)	0.6	0.7
Total		\$5.4	\$5.6

ADMINISTRATIVE SERVICES PROGRAM

Revenues and Other Funding Sources

The FY 2015/16 GG fund budget projects \$5.2 million of total revenues and other funding sources which includes: property tax receipts of \$1.8 million, operations and labor cost reimbursement from the CDA of \$1.4 million, interest income \$0.2 million, and an inter-fund transfer of \$1.8 million for capital acquisition and replacement support from the RC, NRW, and WC programs. The FY 2016/17 total revenue and other funding sources are estimated at \$4.6 million. The decrease is due to lower capital expenditures (Figure 5-2).

Figure 5-2: Revenues & Other Funding Sources



The Agency's total property tax receipts are projected to increase by 4 percent compared to the prior fiscal year due to improved economic conditions and the slight increase in property assessment values throughout San Bernardino County. The property tax allocation to the GG fund is reduced from 8% to 4.4%, with the difference shifted to the Water Resources (WW) fund beginning in FY 2014/15 to support regional integrated water resource management. Table 5-3 provides a summary of GG Fund's revenue and other funding sources, as well as budget assumptions.



Table 5-3: Total Revenues & Other Funding Sources by Category (\$Millions)

Major Revenue Category	2015/16	2016/17	Key Assumptions
Property Tax	\$1.8	\$1.9	Property tax receipts support general administrative costs. Tax allocation reduced from 8% to 4% in FY 2015/16 and in FY 2016/17, to support regional drought and conservation projects budgeted in Water Resources (WW) Fund
Cost Reimbursement from CDA	\$1.4	\$1.4	Operations and labor costs reimbursement from the CDA for operation of the Chino 1 Desalter
Capital Contribution	\$1.8	\$1.0	Inter-fund transfers from RC, WC and NRW funds to support Agency-wide capital expenditures.
Interest and Other Revenue	\$0.2	\$0.3	Interest earned on reserve balance
	\$5.2	\$4.6	

Expenses and Other Uses of Funds

A total of \$58.3 million in Agency-wide administrative and employment expenses are budgeted in the GG fund in FY 2015/16. Approximately 95 percent, or \$45.0 million, of total expenses are allocated to the other Agency programs/funds and to the Joint Power Authority (JPAs) and an estimated \$6 million of labor related expenses are allocated to projects. The net expenses of \$6.3 million remaining in the GG fund include administrative costs, capital expenditures, and the pay down of the Agency's retirement unfunded accrued liability (UAL).

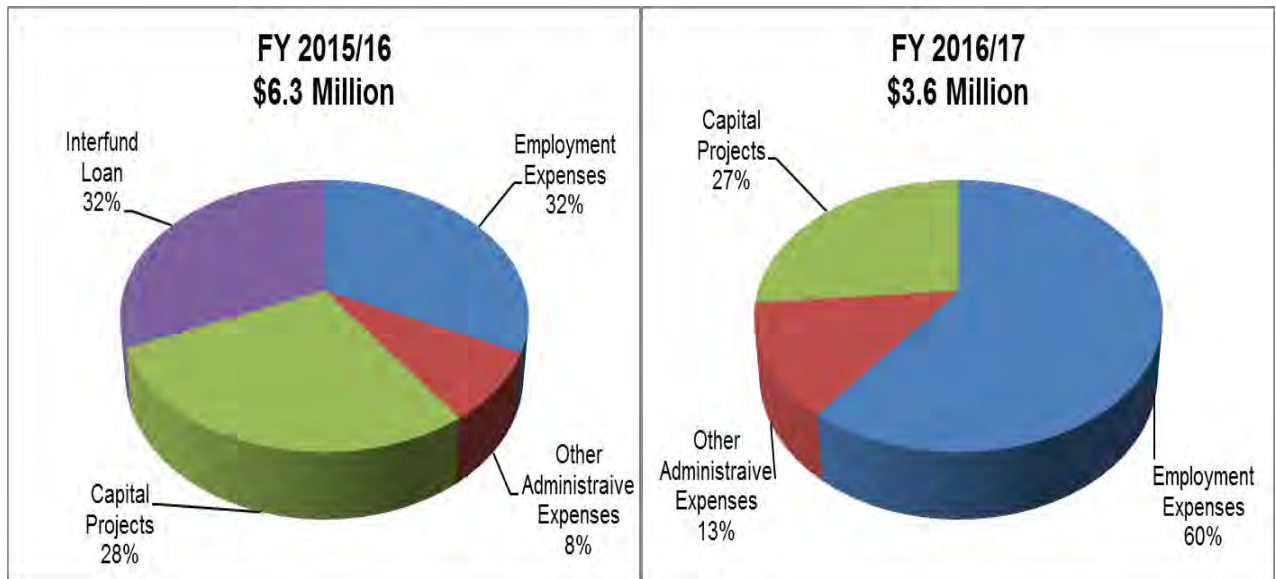
The FY 2015/16 total net uses of funds in the amount of \$6.3 million, includes \$2.0 million of net employment cost, \$1.8 million in capital projects (fully supported by inter-fund transfers from the RC, NRW, and WC funds), \$2.3 million of other administration expenses, and \$2.0 million of the inter-fund loan to the Water Resources (WW) fund to support the expansion of the regional water use efficiency and conservation projects in response to the current drought crisis and the availability of grant funding. The FY 2016/17 total net uses of funds are estimated at \$3.6 million, the decrease from FY 2015/16 is due to zero inter-fund loan, as shown in Figure 5-3 and Table 5-4, GG Fund Net Expenditures.

ADMINISTRATIVE SERVICES PROGRAM

Table 5-4: Total Expenses & Other Uses of Funds (\$Millions)

Major Expense Category	2015/16	2016/17	Key Assumptions
Administrative & Operations	\$2.5	\$2.7	Includes Agency employment, material & supplies, professional fees, utilities, and other operating costs, net of allocation to other Agency programs, and capital projects.
Capital Projects	\$1.8	\$0.9	Includes various capital information system projects, business network improvements, and replacement of aging fleet maintenance vehicles.
Inter-fund Loan	\$2.0	\$0	Inter fund loan to Water Resource program to support regional water resource management initiatives.
Total	\$6.3	\$3.6	

Figure 5-3: Net Expenses & Other Uses of Funds



Employment Expense

There is no increase in the number of authorized full time equivalent (FTE) positions which is maintained at 290 through FY 2019/20. The biennial budget includes a reduction of the Agency's vacancy factor from 8.6 percent (actual average over the past three fiscal years) to 4



percent in FY 2015/16 and 3 percent in FY 2016/17 to support succession planning. Thereafter, the vacancy factor is maintained at 3 percent.

Total new employment costs of \$40.7 million (net of the allocation to CIP of approximately \$6 million), includes wages and benefits. Allocation of employment costs by program fund is shown in Table 5-5 below.

Table 5-5: Net Employment Costs Allocation by Program (\$Millions)

Programs	2015/16	2016/17
RO – Regional Operations and Maintenance	\$24.5	\$25.8
RC – Regional Capital Improvement	3.0	3.2
IERCA Facilities (Reimbursed to the RO fund)	3.4	3.5
WC – Recycled Water Program	3.2	3.4
NC – Non-Reclaimable Wastewater Program	2.0	2.1
Chino Basin Desalter Operations (Reimbursement to the GG fund)	1.4	1.4
GG – Administrative Services	0.7	0.7
WW – Water Resources, including Conservation Programs	1.8	1.9
RW – Recharge Water Program	0.7	0.7
Total	\$40.7*	\$42.7

* Employment expense of \$40.7 million is net of approximately \$6 million of labor costs for capital program

Retirement and Unfunded Accrued Liabilities (UAL)

The Government Accounting Standard Board (GASB) Statement 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45) requires public agencies to recognize postemployment healthcare expense systematically as service is rendered, rather than on a “pay-as-you-go” basis when the benefits are paid or provided at retirement. The Agency implemented GASB 45 in FY 2006/07 and adopted a closed 30 year amortization period. As of July 1, 2014 the remaining amortization period is 22 years.

In accordance with GASB 45, public agencies are required to report the Annual Required Contribution (ARC) as an expense and the cumulative unfunded ARC amount as an accrued liability in their financial statements. The ARC consists of the Normal Cost (present value of future benefits that employees accrue over the course of a year for their service) plus an amortized payment of the UAL for a particular year. As of June 30, 2014, the Agency’s UAL was estimated to be \$12.0 million. Funding of the ARC is included in the Agency’s employment budget each fiscal year.

ADMINISTRATIVE SERVICES PROGRAM

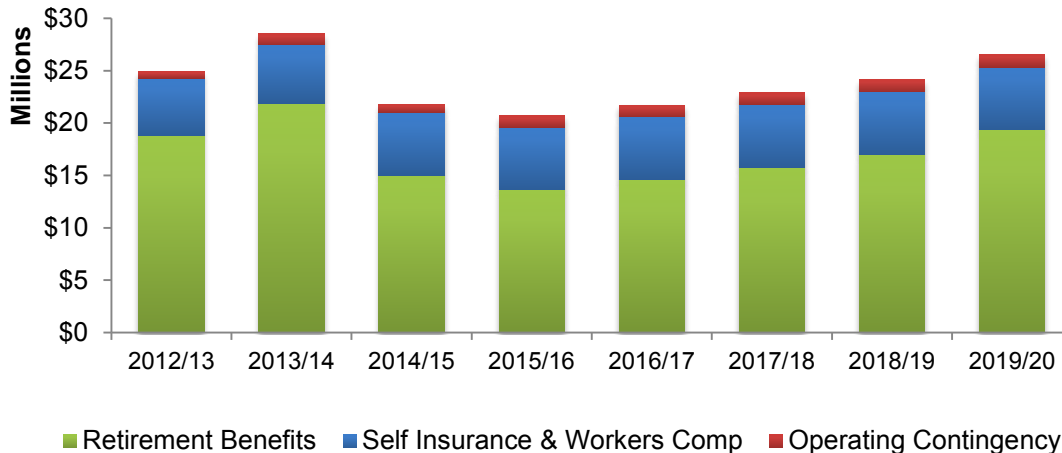
FYs 2015/16 and 2016/17 include contributions towards retirement UAL and Other Post-Employment Benefits (OPEB) UAL following the funded plan approved by the Agency’s Board of Directors in May 2014.

Fund Balance

The estimated fund balances for FYs 2015/16 and 2016/17 are projected to be \$20.7 million and \$21.7 million, respectively. Figure 5-3 shows historical, budgeted, and forecasted fund balance reserves through FY 2019/20. The incremental increase projected through FY 2019/20 is primarily due to the repayment of the inter-fund loan from the WW fund. The GG fund maintains the Agency’s reserves for its self-insurance programs and employee retirement benefits, including pension and OPEB.

The estimated fund balance for FY 2015/16 is comprised of four month operating contingency of \$1.1 million as mandated by bond covenants, \$6.0 million in support of the Agency’s self-insured general liability workers compensation programs, and \$13.6 million for the Agency’s retirement obligations. A self-insurance program was established for risks associated with general liability, property and equipment, and workers compensation since FY 1993/94, and the reserve balance is adjusted annually according to the estimated required level as determined by the Contracts and Facilities Services department.

Figure 5-4: Trend of Administrative Services Ending Fund Balance



FY 2017/18 to FY 2019/20 Forecast

The average ending fund balance for the GG fund in the years following FYs 2015/16 and 2016/17 is projected to be \$24.5 million per year. The repayment of the inter-fund loan from the WW fund and the projected property tax receipts growth of two percent in the ensuing years account for steady increase in the GG fund balances through FY 2019/20.



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
GG FUND - SOURCES AND USES OF FUNDS**

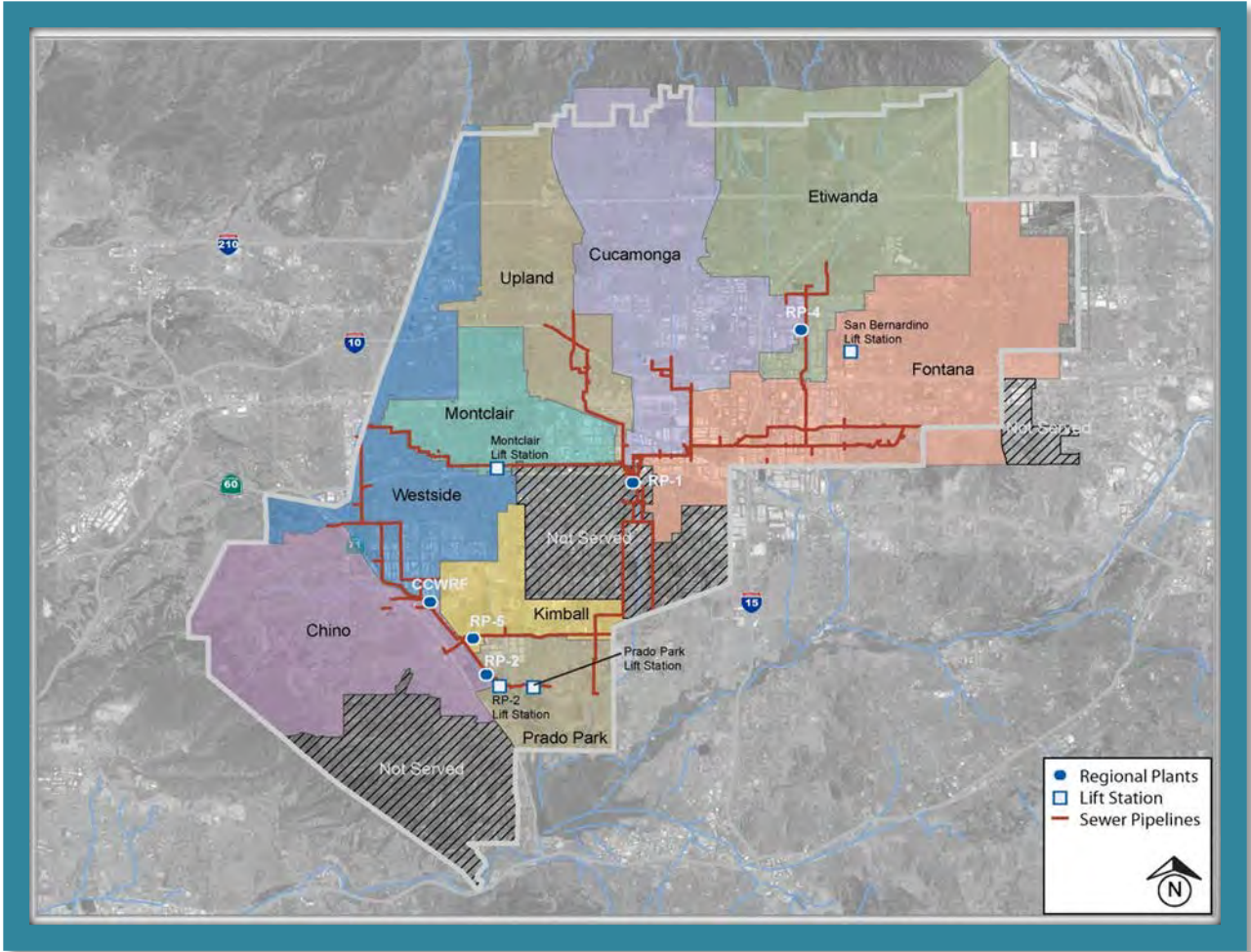
	2012/2013	2013/2014	2014/2015		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST	FORECAST	FORECAST
REVENUES AND OTHER FINANCING SOURCES									
User Charges									
Property Tax	\$3,788,896	\$3,143,689	\$3,216,278	\$1,665,895	\$1,792,530	\$1,891,306	\$1,993,045	\$2,062,906	\$2,134,165
Cost Reimbursement from JPA	1,387,408	1,186,921	1,225,071	1,261,321	1,390,618	1,439,290	1,468,076	1,497,437	1,527,386
Contract Cost reimbursement	179,144	23,947	-	-	-	-	-	-	-
Interest Revenue	101,224	100,628	110,000	110,000	215,000	279,000	347,000	422,000	503,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$5,456,673	\$4,455,185	\$4,551,349	\$3,037,216	\$3,398,148	\$3,609,596	\$3,808,121	\$3,982,343	\$4,164,551
OTHER FINANCING SOURCES									
Grants	\$1,047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	6,386	180,716	2,000	23,541	33,541	33,541	49,311	65,081	1,055,081
TOTAL OTHER FINANCING SOURCES	\$7,433	\$180,716	\$2,000	\$23,541	\$33,541	\$33,541	\$49,311	\$65,081	\$1,055,081
EXPENSES									
Employment Expenses	(\$1,093,085)	\$30,233	\$1,258,427	\$1,575,230	\$2,030,495	\$2,136,867	\$2,246,964	\$2,311,198	\$2,374,025
Contract Work/Special Projects	1,834	31,872	843,352	843,352	1,425,000	450,000	150,000	150,000	500,000
Utilities	426,417	467,771	605,821	653,021	698,606	722,594	744,025	766,033	788,633
Operating Fees	5,975	6,427	7,427	6,427	6,427	6,427	6,427	6,427	6,427
Professional Fees and Services	2,434,591	2,582,579	3,514,762	3,254,954	4,254,276	3,967,202	3,582,142	3,638,585	3,712,137
Office and Administrative expenses	1,248,623	1,364,147	1,630,171	1,276,123	1,575,324	1,983,016	1,833,513	2,144,504	1,873,759
Biosolids Recycling	0	15,708	25,000	25,000	25,000	25,000	25,750	26,523	27,318
Materials & Supplies	631,090	653,872	578,186	355,719	438,029	504,877	557,120	564,785	580,361
Other Expenses	(1,142,713)	(1,426,522)	(6,347,046)	(6,031,148)	(7,921,151)	(7,201,720)	(6,485,490)	(6,859,827)	(7,040,054)
TOTAL EXPENSES	\$2,512,730	\$3,726,088	\$2,116,101	\$1,958,679	\$2,532,006	\$2,594,263	\$2,660,451	\$2,748,226	\$2,822,605
CAPITAL PROGRAM									
Capital Expansion & Construction (WIP)	\$2,174,944	\$1,642,859	\$2,348,665	\$1,761,499	\$1,770,207	\$938,327	\$821,000	\$415,000	\$415,000
TOTAL CAPITAL PROGRAM	\$2,174,944	\$1,642,859	\$2,348,665	\$1,761,499	\$1,770,207	\$938,327	\$821,000	\$415,000	\$415,000
DEBT SERVICE									
Financial Expenses	\$2,394	\$13,791	\$3,512,500	\$3,512,500	\$17,975	\$18,075	\$18,200	\$18,300	\$18,350
Short Term Inter-Fund Loan	-	-	4,308,104	4,308,104	2,000,000	-	-	-	-
TOTAL DEBT SERVICE	\$2,382	\$13,841	\$7,820,604	\$7,820,604	\$2,017,975	\$18,075	\$18,200	\$18,300	\$18,350
TRANSFERS IN (OUT)									
Capital Contribution	\$2,174,945	\$1,642,859	\$2,348,665	\$1,761,499	\$1,058,961	\$570,609	\$471,666	\$226,775	\$48,217
Capital - Connection Fees Allocation	-	-	-	-	684,096	354,645	337,591	180,229	354,645
One Water	-	-	-	-	27,150	13,073	11,743	7,996	12,139
Property Tax Transfer	-	2,700,000	-	-	-	-	-	-	-
TOTAL INTERFUND TRANSFERS IN (OUT)	\$2,174,945	\$4,342,859	\$2,348,665	\$1,761,499	\$1,770,207	\$938,327	\$821,000	\$415,000	\$415,000
FUND BALANCE									
Net Income (Loss)	\$2,948,995	\$3,595,972	(\$5,383,357)	(\$6,718,526)	(\$1,118,293)	\$1,030,799	\$1,178,781	\$1,280,898	\$2,378,677
Beginning Fund Balance July 01	\$21,982,897	\$24,931,892	\$28,527,865	\$28,527,865	\$21,809,340	\$20,691,048	\$21,721,847	\$22,900,628	\$24,181,526
ENDING FUND BALANCE AT JUNE 30	\$24,931,891	\$28,527,864	\$23,144,508	\$21,809,339	\$20,691,047	\$21,721,846	\$22,900,628	\$24,181,526	\$26,560,203
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$637,580	\$1,042,032	\$858,051	\$779,339	\$1,066,002	\$1,097,132	\$1,130,226	\$1,174,113	\$1,211,302
Insurance & Other	5,518,964	5,643,964	6,000,001	6,000,001	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Retirement reserves	18,775,347	21,841,868	16,286,456	15,029,998	13,625,046	14,624,715	15,770,402	17,007,412	19,348,900
ENDING BALANCE AT JUNE 30	\$24,931,891	\$28,527,864	\$23,144,508	\$21,809,339	\$20,691,048	\$21,721,847	\$22,900,628	\$24,181,525	\$26,560,202

REGIONAL WASTEWATER PROGRAM

Programmatic Overview

The Regional Wastewater program is one of the Agency’s core programs. It includes the collection, treatment, and disposal of municipal wastewater through its regional sewage system for the residents and businesses within its service area. The Agency’s service area (see Figure 5-5) encompasses seven local jurisdictions (cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District in the city of Rancho Cucamonga) that service approximately 850,000 residents in a 242-square mile area of the western San Bernardino County. Through the Regional Sewage Services Contract (Regional Contract) set in place in 1972, the Agency operates five treatment facilities, four of which produce recycled water. On average the Agency collects, treats, and disposes of an average of 54.4 million gallons per day (MGD) of untreated municipal wastewater.

Figure 5-5: Agency Water Recycling Treatment Facilities Service Area Boundaries

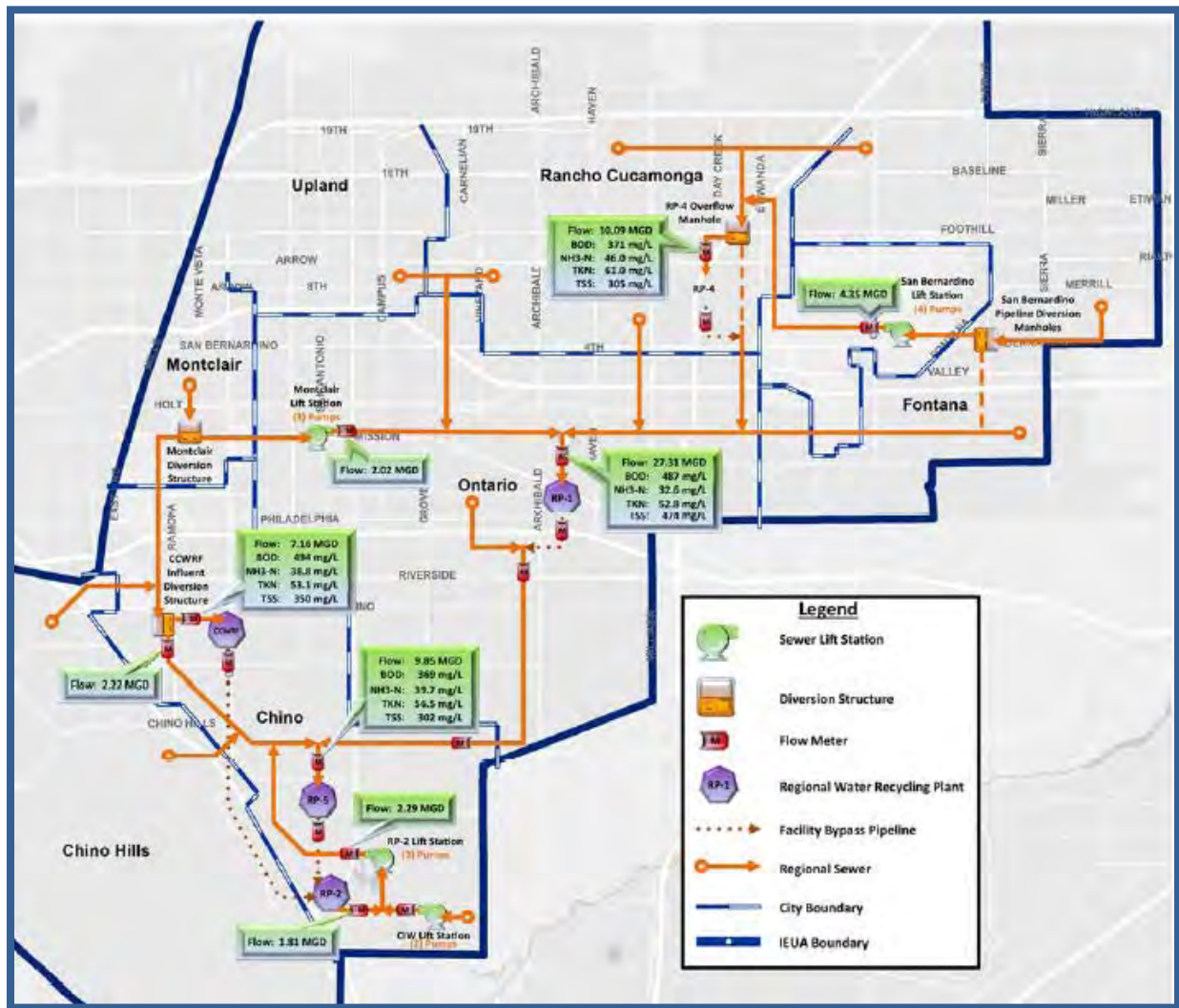


The Agency's Regional Wastewater program receives significant benefits from the three bi-products generated from the treatment of wastewater flows, namely:

- Recycled water – distributed throughout the service area
- Biosolids compost – for wholesale and retail distribution in partnership with SDLAC (Sanitation Districts of Los Angeles County)
- Renewable energy – generated to power the Agency's facilities

Figure 5-6 shows the FY 2013/14 flows being treated at each of the Agency's water recycling facilities. Total raw wastewater flow treated at the Agency's facilities was 52.2 MGD in FY 2013/14 (FY 2014/15 data not available at the time of budget document release).

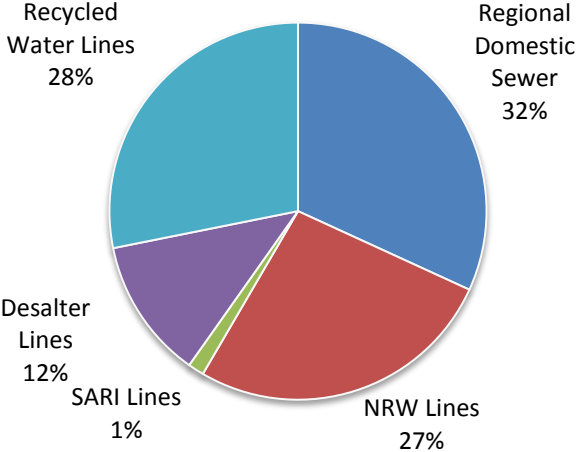
Figure 5-6: FY 2013/14 Regional Wastewater Flows by Facility



REGIONAL WASTEWATER PROGRAM

As shown below in Figure 5-7, approximately 60 percent of the Agency’s 313.12 miles of pipeline infrastructure is designated for the collection of regional municipal and industrial wastewater.

Figure 5-7: 313.12 Miles of Pipeline



Program Fund Description

The Regional Wastewater program consists of the following funds:

- **Regional Wastewater Capital Improvement (RC) Fund** – records the capital, debt, and administration activities related to the acquisition, construction, expansion, improvement, and financing of the Agency’s regional water recycling plants, large sewer interceptors, energy generation, and solids handling facilities.
- **Regional Wastewater Operations & Maintenance (RO) Fund** – accounts for the revenue and operating cost directly related to the collection, treatment, and disposal of domestic sewage treatment service for the contracting agencies, capital replacement and organic management activities, including labor costs to operate and support the Inland Empire Regional Composting Authority (IERCA).

The total FY 2015/16 Regional Wastewater program revenue and funding sources budget is \$117.8 million and \$134.3 million in FY 2016/17. Revenues include user charges, property tax receipts, connection fees, contract cost reimbursement from IERCA, interest and other miscellaneous revenues.

The total FY 2015/16 Regional Wastewater program expenditures budget is \$114.3 million and \$112.3 million in FY 2016/17. Expenses include operating expense, capital costs, debt service, and inter-fund transfers to support debt service costs in the Recharge Water (RW) and Recycled Water (WC) funds, capital support for the Administrative Services (GG) fund, and a

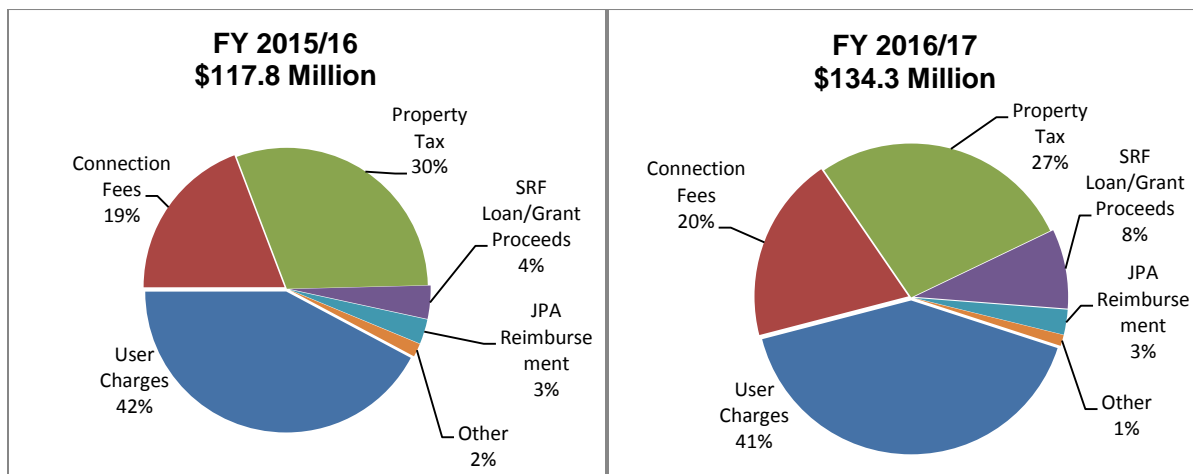
transfer of connection fees to support expansion projects in the GG, RO and Non-Reclaimable Wastewater (NC) funds. Table 5-5 shows total revenue, total expense and beginning and ending fund balances for the Regional Wastewater program.

Table 5-5: Consolidated Regional Wastewater Program Fund Summary (\$Millions)

	2014/15 Projected Actual	2015/16	2016/17	2017/18	2018/19	2019/20
Total Revenue & Other Funding Sources	\$100.0	\$117.8	\$134.3	\$141.4	\$163.8	\$175.7
Total Expenses & Other Uses of Funds	(119.9)	(114.3)	(112.3)	(134.5)	(166.2)	(159.3)
Net Increase (Decrease)	(19.9)	3.5	22.0	6.9	(2.4)	16.4
Beginning Fund Balance	101.8	81.9	85.4	107.4	114.3	111.9
Ending Fund Balance	\$81.9	\$85.4	\$107.4	\$114.3	\$111.9	\$128.3

Figure 5-8 below shows the percentage share of revenue and other funding sources for the Regional Wastewater program with a biennial budget of \$117.8 million in FY 2015/16 and \$134.3 million in FY 2016/17.

Figure 5-8: Regional Wastewater Revenues & Other Funding Sources (\$ Millions)



REGIONAL WASTEWATER PROGRAM

Primary Revenues and Other Funding Sources

The following sections discuss the primary revenues and other funding sources of the Regional Wastewater program.

Connection Fees

The Agency levies a fee to connect to its regional wastewater system. These connection fees, most commonly referred to as “development impact fees,” are collected by each of the Agency’s contracting member agencies, as prescribed in the Regional Contract. Each member agency holds these funds in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or “called” by the Agency. Connection fees are restricted to finance capital acquisition, construction, expansion, equipment, and process improvement costs for the Agency’s regional wastewater system. Capital calls, or connection fee payments of CCRA funds, are based on the identified and projected capital needs of the Agency over the ensuing nine months, as calculated and reported by IEUA each quarter.

The Agency utilizes equivalent dwelling units (EDUs) as a unit for measuring and forecasting the amount of water used by an average household. An EDU is equivalent to 98,550 gallons per year, or 270 gallons per day. Each year the Agency conducts a survey of member agencies to determine the number of new EDU connections expected for the next ten years. Member agencies forecasts indicate 45,279 new EDU connections over the next 10 years, of which nearly 60 percent is anticipated to occur in the IEUA’s southern service area. As a regional provider of wastewater and water services, it is IEUA’s responsibility to ensure the regional wastewater and regional water systems capacity is expanded in a timely and cost effective manner to support future growth.

In preparation of the anticipated growth, IEUA updated its Wastewater Facilities Master Plan (WWFMP). The WWFMP update included a comprehensive assessment of existing treatment capacity, flow projections, loading factors, and flow diversion alternatives to maximize beneficial use of recycled water. Several major wastewater expansion projects were identified and listed in Table 5-13.

In order to secure the financial resources needed for the timely execution of major wastewater projects to support future growth, a rate analysis of IEUA’s regional wastewater connection fee was conducted. The rate study determined an increase to the existing connection fee was needed to adequately support future expansion and improvement of IEUA’s regional wastewater system.

The Agency conducted numerous workshops with member agencies and stakeholders, who were actively engaged in reviewing and evaluating the proposed rates. In order to lessen the impact of the proposed new rate on the development community, the Agency’s Board of Directors (Board) agreed to maintain the current rate through December 31, 2015 and to phase in the rate increase through FY 2019/20.

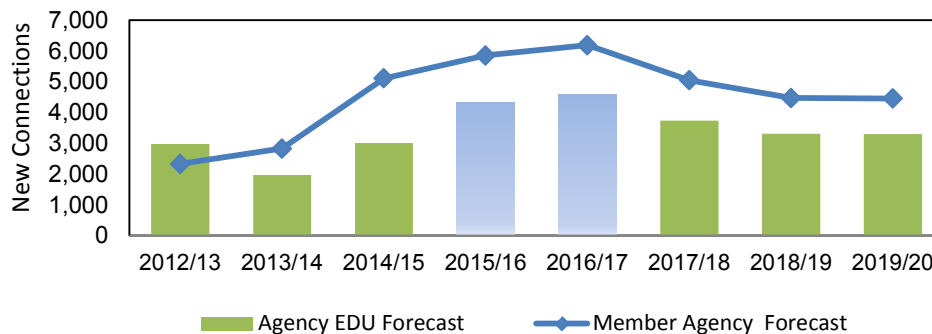
The Agency’s wastewater connection fee rates and effective dates for FYs 2015/16 to FY 2019/20 are shown below in Table 5-6. Each connection is per EDU. FY 2015/16 is the first year of five-year rate increases approved by the IEUA Board in May 2015 for the Regional Wastewater program, as shown in Table 5-6:

Table 5-6: Wastewater Connection Fee Rates

	2015/16		2016/17		2017/18	2018/19	2019/20
<i>Effective Date</i>	7/01/15	1/01/16	7/01/16	1/01/17	7/01/17	7/01/18	7/01/19
EDU Connection Fee	\$5,107	\$5,415	\$5,415	\$6,009	\$6,309	\$6,624	\$6,955

As illustrated in Figure 5-9 below, although the Agency’s forecast of new connections for the next five years is considerably lower than those projected by the member agencies, steady growth is anticipated over the next five to ten years. While member agency forecasts typically represent the high end of future growth in their respective areas, the Agency has historically applied a more conservative growth factor, which is more in line with actual activity.

**Figure 5-9: Trend of New EDU Connections
FY 2012/13 to FY 2019/20**



Property Taxes

Property tax receipts for the Regional Wastewater program are budgeted at \$35.7 million in FY 2015/16 and \$36.9 million in FY 2016/17.

In FY 2015/16, \$26.7 million, or 65 percent of the total property tax receipts (based on the Regional Contract), are allocated to the RC fund to support \$12.0 million of capital projects for the acquisition, construction, and improvement of wastewater facilities and \$13.5 million in debt service costs. Allocated to the RO fund is 22 percent, or approximately \$9.0 million of total property tax receipts, which partially supports capital replacement costs of \$11.1 million, with any remaining funds to supplement operation costs.

REGIONAL WASTEWATER PROGRAM

A key priority of the Agency’s financial policy is to utilize property tax receipts to support debt service and capital costs. This is consistent with the Agency’s financial policy and historic use of property taxes. Shown in Table 5-7 below is the Agency’s property tax allocation by fund.

Table 5-7: Property Tax Allocation by Fund (\$Millions)

Fund	Percentage	2014/15	2015/16	2016/17
Regional Wastewater Capital Improvement (RC) Fund	65%	\$25.7	\$26.7	\$27.6
Regional Wastewater Operations & Maintenance (RO) Fund	22%	8.7	9.0	9.3
Recycled Water (WC) Program	5%	2.0	2.1	2.1
Administrative Services (GG) Fund	4.4%	1.7	1.8	1.9
Water Resources (WW) Fund	3.6%	1.5	1.5	1.5
Total	100%	39.6	\$41.1	\$42.4

The FY 2015/16 property tax revenue projects a 4 percent growth over FY 2014/15 and a growth of 3 percent in FY 2016/17. These growth projections are lower than the San Bernardino County projected increase in property assessed value of 6.2 percent for FY 2014/15.

User Charges

The collection and treatment of municipal wastewater flows is billed in terms of EDUs. On March 18, 2015 after numerous workshops with member agencies and stakeholders, the Board adopted five-year volumetric rates for the regional wastewater program for FYs 2015/16 through 2019/20. With the adoption of multi-year rates, the RO fund program is projected to achieve the full cost of service, or recovery of O&M, R&R, and debt service costs by FY 2018/19. The adopted EDU volumetric rates are consistent with the IEUA Business Goal, adopted in October 2013, to implement rates that fully recover the cost of service. Table 5-8 shows rates for the regional EDU volumetric user charge and adopted rate increase by fiscal year:

Table 5-8: Monthly EDU Volumetric Rates

Rate Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
EDU Volumetric Rate	\$14.39	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Rate Increase		\$1.50	\$1.25	\$1.25	\$1.20	\$.41
Effective Date	07/01/2015	10/01/15	07/01/16	07/01/17	07/01/18	07/01/19

Wastewater flow forecasts are conducted annually and are based on three components: (1) historical wastewater low trends; (2) per dwelling unit wastewater generation factors; and (3) expected future growth numbers provided by Contracting Agencies. Projections are used to determine future demands on the Agency’s facilities in order to anticipate the need for modifications to Regional Water Recycling Plants (RWRP) and Solids Handling facilities. During FY 2013/14 the average wastewater flow treated was 52.2 MGD, as reported in Table 5-9, and the treated influent flow was 54.4 MGD. The difference was due to 2.2 MGD of solids processing recycle flow sent from RP-2 to RP-5 for additional treatment.

Since FY 2006/07, the Agency’s wastewater flows have declined by approximately 10 percent, but relative strength (BOD/TSS) has increased. The steady reduction of flows is believed to be a result of water conservation efforts, economic strains, and drought conditions. Other wastewater agencies, such as the Orange County Sanitation District, (OCSD), Sanitation District of Los Angeles County (SDLAC) and the City of San Bernardino, reported a similar drop in wastewater flows between five (5) to ten (10) percent.

Table 5-9: Average Annual Flow in MGD ⁽¹⁾ FY 2013/14

Contracting Agencies	Population ⁽²⁾	Area (Square Miles)	Regional Plant No. 1 (RP-1)	CCWRF	Regional Plant No. 4 (RP-4)	Regional Plant No. 5 (RP-5)	Total MGD
Chino	81,747	50.5	0.1	2.1		1.9	4.1
Chino Hills	76,131	46.0		2.0		3.8	5.8
Rancho Cucamonga	172,299	39.0	7.6		4.6		12.2
Fontana	202,177	36.0	6.7		5.5		12.2
Montclair	37,374	5.2	0.2	2.0			2.2
Ontario	167,382	50.0	8.9			4.2	13.1
Upland	75,147	15.3	3.8	1.0			4.8
Total	812,257	242.0	27.3	7.1	10.1	9.9	54.4

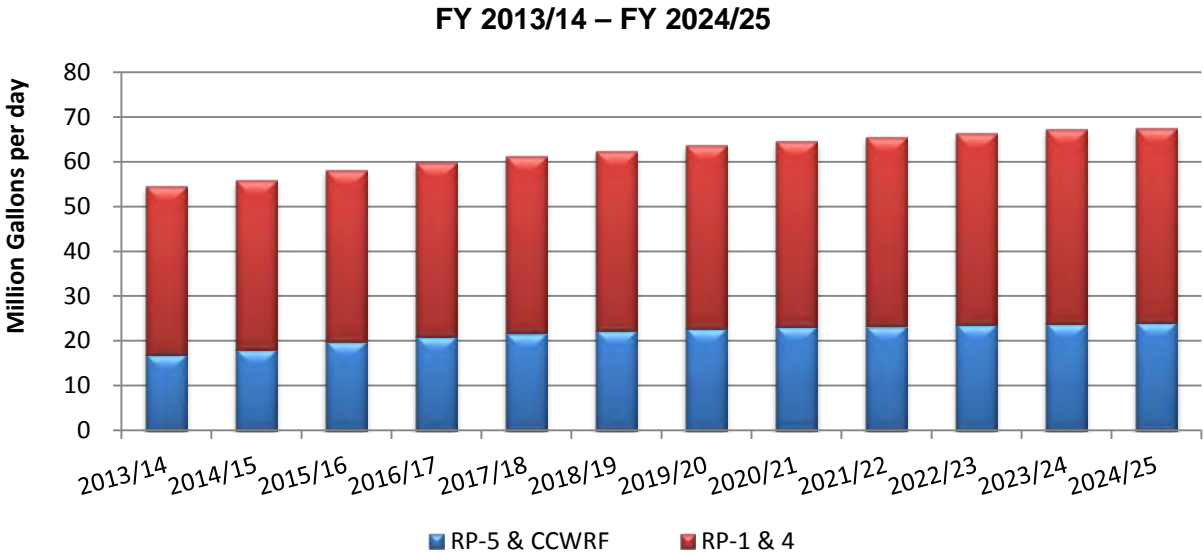
(1) MGD: Million Gallons per day

(2) Based on California Department of Finance, State of California, Price and Population Information, May 2014. This table does not include approximately 32,300 population estimates for the unincorporated areas.

REGIONAL WASTEWATER PROGRAM

Rising water costs, reduced imported water availability, and increased water conservation efforts will most likely quiet the effect of new development in the service area due to the economic recovery. This will lead to a very gradual increase in projected wastewater flows, as shown in Figure 5-10 below. However, when combined with the expected increased wastewater strength relative to total flow, increased treatment capacity will be needed or require investments in new treatment processes.

Figure 5-10: Wastewater Flow Trend



Statistics derived from IEUA FY 2015/16 Ten Year Capital Plan

Based on the recent flow trend, a conservative growth rate is assumed for the number of billable EDUs over the ensuing fiscal years. As illustrated in Table 5-10, a moderate increase of 0.25 percent is assumed in FY 2015/16 through FY 2019/20.

Table 5-10: Monthly EDU Volumetric Revenue Growth Rate

2015/16	2016/17	2017/18	2018/19	2019/20
0.25%	0.25%	0.25%	0.25%	0.25%

Debt Proceeds

The Agency seeks to pay for capital projects with a combination of system revenues (pay-go basis), grants and low interest state loans. Low interest State Revolving Fund (SRF) loans have been used to finance capital construction in the Recycled Water Program, and in the Regional Wastewater Program. Currently the Agency has an active SRF loan for the Water Quality Laboratory project in the RO fund. In FY 2015/16 proceeds from state loans are projected to be



\$0.9 million and \$7.7 million in FY 2016/17. Repayment of SRF loan begins one year after the completion of construction. More details on the financing terms and debt service are provided in the Debt Management section of the budget.

Inland Empire Regional Composting Authority (IERCA)

The IERCA is a Joint Powers Authority (JPA) formed between IEUA and Sanitation Districts of Los Angeles County (SDLAC) as a 50/50 partnership with a shared goal to develop a sustainable biosolids management program. The IERCA was established in 2002 and operates the Inland Empire Regional Composting Facility (IERCF) located in the city of Rancho Cucamonga and is the nation's largest indoor biosolids composting facility. The IERCF is currently operating at design capacity; receiving nearly 550 wet tons per day of biosolids and recycled waste products. The composting facility produces over 220,000 cubic yards of high-quality wood based compost each year for local landscaping and horticultural use, and is sold on a wholesale basis.

Beginning in FY 2009/10, a tipping fee was implemented to support the operations and maintenance costs of the IERCF in lieu of equally shared partner contributions. The FY 2015/16 tipping fee remains at \$54 per wet ton. Each partner's funding contribution is determined by the quantity of wet tons shipped to the IERCF for processing. Projected tonnage is 145,000 each year for FYs 2015/16 and 2016/17. Solid waste transported by the Agency to the IERCF facility is recorded as part of biosolids recycling expense in the RO fund.

Expenses and Other Uses of Funds

Total expenses and other uses of funds are summarized in Table 5-11. Operating costs are explained in more detail below.

REGIONAL WASTEWATER PROGRAM

Table 5-11: FYs 2015/16 and 2016/17 Regional wastewater program Expenses and Other Uses of Funds (\$ Millions)

Major Uses of Funds	2015/16	2016/17	Key Assumptions
Operating Expenses	\$73.8	\$68.3	Includes labor, utilities, operating fees, chemicals, materials and supplies, O&M related project expense, and other administrative costs to support the Regional Wastewater program
Debt Service Costs	13.7	13.9	Includes principal & interest for the bonds, SRF loans and other notes payable
Capital Improvement Plan (CIP)	23.0	27.1	Includes capital project expense and investment in the IERCA. See Table 5-12 for summary of major capital projects
Inter-Fund Transfers	3.8	3.0	Includes; capital, debt service, and capital connection fee support to the RO, Administrative Service (GG), and Non-Reclaimable Wastewater (NC) funds
Total	\$114.3	\$112.3	

Operating Expenses

Employment Expenses

As the Agency's core operating expense, approximately 72 percent, or \$30.9 million of the \$40.6 million net employment costs (net of \$6 million labor costs allocated to support the Agency's capital program), are allocated to the Regional Wastewater program. The FY 2015/16 budget is slightly higher than FY 2014/15 due to increases in CalPERS employer contribution rate, health insurance premiums, prefunding of the Agency's retirement unfunded accrued liabilities, and a cost of living adjustment (COLA) of 3 percent, offset by an additional 1.5 percent of the employee funded employer paid member contribution (EPMC). Effective July 1, 2015 classic employees will be funding 5.5 percent, or 69 percent of the 8 percent EPMC rate.

Included in Agency employment expense is the labor costs allocated to the RO fund for the 24 FTEs assigned to the IERCF. As a 50/50 partner with SDLAC, the Agency is reimbursed for 100 percent of approximately \$3.5 million in employment costs for operating the IERCA facility.

Utilities

A total of \$7.4 million is budgeted for utilities in FY 2015/16, a 3 percent increase from the FY 2014/15 expense. Utility expense includes the purchase of electricity from Southern California Edison (or the grid), use of natural gas, and the purchase of renewable energy generated on site from solar, wind, and fuel cell. In FY 2015/16 blended rates for electricity and natural gas are budgeted at \$0.125 per kWh and \$0.80 per therm, respectively. FY 2016/17 utilities budget is projected at \$7.7 million.

Agency staff is currently working on development of an Energy Management Plan (Plan). The plan is aimed at reducing demand on the California power grid while enhancing the Agency's energy reliability and stability. The specific goal of the plan will be energy independence from the grid during the peak energy use/pricing hours by the year 2020, or earlier. Grid independence can be achieved by increasing energy efficiency and on-site energy generation, optimizing an energy demand response program, and developing a diversified energy portfolio.

Chemicals

Chemical costs represent approximately 6.5 percent, or \$4.2 million of total operating costs in the Regional Wastewater program. The FY 2015/16 budget is 10 percent higher than the FY 2014/15 projected total, in part due to additional chemical dosages required for the RP-1 Tertiary and RP-1 Dewatering Centrifuge. Future year costs assume an average of 3 percent increase, budgeted for FY 2016/17 chemical costs is \$4.3 million.

The addition of chemicals during wastewater treatment is essential to meeting treatment process performance goals and compliance, and sustaining a high quality recycled water generation from the process. The major chemicals used for wastewater treatment are:

- Sodium Hypochlorite: (35 percent of budget) used primarily for disinfection; however, it can also be used for odor control, in primary, secondary treatment, and solids thickening to improve the process of performance.
- Polymer: (36 percent of budget) may be added to the primary clarifier to enhance solids settling and to the sludge to enhance the thickening and dewatering process.

REGIONAL WASTEWATER PROGRAM

- Ferric chloride: (17 percent of budget) also used to optimize treatment performance and meet compliance with South Coast Air Quality Management District (SCAQMD).

The chemical budget is developed by taking into account the current operating conditions and current unit costs (wastewater influent flow, chemical dose, compliance, contract price, and terms), as well forecasted flows, new project startups, and market trends.

Biosolids Recycling

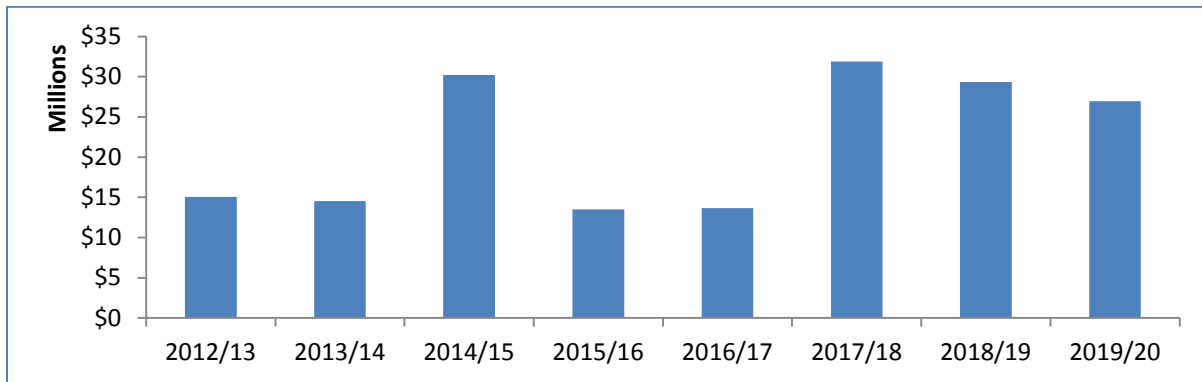
The cost of biosolids recycling is budgeted at \$4.2 million in FY 2015/16, the biosolids budget includes costs for hauling and disposal biosolids and non-biological materials. The IERCA composter processes 100 percent of the Agency's biosolids generated from all of its water recycling facilities, the processing rate of \$54 per ton was established by the IERCA effective July 1, 2015 (maintaining the FY 2014/15 rate). Despite the reduction over the last three years of wastewater flows coming into the Agency's water recycling facilities, the amount of organic matter and suspended solid materials in the wastewater that must be treated have remained about the same. While lower water consumption reduces the "liquid" in wastewater flows, it does not impact the "solids" content. A notable change has been the higher strength characteristic in the solid content which has a direct impact on the treatment process and related costs. FYs 2015/16 and 2016/17 project approximately 65,000 tons for biosolids recycling.

Debt Service

The Regional Wastewater program FY 2015/16 debt service payment is \$13.7 million and \$13.9 million for FY 2016/17. Debt service includes financial expense, principal, and interest for three outstanding bonds, one issue, one SRF loan, and two notes payable. Details for the Agency's outstanding debt can be found in the Debt Management section of the budget document.

In FY 2014/15 the Agency fully redeemed the outstanding 2005A Revenue bonds for a total cost savings of \$3.2 million. Included in the five year business plan is the early repayment of the 2008A Revenue Bonds (2008A Bonds) with an outstanding principal balance of \$125 million with an annual interest rate of 5 percent. The repayment is planned over a five year period beginning in FY 2017/18. Figure 5-11 below represents historical and projected expense through FY 2019/20.

Figure 5-11: Historical and Projected Annual Debt Service Expense



Capital Improvement Plan

The FYs 2015/16 and 2016/17 Regional Wastewater program capital investment budgets are \$23.0 million and \$26.6 million. The budgeted capital for the RC program for FYs 2015/16 and 2016/17 is \$12.0 million and \$15.3 million respectively. Budgeted in the RO fund is \$11.1 million and \$11.8 million. While the Regional Capital fund projects focus on expansion and process improvements for the regional wastewater system to meet anticipated growth and increased service demands projected for the region. The regional operation fund focuses on projects primarily for maintenance, rehabilitation and replacement of aging equipment and facilities, the wastewater programs major capital projects are listed in Table 5-12.

Table 5-12: Major Regional Wastewater Program Projects (\$Millions)

Project Title	2015/16	2016/17	Total TYCIP 2015/16 – 2024/25
RP-2 Relocation/RP-5 Solids Treatment Facility	\$0.0	\$4.0	\$136.0
New Water Quality Laboratory	1.7	7.0	20.8
SCADA Enterprise System	4.2	1.0	8.7
RP-1 Mixed Liquor Return Pump	1.0	3.0	4.0
RP-1 and RP-5 Expansion PDR	2.0	1.0	3.0
RP-1 Headworks Gate Replacement	0.7	2.7	3.4
RP-4 Chlorination Facility Retrofit	0.5	1.5	2.0
Agency Bypass Pumping Project	1.0	1.0	2.0
RP-1 Primary Effluent Pump Rehabilitation	0.6	1.4	2.0
Other Projects	11.4	4.5	265.5
Total Projects	\$23.1	\$27.1	\$447.4

REGIONAL WASTEWATER PROGRAM

More information on the Agency’s capital program is available in the Capital Section of this document and in the FYs 2015/16 – 2024/25 TYCIP. Updated annually, the TYCIP includes wastewater flow forecasts, equipment purchases, and a description of planned capital projects. The capital projects outlined in the TYCIP support the initiatives defined in the Agency’s long term planning documents, amongst them the Facilities Master Plan, Recycled Water Program Strategy, and Asset Management Plan.

Inter-fund Loans

Inter-fund loans are used as needed to supplement capital costs, debt service costs, or operating costs not fully supported by rates or fund reserves. Inter-fund loan activities are shown as part of other funding sources and uses of funds of corresponding funds.

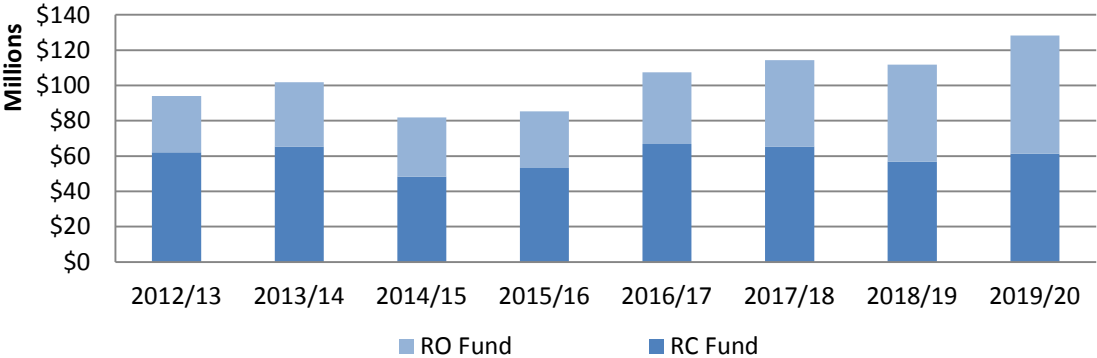
The RC fund currently has one outstanding \$3.0 million inter-fund loan due from the Recycled Water (WC) fund since FY 2007/08. During FY 2013/14 the Board approved an additional inter-fund loan of \$5.5 million from the RC fund to the WC fund to support ongoing capital construction costs. Due to timing of SRF loan proceeds, cash flow needs at the end of FY 2014/15 required the inter-fund loan to be increased from \$5.5 million to \$10.5 million. Loan repayment for both loans is projected to begin in FY 2022/23.

Regional Wastewater Program Fund Balance

The Regional Wastewater program projected an ending fund balance of \$85.4 million in FY 2015/16 and \$107.4 million in FY 2016/17. The increase in FY 2016/17 can be attributed to increased property tax receipts, higher numbers of new EDU connections from new development, and cost of service rate increases.

Figure 5-12 shows an overall projected increase in the Regional Wastewater program fund balance by FY 2019/20, primarily driven by (new development in the Agency’s service area).

Figure 5-12: Trend of Regional Wastewater Program Fund Balance



FY 2015/16 – FY 2019/20 Forecast

The adoption of multi-year rates that fully recover program costs will allow for property taxes allocated to the Regional Wastewater program to be used to support major capital investments proposed over the next 15 years.

The five year wastewater program capital expense budget totals \$204.7 million. Some of the major capital projects included in the five year plan are the new water quality laboratory (\$20.8 million), relocation of the RP-2 solids handling facility to RP-5 (\$86 million), expansion of RP-5 (\$31 million), and upgrade of the SCADA enterprise system (\$8.7 million). Funding for these projects will be from a combination of pay-go, SRF loans, and grants.



Regional Plant No. 2 (RP-2)

REGIONAL WASTEWATER PROGRAM

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
RC FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2012/2013	2013/2014	2014/15	2014/15	2015/2016	2016/2017	2017/18	2018/19	2019/20
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Contract Cost reimbursement	\$12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	399	149	174	174	365	545	791	1,030	1,167
TOTAL REVENUES	\$411	\$149	\$174	\$174	\$365	\$545	\$791	\$1,030	\$1,167
OTHER FINANCING SOURCES									
Property Tax - Debt and Capital	\$31,505	\$24,759	\$26,132	\$25,723	\$26,752	\$27,554	\$28,381	\$28,949	\$29,528
Regional System Connection Fees	14,614	9,789	15,321	15,321	22,647	26,161	23,564	21,925	22,917
State Loans	1,570	3	0	0	0	0	6,650	31,750	40,075
Grants	25	0	0	0	0	0	1,000	2,000	2,000
Sale of Assets	4,805	48	0	0	0	0	0	0	0
Other Revenues	328	(35)	6	6	6	6	6	6	6
TOTAL OTHER FINANCING SOURCES	\$52,847	\$34,564	\$41,459	\$41,050	\$49,405	\$53,721	\$59,601	\$84,630	\$94,525
EXPENSES									
Employment Expenses	\$2,822	\$4,178	\$3,063	\$3,347	\$3,013	\$3,171	\$3,334	\$3,430	\$3,523
Contract Work/Special Projects	2,195	278	452	226	850	750	950	950	950
Operating Fees	338	479	678	247	240	247	255	262	270
Professional Fees and Services	429	381	310	237	300	299	277	280	283
Other Expenses	2,894	1,951	1,713	1,629	1,605	1,790	1,323	1,826	1,435
TOTAL EXPENSES	\$8,678	\$7,267	\$6,216	\$5,685	\$6,008	\$6,258	\$6,139	\$6,748	\$6,461
CAPITAL PROGRAM									
IERCA investment	\$500	\$0	\$500	\$500	\$0	\$500	\$0	\$500	\$0
Work In Progress	3,850	6,198	7,859	7,859	11,960	14,845	15,900	54,050	57,100
TOTAL CAPITAL PROGRAM	\$4,350	\$6,198	\$8,359	\$8,359	\$11,960	\$15,345	\$15,900	\$54,550	\$57,100
DEBT SERVICE									
Financial Expenses	-\$20	-\$205	\$249	\$249	\$381	\$248	\$248	\$381	\$248
Interest	7,158	6,565	6,857	6,857	6,043	6,125	6,175	5,024	3,932
Principal	7,906	8,165	23,083	23,083	7,078	7,279	25,467	23,923	22,756
Short Term Inter-Fund Loan	0	0	0	10,500	0	0	0	0	0
TOTAL DEBT SERVICE	\$15,045	\$14,525	\$30,190	\$40,690	\$13,502	\$13,652	\$31,889	\$29,328	\$26,935
TRANSFERS IN (OUT)									
Capital Contribution	(\$3,198)	(\$1,531)	(\$2,189)	(\$1,642)	(\$1,069)	\$1,014	\$351	\$984	\$1,155
Debt Service	(1,831)	(1,940)	(506)	(1,970)	(1,925)	(1,964)	(2,221)	(794)	(764)
Operation support	0	0	0	0	(6,000)	0	0	0	0
Capital - Connection Fees Allocation	0	0	0	0	(4,318)	(4,600)	(5,923)	(3,867)	(957)
TOTAL INTERFUND TRANSFERS IN (OUT)	(5,029)	(3,472)	(2,695)	(3,612)	(13,312)	(5,550)	(7,793)	(3,677)	(565)
FUND BALANCE									
Net Income (Loss)	\$20,156	\$3,251	-\$5,826	-\$17,122	\$4,988	\$13,461	-\$1,330	-\$8,643	\$4,631
Fund Balance Adj. FY 11/12 CAFR	9,000	0	0	0	0	0	0	0	0
Beginning Fund Balance July 01	33,048	62,205	65,455	65,455	48,333	53,321	66,782	65,452	56,809
ENDING FUND BALANCE AT JUNE 30	\$62,205	\$65,455	\$59,629	\$48,333	\$53,321	\$66,782	\$65,452	\$56,809	\$61,440
RESERVE BALANCE SUMMARY									
Capital Expansion / Construction	\$12,531	\$14,663	\$2,097	\$1,801	\$3,821	\$7,969	\$9,341	\$9,630	\$14,904
CCRA Capital Construction	28,247	36,785	36,106	25,106	30,885	40,021	39,585	31,510	31,427
Rehabilitation/Replacement	0	0	0	0	3,000	3,000	3,000	3,000	3,000
Debt Service & Redemption	21,427	14,007	21,427	21,427	15,615	15,793	13,527	12,668	12,108
ENDING BALANCE AT JUNE 30	\$62,205	\$65,455	\$59,629	\$48,333	\$53,321	\$66,782	\$65,452	\$56,809	\$61,440



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
RO FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2012/2013	2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
User Charges	\$39,570	\$42,971	\$45,988	\$45,988	\$49,696	\$55,023	\$59,173	\$63,182	\$64,663
Cost Reimbursement JPA	3,253	3,055	3,471	3,347	3,350	3,526	3,707	3,813	3,917
Contract Cost Reimbursement	517	66	93	93	531	93	93	93	93
Interest Revenue	129	150	165	165	154	150	250	360	550
TOTAL REVENUES	\$43,468	\$46,241	\$49,717	\$49,594	\$53,731	\$58,792	\$63,224	\$67,449	\$69,223
OTHER FINANCING SOURCES									
Property Tax Revenues	\$10,407	\$8,634	\$8,845	\$8,706	\$9,054	\$9,326	\$9,606	\$9,798	\$9,994
State Loans	0	0	0	0	948	7,657	7,364	82	0
Grants	42	35	0	0	3,525	3,525	0	0	0
Other Revenues	598	725	565	565	738	757	776	795	816
TOTAL OTHER FINANCING SOURCES	\$11,048	\$9,394	\$9,410	\$9,272	\$14,265	\$21,264	\$17,745	\$10,675	\$10,810
EXPENSES									
Employment Expenses	\$23,615	\$23,035	\$28,381	\$26,976	\$27,887	\$29,348	\$30,860	\$31,742	\$32,605
Contract Work/Special Projects	131	586	3,004	1,194	10,445	4,110	1,110	1,100	1,100
Utilities	6,101	6,561	5,853	7,163	7,381	7,687	7,918	8,155	8,400
Operating Fees	580	683	1,144	1,952	2,274	2,339	2,410	2,483	2,557
Chemicals	3,578	4,126	4,351	3,811	4,225	4,349	4,480	4,614	4,753
Professional Fees and Services	1,873	2,133	2,378	2,715	3,216	2,721	2,652	2,721	2,796
Office and Administrative expenses	19	22	279	179	406	406	407	407	407
Biosolids Recycling	3,323	3,528	3,958	3,893	4,233	4,188	4,272	4,356	4,441
Materials & Supplies	1,689	1,654	1,908	1,870	2,005	2,020	2,069	2,132	2,195
Other Expenses	862	1,290	4,161	3,965	5,652	4,857	4,673	4,538	5,068
TOTAL EXPENSES	\$41,769	\$43,617	\$55,417	\$53,717	\$67,723	\$62,025	\$60,850	\$62,248	\$64,321
CAPITAL PROGRAM									
Due from City of Ontario	0	0	0	0	0	0	0	0	0
Capital Construction & Expansion (WIP)	\$6,094	\$5,129	\$11,377	\$7,695	\$11,071	\$11,794	\$14,950	\$10,200	\$1,800
TOTAL CAPITAL PROGRAM	\$6,094	\$5,129	\$11,377	\$7,695	\$11,071	\$11,794	\$14,950	\$10,200	\$1,800
DEBT SERVICE									
Financial Expenses	\$4	\$0	\$0	\$0	\$2	\$2	\$2	\$2	\$2
Interest	214	214	(0)	214	214	214	551	497	447
Principal	0	0	0	0	0	0	1,312	1,232	1,161
Short Term Inter-Fund Loan	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$219	\$215	\$0	\$215	\$216	\$216	\$1,864	\$1,731	\$1,609
TRANSFERS IN (OUT)									
Capital Contribution	(\$400)	\$0	\$0	\$0	\$82	(\$1,545)	(\$791)	(\$1,195)	(\$1,200)
Debt Service	0	0	0	0	0	0	182	182	182
Operation support	0	0	0	0	6,000	0	0	0	0
Capital - Connection Fees Allocation	0	0	0	0	3,440	4,111	5,487	3,277	504
Property Tax Transfer	0	(2,200)	0	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$400)	(\$2,200)	\$0	\$0	\$9,522	\$2,566	\$4,878	\$2,263	(\$515)
FUND BALANCE									
Net Income (Loss)	\$6,034	\$4,473	(\$7,667)	(\$2,761)	(\$1,492)	\$8,589	\$8,182	\$6,208	\$11,788
Beginning Fund Balance July 01	\$25,799	\$31,833	\$36,306	\$36,306	\$33,545	\$32,053	\$40,642	\$48,824	\$55,032
ENDING FUND BALANCE AT JUNE 30	\$31,833	\$36,306	\$28,639	\$33,545	\$32,053	\$40,642	\$48,824	\$55,032	\$66,820
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$13,923	\$14,539	\$18,472	\$17,906	\$18,458	\$18,500	\$19,048	\$19,478	\$20,134
Rehabilitation/Replacement	17,694	19,903	9,951	15,424	13,380	20,278	28,045	33,944	44,892
Debt Service & Redemption	216	1,864	216	216	216	1,864	1,731	1,609	1,793
ENDING BALANCE AT JUNE 30	\$31,833	\$36,306	\$28,639	\$33,545	\$32,053	\$40,642	\$48,824	\$55,032	\$66,820

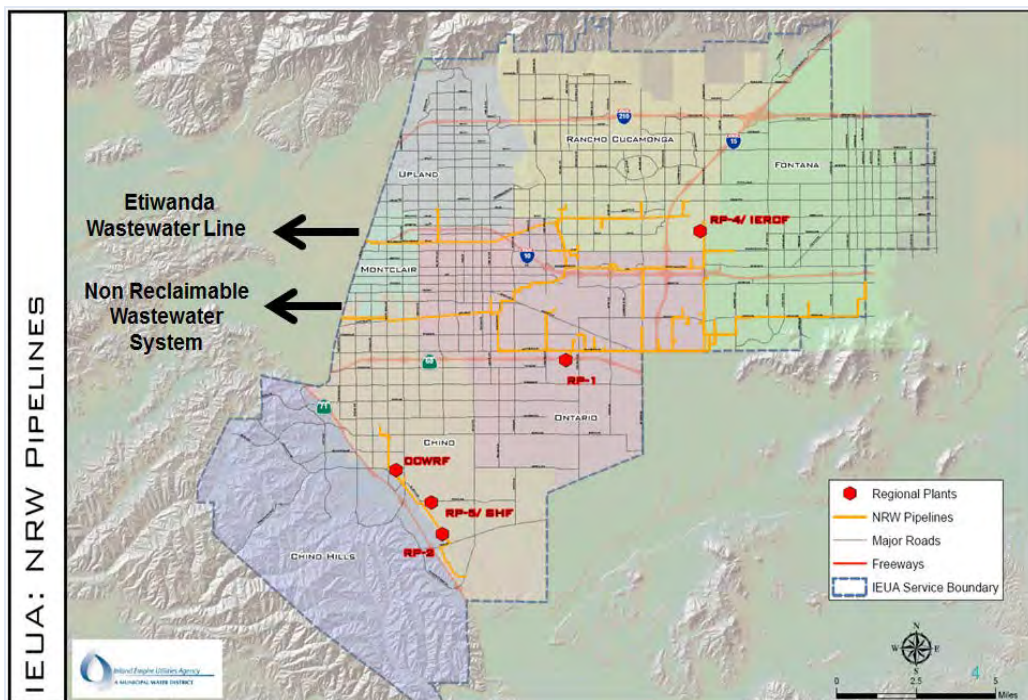
NON-RECLAIMABLE WASTEWATER PROGRAM

Programmatic Overview

The Non-Reclaimable Wastewater System (NRWS) is a key element of the Chino Basin Watermaster Optimum Basin Management Plan (OBMP) strategy. The OBMP was put in place to enhance water supply reliability and improve drinking water quality throughout the greater Chino Basin region. The NRWS provides a collections system which includes pipelines and a pump station to export the high-salinity industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean. The wastewater discharged to the NRWS is primarily comprised of industrial and groundwater treatment brines.

The NRWS is physically separated from the Agency's Regional Wastewater System, ensuring further compliance with the California Regional Water Quality Control Board and state regulations related to environmental criteria, and improving the quality of recycled water for local use. Maximizing the use of the NRW system helps ensure that the Agency complies with the final effluent total dissolved solids (TDS) limits which are required under the National Pollutant Discharge Elimination System (NPDES) permits.

The Inland Empire Brine Line (IEBL) is also an independent collections system that serves the southern portion of the Agency's service area. The highest and best use of the brine line is the removal of salts from the watershed to keep them from degrading water quality within the watershed, thereby allowing better use of groundwater resources and expanding the ability to reclaim water. The long-term goal of achieving salt balance within the region depends on the ability to remove salts from the watershed via the brine line.



The NRWS operated by the Agency is comprised of two independent collection systems, the North and South Systems which serve different patrons:

- The North System serves approximately 42 industries and municipalities for brine groundwater treatment facilities. The North NRWS also collects wastewater from the Agency's Regional Recycling Plant No. 1 (RP-1) belt press filtrate and centrate. The wastewater results from the dewatering of biosolids generated within the facility and from residential areas without sewer service located in the Agency's service area. The North NRWS conveys the non-reclaimable wastewater to the Sanitation District of Los Angeles County (SDLAC) treatment facility in Carson, where it is treated and discharged to the ocean.
- The South System serves approximately 15 industries, truckers, and the Chino Basin Desalter Authority, and conveys wastewater to the IEBL, which is owned by the Santa Ana Watershed Project Authority (SAWPA), and the Orange County Sanitation District (OCSD) facility in Fountain Valley for treatment and ocean discharge.

The Agency and SDLAC entered into agreements dating back to 1966 under which SDLAC agreed to accept the Agency's industrial wastewater flows from the NRWS. This agreement that was set to expire in May 2018 was replaced by the new NRWS Wastewater Disposal Agreement between the Agency and SDLAC effective July 1, 2014. Under the new Agreement, the pass-through rates from SDLAC are expected to be more stable and predictable, making it easier for NRW industries to effectively plan for their annual budgets. The ability to acquire wastewater discharge rights as capacity units and connect to the system will also be more attractive to new industries as they now have the option to purchase or lease discharge rights rather than make a mandatory purchase as required under the prior agreement. The key terms of the new agreement included the following:

- 30 year term with up to four additional five year extensions for a total of up to 50 years
- 15,000 initial Baseline Capacity Units for allocation amongst current customers
- Adjustment of Baseline Capacity Units allocation through June 30, 2018
- Additional Capacity available for purchase or lease
- Issuance of Wastewater Discharge Permit to the Agency from SDLAC
- Payment of 4R capital charges of \$4.1 million to be paid over a 6 year term (starts in FY 2014/15 and ends FY 2019/20)
- Annual management meetings to review and discuss any modifications to this Agreement to accommodate financial, operational or environmental changes

Beginning in FY 2004/05, a pass-through rate structure was implemented to allow the Agency to recover operating and capital fees billed by SDLAC and SAWPA for the North and South Systems, respectively. These charges are comprised of volumetric, peaking factor and strength fees for the North System; capacity, volumetric, and strength fees for the South System. Different rates apply to the North and South Systems.

NON-RECLAIMABLE WASTEWATER PROGRAM

The FY 2015/16 SDLAC annual rate structure was revised based on the aforementioned new agreement. Aside from moderate rate increases, no change in SAWPA’s agreement for the south NRWS was proposed for FY 2015/16. NRW rates effective July 1, 2015 are based on the current “pass-through” rate structure (Table 5-14).

Table 5-14: NRW ~ North and South System Rates

Rate Description	2014/15	2015/16 Adopted
North System	13,112 CU	13,611 CU
Flow/mg	\$835.80	\$948.00
COD/klb	\$147.84	\$210.00
TSS/klb	\$418.22	\$433.00
Peak/gpm	\$110.88	\$126.00
Ad Valorem Tax	5%	5.5%
South System		
Capacity/cu	\$334.43	\$351.17
Flow/mg	\$777.00	\$817.00
BOD/klb	\$295.00	\$301.00
TSS/klb	\$411.00	\$420.00

In addition to the pass through rates, the user charges include the Agency’s operating and capital costs associated with the operations, maintenance, replacement, and improvement of the NRWS system. These Agency program costs are recovered as follows:

- North System – prorated based on the number of capacity units assigned
- South System – a 50 percent operating surcharge is imposed on volumetric, capacity and strength charges for non-recycled water user.

To promote the use of recycled water throughout the Agency’s service area, the NRW recycled water users will only pay 50 percent of the Agency’s direct recycled water rate and will be decreased by 5 percent each fiscal year thereafter until it sunsets on June 30, 2024. The FY 2014/15 Agency’s direct recycled water rate of \$890.04 per million gallons (mg) will serve as the baseline (Table 5-15).

Table 5-15: NRW Recycled Water Credit

Fiscal Year	% of RW Credit	Credit per mg (Base \$890.04)
2014/15	50%	\$445.02
2015/16	45%	\$400.52
2016/17	40%	\$356.02
2017/18	35%	\$311.52
2018/19	30%	\$267.02
2019/20	25%	\$222.51
2020/21	20%	\$178.01
2021/22	15%	\$133.51
2022/23	10%	\$89.01
2023/24	5%	\$44.51

Fund Description

The Non-Reclaimable Wastewater (NRW) fund records the transactions for the acquisition, construction, expansion, replacement, and operation of the Agency's non-reclaimable wastewater sewer lines, interceptors, and appurtenant facilities.

Funds are budgeted for the design, construction, management, and administration costs 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 NRW program has budgeted total revenues and other funding sources of \$12.1 million and \$14.5 million for FYs 2015/16 and 2016/17, respectively. Revenues include fees for volumetric, capacity, strength, administrative and operations, capacity fees (CIP), the new capital connection fee allocation from Regional Wastewater Capital Program, and interest income.

Total revenues of \$12.1 million in FY 2015/16 indicate an increase of \$1.6 million compared to FY 2014/15 projected revenues of \$10.5 million. The increase is primarily due to excess strength (pass-through) fees as a result of the change in the SDLAC contract which eliminated the thresholds for strength components.

The FY 2016/17 revenues of \$14.5 million reflect an increase of \$2.4 million compared to FY 2015/16 revenues due to inter-fund loan receipts from the Recycled Water fund. Table 5-16 shows the sources of revenues.

NON-RECLAIMABLE WASTEWATER PROGRAM

Table 5-16: Revenues and Other Funding Sources (\$Millions)

Revenue Sources	2015/16	2016/17	Description
Volumetric Fees	\$1.9	\$2.0	Monthly fee based on adopted fees and metered wastewater flow.
Excess User Fees	4.7	4.8	Fees for wastewater strength composition*.
Agency Program Charges	4.5	4.7	Administrative, operational, and capacity surcharges, which includes a portion of the SDLAC 4Rs charges carried forward from FY 2011/12.
Capacity Fees	0.6	0.6	Monthly fee charged to the holders of capacity rights in the Southern system from industries, Regional program; and CIP fees to cover for the debt cost.
Other Revenues	0.4	2.4	Interest earned on reserve balance, capital connection fee allocation, and inter-fund loan repayment from Recycled Water program.
Total Revenue	\$12.1	\$14.5	

**Strength charges are calculated 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 North and South Systems. These expenses include construction and acquisition of capital assets, equipment purchases, process modifications and upgrades necessary to comply with the environmental and regulatory increased standards and to support the growth in the Agency’s service area and the demand it places on the NRW program.

Total FY 2015/16 expenditures of \$12.3 million are \$1.3 million lower compared to FY 2014/15 projected actual of \$13.6 million. The decrease is mainly due to lower capital project expenditures. Overall FY 2016/17 expenditures are projected to remain at the same level at \$12.3 million.

Table 5-17 below shows the expense categories of the NRW program.

Table 5-17: Non-Reclaimable Program Expenses (\$Millions)

Expense Categories	2015/16	2016/17	Description
Capital Expenditures	\$1.3	\$1.1	Includes \$0.7M SDLAC 4R's outstanding SRF loan installment payment and capital project costs as listed in Table 5-24 and appendices.
Operating Fees	7.0	7.2	SDLAC and SAWPA pass through fees
Administration & Operations	3.4	3.4	Agency employment, chemicals, materials & supplies, professional fees, utilities, and other operating costs. Also includes Regional Brine Management pipe cleaning, and meter maintenance costs to support the Agency's NRW system.
Debt Service	0.5	0.5	2008A Bond and Inland Empire Brine Line loan principal and interest payments.
Other Expense	0.1	0.1	Capital transfer to support agency-wide asset acquisition.
Total Expenses	\$12.3	\$12.3	

Capital Projects

The NRW Program's total capital expenditures for FYs 2015/16 and 2016/17 are budgeted at \$1.3 million and \$1.1 million, respectively (Table 5-24), which includes capital projects and \$0.7M for the Agency's share of SDLAC capital charges (4Rs) funded through the SRF Loan. Capital costs are included as part of the Agency's administration fees.

NON-RECLAIMABLE WASTEWATER PROGRAM

Table 5-18: NRW Capital Projects

Capital Projects	2015/16	2016/17
NRW Manhole Upgrade	\$350,000	\$350,000
Philadelphia Pump Station Communication System	200,000	
Philadelphia Pump Station Upgrades	50,000	
SDLAC Capital Replacement 4Rs SRF Installment	737,600	737,600
Total Capital Projects	\$1,337,600	\$1,087,600

The executed SDLAC agreement requires the Agency to pay a share of their existing SRF loans of \$4.4 million with an annual interest rate of 2.3 percent over a six year term. Annual payments of \$737,600 (Table 5-25) started in July 2014 and are supported by the NRW fund reserves.

Table 5-19: SDLAC SRF Loan Installment Schedule (\$Millions)

Due Dates	Balance Principal +Interest	Annual Payment	Principal Balance
7/15/2014	\$4.2	\$0.74	\$3.5
7/15/2015	3.5	0.74	2.8
7/15/2016	2.8	0.74	2.1
7/15/2017	2.2	0.74	1.4
7/15/2018	1.5	0.74	0.7
7/15/2019	0.7	0.7	
Total		\$4.4	

On October 17, 2012, the Board agreed to defer \$2.6 million for the FY 2011/12 SDLAC Relocation, Reconstruction, Repair, and Replacement (4Rs) capital costs to mitigate the fiscal impact to the North System customers. These deferred costs of \$2.6 million were to be paid over a 2.5 year period. FY 2013/14 was the final year of 4R pass through costs. As reported in Table 5-26 below, total outstanding 4R costs through the end of the FY 2014/15 (net of industry payments) are projected to be \$0.5 million.

Table 5-20: SDLAC 4R's Cost and Funding

SDLAC 4RS	Units	Rates	Amount
2011/12			\$2,581,508
2012/13			1,206,214
2013/14			1,008,323
Total SDLAC 4R's			\$4,796,045

Less: Payment from Customers	Units	Rates	Amount
2012/13 (old rate)	470.36	\$123.27	\$347,888
2012/13 (new rate)	470.36	\$319.00	900,269
2013/14	470.36	\$319.00	1,800,538
2013/14 O/S Deferred SDLAC 4Rs			\$1,747,350
Less: 2014/15 Projected Payment			1,200,000
2014/15 Outstanding 4RS			\$547,350

Given the projected fiscal impact of the modified rate structure under the newly executed Agreement, the Agency is limiting the recovery of capital costs for the Agency's capital expenditures and deferred 4Rs to \$1.2 million each for FY 2014/15 & FY 2015/16 for the North NRWS customers. Full recovery of capital cost is projected to achieve in FY 2017/18 as shown in Table 5-21 below.

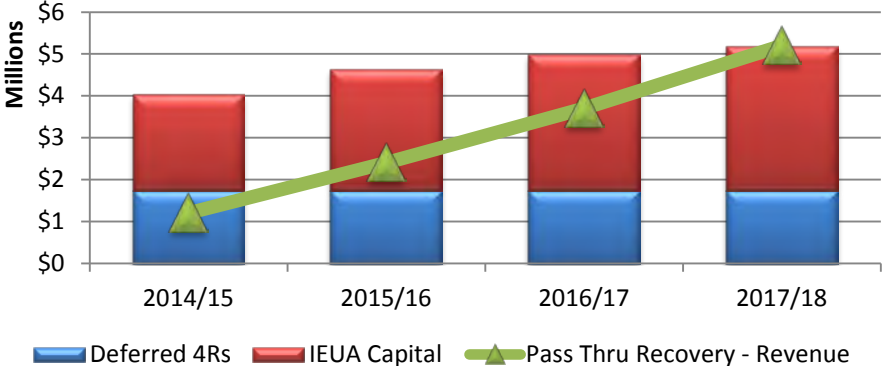
Table 5-21: Recovery of IEUA Cumulative Capital Cost & Deferred SDLAC 4R's (\$Millions)

IEUA Capital & SDLAC 4Rs	Amount
2013/14 Outstanding Deferred SDLAC 4Rs	\$1.7
2014/15 – IEUA Capital Projected <i>(exclude \$737,600)</i>	2.3
2015/16 – IEUA Capital	0.6
2016/17 – IEUA Capital	0.4
2017/18 – IEUA Capital	0.2
Total IEUA Capital & SDLAC 4Rs	\$5.2

Projected Recovery:	Amount
2014/15 to pay SDLAC 4Rs (Projection)	\$1.2
2015/16 to pay SDLAC 4Rs & IEUA Capital	1.2
2016/17	1.3
2017/18	1.5
Total Recovery	\$5.2

NON-RECLAIMABLE WASTEWATER PROGRAM

Figure 5-13: Cumulative IEUA Capital & Deferred SDLAC 4Rs Recovery



Deferred 4Rs is FY 2011/12 to FY 2013/14 amount billed from SDLAC for \$4,796,045 less industry payment for \$3,048,695.

Debt Service

In FY 2015/16 and FY 2016/17 at \$0.5 million is budgeted for debt service expenses which include \$0.4 million of interest expense for the 2008A Revenue Bonds, and \$0.1 million principal payment for the SAWPA note payable. Debt service costs are recovered from both North and South system customers.

Inter-Fund Loan

A total of \$15 million in inter-fund loans have been issued from the NRW Program to the Recycled Water (WC) fund beginning with \$9.0 million in FY 2007/08 and \$6.0 million in FY 2009/10. Repayment is projected to start in FY 2016/17, as indicated in Table 5-22.

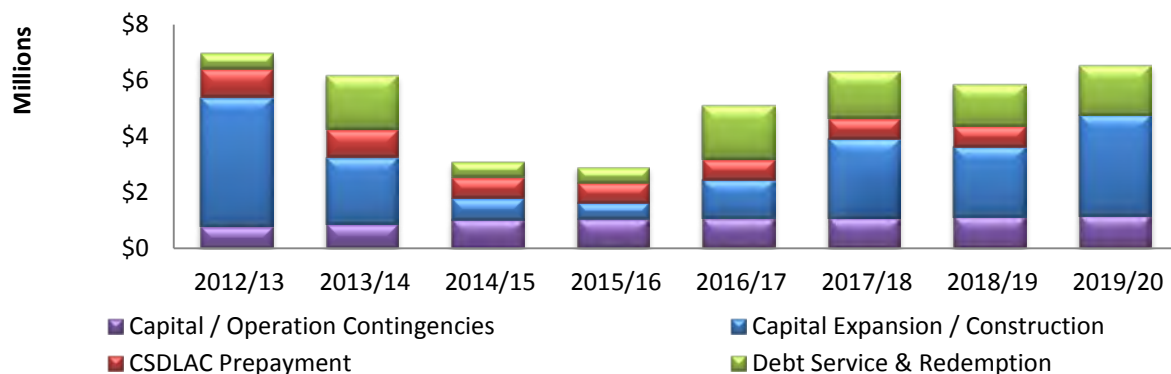
Table 5-22: Inter-Fund Loan (\$Millions)

Fiscal Year Issued	Issued to	Inter-Fund Loan Amount	Repayments Scheduled to Begin	Repayments Scheduled to End
2007/08	WC Fund	\$9 .0	2016/17	2020/21
2009/10	WC Fund	\$6.0	2020/21	2022/23

Fund Balance

Projected FYs 2015/16 and 2016/17 fund balances are \$2.9 million and \$5.1 million, respectively. The incremental loan repayments from WC fund starting FY 2016/17 account for the projected increase in fund balances. Figure 5-14 illustrates the trend of both historical and projected NRW ending fund balances through FY 2019/20.

Figure 5-14: Trend of NRW Program Ending Fund Balance



FY 2017/18-FY 2019/20 Forecast

The first repayment installment of \$2 million for the \$15 million inter-fund loans due from the Recycled Water (WC) fund is scheduled to begin in FY 2016/17. Thereafter, the NRW fund reserve balance is anticipated to increase to \$6.5 million in FY 2019/20.

The Agency continues the implementation of the NRWS Condition Assessment recommendations for capital improvements. The relatively good condition of the NRWS allowed improvements to be completed sooner, reducing the annual capital expenditure. An aggressive cleaning and on-going system maintenance program is in progress with the goal to clean every segment of the NRWS over the next several years. This cleaning effort will be supplemented with closed circuit television (CCTV) inspection of the pipe after cleaning. If any additional repairs are identified, a capital project will be initiated to refurbish the pipeline as needed. The on-going system maintenance program will help meet the requirements of the Sanitary Sewer Management Program (SSMP), a State mandated order under the Wastewater Discharge Requirements.

The Agency continues its effort to achieve substantial benefits as well as avoid costs in its service area by implementing the NRWS Action Plan. The action plan includes:

NON-RECLAIMABLE WASTEWATER PROGRAM

- Future Brine Line Alternatives Evaluation - identify and evaluate various brine-concentrate treatment technologies and disposal options for the NRWS in lieu of current arrangement.
- Reducing salinity contributions from the Agency's water recycling facilities and sustaining the high quality of its recycled water.
- Promoting economic development in the Agency's service area by sustaining a cost effective NRW program.



NRW Collection System Repair – Sewer Manhole



INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/2016 AND FISCAL YEAR 2016/2017 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS
NON-RECLAIMABLE WASTEWATER SYSTEM (NC) FUND

	2012/2013	2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED	ADOPTED	FORECAST		
REVENUES									
User Charges	\$7,351,689	\$8,094,739	\$10,007,520	\$10,333,300	\$11,725,000	\$12,143,694	\$12,668,320	\$12,999,053	\$13,336,077
Contract Cost reimbursement	0	0	0	0	0	0	0	0	0
Interest Revenue	66,393	57,092	170,465	50,500	85,000	90,000	137,500	160,000	150,000
TOTAL REVENUES	\$7,418,082	\$8,151,830	\$10,177,985	\$10,383,800	\$11,810,000	\$12,233,694	\$12,805,820	\$13,159,053	\$13,486,077
OTHER FINANCING SOURCES									
Other Revenues	\$627,676	\$137,579	\$33,503	\$136,750	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000
Sale of Capacity	215,000	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	0	0	2,000,000	2,000,000	1,000,000	1,000,000
TOTAL OTHER FINANCING SOURCES	\$842,676	\$137,579	\$33,503	\$136,750	\$117,000	\$2,117,000	\$2,117,000	\$1,117,000	\$1,117,000
EXPENSES									
Employment Expenses	\$1,928,222	\$1,908,135	\$2,245,963	\$2,165,942	\$2,030,495	\$2,136,867	\$2,246,964	\$2,311,198	\$2,374,025
Contract Work/Special Projects	7,597	156,569	92,311	46,000	210,000	210,000	210,000	210,000	210,000
Utilities	59,016	78,355	65,243	65,758	71,731	75,147	77,401	79,723	82,115
Operating Fees	3,064,053	3,525,554	5,211,593	6,872,393	7,020,471	7,231,470	7,448,409	7,671,468	7,901,829
Chemicals	157,545	119,330	171,934	170,000	170,000	175,100	180,353	185,764	191,336
Professional Fees and Services	44,864	293,131	133,642	94,915	150,380	148,384	147,133	150,995	154,976
Office and Administrative expenses	(45)	1,277	0	0	0	0	0	0	0
Biosolids Recycling	4,026	23,000	25,000	25,000	25,000	25,000	25,750	26,523	27,318
Materials & Supplies	45,732	35,481	119,831	100,850	106,175	106,760	109,963	113,261	116,659
Other Expenses	(241,678)	117,244	488,605	438,385	598,143	530,064	493,089	500,915	534,869
TOTAL EXPENSES	\$5,069,332	\$6,258,075	\$8,554,120	\$9,979,243	\$10,382,395	\$10,638,792	\$10,939,062	\$11,249,846	\$11,593,127
CAPITAL PROGRAM									
CSDLAC 4Rs SRF Loan	\$1,206,214	\$776,336	\$737,600	\$737,600	\$737,600	\$737,600	\$737,600	\$737,600	\$737,448
Capital Expansion/Construction	342,192	1,671,328	3,017,493	2,283,100	600,000	350,000	200,000	1,500,000	200,000
TOTAL CAPITAL PROGRAM	\$1,548,406	\$2,447,664	\$3,755,093	\$3,020,700	\$1,337,600	\$1,087,600	\$937,600	\$2,237,600	\$937,448
DEBT SERVICE									
Financial Expenses	\$35,929	(\$7,666)	\$1,050	\$1,050	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Interest	409,430	188,336	393,559	393,559	385,094	376,120	366,609	279,816	210,393
Principal	133,105	141,091	149,556	149,556	158,530	168,041	1,534,205	1,388,457	1,256,114
TOTAL DEBT SERVICE	\$578,464	\$321,761	\$544,165	\$544,165	\$545,124	\$545,661	\$1,902,314	\$1,669,773	\$1,468,007
TRANSFERS IN (OUT)									
Capital Contribution	(\$78,368)	(\$55,857)	(\$79,855)	(\$59,891)	(\$36,005)	(\$19,401)	(\$16,037)	(\$7,710)	(\$1,639)
Connection Fee					194,400	134,400	98,400	410,400	98,400
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$78,368)	(\$55,857)	(\$79,855)	(\$59,891)	\$158,395	\$114,999	\$82,363	\$402,690	\$96,761
FUND BALANCE									
Net Income (Loss)	\$986,188	(\$793,949)	(2,721,745)	-\$3,083,449	(179,724)	\$2,193,640	\$1,226,207	(478,477)	\$701,256
Beginning Fund Balance July 01	\$5,971,229	\$6,957,417	\$6,163,468	\$6,163,468	\$3,080,019	\$2,900,295	\$5,093,935	\$6,320,141	\$5,841,665
ENDING FUND BALANCE AT JUNE 30	\$6,957,417	\$6,163,468	\$3,441,723	\$3,080,019	\$2,900,295	\$5,093,935	\$6,320,141	\$5,841,665	\$6,542,921
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$784,970	\$857,267	\$1,082,905	\$1,020,283	\$1,050,641	\$1,065,774	\$1,093,551	\$1,122,793	\$1,160,433
Capital Expansion / Construction	4,628,924	2,395,565	1,076,095	777,013	566,394	1,388,247	2,819,217	2,513,417	3,608,495
CSDLAC Prepayment	1,008,323	1,008,323	737,600	737,600	737,600	737,600	737,600	737,448	0
Debt Service & Redemption	535,200	1,902,313	545,123	545,123	545,660	1,902,313	1,669,772	1,468,006	1,773,992
ENDING BALANCE AT JUNE 30	\$6,957,417	\$6,163,468	\$3,441,723	\$3,080,019	\$2,900,295	\$5,093,934	\$6,320,140	\$5,841,664	\$6,542,920

RECHARGE WATER PROGRAM

Programmatic Overview

The Recharge Water program is a comprehensive program designed 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, stored during wet years, and made available during drought years and times of imported water supply shortages.

The groundwater infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the State Water Project and IEUA recycled water to 16 recharge sites, most of which consist of multiple recharge basins. These recharge basins are located throughout the IEUA service area (approximately 242 square miles) and are designed to hold the water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply.

The Chino Basin groundwater Recharge Program will assist in mitigating future water shortages in California caused by future limitations for importing water supplies from the State Water Project and provides a subsurface reserve of groundwater for regional use. The Recharge Program enhances the current reliability and resiliency of regional groundwater supplies for a rapidly growing population and is an integral part of the regional water supply planning.

The FYs 2015/16 and 2016/17 biennial budget for groundwater recharge (GWR) operations of the recharge basins and pertinent facilities is based on the costs to operate and maintain eighteen (18) active recharge sites in the Chino Basin. Annual recharge varies due to weather patterns and the availability of supplemental water supplies (imported and recycled water). IEUA currently recharges between 40,000 and 50,000 acre-feet (AF) from Northern California; between 15,000 and 25,000 AF of storm water and 10,000 AF of recycled water.

The recharge volume projections assume:

- Minimal downtime during basin improvement projects.
- No replenishment imported water available from the Metropolitan Water District (MWD) of Southern California.
- Average rainfall available for storm water capture.
- Continued development of basin enhancements to increase recharge capacity and reliability.

Reuse of recycled water for groundwater recharge is a critical component of the Optimum Basin Management Plan (OBMP) and water supply plans for the region as it will increase the reliability and resiliency of water supplies during dry years. The OBMP was put in place to enhance water supply reliability and improve drinking water quality throughout the greater Chino Basin region.

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 Chino Basin Watermaster (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, utilities, equipment, and tools), contracted services (e.g. weeding and vector control), and compliance reporting and environmental documentation fees for the program's Fish & Game Permit. The operations and maintenance budget is funded by both Chino Basin Watermaster and the Agency.

Debt service costs are for the Chino Basin Facilities Improvement Project (CBFIP) funded by the 2008B Variable Rate Bonds (refinancing the 2002A Bonds in May 2008). Debt principal and interest costs are equally shared by CBWM and the Agency. The Agency's portion is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement (RC) fund.

Revenues and Other Funding Sources

Total budgeted revenues, other funding sources and inter fund contributions and support for FYs 2015/16 and 2016/17 are \$3.5 million and \$7.4 million, as indicated in Table 5-23. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities' operations and maintenance (O&M), capital/special project support, and debt service payments. The remaining balance will be contributed by IEUA for its portion of capital (50/50 shared with CBWM), debt service, and pro-rata share of O&M cost.

Table 5-23: Revenues and Other Funding Sources (\$Millions)

Revenue Sources	2015/16	2016/17	Description
CBWM GWR O&M	\$0.7	\$0.8	Groundwater Recharge Operations & Maintenance (GWR O&M) or facilities reimbursement from CBWM.
CBWM Debt Service	0.3	0.5	Reimbursement from CBWM for its share of debt service costs.
CBWM Capital and Special Projects	1.2	4.2	Reimbursement from CBWM for its share of capital project cost.
IEUA Operations Support	1.3	1.9	Operating, debt service, and capital cost support for the Agency's share funded by the Recycled Water and Regional Wastewater Capital Improvement funds.
Total Revenue	\$3.5	\$7.4	

RECHARGE WATER PROGRAM

Groundwater Recharge Pro-Rata Cost Sharing Methodology

In year 2008, a memorandum was issued to document the agreed upon administrative methodology for calculating pro-rata cost sharing for the groundwater recharge (GWR) operations and maintenance (O&M) costs based upon Peace II language. This method of calculation became effective July 1, 2008, and is renewable through mutual agreement every three years between Chino Basin Watermaster and IEUA. The calculation methodology is still in effect for FYs 2015/16 and 2016/17.

The pro rata cost-sharing for basins recharged with recycled water is determined annually. IEUA’s pro rata share of O&M costs is determined based on the proportion of recycled water to the total water recharged in a basin in the prior fiscal year.

Expenses and Other Uses of Funds

Total Recharge Water Program expenses budgeted for FYs 2015/16 and 2016/17 are \$3.9 million and \$7.3 million respectively, as shown in Table 5-24 below. The key expenses include debt service costs for the Chino Basin Facilities Improvement Project (CBFIP); groundwater operations and maintenance cost, and capital projects. As indicated on Table 5-24, the higher capital costs accounts for the increase in total expenses in FY 2016/17.

The FYs 2015/16 and 2016/17 groundwater O&M Expense Budget includes utilities, general groundwater basin maintenance costs for infiltration restoration and slope repairs on three groundwater basins, namely Brooks, RP-3 and Victoria Basins. The Agency’s pro-rata share for FYs 2015/16 and 2016/17 is estimated at \$466,000 and \$791,000, respectively.

Table 5-24: Recharge Program Expenses (\$Millions)

Expense Categories	2015/16	2016/17	Description
Debt Service	\$0.9	\$1.0	Payment of bond principal, interest, and financial expenses.
Groundwater O&M	1.6	1.6	O&M costs including IEUA’s pro-rate share.
CBWM Capital	1.4	4.7	Capital project cost
Total Expenses	\$3.9	\$7.3	

Capital Projects

The FYs 2015/16 and 2016/17 capital project costs for the Recharge Capital Program mainly address modifications, improvements and refurbishment at the selected basins, which accounted for \$1.4 million and \$4.7 million, respectively (Table 5-30). As the CBWM has updated the Recharge Master Plan, IEUA staff is working closely with CBWM staff to ensure that planning efforts on the master plan are coordinated for the Agency's service area.

Table 5-25: Recharge Program Projects

Capital Projects	2015/16	2016/17
RW15003 Recharge Master Plan Update	\$820,000	\$3,100,000
RW15004 Lower Day RMPU	355,000	1,155,000
EN16052 Ely Basin Turnout Remote Control Upgrade	200,000	400,000
RW15002 Upper Santa Ana River HCF	80,000	80,000
Total Capital Projects	\$1,455,000	\$4,735,000

Special Projects	2015/16	2016/17
RW15001 Long Term Basin Wide	\$100,000	
Total Special Projects	\$100,000	\$0

Debt Service

In January 2002, the Agency's Board of Directors approved the Recharge Master Plan Implementation Memorandum of Agreement encompassing CBWM, CBWCD, SBCFCD, and IEUA. The four agencies formed a Groundwater Recharge Coordinating Committee to implement an initial \$40-million program, entitled the Chino Basin Facilities Improvement Project (CBFIP) to develop recharge facilities from existing flood control basins. IEUA served as the lead agency for implementation (design, construction, operation, and maintenance) of this cooperative program. In the summer of 2005, Phase I CBFIP improvements were completed and recharge operations commenced in the upgraded facilities.

To finance the CBFIP effort, the Agency issued a \$59 million revenue bond in July 2002. A portion of the net bond proceeds, \$19.7 million, combined with \$19 million Prop 13 grant provided most of the funding for the CBFIP. The 2002 Bond was refinanced in April 2008 by the issuance of a Variable Rate Demand Revenue Bond, Series 2008B for \$55.7 million set to mature on FY 2031/32.

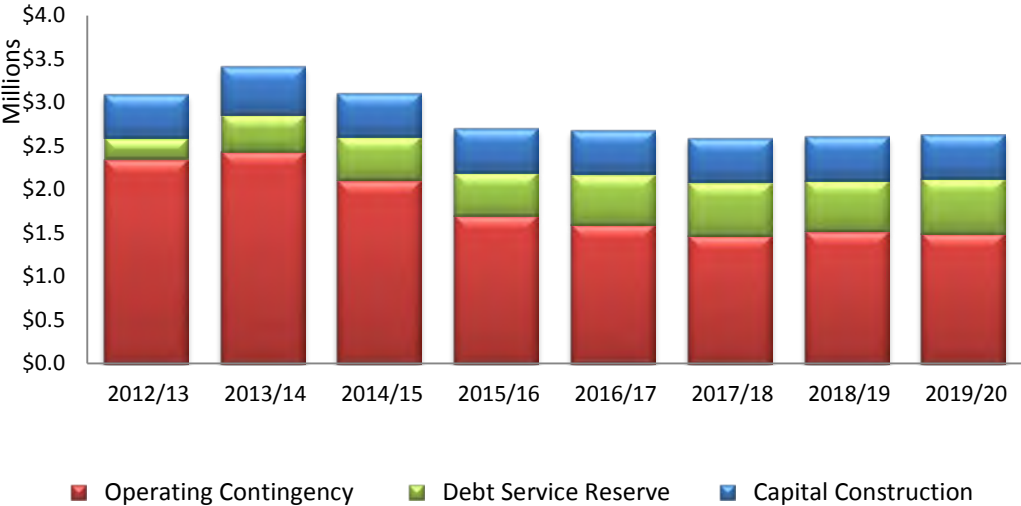
RECHARGE WATER PROGRAM

FYs 2015/16 and 2016/17 debt service expenses of \$0.9 million and \$1.0 million for the 2008B Variable Rate Bond principal and interest debt payments are equally shared by CBWM and IEUA. The variable interest rate for FY 2015/16 is projected to be 1 percent (slightly higher than the FY 2014/15 projected interest rate of less than one percent) and 2 percent for FY 2016/17.

Fund Balance

The ending fund balance for FYs 2015/16 and 2016/17 are projected to be \$2.7 million and \$2.8 million, respectively. Ending fund balances for the ensuing years are estimated to average \$2.8 million as the majority of operating expenditures are fully reimbursable by CBWM and IEUA. Figure 5-15 below shows the trend of ending fund balances through FY 2019/20.

Figure 5-15: Trend of Recharge Water Program Ending Fund Balance



FY 2017/18-FY 2019/20 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.

Recharge Master Plan Update (RMPU) Design Phase is currently projected for the next two years with the construction phase beginning in FYs 2017/18. The RMPU will focus on the following basins: CSI, Declez, Turner, Ely, Montclair, Jurupa/Wineville/Convey, and East Declez.

Recycled water recharged into the basins has become a key component of the regional water supply portfolio: the more water recharged into the Chino Groundwater Basin, the more self-reliant and less dependent the region is on imported water supplies. To maximize past

investments, projects planned over the several years are primarily focused on increasing infiltration rates. These are typically low cost projects that can potentially increase infiltration by 20 percent per basin. These and other investigative projects will be explored and funded in the future years as a means to diversify the water supply for the region and maximize the beneficial reuse of recycled water.

Table 5-26 shows the potential monthly recharge capacities for the recharge sites.

Table 5-26: Chino Basin Potential Monthly Recharge Capacities

Recharge Sites	Recharge Capacity Acre Feet per Month
7 th & 8 th Street Basins	170
Banana Basin	117
Brooks Basin	188
College Heights Basins*	457
Declez Basins	151
Ely Basins	193
Etiwanda Debris Basin*	263
Grove Basin*	38
Hickory Basin	136
Lower Day Basin	340
Montclair Basins*	559
RP-3 Basins	760
San Sevaine Basins	108
Turner Basins	161
Upland Basin*	187
Victoria Basin	160
Wineville Basin*	TBD
Total	3,988

*Basin not permitted for recycled water recharge

RECHARGE WATER PROGRAM

INLAND EMPIRE UTILITIES AGENCY FISCAL YEAR 2015/2016 AND FISCAL YEAR 2016/17 BIENNIAL BUDGET RW FUND - SOURCES AND USES OF FUNDS

	2012/2013	2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Cost Reimbursement from JPA	\$757,088	\$718,788	\$741,692	\$594,716	\$741,907	\$773,000	\$796,000	\$819,000	\$844,000
Contract Cost reimbursement	6,750	0	0	0	50,000	0	0	0	0
Interest Revenue	10,325	10,232	15,000	15,000	10,000	10,000	15,000	20,000	25,000
TOTAL REVENUES	\$774,163	\$729,020	\$756,692	\$609,716	\$801,907	\$783,000	\$811,000	\$839,000	\$869,000
OTHER FINANCING SOURCES									
Grants	\$0	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0
Capital Contract Reimbursement	346,651	342,755	556,740	505,148	1,486,950	4,701,000	13,199,885	22,634,500	8,882,000
Other Revenues	38,838	(2,485)	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$385,489	\$340,270	\$556,740	\$505,148	\$1,486,950	\$4,761,000	\$13,199,885	\$22,634,500	\$8,882,000
EXPENSES									
Employment Expenses	\$459,791	\$380,306	\$816,714	\$787,615	\$649,758	\$683,797	\$719,029	\$739,583	\$759,688
Contract Work/Special Projects	0	0	0	0	100,000	0	0	0	0
Utilities	95,501	101,748	126,000	120,000	122,000	122,000	125,660	129,430	133,313
Operating Fees	4,677	6,384	3,800	3,800	5,000	5,000	5,150	5,305	5,464
Professional Fees and Services	443,668	549,471	603,422	695,628	530,000	593,310	609,579	626,337	643,596
Office and Administrative expenses	7,912	7,891	14,096	13,990	15,500	15,500	15,965	16,444	16,937
Expense Allocation	71,148	0	52,356	48,233	75,788	61,215	62,477	55,671	67,770
Materials & Supplies	45,278	87,565	86,100	57,685	81,500	83,000	85,490	88,055	90,696
TOTAL EXPENSES	\$1,127,975	\$1,133,365	\$1,702,487	\$1,726,952	\$1,579,546	\$1,563,823	\$1,623,350	\$1,660,825	\$1,717,464
CAPITAL PROGRAM									
Capital Expansion/Construction	\$183,274	\$254,750	\$1,316,832	\$735,000	\$1,455,000	\$4,735,000	\$12,730,500	\$22,022,500	\$8,300,000
TOTAL CAPITAL PROGRAM	\$183,274	\$254,750	\$1,316,832	\$735,000	\$1,455,000	\$4,735,000	\$12,730,500	\$22,022,500	\$8,300,000
DEBT SERVICE									
Financial Expenses	\$219,285	\$83,549	\$105,700	\$81,900	\$145,200	\$78,200	\$78,200	\$145,200	\$78,200
Interest	25,906	8,565	299,000	5,500	143,000	273,000	389,000	368,000	346,000
Principal	562,712	584,746	606,780	606,780	632,203	647,458	683,051	710,170	738,983
TOTAL DEBT SERVICE	\$807,902	\$676,860	\$1,011,480	\$694,180	\$920,403	\$998,658	\$1,150,251	\$1,223,370	\$1,163,183
TRANSFERS IN (OUT)									
Capital Contribution	\$263,353	\$142,352	\$275,000	\$337,500	\$314,600	\$440,000	\$0	\$0	\$0
Debt Service	366,306	475,873	505,740	505,740	460,200	499,000	575,000	612,000	582,000
Operation support	275,048	700,000	892,174	892,174	465,893	791,000	828,000	841,000	873,000
Property Tax Transfer	0	0	0	0	61,549	96,442	18,903	3,913	3,913
TOTAL INTERFUND TRANSFERS IN (OUT)	\$904,707	\$1,318,225	\$1,672,914	\$1,735,414	\$1,302,242	\$1,826,442	\$1,421,903	\$1,456,913	\$1,458,913
FUND BALANCE									
Net Income (Loss)	(\$54,792)	\$322,541	(\$1,044,453)	(\$305,854)	(\$363,850)	\$72,961	(\$71,313)	\$23,718	\$29,266
Beginning Fund Balance July 01	\$3,144,816	\$3,090,023	\$3,412,564	\$3,412,564	\$3,106,710	\$2,742,860	\$2,815,822	\$2,744,509	\$2,768,227
ENDING FUND BALANCE AT JUNE 30	\$3,090,023	\$3,412,564	\$2,368,110	\$3,106,710	\$2,742,860	\$2,815,822	\$2,744,509	\$2,768,227	\$2,797,493
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$2,347,150	\$2,430,824	\$1,571,560	\$2,107,710	\$1,743,860	\$1,740,822	\$1,632,509	\$1,686,227	\$1,658,493
Capital Expansion / Construction	500,000	550,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service & Redemption	242,873	431,740	296,550	499,000	499,000	575,000	612,000	582,000	639,000
ENDING BALANCE AT JUNE 30	\$3,090,023	\$3,412,564	\$2,368,110	\$3,106,710	\$2,742,860	\$2,815,822	\$2,744,509	\$2,768,227	\$2,797,493

RECYCLED WATER PROGRAM

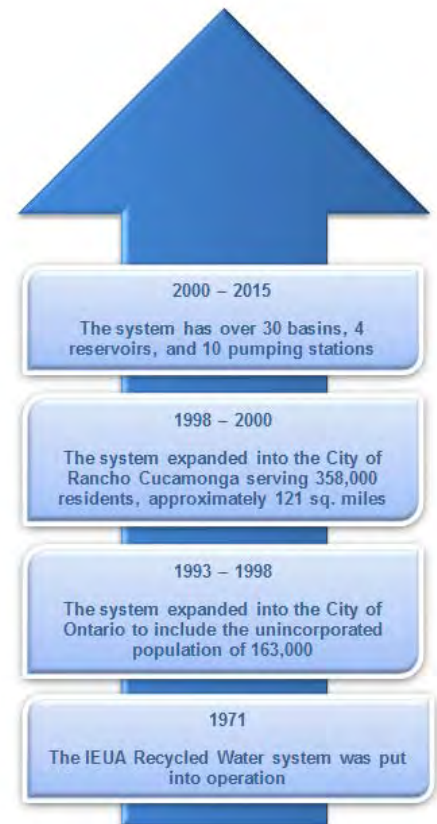
Programmatic Overview

IEUA began producing recycled water in the 1970s as a low cost alternative to potable water for large irrigation customers. By 2014, IEUA and its local water providers have invested over \$250 million in an aggressive regional recycled water program known as the Regional Recycled Water Distribution System (RRWDS) to expand delivery of high quality recycled water and reduce reliance on limited and expensive imported water.

Continued persistent drought conditions coupled with the Governor's Executive Order issued on April 1, 2015 mandating statewide cutback in urban water use of 25 percent through February 2016 as compared to 2013 and limited imported water supplies from the State Water Project make it essential for the region to secure and develop more reliable and sustainable local water supplies. Future economic development is dependent on having a reliable and sustainable water supply that can meet the needs of future growth throughout the region. Included in IEUA's long term planning documents is the expansion of regional recycled water distribution system and groundwater recharge facilities, as well as continual development of local water supplies.

IEUA owns and operates five water recycling treatment facilities, of which four produce recycled water. These facilities receive over 50 million gallons per day (MGD) of wastewater from its member agencies. The wastewater is treated to Title 22 regulations set forth by the California Department of Health Services and supplied to the recycled water distribution system. On average, the program has been able to utilize approximately 90% of the region's recycled water supply. Major benefits of the regional recycled water program include:

- New water supply – delivery of over 35,000 AFY of a local water supply
- Enhances water quality – improves the quality of the Chino Basin aquifer
- Reliable supply – is not directly impacted by drought or climate change and helps mitigate the impacts of regional and statewide water supply limitations
- Reduces reliance on imported water supplies – increases local water supply reliability and decreases water imports from the Sacramento Bay Delta
- Reduces greenhouse gas emissions – requires significantly less energy to deliver to customers than imported water
- Provides high quality recycled water to; IEUA, its seven member agencies (Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water



District) commercial customers, and recharge basins for groundwater storage that will improve the resiliency of the region’s water supply.

In recent years, beginning with the completion of the Recycled Water Business Plan (RWBP), recycled water and groundwater recharge sales began increasing significantly. Sales have increased to an average of over 30,000 acre-feet per year (AFY). Recycled water is a cost effective, dependable, and environmentally friendly water supply that is safe for a variety of uses.

Table 5-27 below shows the acre foot (AF) use projected for FY 2014/15, the current short term demand (within the next five years), and long term demand (projection through 2035) of direct use and groundwater recharge of the RRWDS.

Table 5-27: Recycled Water Deliveries

Recycled Water User Type	Projected FY 2014/15 (AFY)	Short Term Demand (AF)	Long Term Demand (AF)
Direct Use	21,500	28,700	35,800
Groundwater Recharge	10,500	10,200-16,300	14,400-22,600
Total Recycled Water Demand	32,000	38,900-45,000	50,200-58,400

Planning for the Recycled Water Program is aimed toward the ability to adapt and provide beneficial use focused on strengthening the region’s base water supply by shifting towards groundwater recharge, injection, and possibly direct potable reuse. This is necessary as changes in the region’s water resource priorities occur and increased water efficient landscape measures are adopted.

Fund Description

The Recycled Water (WC) fund records the revenues and ex penses associated with the operations and maintenance of the facilities used to distribute recycled water supplied from the four Agency recycling plants, and a portion of groundwater recharge operating expense not funded by CBWM. Additionally, the WC fund records all revenues and costs related to capital construction in the recycled water program.

Revenues and Other Funding Sources

In FY 2015/16 a new water connection fee will be implemented. The revenues generated from the water connection fee will be used to support capital improvement and expansion of IEUA’s regional water system, which is comprised of potable water, recycled water, and groundwater recharge. Based on the adopted FYs 2016-2025 TYCIP, approximately 94 percent of the new

RECYCLED WATER PROGRAM

water connection fee will support capital investments to enhance and expand the regional recycled water distribution system and groundwater recharge facilities.

The new water connection fee will be set at \$693 per meter equivalent unit (MEU) for 5/8” and 3/4” meter sizes with an effective date of January 1, 2016. The adopted recycled water connection fees for FYs 2015/16 through 2019/20 are shown on Table 5-28.

Table 5-28: Water Connection Fee

	2015/16	2016/17		2017/18	2018/19	2019/20
<i>Effective Date</i>	1/01/16	7/01/16	01/01/17	7/01/17	7/01/18	7/01/19
Water Connection Fee /MEU	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684

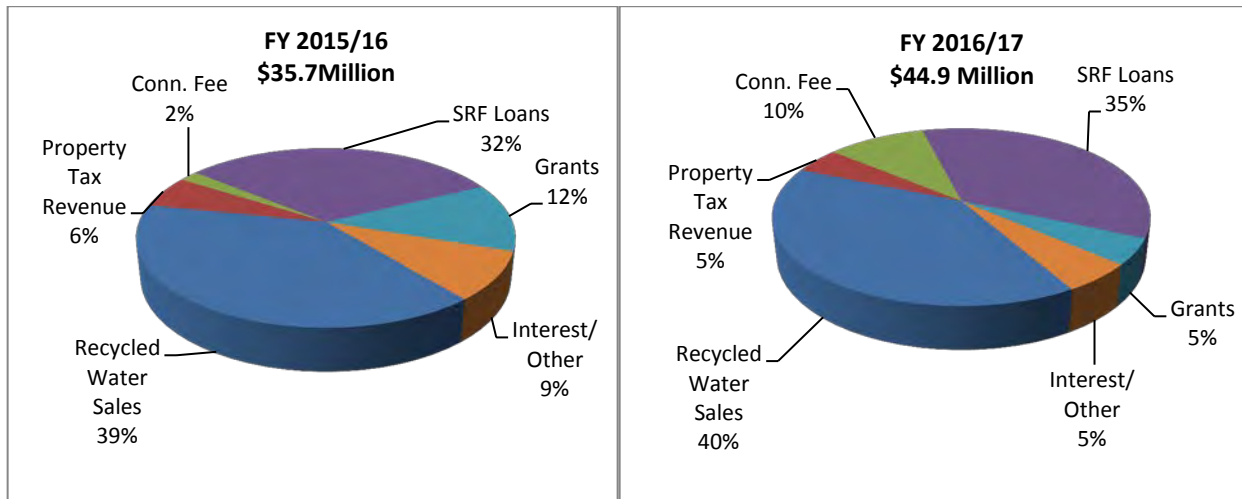
Recycled and groundwater recharge water AF delivery rates for FYs 2015/16 through 2019/20 are shown below in Table 5-29. Groundwater recharge rates includes an additional \$60/AF surcharge to support a portion of groundwater recharge basin maintenance operating and maintenance costs not covered by Chino Basin Watermaster (CBWM), including the Agency’s pro rata share of operating costs for recharge basins recharged with recycled water. Rates that fully recover the cost of services provided, has been a key policy objective of the Agency. With the adoption of five year rates the program reaches a full COS rate in FY 2017/18.

Table 5-29: Recycled Water Rates

	Effective 10/1/2015	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018	Effective 7/1/2019
Direct Delivery Sales AF Rate	\$350	\$410	\$470	\$480	\$490
Recharge Delivery Sales AF Rate	\$410	\$470	\$530	\$540	\$550

Total revenues and other funding sources for the program are projected to be \$35.7 million in FY 2015/16 and \$44.9 million in FY 2016/17. Figure 5-16 below shows the percentage share of revenues and other funding sources for the Recycled Water Program.

Figure 5-16: Total Revenues and Other Funding Sources (\$ Millions)



The increase of revenue in FY 2016/17 is due to higher recycled water volumetric, water connection rates, and related volumes. Major revenues and funding sources for the Recycled Water program are shown below in Table 5-30.

Table 5-30: Total Revenues and Other Funding Sources by Category (\$Millions)

Revenue	2015/16	2016/17	Description
Recycled Water Sales	\$11.9	\$15.7	FY 2015/16 deliveries 35,150 AF FY 2016/17 deliveries 37,100 AF
MWD LPP Program	2.1	2.1	Metropolitan Water District Local Project Program (LPP) rebate of \$154 per AF up to 13,500 AF per FY. This rebate expires in June 2017
Connection Fee	0.7	4.5	985 MEUs in FY 2015/16 4,167 MEUs in FY 2016/17.
Property Tax	2.1	2.1	Property tax allocation of 5% to support debt service costs.
Loan and Grant Proceeds	15.8	18.1	SRF Loans and grants for various expansion and improvement projects throughout the Recycled Water region.
Other Revenues	3.1	2.4	Includes interest, other reimbursements, and debt service support.
Total Revenue	\$35.7	\$44.9	

RECYCLED WATER PROGRAM

The WC fund generates operating revenue from the sale of recycled water to member agencies and industries. In FY 2015/16 total direct deliveries are budgeted at 23,700 AF and groundwater recharge deliveries are budgeted at 11,450 AF. FY 2016/17 direct deliveries are budgeted at 24,200 AF and groundwater recharge deliveries are budgeted at 12,900 AF.

A recycled water rate survey conducted during FY 2014/15 indicated the Agency’s FY 2015/16 recycled water rate still ranks amongst the lowest in southern California as shown in Table 5-31.

Table 5-31: Recycled Water Rate Survey

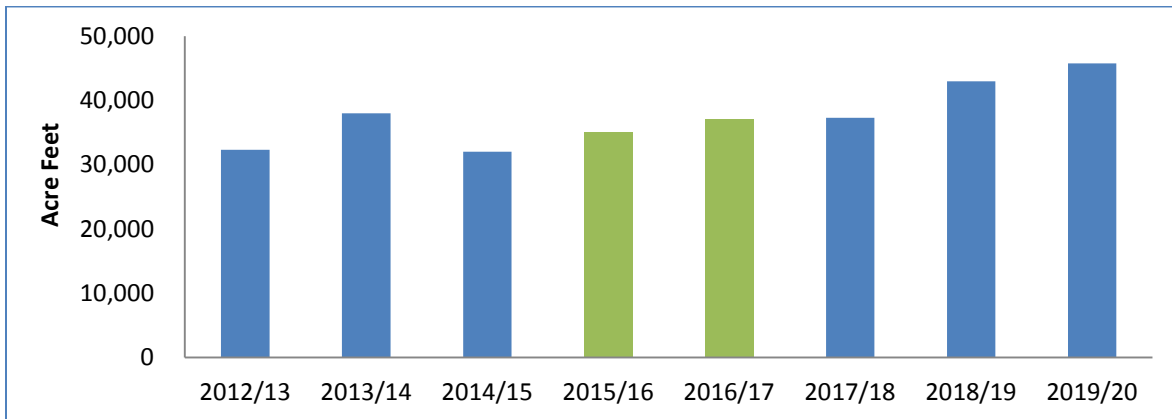
Wholesale Agencies			
Agency	Type	Notes	Rate \$/AF
Central Basin Municipal Water District	Wholesale	Tiered Rates	327- 579
Inland Empire Utilities Agency	Wholesale	Base Rate	350 - 410
Eastern Municipal Water District	Wholesale	Tiered Rates	69 - 496
Irvine Ranch Water District	Retail & Wholesale	Base Rate	597
Orange County Municipal Water District*	Wholesale	Base Rate	440 -1,455
West Basin Municipal Water District	Wholesale	Tiered Rates	965 -1,005

*Prior year rate, updated rates not available before document publishing.

Retail Agencies			
Agency	Type	Notes	Rate/\$/AF
<i>City of Carlsbad</i>	<i>Retail</i>	<i>Base Rate</i>	<i>1,538</i>
<i>City of Escondido</i>	<i>Retail</i>	<i>Base Rate</i>	<i>1,255</i>
<i>City of Glendale</i>	<i>Retail</i>	<i>Base Rate</i>	<i>1,076</i>
<i>City of San Diego</i>	<i>Retail</i>	<i>Base Rate</i>	<i>349</i>
<i>City of Santa Barbara</i>	<i>Retail</i>	<i>Base Rate</i>	<i>1,289</i>
<i>Las Virgenes Municipal Water District</i>	<i>Retail</i>	<i>Tiered Rates for Las Virgenes Valley Zone</i>	<i>474 - 1,529</i>
<i>Las Virgenes Municipal Water District Otay Water District</i>	<i>Retail</i>	<i>Tiered Rates for Western/Calabasas Zone</i>	<i>579 - 1,634</i>
	<i>Retail</i>	<i>Base Rate</i>	<i>1,673</i>
<i>Olivehain Municipal Water District</i>	<i>Retail</i>	<i>Base Rate</i>	<i>1,385</i>

Figure 5-17 illustrates the trend of both historical and projected annual AF sales through FY 2019/20.

Figure 5-17: Acre Feet Sales Trend by Fiscal Year



The FY 2013/14 recycled water deliveries of 38,251 AF exceeded the budgeted amount. The increased delivery was attributed to the availability of groundwater recharge basins for a longer period of time due to dry weather conditions and optimal operating conditions. The 38,251 AF reused in FY 2013/14 is the equivalent water supply for roughly 70,500 homes for one year.

In addition to the new water connection fee effective January 1, 2016, the primary source of funding for the Regional Recycled Water Distribution System (RRWDS) capital expenditures are State Revolving Fund (SRF) loans and related grants obtained from the California State Water Resources Control Board (SWRCB), as well as other grant funding from various federal, state, and local sources.

The Recycled Water program has been using various forms of SRF loans since 2003. The adoption of the water connection fee should reduce the amount of SRF loans needed to fund future capital expenditures and support a more robust pay-go funding strategy. A complete listing of the Recycled Water Program SRF loans is shown below in Table 5-32.

RECYCLED WATER PROGRAM

Table 5-32: Recycled Water SRF Loan Proceeds (\$Millions)

Service Areas	Fiscal Year Received/Expected	Phases	Received/Estimated*
Awarded Funding			
Southern, Central, and Northeastern Areas	FY 2000/01 thru FY 2010/11	Phases I - V	\$57.1
Southern Area	FY 2013/14 thru FY 2014/15	Phase VI	26.6
Central Area/Wineville Areas	FY 2014/15 thru FY 2015/16	Phase VII	26.5
Sub-Total			110.2
Projected Funding			
Various RW Projects	FY 2015/16 thru FY 2017/18	Phase VIII	15.6*
Total Recycled Water SRF Loan Proceeds			\$125.8

*Amounts are not final as these projects are still in the planning stages

Expenses and Other Uses of Funds

Total Recycled Water program expenses and other uses of funds are budgeted at \$34.0 million in FY 2015/16 and \$40.4 million in FY 2016/17 as noted in Table 5-33.

Table 5-33: Total Expenses and Other Uses of Funds (\$Millions)

Expense	2015/16	2016/17	Description
Capital Projects	\$16.3	\$18.6	See the Capital section (Chapter 6) for detailed listing of Recycled Water Capital Projects
Debt Service	6.2	9.3	Includes repayment of principal and interest costs
Operations	5.8	6.0	Includes labor, utilities (pumping costs), chemicals and materials, and supplies.
Administrative	2.1	2.1	Includes professional fees and services, and other allocated expenses
Ground Water Recharge	0.6	0.6	Includes the Agency's pro-rata share of O&M costs not covered by CBWM
Other	3.0	3.8	Includes O&M project costs and inter-fund transfers for operating and capital support including water connection fees to the GG, RW and WW funds for capital investment in

Expense	2015/16	2016/17	Description
			integrated water resource management
Total Expense	\$34.0	\$40.4	

Each year the WC fund transfers funds to other programs. Transfers to the Recharge Water (RW) fund support operating and capital costs not reimbursed by Chino Basin Watermaster (CBWM). Connection fee transfers to the General Administrative (GG), RW, and Water Resource (WW) programs support capital expansion of integrated regional water resources funded by the water connection fees.

Capital Project Costs

With the completion of the Central/Wineville area projects in FY2014/15, the major focus of the recycled water capital program going forward will be improvements of the RRWDS, expansion of groundwater recharge facilities, and rehabilitation and replacement (R&R). Project prioritization is based on the ability of projects to increase recycled water deliveries. IEUA currently produces over 50 million gallons per day of recycled water, and there are several key projects under way to expand the beneficial reuse of recycled water throughout the region.

Listed in Table 5-34 are the major recycled water capital construction projects budgeted in FYs 2015/16 and 2016/17. For a complete listing of projects and descriptions, refer to the Capital section of the budget book.

Table 5-34: Major WC Fund Recycled Water Capital Construction Projects (\$Millions)

Major Capital Projects	2015/16	2016/17
Recycled Water Connections to Pomona and Jurupa	\$5.0	\$10.0
San Sevaine Improvements	3.5	3.0
Second 12kV Feeder to TP-1	1.0	0.5
SCADA Communication/Control Upgrades	1.2	
Napa Lateral	0.2	1.0
1630 W. Pump Station Improvements	0.4	0.7
Total	\$11.3	\$15.2

RECYCLED WATER PROGRAM

Debt Service Costs

To date, the Agency has received or been awarded funding of \$110.2 million from the SWRCB, in the form of SRF loans for the Recycled Water Distribution System (RRWDS). Other near term capital projects to maximize recycled water flow and groundwater recharge is projected to require an additional \$15.6 million of SRF loans in FY 2017/18.

Debt service costs (principal and interest) for FY 2015/16 are projected to be \$6.2 million and \$9.2 million in FY 2016/17 as shown in Table 5-9 below. Total annual debt service costs in FY 2016/17 increase 48% over the prior year as repayment of an inter-fund loan to the Non-Reclaimable Wastewater fund begins. The increase in FY 2017/18 is due to the planned defeasance of the 2008A revenue bonds.

Table 5-35: Total Debt Service Costs by Fiscal Year (\$Millions)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Inter-Fund Loans	\$0	\$0.1	\$2.1	\$2.2	\$1.2	\$1.2
2008A Bonds	1.5	1.5	1.5	7.8	6.9	6.1
SRF Loans*	3.3	4.6	5.6	5.6	6.4	7.3
Total	\$4.8	\$6.2	\$9.2	\$15.6	\$14.5	\$14.6

**Increase in SRF Loan in 2015/16 and 2017/18 are due to the addition of principal and interest payments for the Southern and Wineville Area SRF loans.*

The inter-fund loan repayment from the Recycled Water fund to the Non-Reclaimable Wastewater fund is projected to begin in FY 2016/17. Inter-fund loans are used as needed to support capital costs, debt service costs, and operating costs not recovered through the recycled water rates. The use of the inter-fund loans has helped to mitigate upward pressure on direct and recharge recycled water rates. Table 5-36 summarizes the future repayment schedule for Recycled Water fund outstanding inter-fund loans.

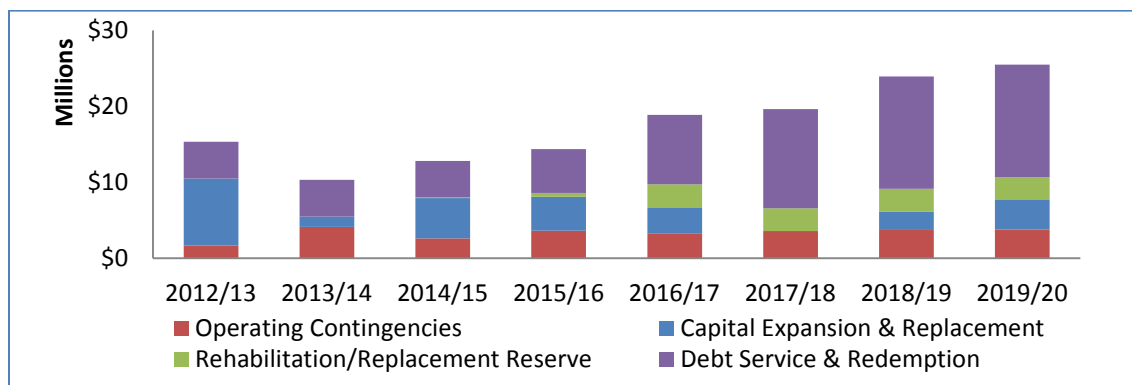
Table 5-36: Recycled Water Fund Repayment of Inter-fund Loans (\$Millions)

Inter Fund Loans Issued	Due to	Loan Amount	Repayment Schedule
FY 2007/08	Non-Reclaimable Wastewater (NRW) Fund	\$9	2016/17-17/18 \$4.0 2018/19-19/20 \$2.0 2020/21 \$3.0
FY 2007/08	Regional Wastewater Capital Improvement (RC) Fund	3	2022/23 \$1.0 2023/24 \$1.0 2024/25 \$1.0
FY 2009/10	Non-Reclaimable Wastewater (NRW) Fund	6	2020/21 \$2.0 2021/22 \$3.0 2022/23 \$1.0
FY 2014/15	Regional Wastewater Capital Improvement (RC) Fund	10.5	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5
Total		\$28.5	

Fund Balance

The FY 2015/16 ending fund balance is estimated to be \$14.4 million and \$18.9 million in FY 2016/17. The projected increase in FY 2016/17 fund balance is due to water connection fees and a small increase in volume of recycled water deliveries. In the ensuing three years, the fund balance is projected to increase moderately each year primarily because capital expenditures begin to wane with the completion of the RRWDS. Additionally, increases of recycled water sales and water connection fees also contribute to a higher ending fund balance. Figure 5-18 shows historical and projected ending fund balances.

Figure 5-18: Trend of Recycled Water Fund Ending Fund Balance



RECYCLED WATER PROGRAM

FY 2017/18 – FY 2019/20 Forecast

For the three years following the biennial budget, the fund balance is projected to average approximately \$23.0 million annually. During this time, inter-fund loan debt repayments of \$6.0 million are made possible by the increase in sales volume and adopted rates and fees. The improvement and expansion of the RRWDS will be supported by the new water connection fee and continued use of SRF loans and corresponding grants. The Agency will continue to focus on achieving the RWBP goal of providing 20 percent of the region’s water requirement by 2025 with projects dedicated to increasing connected demand and storage in groundwater basins.



Regional Water Recycling Plant No. 5 (RP-5)



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
WC FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2012/2013	2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Contract Cost reimbursement	\$32	\$249	\$5	\$5	\$5	\$0	\$0	\$0	\$0
Interest Revenue	98	75	103	103	192	216	268	381	660
Water Sales	7,952	10,831	11,582	11,582	14,022	17,814	18,055	21,467	23,376
TOTAL REVENUES	\$8,082	\$11,155	\$11,689	\$11,689	\$14,219	\$18,030	\$18,323	\$21,848	\$24,035
OTHER FINANCING SOURCES									
Property Tax - Debt/Capital	\$2,355	\$1,950	\$2,010	\$1,979	\$2,058	\$2,120	\$2,183	\$2,227	\$2,271
Connection Fees	0	0	0	0	683	4,475	5,190	4,830	5,052
State Loans	4,780	10,175	11,074	20,243	11,367	15,985	12,899	2,938	604
Grants	2,494	2,253	2,320	2,338	4,417	2,125	1,500	1,600	0
Capital Contract Reimbursement	16	207	1,412	525	1,444	718	396	1,462	69
Other Revenues	16	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	10,500	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$9,660	\$14,585	\$16,817	\$35,584	\$19,969	\$25,422	\$ 22,167	\$ 13,056	\$ 7,997
EXPENSES									
Employment Expenses	\$3,474	\$2,806	\$3,549	\$3,347	\$3,249	\$3,419	\$3,595	\$3,698	\$3,798
Contract Work/Special Projects	188	344	589	295	2,100	2,225	825	825	1,150
Utilities	2,092	2,377	2,570	2,427	2,877	3,010	3,318	3,926	4,269
Operating Fees	102	159	212	188	198	152	201	251	207
Professional Fees and Services	901	865	610	457	643	654	663	673	682
Materials & Supplies	84	78	267	130	169	169	174	178	183
Other Expenses	326	229	1,153	1,099	1,356	1,283	1,132	1,245	1,225
TOTAL EXPENSES	\$7,167	\$6,857	\$8,950	\$7,943	\$10,592	\$10,911	\$9,909	\$10,795	\$11,514
CAPITAL PROGRAM									
Work In Progress	\$8,627	\$6,665	\$39,564	\$32,228	\$16,293	\$18,630	\$14,465	\$4,115	\$3,210
TOTAL CAPITAL PROGRAM	\$8,627	\$12,570,988	\$39,564	\$32,228	\$16,293	\$18,630	\$14,465	\$4,115	\$3,210
DEBT SERVICE									
Financial Expenses	(\$37)	(\$31)	\$2	\$2	\$2	\$2	\$2	\$2	\$2
Interest	2,207	2,087	2,055	2,055	2,816	2,822	2,812	2,797	2,871
Principal	2,704	2,738	2,773	2,773	3,412	4,433	10,802	10,749	10,697
Short Term Inter-Fund Loan	0	0	0	0	0	2,000	2,000	1,000	1,000
TOTAL DEBT SERVICE	\$4,874	\$4,794	\$4,830	\$4,830	\$6,230	\$9,257	\$15,616	\$14,548	\$14,569
TRANSFERS IN (OUT)									
Capital Contribution	\$1,238	(\$198)	(\$355)	(\$397)	(\$351)	(\$459)	(\$16)	(\$8)	(\$2)
Debt Service	1,465	1,465	0	1,465	1,465	1,465	1,465	0	0
Operation support	(75)	(600)	(892)	(892)	(466)	(791)	(828)	(841)	(873)
One Water	0	0	0	0	(130)	(378)	(342)	(302)	(319)
Property Tax Transfer	0	(500)	0	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$2,628	\$166	(\$1,247)	\$175	\$518	(\$164)	\$279	(\$1,150)	(\$1,194)
FUND BALANCE									
Net Income (Loss)	(\$298)	(\$4,974)	(\$26,085)	\$2,447	\$1,593	\$4,490	\$779	\$4,295	\$1,545
Beginning Fund Balance July 01	15,623	15,326	10,351	10,351	12,798	14,391	18,881	19,660	23,955
ENDING BALANCE AT JUNE 30	\$15,326	\$10,351	(\$15,733)	\$12,798	\$14,391	\$18,881	\$19,660	\$23,955	\$25,501
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$1,714	\$4,125	\$2,983	\$2,648	\$3,637	\$3,303	\$3,598	\$3,838	\$3,816
Capital Expansion & Replacement	8,786	1,384	(23,582)	5,285	4,461	3,427	0	2,301	3,869
Rehabilitation/Replacement Reserve	0	0	100	100	500	3,000	3,000	3,000	3,000
Debt Service & Redemption	4,825	4,842	4,765	4,765	5,792	9,151	13,062	14,816	14,816
ENDING BALANCE AT JUNE 30	\$15,326	\$10,351	(\$15,733)	\$12,798	\$14,391	\$18,881	\$19,660	\$23,955	\$25,501

WATER RESOURCES PROGRAM

Programmatic Overview

Water demand within the Agency's service area has changed significantly over the years, shifting the majority of water use throughout the region from agricultural to urban (residential, commercial, industrial, and institutional). IEUA and its member agencies work collaboratively to develop, deliver, and preserve safe and reliable water supplies while employing technologies and activities that maintain and improve region-wide water use efficiencies.

Demand management and the efficient use of water remains a long-term priority in meeting water supply reliability that is unpredictable from year to year. Historically, drought is cyclical and produces lower than average precipitation, however, over the last 10 years, the region has experienced extended periods of below average rainfall with increased temperatures. Water shortages are occurring more frequently as a result of more "dry year" weather events and as a result, impacts the ability to receive normal deliveries of water from the State Water Project (SWP). Thus, even in wet years, future water supplies are uncertain and stretched thin by increasing environmental regulations and a growing population. 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 are a significant impact to sustaining regional water supplies. The Agency's service area experienced water demand declines over four consecutive years during the period of 2006 through 2010. However, beginning in 2011, water demand has risen steadily to approximately 223,000 AF in 2014 as a result of a number of contributing causes, such as economic recovery, low precipitation rates, significantly hotter weather conditions and population growth rates. The service area's overall water demand still remains approximately 13 percent lower than the peak water use year of 255,000 AF in FY 2006/07. This sustained reduction in water use can largely be attributed to the Agency and its member agencies public education, water use efficiency programs, and ordinance enforcement, and to the economic downturn of 2008 which resulted in a high number of foreclosures and vacancies throughout the Agency's service area.

With demands already artificially low as a result of the recent economic decline, water use is predicted to rise. IEUA's regional water use efficiency programs will be critical in stabilizing local water supplies. Statewide initiatives that include Assembly Bill 1420 (Laird/Feuer), mandatory implementation and full compliance with Demand Management Measures, and the Water Conservation Act of 2009 (SBX 7 7), that requires 20 percent reduction in urban per capita water use by 2020, will have a monumental impact on how water is used over the next 5 years.

Moreover, water use efficiency programs and activities will be critical to IEUA and its members in responding to and meeting the Governor's Executive Order, calling for statewide mandatory



water reductions to reduce water usage across the State by 25% from 2013 levels and other emergency regulations in order to safeguard the State's remaining water supplies.

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.

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 deliveries. 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. The programs primarily focus on activities that encourage the efficient use of outdoor water, 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 Metropolitan Water District of Southern California (MWD), CBWM, CBWCD, Santa Ana River Water Project Authority (SAWPA), San Bernardino County Flood Control (SBCFCD), and other agencies.

In FY 2015/16, major initiatives to be implemented in the Water Resources Program include:

- **IEUA Integrated Resources Plan** – This plan will be developed with significant stakeholder involvement and act as the regional water resources guiding document for future cost-effective water supply programs within the region.
- **IEUA Long-Term Water Use Efficiency Business Plan Update**– This plan will continue to guide water use efficiency programs over the next two years and identify core initiatives for implementation and demand reduction in order to comply with AB 1420 and SBX 77, and State grant and loan eligibility requirements. Based on the Long Term Water Use Efficiency Business Plan, the water use reduction goal for the Agency's service area is 4,563 AF by the year 2020 and 14,260 AF lifetime savings. An additional 12,528 AF is projected to be achieved through passive water conservation savings. The Agency expects to exceed the 20 percent reduction by 2020 goal through regional and local actions.
- **Water Use Efficiency Programs** – IEUA and its member agencies will continue to allocate funds to targeted programs, such as residential, commercial, industrial, institutional, and landscaping, and to seek grant funding whenever applicable in order to maintain programs identified in the Long Term Water Use Efficiency Plan. IEUA will

WATER RESOURCES PROGRAM

continue to offer an expanded array of options to increase water savings, public awareness, education, and participation.

- ***Santa Ana Watershed Project Authority (SAWPA) Planning Initiatives*** – IEUA is very involved in assisting SAWPA with education on rates, expertise in aerial imaging and advisement on Technology-based Conservation products. IEUA, as a key SAWPA member/stakeholder, participated in the development of a SAWPA sponsored, Prop 84 grant application. The grant was successful and awarded by Department of Water Resources in fall 2014. The grant funds were allocated and member agencies provide matching funds for the following projects:
 - Turf removal rebates - \$5.2 million divided between the 5 SAWPA member agencies
 - Technology-based conservation tools - \$1.5 million allocated to identification and use of a drought response program for 20-30 SAWPA agencies
 - Efficiency-based water rate assistance - \$2.3 million allocated to assisting agencies
 - Aerial imaging to calculate landscape square footage - \$1.5 million allocated for this assessment

- ***Local Supply Resilience Projects*** – IEUA will evaluate local and regional water supply projects that provide resiliency and will participate with member agencies to enable preparation of planning and environmental review documents for soliciting outside funding sources.

Fund Description

The Water Resources (WW) fund records 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 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 the State, Federal, and local agencies.



Revenues and Other Funding Sources

In January 2015, the Agency engaged Carollo Engineers to analyze the potable water rates structure. The study identified various alternatives on restructuring the rates to better align how costs are incurred and how costs are recovered. Summarized below are the two proposed rates that best meet the key objectives of equity, cost/benefit nexus and revenue stability.

RTS Recovery Rate

Currently IEUA collects the RTS charges through the monthly meter charge on an ac count based or fixed basis. However, MWD assesses the pass-through RTS charge based on a ten-year rolling average (TYRA) of water use; a commodity based or variable basis. The use of a volumetric based rate to pass through the RTS costs that mimics the MWD methodology is one option being considered to more equitably allocate costs.

Monthly Meter Charge/MEU Rate

Currently, approximately 80 percent of the monthly meter charge imposed on all potable water connections is used to recover the MWD RTS pass-through fees. The remaining amount of 20 percent is allocated to support operating costs for the water resources program, including a small portion of the regional conservation program.

A key recommendation of the study is the restructuring of the monthly meter charge rate from account based (total number of customer accounts) to meter equivalent units (MEUs) and use the revenue generated to support the water resource program costs, a portion of which were previously supported by the AF surcharge rate. The use of the MEU rate to support a primarily "fixed" program cost will provide more stable funding for the management of water resource initiatives, including the Agency's regional conservation and water use efficiency programs.

At the request of member agencies, the Board agreed to defer implementation of the proposed rate to allow more time for discussion and analysis. Discussions will resume in the Fall of 2015 with the plan for the IEUA Board to adopt the new rates by December 2015 for FY 2016/17. No changes to the AF surcharge or meter charge are proposed for FY 2015/16. The Agency's surcharge for imported potable water will remain at \$15 per acre foot (AF) effective July 1, 2015; of which \$4 AF is dedicated for water use efficiency programs. The monthly imported water meter service charge will remain \$2.105/meter effective July 1, 2015. Meter charge revenues support the Readiness-to-Serve (RTS) pass through fees from MWD and water use efficiency programs.

Total funding sources for the WW fund are \$53.1 million and \$56.9 million for FYs 2015/16 and 2016/17, respectively. The FY 2015/16 revenues are comprised of \$41.4 million, or 78 percent of the budget for the pass through sales of MWD potable imported water, \$5.6 million or 11 percent for water meter and AF surcharge fees, \$1.5 million in grant and reimbursements for

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conservation program, \$2.0 million in inter-fund loan from GG fund and \$1.5 million in property tax allocation to support program costs.

The FY 2016/17 revenues are comprised of \$42.1 million, or 74 percent of the budget for the pass through sales of MWD potable imported water, \$5.3 million or 9 percent estimated from the Meter Equivalent Unit (MEU), \$4.2 million or 7 percent from AF Surcharge for MWD RTS pass through costs, \$1.5 million in property tax allocation to support program cost, and \$1.5 million in grant and reimbursements for conservation program. Figure 5-19 and Table 5-37 provide a summary of WW Fund’s revenues and other funding sources, as well as budget assumptions.

Figure 5-19: Revenues & Other Funding Sources

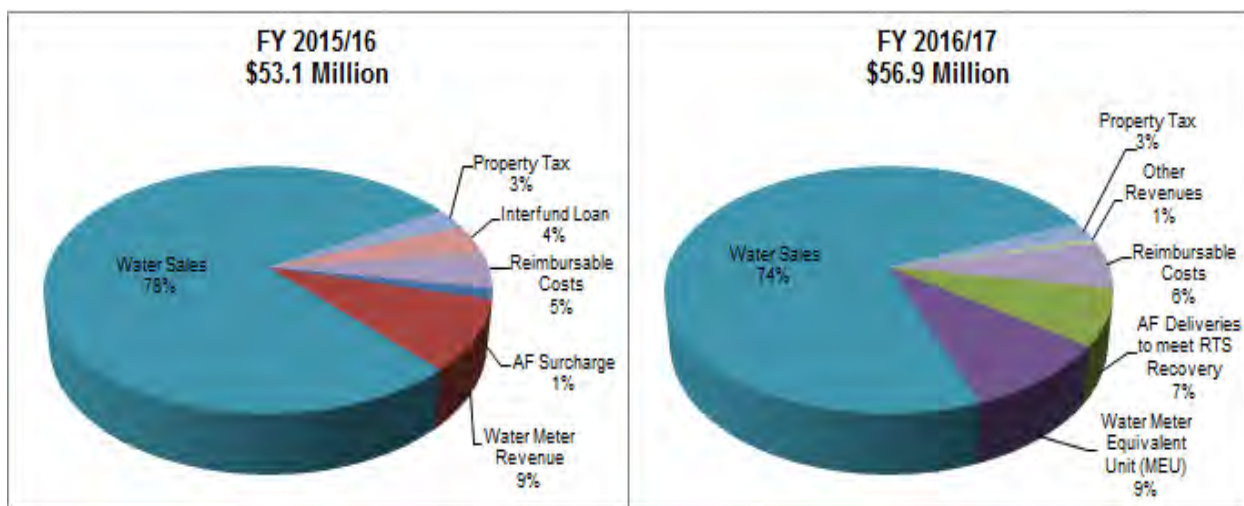


Table 5-37: Revenues & Other Funding Sources by Category (\$ Millions)

Major Funding Sources	2015/16	2016/17	Key Assumptions
Imported Water Sales	\$41.4	\$42.1	Pass through sales of MWD potable imported water.
AF Surcharge	0.8	0.0	50,000 AF in FY 2015/16 (\$15/AF). Rate structure may change in FY 2016/17.
AF Surcharge for MWD RTS pass through costs	0.0	4.2	Not applicable in FY 2015/16. 62,316 AF in FY 2016/17 (based on 10 yr historical average).
Water Meter Rate	4.8	0.0	190,952 units/mo in FY 2015/16, Rate structure may change in FY 2016/17.
Meter Equivalent Units (MEU)	0.0	5.3	Not applicable in FY 2015/16 401,826 MEU/mo in FY 2016/17.
Connection Fee Transfer from WC fund	0.0	0.3	Based on 4,168 MEUs in FY 2016/17.



Major Funding Sources	2015/16	2016/17	Key Assumptions
Property Tax transfer	1.5	1.5	Allocation of property tax receipts from GG to support program costs.
Grants/rebates	1.0	2.0	Continue to leverage grants to support conservation projects.
Inter-fund Loan	2.0	0.0	Inter-fund loan from GG fund.
Other	1.6	1.5	Interest and other reimbursements.
Total	\$53.1	\$56.9	

Table 5-38 below enumerates the anticipated reimbursements by conservation projects which are primarily funded by MWD, SAWPA Proposition 84 grant, and Chino Basin Water Conservation District (CBWCD):

Table 5-38: Conservation Project Reimbursements (\$ Millions)

Reimbursements	2015/16	2016/17
Santa Ana River Watershed Action Team Conjunctive Use Project (SARCUP)	\$1.0	\$2.0
Residential Landscape Device Retrofit Program	0.4	0.4
Landscape Transformation and Rebate Incentives	0.3	0.3
Free Sprinkler Nozzle Voucher Program (MWD)	0.3	0.3
Technology Based Information System	0.2	0.2
CBWD Landscape Audit Program	0.1	0.1
Total	\$2.3	\$3.3

Expenses and Other Uses of Funds

Total expenditures in FYs 2015/16 and 2016/17 are projected to be \$54.5 and \$56.5 million, respectively. As summarized on Table 5-39, major expenses for the WW fund are comprised of pass-through purchases of imported water, regional conservation program costs and operating costs. Expense includes an average of \$41.8 million or 75 percent of budget for purchases of imported water, \$3.6 million or 7 percent for MWD readiness-to-serve pass through costs; \$7.8 million or 14 percent of budget for conservation program projects; \$2.4 million or 4 percent of budget for administration costs which include labor, professional fees and services, and office and administrative expenses.

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Table 5-39: Water Resources Program Total Expenses & Other Uses of Funds (\$Millions)

Major Uses of Funds	2015/16	2016/17	Key Assumptions
Imported Water Purchases	\$41.4	\$42.1	Pass-through purchases of MWD imported water.
Operating Expense	2.4	2.4	Includes labor, professional fees and services, materials and supplies.
Special Projects	7.2	8.3	See Table 18 for summary of major projects.
MWD Readiness to Serve	3.5	3.7	MWD Readiness to Serve obligation (pass through costs)
Total	\$54.5	\$56.5	

A list of the conservation projects budgeted in FY 2015/16 is provided in Table 5-40.

Table 5-40: Water Resources Program Conservation Projects

Projects	2015/16	2016/17
Regional Conservation Programs	\$3.0	\$3.0
Urban Water Management Plan (UWMP)	0.8	0.0
Local Supply Resiliency Projects	0.8	0.8
Santa Ana River Watershed Action Team Conjunctive Use Project (SARCUP)	2.0	4.0
Water Resource Planning Documents	0.6	0.5
Total Projects	\$7.2	\$8.3

The amount of full service imported water to be purchased over the next few years is expected to be lower than the previous years. Total imported water deliveries of 50,000 acre-feet per year are budgeted in FYs 2015/16 and 2016/17. Historically, IEUA has been able to rely on additional purchases of replenishment water. However, with the uncertainty of the availability of replenishment water going forward, IEUA does not anticipate any replenishment rate water available in the next two years.

Table 5-41 below shows the water rate surcharge by agencies which is in addition to the MWD base rate on sales of imported water pass-through customers. This illustrates that IEUA's FY 2015/16 water rate surcharge is among the lowest compared to the other local agencies.



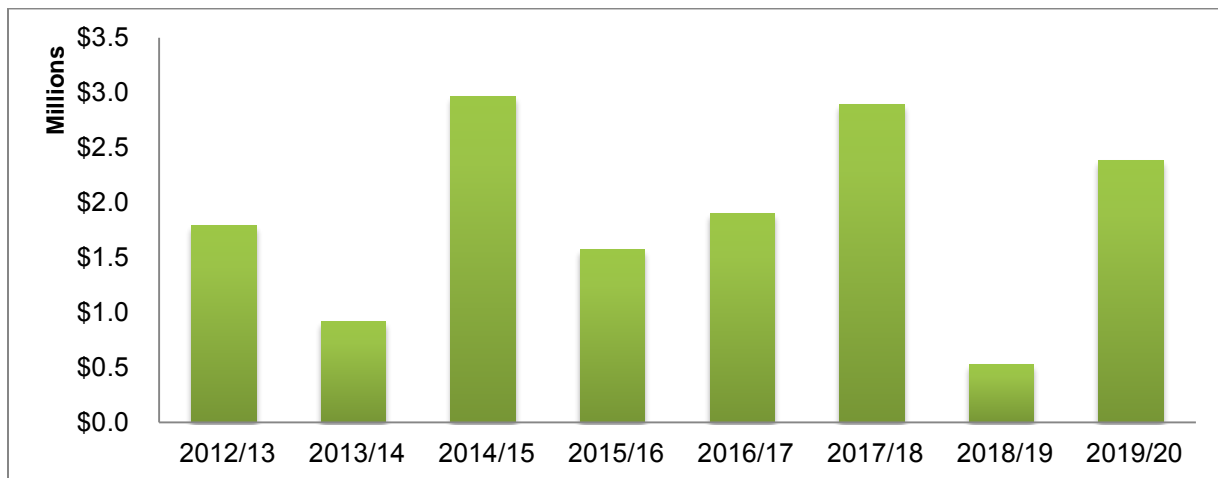
Table 5-41: Water Rate Surcharge by Agencies

Agency	Surcharge Rate Per AF
Calleguas Municipal Water District	\$315
West Basin Municipal Water District	\$194
Central Basin Municipal Water District	\$90
Western Municipal Water District	\$33
Inland Empire Utilities Agency	\$15
Municipal Water District of Orange County	\$11

Fund Balance

The estimated fund balances for FYs 2015/16 and 2016/17 are projected to be \$1.6 million and \$1.9 million, respectively. The program fund balance is projected to increase in FY 2017/18 to \$2.9, in partially to the proposed restructuring of the monthly meter charge rate from account based (total number of customer accounts) to meter equivalent units (MEU) and the continued allocation of property taxes. For FY 2018/19, the significant decrease is due to anticipated purchase of imported water from Northern California during wet years. Figure 5-20 shows historical, budgeted, and forecasted fund balance reserves through FY 2019/20

Figure 5-20: Trend of Water Resources Program Fund Balance



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FY 2017/18 – 2019/20 Forecast

For the three years following the biennial budget, the fund balance is projected to average approximately \$1.9 million annually. During this time, inter-fund loan debt repayments of \$1.0 million and purchase of imported water from northern California during wet years are made possible by the increase in MEU volume and adopted rate increases.

Water supply issues present many challenges and opportunities in 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 Agency has established an aggressive goal to increase regional resiliency against droughts, reduce dependence on imported water and develop programs for long term water efficiency. These measures include development of a water use efficiency data infrastructure with and for Member Agencies.

Approximately \$250 million of local supply resiliency projects that can provide relief from drought or other water shortages were identified by member agencies in 2014 in response to the on-going drought. The development of the Integrated Resources Plan will help to prioritize these projects and to identify funding sources, including Agency contributions, and assess the viability of these projects.

The Agency is committed to assist agencies secure funding for these projects through a combination of member agency contributions, SRF loans, and grants. Likewise, conservation programming to decrease the region's reliance on imported water supplies, assumes a 50 percent cost share through MWD reimbursable conservation programs and grant funds.

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



**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET
WW FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2012/2013	2013/2014	2014/15	2014/15	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
User Charges	\$4,262	\$4,924	\$5,817	\$5,817	\$5,620	\$9,498	\$9,825	\$10,399	\$11,986
Contract Cost reimbursement	377	263	1,095	1,095	1,477	1,500	1,500	1,500	1,500
Interest Revenue	7	9	6	6	14	31	60	99	141
Water Sales	30,805	40,225	40,828	40,828	41,441	42,062	42,693	43,334	43,984
TOTAL REVENUES	\$35,452	\$45,421	\$47,746	\$47,746	\$48,552	\$53,091	\$54,078	\$55,332	\$57,611
OTHER FINANCING SOURCES									
Property Tax - Debt and Capital	\$0	\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Grants	\$214	\$84	\$0	\$0	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000
Other Revenues	24	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	4,308	4,308	2,000	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$238	\$84	\$4,308	\$5,808	\$4,500	\$3,500	\$3,500	\$3,500	\$3,500
EXPENSES									
Employment Expenses	\$740	\$829	\$1,225	\$1,181	\$1,750	\$1,842	\$1,937	\$1,992	\$2,046
Contract Work/Special Projects	1,143	1,228	6,324	5,205	7,077	8,372	7,872	7,872	7,872
Operating Fees	2,965	3,798	3,783	3,777	3,562	3,669	3,780	7,693	4,010
Professional Fees and Services	81	98	203	175	157	157	157	157	157
Office and Administrative expenses	6	36	60	48	60	60	62	64	66
MWD Water Purchases	30,754	40,225	40,828	40,828	41,441	42,062	42,693	43,334	43,984
Other Expenses	154	66	323	271	406	338	346	315	374
TOTAL EXPENSES	\$35,843	\$46,280	\$52,747	\$51,486	\$54,453	\$56,501	\$56,846	\$61,427	\$58,509
DEBT SERVICE									
Short Term Inter-Fund Loan	\$0	\$0	\$0	\$22	\$32	\$32	\$47	\$63	\$1,053
TOTAL DEBT SERVICE	\$0	\$0	\$0	\$22	\$32	\$32	\$47	\$63	\$1,053
TRANSFERS IN (OUT)									
Operation support	(\$200)	(\$100)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One Water	0	0	0	0	41	269	311	290	303
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$200)	(\$100)	\$0	\$0	\$41	\$269	\$311	\$290	\$303
FUND BALANCE									
Net Income (Loss)	(\$354)	(\$876)	(\$692)	\$2,047	(\$1,391)	\$328	\$996	(\$2,368)	\$1,852
Beginning Fund Balance July 01	\$2,145	\$1,791	\$916	\$916	\$2,963	\$1,572	\$1,899	\$2,896	\$528
ENDING FUND BALANCE AT JUNE 30	\$1,791	\$917	\$223	\$2,963	\$1,572	\$1,899	\$2,896	\$528	\$2,380
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$1,791	\$916	\$223	\$2,963	\$1,572	\$1,899	\$2,896	\$528	\$2,380
ENDING BALANCE AT JUNE 30	\$1,791	\$916	\$223	\$2,963	\$1,572	\$1,899	\$2,896	\$528	\$2,380



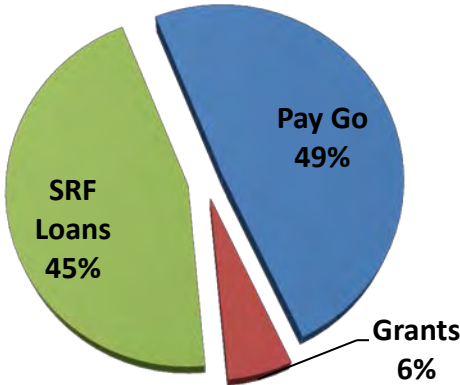
CAPITAL

CAPITAL IMPROVEMENT PLAN

Each year, the Agency develops a Ten Year Capital Improvement Plan (TYCIP) based on growth and regulatory requirements, existing asset management needs, and recommendations from the Regional Technical and Policy Committees. Pursuant to the terms of the Regional Sewerage Service Contract (Regional Contract), the TYCIP includes a description of the capital improvement projects planned to meet the wastewater flow forecasts, a summary of the costs associated with the program, and a description of the financing plan to implement the program.

The FY 2015/16 – FY 2024/25 TYCIP was adopted by the Board in March 2015. Since then, project changes and respective budget realignments were made to the TYCIP. The TYCIP presented in March showed total project spending of \$908 million, including \$7.0 million for Inland Empire Regional Composting Authority (IERCA) projects. The decrease of \$216 million is due to a reduction in local water supply resilience projects initially budgeted in the Water Resources (WW) Fund. The revised TYCIP of \$692 million is comprised of \$576 million for capital projects, \$111 million for operations and maintenance (O&M) projects, \$5 million for investment in the IERCA and Los Angeles County Sanitations District (SDLAC) capital replacement, repair, relocation, and refurbishment (4Rs) project costs. The TYCIP is funded 49 percent on a pay-go basis, with State Revolving Fund (SRF) loans and grants covering the remaining 51 percent.

**Figure 6-1: FY 2015/16 – FY 2024/25
Ten Year Capital Improvement Plan Funding Sources \$692 Million**



Two major components of the overall TYCIP are the continuing need for maintenance, replacement, and rehabilitation of aging equipment and facilities, and the expansion of the Regional Wastewater System to meet future growth. Assuming new development continues at the current pace, expansion and improvement of existing facilities will be necessary to adequately support higher service demands anticipated within the next ten years.

The Capital Improvement Plan (CIP) for FY 2015/16 is \$66.1 million: \$22.2 million of O&M projects, \$43.2 million of capital projects, and \$0.7 million of 4Rs capital contribution. The increase of \$4.5 million from the FY 2014/15 projected CIP of \$61.6 million is primarily due to additional projects such as the Chino Basin Groundwater Supply Wells and Raw Water Pipeline, and water resiliency and water use efficiency focused projects to address the ongoing drought. Table 6-1 below shows the FYs 2015/16 and 2016/17 CIP by fund.

Table 6-1: FYs 2015/16 and 2016/17 Capital Improvement Plan by Fund (\$Millions)

Program	2015/16	Percentage of Total Budget	2016/17	Percentage of Total Budget
Regional Wastewater O&M (RO) Fund	\$21.5	32.5%	\$15.9	23.2%
Recycled Water (WC) Fund	18.4	27.8	20.8	30.3
Regional Wastewater Capital Improvement (RC) Fund	12.8	19.4	16.1	23.5
Water Resources (WW) Fund	7.1	10.8	8.4	12.2
Admin Services (GG) Fund	3.2	4.8	1.4	2.0
Recharge Water (RW) Fund	1.6	2.4	4.7	6.9
Non-Reclaimable Wastewater (NC) Fund	1.5	2.3	1.3	1.9
Total	\$66.1	100%	\$68.6	100%

As shown on Table 6-1, wastewater projects account for nearly 52 percent of the CIP in FY 2015/16, with water related projects making up the remaining 48 percent. A portion of the water related projects are recycled water projects, which account for over 27 percent of the FY 2015/16 CIP.

In 2007, the Recycled Water Business Plan (RWBP) was adopted to accelerate construction of the Agency's Regional Recycled Water Distribution System (RRWDS) to expand availability and optimize the beneficial reuse of recycled water generated from its regional water recycling facilities.

Since the execution of the RWBP, direct and groundwater recharge sales of recycled water have more than tripled. Major benefits of the Recycled Water program include:

- New water supply – delivery of over 35,000 acre feet per year of a local water supply
- Recycled water revenues – About \$10 million per year from recycled water sales and the MWD Local Project Program (LPP) rebate. The goal of the program is to eventually be self-funded through recycled water sales revenue.
- Water supply reliability – As a locally developed supply, recycled water is not impacted by drought and will mitigate the uncertainty of regional or statewide water supply limitations.

The 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. The four project areas are comprised of:

- Northeast Area Projects – Completed in the summer of 2010
- Northwest Area Projects – Completed in the summer of 2012
- Central/Wineville Area Segment A Projects – Slated to completion in July of 2015
- Central/Wineville Area Segment B Projects – Slated for completion in October 2015
- Southern Area Projects– Completed in June of 2015

CAPITAL IMPROVEMENT PLAN

The major portion of the Recycled Water Program capital spending will focus on distribution improvements, groundwater recharge expansion, and replacement and rehabilitation (R&R). Project prioritization is based on the projects yield capacity, or increased recycled water delivery. The majority of project spending in the Recycled Water Program is funded by State Revolving Fund (SRF) low interest loans and grants.

The Regional Wastewater Program projects account for nearly 52 percent of the FY 2015/16 CIP budget as reported in Table 6-1. Major construction projects in FY 2015/16 include the New Water Quality Laboratory, SCADA Enterprise System, RP-5 Flow Equalization and Effluent Monitoring, RP-1 Mixed Liquor Return Pump Improvements, and RP-1 and RP-5 Expansion Preliminary Design Reports. Regional Wastewater Capital Improvement (RC) fund projects are primarily supported by new wastewater connection fees and property taxes. Regional Wastewater O&M (RO) fund projects are funded primarily by user charges and property taxes.

Beginning in FY 2008/09, many R&R projects were deferred as part of the Agency's cost containment efforts in light of the economic downturn. However, execution of critical R&R projects is necessary to meet reliability and regulatory requirements and is a key component of the adopted TYCIP. As reported below in Tables 6-2 and 6-3, new equipment and R&R account for \$7.5 million of the total \$66.1 million project budget in FY 2015/16 and \$8.8 million of the \$68.6 million project budget in FY 2016/17.

Table 6-2: FY 2015/16 Capital Improvement Plan by Project Type (\$Millions)

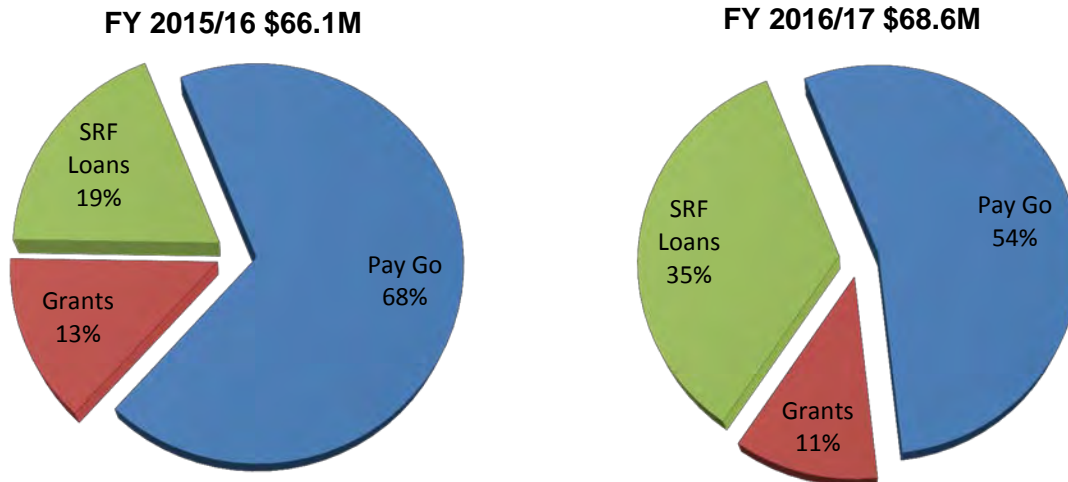
Fund	Construction	Equipment	Replacement	Operations & Maintenance	FY 2015/16 CIP Total
Regional Wastewater Capital Improvement (RC)	\$7.9	\$1.0	\$3.1	\$0.8	\$12.8
Regional Wastewater O&M (RO)	9.3	1.5	0.3	10.4	21.5
Recycled Water (WC)	15.8	0.5	0.0	2.1	18.4
Non-Reclaimable Wastewater (NC)	1.3	0.0	0.0	0.2	1.5
Admin Services (GG)	0.7	0.8	0.3	1.4	3.2
Recharge Water (RW)	1.5	0.0	0.0	0.1	1.6
Water Resources (WW)	0.0	0.0	0.0	7.1	7.1
Total	\$36.5	\$3.8	\$3.7	\$22.1	\$66.1

Table 6-3: FY 2016/17 Capital Project Budget by Project Type (\$Millions)

Fund	Construction	Equipment	Replacement	Operations & Maintenance	FY 2016/17 CIP Total
Regional Wastewater Capital Improvement (RC)	\$8.9	\$3.0	\$3.4	\$0.8	\$16.1
Regional Wastewater O&M (RO)	10.2	1.4	0.2	4.1	15.9
Recycled Water (WC)	18.6	0.0	0.0	2.2	20.8
Non-Reclaimable Wastewater (NC)	0.7	0.0	0.4	0.2	1.3
Admin Services (GG)	0.5	0.2	0.2	0.5	1.4
Recharge Water (RW)	4.7	0.0	0.0	0.0	4.7
Water Resources (WW)	0.0	0.0	0.0	8.4	8.4
Total	\$43.6	\$4.6	\$4.2	\$16.2	\$68.6

SRF loans and grants are leveraged as a primary funding source of the Agency’s CIP in combination with pay-go, comprised of new connection fees, user charges, and property taxes. The breakdown of the CIP’s funding sources for FY 2015/16 and FY 2016/17 are shown in Figure 6-2 below.

Figure 6-2: Capital Improvement Plan Funding Sources



The Agency’s CIP objectives, justifications, financial resources, and project details are provided in the FY 2015/16 – FY 2024/25 Ten Year Capital Improvement Plan available online at ieua.org. Table 6-4 shows a summary of the TYCIP budget by Agency fund.

CAPITAL IMPROVEMENT PLAN

**Table 6-4: FY 2015/16 – FY 2024/25 TYCIP
Funding Source and Summary of Project Types by Fund (\$Thousands)**

Project Funding	2015/16	2016/17	2017/18	2018/19	2019/20	Total TYCIP
Pay Go	\$44,836	\$37,295	\$39,509	\$64,278	\$38,865	\$339,442
Grants	8,942	7,710	4,500	5,600	4,000	38,611
SRF Loans	12,315	23,641	26,912	34,769	40,679	314,053
Total Project Funding	\$66,093	\$68,647	\$70,921	\$104,647	\$83,544	\$692,105

Fund Program	Project Type*	2015/16	2016/17	2017/18	2018/19	2019/20	Total TYCIP
Administrative Services (GG Fund)	CC	\$669	\$538	\$300	\$300	\$400	\$3,458
	EQ	\$801	\$200	\$421	\$15	\$15	\$1,527
	RP	\$300	\$200	\$100	\$100	\$0	\$700
	OM	\$1,425	\$450	\$150	\$150	\$500	\$3,775
GG Total		\$3,195	\$1,388	\$971	\$565	\$915	\$9,460
Recharge Water (RW Fund)	CC	\$1,455	\$4,735	\$12,731	\$22,023	\$8,300	\$49,243
	OM	\$100	\$0	\$0	\$0	\$0	\$100
RW Total		\$1,555	\$4,735	\$12,731	\$22,023	\$8,300	\$49,343
Non-Reclaimable Wastewater (NC Fund)	CC	\$1,338	\$738	\$738	\$738	\$737	\$4,288
	RP	\$0	\$350	\$200	\$1,500	\$200	\$10,850
	OM	\$210	\$210	\$210	\$210	\$210	\$2,100
NC Total		\$1,548	\$1,298	\$1,148	\$2,448	\$1,147	\$17,238
Recycled Water (WC Fund)	CC	\$15,828	\$18,630	\$14,465	\$4,115	\$3,210	\$63,248
	EQ	\$465	\$0	\$0	\$0	\$0	\$465
	OM	\$2,100	\$2,225	\$825	\$825	\$1,150	\$11,500
WC Total		\$18,393	\$20,855	\$15,290	\$4,940	\$4,360	\$75,213
Water Resources (WW Fund)	OM	\$7,077	\$8,372	\$7,872	\$7,872	\$7,872	\$60,925
WW Total		\$7,077	\$8,372	\$7,872	\$7,872	\$7,872	\$60,925
Regional Wastewater Operations & Maintenance (RO Fund)	CC	\$9,285	\$10,180	\$13,500	\$8,000	\$600	\$45,923
	EQ	\$1,500	\$1,400	\$400	\$400	\$400	\$6,100
	RP	\$286	\$214	\$1,050	\$1,800	\$800	\$55,649
	OM	\$10,445	\$4,110	\$1,110	\$1,100	\$1,100	\$23,365
RO Total		\$21,516	\$15,904	\$16,060	\$11,300	\$2,900	\$131,037
Regional Wastewater Capital (RC Fund)	CC	\$7,905	\$8,920	\$14,800	\$51,450	\$55,800	\$321,210
	EQ	\$1,000	\$3,000	\$0	\$0	\$0	\$4,000
	RP	\$3,055	\$3,425	\$1,100	\$3,100	\$1,300	\$14,480
	OM	\$850	\$750	\$950	\$950	\$950	\$9,200
RC Total		\$12,810	\$16,095	\$16,850	\$55,500	\$58,050	\$348,890
Grand Total		\$66,093	\$68,647	\$70,921	\$104,647	\$83,544	\$692,105

* Type: CC – Capital Construction; EQ – Equipment; RP – Replacement; OM – Operations & Maintenance

CAPITAL PROJECT HIGHLIGHTS

Following are the highlights of eight major non-routine capital projects with annual project budgets over \$2 million in FY 2015/16 and/or FY 2016/17. The majority of these non-routine capital projects are for the Recycled Water and Regional Wastewater Programs. O&M impact is limited to mostly maintenance labor and materials for pipelines and reservoirs.

Project	EN06025 – Wineville Extension Pipeline Segment A			
Program	Recycled Water			
FY 2015/16 Budget	\$2,100,000			
FY 2016/17 Budget	\$0			
Total Project Budget	\$18,000,000			
Funding Sources	Pay-go and SRF Loans			
Timeline	Start:	September 2010	Complete:	July 2016
Type	Capital Construction			
Priority	High			
Agency Level of Service Goals	Serve recycled water customers and provide recycled water for ground water recharge at the RP-3 and Declez recharge basins			

PROJECT DESCRIPTION

The project involves the plan, design, and construction of a parallel segment of 5,200 linear feet (LF) of 24-inch recycled water pipeline along Wineville Avenue, 28,500 LF of 36-inch recycled water pipeline from Wineville Avenue to the RP-3 and Declez recharge basins and two turnout facilities.

PROJECT JUSTIFICATION

The purpose of this project is to provide recycled water to portions of the Cities of Fontana and Ontario.

KEY PROJECT BENEFITS

- Serve recycled water customers
- Provide recycled water for ground water recharge at the RP-3 and Declez recharge basins
- Provide capacity for estimated connected demand of 4,100 acre-feet per year (AFY)

PROJECT LOCATION



O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$35,000
Chemicals	-	-	-	-	-	-
Parts & Labor	-	-	-	-	15,000	15,000
Total Operating Costs	\$7,000	\$7,000	\$7,000	\$7,000	22,000	\$50,000

Project	EN13001 – San Sevaine Improvements		
Program	Recycled Water		
FY 2015/16 Budget	\$3,500,000		
FY 2016/17 Budget	\$3,000,000		
Total Project Budget	\$6,900,000		
Funding Sources	Pay-go and Grants		
Timeline	Start: July 2012	Complete:	June 2017
Type	Capital Construction		
Priority	High		
Agency Level of Service Goals	Maximizing beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities		

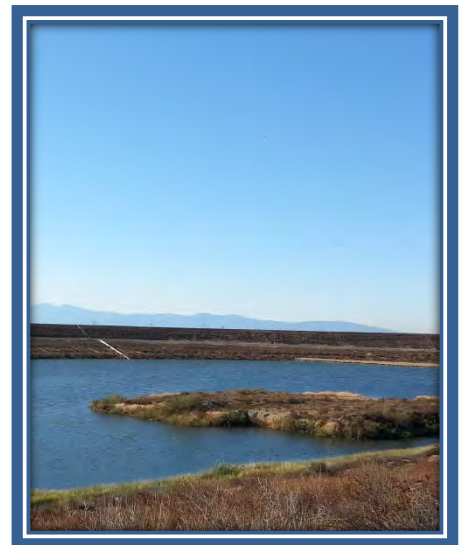
PROJECT DESCRIPTION

The project involves the construction of 6,000 LF of 24-inch pipeline from Basin 5 to Basin 1 and the installation of four additional automated valves to feed the other four basins.

PROJECT JUSTIFICATION

The project will allow for the interconnection between the San Sevaine basins, which is essential to achieve full basin capacity. Without interconnection, recycled water cannot be served to Basin 1. This project will strive to increase the recycled water recharge at the basins by providing the pipeline interconnections.

PROJECT LOCATION



KEY PROJECT BENEFITS

- Add 642 AFY of storm water and 4,100 AFY of recycled water for groundwater recharge

O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance	\$0	\$0	\$24,000	\$24,000	\$24,000	\$72,000
Chemicals	-	-	-	-	-	-
Parts & Labor	-	-	-	-	-	-
Total Operating Costs	\$0	\$0	\$24,000	\$24,000	\$24,000	\$72,000

CAPITAL PROJECT HIGHLIGHTS

Project	EN13016 – SCADA Enterprise System		
Program	Regional Wastewater Operations and Maintenance		
FY 2015/16 Budget	\$4,200,000		
FY 2016/17 Budget	\$1,000,000		
Total Project Budget	\$10,310,000		
Funding Sources	Pay-go and SRF Loans		
Timeline	Start: July 2012	Complete:	June 2020
Type	Capital Construction		
Priority	Critical		
Agency Level of Service Goals	Maintain operations and facilities to meet essential service demands and to protect public health and environment		

PROJECT DESCRIPTION

The project will eliminate the multi-vendor platforms currently operating as islands of automation. It will enable the control of any facility from any location, unattended operation, and integration with the business system, and support system-wide wastewater and recycled water treatment, and groundwater supply-demand management.

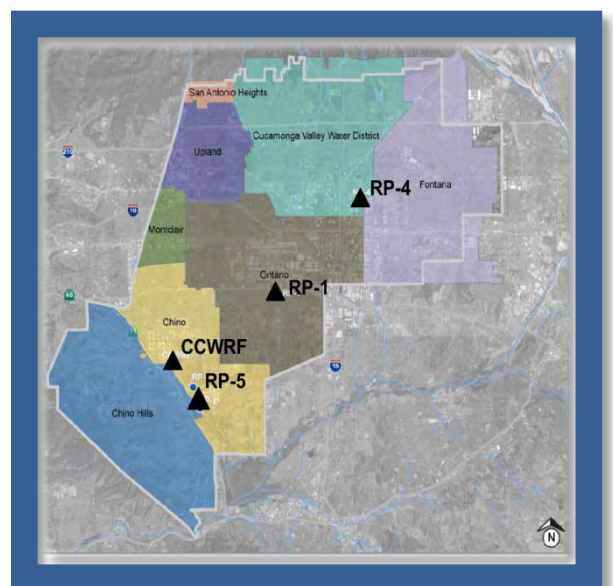
PROJECT JUSTIFICATION

The project will provide for the optimization of the supervisory control and data acquisition (SCADA) assets and maximization of asset lifecycles, while enabling the Agency to better meet business needs and mitigate disruptions to operational continuity.

KEY PROJECT BENEFITS

- Reduce system variability
- Enhance system reliability
- Improve maintainability of system

PROJECT LOCATION



O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Chemicals	-	-	-	-	-	-
Parts & Labor	-	-	-	-	-	-
Total Operating Costs	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000

Project	EN14019 – RP-1 Headworks Gate Replacement		
Program	Regional Wastewater Capital		
FY 2015/16 Budget	\$700,000		
FY 2016/17 Budget	\$2,700,000		
Total Project Budget	\$10,500,000		
Funding Sources	Pay-go		
Timeline	Start: July 2013	Complete:	June 2017
Type	Capital Replacement		
Priority	High		
Agency Level of Service Goals	Maintain operations and facilities to meet essential service demands and to protect public health and environment		

PROJECT DESCRIPTION

The project involves the replacement of the 17 existing headworks gates at RP-1 with new stainless steel gates.

PROJECT JUSTIFICATION

Gates are necessary to divert or bypass the flow, to take a section of headworks out of service for repair, and to allow for maintenance of the headworks related equipment and structures. Following a full condition assessment of the headworks gates, dated July 2009, fifteen of the seventeen gates inspected showed visible deficiencies that justify full replacement of the gates and their embedded frames.

KEY PROJECT BENEFITS

- Improve reliability and safety of the plant.

PROJECT LOCATION



O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Chemicals	-	-	-	-	-	-
Parts & Labor	-	-	1,000	-	1,000	2,000
Total Operating Costs	\$0	\$0	\$1,000	\$0	\$1,000	\$2,000

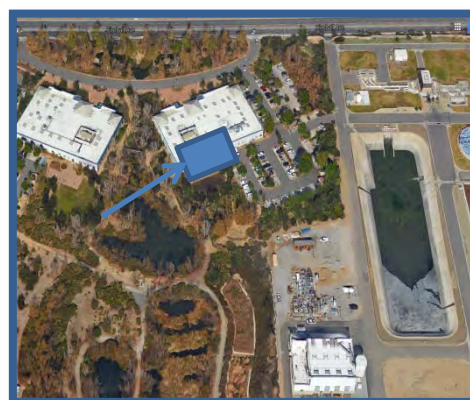
CAPITAL PROJECT HIGHLIGHTS

Project	EN15008 – New Water Quality Laboratory		
Program	Regional Wastewater Operations and Maintenance		
FY 2015/16 Budget	\$1,700,000		
FY 2016/17 Budget	\$7,000,000		
Total Project Budget	\$20,900,000		
Funding Sources	SRF Loans and Grants		
Timeline	Start: July 2015	Complete:	June 2020
Type	Capital Construction		
Priority	Critical		
Agency Level of Service Goals	Maintain capacity, compliance, and protection of public health and environment		

PROJECT DESCRIPTION

The project will build a new state-of-the-art laboratory on the RP-5 campus to replace the existing facility. The new facility will provide all the required controls and include the expansion of the existing central chiller plant which will supply chilled water needed to operate the air conditioning system.

PROJECT LOCATION



PROJECT JUSTIFICATION

The existing laboratory at RP-1 is restricted for space and has insufficient temperature and exhaust controls. The lab is old and needs significant rehabilitation. Building a new laboratory is more cost effective than refurbishing the existing facility. The new lab will ensure regulatory compliance, help meet essential service demands, and protect the public health and environment which is in line with the overall Agency Business Goals.

KEY PROJECT BENEFITS

- Reduce use of outside services by providing additional space to add tests not currently performed in-house.
- Provide more efficient use of space.
- Reduce repeat testing due to failure of building temperature controls.
- Ensure compliance and protection of public health.

O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance	\$0	\$0	\$0	\$0	\$225,000	\$225,000
Chemicals	-	-	-	-	50,000	50,000
Parts & Labor	-	-	-	-	75,000	75,000
Total Operating Costs	\$0	\$0	\$0	\$0	\$350,000	\$350,000

Project	EN16024 – RP-1 Mixed Liquor Return Pump Improvements		
Program	Regional Wastewater Capital		
FY 2015/16 Budget	\$1,000,000		
FY 2016/17 Budget	\$3,000,000		
Total Project Budget	\$4,000,000		
Funding Sources	Pay-go		
Timeline	Start: July 2015	Complete:	June 2017
Type	Capital Construction		
Priority	Critical		
Agency Level of Service Goals	Maintain operations and facilities to meet essential service demands and to protect public health and environment		

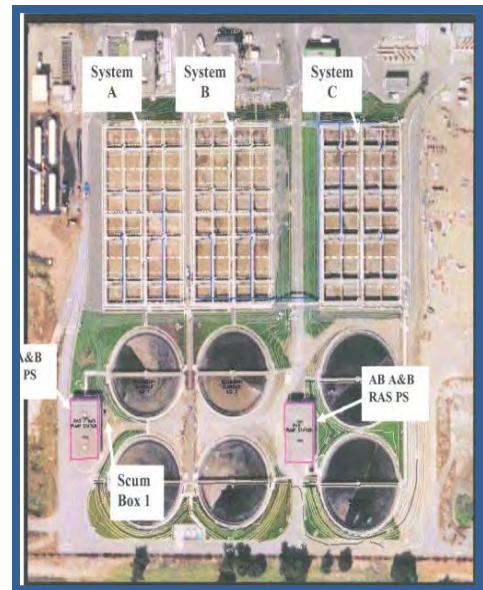
PROJECT DESCRIPTION

The project involves the installation of mixed liquor return pumps to the six aeration trains at RP-1.

PROJECT JUSTIFICATION

The Agency's established goal for secondary effluent total inorganic nitrogen (TIN) in partially treated flow is a range of 5 to 8 milligrams per liter (mg/l). Currently, the average value of TIN found in the flow is 8.9 mg/l. The project will allow for increased TIN removal within the aeration process at RP-1. By installing mixed liquor return pumps, nitrogen can be reduced in recycled water flows in the most cost effective manner allowing RP-1 to treat increased flow while meeting its discharge permit and Title 22 requirements for recycled water.

PROJECT LOCATION



RP-1 Aeration System

KEY PROJECT BENEFITS

- Improve consistency of removal of nitrogen in recycled water flows.
- Allows for the deferral of major facility rehabilitation until 2025.

O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Chemicals	-	-	-	-	-	-
Parts & Labor	2,000	2,000	2,000	2,000	2,000	10,000
Total Operating Costs	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000

CAPITAL PROJECT HIGHLIGHTS

Project	EN19006 – RP-5 Solids Treatment Facility		
Program	Regional Wastewater Capital		
FY 2015/16 Budget	\$ -		
FY 2016/17 Budget	\$4,000,000		
Total Project Budget	\$136,000,000		
Funding Sources	Pay-go		
Timeline	Start: July 2016	Complete:	June 2022
Type	Capital Construction		
Priority	Critical		
Agency Level of Service Goals	Maintain capacity, meet essential service demands, and protect public health and environment		

PROJECT DESCRIPTION

The project will enable the Agency to relocate all RP-2 solids handling capabilities to RP-5. The project involves the design of a new solids handling facility at RP-5 to handle all solids from RP-5 and the Carbon Canyon Wastewater Reclamation Facility (CCWRF).

PROJECT LOCATION



PROJECT JUSTIFICATION

The RP-2 facility is located on leased land from the U.S. Army Corps of Engineers (USACE). The Corps and Orange County Flood Control have plans to raise the maximum operational water level behind Prado Dam by 2021. This will put RP-2 below the proposed flood zone triggering the relocation to RP-5.

KEY PROJECT BENEFITS

- Relocate existing solids handling facility above the flood zone requirements
- Increase capacity to meet future growth and increased service demands
- Consolidate liquid and solids facilities at RP-5 for added flexibility, reliability, and facilitation of operations and maintenance

O&M Impact	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Operations & Maintenance						
Chemicals	No O&M Impact prior to project completion in FY 2021/22					
Parts & Labor						
Total Operating Costs						

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 ADMINISTRATIVE SERVICES FUND – GG

Following is a list of capital and O&M projects budgeted in the Administrative Services (GG) fund, along with a brief description of the projects to be executed in fiscal years (FYs) 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16 Adopted Budget	2016/17 Adopted Budget	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16 Total Project Budget
Capital Construction								
CP16005	Headquarters LEED Certification - Cap	75	-	-	-	-	75	75
EN15052	Primavera Enhancements	100	-	-	-	-	100	200
IS16020	SAP User Interface Improvement	123	103	-	-	-	225	225
IS16021*	SAP Strategy and Roadmap (TMP)	300	300	300	300	400	2,850	300
IS17004	Workstation Replacement Project	-	67	-	-	-	67	67
IS17005	Network Security System Enhancements	-	60	-	-	-	60	60
IS17008	Printer Replacement Project	9	9	-	-	-	18	18
LB16001	Dionex AS-AP Autosampler	18	-	-	-	-	18	18
LB16002	Nanopure Ultrapure Water Purification System	10	-	-	-	-	10	10
LB16003	AutoBlock - Metals Digestion	35	-	-	-	-	35	35
Total Capital Construction		669	538	300	300	400	3,458	1,008
Capital Equipment								
EN14002	CIPO Enhancements	175	50	15	15	15	345	378
IS15001	HCM Phase 2 HR Process & Automation	50	50	100	-	-	200	200
IS15003	Document Mgmt System - Implementation	250	100	50	-	-	400	400
IS16001	HCM Phase 2 Position Budgeting & Control	-	-	206	-	-	206	206
IS16003	SAP Archiving	-	-	50	-	-	50	50
IS16005	Switch Replacement	56	-	-	-	-	56	56
IS16006	Physical Server Replacement	24	-	-	-	-	24	24
IS16007	ARC Servers Replacement	21	-	-	-	-	21	21
IS16008	ASA FireWall Replacement	34	-	-	-	-	34	34
IS16015	Workstation Replacement	118	-	-	-	-	118	118
IS16018	Virtualization Host Server Replcmt	74	-	-	-	-	74	74
Total Capital Equipment		801	200	421	15	15	1,527	1,560
Capital Replacement								
EN16049	Conference Rooms AV (Agencywide)	300	200	100	100	-	700	700
Total Capital Replacement		300	200	100	100	-	700	700
Total Capital Project Costs		\$1,770	\$938	\$821	\$415	\$415	\$5,685	\$3,267
Operations & Maintenance (O&M)								
CP16003	Headquarters Roofing Replacement	220	-	-	-	-	220	220
CP16004	Headquarters LEED Certification - OM	25	-	-	-	-	25	25
EN16047	HQ Parking Lot	300	-	-	-	250	800	300
EN16048	As Built Database Upgrades (TMP)	50	150	-	-	-	200	200
EN16132	Mag Channel Spillway Improvement	350	-	-	-	-	350	350
IS16009	Network Security Vulnerability Assessmt	60	-	-	-	-	60	60
IS16010	Disaster Recovery Plan Development	70	-	-	-	-	70	70
IS17007	GIS Master Plan (TMP)	-	50	-	-	-	50	50
PA15002*	Agency Wide Coatings and Paving	200	200	100	100	100	1,200	200
PA15008*	Major Asset Rehab/Replace	150	50	50	50	150	800	150
Total Operations & Maintenance		1,425	450	150	150	500	3,775	1,625
Total O&M Project Costs		\$1,425	\$450	\$150	\$150	\$500	\$3,775	\$1,625
TOTAL ADMINISTRATIVE SERVICES FUND - GG		\$3,195	\$1,388	\$971	\$565	\$915	\$9,460	\$4,892

*Recurring annual project.

Capital Construction		
CP16005	Headquarters Leadership in Energy & Design (LEED) Certification – Capital	Necessary upgrades to bring the Agency headquarter buildings up to the requirements for LEED certification.
EN15052	Primavera Enhancements	Implementation of P6 Enterprise Resource Planning (ERP) Portfolio which will include a management plan, a step by step procedure to implement the EPS Profile, staff training in building and reviewing project schedules.
IS16020	SAP User Interface Improvement	Analysis of SAP transaction usage to determine the transactions that will maximize the impact of enhanced user interface.
IS16021	SAP Strategy and Roadmap	Evaluation of business processes to provide best practice recommendations for implementation of additional SAP capabilities and functions.
IS17004	Workstation Replacement	Purchase and replacement of Agency PCs and laptops to reduce loss of productivity due to technological problems.
IS17005	Network Security System Enhancements	Enhancements to Agency network resulting from the network security vulnerability assessment to be completed in FY 2015/16.
IS17008	Printer Replacement	Purchase and installation of five new HP Laser printers to keep printers reliable and to take advantage on newer technology.
LB16001	Dionex AS-AP Autosampler	Purchase and installation of a new Dionex AS_AP autosampler to replace the old equipment that is no longer supported by the manufacturer.
LB16002	Nanopure Ultrapure Water Purification System	Purchase and installation of a new Nanopure water purification system in the laboratory to replace the old equipment which is past its life expectancy and has experienced failures in the past.
LB16003	AutoBlock – Metals Digestion	Purchase and installation of a new AutoBlock to replace the existing equipment which is past its life expectancy of ten years and becoming increasingly time consuming with its required maintenance.
Capital Equipment		
EN14002	CIPO Enhancements	Enhancements to the Construction Management website to increase the functionality and productivity of the project documentation control.
IS15001	Human Capital Management (HCM) Phase 2 HR Process & Automation & ESS/MSS Enhancements	Implementation of additional self-service features, building upon the Human Resources (HR) system and self-service functions implemented as part of the HCM Phase 1 project in FY 2012/13.
IS15003	Document Management System – Implementation	Implementation of a solution to replace the Liberty system and integrate other document management systems or consolidate documents into a single common system.
IS16005	Switch Replacement	Purchase of new network switches in Headquarters server room to keep the hardware current and avoid failures.
IS16006	Physical Server Replacement	Purchase, installation, and configuration of new server hardware to replaced outdated hardware.
IS16007	ARC Servers Replacement	Replacement of four archiving servers with new server hardware and migration of virtual servers to new hardware.
IS16008	Adaptive Security Appliance (ASA) Firewall Replacement	Purchase, installation, and configuration of two new ASA internet firewalls.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 ADMINISTRATIVE SERVICES FUND – GG

Capital Equipment		
IS16015	Workstation Replacement	Purchase, installation, and configuration of new printers and PCs for main office staff to decrease loss of productivity due to hardware failures and to keep the Agency current with technology.
IS16018	Virtualization Host Server Replacement	Purchase, installation, and configuration of new VMware servers that are out of warranty and over six years old.
Capital Replacement		
EN16049	Conference Rooms Audio Visual (AV)	Design and installation of AV upgrades at the Headquarters' conference rooms and Board room to enhance usability and leverage the technological capabilities for conferencing.
Operations and Maintenance		
CP16003	Headquarters Roofing Replacement	Replacement of the headquarters' roofs because the current roofs are over twelve years old and have required several repairs and coatings.
CP16004	Headquarters LEED Certification – O&M	Assessment of the Agency's headquarters to determine necessary upgrades to bring the Agency headquarters up to the requirements for LEED certification.
EN16047	HQ Parking Lot	Repair of parking stalls at Agency's headquarters (HQ) due to adjacent trees' roots causing slabs to lift and fracture.
EN16048	As Built Database Upgrades	Development of a tool to organize as-builts so they can be searched and found more effectively.
EN16132	Magnolia Channel Spillway Improvement	Removal and disposal of accumulated silt from the detention basin at the Magnolia Channel Spillway.
IS16009	Network Security Vulnerability Assessment	Analysis of security solutions implemented at IEUA to keep the Agency's business network reasonably secure.
IS16010	Disaster Recovery Plan Development	Development and testing of a new recovery plan for critical computer assets to ensure that the Agency is prepared for a disaster.
IS17007	Geographic Information System (GIS) Master Plan	Analysis to determine the potential benefits of updating the GIS Master Plan to include an evaluation of how GIS can benefit the Agency's planning and operations.
PA15002	Agency-wide Coatings and Paving	Annual maintenance for coatings and paving of the Agency's buildings and structures.
PA15008	Major Asset Rehabilitation/ Replacement	Annual rehabilitation and replacement of the Agency's major assets (buildings, vehicles, etc.) as they age and require repairs.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND – RC

Following is a list of capital and O&M projects budgeted in the Regional Wastewater Capital Improvement (RC) fund, along with a brief description of the projects to be executed in FYs 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16 Adopted Budget	2016/17 Adopted Budget	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16 Total Project Budget
Capital Construction								
EN09023	RP-5 SHF/REEP Independent Evaluation	25	-	-	-	-	25	647
EN11031	RP-5 Flow Equalization and Effluent Monitoring	1,200	-	-	-	-	1,200	1,727
EN13043	Montclair Lift Station Communication System	400	-	-	-	-	400	571
EN13056	Agency-Wide HVAC Improvements - Pckg No. 2	50	-	-	-	-	50	1,087
EN14018	RP-4 Chlorination Facility Retrofit	550	1,500	-	-	-	2,050	2,391
EN15019	RP-1 Odor Control Improvements Evaluation	300	-	-	-	-	300	650
EN15020	RP-1 Plant 3 Primary Scum Well Upgrade	325	-	-	-	-	325	400
EN15032	Agency-Wide HVAC Improvements- Pckg No. 3	1,000	100	-	-	-	1,100	1,200
EN15054	CCWRF Lagoon Riprap Reinforcement	50	-	-	-	-	50	125
EN15056	RP-1 Digester Gas System Evaluation and Improvement	475	-	-	-	-	475	655
EN16011	Whispering Lakes LS Improvements	-	-	-	-	-	5,000	5,000
EN16025	RP-1 Expansion PDR	1,000	500	-	-	-	1,500	1,500
EN16028	RP-5 Expansion PDR	1,000	500	-	-	-	1,500	1,500
EN16036	RC Planning Documents	1,000	1,000	-	-	-	2,000	2,000
EN17003	Aeration System Improvements	-	-	-	-	-	6,250	6,250
EN17006	CCWRF Odor Control and Headworks Replacements (AMP)	30	570	2,500	3,900	-	7,000	7,000
EN18004	RP-1 IPS System Improvements	-	-	250	750	-	1,000	1,000
EN19001	RP-5 Liquid Treatment Expansion	-	-	2,000	10,000	19,000	125,000	125,000
EN19005	Haven LS SCADA Improvements	-	-	-	300	500	1,000	3,000
EN19006	RP-5 Solids Treatment Facility - RC	-	4,000	10,000	36,000	36,000	136,000	136,000
EN19007	RP-1 Primary Effluent EQ Elimination and Odor Control	-	-	-	-	-	5,500	5,500
EN20006	RP-1 Digester Mixing Upgrade	-	-	-	-	-	750	2,250
EN20007	RP-5 Process Improvements	-	-	-	-	300	6,300	6,300
EN24001	RP-1 Liquid Treatment Expansion	-	-	-	-	-	11,400	11,400
EN24002	RP-1 Solids Treatment Expansion	-	-	-	-	-	3,235	3,235
PL16010	CEQA document.	500	250	-	-	-	750	750
SR12001	Agencywide Security Equipment Upgrade	-	-	50	-	-	50	256
	*IERCA Investment	-	500	-	500	-	1,000	-
Total Capital Construction		7,905	8,920	14,800	51,450	55,800	321,210	327,395
Capital Equipment								
EN16024	RP-1 Mixed Liquor Return Pump Improvements	1,000	3,000	-	-	-	4,000	4,000
Total Capital Equipment		1,000	3,000	-	-	-	4,000	4,000
Capital Replacement								
EN11039	TP-1 Disinfection Pump Improvements	95	225	-	-	-	320	488
EN12020	Chino Creek Invert Repair	510	-	-	-	-	510	510
EN13018	Montclair Diversion Structure Rehabilitation	850	-	-	-	-	850	3,030
EN13046	RP-1 Flare System Improvements	400	-	-	-	-	400	3,600
EN14019	RP-1 Headworks Gate Replacement	700	2,700	-	-	-	3,400	10,500
EN15045	Collection System Manhole Upgrades FY 15/16	500	-	-	-	-	500	620
EN17015*	Collection System Upgrades	-	500	500	500	500	4,500	-
EN18006	RP-1 Flare Improvements	-	-	600	2,600	800	4,000	4,000
Total Capital Replacement		3,055	3,425	1,100	3,100	1,300	14,480	22,748
Total Capital Project Costs		\$11,960	\$15,345	\$15,900	\$54,550	\$57,100	\$339,690	\$354,142
Operations & Maintenance								
CW16003*	RC OE Projects	50	50	50	50	50	500	50
EN13028*	Preserve Lift Station	100	100	300	300	300	2,600	100
EN16018*	RC Emergency O&M Projects	600	600	600	600	600	6,000	600
WR16021	Prep. Of TM for IEUA Fac Compliance w Title 22	100	-	-	-	-	100	100
Total Operations & Maintenance		850	750	950	950	950	9,200	850
Total O&M Project Costs		\$850	\$750	\$950	\$950	\$950	\$9,200	\$850
TOTAL REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - RC		\$12,810	\$16,095	\$16,850	\$55,500	\$58,050	\$348,890	\$354,992

*Recurring annual project.



Capital Construction		
EN09023	RP-5 Solids Handling Facility /Renewable Energy Efficiencies Project (REEP) Independent Evaluation	Evaluation of RP-5 Solids Handling Facility and REEP to determine alternative uses for the system components and cost effective decommissioning in the absence of viable alternatives.
EN11031	RP-5 Flow Equalization and Effluent Monitoring	Design to address upgrades at splitter box gates to allow for automation of the equalizing process at RP-5.
EN13043	Montclair Lift Station Communication System	Design and installation of the Montclair lift station communication system to communicate effectively with the communication network.
EN13056	Agency-wide heating, ventilation, and air conditioning (HVAC) Improvements – Package No. 2	Design, procurement, and installation of all necessary HVAC equipment to address the deficient HVAC systems and ensure process safety and reliability.
EN14018	RP-4 Chlorination Facility Retrofit	Overall improvements to the operation and maintenance of the RP-4 facility to eliminate the need for frequent repairs which can interrupt the facility's operations.
EN15019	RP-1 Odor Control Improvements Evaluation	Improvements to odor control cover panels of RP-1 primary clarifiers for odor containment and regulatory air compliance.
EN15020	RP-1 Plant 3 Primary Scum Well Upgrade	Evaluation of scum pumping capacity issues and microbial culture collection (MCC) in primary pumping gallery at RP-1.
EN15032	Agency-wide HVAC Improvements – Package No. 3	Design, procurement, and installation of all necessary HVAC equipment to address the deficient HVAC systems and ensure process safety and reliability.
EN15054	Carbon Canyon Water Reclamation Facility (CCWRF) Lagoon Riprap Reinforcement	Cleaning of the existing rock in the CCWRF lagoon and place concrete over the entire surface of the riprap at two locations at the bottom of the lagoon to provide erosion control.
EN15056	RP-1 Digester Gas System Evaluation and Improvement	Design, procurement, and construction of the automatic direct feed valve, modifications of the DGLER valve controls, and installation of new pavement in the flare area of the RP-1 Digester.
EN16025	RP-1 Expansion PDR	Analysis of the demands for groundwater recharge and an evaluation of any pumping limitations.
EN16028	RP-5 Expansion preliminary design report (PDR)	Creation of a PDR to define the areas within RP-5's liquid treatment facilities which need to be expanded in order to meet the upcoming forecasted influent flow demands.
EN16036	RP-5 Planning Documents	Professional services contract to be awarded for predesign report and final design of RP-5 Liquid and Solids Handling Facility expansion.
EN17006	CCWRF Odor Control and Headworks Replacement	Upgrade or replacement of odor control equipment at CCWRF because current equipment is at the end of its useful life.
EN19006	RP-5 Solids Treatment Facility	Construction of new solids handling facility at RP-5 to meet the Agency's needs throughout the decommissioning of the RP-2

FY 2015/16 AND FY 2016/17

BUDGETED PROJECTS

REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND – RC

Capital Construction		
		site.
PL16010	California Environmental Quality Act (CEQA) Document	Preparation of environmental documents necessary to comply with the CEQA consistent with the technical information described in the planning documents.
	IERCA Investment	Support for capital projects for the joint venture with Inland Empire Regional Composting Authority (IERCA).
Capital Equipment		
EN16024	RP-1 Mixed Liquor Return Pump Improvements	Installation of mixed liquor return pumps to the six aeration trains at RP-1 to facilitate a reduction in the total inorganic nitrogen produced by treating wastewater.
Capital Replacement		
EN11039	TP-1 Disinfection Pump Improvements	Replacement of existing TP-1 disinfection pumps with a more durable system that will also provide automatic stand-by pumps at each delivery point.
EN12020	Chino Creek Invert Repair	Evaluation of the condition of the creek invert over the siphon trench to make any necessary repairs.
EN13018	Montclair Diversion Structure Rehabilitation	Evaluation of available and viable options of a new odor control system and fine screens to be constructed at the Montclair diversion structure.
EN13046	RP-1 Flare System Improvements	Design, procurement, and construction of four new flare systems at RP-1 and RP-2 to help reduce emissions and meet regulatory requirements.
EN14019	RP-1 Headworks Gate Replacement	Replacement of the headworks gates at RP-1 with stainless steel gates because there are visible deficiencies in the current gates.
EN15045	Collection System Manhole Upgrades	Repair and replacement of twenty-two sewer collection system manhole frames and covers located in the Cities of Fontana and Ontario that have been corroded or buried.
EN17015	Collection System Upgrades	Identification of sewer collection manhole covers and frames that need to be repaired or replaced.
Operations and Maintenance		
CW16003	Office Engineering (OE) Projects - RC Fund	Establishment of an annual budget for applying the labor hours for project evaluation, design review, permit issuance, inspection, and closeout for OE projects related to sewer connections and modifications budgeted in the RC fund.
EN13028	Preserve Lift Station	Establishment of a budget against which to charge labor costs for the review of the Preserve Lift Station design for the City of Chino.
EN16018	Emergency O&M Projects - RC Fund	Establishment of Agency funds to allow Engineering and Construction Management to facilitate such items as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during a given fiscal year.
WR16021	Prep of Technical Memorandum™ for IEUA Facility Compliance with Title 22	Analysis of design capacity achievable at each Agency facility with focus on the effluent total inorganic nitrogen agency-wide limit of 8mg/L.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 REGIONAL OPERATIONS AND MAINTENANCE FUND – RO

Following is a list of capital and O&M projects budgeted in the Regional Wastewater Operations and Maintenance (RO) fund, along with a brief description of the projects that will be executed in FYs 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16 Adopted Budget	2016/17 Adopted Budget	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16 Total Project Budget
Capital Construction								
EN08023	RP-1 Asset Replacement	1,000	-	-	-	-	1,000	5,856
EN09021	RP-4 Headworks Retrofit	25	-	-	-	-	25	2,886
EN13016	SCADA Enterprise System	4,200	1,000	3,000	500	-	8,700	10,310
EN13054	Montclair Lift Station Upgrades	50	-	-	-	-	50	3,550
EN14027	CCWRF Secondary Clarifier #3 Rehabilitation	20	-	-	-	-	20	1,541
EN15008	New Water Quality Laboratory-RO	1,700	7,000	7,000	5,000	100	20,800	20,900
EN15012	RP-1 East Primary Effluent Pipe Rehab	600	1,400	-	-	-	2,000	2,005
EN15013	RP-1 TWAS and Primary Effluent Piping Replacement 2014	350	-	-	-	-	350	368
EN16013*	Agencywide Energy Efficiency Study	300	500	500	500	500	4,800	300
EN16126	RP-1 NGO Meters Interconnection Agreement Installation	800	100	-	-	-	900	900
EN17004	Agencywide Energy Efficiency Improvements	200	-	-	-	-	200	1,700
EN17110	RP-4 Process Improvements	20	180	3,000	2,000	-	5,200	5,200
EN21002	Chino Creek Wetlands and Educational Park Upgrades	-	-	-	-	-	1,858	1,858
IS16014	Install SAN (Storage) RP-4	20	-	-	-	-	20	20
Total Capital Construction		9,285	10,180	13,500	8,000	600	45,923	57,393
Capital Equipment								
EP16002*	Major Equipment Rehab/Replace	500	400	400	400	400	4,100	500
EP16003	Agency Bypass Pumping Project	1,000	1,000	-	-	-	2,000	2,000
Total Capital Equipment		1,500	1,400	400	400	400	6,100	2,500
Capital Replacement								
EN18108	CCWRF Aeration Blower Replacement	-	-	500	1,500	500	2,500	2,500
EN19008	CCWRF Backup Generator Control Upgrade	-	-	250	-	-	250	250
EN21103	Regional Wastewater Projects AMP	-	-	-	-	-	50,000	50,000
IS15020*	Process Automation Controls IT Improvements	-	-	300	300	300	2,400	300
IS16011	Kimball Bypass Hardware Replacement	15	-	-	-	-	15	15
IS16013	Replace Control Net at Prado and 1630 E Pump Station	90	-	-	-	-	90	90
IS16016	Plant Operations Workstation Replacement Project	23	-	-	-	-	23	23
IS16017	Replace UPS	60	-	-	-	-	60	60
IS16019	RP-1 Filter PLC Upgrade Project	98	53	-	-	-	150	150
IS17002	RACO Alarm System Replacement Project	-	61	-	-	-	61	61
IS17106	Virtualization Host Server Replacement Project	-	100	-	-	-	100	100
Total Capital Replacement		286	214	1,050	1,800	800	55,649	53,549
Total Capital Project Costs		\$11,071	\$11,794	\$14,950	\$10,200	\$1,800	\$107,672	\$113,442
Operations & Maintenance								
CP16001	Regional Plant Facilities Aesthetics	250	-	-	-	-	250	250
EN13012	Magnolia Channel Monitoring & Maintenance	10	10	10	-	-	30	192
EN16019*	RO Emergency O&M Projects	600	600	600	600	600	6,000	600
EN16021	Chino Basin Groundwater Supply Wells and Raw Water Pipel	9,000	3,000	-	-	-	12,000	12,000
EP16001*	Agencywide Digester Cleaning and Rehab	500	500	500	500	500	5,000	500
IS16012	RP-1 Documentation Project	85	-	-	-	-	85	85
Total Operations & Maintenance		10,445	4,110	1,110	1,100	1,100	23,365	13,627
Total O&M Project Costs		\$10,445	\$4,110	\$1,110	\$1,100	\$1,100	\$23,365	\$13,627
TOTAL REGIONAL WASTEWATER OPERATIONS and MAINTENANCE FUND - RO		\$21,516	\$15,904	\$16,060	\$11,300	\$2,900	\$131,037	\$127,069

*Recurring annual project.



Capital Construction		
EN08023	RP-1 Asset Replacement	Assessment of the current condition and remaining useful life of all physical plant assets at RP-1 to develop a corrective action plan to maintain and replace assets as determined necessary.
EN09021	RP-4 Headworks Retrofit	Alteration of the headworks building to improve accessibility for operation and maintenance and replacement of leaky sluice gates at the bar screens.
EN13016	SCADA Enterprise System	Procurement, installation, and programming of new hardware and software for the SCADA system.
EN13054	Montclair Lift Station Upgrades	Replacement of the existing outdated controls system, pumps and motors with alternatives that are capable of handling the ragging issue currently experienced at the Montclair lift station more effectively.
EN14027	CCWRF Secondary Clarifier #3 Rehabilitation	Rehabilitation of the secondary clarifier and the replacement of most of its equipment at CCWRF because the asset has been in use since 1993.
EN15008	New Water Quality Laboratory	Construction of a new laboratory at headquarters to replace the existing laboratory that meets regulatory requirements.
EN15012	RP-1 East Primary Effluent Pipe Rehabilitation	Rehabilitation of the east primary effluent piping between the rectangular primary clarifiers and the intermediate pump station wet well at RP-1.
EN15013	RP-1 Thickened Waste Activated Sludge (TWAS) and Primary Effluent Piping Replacement	Replacement of piping at RP-1 due to failures in the TWAS and the existing primary effluent piping.
EN16013	Agency-wide Energy Efficiency Study	Evaluation of existing lighting and process equipment systems to determine a long-term plan to improve efficiencies.
EN16126	RP-1 NGO Meters Interconnection Agreement Installation	Installation of new electrical cabinets for NGO meters that are required by Southern California Edison to enable the Agency to export power to the grid if excess power is generated.
EN17004	Agency-wide Energy Efficiency Improvements	Upgrades to the lighting systems and process equipment systems to improve efficiency.
EN17110	RP-4 Process Improvements	Improvements on different processes and operation functional flexibility at RP-4 including the grit removal system, primary diversion structure, aeration blower replacement, and others.
IS16014	Install SAN (Storage Area Network) at RP-4	Purchase, configuration, and installation of SAN device at RP-4 to allow staff to retain more backup (image history) and perform quicker recoveries in the event of a disaster.
Capital Equipment		
EP16002	Major Equipment Rehabilitation/ Replacement	Procurement of required equipment, materials, and services needed for RP-5, CCWRF, RP-2, and agency-wide.
EP16003	Agency Bypass Pumping Project	Procurement of a bypass pump and of design, labor, and materials to install electrical and control infrastructure to key locations within each Agency facility to facilitate the assembly and disassembly of the bypass pump system to allow for shutdowns needed for condition assessments and rehab work at each of facility.
Capital Replacement		
IS16011	Kimball Bypass Hardware Replacement	Purchase of programmable logic controllers (PLCs) and the installation, configuration, and testing of a new alarm system to improve reliability and throughput.

FY 2015/16 AND FY 2016/17

BUDGETED PROJECTS

REGIONAL OPERATIONS AND MAINTENANCE FUND – RO

Capital Replacement		
IS16013	Replace Control Net at Prado and 1630 E Pump Station	Replacement of Control Net and redundancy modules to allow for easier trouble shooting and improved reliability.
IS16016	Plant Operations Workstation Replacement Project	Purchase, installation, and configuration of new printers to reduce loss of productivity at plant operations workstations.
IS16017	Replace UPS	Purchase, installation, and configuration of new alarm systems to keep plant process automation working reliably.
IS16019	RP-1 Filter PLC Upgrade Project	Purchase new hardware to replace outdated machine level PLCs at RP-1 to prevent failures and update technology to current available level.
IS17002	RACO Alarm System Replacement Project	Purchase of PLCs to reduce operating costs with an in-house managed backup alarm system.
IS17106	Virtualization Host Server Replacement Project	Purchase of new server hardware to replace servers that are out of warranty and over six years old.
Operations and Maintenance		
CP16001	Regional Plant Facilities Aesthetics	Aesthetics improvement of regional treatment plants to ensure buildings and structures are properly maintained.
EN13012	Magnolia Channel Monitoring & Maintenance	Maintenance of the Magnolia Channel including weeding of invasive plants, sediment removal, and upkeep of native habitat per the Habitat Mitigation and Monitoring Plan.
EN16019	Emergency O&M Projects – RO Fund	Provision of Agency funds to allow Engineering and Construction Management to facilitate such activities such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year budget in the RO fund.
EN16021	Chino Basin Groundwater Supply Wells and Raw Water Pipeline	Funding of three new groundwater supply wells and approximately 30,000 feet of raw water pipeline to strengthen the Chino Basin Desalter Authority's groundwater supply infrastructure while also acting as a remedial solution to the South Archibald trichloroethylene (TCE) plume.
EP16001	Agency-wide Digester Cleaning and Rehabilitation	Removal of solids at RP-2 Digester #1 or RP-1 Digester #5 and replacement or modification of valves as required and identified in the Agency's Asset Management Plan (AMP).
IS16012	RP-1 Documentation Project	Updating of RP-1 field wiring diagrams to make troubleshooting issues easier and less time consuming.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 NON-RECLAIMABLE WASTEWATER (NRW) FUND - NC

Following is the a of capital and O&M projects included in the Non-Reclaimable Wastewater (NRW) fund, along with a brief descriptions of the projects that will be executed in FYs 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16	2016/17	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16
		Adopted Budget	Adopted Budget					Total Project Budget
Capital Construction								
EN11035	Philadelphia Pump Station Upgrades	50	-	-	-	-	50	2,381
EN13042	Philadelphia Pump Station Communication System	200	-	-	-	-	200	388
EN15046	NRW Manhole Upgrades FY 15/16	350	-	-	-	-	350	436
	*SDLAC 4Rs	738	738	738	738	737	3,688	-
Total Capital Construction		1,338	738	738	738	737	4,288	3,205
Capital Replacement								
EN17014*	NRWS Manhole Upgrades	-	350	200	1,500	200	4,550	-
EN22002	NRW East End Flowmeter Replacement	-	-	-	-	-	300	300
EN23002	Philadelphia Lift Station Force Main Improvements	-	-	-	-	-	6,000	6,000
Total Capital Replacement		-	350	200	1,500	200	10,850	6,300
Total Capital Project Costs		\$1,338	\$1,088	\$938	\$2,238	\$937	\$15,138	\$9,505
Operations & Maintenance								
CW16015*	NRWS OE Projects	10	10	10	10	10	100	10
EN16016*	NRWS Emergency O&M Projects	200	200	200	200	200	2,000	200
Total Operations & Maintenance		210	210	210	210	210	2,100	210
Total O&M Project Costs		\$210	\$210	\$210	\$210	\$210	\$2,100	\$210
TOTAL NON-RECLAIMABLE WATER (NRW) FUND - NC		\$1,548	\$1,298	\$1,148	\$2,448	\$1,147	\$17,238	\$9,715

*Recurring annual project.



Capital Construction		
EN11035	Philadelphia Pump Station Upgrades	Upgrades to the Philadelphia pump station to mitigate current problems including recoating of walls and floor surfaces and installation of a shade structure.
EN13042	Philadelphia Pump Station Communication System	Design and installation of the Philadelphia pump station communication system to communicate effectively with the communication network because of a lack of reliability in the current system.
EN15046	NRW Manhole Upgrades FY 2015/16	Repair of eight NRW collection system manholes in the Cities of Fontana and Ontario that have been corroded, buried, or constructed inappropriately.
	Los Angeles County Sanitation District (SDLAC) 4Rs	Support for the SDLAC capital replacement, repair, relocation, and refurbishment pass-through costs.
Capital Replacement		
EN17014	NRWS Manhole Upgrades FY 2016/17	Identification of NRW lines, manholes, manhole covers, and frames that need to be repaired or replaced.
Operations and Maintenance		
CW16015	NWRS OE Projects	Establishment of an annual budget for applying the labor hours for project evaluation, design review, permit issuance, inspection, and closeout of office engineering projects related to NRW connections and modifications.
EN16016	NRWS Emergency O&M Projects	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 RECHARGE WATER FUND – RW

Following is a list of capital and O&M projects budgeted in the Recharge Water (RW) fund, along with a brief description of the projects to be executed in FYs 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16	2016/17	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16
		Adopted Budget	Adopted Budget					Total Project Budget
Capital Construction								
EN16052	Ely Basin Turnout Remote Control Upgrades	200	400	-	-	-	600	600
EN18007	RMPU Construction Costs	-	-	8,300	22,023	8,300	38,623	38,623
RW15002	Upper Santa Ana River Habitat Conservation Plan	80	80	-	-	-	160	160
RW15003	RMPU Soft Costs	820	3,100	3,521	-	-	7,441	7,491
RW15004	Lower Day RMPU Project	355	1,155	910	-	-	2,420	2,480
Total Capital Construction		1,455	4,735	12,731	22,023	8,300	49,243	49,353
Total Capital Project Costs		\$1,455	\$4,735	\$12,731	\$22,023	\$8,300	\$49,243	\$49,353
Operations & Maintenance								
RW15001	Long Term Basin	100	-	-	-	-	100	150
Total Operations & Maintenance		100	-	-	-	-	100	150
Total O&M Project Costs		\$100	\$0	\$0	\$0	\$0	\$100	\$150
TOTAL RECHARGE WATER FUND - RW		\$1,555	\$4,735	\$12,731	\$22,023	\$8,300	\$49,343	\$49,503

Capital Construction		
EN16052	Ely Basin Turnout Remote Control Upgrades	Replacement of the current communication system with one that is more reliable and aligns with the Agency's SCADA Master Plan.
RW15002	Upper Santa Ana River Habitat Conservation Plan	Regional coordination of habitat management opportunities and access to a US Fish & Wildlife Science regional permit to develop a multi-species habitat conservation plan.
RW15003	RMPU Soft Costs	Preparation of preliminary design reports for projects that are selected for implementation of the first phase of the Recharge Master Plan Update (RMPU).
RW15004	Lower Day RMPU Improvement	Modification of the existing diversion and basin structures to increase recharge capacity by 789 AFY in order to improve groundwater yield for future use.
Operations & Maintenance		
RW15001	Long Term Basin-wide 404 Permitting	Consultant support for the process of applying for and obtaining an Individual (or Regional General) Army Corps Clean Water Act Section 404 Permit to perform routine operation and maintenance of the eighteen existing recharge basins.



7th Street Basin

FY 2015/16 AND FY 2016/17 BUDGETED PROJECTS RECYCLED WATER FUND – WC

Following is a list of capital and O&M projects budgeted in the Recycled Water (WC) fund, along with a brief description of the projects to be executed in FYs 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16 Adopted Budget	2016/17 Adopted Budget	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16 Total Project Budget
Capital Construction								
EN06025	Wineville Extension Pipeline Segment A	2,100	50	-	-	-	2,150	17,966
EN12016	North CIM Lateral	-	-	-	-	210	210	233
EN13001	San Sevaine Improvements	3,500	3,000	-	-	-	6,500	6,900
EN13023	930 Pressure Zone Pipeline	50	-	-	-	-	50	15,946
EN13040	Prado Dechlor Communication System	182	-	-	-	-	182	356
EN13041	RP-5 RW PS Process Control Sys Migration	-	280	-	-	-	280	280
EN13045	Wineville Extension Pipeline Segment B	1,600	50	-	-	-	1,650	11,880
EN13048	Second 12kV Feeder to TP-1	1,000	500	-	-	-	1,500	1,599
EN14042	RP-1 1158 Pump Station Improvements	25	475	3,000	400	-	3,900	4,000
EN14043	RP-5 RW PS Pipeline Bottleneck	300	600	100	-	-	1,000	1,300
EN14044	RW Hydraulic Modeling for FY 14/15	50	-	-	-	-	50	201
EN14047	GWR and RW SCADA Control Upgrades	696	-	-	-	-	696	932
EN15002	1158 Reservoir Site Cleanup Project	25	475	-	-	-	500	500
EN15055	1630 W PS Improvements	400	650	350	-	-	1,400	1,590
EN16034	RW Pressure Sustaining Valve	350	500	-	-	-	850	850
EN16051	RP-1 Utility Water Flow Meter	300	-	-	-	-	300	300
EN16060	RW Connections City of Pomona	2,500	5,000	2,500	-	-	10,000	10,000
EN16065	RW Connections Jurupa	2,500	5,000	2,500	-	-	10,000	10,000
EN17007	930 to 800 West CCWRF PRV	-	100	500	-	-	600	600
EN19003	RP-1 Parallel Outfall Pipeline from RP-1 to Riverside D	50	950	2,000	1,000	1,000	5,000	5,700
EN22003	Pump Station Emergency Generation Upgrade	-	-	-	-	-	6,000	6,000
EN24003	Wineville Basin Pipeline	-	-	-	-	-	1,000	1,000
WR15019	RP-3 Basin Improvements	-	-	650	1,650	1,000	3,300	5,290
WR15020	Victoria Basin Improvements	-	-	65	65	-	130	130
WR15021	Napa Lateral/SB Speedway	200	1,000	2,800	1,000	1,000	6,000	6,050
Total Capital Construction		15,828	18,630	14,465	4,115	3,210	63,248	109,603
Capital Equipment								
EN12019	GWR & RW SCADA Communication System Upgrades	465	-	-	-	-	465	1,594
Total Capital Equipment		465	-	-	-	-	465	1,594
Total Capital Project Costs		\$16,293	\$18,630	\$14,465	\$4,115	\$3,210	\$63,713	\$111,198
Operations & Maintenance								
CW16102*	WC OE Projects	50	50	50	50	50	500	50
EN16017*	WC Emergency O&M Projects	500	500	500	500	500	5,000	500
EN16035	WC Planning Documents	500	500	-	-	-	1,000	1,000
EN16037*	WC Asset Management	250	250	250	250	250	2,500	250
EN16038	RW Injection Pilot Study	200	300	-	-	-	500	500
EN16039	WRCWRA	500	500	-	-	-	1,000	1,000
EN17011*	RW Hydraulic Modeling	-	25	25	25	100	300	-
EN20031	RW Program Strategy FY 2019/20	-	-	-	-	250	250	250
EN25031	RW Program Strategy	-	-	-	-	-	250	250
WR16001	Water Softener Removal Rebate	100	100	-	-	-	200	200
Total Operations & Maintenance		2,100	2,225	825	825	1,150	11,500	4,000
Total O&M Project Costs		\$2,100	\$2,225	\$825	\$825	\$1,150	\$11,500	\$4,000
TOTAL RECYCLED WATER FUND - WC		\$18,393	\$20,855	\$15,290	\$4,940	\$4,360	\$75,213	\$115,198

*Recurring annual project.

Capital Construction		
EN06025	Wineville Extension Pipeline Segment A	Construction of a parallel segment of 5,200 linear feet of 24-inch recycled water pipeline on Wineville Avenue to convey recycled water to the Cities of Fontana and Ontario.
EN13001	San Sevaine Improvements	Construction of 6,000 linear feet of pipeline from Basin 5 to Basin 1 to create interconnections between the basins at San Sevaine and allow for maximum capacity.
EN13023	930 Pressure Zone Pipeline	Construction of a 5 million gallon (MG) welded steel storage reservoir in the City of Chino Hills to provide storage and increase pump station capacity.
EN13040	Prado Dechlorination Communication System	Installation of a communication system that can communicate with the RP-5 system to enable remote monitoring and control of the Prado dechlorination station.
EN13041	RP-5 RW Pump Station (PS) Process Control System Migration	Design, installation, and integration of a new control panel at the RP-5 recycled water pump station that will include the new Allen Bradley PLC.
EN13045	Wineville Extension Pipeline Segment B	Installation of 2.8 miles of 30-inch recycled water pipeline to increase recycled water conveyance capabilities.
EN13048	Second 12kV Feeder to Tertiary Plant No. 1 (TP-1)	Analysis of electrical loads to examine power available and required to run all five pumps at TP-1 simultaneously.
EN14042	RP-1 1158 Pump Station Improvements	Evaluation of the pump station capacities to assess whether the station can meet forecasted future demands.
EN14043	RP-5 RW PS Pipeline Bottleneck	Upsizing of recycled water pipelines at RP-5 to enable full utilization of the plant and an elimination of the current bottleneck.
EN14044	RW Hydraulic Modeling	Hydraulic analysis of the recycled water system to determine the capability of the system to handle future forecasted demand.
EN14047	GWR and RW SCADA Control Upgrades	Upgrades to the groundwater recharge and recycled water SCADA system to provide support for the continued growth of programs.
EN15002	1158 Reservoir Site Cleanup Project	Removal of old piping associated with the oil tanks at 1158 Reservoir, which involves cutting and capping the lines, and draining and removing oil from the site to prevent any future leaks.
EN15055	1630 W PS Improvements (Surge Protection)	Design and construction of a surge tank to dampen the surges in the 1299 recycled water pipeline.
EN16034	RW Pressure Sustaining Valve	Installation of pressure sustaining valves on high volume users of recycled water in order to maintain system pressure in the regional recycled water system.
EN16051	RP-1 Utility Water Flow Meter	Construction of a flow meter with bypass to measure internal recycled water usage at RP-1 from the 1050 pressure zone pipeline.
EN16060	RW Connections City of Pomona	Construction of additional recycled water connections for the City of Pomona.
EN16065	RW Connections Jurupa	Construction of additional recycled water connections for Jurupa Community Services District.
EN17007	930 to 800 West CCWRF Pressure Reducing Valve (PRV)	Construction of a PRV to send water from the 930 pressure zone to the 800 pressure zone for the CCWRF as needed.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 RECYCLED WATER FUND – WC

Capital Construction		
EN19003	RP-1 Parallel Outfall Pipeline from RP-1 to Riverside Drive	Design and construction of a parallel pipeline to maximize the recycled water conveyance to the 930 and 800 pressure zones from RP-1 to meet future demands.
WR15021	Napa Lateral / California Speedway	Design and construction of approximately 4200 linear feet of 12-inch recycled water pipeline that will convey recycled water from the existing pipeline by RP-4 to California Steel Industries and California Speedway.
Capital Equipment		
EN12019	GWR & RW SCADA Communication System Upgrades	Replacement of high pressure hose for vector and gapvac combination trucks.
Operations and Maintenance		
CW16002	WC Office Engineering (OE) Projects	Establishment of an annual budget for applying the labor hours for project evaluation, design review, permit issuance, inspection, and closeout for office engineering projects related to recycled water connections and modifications.
EN16017	WC Emergency O&M Projects	Provision of funds to allow Engineering and Construction Management to facilitate such items as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise throughout the fiscal year.
EN16035	WC Planning Documents	Evaluation of the feasibility of multiple projects and concepts including the possibility of conducting recycled water interties from external agencies to the IEUA system, and the construction of new storage facilities and injection walls for recycled water supplies.
EN16037	WC Asset Management	Replacement and repair of existing capital as needed, defined by the Asset Management Plan document.
EN16038	RW Injection Pilot Study	Construction of injection and sampling wells and conduction of testing on samples.
EN16039	WRCWRA	Study to determine feasibility of creating a recycled water intertie with Western Riverside County Regional Wastewater Authority (WRCWRA).
EN17011	RW Hydraulic Modeling	Establishment of an annual allocation for recycled water hydraulic modeling as needed.
WR16001	Water Softener Removal Rebate	Financial support of the rebate program to incentivize residents to take out and destroy existing self-generating water softeners, removing salt from the recycled water supply and improving water quality in the Chino Basin.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 WATER RESOURCES FUND – WW

Following is a list of O&M projects budgeted in the Water Resources (WW) fund, as well as a brief description of the projects that will be executed in FYs 2015/16 and/or 2016/17.

\$ in Thousands

Project #	Project Name	2015/16	2016/17	2017/18	2018/19	2019/20	Total Ten Year CIP	2015/16
		Adopted Budget	Adopted Budget					Total Project Budget
Operations & Maintenance								
Various	Conservation Programing	-	3,000	3,000	3,000	3,000	27,000	3,000
WR16002	CBWCD Landscape Audit & Water Use Monitoring	40	-	-	-	-	40	40
WR16003	Technology Based Information Systems	200	-	-	-	-	200	200
WR16004	Garden in Every School	45	-	-	-	-	45	45
WR16005	Residential Turf Removal Rebate Support	50	-	-	-	-	50	50
WR16006	Residential Landscape Device Retrofit Program	400	-	-	-	-	400	400
WR16007	Residential Rebate Incentives	100	-	-	-	-	100	100
WR16008	CII Rebate Incentives	100	-	-	-	-	100	100
WR16009	National Theater for Children	60	-	-	-	-	60	60
WR16010	Regional Education Outreach Activities	16	-	-	-	-	16	16
WR16011	Freesprinklernozzles.com Program	244	-	-	-	-	244	244
WR16013	Sponsorship & Public Outreach	80	-	-	-	-	80	80
WR16015	Residential Landscape Training Classes	15	-	-	-	-	15	15
WR16017	Regional Residential Water Use Efficiency Program	400	-	-	-	-	400	400
WR16018	IEUA WUE Model Update & Workshops	5	-	-	-	-	5	5
WR16019	Water Use Efficiency Tools	600	-	-	-	-	600	600
WR16020	Water Use Efficiency Data	600	-	-	-	-	600	600
WR16022	Local Supply Resilience Projects	772	772	772	772	772	7,720	772
WR16023	Ag Conservation Project	100	-	-	-	-	100	100
WR16024	SARCUP	2,000	4,000	4,000	4,000	4,000	20,000	20,000
WR16025	WW Planning Documents	500	500	-	-	-	1,000	1,000
WR16026	UWMP	750	-	-	-	-	1,250	1,250
WR18001*	Special Project Placeholder	-	100	100	100	100	900	-
Total Operations & Maintenance		7,077	8,372	7,872	7,872	7,872	60,925	29,077
Total O&M Project Costs		\$7,077	\$8,372	\$7,872	\$7,872	\$7,872	\$60,925	\$29,077
TOTAL WATER RESOURCES - WW		\$7,077	\$8,372	\$7,872	\$7,872	\$7,872	\$60,925	\$29,077

*Recurring annual project.



Operations and Maintenance

WR16002	Chino Basin Water Conservation District (CBWCD) Landscape Audit & Water Use Monitoring	Continuation of regional landscape evaluations for residential and CII customers and water use monitoring for all IEUA locally administered programs.
WR16003	Technology Based Information Systems	Transformation of customers' view on the nexus between water's value and its reasonable use by means of educational tools to permanently reduce consumption.
WR16004	Garden in Every School	Installation of up to four water efficient gardens featuring climate appropriate native plants and efficient irrigation techniques in elementary schools within IEUA's service area.
WR16005	Residential Turf Removal Rebate Support	Administrative support for the implementation of a regional residential turf removal rebate program.
WR16006	Residential Landscape Device Retrofit Program	Installation and retrofitting of existing non-weather-based irrigation controllers with Smart Controllers and high efficiency sprinkler nozzles when compatible on residential properties on a ¼ acre or larger lot size.
WR16007	Residential Rebate Incentives	Supplemental funding for Metropolitan Water District's (MWD) base rebate amount for residential high efficiency water saving devices.
WR16008	Commercial, Industrial, and Institutional (CII) Rebate Incentives	Supplemental funding for MWD's base rebate amounts for CII high efficiency water saving devices.
WR16009	National Theater for Children	Live theater performances for students in grades K through 6 educating them on environmental issues and water use efficiency.
WR16010	Regional Education Outreach Activities	Performances and educational material for K through 6 grade students for issues such as water conservation, pollution, water use efficiency, drought, and groundwater.
WR16011	Freesprinklernozzles.com	Financial support of the regional residential and commercial high-efficiency sprinkler nozzle voucher redemption program.
WR16013	Sponsorship & Public Outreach	Funding for Agency and member agency memberships, public outreach activities, BMP support programs, California Urban Water Conservation Council (CUWCC) dues, and special events.
WR16015	Residential Landscape Training Classes	Financial support for landscape instructors who teach residential landscape workshops for IEUA's seven member agencies that cover design, maintenance, use of water efficient plants, and irrigation management.
WR16017	Regional Residential Water Use Efficiency (WUE) Program	Financial support for residential water use demand reduction.
WR16018	IEUA WUE Model Update & Workshops	Updates to the Agency's WUE model with prior year fiscal year WUE activities and provision of training for IEUA's member agency staff.
WR16019	WUE Tools	Assistance in implementation of Budget Based Rate Structures by member agencies including activities to establish outdoor water allocations by parcel.

FY 2015/16 AND FY 2016/17
 BUDGETED PROJECTS
 WATER RESOURCES FUND – WW

Operations and Maintenance		
WR16020	WUE Data	Assistance in implementation of WUE rate structures by member agencies including allocation funding specifically for billing system conversions.
WR16022	Local Supply Resilience Projects	Variety of projects to increase local water supply. Projects range from well head treatments to inter connections between member agencies to augment the regional water supply.
WR16023	Agricultural (Ag) Conservation Project	Assistance for water conservation used for Ag purposes.
WR16024	SARCUP	Santa Ana River Watershed Action Team Conjunctive Use Project to utilize funds from SAWPA Prop 84 grants in conjunction with Eastern Municipal Water District, Western Municipal Water District, Orange County Municipal Water District, and San Bernardino Valley Municipal Water District to develop a watershed-scale conjunctive use program.
WR16025	WW Planning Documents	Evaluation of potential water resources projects to augment water supply, such as supplies from Northern California or other neighboring agencies, as projects are identified.
WR16026	Urban Water Management Plan (UWMP)	Development of the UWMP by July 1, 2016 as mandated by State regulations.
Various	Regional Conservation Programming	Variety of projects to improve regional water conservation as proposed by the member agencies.



DEBT MANAGEMENT

DEBT MANAGEMENT

Overview

The Agency issues debt to fund the acquisition and/or construction of capital assets, and improvements of existing facilities, as well as to refinance existing long term debt to take advantage of lower interest rates that will decrease debt service costs in the future. The Agency applies a priority tiered financing strategy to ensure the lowest cost of borrowing while maximizing financial flexibility. This tiered financing strategy includes system revenues, grants, fund balance draws, State Revolving Fund (SRF) loans, and bonds by prioritizing low-cost funds and approaching expensive funding sources last.

Consistent with the Fiscal Responsibility commitment to safeguard the Agency's creditworthiness, a key objective is to leverage low interest debt and pay down higher interest obligations. To accomplish this goal, the Agency has taken the following actions:

- On October 2014, the Agency's Board adopted a Resolution Authorizing the Redemption of Chino Basin Regional Financing Authority Revenue Bond, Series 2005A for \$14,695,000. Cost savings totaled to \$3.2 million in avoided interest payments with the early redemption of the remaining principal amount due after November 1, 2014 of \$14,695,000, excluding the principal and interest payment of \$1,870,194 due on November 1, 2014.
- Included in the five year business plan is the early defeasance of the 2008A Revenue Bonds (2008A Bonds) with an outstanding principal balance of \$125 million and annual interest rate of 5 percent. The proposed repayment is planned over a five year period beginning in FY 2017/18 when the bonds are eligible for refunding. At an interest rate of 5 percent and scheduled maturity of 2038, total interest savings are estimated at \$80 million with present value savings of over \$50 million.
- Another key benefit of the early repayment of the 2008A Bonds is the Agency's ability to secure low interest SRF loans and grants (capital forgiveness) offered by the State Water Resources Control Board to finance the relocation of the Regional Plant (RP-2) solids handling facility and expansion of the Regional Water Recycling Plant (RP-5) facility.

Outstanding Debt

As of June 30, 2017, total outstanding debt (principal and interest), *excluding financial expenses and inter-fund loans*, is estimated at \$367.0 million, as reported in Table 7-1. The fluctuation in the total outstanding amount is due to new SRF loan borrowing requirements anticipated over the next ten years, the planned defeasance of the 2008A Revenue Bond between FY 2017/18 and FY 2021/22, and annual debt service payments which average about \$23.0 million per fiscal year.

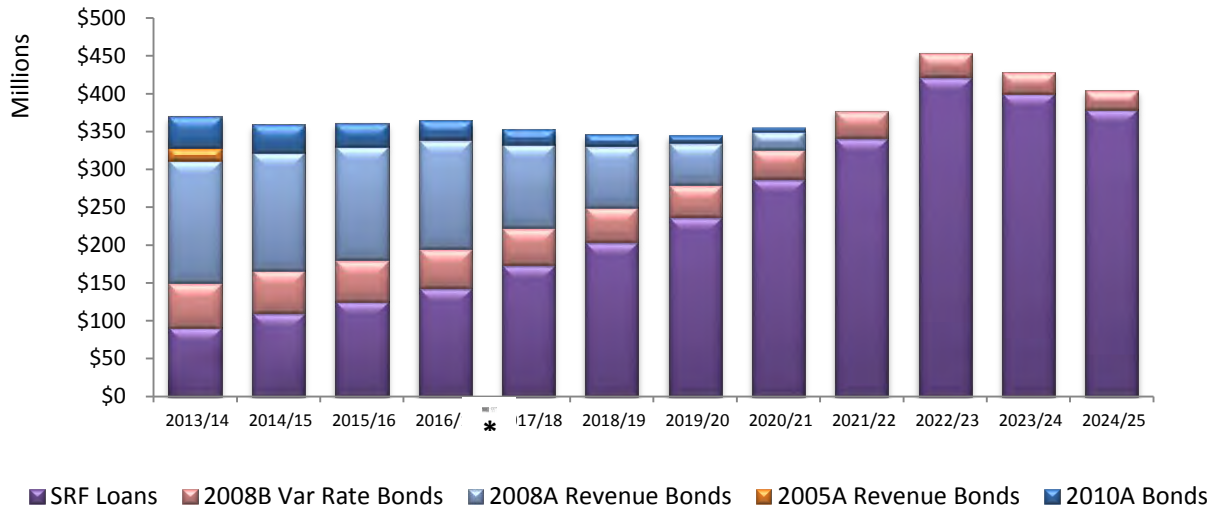


Table 7-1: Total Outstanding Debt by Type (\$Millions)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Bonds	\$249.2	\$235.3	\$221.1	\$179.6	\$142.0	\$107.9
SRF Loans	109.8	125.7	139.5	173.9	204.3	237.4
Notes	8.0	7.2	6.4	5.8	5.3	4.7
Total	\$367.0	\$368.2	\$367.0	\$359.3	\$351.6	\$350.0

Figure 7-1 below shows the estimated trend in outstanding debt, *excluding notes payable and inter-fund loans*, from FY 2013/14 to FY 2024/25.

Figure 7-1: Summary of Agency’s Outstanding Debt (\$Millions)



*Assume early defeasance of 2008A Revenue Bonds

The Agency’s Ten-Year Capital Improvement Plan (TYCIP) is funded by a combination of pay-go, low interest SRF, grants, and reimbursements. Aggregate capital expenditures of \$576.4 million over the next 10 years will require new borrowings of approximately \$273 million as summarized on Table 7-2.

DEBT MANAGEMENT

Table 7-2: Estimated New Borrowing (\$Millions)

Projects	Fund	Fiscal Year	Estimated New Borrowing
Water Quality Laboratory	Regional Operations & Maintenance	2017/18	16
Recycled Water Distribution Upgrade & Retrofit	Recycled Water	2017/18	12
Recycled Water Connections to Pomona & Jurupa	Recycled Water	2018/19	18
Northeast/Southern Area	Recycled Water	2022/23	7
RP-5 Expansion Facility/ RP-2 to RP-5	Regional Capital	2022/23	220
Total			\$273

Debt Service Costs

Total annual debt service costs, *excluding financial expenses, inter-fund, and loan repayments*, are expected to decrease from \$36.1 million projected in FY 2014/15 to \$20.9 million in FY 2015/16 and \$22.3 million in FY 2016/17 (Table 7-3). The significant decrease is primarily due to the \$14.7 million early defeasance of the 2005A Revenue Bonds in November 2014.

The Agency's FY 2015/16 debt service payment of \$20.9 million is comprised of \$13.8 million in bonds, \$6.1 million of SRF loans, and \$1.0 million in note payable payments. In addition, financial expenses of \$0.6 million and inter-fund loan payments of \$2.0 million are budgeted in FY 2015/16 for a grand total of \$23.5 million.

FY 2016/17 debt service costs of \$22.3 million are comprised of \$14.2 million in bonds, \$7.2 million of SRF loans, and \$0.9 million in note payable payment. In addition, financial expenses of \$0.4 million and inter-fund loan payment of \$2.0 million are budgeted for a grand total of \$24.7 million.

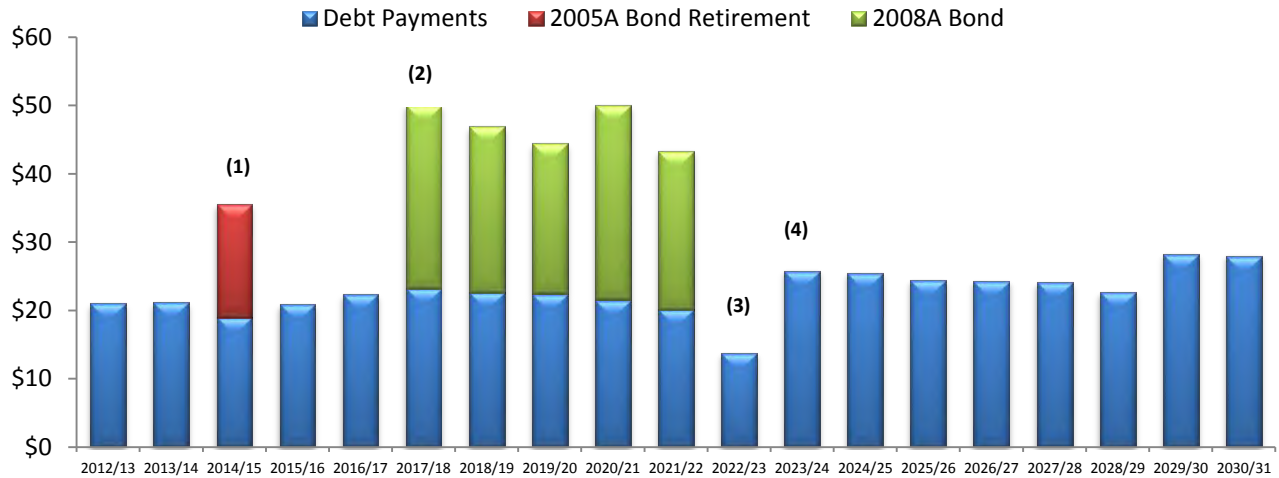
Table 7-3: Summary of Agency's Debt Service Payments (\$Millions)

Type of Debt	2014/15 Debt Service Payment		2015/16 Debt Service Payment			2016/17 Debt Service Payment		
	Total	Principal	Interest	Total	Principal	Interest	Total	
Bonds*	\$30.6	\$5.8	\$8.0	\$13.8	\$6.0	\$8.2	\$14.2	
SRF Loans	4.7	4.8	1.3	6.1	5.8	1.4	7.2	
Notes Payable	0.8	0.7	0.3	1.0	0.7	0.2	0.9	
Total	\$36.1	\$11.3	\$9.6	\$20.9	\$12.5	\$9.8	\$22.3	

*Exclude inter-fund loan repayment

Figure 7-2 below shows the debt service payment schedule for FY 2012/13 through FY 2030/31 which highlights the one-time payment for the 2005A Bond Revenue retirement and planned early defeasance of the 2008A Bonds.

Figure 7-2: Annual Debt Service Payment Schedule



The significant activities are noted in the following fiscal years:

- (1) 2014/15 - \$14.7 million early defeasance of the 2005A Revenue Bonds.
- (2) 2017/18 thru 2021/22 - \$25.0 million average annual repayment of the 2008A Revenue Bonds
- (3) 2021/22 - 2010A Revenue Bonds mature
- (4) 2023/24 – Future SRF loan payment estimated at \$12M per year for the RP-5 expansion and RP-2 solids facility relocation

Bonds

Long term bonds have been used to finance new construction, expansion and improvement of existing, facilities and infrastructure, and refinancing of high interest debt issues to reduce debt service costs. In FY 2015/16 and FY 2016/17 bond related debt service payments are estimated to be \$13.8 million and \$14.2 million, respectively (Table 7-3).

Outstanding bond debt balance as of June 30, 2017 is estimated to be \$221.1 million, including principal and interest, as shown on Table 7-3.

DEBT MANAGEMENT

Table 7-4: Outstanding Bond Issues (\$Millions)

	Maturity Date	Moody's/ S&P Rating (1)	Moody's Rating (2)	Interest Range	Bond Par Amount	2015/16 Bond Payments	2016/17 Bond Payments	Outstanding Balance As of 6/30/17 (Prin. Only)	Outstanding Balance As of 6/30/17 ⁽³⁾ (Prin.+Int.)
2008A Revenue Bonds	11/01/2038	A1/AA-	A1	4.09% - 4.54%	\$125	\$6.2	\$6.2	125.0	143.6
2008B Variable Rate Revenue Bonds (2002A Refinancing) ⁽⁴⁾	6/01/2032	Aaa/AA-	Aa1	Variable	55.7	2.3	2.7	40.3	51.6
2010A Revenue Bonds (1994 Refinancing)	8/1/2021	Aa2/AA-	Aa2	1.35% - 5.0%	45.7	5.3	5.3	22.9	25.9
TOTAL					\$226.4	\$13.8	\$14.2	\$188.2	\$221.1

(1) Rating at time of issuance by Moody's Investor Services

(2) Latest rating by Moody's ~ 2008A on Jan. 2008; 2008B on Nov. 2012; and 2010A on Jun 2010

(3) Includes outstanding Principal and Interest

(4) In addition to a dedicated reserve, a Letter of Credit with Union Bank

State Revolving Fund (SRF) Loans

SRF loan payments (including principal and interest) for FYs 2015/16 and 2016/17 are projected at \$6.1 million and \$7.2 million, respectively, as shown in Table 7-5.

Table 7-5: Outstanding SRF Loans Debt Service Schedule (\$Millions)

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2015/16 SRF Debt Payments	2016/17 SRF Debt Payments	Outstanding SRF Loans As of 6/30/17 (Prin. Only)	Outstanding SRF Loans As of 6/30/17 (Prin. + Int.)
<i>Recycled Water:</i>						
Phase I (CCWRF)	1.5% - 2.6%	\$15.2	\$1.0	\$1.0	\$6.9	\$7.7
Phase II (RP-1 Area)	2.20%	15.0	0.9	0.9	9.1	10.3
Phase III (RP-4 Area)	0%	9.8	0.6	0.6	6.5	6.5
Phase IV (Northeast Area)	0.074%-0.214%	15.1	0.8	0.8	10.6	10.7
Phase V (Northeast Area)	1%	1.0	0.1	0.1	0.7	0.7
Phase VI (Southern Areas) Estimate	2.60%	26.6	1.3	1.3	25.2	30.3
Central Wineville – Estimate		26.5		1.1	25.7	29.8
Subtotal – Recycled Water		\$109.2	\$4.7	\$5.8	\$84.6	\$96.0
<i>Regional Wastewater (RC):</i>						
RP-1 Dewatering Facility Expansion	0.46%	27.5	\$1.4	1.4	20.9	21.7
<i>Regional Wastewater (RO):</i>						



SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2015/16 SRF Debt Payments	2016/17 SRF Debt Payments	Outstanding SRF Loans As of 6/30/17 (Prin. Only)	Outstanding SRF Loans As of 6/30/17 (Prin. + Int.)
Water Quality Laboratory - Estimate	2.1%	16.1	\$0.0	0.0	16.1	21.8
<i>Subtotal – Regional Wastewater (RC & RO)</i>		\$43.6	\$1.4	\$1.4	\$37.0	\$43.5
Total SRF Loans		\$152.8	\$6.1	\$7.2	\$121.7	\$139.5

Over the last five years the Agency has received approximately \$80.5 million of SRF loan funding agreements from the State Water Resources Control Board (SWRCB); \$26.5 million for the Regional Recycled Water Distribution System (RRWDS); \$27.5 million for RP-1 Dewatering Facility Expansion and \$26.6 million for the Southern Area (Phase VI) recycled water project.

SRF loans are payable over 20 years to 30 years with the initial annual payment due one year following the completion of capital construction. SWRCB offers various financing options:

- Standard – 20 year to 30 year term, ranging from 1 percent to 2.6 percent annual interest rate.
- Local Match – 20 year term, zero percent (0 percent) annual interest rate. Local match of 20 percent is deducted from loan proceeds during construction.
- Stimulus (only available during the economic downturn; no longer offered) – 20 year term, 0 percent annual interest rate for Clean Water related projects, (recycled water) and approximately 1 percent annual interest rate for wastewater treatment projects.
- On January 2015, the Governor issued a “Proclamation of a State of Emergency” due to the record dry conditions in the State of California. The proclamation will accelerate funding for water supply enhancement projects that can break ground and explore unspent funds that can be repurposed to enable near-term water conservation projects. In addition to the Proclamation, the State Water Board (SWB) would offer financing incentives for the construction of recycled water facilities.
- On March 18, 2015 the SWRCB directed the Division of Financial Assistance to offer \$800 million in one percent loans from the Clean Water State Revolving Fund. The Agency submitted a pre-application for an SRF loan and Proposition 1 grant for \$30 million in support of the 2015 Drought Relief Recycled Water Supply Optimization Program Phase 1.

The SWRCB offers additional assistance in the form of grants for various water related projects. Grant funding is tied directly to loans and is received in conjunction with loan receipts during the pre-construction and construction phases of the project. Not every loan qualifies for grant funding, although the Agency has been successful in securing SRF related grants for \$8 million to support recycled water capital projects.

DEBT MANAGEMENT

SRF loans have been the primary financing source for the RRWDS as defined in the Recycled Water Business Plan (RWBP) adopted by the IEUA Board in December 2007. Table 7-5 is a summary of the outstanding SRF loans, corresponding debt service costs and outstanding balance as of June 30, 2017.

The RRWDS Phases IV & V (Northeast Area) for \$16.1 million, net of grant proceeds, was the first appropriation of American Recovery and Reinvestment Act (ARRA) federal stimulus funds awarded by the SWRCB under the Clean Water Act. The ARRA SRF loans were awarded with a zero percent interest rate. These ARRA loans include the Recycled Water Phase IV (Northeast Area) loan for \$15.1 million and the RP-1 Dewatering Facility Expansion SRF loan for \$27.5 million.

With the stimulus program no longer available, SRF loans issued to the Agency are now based on standard financing with interest rates ranging between 1 percent and 2.6 percent, payable over 20 or 30 years. In January 2014, the SWRCB Board temporarily extended the financing term from 20 to 30 years for all water quality projects in California that are eligible for the Clean Water State Revolving Fund program. This is a significant change to the SRF loan program established in 1989 which capped the financing term to 20 years. The revised 30 year term will make the SRF loan program more competitive with other financing options, such as municipal bonds, and expected to save municipalities millions in financing costs.

Over the next ten years, the Agency is planning to apply for approximately \$237.7 million of additional SRF Loans (Table 7-6) to fund improvements and expansion of the Recycled Water Distribution System. In April 2014, the Agency received the executed SRF loan agreement for the construction of the Water Quality Laboratory in the amount of \$16.0 million with a \$1.0 million principal forgiveness (grant) for a 30 year term at 2.1 percent.

Table 7-6: Future SRF Loans (\$Millions)

Projects	Fiscal Year	Estimated Term (years)	Projected Interest Rate	Loan Amount
Recycled Water Distribution Upgrade & Retrofit	2017/18	20	2.6%	12.3
Northeast/Southern Area	2022/23	20	2.6%	6.5
RP-5 Expansion Facility	2022/23	30		218.9
Subtotal Recycled Water Distribution System				\$237.7
Water Quality Laboratory*	2017/18	30	2.1%	16.0
Grand Total				\$253.7

*SRF Loan C-06-7885-110 Approved on April 29, 2014 for 30 year term at 2.1%

Notes Payable

The Agency has two outstanding notes payable; one to the Santa Ana Watershed Project Authority (SAWPA) and another to the City of Fontana:

- In FY 1997/98, the Agency signed a 20 year, zero percent interest note payable to SAWPA in the amount of \$5,625,000 for the purchase of 1.5 million gallons per day (mgd) of Inland Empire Brine Line (IEBL) pipeline capacity. The note is payable in 20 annual installments of \$267,186 and matures on July 15, 2017.
- In FY 2008/09, the Agency entered into a \$9.5 million, 20 year, note payable with the City of Fontana for the construction of the San Bernardino Regional Lift Station and Force Main located in the City of Fontana.

FY 2015/16 and FY 2016/17 note payable payments are estimated at \$1.0 million, including principal and interest as shown on Table 7-7.

Table 7-7: Outstanding Notes Payable Debt Service Schedule (\$Millions)

Notes Payable	Note Principal Amount	2015/16 Debt Service Costs	2016/17 Debt Service Costs	Outstanding Notes as of June 30, 2017 (Prin. Only)	Outstanding Notes as of June 30, 2017 (Prin. + Int.)
SARI Pipeline Capacity 1.5 mgd	\$5.6	\$0.4	\$0.3	\$0.0	\$0.0
City of Fontana	9.5	0.6	0.6	5.5	6.4
Total Notes Pay	\$15.1	\$1.0	\$0.9	\$5.5	\$6.4

Inter-Fund Loans

Inter-fund loans between Agency programs help to support shortfall in debt service, operating and capital requirements. As indicated in Table 7-8, projected total outstanding inter-fund loans are \$34.8 million. The repayment are scheduled to begin in FY 2016/17 and projected to be fully paid by FY 2024/25.

Table 7-8: Future Repayment Schedule of Inter-fund Loans (\$Millions)

Inter Fund Loans Issued	Due from Recycled Water (WC) Fund to:	Loan Amount (Principal)
2007/08	Non-Reclaimable Wastewater (NRW) Fund	\$9
2007/08	Regional Wastewater Capital (RC) Fund	3
2009/10	Non-Reclaimable Wastewater (NRW) Fund	6
2014/15	Regional Wastewater Capital Improvement (RC) Fund	10.5
	Sub- total:	\$28.5
	Due from Water Resources Fund to:	
2014/15	Administrative Services (GG) Fund	\$4.3
2015/16	Administrative Services (GG) Fund	2.0
	Sub-total:	\$6.3
	TOTAL	\$34.8

DEBT MANAGEMENT

The inter-fund loan provided by the RC fund to WC fund approved by the Board in FY 2013/14 in the amount of \$5.5 million was increased to \$10.5 million in FY 2014/15. The additional \$5 million was needed to support the Recycled Water fund cash flow shortfall resulting from the timing of SRF loan proceeds expected to be received in July 2015.

In addition, the Board approved a \$2.0 million inter-fund loan from the GG fund to the WW fund in FY 2015/16 to support the integrated regional water resource management projects.

Debt Coverage Ratio

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal payments and interest). DCR serves as a critical financial indicator in determining the Agency's overall credit rating, its ability to refinance existing debt and issue new debt, and Agency accessibility to lower rates for future borrowing costs.

Current bond covenants require the Agency to maintain a minimum total debt ratio (DCR) of 1.25 times (x) or higher on total outstanding debt. The Agency has established a minimum debt coverage ratio target of 1.6x for parity debt. The Agency has no legal debt limits imposed by state legislation.

As indicated in Table 7-9 below, the projected upward trend of the Agency's DCR through FY 2019/20 is driven by a combination of higher revenues and early retirement of high interest debt.

Table 7-9: Total Debt Coverage Ratio Based on Current Assumptions

	Projected Actual 2014/15	Budget 2015/16	Budget 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20
DCR*	2.46x	2.32x	3.19x	3.44x	3.70x	3.96x

**Projected Actual, Budget and Forecasts based on current assumptions*

Credit Rating Summary

On October 16 2013, the Agency's Board of Directors (the Board) approved the IEUA Business Goals. A key objective under the Business Goal of Fiscal Responsibility is to improve the Agency's credit rating from AA- to "AAA" by FY 2017/18 and set a total debt coverage ratio (DCR) target of 3.0X in order to reduce future borrowing costs. The Board confirmed the commitment to this key objective during the budget workshops facilitated between January and March of 2014, and the IEUA Strategic Plan for Fiscal Years 2015-2019 finalized on July 1, 2014.

Currently, the Agency is rated A1 under Moody's and AA- with Standard and Poor's.

Each rating agency applies its own methodology to evaluate key drivers that include a combination of quantitative and qualitative criteria. Not a single element but a combined evaluation of these factors will determine the final rating assigned to a debt issue by any of the rating agencies. The main areas of analysis are:

- System size, customer base and local economy: Ability to meet the needs of a growing economy and population, with diversified revenue sources, (qualitative and quantitative).
- Governance and management: Assessment of management, staff and policies to evaluate operating stability, (qualitative).
- Financial profile: Evaluation of historical and forecast financial results to determine the ability to fund operating and capital needs and meet debt obligations, (quantitative).
- Debt profile: Analysis of the level and structure of debt, (qualitative and quantitative).
- Operating profile: Assessment of the ability to provide services to its customers and generate resources to meet its financial obligations, (qualitative and quantitative).

Examples of quantitative factors include multiple financial ratios such as debt coverage ratio (DCR), number of days of cash on hand, total outstanding long-term debt. These ratios are calculated from both historical and forecasted financial results. Their evaluation determines the ability of a utility to fund operating and capital needs and meet its debt obligations.

Although some correlation exists between ratings and coverage ratios, quantitative ratios are not the sole drivers for the assignment of a rating, and while strong financial metrics can lead to higher ratings, it is the underlying governance and management of the system, and the ability to maintain and improve those levels, that ultimately drives the rating assignment.

Bonds issued by the Agency were rated between AAA/Aaa and A1/AA at the time of issuance as shown in Table 7-10. The latest 2010A Bond's assigned rating are AA- by Standard & Poor's and Aa2 by Moody's Investors Service.

Table 7-10: Credit Rating Quality by Moody's

Date Rating Issued	Bond	Par Amount (\$Millions)	Rating Agency	Ratings
November 2012	2008B Variable Rate Demand Revenue Bonds	\$55.675*	Moody's	Aa1
June 2010	2010A Refunding Revenue Bonds	\$45.57M	Moody's	Aa2
January 2008	2008A Fixed Rate Revenue Bonds	\$125M	Moody's	A1

*\$49.235 Million Total Debt Affected, Long Term Joint Default Analysis (JDA) Rating Based on Long Term Rating of the Substitute LOC Provider and the Inland Empire Utilities Agency

Table 7-11 provides a summary of ratings quality by the three major rating agencies. Bonds rated **AAA/Aaa** are evaluated as the best quality and reflect the lowest degree of investment risk.

DEBT MANAGEMENT

Table 7-11: Investment Rating Quality by Agencies

Investment Grade Rating	Moody's	Standard & Poor's	Fitch
Best Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	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-



IEUA Headquarters/Regional Water Recycling Plant No. 5



**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 Aa2 , S&P AA-

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. 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	26,895,000	6,250,000	33,145,000
2018/19	24,340,000	4,905,250	29,245,250
2019/20	22,020,000	3,688,250	25,708,250
2020/21	28,485,000	2,587,250	31,072,250
2021/22	23,260,000	1,163,000	24,423,000
	\$125,000,000	\$76,336,806	\$201,336,806

Principal due annually, June 30.

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

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

DEBT MANAGEMENT

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 Aa1, S&P AAA

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. 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 Rate (Issue)	Actual/ Projected	Interest	Total Payment
2007/08	\$ 450,000	4.00%	1.60%	\$ 304,087	\$ 754,087
2008/09	1,420,000	4.00%	2.80%	1,265,663	3,618,585
2009/10	1,475,000	4.00%	0.48%	157,506	3,621,142
2010/11	1,535,000	4.00%	0.27%	138,696	3,622,465
2011/12	1,560,000	4.00%	0.37%	204,069	3,622,431
2012/13	1,660,000	4.00%	0.16%	76,000	1,736,000
2013/14	1,725,000	4.00%	0.07%	30,000	3,622,219
2014/15	1,790,000	2.00%	0.05%	22,000	1,812,000
2015/16	1,865,000	4.00%	1.00%	422,000	3,621,002
2016/17	1,910,000	4.00%	2.00%	806,000	3,621,193
2017/18	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
	\$ 55,675,000			\$ 17,460,579	\$ 83,970,683

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. The 1994 bonds were used for project design and construction of RP-4 Regional Plant, RP-1 Digester Improvements and Odor Control, and RP-1 and CCWRF Ultraviolet Disinfection.

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 due annually, August 1.

Interest due semi-annually, Feb 1 and August 1.

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



PERSONNEL

PERSONNEL

The Agency regards human resources as one of its most valuable assets and promotes a value-driven work environment characterized by open communication, accountability, equity, trust, mutual respect, and collaboration. The Human Resources Department (HR) endeavors to assist the Agency in becoming an employer of choice through successful selection and retention of the best qualified candidates and in maintaining a highly skilled workforce by promoting creativity, innovation, and continual training. These commitments are defined in the IEUA Business Goals under Workplace Environment adopted by the Board in October 2013.

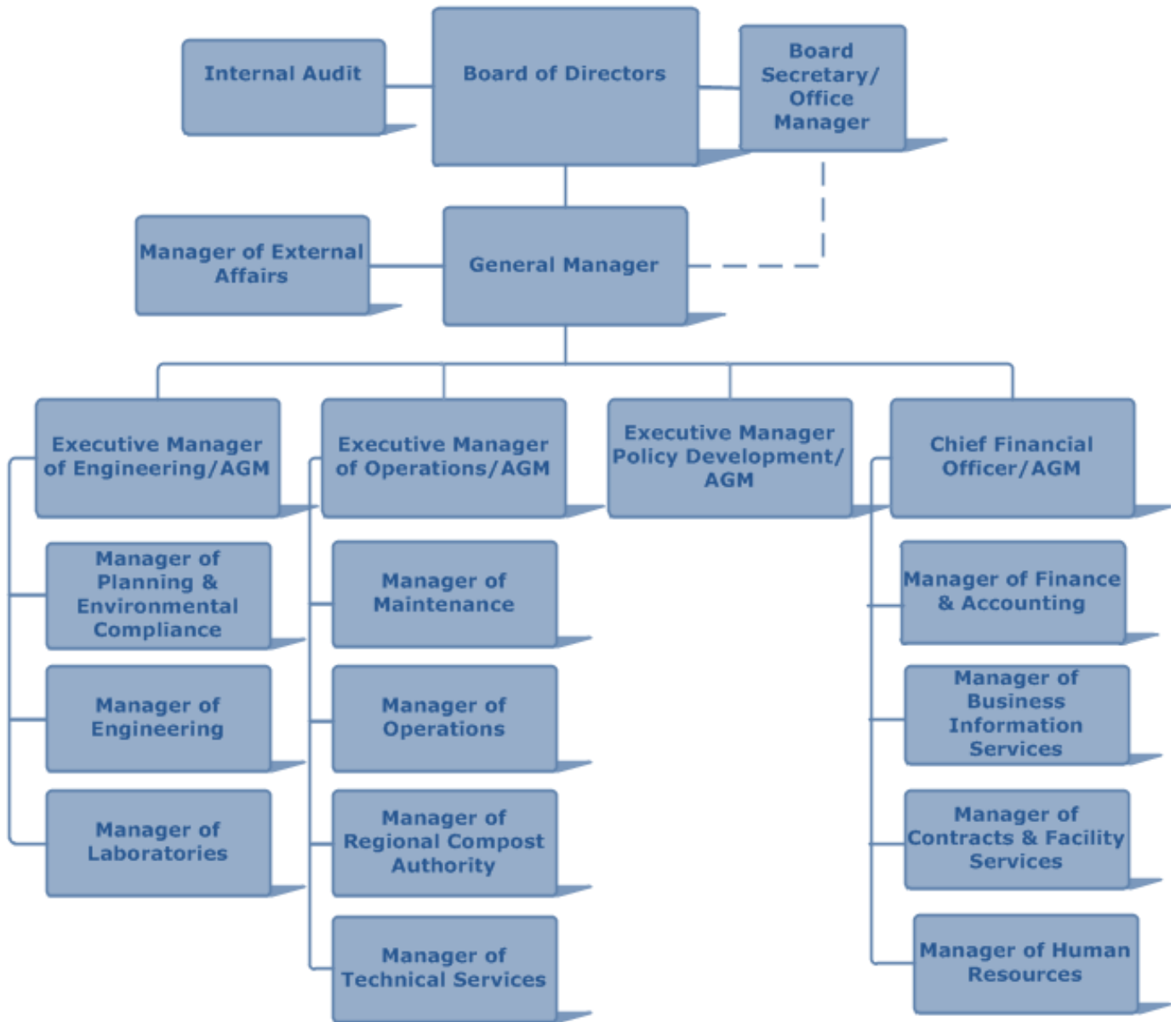
A key objective during FY 2015/16 will be to finalize and implement the recommendations for the Agency's overall structure as a result of an Agency-wide classification and compensation study. Other key objectives include continuing to strive to boost efficiency and effectiveness throughout the organization by collaborating with the Business Information System department in the integration of Lean management principles.

Like many private and public sector organizations, the Agency is proactively planning for the impending retirement of its "baby boomers" over the next several years. HR staff will continue to provide ongoing leadership and support to the organization's succession efforts, as well as promote, support and leverage technology resources and tools to improve and enhance workflow efficiency and improve customer service. The Agency's information technology resources will be fully-leveraged to offer flexible, user-friendly and integrated systems, including the expanded use of employee self-service. This will allow the HR staff to move beyond just transaction processors to become more consultative partners with the Agency's customers, and a key component of the Agency's strategic management team.

Preparing for a changing workforce will require the delivery of targeted training programs, including the use of e-learning solutions where practical. Demographic shifts within the Agency's geographic area, and within the existing workforce, will require appropriate marketing and communication strategies to attract and retain qualified and diverse candidates. The Agency plans to continue the implementation of the current succession planning activities, including the Agency's partnership with the College of Extended University at Cal Poly Pomona for local government agencies and the Employment Relations Consortium (ERC) training for public agencies to offer shared training services thereby providing more cost-effective options long term.

The following Agency-wide organizational chart (Figure 8-5) provides an overview of the Agency's current organizational structure by division and department.

Figure 8-5: Agency-Wide Organizational Chart

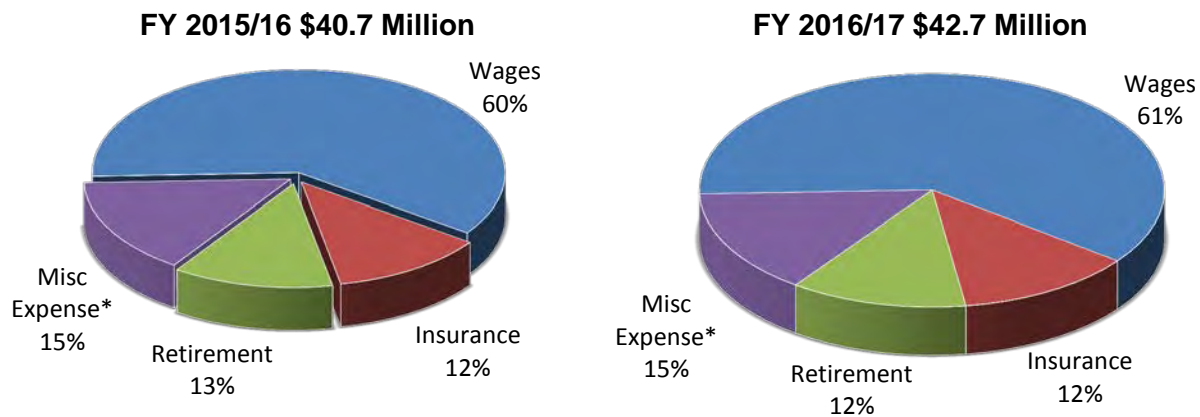


PERSONNEL

STAFFING PLAN

The FY 2015/16 staffing plan reflects the ongoing effort across all departments to more effectively and efficiently leverage human resources to continually improve the Agency's level of service. Total net employment costs, inclusive of wages and benefits, are budgeted at \$41 million (net of allocation to capital projects) in FY 2015/16 and \$43 million in FY 2016/17.

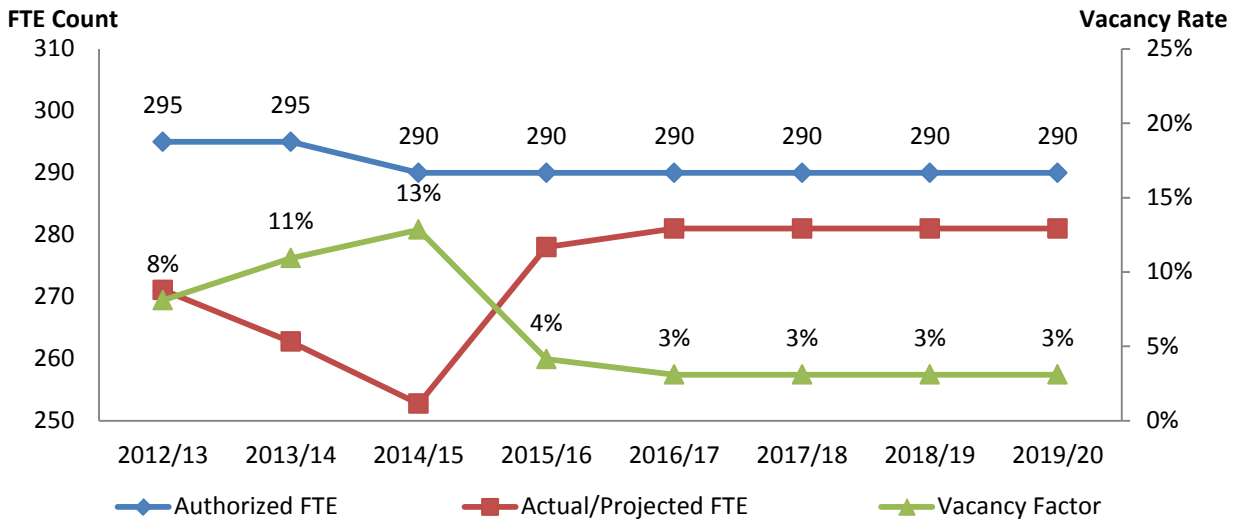
Figure 8-3: Total Net Employment costs



Net employment costs represent 27 percent of the total operating costs of \$153 million for FY 2015/16 and include 290 authorized full time equivalents (FTEs), 18 limited term (LTs), and 20 internship positions. In FY 2016/17, net employment costs make up 28 percent of total operating costs and represent 290 FTEs, 17 LTs, and 21 internship positions. The use of LTs is a cost effective way for the Agency to support increased temporary workload in areas such as engineering, construction management, grants administration, and water conservation. Additionally, the Agency's internship program, formally established in November 2001, provides college students or recent graduates an opportunity to gain "hands-on" experiences in all facets of the organization.

Since FY 2007/08, the Agency has reduced the total number of authorized FTEs by 18 from 308 to 290 in FY 2014/15. As reported in Figure 8-1, even at the reduced authorized staffing level, the Agency maintained a 13 percent vacancy factor during FY 2014/15, equivalent to 37 FTEs. The vacancy factor is set to decrease in FY 2015/16 and FY 2016/17 to accommodate for succession planning currently ongoing at the Agency.

Figure 8-1: Comparative of Authorized to Actual FTE Count



The progressive reduction in staffing has been possible in part by leveraging cross-training of Agency staff, prudent implementation of enhanced technology, and the integration of Lean management principles to minimize redundancies and waste. Implementation of these best management principles has allowed the Agency to transition from multiple shifts to a single shift for all Agency facilities. The ability to remotely monitor facilities during “dark hours” significantly reduced overtime costs.

On the following page, the column labeled “Adopted Changes” on Table 8-1, Staffing Plan, reflects the change of positions from FY 2014/15 to FYs 2015/16 and 2016/17. Changes include the elimination of 10 previously filled FTE positions, the addition of 10 newly created positions across various departments, and the realignment of resources to support upcoming program activities. Staff realignments have no effect on the authorized FTE count of 290. Also included in the table are the budgeted 18 LTs and 20 internship positions in FY 2015/16 and 17 LTs and 21 internship positions for FY 2016/17.

PERSONNEL

Table 8-1: Staffing Plan

INLAND EMPIRE UTILITIES AGENCY								
STAFFING PLAN								
DIVISION Department/Section	ADOPTED 2014/15	AMENDED 2014/15	ADOPTED CHANGES	ADOPTED 2015/16	ADOPTED 2016/17	FORECAST		
						2017/18	2018/19	2019/20
BOARD OF DIRECTORS								
Internal Audit	2	2	0	2	2	2	2	2
AGENCY MANAGEMENT								
Agency Management	7	7	0	7	7	7	7	7
External Affairs	4	3	0	3	4	4	4	4
Policy Development	1	1	0	1	0	0	0	0
TOTAL AGENCY MANAGEMENT DIVISION	14	13	0	13	13	13	13	13
FINANCE & ADMINISTRATION DIVISION								
Finance and Administration	1	1	0	1	1	1	1	1
Contracts and Facilities Services	13	13	0	13	13	13	13	13
Finance and Accounting	20	20	1	21	21	21	21	21
Business Information Services	11	11	0	11	11	11	11	11
Human Resources	9	9	(1)	8	8	8	8	8
TOTAL FINANCE & ADMINISTRATION DIVISION	54	54	0	54	54	54	54	54
ENGINEERING, PLANNING & SCIENCE DIVISION								
Engineering, Planning & Science Administration	1	1	0	1	1	1	1	1
Engineering & Construction Management	27	27	1	28	28	28	28	28
Planning & Environmental Compliance	18	19	(1)	18	18	18	18	18
Laboratory	14	14	0	14	14	14	14	14
TOTAL ENGINEERING, PLANNING & SCIENCE DIVISION	60	61	0	61	61	61	61	61
OPERATIONS DIVISION								
Operations Administration	3	3	(1)	2	2	2	2	2
Organics Management	24	24	1	25	25	25	25	25
Technical Services	9	8	4	12	12	12	12	12
<i>Energy Production & Maintenance</i>								
Energy Production & Maintenance	4	4	0	4	4	4	4	4
Sewer Collections	6	6	1	7	7	7	7	7
North Plant Maintenance	26	26	(4)	22	22	22	22	22
South Plant Maintenance	22	22	(1)	21	21	21	21	21
Integrated Systems Services	13	13	0	13	13	13	13	13
Materials Management Warehouse	10	10	0	10	10	10	10	10
<i>Operations</i>								
RP-1 Operations	21	22	0	22	22	22	22	22
CCWRF Operations	3	3	0	3	3	3	3	3
RP-4 Operations	4	4	0	4	4	4	4	4
RP-5 Operations	6	7	(2)	5	5	5	5	5
Desalter Operations	4	5	0	5	5	5	5	5
Groundwater Recharge	5	2	2	4	4	4	4	4
RP-2 Operations	3	3	0	3	3	3	3	3
TOTAL OPERATIONS DIVISION	163	162	0	162	162	162	162	162
TOTAL AGENCY STAFF POSITIONS	291	290	0	290	290	290	290	290
LIMITED TERM/INTERN POSITIONS								
Limited Term/Contract	13	18	0	18	17	17	16	16
Intern Positions	18	18	2	20	21	21	21	21
SUBTOTAL LIMITED TERM/INTERN POSITIONS	31	36	2	38	38	38	37	37
GRAND TOTAL AGENCY STAFF POSITIONS	322	326	2	328	328	328	327	327

PERSONNEL COSTS BY PROGRAM

Total net employment costs in FY 2015/16 are budgeted at \$40.7 million (net of \$5.5 million allocation to support the Agency’s capital improvement program). The increase of \$1 million from FY 2014/15 projected cost of \$39.4 million includes the negotiated 3 percent cost of living adjustments (COLAs) and 6 percent increase in health insurance premiums. FY 2016/17 total net employment costs are budgeted at \$42.7 million (net of a \$5.7 million decrease for capital improvement program labor). The 5 percent increase over the FY 2015/16 budget includes the negotiated 3.5 percent COLA and an assumed 2 percent merit increase to current employees based on the class and compensation study salary schedule.

Table 8-3: Employment Costs Allocation by Fund/Program (\$Millions)

Fund/ Program	2014/15 Projected Actual	2015/16	2016/17
Regional Wastewater Operations (RO) Fund	\$23.6	\$24.5	\$25.8
Regional Wastewater Capital (RC) Fund	3.3	3.0	3.2
Recycled Water (WC) Fund	3.4	3.2	3.4
Non-Reclaimable Wastewater (NRW) Fund	2.2	2.0	2.1
Recharge Water (RW) Fund	0.8	0.7	0.7
Water Resources (WW) Fund	1.2	1.8	1.9
IE Regional Composting Authority (IERCA) /JPA	3.3	3.4	3.5
Chino Basin Desalter Authority (CDA) / JPA	1.3	1.4	1.4
General Administration (GG) Fund	0.3	0.7	0.7
Total	\$39.4	\$40.7	\$42.7

Total employment cost, comprised of wages and bene fits, is initially recorded in the Administrative Services (GG) fund. These costs are then allocated to other Agency funds, capital projects, and other agencies/ Joint Power Authorities (JPAs) based on the level of support. Employment costs for staff assigned to support other agencies, such as Chino Basin Desalter Authority (CDA) and the Inland Empire Regional Composting Authority (IERCA) are reimbursed to the Agency based on contractual agreements. Table 8-2 and Figure 8-2 below show the allocation of the Agency’s authorized FTEs by program and activities.

PERSONNEL

Table 8-2: Allocation of Authorized FTEs by Fund/Program

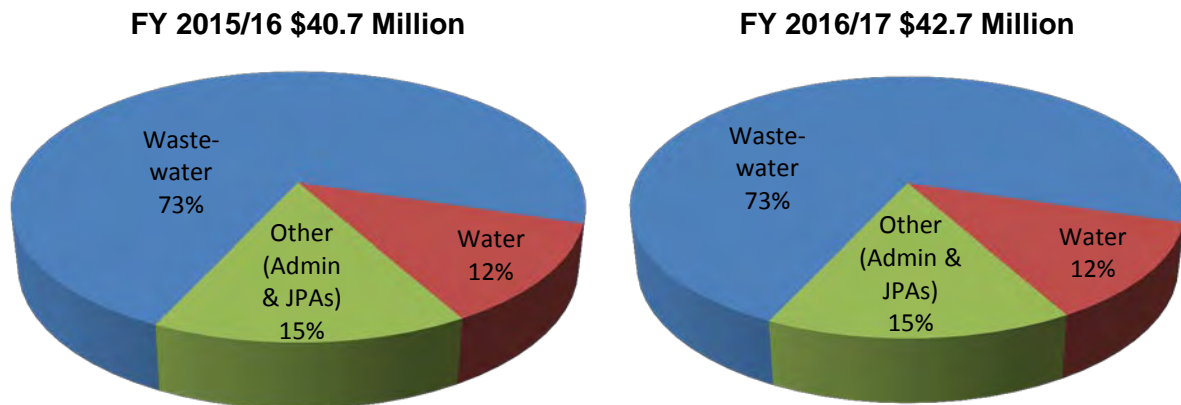
Fund/Program	2014/15	2015/16	2016/17	Average
Regional Wastewater Operations (RO) Fund	174	175	175	60%
Regional Wastewater Capital (RC) Fund	25	22	22	8%
Recycled Water (WC) Fund	25	23	23	8%
Non-Reclaimable Wastewater (NRW) Fund	16	14	14	5%
Recharge Water (RW) Fund	6	5	5	2%
Water Resources (WW) Fund	8	12	12	4%
IE Regional Composting Authority (IERCA) /JPA ⁽¹⁾	25	24	24	9%
Chino Basin Desalter Authority (CDA) / JPA ⁽²⁾	9	10	10	3%
General Administration (GG) Fund	2	5	5	1%
Total	290	290	290	100%

(1) IERCA JPA labor costs are 100 percent reimbursable from the IERCA and are reported in the RO fund.

(2) CDA JPA labor costs are 100 percent reimbursable from CDA and are reported in the GG fund.

Total employment cost reimbursements due from other agencies/ JPAs are estimated to be \$5 million in FY 2015/16 and in FY 2016/17. Approximately \$3.5 million of employment costs are reimbursed to the Agency by IERCA for operation of the facility and are recorded in the RO fund. CDA reimburses the Agency approximately \$1.4 million for operations and program support of the CDA facility and is recorded in the GG Fund. The Chino Basin Watermaster (CBWM) partially reimburses labor costs of approximately \$742,000 in FY 2015/16 and \$773,000 in FY 2016/17 for recharge water basin maintenance recorded in the RW fund.

Figure 8-2: Employment Cost by Program



*Misc. Expenses include: State unemployment taxes, auto allowances, employee wellness reimbursements, and payments toward the Agency's unfunded pension liability fund

In the fall of 2013, the Agency successfully negotiated 5 year contracts (through June 2018) with its five employee bargaining groups. Both the Agency and its employees will benefit from stability provided by these 5 year agreements. Under the new agreements, COLAs were issued to employees beginning July 1, 2014 (the first since July 2009). These are partially offset by an increase in the Employee Paid Member Contribution (EPMC) funded by employees. At the end of the five year term, and as part of the Agency's cost containment strategy, all Agency employees will be paying 100 percent of the EPMC. More details on the Agency's three (3) tier retirement formulas are provided in the Benefits section to follow.

Other strategies that have been implemented to contain employment costs include:

- Maintaining a 4 percent vacancy factor in FY 2015/16 and a 3 percent vacancy factor in FY 2016/17 – only filling positions as employees separate and/or that satisfy a critical need and support the Agency's goal of containing operating costs in future years;
- Evaluating organizational effectiveness – organizational changes to enhance operational effectiveness by aligning staff expertise and Agency resources. This ongoing evaluation process has permitted the Agency to more effectively leverage reductions in staffing levels resulting from attrition and cost containment measures;
- Cross-training of staff and prudent enhancement of technology to achieve single shift staffing in all of its facilities, resulting in significant reductions in overtime costs;
- Continuing compliance with health care reform, pension reform, and other employment cost reduction measures.

BENEFITS

Despite the Agency's commitment to cost containment, annual increases in health insurance premiums and pension contribution rates offset some of the achieved cost reductions. In FY 2015/16, total benefit costs are budgeted at \$18.2 million and make up 39 percent of the total employment costs. The costs increase to \$18.8 million in FY 2016/17. These benefits are comprised of:

- Insurance (i.e. health, dental, vision, life, long term disability, and workers' compensation);
- Paid leave (e.g. holiday pay, sick leave, vacation leave, executive leave, floating holidays, etc.);

PERSONNEL

- Retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS) and Social Security.

The Agency contracts with CalPERS for retirement pension benefits. As part of the Agency's cost containment plan and in compliance with the Public Employee's Pension Reform Act (PEPRA), three pension retirement benefit formulas have been established. As summarized below, the employee contribution requirements vary based on the benefit provided:

- Tier 1 "Classic Members" hired prior to January 1, 2012: "2.5 percent at 55", EPMC rate of 8 percent
- Tier 2 "Classic Members" hired on or after January 1, 2012: "2.0 percent at 55", EPMC rate of 7 percent
- Tier 3 "New Members" hired on or after January 1, 2013 who are new to the CalPERS system, or have had a minimum of a six (6) month break in service from a reciprocal public agency: "2.0 percent at 62"; EPMC is eliminated for Tier 3 with employees required to pay 100 percent of the Agency's normal cost, or 6.25 percent in FY 2015/16.

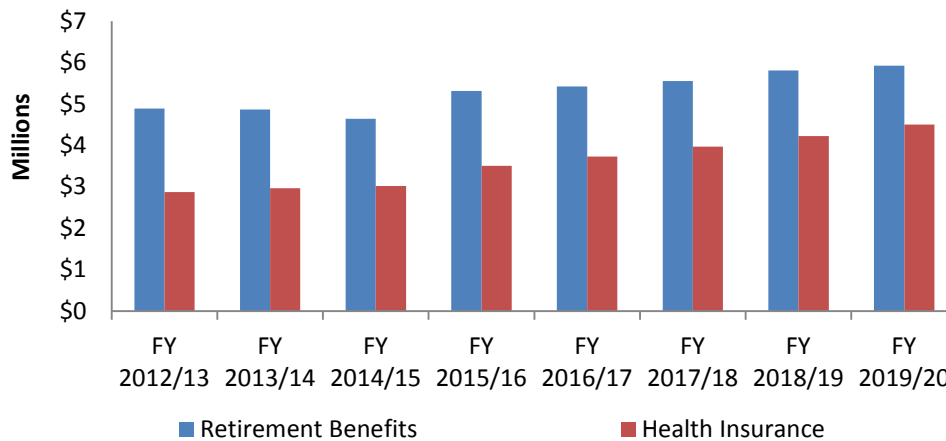
In FY 2015/16, the combined contribution rate for the Agency's CalPERS is 26.018 percent of total "PERSable" wages. The combined rate is comprised of an employer contribution rate of 18.018 percent (increased by 1.38 percent effective July 1, 2015) and an EPMC. Pursuant to the 5 year negotiated labor contracts, employee funding of the EPMC rates will increase towards full funding over the coming fiscal years for all tiers of members. The Tier 1, Tier 2, and Tier 3 funding of the EPMC rates for FYs 2015/16 and 2016/17 are outlined in Table 8-4 below. Employee funded contributions help reduce the Agency's pension costs.

Table 8-4: Employee Contribution Rate Funding

	FY 2015/16 Employee Funded Portion of EPMC Rate	FY 2016/17 Employee Funded Portion of EPMC Rate	Total EPMC Rate
Tier 1 "Classic Members"	5.5%	7%	8%
Tier 2 "Classic Members"	6%	7%	7%
Tier 3 "New Members"	6.25%	6.25%	6.25%

Figure 8-4 reflects a combined increase of approximately 15 percent in FY 2015/16 health and retirement benefit costs over the prior year. Increases are attributable to higher insurance premiums and pension rates. The budget for FY 2016/17 includes a 2 percent increase in the Agency's CalPERS employer contribution rate and a 6 percent increase in health insurance costs.

Figure 8-4: Benefits Cost Trend



TRAINING AND EMPLOYEE DEVELOPMENT PROGRAMS

The use of organizational development to maximize the long-term effectiveness of human resources through succession planning and other developmental strategies will increase the internal capacity to accomplish the Agency’s strategic plan and business goals, sustain a high level of productivity and result in improved customer satisfaction. The Training and Development Program involves online training, group collaborations, facilitated classes, and external college courses with other public agency employees. This evolution has resulted in significant savings to the Agency. The design of the Training and Development Program focuses on the balance between both the immediate and future needs of the employees and the Agency.

The current program focuses on three areas: Personal Development, Supervisory Development, and Leadership Development. The Personal Development Program consists of Microsoft Office training, “The 7 Habits of Highly Effective People” Program, and various development workshops. Supervisory development is achieved through participation in The Southern California Local Government Supervisory Program, and Liebert Cassidy Whitmore (LCW) employment law workshops. The next generation of Agency leaders participates in The Southern California Local Government Leadership Academy. These programs target the developmental needs of the different stages of an employee’s career. Online e-learning through Skillsoft is also available to provide all employees with the resources they need to achieve their performance goals and objectives.



DEPARTMENTS

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

- Internal Audit
- Agency Management
- External Affairs

EXECUTIVE SUMMARY

The Agency Management Division is responsible for the management and administration of all Agency activities. Its purpose is to establish the IEUA business 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.

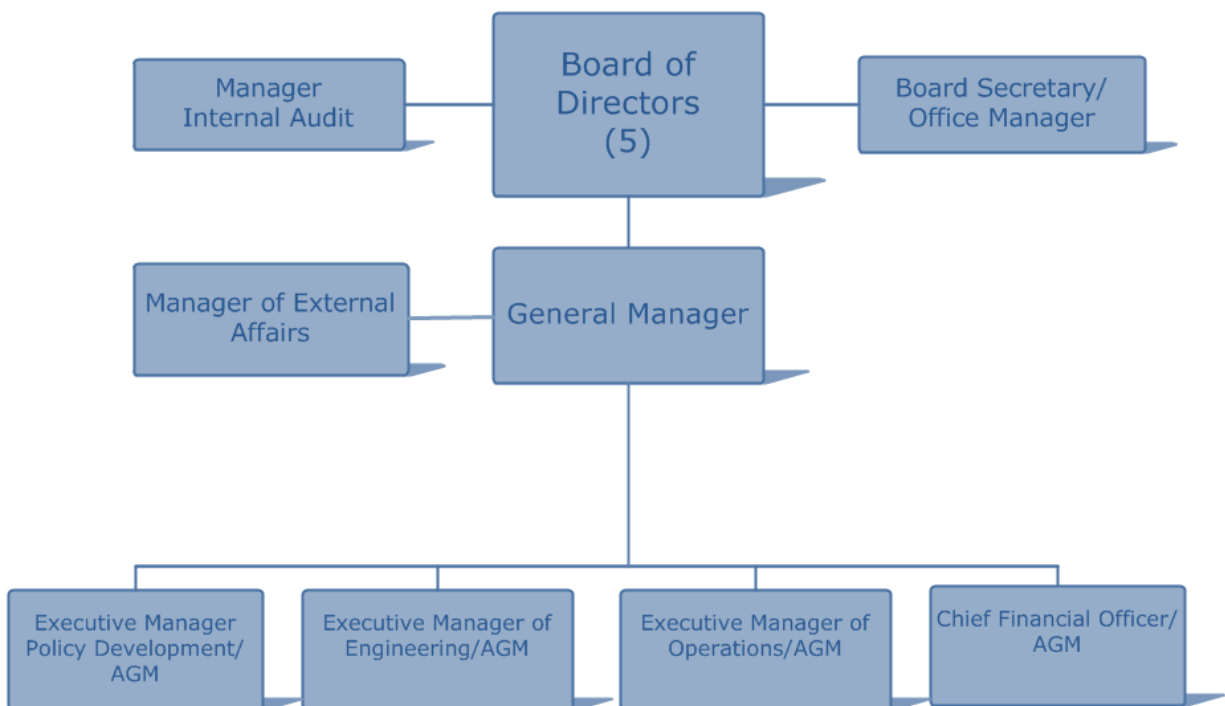
The Agency Management Division has several important objectives to accomplish during FY 2015/16 and FY 2016/17. These objectives include cost containment of expenditures within budgeted targets, seeking federal and state grant funding, oversight of preparation of numerous long-term planning documents, and provision of guidance on new budget performance targets and accountability measures. Total division staffing is budgeted at 13 full time equivalents.

DIVISION GOALS

- Continue commitment to cost containment for operating and capital costs
- Amend the Regional Sewerage Service Contract to provide more flexibility in the use of property taxes
- Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018
- Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values

- Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017
- Develop a plan to conduct a feedback study to measure employee satisfaction
- Establish a cross training program across departments and divisions to enhance understanding of Agency programs by June 2015
- Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations

ORGANIZATIONAL CHART



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

Agency management is responsible for the overall policy direction and day-to-day management of the Inland Empire Utilities Agency. 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.

POSITION SUMMARY

The changes from FY 2014/15 to FY 2015/16 represent changes in classifications as resulting from the classification and compensation study conducted by the Agency during FY 2014/15.

Position	2013/14	2014/15	2015/16	2016/17
General Manager	1	1	1	1
Assistant General Manager	1	0	0	0
Board Secretary/ Office Manager	1	1	1	1
Executive Assistant	1	1	2	2
Administrative Assistant	2	2	1	1
Office Assistant	1	1	1	1
Receptionist	1	1	1	1
Total Employees	8	7	7	7

ORGANIZATIONAL CHART



SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishment
C. Business Practices			
C6	Develop and implement a standardized procedure for writing and processing committee/board letters.	Postponed to FY 2015/16	<ul style="list-style-type: none"> Goal was put on hold to focus on completion of the Class & Compensation Study.

OFFICE OF THE GENERAL MANAGER

Major Accomplishments			
A. Fiscal Responsibility		B. Workplace Environment	
D. Water Reliability		E. Wastewater Management	
		C. Business Practices	
		F. Environmental Stewardship	
	Develop a standard operating procedure handbook for the Executive Management Department area.	Postponed to FY 2015/16	<ul style="list-style-type: none"> Goal was put on hold to focus on completion of the Class & Compensation Study.
	Update and maintain "Duties and Annual Calendar of Responsibilities" manual for the Board Secretary position.	Postponed to FY 2015/16	<ul style="list-style-type: none"> Goal was put on hold to focus on completion of the Class & Compensation Study.
	Increase the efficiency of the executive administrative group through streamlining processes.	3 of 8 completed On-going	<ul style="list-style-type: none"> Revamped Agency's mail process, board packaging process, and upgraded Prado conference room.

OTHER DEPARTMENT WORKLOAD INDICATORS

Beginning FY 2015/16 the Agency changed procedures for stating water sale and purchase expense, operating expense now includes all pass-through water purchases. Prior year amounts have been re-stated to include pass-through water purchase expense.

	2013/14	2014/15	2015/16 Target	2016/17 Target
Agency Operating Expenses	\$115,139,400	\$132,496,200	\$153,269,600	\$150,491,700
Staffing (Agency-Wide)*	295	290	290	290

*FTE – Full Time Equivalent

DEPARTMENT GOALS AND OBJECTIVES FOR FYs 2015/16 and 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility		B. Workplace Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
C. Business Practices				
C6	Develop and implement a standardized procedure for writing and processing committee/board letters.	Complete 50 percent by June 30, 2016	Completed by June 30, 2017	<ul style="list-style-type: none"> Implement two procedures per quarter until completed



IEUA Business Goal Overview

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	Develop a standard operating procedure handbook for the Executive Management Department area.	Ongoing	Completed by June 30, 2017	<ul style="list-style-type: none"> Implement two procedures per quarter until completed.
	Update and maintain "Duties and Annual Calendar of Responsibilities" manual for the Board Secretary position.	Ongoing	Completed by June 30, 2017	<ul style="list-style-type: none"> Update 25% per quarter.
	Increase the efficiency of the executive administrative group through streamlining processes.	Ongoing	Ongoing	<ul style="list-style-type: none"> Review and improve two processes per quarter.

EXPENSES

Administrative and operating fees shown here include agency-wide expenses that are budgeted within the Agency Management department, such as legal, memberships, contributions, and sponsorships. The major increases in the FY 2015/16 and FY 2016/17 administrative budgets can be attributed to a general manager's contingency budgeted each year and the election expense of \$300,000 which is budgeted every other fiscal year.

Expense	2013/14	2014/15	2015/16	2016/17
Employment	\$940,200	\$882,300	\$926,400	\$954,200
Administrative	273,500	486,400	870,000	1,170,000
Operating	1,524,800	1,750,700	2,069,000	1,279,800
Total	\$2,738,500	\$3,119,400	\$3,865,400	\$3,404,000

EXTERNAL AFFAIRS

MISSION STATEMENT

The External Affairs Department seeks to advocate, campaign, and guide the development of policies and legislation that benefit the region IEUA serves. The Department also seeks to establish and strengthen relations with the media, elected officials, businesses, civic organizations, member agencies, educators, and general members of the public in order to enhance public awareness of the Agency's programs, projects and services.

DESCRIPTION AND PURPOSE

The External Affairs Department maintains a collaborative approach with the Board of Directors and Agency Management to develop positions on policies, legislation and regulations that impact Agency policy objectives.

The External Affairs Department is a liaison between the Agency and its stakeholders and supports the following functions and activities:

- Responsible for developing and directing the Agency's community relations, public outreach and education programs
- Plans and coordinates informative events and promotions for the public as well as represents the Agency during such community projects and public gatherings
- Manages numerous education programs that benefit the community, including the Chino Creek Wetlands Water Discovery Program, Garden in Every School, Solar Cup, and the School Assembly Program.

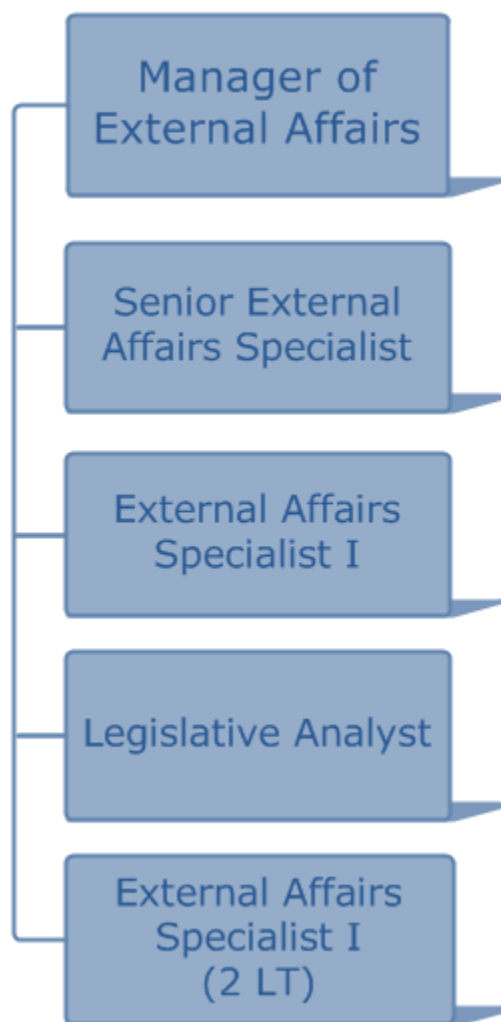
POSITION SUMMARY

The changes in FY 2015/16 are a result of the classification and compensation study conducted by the Agency in FY 2014/15. In FY 2016/17, an additional FTE position, Legislative Analyst, will be added to the External Affairs Department.

Position	2013/14	2014/15	2015/16	2016/17
Manager of External Affairs	1	1	1	1
Water Resources Analyst II	1			
Comm. Outreach / Education Coordinator II	1	1		
Senior External Affairs Specialist			1	1
CIP Coordinator	1	1		
External Affairs Specialist I			1	1
Legislative Analyst				1
Total	4	3	3	4

Position	2013/14	2014/15	2015/16	2016/17
Limited Term Positions				
External Affairs Specialist I	1	2	2	2
Total	1	2	2	2
Total Employees	5	5	5	6

ORGANIZATIONAL CHART



EXTERNAL AFFAIRS

SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B1	<p>Assist in providing training or coordinating roundtable discussions with the necessary levels of staff</p> <p>Incorporate the Agency's Mission, Vision and Values into all that staff does, including: creating collateral materials, employee newsletter, and a document that features the Mission, Vision and Values, posting on the IEUA Website, speaking at an all-hands meeting, and working with HR to help educate all new staff</p>	Accomplished goals in FY 2014/15. Will continue objectives in FY 2015/16	<p>Worked with staff on editing presentations and public speaking skills</p> <p>New information folder was designed; two new brochures were updated; WAVE employee newsletter was increased to monthly; 65th anniversary logo was created and added to collateral items, including emails, letterhead and PowerPoint templates; continually update website to keep content current</p>
C. Business Practices			
C7	Serve as the Agency Webmaster and provide current and timely information	Website was launched and department began serving as Agency Webmaster in October 2014. Updates and changes to the website are being done in a timely manner	New Agency website launched in October 2014. Received positive feedback from community stakeholders. In April 2015, received Transparency Certificate of Excellence from the Special District Leadership Foundation, with many of the requirements met due

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
			to the new Agency website. Website is continually reviewed to ensure accuracy
C8	Build stronger relationships with the local agencies and elected representatives in our region	In FY 2015/16, hold bi-monthly Drought Task Force meetings	Met with all Public Information Officers throughout the year in meetings at IEUA and other agencies; began formation of Drought Task Force in response to executive order issued by Governor
C9	Build stronger relationships with the local agencies and elected officials here and in DC/Sacramento	Will continue building relationships with elected officials and their staff to increase knowledge and support for Agency	The election in 2014 brought several new federal, state and local elected officials. Board and management have met with all new members and/or staff; led legislative tours of IEUA facilities; Executive management has met with all member agencies during FY14/15. Board and staff have traveled to Sacramento and DC to meet with elected officials and/or staff. Worked with regional water agencies to host informational events in both cities
C10	Communicate the role of the Agency in the region through local partnerships	Accomplished goals in FY 2014/15. Will continue these partnerships in FY	Worked closely with local organizations and agencies to develop partnerships

EXTERNAL AFFAIRS

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
		2015/16 and look for new opportunities	to establish programs and events, including United Way, Special Districts and Chambers of Commerce
C11	Communicate the importance of regional/local independence (water, recycling, wastewater, and renewable energy)	Completed in FY 2014/15. In FY 2015/16 increase meetings and focus on water savings and regional resiliency	Worked with school administration to educate them on all aspects of water in our region; worked with members of the press to develop articles that stressed drought resiliency; worked with agency management on presentations at conferences and community organizations
D. Water Reliability			
D10	Work with the remaining cities to pass the water softener ordinance	Completed review of all box stores in FY 2014/15. Will conduct ongoing audits every six months to ensure compliance, and continue working with remaining cities	Continued monitoring big box and appliance stores for compliance, sending letters where necessary to educate on compliance; provided five agencies with bill inserts to notify customers of available rebate
F. Environmental Stewardship			
F3	Communicate the Agency-wide goals, services and functions to our entire service area including all community members, businesses, and stakeholders	Ongoing FY15/16 will continue to increase number of events attended in order to reach the entire service area.	Communication plan was completed in September 2014. Strategies for keeping communities and stakeholders informed on key issues, including water rates



Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
			and drought, have been successfully utilized

OTHER DEPARTMENT WORKLOAD INDICATORS

	2013/14	2014/15	2015/16 Target	2016/17 Target
No. of Agency Tours	40	35	35	35
No. of Agency Publications Produced	1	3	3	3
No. of Press Releases	As Needed	20	20	20
Social Media	N/A	N/A	Post 2-3/week	Post 2-3/week
Circulation of newspaper inserts	22	22	22	22
Water Discovery Park Tours (# of students)	N/A	3,000	3,000	3,000

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
B. Workplace Environment				
B1	Incorporate the Agency's Mission, Vision and Values into all staff activities including: creating collateral materials, employee newsletter, and posting to the IEUA	By June 2016 and ongoing	By June 2017 and ongoing	Continue to update printed materials, newsletters, and website with current content

EXTERNAL AFFAIRS

IEUA Business Goal Overview				
A. Fiscal Responsibility		B. Workplace Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	website. Increase public recognition of Agency brand			
C. Business Practices				
C7	Serve as the Agency Webmaster and provide current and timely information	By June 2016 and ongoing	By June 2017 and ongoing	Review the website for accuracy on a continual basis
C8	Maintain strong relationships with local stakeholders and city and county elected representatives in our region	By June 2016	By June 2017	Meet with all member agencies in FY 2015/16; host facility tours and presentations for elected officials; host quarterly Leadership Breakfasts; meet with 60% of service area's school principals and superintendents
C9	Maintain strong relationships with elected officials here and in DC/Sacramento.	Travel to Sacramento and Washington D.C. in FY2015/16	Travel to Sacramento and Washington D.C. in FY2016/17	Attend Lobby Days in Sacramento and Washington D.C.; host facility tours and presentations for officials and/or staff; host quarterly Leadership Breakfasts
C10	Communicate the role of the Agency in the region through local partnerships	By June 2016	By June 2017	Attend one association/organization meeting a month
C11	Communicate the importance of regional/local water independence and conservation	By June 2016 and ongoing	By June 2017 and ongoing	Form a Drought Task Force with member agencies; continue marketing campaigns and social media outreach; present to associations or community organizations quarterly
C11	Cultivate positive relationships with local and regional media	By June 2016 and ongoing	By June 2017 and ongoing	Distribute press releases; provide information in a timely manner as requested;

IEUA Business Goal Overview				
<i>A. Fiscal Responsibility</i>		<i>B. Workplace Environment</i>		<i>C. Business Practices</i>
<i>D. Water Reliability</i>		<i>E. Wastewater Management</i>		<i>F. Environmental Stewardship</i>
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
				provide tours and additional newsletter updates to members of the media
D. Water Reliability				
D10	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Complete by December 2016	Remaining cities to pass ordinance by end of FY 2015/16
D13	Develop, support, promote and participate in water education programs	By June 2016 and ongoing	By June 2017 and ongoing	Increase outreach to service area schools; Continually modify curriculum to meet changing State environmental education standards; increase facility tours – both number of tours and participants
F. Environmental Stewardship				
F3	Communicate the Agency-wide goals, services and functions to our entire service area, including all community members, businesses, and stakeholders	By June 2016 and ongoing	Complete by June 2017	FY2015/16 will continue to increase number of events attended in order to reach the entire service area
F10	Support legislation to reduce drugs in waterways through take back programs	Ongoing	Complete by June 2016/17	Work with state and federal legislative offices to support any proposed bill language or programs that reduce drugs in our waterways

EXTERNAL AFFAIRS

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative costs, and other non-operating expense. Operating expense includes; materials and supplies, professional fees and services, and leases and rentals. FY 2015/16 Increase of Administrative and Operating expense is due additional consulting and graphic services.

Expense	2013/14	2014/15	2015/16	2016/17
Employment	\$539,300	\$550,000	\$577,500	\$594,800
Administrative	220,300	190,100	298,000	290,000
Operating	67,200	87,200	108,200	112,200
Total	\$826,800	\$827,300	\$983,700	\$997,000

INTERNAL AUDIT

MISSION STATEMENT

The Internal Audit Department (IAD) 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, controlled 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 IEUA operations. The Internal Audit Department assists management and staff in achieving their objectives by providing recommendations 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 Department adopted four values which form the foundation for its purpose: independence, integrity, professionalism, and collaboration.

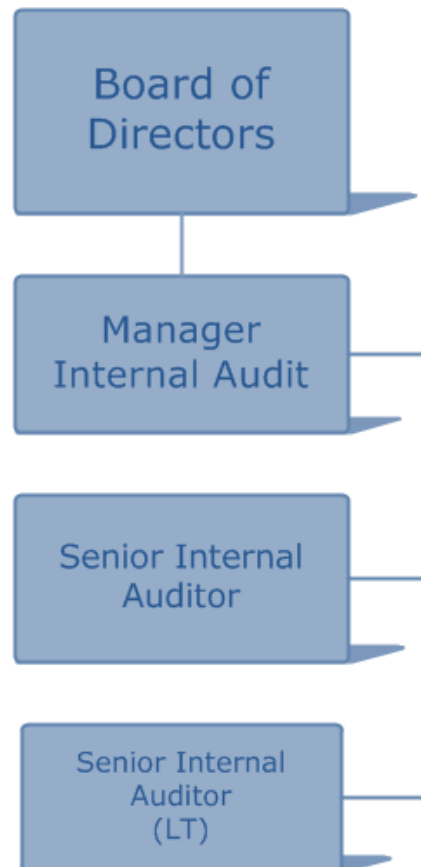
Internal Audit reports to the Board of Directors through the Audit Committee and is an independent function from management. The authority and responsibilities of the Internal Audit Department are specifically defined in the Internal Audit Department Charter approved by the Board.

POSITION SUMMARY

No staffing changes proposed for FY 2015/16. In FY 2016/17, the Agency will no longer need the services of the Limited Term Staff Internal Auditor.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Internal Audit	1	1	1	1
Senior Internal Auditor	1	1	1	1
Total	2	2	2	2
Limited Term Positions				
Senior Internal Auditor	0	1	1	0
Total	0	1	1	0
Total Employees	2	3	3	2

ORGANIZATIONAL CHART



INTERNAL AUDIT

SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A2	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment.	Complete	Completed planned and scheduled audits as approved by the Board and as documented in the Annual Audit Plan. The following audits and projects were completed: <ul style="list-style-type: none"> • 2014 CAFR Quality Control Review • Review of Charters and IAD SOPs • Regional Contract Review of the seven member agencies. • Completed Regional Contract Workshop for the IEUA Board. • Follow-Up Review of the three Intercompany agreements for monthly reimbursements. • Follow-up Review of the Pre-Treatment and Source Control • Follow-Up on the Information Systems audit.
A8	Complete the Regional Contract Review and provide several recommendations to improve the consistent application of the Regional Contract requirements among all Regional Contract Agencies, as well as recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting	Complete	Completed the Regional Contract review and the review of how each of the seven member agencies apply the requirements of the Regional Contract with regards to: <ul style="list-style-type: none"> • Initial Connection Fees • Monthly Volumetric Fees • Public Service Facilities • Extra Territorial Areas • Reconciliation of fees collected, paid and reported to IEUA on the various different reports • Overall Recordkeeping <p>This comprehensive report resulted in 10 (ten) Audit Reports, one for each of the seven member</p>



Major Accomplishments

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	<p>documentation to determine if these meet the intent and requirements of the contract. Continue to be involved during the Regional Contract renegotiations/amendments and follow-up on recommendations provided. Complete workshops for Board and member agencies as needed/requested.</p>		<p>agencies, one on the Ten-Year Forecast, one Comparable Agency Survey, and a final/consolidated Report.</p> <p>The various reviews resulted in over 25 audit recommendations for IEUA Executive Management to consider in renegotiating the Regional Contract and to incorporate as part of their contract monitoring and oversight duties, as well as new opportunities to consider.</p>

B. Workplace Environment

<p>B1</p>	<p>Promote a strong control environment by conducting independent, objective audits of Agency operations where the scope of the audits incorporate evaluating that Agency processes and systems comply with the Agency's Mission, Vision, Values, best practice operations, processes and programs, as well as senior management input, as the criteria against which to measure performance and results. Internal Audits are to provide an independent and objective opinion, and feedback on how closely the criteria, Agency policies, procedures, including Mission, Vision and Values are met, followed or understood. Provide recommendations to the appropriate personnel where to address gaps identified.</p>	<p>Complete</p>	<p>Completed planned and scheduled audits as approved by the Board and as documented in the Annual Audit Plan. The following audits and projects were completed:</p> <ul style="list-style-type: none"> • CAFR Quality Control Review • Review of Charters and IAD SOPs • Regional Contract Review of the seven member agencies: <ul style="list-style-type: none"> ○ City of Upland ○ City of Chino ○ City of Montclair ○ City of Fontana ○ City of Chino Hills ○ City of Ontario ○ Cucamonga Valley Water District • Completed Regional Contract Workshop for the IEUA Board Follow-Up Review of the three Intercompany agreements. • Follow-up Review of the Pre-Treatment and Source Control • Follow-Up on the Information
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INTERNAL AUDIT

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
			<p>Systems audit to determine if changes to improve inventory and safeguard controls have been implemented and/or enhanced.</p> <p>During each audit, IA coordinates meetings among the various departments involved in the process being audited. The meetings are productive and provide a forum for discussion about improving the process audited. During each audit, IA also coordinates with Executive management to determine if the audit scope needs to be expanded or modified to ensure the appropriate audit coverage. During the audits, IA keeps Executive management and the department management apprised of the results and the progress of the audits.</p>
B2	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trends.	Complete	Audit staff must participate in continuous professional development and attend training periodically to stay abreast of industry standards and best practices. Currently three auditors are working on obtaining the Certified Internal Auditor Designation. One auditor has obtained a Master's Degree, one Senior Auditor has the Certified Government Audit Professional designation, and one Senior Auditor is a Certified Public Accountant. Auditors participate in local professional associations.
B3	Perform a survey of auditee/customer satisfaction at the conclusion of each audit project to gather information	Complete	Feedback is requested after each audit. There is also discussion during regularly scheduled Audit Committee Meetings. Auditors



Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	about auditor involvement, professionalism, knowledge and ability to communicate to gain information on continuous improvement.		receive annual evaluations.

OTHER DEPARTMENT WORKLOAD INDICATORS

	2013/14	2014/15	2015/16 Target	2016/17 Target
Annual Audit Plan Completion	June 2014	June 2015	June 2016	June 2017
Scheduled audits completed	4	10	4	2
Follow up of completed audits	2	3	2	2
Audits completed within Budgeted Time	6	13	6	4
Special Projects Completed	2	2	1	1

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
A. Fiscal Responsibility				
A2	Promote a strong control environment by conducting	On-going and through the audits	On-going and through the audits	Completed planned and scheduled audits

INTERNAL AUDIT

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	approved by the Audit Committee and the Board during the Annual Audit Plan presentation	approved by the Audit Committee and the Board during the Annual Audit Plan presentation	approved through the Annual Audit Plan. Comments and discussions during Audit Committee Meetings and exit meeting
A8	Close out and Finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these	Complete by September 2015	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings



IEUA Business Goal Overview

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees			
B. Workplace Environment				
B1	Promote a strong control environment by conducting independent, objective audits of Agency operations where the scope of the audits incorporate evaluating that Agency processes and systems comply with the Agency's Mission, Vision, Values, best practice operations, processes and programs, as well as senior management input, as the criteria against which to measure performance and results. Internal Audits are to provide an independent and objective opinion, and feedback on how closely the criteria, Agency policies, procedures, including Mission, Vision and Values are met, followed or understood. Provide	On-going. Through the audits approved by the Audit Committee and the Board	On-going. Through the audits approved by the Audit Committee and the Board	Feedback from customers. Discussions during regularly scheduled Audit Committee Meetings

INTERNAL AUDIT

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	recommendations to the appropriate personnel where to address gaps identified			
B2	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trend	Annually and on-going complete training and professional development training and participation	Annually and on-going complete training and professional development training and participation	A minimum of sixteen hours of continuous professional development, annually. Participation in a professional association
B3	Perform a survey of auditee/customer satisfaction at the conclusion of each audit project to gather information about auditor involvement, professionalism, knowledge and ability to communicate to gain information on continuous improvement	After each completed audit/project	After each completed audit/project	Feedback from customers. Discussions during regularly scheduled Audit Committee Meetings
B9	Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope	Ongoing and through approved audits as approved through the Annual Audit	Ongoing and through approved audits as approved through the Annual Audit	Completed audits. Comments and discussions from stakeholders and during Executive Management



IEUA Business Goal Overview

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	<p>includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations</p> <p>Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed</p> <p>Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive</p> <p>Per direction or approval by the Audit Committee and Board, and through coordination with</p>	Plan	Plan	Meetings, Audit Committee Meetings and exit meetings

INTERNAL AUDIT

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations			
B11	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management
B15	Comply with all required IEUA safety and regulatory trainings for required department personnel	Annually as assigned by Safety personnel	Annually as assigned by Safety personnel	Safety Tailgate Tracker
B2	Achieve the Certified Internal Auditor Designation by two auditors	One by December 2015	One by December 2016	Certification
B2	Conduct Control Self-Assessment of the Internal Audit Department	On-going	Completed by December 2016	Certification
B2	Peer-review of the Internal Audit Department functions	Work on Preparation	Completed by December 2016	Peer-review certification or approval
C. Business Practices				
C5	Establish, maintain and strengthen audit-	On-going	On-going	Feedback from auditees,



IEUA Business Goal Overview

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

Work Plan	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	<p>related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement</p> <p>Establish, maintain and strengthen audit-related public partnership opportunities with the Regional Contract Agencies during the Regional Contract Reviews to maintain positive and responsive relationships to ensure cooperation and understanding of the review requirements</p>			<p>senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board</p>

INTERNAL AUDIT

EXPENSES

Employment includes wages and benef its. Administrative expense includes; office and administrative costs. Operating costs include professional fees and services. Some expense budgeted here include agency-wide expenses, such as external auditing services.

Expense	2013/14	2014/15	FY 2015/16	FY 2016/17
Employment	\$202,800	\$295,700	\$310,500	\$319,800
Administrative	3,900	8,400	10,400	10,600
Operating	213,100	134,000	135,000	151,500
Total	\$419,800	\$438,100	\$455,900	\$481,900

FINANCE & ADMINISTRATION DIVISION

MISSION STATEMENT

To provide quality, cost effective, and efficient service to all stakeholders and do so with excellence, responsiveness, and reliability while safeguarding and sustaining Agency resources to ensure current and long term needs are appropriately met.

DEPARTMENTS

- Contract and Facilities Services (CFS)
 - Contract Administration and Purchasing
 - Facilities Services
 - Records Management
 - Risk Management
- Business Information Services
- Finance and Accounting
- Human Resources

EXECUTIVE SUMMARY

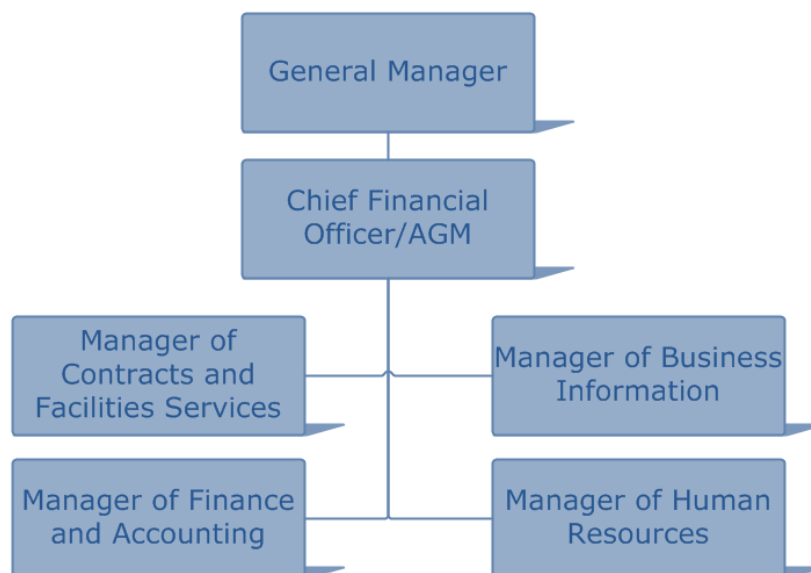
The Finance & Administration Division is the administrative core of the organization. Services provided include: acquisition of equipment, materials, supplies, and services; contract administration and management pursuant to the Agency's Procurement Ordinance; systematic collection, retention, management, and destruction of Agency records including compliance to public information requests; management of third party services for the Agency's buildings and grounds; administration of the Agency asset disposal program; maintenance, enhancement, and support of the Agency's business system solutions, such as the SAP ERP, Geographical Information Services (GIS), and the Laboratory Information Management System (LIMS); fiscal accountability and financial regulatory compliance; internal and external financial reporting; budgetary preparation, control, and analysis; grant application and administration, cash and debt management; recruitment and retention of the best qualified candidates; implementation of employee benefits; enhancement of employee skills through administration of an Agency-wide training program; sustainment of positive labor relations, and implementation of the Memorandums of Understanding and Personnel Manuals for the various bargaining units; and compliance with State and Federal. Total staffing is budgeted at 54 FTEs and 8 LT positions in both FY 2015/16 and FY 2016/17.

DIVISION GOALS

- Support the Agency's business system solution needs, optimize processes, and enable users to effectively achieve their objectives

- Provide accurate, reliable, and timely financial reporting to all Agency stakeholders
- Pursue grant funding opportunities and assist and provide administrative oversight to IEUA joint power agencies
- Promote superior customer service when working internally with colleagues
- Complete a performance assessment of the Platinum LEED rated headquarters
- Promote a safer work environment by administering and monitoring required safety and regulatory trainings
- Complete class and compensation study
- Consolidation of personnel rules and regulations
- Complete restructuring of imported potable water rates
- Complete assessment of the Electronic Content Management System (ECMS)

ORGANIZATIONAL CHART



CONTRACTS & FACILITIES SERVICES

MISSION STATEMENT

Provide cost-effective, responsive, and responsible environmentally-friendly customer service and support to all Agency Departments in a professional and ethical manner with respect to Agency-wide contract administration and purchasing, facilities services, risk, and records management programs.

DESCRIPTION AND PURPOSE

The Contracts and Facilities Services Department (CFS) is responsible for a diverse scope of services and responsibilities. Contracts and Purchasing administers the acquisition of equipment, materials, supplies, and services. This is accomplished through business practices as outlined in the Procurement Ordinance as well as associated resolutions, policies, and procedures. Department ethic and compliance guidelines have been established and adhered to in conducting business on behalf of the Agency. Additionally, risk services are provided to ensure protection of the Agency’s business, employees, and assets, as well as the public, by ensuring appropriate insurance policies and procedures are in place.

Facilities Services is responsible for managing cost effective third party services for the Agency’s buildings and grounds that support the Agency’s working environment, as well as its mission and goals. Additionally, Facilities Services serves as the liaison between Agency staff, the organization, and contractors.

Records Management is responsible for the efficient and effective management of records through a systematic inter-disciplinary program designed to satisfy records and information compliance requirements, protect vital records and incorporate their protection into disaster recovery and risk management plans. Records management accountability begins with record creation or receipt and continues throughout the record’s lifecycle including maintenance, use, retention, and disposition.

POSITION SUMMARY

In FY 2015/16, two additional limited term positions, Contract & Programs Administrator, will be added to the department to help manage the workload. This limited term position will continue through FY 2016/17.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Contracts & Facilities Services	1	1	1	1
Supervising Contracts Administrator	2	2	2	2
Contracts & Programs Administrator	3	3	3	3
Technical Buyer	1	1	1	1
Procurement Specialist I	1	1	1	1
Procurement Specialist II	1	0	0	0

Position	2013/14	2014/15	2015/16	2016/17
Risk Specialist	0	1	1	1
Safety Representative	1	0	0	0
Administrative Coordinator	1	1	1	1
Records Management Coordinator	1	1	1	1
Records Management Technician	1	1	1	1
Senior Site Administrator	1	1	1	1
Total	14	13	13	13
Limited Term Positions				
Records Management Clerk	1	1	1	1
Facilities Specialist - Landscape	1	1	1	1
Contract & Programs Administrator	0	0	2	2
Total	2	2	4	4
Total Employees	16	15	17	17

ORGANIZATIONAL CHART



CONTRACTS & FACILITIES SERVICES

SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A2	Maintain competitive purchasing programs consistent with the Agency Procurement Ordinance.	Ongoing	<ul style="list-style-type: none"> Maintained compliance with the old and updated Procurement Ordinance to ensure competition for contracts and purchasing needs.
A9	Establish new contracts and amendments to emphasize multi-year fixed price terms.	Ongoing	<ul style="list-style-type: none"> Competitively let contracts to secure multi-year contracts and program agreements to ensure cost saving opportunities.
A6	Expand best management practices in the contract and procurement processes.	Ongoing	<ul style="list-style-type: none"> Updated the Agency's Procurement Ordinance and increased planning functions to ensure better service.
B. Workplace Environment			
B1	Conduct Agency training on department processes that are in line with the Agency's mission, vision, and values (MVV).	Ongoing	<ul style="list-style-type: none"> Conducted several training sessions associated with the departments processes that work toward meeting the Agency's MVV. Implementation of new E-mail management through Managed Folders process.
C. Business Practices			
C2	Implement the new Document Management System and the Agency's taxonomy.	Ongoing Decreased e-mail server storage by 50%	<ul style="list-style-type: none"> Worked with BIS to have an Agency assessment



Major Accomplishments

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
			conducted related to the Enterprise Content Management System (ECM) and the Agency's Records Management program.
C10	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives.	Ongoing	<ul style="list-style-type: none"> • Department Staff continue their participation in organizations like ARMA, CAPPO, NCMA, etc. to expand their knowledge, skills, and abilities.
F. Environmental Stewardship			
F3	Ensure all current and future landscaping and new facilities are in cooperation with current LEED and water-efficiency programs and advancements.	Ongoing	<ul style="list-style-type: none"> • Implemented several design changes in Agency landscaping and introduced landscape retrofit projects to reduce recycled water use on irrigation at Agency facilities.
F8	Identify educational opportunities for environmentally friendly facilities and landscapes.	Ongoing	<ul style="list-style-type: none"> • Replaced several educational signs throughout the Chino Creek Wetlands and Educational Park. • Introduced new signage for items such as water usage and conservation for landscape design.
F9	Evaluate the current standards	Ongoing	<ul style="list-style-type: none"> • Joined Facilities

CONTRACTS & FACILITIES SERVICES

Major Accomplishments			
A. Fiscal Responsibility		B. Workplace Environment	
D. Water Reliability		E. Wastewater Management	
		C. Business Practices	
		F. Environmental Stewardship	
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	for LEED qualifications and develop a plan for the Agency's HQ to maintain the ranking.		Services organization and attended several seminars associated with LEED standards for maintenance.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
AEP Award	Yes	Yes	Yes	Yes
% Customer Satisfaction Greater Than or Equal to Good/Exceeds Rating	90%	85%	90%	90%
PRs Processed within Service Level Objectives	95%	94%	95%	95%
Public Records Requests	90	110	80	80
Destruction of Records	370	466	300	300
Electronically Stored Information (LibertyNet)	100	100	200 Introduction of a new system	200
Customer Request Resolved	283	250	250	250



DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
A. Fiscal Responsibility				
A2	Implement new solicitation tool for expanded competition cost savings.	Completed by January 2016	Complete	<ul style="list-style-type: none"> Solicitation tool installed, staff trained, and utilizing system by January 2016.
B. Workplace Environment				
B16	Conduct Agency training on department processes that are in line with the Agency's mission, vision, and values.	Ongoing	Ongoing	<ul style="list-style-type: none"> Conduct at least 3 training sessions on ordinance, records management, and procurement protocols.
C. Business Practices				
C2	Implement the new ECM System, Agency taxonomy project, and legal holds process.	Ongoing	Complete by October 2016	<ul style="list-style-type: none"> Will conduct inventory of both paper and electronic records by October 15, 2016
C2	In collaboration with BIS, implement an email or Electronic Data Interchange (EDI) solution for purchase order transmission to the vendors.	Ongoing	Complete by January 2017	<ul style="list-style-type: none"> Transmission of purchase orders to vendors via direct email or EDI by January 2017.
C2	In collaboration with BIS, establish purchase requisition accessible Open Catalog Interface (OCI) catalogs for end user.	Ongoing	Complete by June 2017	<ul style="list-style-type: none"> Add two new OCI vendors, open for use by all staff through the PR process, by June 2017
C6	Maintain average processing time within CFS's published service	Ongoing	Ongoing	<ul style="list-style-type: none"> Run quarterly staff and department

CONTRACTS & FACILITIES SERVICES

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
	level objectives ≥ 95%.			service level reports and publish in the General Manager's quarterly report.
C10	Identify and participate in organizations that advance the Agency's mission, vision, and key initiative.	Ongoing	Ongoing	<ul style="list-style-type: none"> Attendance at organizational conferences and training sessions for industry related organizations.
C13	Provide exceptional and responsive customer service.	Continuous	Continuous	<ul style="list-style-type: none"> Increase facilities services response time for support services by 15%.
F. Environmental Stewardship				
F8	Ensure all current and future landscaping, as well as new facilities, are in cooperation with current LEED and water-efficiency programs and advancements.	Complete by June 2016	Completed	<ul style="list-style-type: none"> Removal of 80% of turf from Agency facilities supporting the Water reduction statewide goals by June 2016.
F8	Identify educational opportunities for environmentally friendly facilities and landscapes.	Ongoing	Ongoing	<ul style="list-style-type: none"> Increase educational signage by 10% for Agency facilities that are accessible by the public.
F9	Evaluate the current standards for LEED qualifications and develop a plan for the Agency's HQ to maintain the ranking.	Complete by June 2016	Completed	<ul style="list-style-type: none"> Review LEED operations and maintenance (O&M) qualifications against current Agency practices at headquarters (HQ) building.



IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
				<ul style="list-style-type: none"> Complete HQ upgrades for LEED O&M application.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs, and other non-operating expense. Insurance expense is an Agency-wide operating expense. Operating expense includes professional fees and services, materials and supplies, leases and rentals, and utilities. The increased operating expense projected for FY 2014/15 is due to an increase of landscaping, janitorial and security services expense.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$1,472,200	\$1,479,800	\$1,553,800	\$1,600,400
Administrative	105,800	102,700	119,000	121,600
Insurance	593,900	710,500	775,500	815,500
Operating	771,000	1,237,500	1,432,400	1,475,500
Total	\$2,942,900	\$3,530,500	\$3,880,700	\$4,013,000

BUSINESS INFORMATION 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

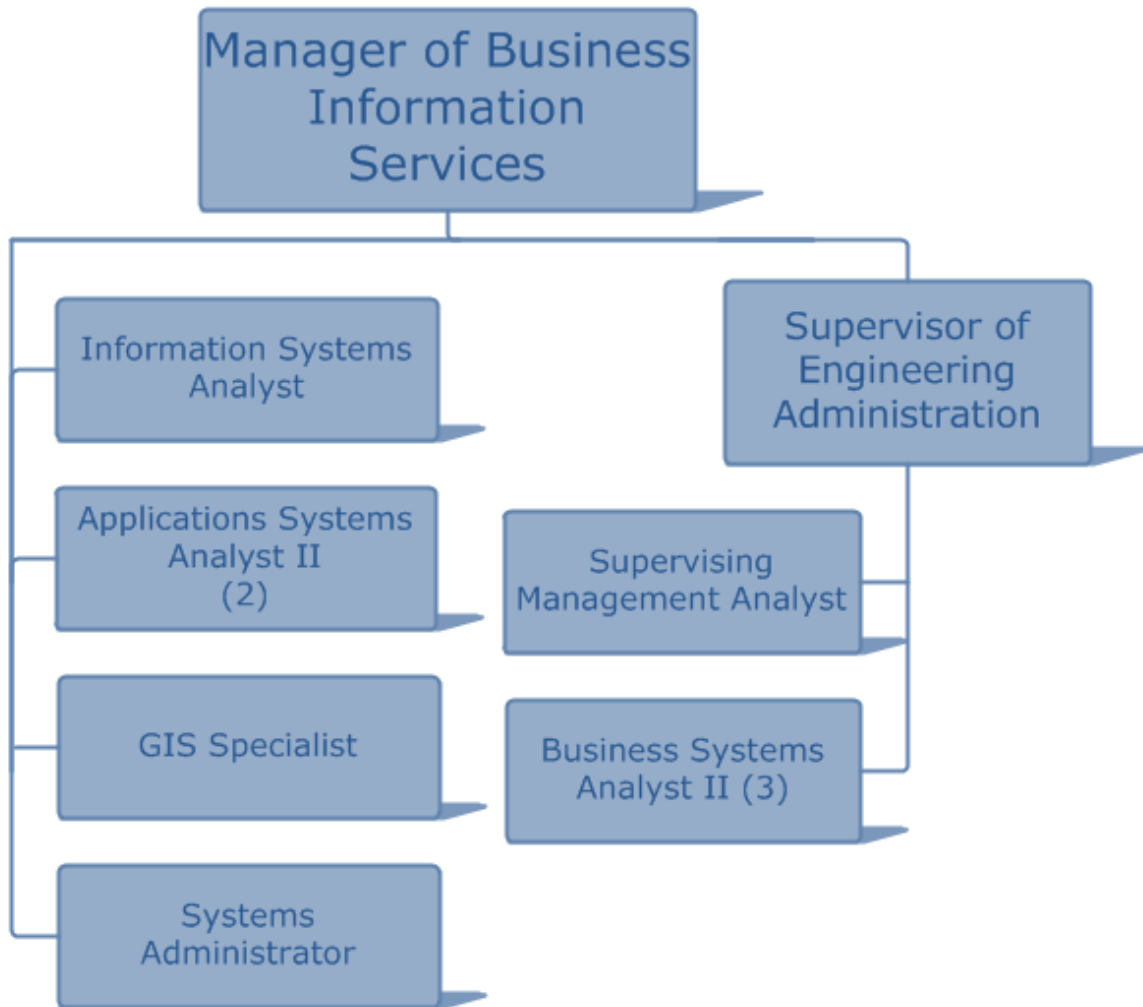
The Business Information Services Department (BIS) supports the Agency’s business system solution needs, including enhancement and support of the Agency’s core SAP Enterprise Resource Planning (ERP), Geographic Information Services (GIS), and Laboratory Information Management System (LIMS) application systems, support of departmental and special function systems, development of custom applications and reports, and integration of Agency systems and data. BIS is comprised of two teams: the Applications Team and the Business Systems Analysts (BSAs) Team.

POSITION SUMMARY

In FY 2015/16, the GIS Specialist position will transition from a limited term position to an FTE. The position of Business Systems Supervisor will be eliminated so that there is no overall change in the total number of full time equivalents within the BIS department.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Business Information Services	1	1	1	1
Business Systems Supervisor	1	1	0	0
Information Systems Analyst	1	1	1	1
Business Systems Analyst II	3	3	3	3
Applications Systems Analyst II	2	2	2	2
Systems Administrator	1	1	1	1
Supervisor of Engineering Administration	1	1	1	1
Supervising Management Analyst	1	1	1	1
GIS Specialist			1	1
Total	11	11	11	11
Limited Term Positions				
GIS Specialist	1	1	0	0
Total	1	1	0	0
Total Employees	12	12	11	11

ORGANIZATIONAL CHART



BUSINESS INFORMATION SERVICES

SUMMARY OF FY 2014/15 DEPARTMENT GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A2	Maintain cost of external SAP support to be within contracted amounts for all vendors.	Met objective of actuals <= quarterly average of the contracted amounts (\$13,125 for FY2014/15).	<ul style="list-style-type: none"> As of 5/9/2015 Q1 = \$7,388 (50%) Q2 = \$9,773 (66%) Q3 = \$11,009 (74%) Q4 = \$3,231 (22%) Major contributors to the support costs are the server upgrade during Q1 and Q2 and the assistance with the changes for the Classification & Compensation Studies.
A3	Determine requirements for new SAP enhancement that automates cost tracking for projects with multiple grants.	Not yet achieved the objective of >= 10% reduction in process time for grants analyst after implementation.	<ul style="list-style-type: none"> Not yet started due to effort needed to address the SAP changes for the Classification & Compensation Studies; goal is for the system go-live by 12/31/2015.
A9	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality.	Not yet achieved the objective of 15% increase in report response time.	<ul style="list-style-type: none"> ISS made hardware improvements for SAP servers; BIS is arranging for SAP discussions on the end-to-end budgeting module within SAP.
A11	Complete the development of the Technology Master Plan (TMP) by 6/30/2014.	Met the objective of awarding TMP contract by 5/31/2014.	<ul style="list-style-type: none"> Final TMP report issued in March 2015; technical subcommittees established: <ul style="list-style-type: none"> Network Services Electronic Content Mgmt Business Continuity SAP
	Assess challenges with Agency's financial processes: increase speed of processing reports.	Met the objective of 15% increase in report response time.	<ul style="list-style-type: none"> The dashboard for EE&CM reduced preparation time from 10-20 minutes per project to just 10-20 seconds (98% increase).

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	Assess challenges with Agency's financial processes: develop RFP for long term modifications.	Not yet met the objective of completing RFP for long-term modifications in SAP by 12/31/2014.	<ul style="list-style-type: none"> Need to establish a new deadline.
	Assess challenges with Agency's financial processes: create baseline utilization.	Not yet met the objectives of completing the baseline utilization assessment by 9/30/2014.	<ul style="list-style-type: none"> Need to establish new deadline.
B. Workplace Environment			
B1	Provide staff with opportunities for technical and professional training classes.	Met objective of 50% or more of staff receiving training class per year.	<ul style="list-style-type: none"> 64% (7 out of 11) of staff received training as of May 2015.
	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	Not yet met the objective of 100% of enhancements released plus or minus two calendar weeks from scheduled release date.	<ul style="list-style-type: none"> SAP enhancements were limited and slow to complete due to SAP server upgrade in Q1 and Q2 was more complicated than expected; resources were shifted to support the Classification & Compensation changes.
B2	Allow staff to present his/her enhancements at the 4-month enhancement press releases.	Met the objective of 3 or more staff recognized per year.	<ul style="list-style-type: none"> 7/9/2014: Glenn 7/9/2014: Khanh 12/10/2014: Joseph 3/11/2015: Joseph
B9	Create a checklist to ensure all projects are reviewed against TMP standards.	Not yet met the objective of establishing TMP standard checklist.	<ul style="list-style-type: none"> Subcommittees formed recently; standards will be developed in FY2015/16.
B11	Implement recommended disaster plan per TMP.	Not yet met the objective of plan adoption per TMP schedule by Q2 of FY2016/17.	<ul style="list-style-type: none"> BIS to lead the Business Continuity / Disaster Recovery Subcommittee.

BUSINESS INFORMATION SERVICES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
C. Business Practices			
C2	Determine business requirements incorporating an updated taxonomy.	Not yet met the objective of determining requirements by 4/15/2015.	<ul style="list-style-type: none"> RM and BIS working with ThirdWave on assessing business needs; final report scheduled for June/July 2015; information will be used for system requirements for the software solution RFP intended to be released in Q1/Q2 of FY2015/16.
C3	Promote the use of ArcGIS Online applications for information sharing through quarterly GIS User Group meetings.	Met the objective of reduction in ArcGIS Desktop users and/o increase in ArcGIS Online users/applications.	<ul style="list-style-type: none"> Reduced ArcGIS Desktop licenses from 8 to 4 (50% reduction) and increased the number of ArcGIS Online accounts from 5 to 50; Dig Alerts contractors now using Agency's application.
	GIS applications with CCTV videos and pipe assessment.	Met the objective of 100% on-line within one month of video receipt.	<ul style="list-style-type: none"> New videos from new truck began delivering raw footage in March 2015 and converted within the 1-month timeframe.
	Develop web-based GIS applications that are free to use and are relevant to Agency's customers, intended for information sharing, transparency and education purposes.	Met the objective of developing at least 2 applications by 6/30/2015.	<ul style="list-style-type: none"> 8 new applications developed.
C4	Develop at least one dashboard-like reporting tool for key metrics determined by the process owners.	Met the objective of deploying at least one dashboard.	<ul style="list-style-type: none"> Deployed a dashboard with information on engineering project schedules and budgets on 3/15/2015; reduction of report preparation time from 10-20 minutes to 10-15 seconds.
	Allocate at least 50% of	Met the objective of	<ul style="list-style-type: none"> 60% (8,937 of 14,999 hrs.)

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	staff time towards projects and research & development work, aside from break-fixes, maintenance tasks (e.g., upgrades) and administrative tasks.	staff's project time / available time >= 50%.	as of 5/9/2015.
C6	Determine Procurement to Payment material master content.	Not yet met the objective of complete the material master data update.	<ul style="list-style-type: none"> Detailed purchasing data from several key vendors was analyzed; business process owners decided to defer the project due to other priorities.
	Implement the use of electronic signatures for invoicing on emergency contracts.	Met the objective of electronic signature capability for and approvers.	<ul style="list-style-type: none"> Planned go-live in June 2015 for electronic PO (with electronic signature) along with email functionality from SAP; evaluating approval process for non-PO invoices for EE&CM.
	Reduce the number of external spreadsheets utilized to address NRW rate questions.	Not yet met the objective of 50% reduction of spreadsheets in use.	<ul style="list-style-type: none"> Project deferred due to business process owner's request to address other applications first.
	Develop new process for managing BIS support tickets and with less tools, currently 3 systems.	Met the objective of < 3 systems in use.	<ul style="list-style-type: none"> BIS modified support ticketing process by adopting just one system - SharePoint (AIM) ticket management (same one used by ISS and CFS).
C13	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	See B1	<ul style="list-style-type: none"> See B1

BUSINESS INFORMATION SERVICES

OTHER DEPARTMENT WORKLOAD INDICATORS

	2013/14	2014/15	2015/16	2016/17
Keep average time spent performing maintenance per year below 40%	43%	28%	35%	30%
Refresh the SAP QA environment with new test data at least twice per year	3	3	2	2
Keep system to no more than five support packs behind the vendor's current version	EHP5	EHP5 SP7	EHP5 SP7 or EHP7 SP3	EHP7 with no more than 2 SP versions below the latest one

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
A. Fiscal Responsibility				
A2	Maintain cost of external SAP support to be within contracted amounts for all vendors.	Meet the set KPI	Meet the set KPI	<ul style="list-style-type: none"> Actuals <= quarterly average of the contracted amounts.
A3	Determine requirements for new SAP enhancement that automates cost tracking for projects with multiple grants.	System go-live by 12/31/2015	N/A	<ul style="list-style-type: none"> Objective of >= 10% reduction in process time for grants analyst after Implementation.
A9	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality.	BIS is arranging for SAP discussions on end-to-end budgeting module within SAP.		<ul style="list-style-type: none"> Objective is for a 15% increase in report response time.
A11	Assess challenges with Agency's financial	By 12/31/2014		<ul style="list-style-type: none"> Complete RFP for long-term

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	<p>processes: develop RFP for long term modifications.</p> <p>Assess challenges with Agency's financial processes: create baseline utilization.</p>	By 9/30/2014		<p>modifications in SAP.</p> <ul style="list-style-type: none"> Complete baseline utilization assessment.
B. Workplace Environment				
B1	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	Ongoing by June 2015	Ongoing by June 2017	<ul style="list-style-type: none"> 100% of enhancements released plus or minus two calendar weeks from scheduled release date.
B9	Create a checklist to ensure all projects are reviewed against TMP standards.	By June 2015/16	N/A	<ul style="list-style-type: none"> Establish TMP standard checklist.
B11	Implement recommended disaster plan per TMP.	N/A	Plan adoption per TMP schedule by Q2 of FY2016/17.	<ul style="list-style-type: none"> BIS to lead the Business Continuity / Disaster Recover Subcommittee.
C. Business Practices				
C2	Determine business requirements incorporating an updated taxonomy.	Final report by July 2015	N/A	<ul style="list-style-type: none"> Issue final report to be used for software solution requirements.
C6	Determine requirements for new SAP enhancement that improves cost tracking for projects that qualify for multiple grants.	Establish baseline data; develop requirements; implement prototype.	Implement in production environment; measure improvement areas for	<ul style="list-style-type: none"> >= 10% reduction in process time for grants analyst after implementation.

BUSINESS INFORMATION SERVICES

IEUA Business Goal Overview				
A. Fiscal Responsibility		B. Workplace Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
			comparison to baseline.	
C6	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality.	Assess potential solutions; determine change impact; obtain go/no-go decision to implement.	Implement solution for next biennial budget cycle (2017/18 and 2018/19); measure improvements.	<ul style="list-style-type: none"> • $\geq 10\%$ reduction in budgeting cycle days for O&M and capital budgets.
C6	Assess challenges with Agency's financial processes: develop RFP for long term modifications.	Assess processes; develop requirements; develop change impact and proposal.	Issue RFP for services; implement changes; measure improvements.	<ul style="list-style-type: none"> • 35% reduction in spreadsheets used by finance staff; 25% increase in report performance.
C6	Determine Procurement to Payment material master content.			<ul style="list-style-type: none"> • Complete the material master data update.
C6	Reduce the number of external spreadsheets utilized to address NRW rate questions.			<ul style="list-style-type: none"> • 50% reduction of spreadsheets in use.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs, and other non-operating expense. Operating expense includes professional fees and services, materials and supplies, and utilities. The increase in FY 2015/16 administrative and operating budget is due to projected increase in department training, software and licensing fees, and data subscription expenses.

Expense	2013/14	2014/15	2015/16	2016/17
Employment	\$1,383,600	\$1,422,100	\$1,493,200	\$1,538,000
Administrative	22,000	22,000	48,500	32,100
Operating	323,900	459,000	521,500	418,600
Total	\$1,7,29,500	\$1,903,100	\$2,063,200	\$1,988,700

FINANCE AND ACCOUNTING

MISSION STATEMENT

Provide accurate, reliable, clear, and timely financial budgeting and reporting of Agency programs and activities to the public, elected officials, Agency personnel, customers, regulatory agencies, grantors, investors, and other stakeholders. Provide 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, including securing local, state, and federal grants; manage the Agency's investments to secure the safety of principal and optimize earnings; and provide timely and cost effective quality customer service to the Agency and its constituents while practicing responsible stewardship of Agency resources.

DESCRIPTION AND PURPOSE

The Finance and Accounting Department is responsible for recording and maintaining the Agency's financial information. The Department has a budgeted staff of 21 FTEs and four limited term positions for both FY 2015/16 and FY 2016/17 in the Accounting, Financial Planning, and Grants Administration groups. The department provides the following services:

- Manage Agency payroll, billing, revenue collection, cash application, accounts payable, project and fixed asset accounting, internal and external annual financial reporting, and various other financial analysis and reports.
- 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 seek out grant opportunities in conjunction with Executive Management to fund capital projects throughout the Agency; oversee the Agency's grants management; provide centralized Agency grant administrative oversight to IEUA and joint power agencies to ensure regulatory compliance, cost eligibility, and accurate and timely reporting in accordance with grantor compliance requirements.

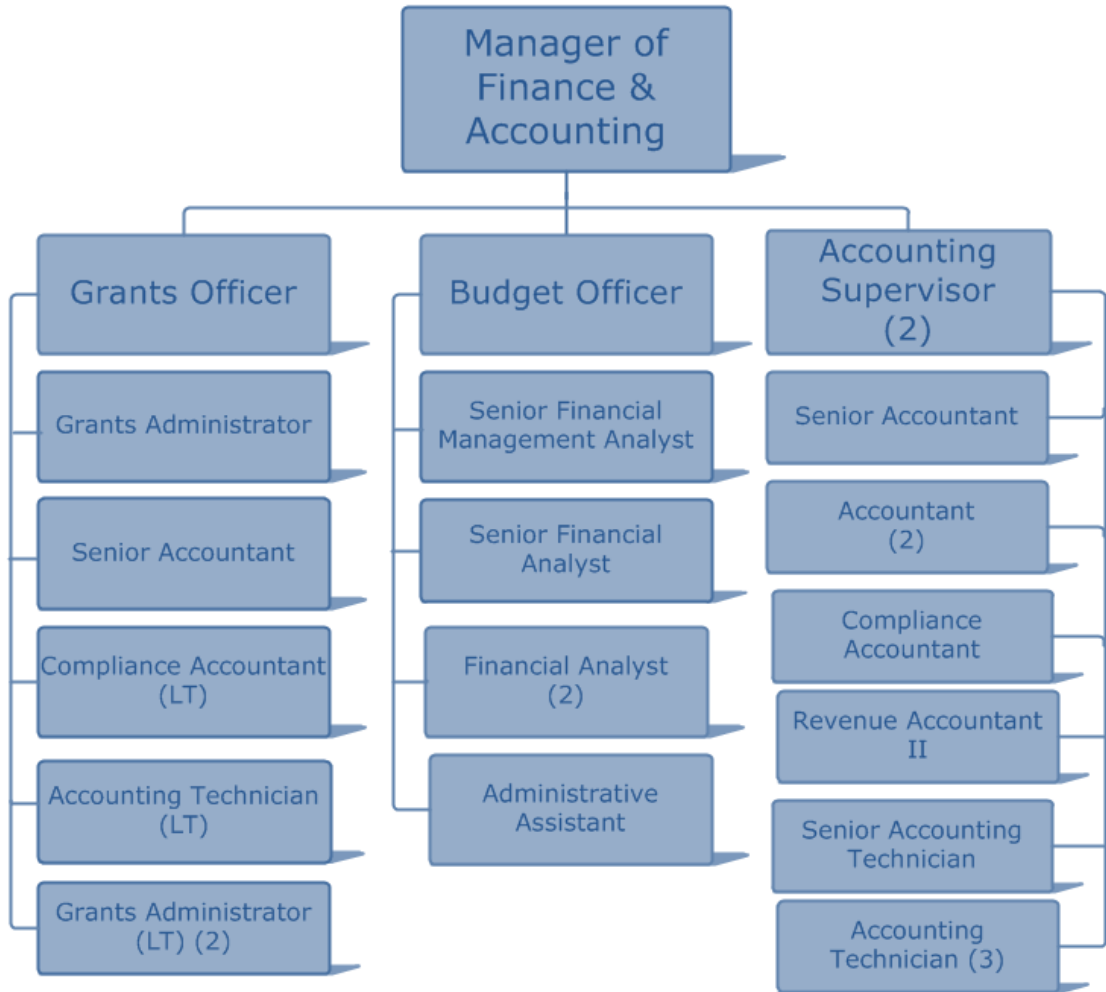
POSITION SUMMARY

In FY 2015/16, two limited term positions, both Accountants, transition to full time equivalent employees. One FTE position of Senior Accountant is eliminated to compensate for one of the new FTE positions, so the total change in FTE count for the department is one. In addition, two new LTE positions of Grant Accountant will be filled in FY 2015/16 to help with the additional workload in Grants Administration due to the large number of capital projects beginning in the coming years. There are no additional changes to staffing projected for FY 2016/17.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Finance and Accounting	1	1	1	1
Manager of Financial Planning	1	0	0	0
Accounting Supervisor	2	2	2	2
Senior Accountant	3	3	2	2
Compliance Accountant	1	1	1	1
Senior Accounting Technician	1	1	1	1
Accountant	1	1	2	2
Revenue Accountant II	1	1	1	1
Accounting Technician	3	3	3	3
Budget Officer	1	1	1	1
Grants Officer	1	1	1	1
Senior Financial Management Analyst	1	1	1	1
Senior Financial Analyst	1	1	1	1
Financial Analyst	1	1	2	2
Grants Administrator	1	1	1	1
Administrative Assistant	1	1	1	1
Total	21	20	21	21
Limited Term				
Accountant	2	2	0	0
Compliance Accountant	2	1	1	1
Accounting Technician	0	1	1	1
Grants Administrator	0	0	2	2
Total	4	4	4	4
Total Employees	25	24	25	25

FINANCE AND ACCOUNTING

ORGANIZATIONAL CHART



SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility Refer to Agency Wide Policy Goals pages 2-2 through 2-3			
A1	Collaborate with various departments in identifying the	Partially Complete	<ul style="list-style-type: none"> Identified COS, new rates were developed to meet COS requirements

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	cost of service (COS) and developing the rate structure to sufficiently support the COS for NRW system, Regional Wastewater, and Recycled Water programs.		for the Regional Wastewater and Recycled Water programs. <ul style="list-style-type: none"> The adopted multi-year EDU Volumetric rates adopted will help RO Fund to achieve full cost of service by FY 2018/19.
A2	Collaborate with various department in identifying cost containment items and monitoring performance through regular budget variance review.	Complete	<ul style="list-style-type: none"> Met with departments quarterly to review and discuss current and future expenditures. Information was reported to the Board quarterly.
A3	Develop an Agency Grants Management Plan that will guide Agency grant activities.	Ongoing	<ul style="list-style-type: none"> Prop 1 and federal grant opportunities guidelines have been completed. Monthly grants meeting with Executive Management to evaluate the Strengths, Weakness, Opportunities of each grant opportunity. Eligible projects are recommended for Executive Management. Approval Continuingly submits grant applications. Continuingly submits grant applications for projects that align with the Agency goals and objectives. \$5 million USBR Title XVI grant for CDA
	Assess current grants management SWOT.	Ongoing	
	Evaluate cost-benefit for each grant application.	Ongoing	
	Recommend potential grant opportunities that align with the Agency mission and financial goal.	Ongoing	
	Pursue new grant awards to diversify revenue.	Ongoing	
	Collaborate with departments that have projects that need	Ongoing	

FINANCE AND ACCOUNTING

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	<p>grant funding.</p> <p>Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs.</p> <p>Manage congressional grant authorizations for water desalination projects in the Chino Basin.</p> <p>Find grants that match with Member and Regional Agencies capital and conservation programs.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Expansion Project submitted in January 2015 (awarded in May 2015).</p> <ul style="list-style-type: none"> • \$750,000 USBR Water Use Efficiency Grant for the San Sevaine Basin and Lower Day Basin Projects submitted in March 2015 (awarded in June 2015). • The \$26 million federal Title XVI authorization usage increased to \$14 million. IEUA will continue manage this congressional authorization until completion. • On an as needed basis.
A6	Build reserves to fund Other Post-Employment Benefits (OPEB).	Ongoing annual contribution	<ul style="list-style-type: none"> • Annual contributions made in June 2014 and June 2015.
A7	Build reserves to fund the Unfunded Accrued Liability.	On-going annual contributions	<ul style="list-style-type: none"> • Reserve contributions made in June 2014 and July 2014.
A9	Develop and prepare a biennial budget on both Operations and CIP for Agency's various programs.	Complete	<ul style="list-style-type: none"> • Biennial Budget adopted on June 17, 2015.
A10	Work with Engineering and Operation/Maintenance departments in identifying the R&R projects for updating the annual CIP and TYCIP in respective program funds.	Complete	<ul style="list-style-type: none"> • Updated during the biennial budget preparation, January through May 2015.

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A11	Work with pertinent departments in identifying projects from various master plans and integrate into the respective program budget.	Complete	<ul style="list-style-type: none"> Projects have been incorporated into the TYCIP, adopted June 17, 2015.
A12	Update the Agency's investment policy in accordance to the California Government Code (CGC).	Complete	<ul style="list-style-type: none"> Policy adopted June 17, 2015.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14	FY 2014/15	FY 2015/16 Target	FY 2016/17 Target
Accounts Payable Transactions	54,565	60,000	73,560	75,760
Accounts Payable Checks/ACH/Wires	9,065	8,500	10,680	11,000
Accounts Receivable Transactions	12,475	13,000	12,380	12,750
Cash Receipts Transactions	31,130	26,000	28,660	29,520
Fixed Asset Transactions	9,750	12,000	12,140	12,500
General Ledger Transactions	496,780	470,000	459,680	473,470
Payroll and Secondary Labor Transactions	714,380	745,000	675,540	695,800
General Ledger # of Account Analysis	600	625	630	645
Payroll Processing - # of Employees	300	290	295	295
Average Size of Investment Portfolio	101,825,400	79,380,700	80,000,000	85,000,000

FINANCE AND ACCOUNTING

	FY 2013/14	FY 2014/15	FY 2015/16 Target	FY 2016/17 Target
Average Rate of Return on Investments	0.43%	0.55%	0.90%	1.00%
Budget Preparation Training	6	7	8	8
Open Houses	2	2	2	2
Workshops	4	6	4	4
Grant/Loan Applications submitted	6	6	7	7
Grant/Loan billings and status reports by due date	155	150	160	160
Average number of days to file grant/loan billing	30	30	30	30
Average number of days to collect grant/loan billing	60	60	60	60
On time submittal of Quarterly Budget Variance report	100%	100%	100%	100%
On time submittal of Treasurers Financial Affairs report	100%	100%	100%	100%
On time submittal of Quarterly Capital Call report	100%	100%	100%	100%

DEPARTMENT GOALS AND OBJECTS FOR FYS 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
A. Fiscal Responsibility				
A1	Adopt rates that fully meet cost of service for key Agency programs; Non-Reclaimable Wastewater (NRW) System by July 2019, Water Resources by July 2020.	Complete by June 2016	Ongoing	<ul style="list-style-type: none"> Adopt rates that meet cost of service.
A3	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Ongoing	<ul style="list-style-type: none"> Review program fund allocations and adjust if necessary to meet program

IEUA Business Goal Overview

A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
				needs.
A6	Fully fund the Other Post Employment Benefit (OPEB) unfunded accrued liability by July 2019.	Annual funding by June 2016	Annual funding by June 2017	<ul style="list-style-type: none"> Annual contributions until reaching fully funded status.
A7	Fully fund the pension unfunded accrued liability by July 2024.	Annual funding by June 2016	Annual funding by June 2017	<ul style="list-style-type: none"> Annual contributions until reaching fully funded status.
A3	<p>Recommend potential grant opportunities that align with the Agency mission and financial goal.</p> <p>Pursue new grant awards to diversify revenue.</p> <p>Collaborate with departments that have projects that need grant funding.</p> <p>Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs.</p> <p>Manage congressional grant authorizations for water desalination projects in the Chino Basin.</p> <p>Find grants that match with Member and Regional Agencies capital and conservation programs.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<ul style="list-style-type: none"> Grants Opportunities announcements to Agency departments and member agencies. Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects. Until completion of the \$26M congressional authorization. Continues as Federal and State grants are available.

FINANCE AND ACCOUNTING

IEUA Business Goal Overview

A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
A11	Integrate projects identified in the long range financial planning documents, such as the Urban Water Management Plan, and Integrated Resources Plan.	Complete by June 2016		<ul style="list-style-type: none"> Additional projects identified are to be included in the FY 2016/17 updated budget document.
A15	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating by FY 2017/18.	Ongoing	Ongoing	<ul style="list-style-type: none"> Receive AAA rating by June 2018.
A13	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing	Ongoing	<ul style="list-style-type: none"> Verify with Agency financial advisors at least two times per year.
B15	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing	Ongoing	<ul style="list-style-type: none"> Attend at least 19 safety trainings per year as required by Cal-OSHA and IEUA policy.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs, and other non-operating expense. Other non-operating expense includes annual agency member contributions. Operating expense includes professional fees and services, and materials and supplies. In FYs 2015/16 and 2016/17 professional fees and services includes additional grant application expense projected for Proposition 1 (also known as the 2014 Water Bond) applications.

Expense	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Employment	\$2,702,900	\$2,559,400	\$2,687,400	\$2,768,000
Administrative	89,700	214,900	224,100	228,700
Operating	8,000	46,000	305,700	395,300
Interest and Financial	8,756,300	8,958,400	10,149,700	9,894,200
Total	\$11,556,900	\$11,778,700	\$13,366,900	\$13,286,200

HUMAN RESOURCES

MISSION STATEMENT

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, paramount safety in the workplace, and the resolution of personnel issues in a timely manner with the highest standards of confidentiality, integrity, courtesy, and respect.

DESCRIPTION AND PURPOSE

The Human Resources (HR) Department strives to promote progressive practices in the following areas: recruitment and retention; application of the Memorandums of Understanding and Personnel Manuals for the various bargaining units; sustainment of position labor relations with all employee bargaining units; benefits; development of the Agency’s training program; Safety and Workers’ Compensation; compliance with State and Federal regulations such as the Family Medical Leave Act, Americans with Disabilities Act, and COBRA. In addition, the HR Department is charged with discovering new ways to motivate staff and provide a rewarding work environment for Agency employees. The Human Resources staff serves as advisors, consultants, and organizational champions for the Agency.

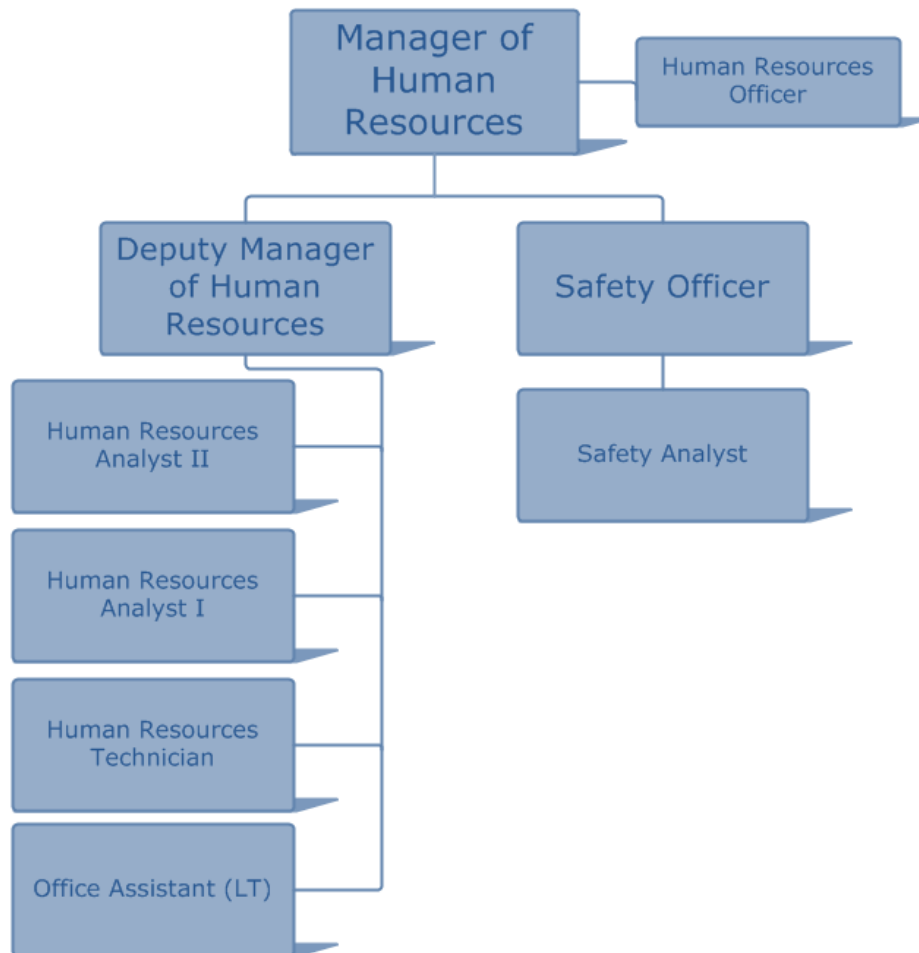
POSITION SUMMARY

In FY 2015/16, the majority of the changes shown below are the result of changes in classifications from the classification and compensation study conducted by the Agency in FY 2014/15. Additionally, one FTE position was eliminated to account for a new full time position created in a different department of the Finance and Accounting Division to maintain the overall Division FTE count.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Human Resources	1	1	1	1
Deputy Manager of Human Resources	1	1	1	1
Human Resources Analyst I	0	0	1	1
Human Resources Analyst	2	2	0	0
Human Resources Analyst II	0	0	1	1
Human Resources Technician	0	0	1	1
Human Resources Representative I	1	1	0	0
Human Resources Officer	0	0	1	1
Training Officer	1	1	0	0
Benefits Representative	1	1	0	0
Safety Officer	1	1	1	1
Safety Analyst	1	1	1	1

Position	2013/14	2014/15	2015/16	2016/17
Total	9	9	8	8
Limited Term				
Office Assistant	0	0	1	1
Total	0	0	1	1
Total Employees	9	9	9	9

ORGANIZATIONAL CHART



HUMAN RESOURCES

SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments					
A. Fiscal Responsibility		B. Workplace Environment		C. Business Practices	
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship	
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments		
B. Workplace Environment					
B1	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining positive work relationships.	Ongoing	<ul style="list-style-type: none"> Ongoing 		
	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.	Ongoing	<ul style="list-style-type: none"> A total of four off site visits and one lunch & learn session along with several 457 presentations were coordinated this fiscal year. 		
	Assist in the development of the cross training program by providing guidance, coordination and administrative skills in the program design, course content development, marketing and evaluation with the various stakeholders and subject matter experts.	Ongoing	<ul style="list-style-type: none"> Met with departments and conducted a training needs assessment. Assisted Operations in evaluating an online LMS for operator certification. 		
B2	Develop a process to identify potential leaders within the Agency; utilize the Leadership Academy and other training opportunities to enhance existing talent.	Ongoing	<ul style="list-style-type: none"> Conducted a retirement risk analysis in February 2015 and identified at risk key positions and departments. Developed strategies and key steps for succession planning. 		
	Classify job openings as internal only when a sufficient talent pool of internal	Ongoing	<ul style="list-style-type: none"> Conducted four internal only recruitments and promoted a total of nine 		



Major Accomplishments

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	candidates exists within the Agency.		employees this fiscal year.
B3	Create and distribute an employee satisfaction survey.	Ongoing	<ul style="list-style-type: none"> Received positive feedback from the Benefits Fair and New Hire surveys. The Agency offered flu shots to all employees at the Benefits Fair for the first time. Joined CSAC Excess Insurance Authority Pool for Dental, Life Insurance/Accidental Death and Dismemberment and Long Term Disability benefits which resulted in \$126,000 annual savings for both employee and employer contributions.
	Identify strategies to increase employee morale and promote employee retention.	Ongoing	
B4	Finalize the Agency-wide Classification and Compensation Study to develop a fair, consistent and competitive compensation program.	Ongoing	<ul style="list-style-type: none"> Successfully ratified and implemented the new structure for the Laboratory Unit, Unrepresented employees including Executive Management.
B5	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award.	Ongoing	<ul style="list-style-type: none"> The revised policy will be effective by the first half of FY 2015/16.
B6	Increase use of computer modules for written exams to prevent delays in scoring paper-based tests.	Ongoing	<ul style="list-style-type: none"> Continued to utilize Proveit.com, an on-line computer assessment tool to test applicant computer skills. The Request to Fill a Vacant Position Form
	Develop a process for a recruitment timeline to ensure	Completed	

HUMAN RESOURCES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	recruitments are conducted within target completion dates.		was revised to include a recruitment timeline which is to be completed in collaboration with the hiring department prior to posting the recruitment.
B8	Draft a new consolidated Personnel Rules and Regulations.	Ongoing	<ul style="list-style-type: none"> Reviewed the various MOUs and Personnel Manuals and identified areas that can be incorporated into a consolidated Personnel Rules and Regulations.
B10	<p>Hold quarterly Labor/Management meetings to address concerns and issues on an ongoing basis.</p> <p>Promote and sustain open communication with all levels of staff in order to effectively resolve work related issues in a harmonious manner.</p>	<p>Ongoing</p> <p>Ongoing</p>	<ul style="list-style-type: none"> Held several labor/management meetings to address concerns and issues. Held several one-on-one meetings with employees as well as their representatives when issues were raised to attempt to resolve before the issue escalated to a more formal grievance process.
B11	Work with all Agency departments to institute a holistic Disaster Preparedness Plan; coordinate table top exercises for disaster drills for all Managers and Supervisors on an annual or biennial basis.	Ongoing	<ul style="list-style-type: none"> Table top exercise held for field supervisors/deputies. Management completing NIMS compliance. Planning for future disaster drills.
B12	Research requirements needed to obtain the award/certification by OSHA; work with Maintenance and Operations to develop a plan that ensures commendable safety and risk management practices.	Ongoing	<ul style="list-style-type: none"> Completed the initial research and review of the requirements to achieve a Cal-VPP certification.



Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B13	Enhance current Emergency Preparedness Manual by adding department action plans and ensure coordination with the Disaster Preparedness Plan; review and revise the manual on an annual basis.	Emergency Manual under annual review.	<ul style="list-style-type: none"> Draft Finance Division action plans completed. Draft Business Continuity Emergency Preparedness Plan completed.
B14	Encourage Committee to make recommendations to prevent future work related injuries. Further engage the Health and Safety Committee to review and update the IIPP.	Review hazard and incident reports and worker's comp injury logs. Ongoing	<ul style="list-style-type: none"> One recordable lost time injury during fiscal year 2014/15. The IIPP continues to be reviewed annually by staff and as needed by the Safety Committee.
B15	Provide required and supplemental training; encourage communication and employee participation in reporting workplace hazards and unsafe work practices.	Ongoing	<ul style="list-style-type: none"> Conducted various training (Lockout/Tagout, Heat Illness) ensuring all applicable departments were aware of program and regulation updates.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
New Hires	36	30	40	40
Average Recruitment Processing Time	60	45	45	45
Average New Hire Processing Time	14	14	14	14
Separations	34	30	35	35
Turnover Ratio	11.72	10	10	10

HUMAN RESOURCES

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
Open Enrollment Transactions Processed	60	60	60	60
FMLA Requests	31	35	30	30
Customer Satisfaction Surveys	5	5	5	5
Training Hours per Employee	16	15	20	20
Grievances Filed	8	6	5	5
Grievances Resolved at Appeals Committee Level	0	0	0	0
Disciplinary Actions Processed	1	5	5	5
Disciplinary Actions Appealed	0	2	0	0
Breakdown Reports/Incident Reports	10	25	20	15
Workplace Safety/Lost Time Accidents	0	1	1	1
Workers' Compensation Claims	9	8	10	7
Vehicle Accidents	2	4	3	2

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
B1	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining positive work relationships.	Ongoing	Ongoing	<ul style="list-style-type: none"> Surveys and employee Feedback
	Develop creative communication methods and continue education of employee benefits to	Ongoing	Ongoing	<ul style="list-style-type: none"> Number of onsite visits, lunch and learns, and other educational



IEUA Business Goal Overview

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
	<p>increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.</p> <p>Assist in the development of the cross training program by providing guidance, coordination and administrative skills in the program design, course content development, marketing and evaluation with the various stakeholders and subject matter expert.</p>	June 2015	Ongoing	<p>sessions held</p> <ul style="list-style-type: none"> Number of training sessions conducted
B2	Develop a process to identify potential leaders within the Agency; utilize the Leadership Academy and other training opportunities to enhance existing talent.	Leadership Academy January – June 2016	Ongoing	<ul style="list-style-type: none"> Number of employee participants in the Academy and other training programs. Percentage of internal promotions.
B3	<p>Create and distribute an employee satisfaction survey.</p> <p>Identify strategies to increase employee morale and promote employee retention.</p>	<p>Employee Climate Survey by June 2016</p> <p>Ongoing</p>	Ongoing	<ul style="list-style-type: none"> Conduct an Employee Climate Survey after Class and Comp Study implementation. Surveys and employee feedback/Retention of employees.

HUMAN RESOURCES

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2015/16 Timeline	2016/17 Timeline	KPIs
B4	Finalize the Agency-wide Classification and Compensation Study to develop a fair, consistent and competitive compensation program.	Complete by June 2016		<ul style="list-style-type: none"> Successfully ratify and implement the new structure for remaining represented units.
B5	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award.	Review and recommendation by June 2016	Implemented by June 2017	<ul style="list-style-type: none"> Updated Agency Policy A-79.
B6	Draft a new consolidated Personnel Rules and Regulations.	First draft for review by June 2016	Meet and confer with units by June 2017	<ul style="list-style-type: none"> Board approval of the consolidated Personnel Rules and Regulations.
B12	Research requirements needed to obtain the award/certification by OSHA; work with Maintenance and Operations to develop a plan that ensures commendable safety and risk management practices.	Research completed by June 2015	Schedule meetings with Operations and Maintenance to review requirements and develop an action plan by June 2016	<ul style="list-style-type: none"> Prepare applications submittal(s) by November 2016.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs, and other non-operating expense. Operating expense includes professional fees and services, insurances, and materials and supplies, and utilities.

Expense	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Employment	\$984,400	\$1,177,600	\$1,236,500	\$1,273,600
Administrative	27,800	48,800	96,100	97,900
Operating	428,400	371,300	373,800	377,400
Total	\$1,440,600	\$1,597,700	\$1,706,400	\$1,748,900

ENGINEERING, PLANNING, & SCIENCE DIVISION

MISSION STATEMENT

To maximize use of water resources and conservation, meet all regulatory requirements, and construct facilities to meet Agency needs in a cost effective and environmentally responsible manner.

DEPARTMENTS

- Engineering & Construction Management
- Planning & Environmental Resources
 - Planning
 - Environmental Compliance
 - Pretreatment and Source Control
- Laboratory

EXECUTIVE SUMMARY

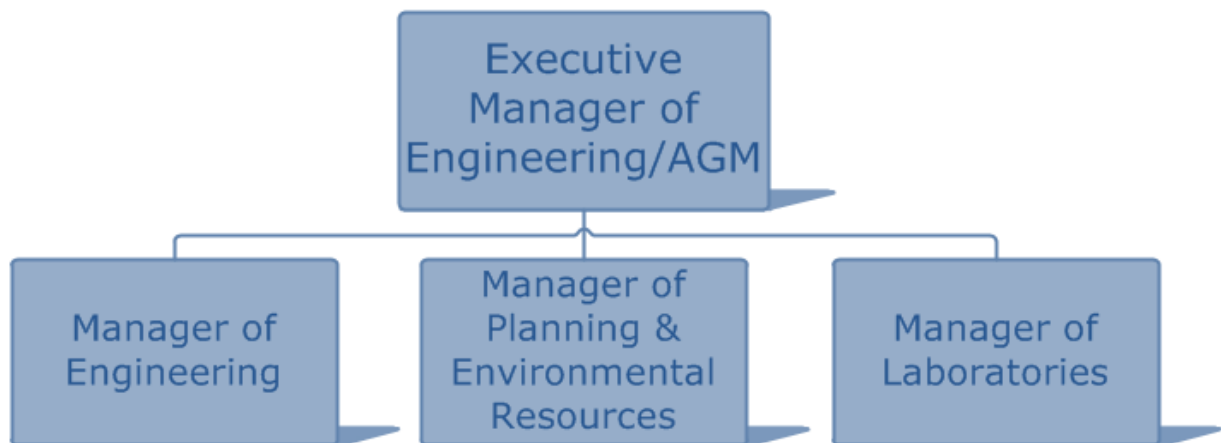
This Division provides planning, environmental compliance, conservation, engineering, construction, and laboratory services. Its purpose is to plan, engineer, and construct projects and Agency programs to effectively meet the growing needs of the region. The Division is responsible for monitoring the Agency's facilities and activities to meet regulatory requirements and to protect the public's health. Total division staffing is budgeted at 55 FTEs and 6 LT positions for both FY 2015/16 and FY 2016/17.

DIVISION GOALS

- Ensure scope of projects meets and represents regional needs.
- Optimize facility energy use and generation to achieve peak power independence.
- Ensure all activities of the department are fully transparent to all audiences.
- Assist stakeholders with grant and funding opportunities.
- Develop programs to meet and exceed the 20 percent by 2020 reduction in water use throughout the region.

- Secure supplemental water supplies and prime recharge basin locations to broaden regional water sources and maximize water recharge capabilities.
- Maintain wastewater capacity buffer to never exceed 90 percent.
- Continue efforts to meet all water quality, public health, environmental standards and proactively meet current and future permits/regulations.
- Continue to evaluate and include innovative technologies in design, construction, and operation of facilities.

ORGANIZATIONAL CHART



ENGINEERING & CONSTRUCTION MANAGEMENT

MISSION STATEMENT

To engineer and construct state of the art facilities and infrastructure to meet the dynamic and growing needs of 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.

DESCRIPTION AND PURPOSE

The Engineering Department provides design, administration, and construction management services for water, wastewater, and energy projects that implement the Agency's CIP. The department integrates the latest and most cost-effective technologies into the IEUA service area.

A total of 28 personnel contribute to the success of the department, providing many diversified tasks such as:

- Plan, budget, design, and construct capital facilities.
- Design and construct projects through efficient project management to ensure projects are completed on schedule and budget.
- Coordinate the capital project process to produce the Ten Year Capital Improvement Plan.
- Administer grants, permits, and environmental compliance reports.
- Plan, design, and coordinate the implementation of the Agency's Supervisory Control & Data Acquisition system (SCADA).
- Provide engineering and construction management support to the Agency's Operations and Maintenance departments.
- Provide in-house design services including development of plans and specifications for the bid process.
- Prepare Requests-for-Proposals and replies to project information requests from prospective consultants and contractors.
- Review and check design reports, proposals, and specifications submitted by consulting engineers and subsequent management of those consultant services.
- Provide construction management support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards.
- Develop and maintain Computer Aided Design (CAD) drawings for the Agency, including in-house design, as-builts, mylars, site maps, distribution system maps, and 3D modeling of facility sites and projects.



- Create project reports to assist in tracking schedules, plan vs. budget, resource hours, General Manager's reports, and various budget reports.

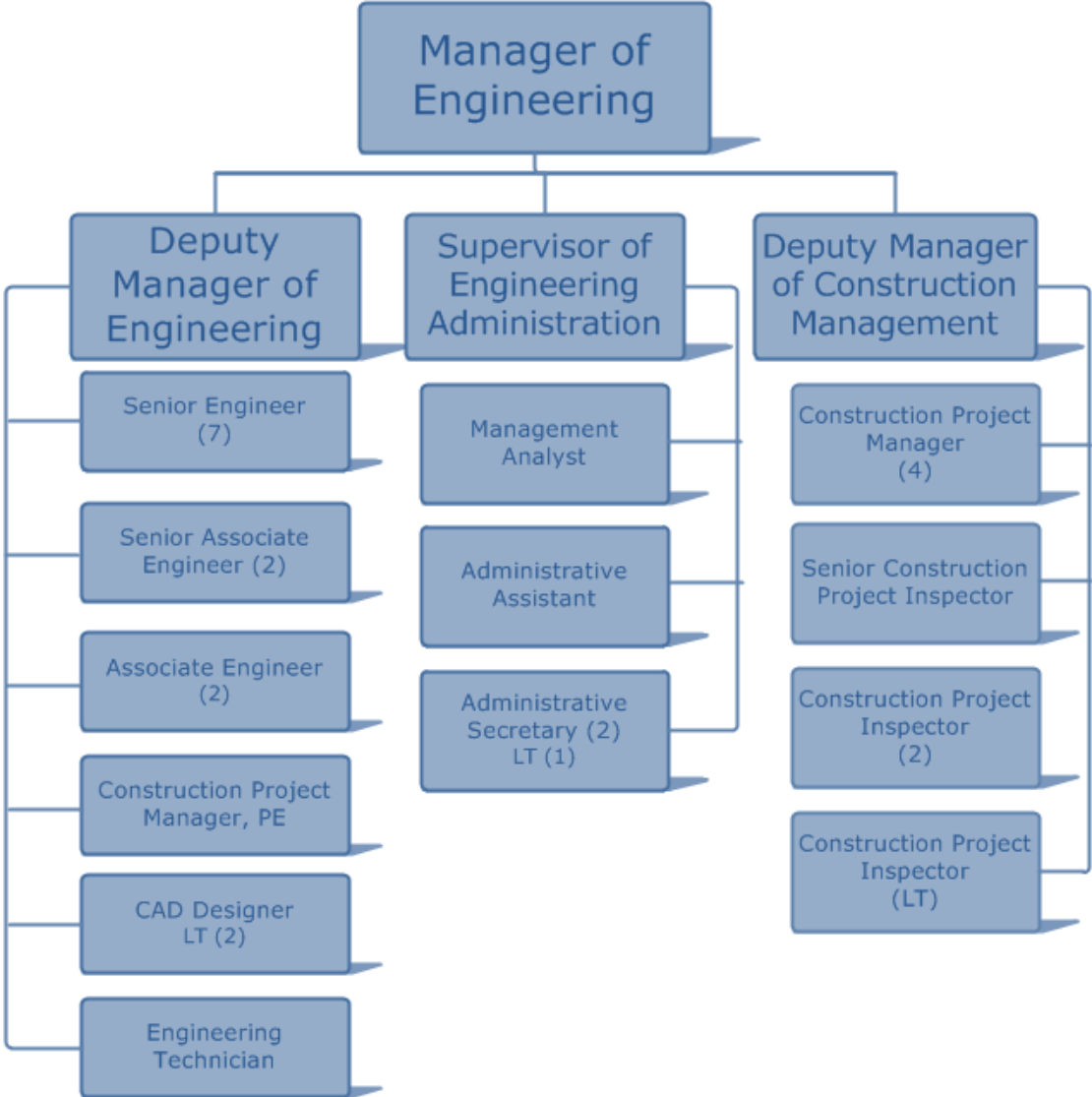
POSITION SUMMARY

In FY 2015/16, four additional full time equivalent positions are being added to the Engineering and Construction Management Department. These positions are Senior Engineer, Construction Project Manager, Senior Associate Engineer, and Senior Construction Project Inspector. These positions are being added to help alleviate the additional workload brought on by the high expected spending on the Capital Improvement Plan. To reduce the impact of these additions to the budget, three positions are being reduced or eliminated from this department in FY 2015/16: Associate Engineer, Operations Liaison, and Deputy Manager of Construction Management. The overall increase in FTEs is one in FY 2015/16, with no anticipated increase in FY 2016/17.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Engineering	1	1	1	1
Deputy Manager of Engineering	1	1	1	1
Senior Engineer	5	5	7	7
Senior Associate Engineer - PE	0	0	1	1
Senior Associate Engineer	1	1	1	1
Associate Engineer	3	3	2	2
Operations Liaison	1	1	0	0
Manager of Construction Management	1	0	0	0
Deputy Manager of Construction Mgmt.	2	2	1	1
Construction Project Manager, PE	1	1	1	1
Construction Project Manager	3	3	4	4
Senior Construction Project Inspector	0	0	1	1
Construction Project Inspector	2	2	2	2
Construction Management Analyst	1	0	0	0
Supervisor of Engineering Administration	0	1	1	1
Administrative Secretary	2	2	2	2
Management Analyst – Primavera	1	1	1	1
Administrative Assistant	1	1	1	1
Engineering Technician	1	1	1	1
Total	28	27	28	28
Limited Term Positions				
Construction Project Inspector	1	1	1	1
CAD Designer	2	2	2	2
Administrative Secretary	2	1	1	1
Total	5	4	4	4
Total Employees	33	31	32	32

ENGINEERING & CONSTRUCTION MANAGEMENT

ORGANIZATIONAL CHART





SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
E. Wastewater Management			
E4	Provide high quality project management for the completion of Capital Improvement Projects.	Completed Engineering Design Schedule on Time = 71%, Completed Construction Schedule on Time = 68%, Project Costs within Initial Total Project Budget = 80%, All Expenditures as a Percentage of Forecasted Expenditures = 80%, Change Orders as a Percentage of Initial Contract Award Value Completed Projects= 53% Active projects = 1%	<ul style="list-style-type: none"> Ten out of the fourteen projects (71%) met the design schedule originally developed. This is a 4% increase from FY13/14. Twelve out of the nineteen projects (68%) completed construction within the original schedule developed. This is a 5% increase from FY13/14. The department has a current projection to spend 98% of the Fiscal Year budget for capital projects, with a percentage of forecasted expenditures at 87%. This is a 48% increase from the expenditures in FY13/14 and a 5% increase in the percentage of forecasted expenditures.
E5	Upon funding, design and construct latest technology lab.	Upon funding 12 months for design and 48 months to construct.	<ul style="list-style-type: none"> Project design completion date is planned for June 2016, with construction completion in June 2020.

ENGINEERING & CONSTRUCTION MANAGEMENT

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
E6	Review and evaluate all projects for best practices that can be applied to future projects.	10x/year =100%	<ul style="list-style-type: none"> Staff presented lessons learned topics related to risks, project constraints, and mitigation plans that occurred during design and construction.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
Capital Spending within Fiscal Year Budget	50%	98%	≥ 90%	≥ 90%
Project Costs within Total Project Budget	61%	80%	≥ 90%	≥ 90%
Actual Expenditures as a Percentage of Forecasted Expenditures	82%	87%	≥ 90%	≥ 90%
Completed Engineering Planning Schedule on Time	-	-	≥ 80%	≥ 80%
Completed Engineering Design Schedule on Time	67%	71%	≥ 80%	≥ 80%
Completed Construction Schedule on Time	63%	68%	≥ 80%	≥ 80%
Construction Contract Change Orders	15%	≥ 53%	≤ 10%	≤ 10%
Design Engineering Contract Amendments	-	-	≤ 10%	≤ 10%



	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
Lessons Learned	-	100%	10x/year ≥ 90%	10x/year ≥ 90%

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
E. Wastewater Management				
E4	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Ongoing	<ul style="list-style-type: none"> Engineering Planning Completed on Schedule ≥ 80% Engineering Design Completed on Schedule Completed ≥ 80% Construction Completed on Schedule ≥ 80% Project Costs within Initial Total ≥ 90% Actual Expenditures as a Percentage of Forecasted Expenditures: <ul style="list-style-type: none"> ≥ 90% Project Costs within Initial Total Budget <ul style="list-style-type: none"> ≥ 90%

ENGINEERING & CONSTRUCTION MANAGEMENT

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
				<ul style="list-style-type: none"> Change Orders: ≤ 10% Design Engineer ≤ 10% Fiscal Year Capital Spending ≥ 90%
E6	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	Ongoing	<ul style="list-style-type: none"> 10x/year > 90%
E5	Upon funding, design and construct latest technology lab.	Project design completion date is planned for June 2016	Ongoing	<ul style="list-style-type: none"> Construction completion projected for June 2020

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative expense, and other non-operating expense. Operating expense includes; permits, licenses, materials and supplies, and professional fees and services. In FY 2013/14 reclassification of capital project expense of \$1.4 million is included in other non-operating expense.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$3,836,700	\$3,312,500	\$3,478,200	\$3,582,500
Administrative	1,404,600	198,400	50,300	45,800
Operating	2,275,400	143,500	210,900	226,500
Total	\$7,516,700	\$3,654,400	\$3,739,400	\$3,813,800

PLANNING & ENVIRONMENTAL RESOURCES

MISSION STATEMENT

To plan and implement projects and programs to cost effectively meet future regional water, wastewater and energy management needs through enhanced partnerships with various regional stakeholders. To promote and monitor Agency programs, as well as maintain the integrity of the core Agency processes by maintaining compliance with all applicable federal, state, and local environmental regulations and 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
- Pretreatment and Source Control.

The Planning group is responsible for the development of feasibility reports, facility master plans, environmental reports and programs to meet and sustain the region's existing and future water supply, the wastewater and energy management needs in an integrated manner, as well as the Agency's Ten Year Capital Improvement Plan (TYCIP).

The Environmental Compliance group is responsible for monitoring the Agency's water and wastewater facilities, air pollution control systems, and biosolids treatment and composting facilities to ensure compliance with all local, state, and federal regulations governing Publicly Owned Treatment Works (POTW). The group is also responsible for planning and implementing the regulatory permitting needs for the long term operation of facilities and construction of new facilities.

The Pretreatment and Source Control group is responsible for working with industries and Regional Contracting Agencies (RCAs) to determine the best method of wastewater disposal while abiding by strict permit discharge standards. The group also monitors pollutant concentrations in the industrial discharges so that IEUA plant operations are not impacted.

POSITION SUMMARY

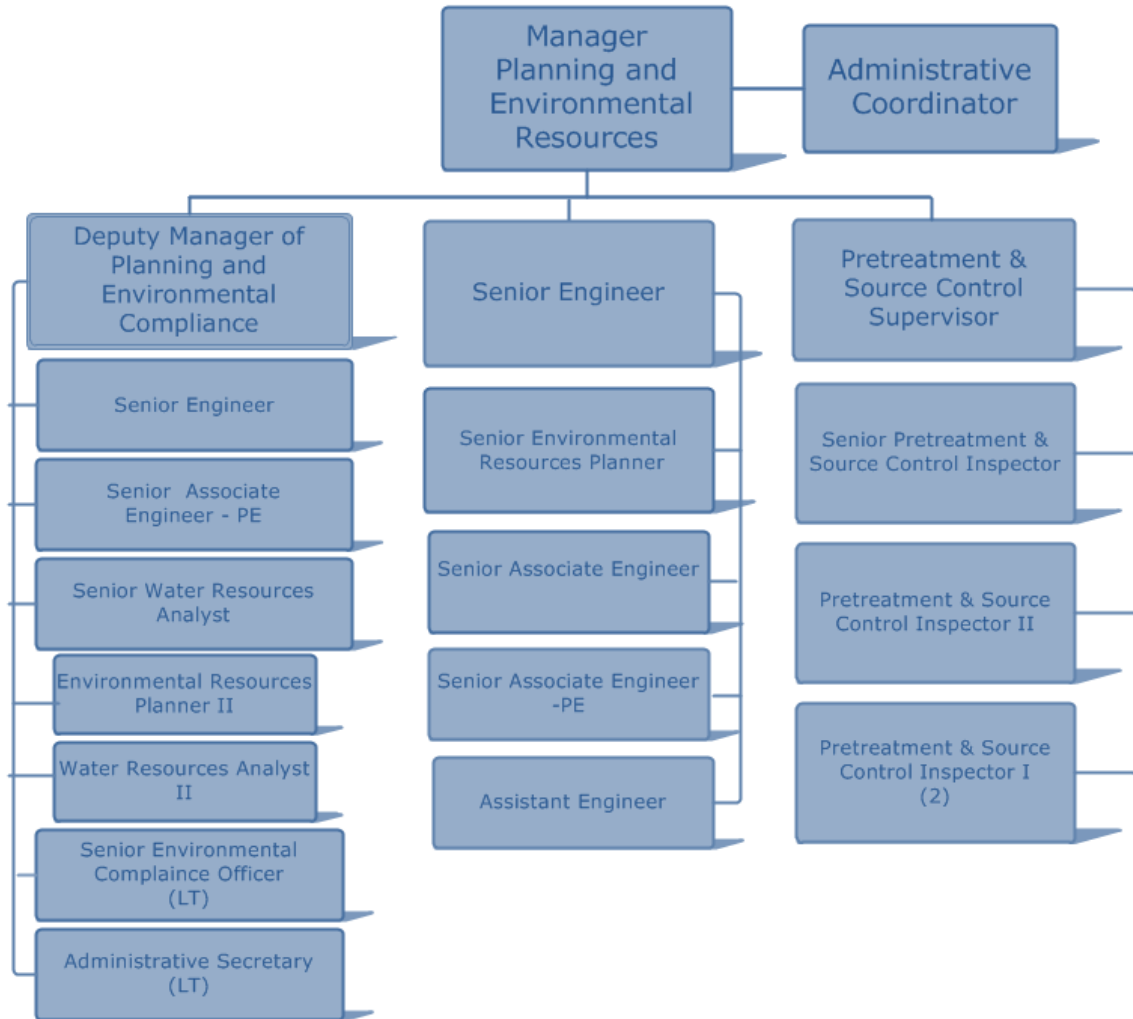
In FY 2015/16, the changes in staffing for Water Resources Analyst II and I are a result of change in classification due to the classification and compensation study conducted by the Agency in FY 2014/15. In addition, one position, Environmental Compliance Officer, is being transferred to another department in FY 2015/16. The result is a reduction of one full time equivalent in the Planning and Environmental Compliance Department for FY 2015/16. No additional changes are projected for FY 2016/17.



Position	2013/14	2014/15	2015/16	2016/17
Manager of Planning & Environmental Compliance	1	1	1	1
Deputy Manager of Planning	1	1	1	1
Planning and Water Resource Supervisor	1	0	0	0
Senior Environmental Compliance Officer	1	1	0	0
Senior Environmental Resource Planner	0	0	1	1
Environmental Compliance Officer	2	2	0	0
Senior Associate Engineer - PE	0	0	2	2
Senior Associate Engineer	2	2	1	1
Senior Water Resources Analyst	1	1	1	1
Water Resources Analyst II	0	1	2	2
Water Resources Analyst I	1	1	0	0
Assistant Engineer	0	1	1	1
Senior Engineer	2	2	2	2
Pretreatment & Source Control Supervisor	1	1	1	1
Senior Pretreatment & Source Control Inspector	1	1	1	1
Pretreatment & Source Control Inspector II	1	1	1	1
Pretreatment & Source Control Inspector I	2	2	2	2
Administrative Coordinator	1	1	1	1
Total	18	19	18	18
Limited Term Positions				
Senior Environmental Compliance Officer	0	1	1	1
Administrative Secretary	0	1	1	1
Total	0	2	2	2
Total Employees	18	21	20	20

PLANNING & ENVIRONMENTAL RESOURCES

ORGANIZATIONAL CHART



SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A1	NRWS & IEBL - Develop rate models to fully support cost of service.	July 2014-June 2019	<ul style="list-style-type: none"> Revenues vs. expenses are within 10% of actual program costs. Next fiscal year full recovery on all costs is expected.

Major Accomplishments			
<i>A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship</i>			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A3	Strategically pursue projects to maximize funding/grant opportunities.	Complete	<ul style="list-style-type: none"> Participated with SAWPA and other inter-regional agencies; developing potential project list.
A5	Conduct study to evaluate regional connection fees and provide framework for future changes to fee structure.	Complete	<ul style="list-style-type: none"> IEUA Board approval of rate structure adopted May 2015.
A8	Develop consensus on the language for the revision of the Regional Sewerage Contract. Update to meet current practices and needs.	Complete by January 2016	<ul style="list-style-type: none"> Adoption of RW policy principles deferred until Summer 2015 to allow for completion of wastewater/water rates. Contract amendment discussion will resume Fall 2015.
A10	Integrate and fully fund R&R projects identified in the Asset Management Plan into the TYCIP.	Complete March 2015	<ul style="list-style-type: none"> TYCIP adopted by IEUA Board March 2015.
A11	Integrate projects identified in the various planning documents into the TYCIP.	Complete March 2015	<ul style="list-style-type: none"> TYCIP adopted by IEUA Board March 2015.
C. Business Practices			
C6	Apply LEAN management principles to streamline current practices and develop long term strategy for permitting of the O&M activities of recharge basins.	Complete by June 2015	<ul style="list-style-type: none"> Permit applications for O&M activities have been prepared.
C10	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance the Agency's mission, vision and key initiatives.	Continuous	<ul style="list-style-type: none"> Attendance at regular meetings.
C12	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies,	Continuous	<ul style="list-style-type: none"> Meetings have been scheduled as established in the regulations, policies

PLANNING & ENVIRONMENTAL RESOURCES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	and planning documents		and planning documents.
C13	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	<ul style="list-style-type: none"> Provided monthly/quarterly/annual updates as needed.
D. Water Reliability			
D1	Complete update of the Water Use Efficiency Plan (WUE), Integrated Resources Plan (IRP), and Urban Water Management Plan (UWMP).	WUE: August 2015 IRP: November 2015 UWMP: June 2016	<ul style="list-style-type: none"> WUE 65% complete. Preparation of UWMP will start September 2015.
D2	Develop new targets, tools, and programs to achieve the 20 x 2020 requirements.	Continuous	<ul style="list-style-type: none"> 2015 209 gpcd 193 gpcd by 2020 with WUE and RW
D4	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2017	<ul style="list-style-type: none"> Ongoing development of programs, plans, and policies to support storm water capture.
D5	Optimize IEUA's use of potable and recycled water by completion and implementation of the Recycled Water Program Strategy (RWPS).	July 2016	<ul style="list-style-type: none"> Cost of service studies and RW policy discussions held; modeling complete and distributed to member agencies.
D6	Identify and evaluate supplemental water supplies for the region through completion of the Integrated Resources Plan (IRP).	November 2015	<ul style="list-style-type: none"> Demand model completed using resiliency/risk based assessments for supply vs. demand under multiple climate scenarios.
D7	Develop planning documents and a regulatory permitting strategy to support the implementation of local recycled water programs as identified in the RWPS and IRP.	June 2017	<ul style="list-style-type: none"> PEIR of planning documents will start after completion of the IRP.
D8	Develop and implement the Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water.	Continuous	<ul style="list-style-type: none"> Continuous dialogue with member agencies and through customers as needed to connect

Major Accomplishments			
<i>A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship</i>			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	Work with member agencies to encourage new developments to connect to recycled water.		new customers and support demand management initiatives.
D11	Implement the schedule consistent with the RWPS and the Recharge Master Plan Update.	Continuous	<ul style="list-style-type: none"> Meeting the schedules as defined by the RWPS and RMPU.
D13	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water into the Chino Basin.	June 2015 2017 – MWD 2017 post-project update due	<ul style="list-style-type: none"> Discussions held with NWRI to prepare white paper; plans under development. Progressing MWD programs to be completed by December 2015.
D15	Accelerate implementation of “Drought Proof” projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	<ul style="list-style-type: none"> Maintain updated project list and be coordinated with member agencies.
E. Wastewater Management			
E1	Update the WWFMP in 2014 and every ten years with updated population projections and demand forecast to address anticipated regional growth.	Complete	<ul style="list-style-type: none"> Draft is being prepared; final Volume 1 expected by fiscal year end.
E3	Continue to work with regional contracting agencies to review and maintain accurate building activity reports.	Continuous	<ul style="list-style-type: none"> Provide monthly updates on the status of the connection in the region.
E10	Develop and coordinate an Energy Management Master Plan consistent with IEUA planning documents.	Complete	<ul style="list-style-type: none"> EMP completed in June 2015.
E11	Complete an Agency wide GHG emission baseline assessment	Complete	<ul style="list-style-type: none"> 2014 GHG emissions reported to the Climate

PLANNING & ENVIRONMENTAL RESOURCES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	Develop GHG reduction plan consistent with the Energy Management Plan.		Registry in June 2015.
F. Environmental Stewardship			
F2	Complete odor baseline report by coordinating an odor survey.	Complete	<ul style="list-style-type: none"> Complete May 2015.
F3	Develop a communication plan to neighboring businesses of odor performance monitoring. Assist Operations and External Affairs with od or complaint investigations and assist with mitigation.	Continuous Continuous	<ul style="list-style-type: none"> Periodic/as needed monitoring performed. RP5-SHF odor monitoring conducted weekly. Provided support as needed.
F5	Actively participate in the legislative process through advice letters, comments.	Continuous	<ul style="list-style-type: none"> Actively participate and submit comments/letters as issues arise through ACWA, WateReuse, and SCAP.
F8	Update Regional Wastewater Ordinance and Enforcement Response Plan (ERP).	Complete	<ul style="list-style-type: none"> Regional Wastewater Ordinance No. 97 adopted and ERP approved by IEUA Board in October 2014.
F11	Complete a Santa Ana River Habitat Conservation Plan and develop a long term strategy for mitigation for other regional projects.	Ongoing	<ul style="list-style-type: none"> Plan is projected by 2016.



DEPARTMENT GOALS AND OBJECTIVES FOR FYs 2015/16 and 2016/17

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	Timeline FY 15/16	Timeline FY 16/17	KPIs
A. Fiscal Responsibility				
A1	NRWS & IEBL - Develop rate models to fully support cost of service.	July 2014-June 2019	July 2014-June 2019	<ul style="list-style-type: none"> Collect revenues to be within 5% of actual cost of program.
A8	Develop consensus on the language for the revision of the Regional Sewerage Contract consistent with current practices and needs.	N/A	December 2016	<ul style="list-style-type: none"> Develop conceptual agreement with member agencies by December 2016.
A11	Integrate projects identified in the various planning documents into the TYCIP (Bi-Annual).	March 2016	N/A	<ul style="list-style-type: none"> Adopt the Bi-Annual TYCIP by March 2016.
C. Business Practices				
C6	Apply LEAN management principles to streamline current practices and develop long term strategy for permitting of the O&M activities of recharge basins.	N/A	June 2017	<ul style="list-style-type: none"> Obtain the 404 Individual Permit for O&M activities for Agency facilities.
C6	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents.	N/A	June 2017	<ul style="list-style-type: none"> Adopt the PEIR for the various planning documents.
C10	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance	Continuous	Continuous	<ul style="list-style-type: none"> Attend at regular meetings.

PLANNING & ENVIRONMENTAL RESOURCES

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	Timeline FY 15/16	Timeline FY 16/17	KPIs
	the Agency's mission, vision and key initiatives.			
C12	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents.	Continuous	Continuous	<ul style="list-style-type: none"> Maintain the schedules as established in the regulations, policies and planning documents.
C13	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Continuous	<ul style="list-style-type: none"> Provide monthly/quarterly/annual updates as needed.
D. Water Reliability				
D1	Complete update of the WUE, and UWMP.	WUE: Nov 2015	UWMP: Dec 2016	<ul style="list-style-type: none"> Completion and adoption of WUE and UWMP.
D2	Revise and develop annual targets, tools, and programs to achieve the 20 x 2020 requirements.	June 2016	June 2017	<ul style="list-style-type: none"> 226 gpcd by 2015 <200 gpcd by 2018
D4	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	June 2017	<ul style="list-style-type: none"> Ongoing development of programs, plans, and policies to support storm water capture.
D5	Optimize IEUA's use of potable and recycled water by completion of the recommended updates of the Recycled Water Program Strategy (RWPS).	June 2016 Ongoing	June 2017	<ul style="list-style-type: none"> Adopt the RWPS
D6	Identify and evaluate supplemental water supplies for the region through completion of the Integrated	January 2016	N/A	<ul style="list-style-type: none"> Adopt the IRP by January 2016



IEUA BUSINESS GOAL OVERVIEW

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goals	Department Goals	Timeline FY 15/16	Timeline FY 16/17	KPIs
	Resources Plan (IRP).			
D11	Implement the planning and permitting schedule of the Recharge Master Plan Update.	June 2020	June 2020	<ul style="list-style-type: none"> Meet the schedules as defined by the RMPU.
D12	Strategically pursue projects to maximize funding/grant opportunities.	Annual	Annual	<ul style="list-style-type: none"> Participate with SAWPA and other Regional Agencies in developing potential project lists.
D12	Evaluate new projects and programs to support regional water reliability.	Continuous	Continuous	<ul style="list-style-type: none"> Identify and evaluate new opportunities for water reliability.
D13	Develop and implement the Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	Continuous	Continuous	<ul style="list-style-type: none"> Continuous dialogue with member agencies and through customers as needed to connect new customers and support demand management initiatives.
D13	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water into the Chino Basin.	June 2016 Ongoing	June 2017	<ul style="list-style-type: none"> Complete the MWD Foundational Action Research Program; Complete initial study for the RW Injection in the vadose zone.
D15	Accelerate implementation of "Drought Proof" projects to optimize use of	Continuous	Continuous	<ul style="list-style-type: none"> Maintain updated project list and be coordinated with member

PLANNING & ENVIRONMENTAL RESOURCES

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	Timeline FY 15/16	Timeline FY 16/17	KPIs
	federal and state grants and loans; develop the project list based on priority.			agencies.
E. Wastewater Management				
E1	Update annual demand forecast to address anticipated regional growth.	October 2015	October 2016	<ul style="list-style-type: none"> Update regional wastewater flow forecast annually based on member agency input, and verify with projections provided in the Wastewater Facility Master Plan.
E3	Continue to work with regional contracting agencies to review and maintain accurate building activity reports.	Continuous	Continuous	<ul style="list-style-type: none"> Provide monthly updates on the status of the connections in the region.
E10	Develop and coordinate an Energy Management Master Plan (EMP) consistent with IEUA planning documents (Bi-Annual).	June 2016	June 2017	<ul style="list-style-type: none"> Provide annual review of the Agency's progress based on the initiatives included in the EMP.
E11	Develop annual GHG emission report.	June 2016	June 2017	<ul style="list-style-type: none"> Complete annual emissions report.
F. Environmental Stewardship				
F2	Conduct odor surveys consistent with the needs of the Agency.	August 2015	August 2016	<ul style="list-style-type: none"> Provide annual updates of the results of the odor surveys including recommendations for process optimization.



IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	Timeline FY 15/16	Timeline FY 16/17	KPIs
F3	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Continuous	<ul style="list-style-type: none"> Periodic/as needed monitoring performed.
	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Continuous	<ul style="list-style-type: none"> Provide support as needed.
F5	Actively participate in the legislative process through advice letters and comments.	Continuous	Continuous	<ul style="list-style-type: none"> Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP.
F8	Update IEBL Ordinance and Enforcement Response Plan.	March 2016	N/A	<ul style="list-style-type: none"> Adopt the IEBL Ordinance by March 2016.
F11	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	June 2017	<ul style="list-style-type: none"> Adopt the SAR-MSHCP by June 2017.

PLANNING & ENVIRONMENTAL RESOURCES

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative and other non-operating expense. Operating expense includes; materials and supplies, professional fees and services, operating fees, utilities, leases and rentals, and MWD water expense. Operating fees are passed through to the industries who utilize the non-reclaimable wastewater system. In FY 2014/15 the SDLAC rate structure was revised and accounts for the increased operating expense going forward.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$1,724,200	\$2,305,100	\$2,420,300	\$2,493,000
Administrative	36,400	28,900	41,600	44,300
Operating	7,092,500	13,543,300	14,228,900	14,522,900
Total	\$8,853,100	\$15,877,300	\$16,690,800	\$17,060,200

LABORATORY

MISSION STATEMENT

To 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

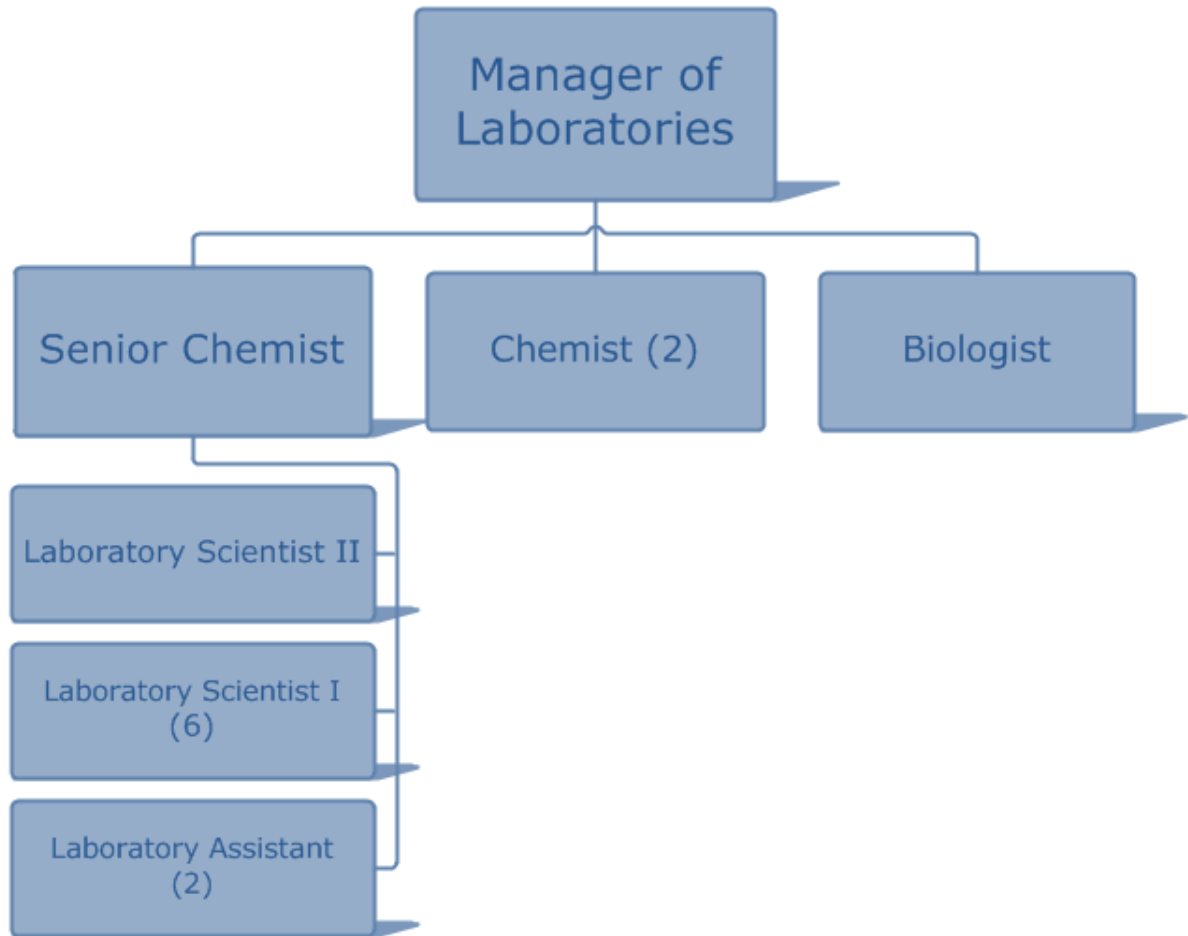
The Laboratory Department provides the analytical support to allow efficient operation of the Agency’s four recycling facilities: Regional Water Recycling Plant No. 1 (RP-1) in Ontario, Carbon Canyon Water Recycling Facility (CCWRF) and Regional Water Recycling Plant No. 5 (RP-5) located in Chino, and Regional Water Recycling Plant No. 4 (RP-4) located in Rancho Cucamonga. The department also provides support for groundwater recharge monitoring efforts and verification of their compliance with State and Federal discharge limits. The Agency Laboratory is a modern, full service laboratory certified by the State of California ELAP for wastewater and drinking water testing. The Laboratory follows the strict guidelines for the production of quality results required by the Environmental Protection Agency (EPA) and State Water Resources Control Board, Department of Drinking Water. The Laboratory analyzed approximately 18,000 samples and performs 64,000 various tests per year.

POSITION SUMMARY

No staffing changes projected for the two fiscal years. However, some titles have changed due to the ongoing classification and compensation study.

Position	2013/14	2014/15	2015/16	2016/17
Manager of Laboratories	1	1	1	1
Senior Chemist	1	1	1	1
Chemist	2	2	2	2
Biologist	1	1	1	1
Bioassay Technician	1	1	0	0
Laboratory Scientist II	1	1	1	1
Laboratory Scientist I	5	5	6	6
Laboratory Assistant	2	2	2	2
Total Employees	14	14	14	14

ORGANIZATIONAL CHART



SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility		B. Workplace Environment	
C. Business Practices		D. Water Reliability	
E. Wastewater Management		F. Environmental Stewardship	
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A2	Evaluate and Implement new technologies for laboratory analyses as they become	On-going	<ul style="list-style-type: none"> No changes could be made in FY.

LABORATORY

Major Accomplishments				
A. Fiscal Responsibility		B. Workplace Environment	C. Business Practices	D.
Water Reliability		E. Wastewater Management	F. Environmental Stewardship	
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments	
	available. Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis.	Complete	<ul style="list-style-type: none"> All Performance Evaluation samples were acceptable to maintain ELAP certification. 	
B. Workplace Environment				
B15	Complete a Review/Update of the Laboratory Chemical Hygiene Plan (CHP) annually.	Complete	<ul style="list-style-type: none"> Review completed December 2015. 	
	Meet the bi-weekly safety tailgate meeting requirement.	Complete	<ul style="list-style-type: none"> Annual training completed December 2015. 	
E. Wastewater Management				
E3	Ensure Agency is aware of latest technology available to labs to meet new regulatory requirements that may impact the design of the Water Quality Laboratory.	Complete	<ul style="list-style-type: none"> When discussions to continue the new Lab were started, no significant changes were noted to incorporate. 	
F. Environmental Stewardship				
F6	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements.	Complete	<ul style="list-style-type: none"> Sample preservation updated with changes FY2014/15. 	

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
Average Turnaround Time (Compliance Samples) (Days)	19	18	19	19
Meeting Established Turnaround Times	>99%	>99%	>99%	>99%
Quality Control Failures	<1%	<1%	<1%	<1%



	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
ELAP Performance Evaluation Repeats per Calendar Year	0	1	0	0
Safety – Lost Time Accidents	0	0	0	0
Samples Completed Within Regulatory Holding Times	100%	100%	100%	100%

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
A. Fiscal Responsibility				
A2	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory. Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis.	December 2015 December 2015	N/A December 2016	<ul style="list-style-type: none"> Support Engineering during design phase by participation in design review. Annually obtain 100% acceptable results on PE samples.
B. Workplace Environment				
B15	Complete a Review/Update of the Laboratory Chemical Hygiene Plan (CHP)	December 2015	December 2016	<ul style="list-style-type: none"> Ongoing review of safety regulations.

LABORATORY

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
	annually. Meet the bi-weekly safety tailgate meeting requirement.	December 2015	December 2016	<ul style="list-style-type: none"> Hold bi-weekly safety meetings.
F. Environmental Stewardship				
F6	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements.	December 2015	December 2016	Ongoing review of approved test methods.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative expense, and other non-operating expense. Operating expense includes; professional fees and services, permits, licenses, and materials and supplies.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$1,585,800	\$1,457,800	\$1,530,700	\$1,576,600
Administrative	7,100	10,500	10,500	10,600
Operating	398,600	503,500	456,500	414,700
Total	\$1,991,500	\$1,971,800	\$1,997,700	\$2,001,900

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 nutrient-rich compost.

DEPARTMENTS

- Operations
 - Chino 1 Desalter (CDA)
 - Inland Empire Regional Composting Facility (IERCF)
 - Regional Water Recycling Plant No. 1
 - Regional Plant No. 2
 - Regional Water Recycling Plant No. 4
 - Regional Water Recycling Plant No. 5
 - Carbon Canyon Water Recycling Facility
 - Groundwater Recharge (GWR)
- Maintenance
- Technical Services

EXECUTIVE SUMMARY

The Operations Division, comprised of 162 employees in three departments, is responsible for the day-to-day operation and maintenance of the Agency's water recycling plants: Regional Water Recycling Plant No. 1 (RP-1), Regional Water Recycling Plant No. 4 (RP-4), Regional Water Recycling Plant No. 5 (RP-5), Carbon Canyon Water Recycling Facility (CCWRF), a biosolids-only treatment facility at Regional Plant No. 2 (RP-2); as well as the Chino 1 Desalter (CDA), Groundwater Recharge, and the Inland Empire Regional Composting Facility (IERCF). Total division staffing is budgeted at 161 FTEs and one LT position for both FY 2015/16 and 2016/17

OPERATIONS DEPARTMENT

The Operations Department is responsible for operating the Agency's water recycling plants and the Chino Desalter in a safe and reliable manner to ensure that they meet all regulatory requirements.

Regional Water Recycling Plants (RP-1, RP-4, RP-5, CCWRF) – Treatment processes include preliminary, primary, secondary, and tertiary. Solids handling processes for RP-1 and



RP-4 are located at RP-1 and include solids thickening, digestion, and dewatering. Solids handling for RP-5 and CCWRF are located at RP-2.

Table 9-1: Regional Recycling Facility Capacity and Flow

Facility	Plant Capacity (MGD)	Influent Flow (MGD)	Water Reused (MGD)
RP-1	44	26.9	15.9
RP-4	14	10.1	8.9
RP-5	15	8.0	5.7
CCWRF	11.4	7.2	3.2

Regional Plant No. 2 (RP-2) – Biosolids Treatment Facility: Solids handling facility located in the City of Chino. Solids handling processes include sludge thickening, digestion, and dewatering.

Chino I Desalter (CDA) – Located in the City of Chino, CDA I provides advanced water treatment of impaired ground water. The treatment processes include reverse osmosis, ion exchange, and air stripping. The facility is designed to produce 14.2 MGD of potable drinking water.

Groundwater Recharge (GWR) - The GWR infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the State of California Water Project, and IEUA recycled water to 16 recharge sites, most of which consist of multiple recharge basins. These recharge basins are located throughout the IEUA service area (approximately 242 square miles) and are designed to hold the water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply.

Inland Empire Regional Compost Authority (IERCA) - The Inland Empire Regional Compost Authority (IERCA) is a Joint Powers Authority (JPA) between IEUA and Los Angeles County Sanitation District (LACSD). The composting facility is the nation’s largest indoor biosolids composting facility, located in Rancho Cucamonga, California. The facility produces a wood-based, nutrient-rich compost made from recycled green waste, biosolids, and horse stable bedding. Every year, the facility produces approximately 230,000 cubic yards (90,000 tons) of high-quality compost which is marketed under the name SoilPro Products. Treatment processes include mixing, aerated composting, screening, curing, and storing. All emissions are treated with a biofilter.

OPERATIONS DIVISION

MAINTENANCE DEPARTMENT

The Maintenance Department consists of Electrical, Instrumentation, HVAC, Co-Gen, Mechanical, Collections, Planning, and Integrated Systems Services. The Maintenance Department provides the Operations Department with the level of equipment reliability required to maintain regulatory compliance at all facilities.

TECHNICAL SERVICES DEPARTMENT

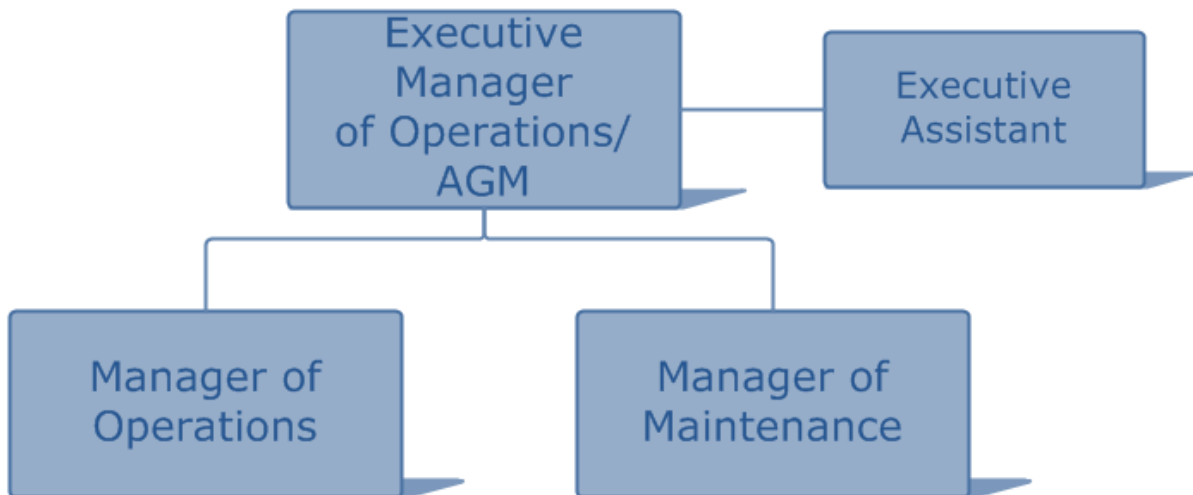
The Technical Services Department is responsible for providing needed technical assistance to the Operations, Maintenance, Planning and Environmental Compliance, and Engineering and Construction Management Departments.

DIVISION GOALS

- Establish a cross training program across departments and divisions to enhance understanding of Agency programs
- Review and revise the Emergency Preparedness Plan
- Review and update the Asset Management Plan
- Optimize IEUA's use of potable and recycled water
- Develop and implement Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water
- Develop plan to improve the quality of recycled water to meet customer's needs
- Achieve 20,000 acre feet of recycled water recharge in Dry Years
- Ensure reliability of Agency assets by annually implementing the asset management monitoring and assessment program (Asset Management Plan)
- Continue to optimize operation of digestion and dewatering centrifuges to minimize operational costs
- Develop a Biosolids Capacity Marketing Plan maximizing material input and output

- Strive for 100% use of Agency bi-products
- Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements
- Annually review and update the Emergency Response and Operational Plans for all facilities

ORGANIZATIONAL CHART



OPERATIONS

MISSION STATEMENT

To provide quality water and wastewater treatment; to maximize the continued availability of high quality recycled water; to 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; distribution of recycled water for groundwater recharge and irrigation including agricultural crops, municipal parks and landscaping, and other types of reuse; maximization of production of biogas as a fuel source for energy generation through digestion of biosolids; biosolids dewatering for subsequent recycling and production of high quality compost. In order to provide these services, IEUA operates a regional wastewater collection system, five water recycling treatment plants, a regional recycled water distribution system, groundwater recharge basins, and the Inland Empire Regional Composting Facility for organics management and composting of biosolids.

POSITION SUMMARY

In FY 2015/16, a net increase of one position is seen at the Operations Department level, to provide support for the Division Goals and Objectives. No additional changes are foreseen for FY 2016/17.

Operations – Administration, RP-1, RP-2, RP-4, RP-5, CCWRF, & Chino Basin Desalter	2013/14	2014/15	2015/16	2016/17
Executive Manager of Operations / AGM	0	1	1	1
Manager of Operations	1	1	1	1
Deputy Manager of Operations	2	2	2	2
Operations Supervisor	4	5	5	5
Senior Operator V – Dual Certification	1	1	1	1
Senior Operator V	3	3	2	2
Operator V – Dual Certification	1	1	1	1
Operator V	2	3	3	3
Senior Operator IV	1	1	1	1
Operator IV	4	3	2	2
Senior Operator III	3	3	3	3
Operator III – Dual Certification	1	1	1	1



Operations – Administration, RP-1, RP-2, RP-4, RP-5, CCWRF, & Chino Basin Desalter	2013/14	2014/15	2015/16	2016/17
Operator III	12	12	12	12
Operator II	4	4	4	4
Operator I	4	2	2	2
Senior Operations Assistant	4	1	0	0
Operations Specialist	0	0	1	1
Executive Assistant	0	0	1	1
Administrative Analyst	1	1	0	0
Administrative Assistant	1	1	1	1
Total Employees	49	47	44	44

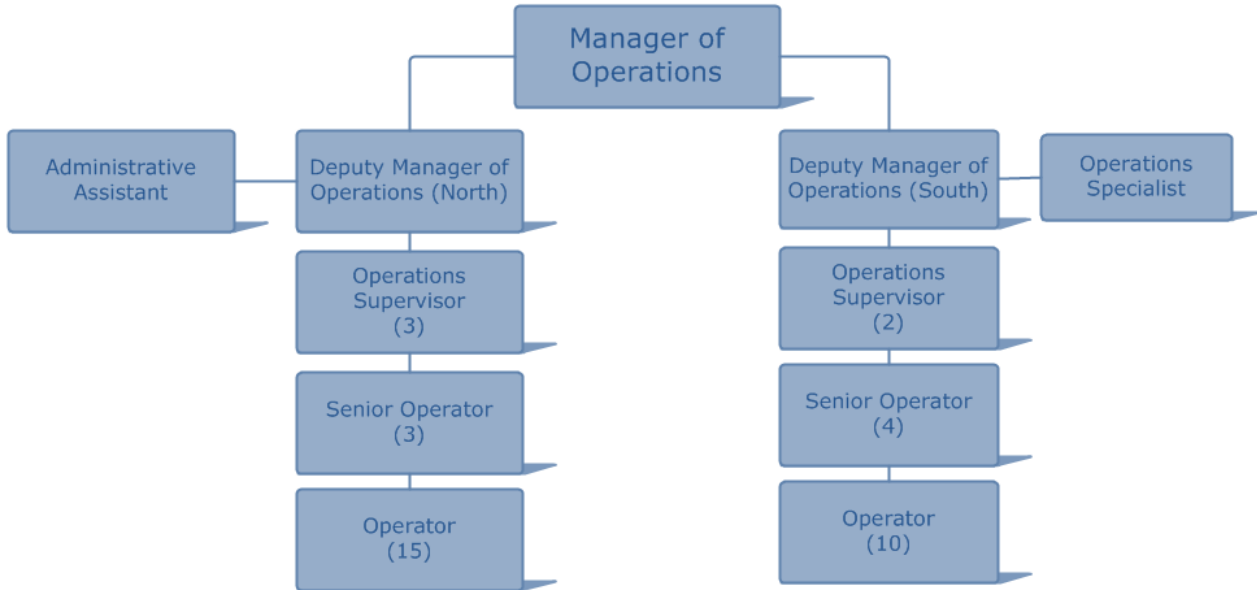
Groundwater Recharge (GWR)	2013/14	2014/15	2015/16	2016/17
Groundwater Recharge Coordinator	1	1	1	1
Recycled Water Services Coordinator	1	1	0	0
Senior Associate Engineer	0	0	1	1
RW/GWR O & M Specialist	1	0	1	1
Recycled Water Services Technician	0	0	1	1
Total	3	2	4	4
Limited Term				
GWR Operations & Maintenance Assistant	0	1	0	0
Total	0	1	0	0
Total Employees	3	3	4	4

Organics Management	2013/14	2014/15	2015/16	2016/17
Manager of Regional Compost Authority	1	1	1	1
Compost Facility Superintendent	2	2	2	2
Compost Sales Representative	0	0	1	1
Marketing Coordinator	1	1	0	0
Organics Recycling Coordinator	1	1	1	1
E & I Technician III	0	0	1	1
Maintenance Specialist	1	1	0	0
Senior Maintenance Technician	1	1	1	1
Mechanic II	3	3	3	3
Senior Compost Operator	1	1	1	1
Compost Operator	8	8	9	9
Compost Worker	4	4	4	4
Administrative Secretary	1	1	1	1
Total	24	24	25	25
Limited Term				
Office Assistant	0	1	1	1
Total	0	1	1	1
Total Employees	24	25	25	25

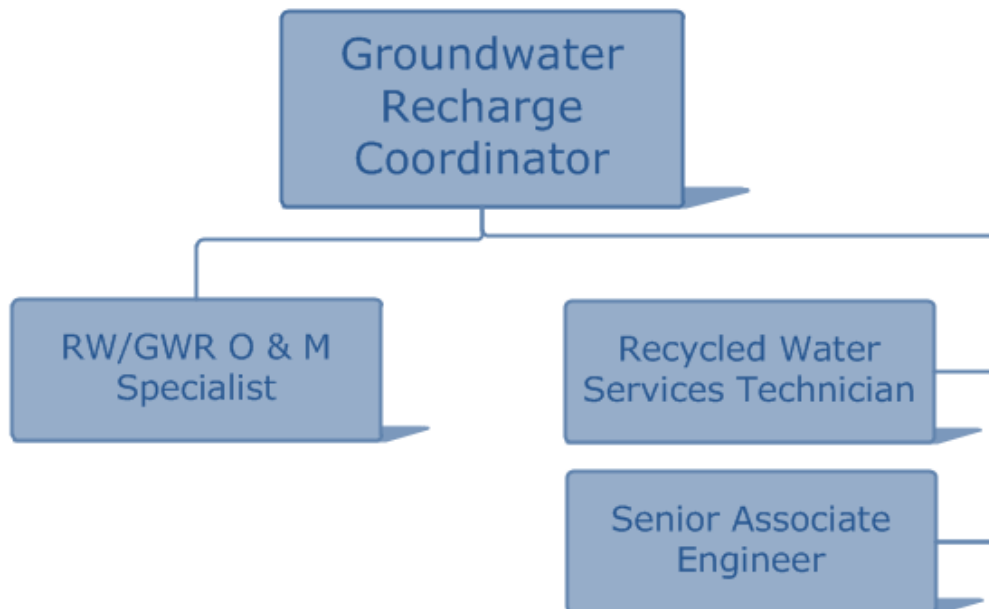
OPERATIONS

ORGANIZATIONAL CHART

OPERATIONS

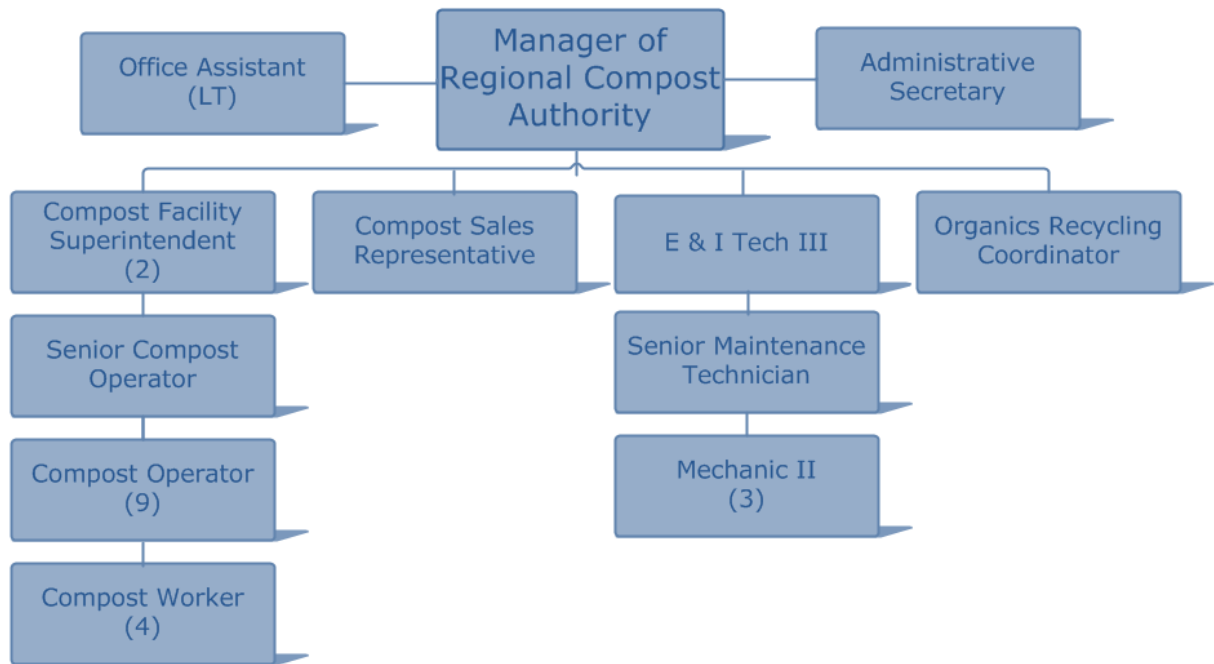


GROUNDWATER RECHARGE





ORGANICS MANAGEMENT



SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B13	Support Human Resources in the development of an Emergency Preparedness Plan for the Operations Department.	To be completed June 2017	<ul style="list-style-type: none"> Presented draft report to Executive Manager of Operations.
C. Business Practices			
C5	Establish competitive bio-solids rates to attract at least 10,000 outside tons at fair market value.	December 8, 2014 IERCA Board approved non-JPA biosolids contract negotiations	<ul style="list-style-type: none"> June 1, 2015 contract signed with Orange County Sanitation District, 13,000 tons at fair market value.

OPERATIONS

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
D. Water Reliability			
D5	Establish potable and recycled water baseline monitoring plan for all Agency facilities.	Complete	<ul style="list-style-type: none"> All regional plants are collecting potable water usage data. The data will be reviewed, charted and regularly updated. Recycled water usage is being monitored at Southern area facilities. Capital improvement projects are on the TYCIP to install flow metering capabilities at RP-1 and RP-4.
D5	Measure baseline usage of potable and recycled water usage.	To be completed June 2016	<ul style="list-style-type: none"> All regional plants are collecting potable water usage data. The data will be reviewed, charted and regularly updated. Recycled water usage is being monitored at Southern area facilities. Capital improvement projects are on the TYCIP to install flow metering capabilities at RP-1 and RP-4.
D5	Identify projects necessary to reduce potable and promote recycled water usage.	To be completed June 2016	<ul style="list-style-type: none"> Ongoing
D8	Develop written RW storage and delivery strategies to meet department forecasts of diurnally variable RW supplies and seasonally variable RW demands. Develop RW GWR SCADA improvements that implement the storage and delivery strategies by	<p>To be completed June 2016</p> <p>To be completed June 2016</p>	<ul style="list-style-type: none"> Recycled Water Peak Demand is being updated to include the 930 Recycled Water reservoir that was put online in late March. Review is in process; current DCS



Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	<p>working the DCS Department.</p> <p>Continue weekly Peak Demand Management Meetings with key operations staff for the start of CY2015 peak Demand season.</p> <p>Establish competitive rates to attract at least 10,000 outside tons at fair market value.</p>	<p>To be completed June 2016</p> <p>Complete</p>	<p>improvements only include one item for pressure reduction of the south zone pump station when the 930 reservoir reaches high level. Details of request are being finalized and will be forwarded to DCS by May 1, 2015.</p> <ul style="list-style-type: none"> The Recycled Water Peak Demand Management meetings will resume starting April 29, 2015. The IERCA Board approved a competitive rate at fair market value and staff is finalizing a contract with a 3rd party to provide 13,000 wet tons at that rate.
D11	<p>Maintain basin readiness through basin cleanings.</p> <p>Maintain peak demand management readiness.</p> <p>Maintain pump station readiness.</p> <p>Prepare and submit to CDPH the Start-Up Reports for the new basin as delivery mechanisms are completed.</p>	<p>To be completed FY2018/19 (on-going)</p> <p>To be completed FY2018/19 (on-going)</p> <p>To be completed FY2018/19 (ongoing)</p> <p>To be completed FY2018/19 (on-going)</p>	<ul style="list-style-type: none"> Annual Budget and Basin Cleaning Plan. Met with CBWM. Peak Demand meetings are scheduled. Weekly RW Distribution Report. Declez, Wineville, and Lower Day basin are candidates for start-up by 2017 and reports should be prepared by December 2016, as needed.

OPERATIONS

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
E. Wastewater Management			
E3	Produce an average of 24% total solids cake (RP-1).	Complete	<ul style="list-style-type: none"> Produced 24% cake solids.
E7	Produce 450 CFM of digester gas to support full operation of the fuel cell.	Complete	<ul style="list-style-type: none"> Produced 462 cfm of digester gas.
E9	Conduct a feasibility study for the South Compost Facility.	Complete	<ul style="list-style-type: none"> South Compost Facility Feasibility Study was completed and submitted in May 2014.
F. Environmental Stewardship			
F4	<p>Ensure all treatment standards are met to maximize availability of recycled water.</p> <p>Support the development and implementation of the Energy Management Plan to ensure 100% use of digester gas.</p>	<p>Complete</p> <p>To be completed FY2019/20 (on-going)</p>	<ul style="list-style-type: none"> Based on the Engineering, Planning and Science Department's 2015 Environmental Compliance Incident Report all Operations facilities achieved 100% NPDES Compliance and AQMD Compliance for the 3rd Quarter of FY 2014/15. N/A
F4	Maximize use of biosolids by sending 90% of organics to IERCF.	Complete	<ul style="list-style-type: none"> Greater than 90% of RP-1 and RP-2 Biosolids loads were sent to IERCF during the 3rd Quarter of FY 2014/15.
F6	Review and update all facility KPI's.	Complete	<ul style="list-style-type: none"> Operations KPI's for all facilities were reviewed, standardized and updated. All Operations facility KPI's are monitored daily and reviewed monthly to ensure compliance with regulatory requirements and



Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
			optimization goals.
F7	Support Human Resources and Safety Department in the review and update of the Emergency Response and Operational Plans for all facilities.	Draft Report for RP-1 submitted.	<ul style="list-style-type: none"> Human Resources established completion of this goal for FY 2015/16. Operations facility specific plans are being developed to support the larger Agency wide Emergency Response Plan. The first Operations plan is for RP-1 and a draft report was submitted in April 2015.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
Number of Workplace Safety/Lost Time Accidents	0	1	0	0
Agency Wide Chemical Expenditures	\$4,171,487	\$3,981,347	\$4,394,574	\$4,524,371
Groundwater Recharge (AF)	13,593	10,500	12,000	13,000
Compost Sales (Cubic Yards)	228,102	250,000	228,000	228,000

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goal	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
B. Workplace Environment				
B13	Support Human Resources in the	As Needed	Complete by June 2017	<ul style="list-style-type: none"> Attend quarterly meetings and

OPERATIONS

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goal	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
	development of an Emergency Preparedness Plan for the Operations Department.			provided requested support within requested timeline.
D. Water Reliability				
D3	Measure baseline usage of potable and recycled water usage.	June 2016 Ongoing	June 2017 Ongoing	<ul style="list-style-type: none"> One facility per quarter.
D3	Maintain peak demand management readiness.	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Schedule Peak Demand meetings; on-going.
D3	Maintain pump station readiness	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Weekly RW distribution reports; on-going.
D3	Continue weekly Peak Demand Management meetings with key operations staff for start of 2015 Peak Demand season.	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Schedule Demand Management meetings; on-going.
D9	Prepare and submit to CDPH Start-Up Reports for new basin as delivery mechanism are completed	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Start-up Reports for each basin; on-going.
D12	Ensure all treatment standards are met to maximize availability of recycled water.	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Attain 100% NPDES Compliance; on-going.
D12	Identify projects necessary to reduce potable and promote recycled water usage.	June 2016 Ongoing	June 2017 Ongoing	<ul style="list-style-type: none"> One facility per quarter.
D12	Develop recycled and groundwater recharge SCADA improvements that implement storage and delivery strategies by working with the DCS Department.	Complete by June 2016	N/A	<ul style="list-style-type: none"> System Improvement Requests to DCS Department.



IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices				
D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goal	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
D13	Maintain basin readiness through basin cleanings.	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Annual budget and basin cleaning plan; on-going.
D13	Develop written RW storage and delivery strategies to meet department forecasts of diurnally variable RW supplies and seasonally variable RW demands.	Complete by June 2016	N/A	<ul style="list-style-type: none"> Written strategies and forecasts to be developed by RW and GWR staff.
F. Environmental Stewardship				
F4	Support the development and implementation of the Energy Management Plan to ensure 100% use of digester gas.	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Meet 100% of established implementation goals; on-going.
F4	Maximize use of biosolids by sending 90% of organics to IERCF.	By June 2016 Ongoing	By June 2017 Ongoing	<ul style="list-style-type: none"> Send 90% of organics to IERCF; on-going.

EXPENSES

Employment expense includes wages and benefits for Operations Administration, Operations, Groundwater Recharge, and Organics Management departments (50% of wages and benefits are reimbursed by County Sanitation District Los Angeles County. Administrative expense includes; office and adm inistrative and ot her non-operating expense. Operating expense includes; materials and supplies, professional fees and services, chemicals, operating and biosolids fees, and utilities.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$7,913,000	\$7,485,500	\$7,959,800	\$8,198,600
Administrative	88,100	132,900	159,600	156,600
Operating	8,612,300	8,843,000	9,501,800	9,651,100
Total	\$16,613,400	\$16,461,400	\$17,621,200	\$18,006,300

OPERATIONS

EXPENSES

Employment expense includes wages and benefits for Operations Administration, Operations, Groundwater Recharge, and Organics Management departments (50% of wages and benefits are reimbursed by County Sanitation District Los Angeles County. Administrative expense includes; office and administrative and other non-operating expense. Operating expense includes; materials and supplies, professional fees and services, chemicals, operating and biosolids fees, and utilities.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$7,913,000	\$7,485,500	\$7,959,800	\$8,198,600
Administrative	88,100	132,900	159,600	156,600
Operating	8,612,300	8,843,000	9,501,800	9,651,100
Total	\$16,613,400	\$16,461,400	\$17,621,200	\$18,006,300

MAINTENANCE

MISSION STATEMENT

To provide service agency-wide to keep all facilities, structures, vehicles, and utilities operating at an optimum efficiency while supporting the Operations Department with the level of equipment reliability required to maintain regulatory compliance at all plants in the safest, most efficient, and cost effective manner.

DESCRIPTION AND PURPOSE

The Inland Empire Utilities Agency currently owns and/or operates and maintains five wastewater treatment facilities, 125 miles of collection system, a Desalter facility, 15 supply water well sites, four sewage lift stations, a recycled water distribution and storage system, 19 groundwater recharge basins, 12 megawatts of diesel fueled emergency generation, a 400,000 square foot indoor composting facility, and a 66,000 square foot Headquarters building. The goals of the department are to:

- Utilize modern condition monitoring tools to effectively maintain equipment reliability.
- Develop a proactive maintenance culture.
- Provide maintenance related training opportunities to staff.
- Ensure all maintenance work is performed through a work order.

There are currently 77 employees in this department which is comprised of the Energy Production, Sewer Collections, North and South Plant Maintenance, Integrated Systems Services, and the Materials Management Warehouse. In addition to providing the required preventive and corrective maintenance activities, this department also operates the Agency's emergency generators and co-gen facility.

POSITION SUMMARY

In FY 2015/16, a decrease of four positions is seen at the Maintenance Department level. These decreases are to compensate for newly added positions in other departments throughout the Operations Division. No additional changes are projected for FY 2016/17.

129 – Sewer Collections	2013/14	2014/15	2015/16	2016/17
Manager of Pretreatment & Source Control	1			
Senior Collections System Operator	1	1	1	1
Collection System Operator	5	5	6	6
Total Employees	7	6	7	7



140 – Energy Maintenance – RP-1	2013/14	2014/15	2015/16	2016/17
Manager of Maintenance	1	1	1	1
Associate Engineer	1	1	1	1
Administrative Assistant	1	1	1	1
Office Assistant	1	1	1	1
Total Employees	4	4	4	4

141 – North Maintenance – RP-1	2013/14	2014/15	2015/16	2016/17
Deputy Manager Maintenance	1	1	1	1
Maintenance Supervisor	2	2	2	2
Senior Mechanic	2	2	2	2
Mechanic II	5	6	4	4
Machinist	1	1	1	1
Instrument Technician II	6	6	5	5
Electrical Technician II	4	4	4	4
Plant Maintenance Technician II	5	4	3	3
Total Employees	26	26	22	22

144 – South Maintenance – RP-5	2013/14	2014/15	2015/16	2016/17
Deputy Manager of Electrical and Instrumentation	1	1	1	1
Maintenance Supervisor	2	2	2	2
Senior Electrical & Instrumentation Tech	1	1	1	1
Senior Industrial Engine Technician	1	1	1	1
Instrumentation Technician II	3	3	3	3
Electrical Technician II	3	3	3	3
HVAC Technician	1	1	1	1
Industrial Engine Technician	2	2	2	2
Senior Mechanic	1	1	1	1
Mechanic II	4	4	3	3
Plant Maintenance Technician II	3	3	3	3
Total Employees	22	22	21	21

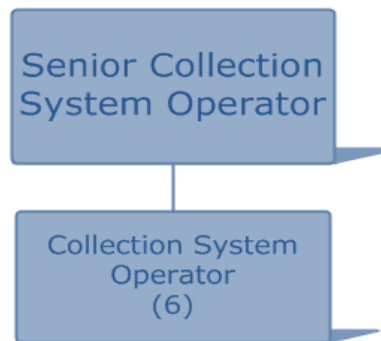
146 – Integrated Systems Services (ISS)	2013/14	2014/15	2015/16	2016/17
Deputy Manager of ISS	1	1	1	1
Network Administrator	2	2	2	2
PC/ Network Administrator	1	1	1	1
Technology Specialist II	1	1	1	1
Process Automation & Control Supervisor	1	1	1	1
Control Systems Administrator	2	2	2	2
Control Systems Analyst	5	5	5	5
Total Employees	13	13	13	13

MAINTENANCE

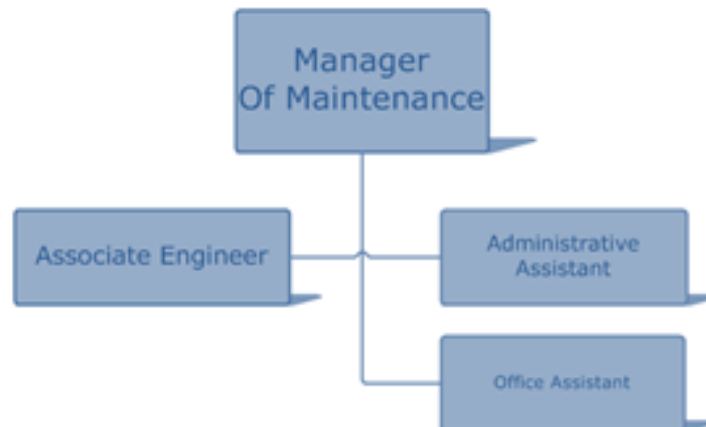
156 – Materials Management Warehouse	2013/14	2014/15	2015/16	2016/17
Deputy Manager of Maintenance	1	1	1	1
Supervisor of Warehouse Systems & Inventory	1	1	1	1
Materials Management Supervisor	1	1	1	1
Maintenance Planner Coordinator	3	3	3	3
Warehouse & Inventory Technician	2	2	2	2
Inventory Control Technician	1	1	1	1
Inventory Resource Coordinator	1	1	1	1
Total Employees	10	10	10	10

ORGANIZATIONAL CHARTS

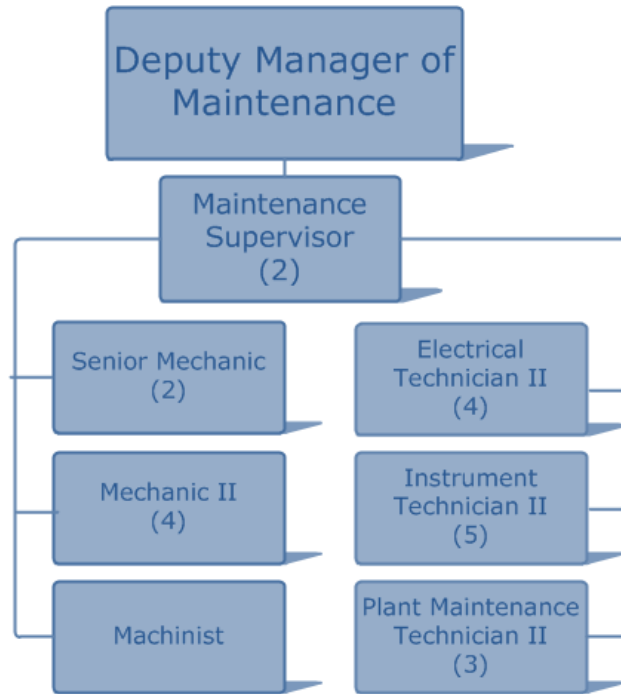
SEWER COLLECTION



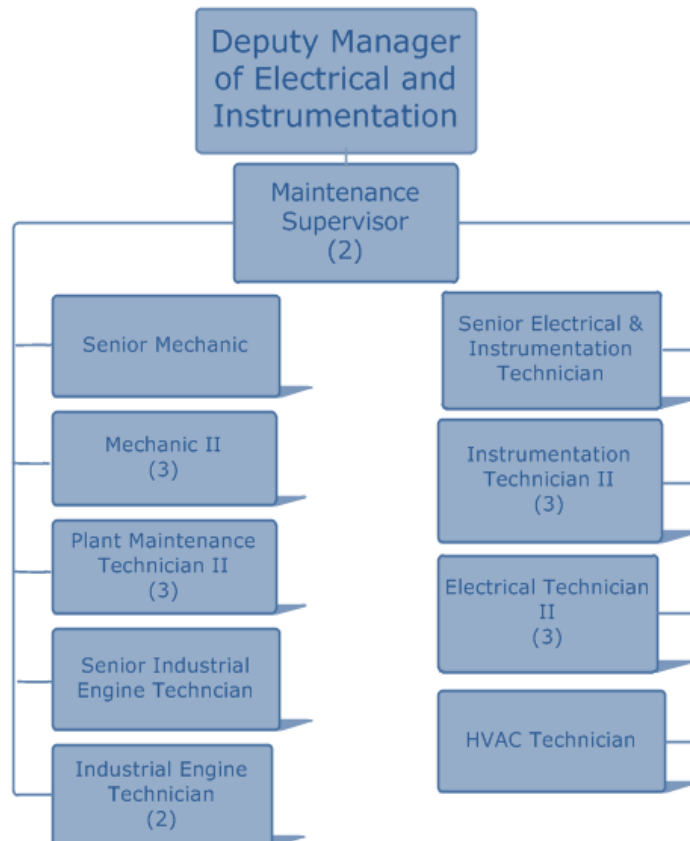
ENERGY MAINTENANCE



**NORTH
MAINTENANCE**

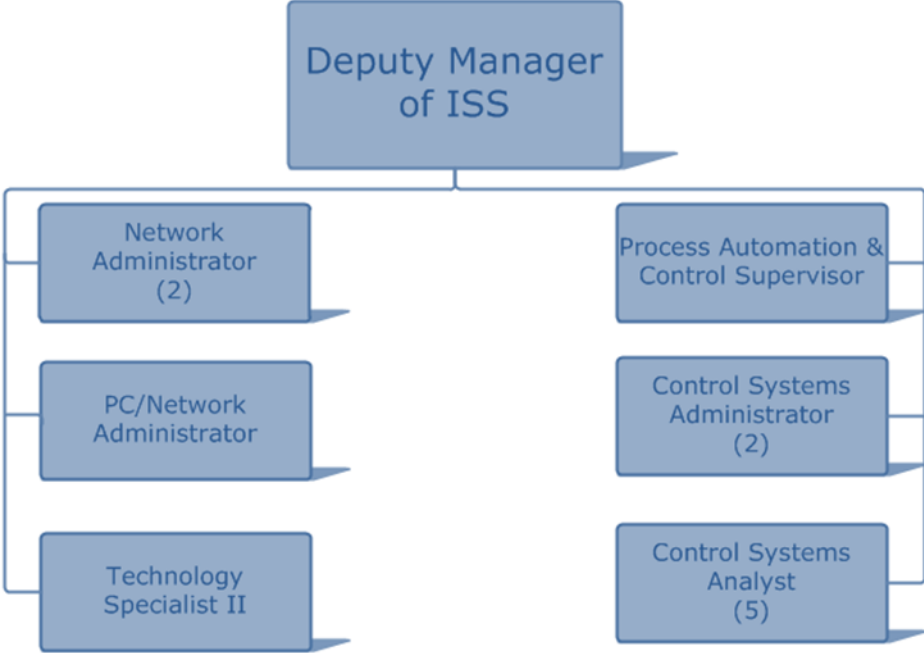


**SOUTH
MAINTENANCE**

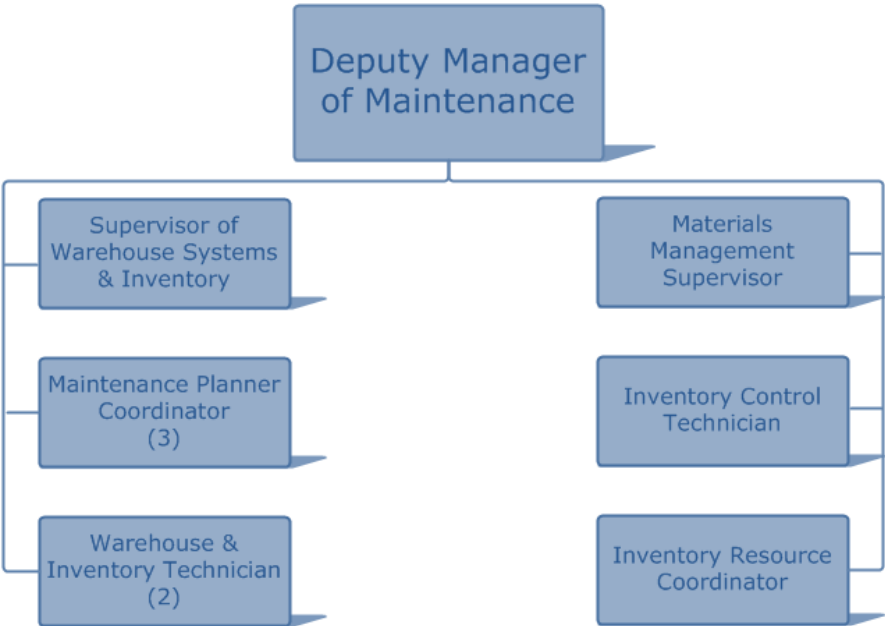


MAINTENANCE

INTEGRATED SYSTEMS SERVICES



MATERIALS MANAGEMENT WAREHOUSE





SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B7	Develop a training program for the Operations Division	Moved to FY2015/16	Complete by June 2016
E. Wastewater Management			
E2	Conduct major condition assessments annually	2 of 4 complete	Assessment for RP-4 complete Assessment for RP-1 completed by June 2015

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 Actual	FY 2014/15 Projected	FY 2015/16 Target	FY 2016/17 Target
PM Schedule Compliance	83.9%	80%	80%	90%
CM Schedule Compliance	69.7%	75%	80%	90%
Emergency Work Order Hours	7.4%	10%	<10%	<10%
Overtime Labor Costs	3.77%	5%	5%	5%
Safety – Lost Time Accidents	0	0	0	0
Agency-wide Area Network/Microwave Availability During Business Hours	N/A	99.999%	99.999%	99.999%
SAP Production System Availability	N/A	99.999%	99.999%	99.999%

MAINTENANCE

DEPARTMENT GOALS AND OBJECTS FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goal	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
B. Workplace Environment				
B7	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance	By June 30, 2016	N/A	Hold one training session each quarter
E. Wastewater Management				
E2	Conduct major condition assessments annually	By June 30, 2016	By June 30, 2017	Complete condition assessments of RP-5 and CCWRF

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administration, and other non-operating expense. Operating expense includes professional fees and services, biosolids recycling, chemicals, operating fees, and leases and rental expense. Administrative expense in FY 2013/14 includes approximately \$500,000 of reclassified project expenses. In FY 2015/16 operating expense is projected to increase over prior year expense due to materials and supplies such as fleet and fuel costs, professional fees, and utility fee increases.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$9,644,300	\$8,572,600	\$9,001,200	\$9,271,300
Administrative	655,100	200,600	223,100	229,000
Operating	14,353,900	14,600,000	15,639,600	16,188,200
Total	\$24,653,300	\$23,373,200	\$24,863,900	\$25,688,500

TECHNICAL SERVICES

MISSION STATEMENT

To 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, Planning and Environmental Compliance, and Engineering and Construction Management Departments. Key activities of the Technical Services Department include:
 - Develop and update the Asset Management Plan which includes condition and performance information on Agency assets to guide project planning.
 - Regularly schedule reviews for each facility to discuss Key Performance Indicators (KPIs) with focus on deviations from predetermined parameter targets, and discuss actions necessary for remediation.
 - Track Unit Production Costs (UPC) audit reports of operations and maintenance for each facility on a monthly basis and serve as a primary management tool for ensuring cost-effectiveness.
 - Provide assistance to other departments: develop project expectations for new projects, review new project designs, troubleshoot treatment process, operations, and performance, and conduct special studies reviews of new technologies.
 - Provide capital project startup and transition assistance to the Engineering and Construction Management and Operations Departments.

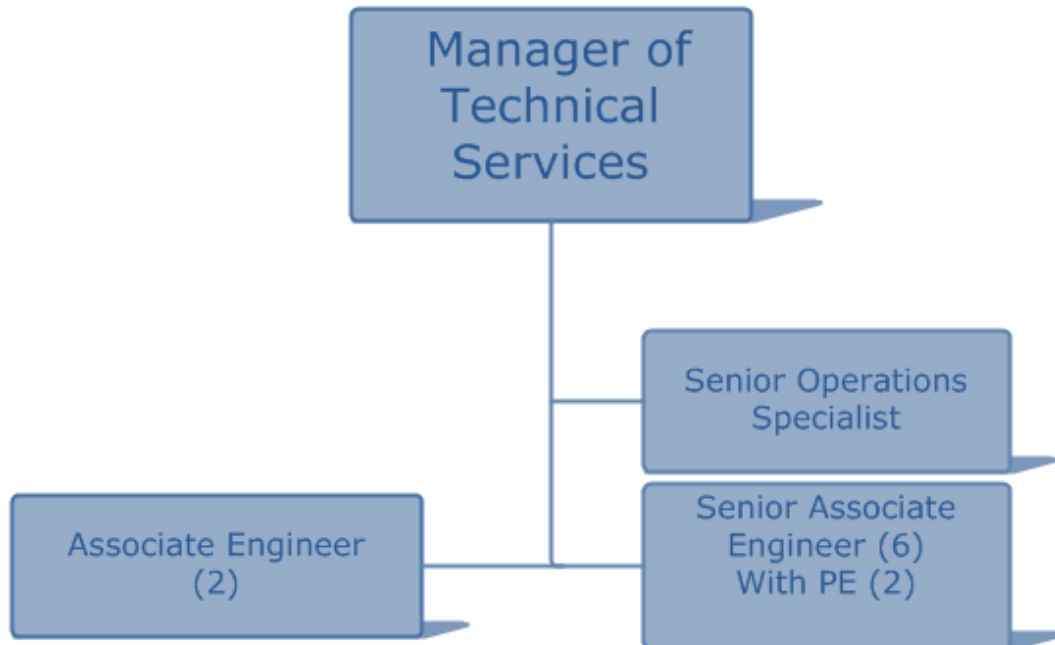
POSITION SUMMARY

In FY 2015/16, organizational changes to improve technical support for other departments resulted in the addition of four new positions within the Technical Services department. These additional positions are offset within the Operations Division by reductions in other departments. No additional changes are anticipated for FY 2016/17.



Position	2013/14	2014/15	2015/16	2016/17
Manager of Technical Services	1	1	1	1
Senior Operation Assistant	7	6	0	0
Senior Operations Specialist	0	0	1	1
Senior Associate Engineer - PE	0	0	2	3
Senior Associate Engineer	0	0	6	5
Associate Engineer	1	1	2	2
Total Employees	9	8	12	12

ORGANIZATIONAL CHART



TECHNICAL SERVICES

SUMMARY OF FY 2014/15 BUSINESS GOALS PERFORMANCE

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
C. Business Practices			
C1	Update the Asset Management Plan (AMP) annually by incorporating the findings of Condition Assessment reports and documenting changes relating to Agency assets.	Complete for FY 2015/16	<ul style="list-style-type: none"> The AMP for fiscal year 2015/16 was completed in January and distributed for internal and external use in February 2015.
D. Water Reliability			
D7	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing to FY2016/17	<ul style="list-style-type: none"> Will be completed in FY 2016/17.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2013/14 ACTUAL	FY 2014/15 PROJECTED	FY 2015/16 TARGET	FY 2016/17 TARGET
Number of monthly KPI reports created and distributed	12	12	12	12
Number of quarterly UPC reports created and distributed	0	0	0	4



DEPARTMENT GOALS AND OBJECTIVES S FOR FYs 2015/16 AND 2016/17

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2015/16 Timeline	FY 2016/17 Timeline	KPIs
C. Business Practices				
C1	Update the AMP.	February 2016	February 2017	<ul style="list-style-type: none"> Complete and distribute AMP.
D. Water Reliability				
D7	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	June 2017	<ul style="list-style-type: none"> Install recycled water screens at RP-1 and RP-5.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative costs, and other non-operating expense. Operating expense includes; professional fees and services, permits, licenses, materials and supplies, and utilities. The increase in FY 2015/16 and 2016/17 budgets are attributed to increased professional fees and services for evaluation, research, testing and troubleshooting.

Expense	FY 2013/14 Actual	FY 2014/15 Projected Actual	FY 2015/16 Budget	FY 2016/17 Budget
Employment	\$1,074,800	\$1,092,000	1,168,400	1,226,800
Administrative	16,200	9,000	21,100	21,200
Operating	32,500	49,000	136,900	185,000
Total	\$1,123,500	\$1,150,000	\$1,326,400	\$1,433,000

Lake Ghisolfo, Calistoga



AREA PROFILE

AREA PROFILE / DEMOGRAPHICS

REGION

The Inland Empire Utilities Agency (IEUA) is located approximately 35 miles east of Los Angeles in San Bernardino County in an area referred to as the Inland Empire (IE). Year round the region has moderate temperatures and low humidity. In winter the average temperatures range from 45 to 70 degrees; in summer the average temperature is around 90 degrees. The region receives, on average, 312 days of sunshine per year and the average rainfall is 17 inches per year.

The Agency's service area is settled in a well-developed transportation center consisting of three major transportation systems: the Metrolink Railway system, the Chino Airport, and the LA/ Ontario International Airport. There are also four major freeway systems: Interstate 10, State Route 60, State Route 210, and Interstate 15. Many of Southern California's recreational and cultural attractions – including Disneyland, J. Paul Getty Museum, Universal Studios, and the Long Beach Aquarium – are approximately one hour drive away.

ANTICIPATED GROWTH

Prior to the economic recession, the Agency's service area, located in the Inland Empire (IE), was one of the fastest growing regions in the United States. The IE is located east of Los Angeles and spans across Riverside-San Bernardino-Ontario metropolitan area. According to the Inland Empire Center of Claremont McKenna College, "the Great Recession has lasted longer and done more damage in the IE than in most other parts of the country". The IE was one of the "epicenters" of the housing meltdown, second to Las Vegas, Nevada. The high number of foreclosures and "under water" mortgages put the brakes on new construction, contributing to a record high unemployment rate. When the impact of the recession hit the region in late 2009, the unemployment rate soared to over 14 percent, compared to just over 12 percent statewide and 10 percent for the nation.

Despite the economic downturn in 2008, its geographic location, rising labor force, outstanding academic resources, and sophisticated logistics infrastructure position the IE with the capacity to effectively handle growth as it returns. In the IE, taxable sales increased by 6.9 percent in 2013, surpassing California's sales growth rate of 6.4 percent. They continued to increase throughout 2014, growing 5.8 percent in the first half of the year. A surge in new development is also a positive sign throughout the region, particularly in the Agency's service area. Finally, with 30,000 jobs added last year and a positive start to 2015, its 6.5 percent unemployment rate has decreased to meet California's 6.5 percent, just slightly higher than the nation's 5.5 percent, as of March 2015. Despite high unemployment in the region, the IE population continued to grow throughout the recession at an average rate of just under 1 percent per year from 2008 to 2014. Now the Agency's service area population is projected to surpass 850,000 by FY 2015/16.

Table 10-1: San Bernardino County Population Estimates

	2015	2016	2017
Total Population	2,116,461	2,137,101	2,158,076
Male	49.77%	49.77%	49.76%
Female	50.23%	50.23%	50.24%
0 to 19 years	29.85%	29.44%	29.08%
20 to 34 years	22.84%	22.88%	22.88%
35 to 49 years	18.94%	18.84%	18.76%
50 to 64 years	17.73%	17.80%	17.84%
65 years and older	10.64%	11.04%	11.45%

Figure 10-1: Service Area Population

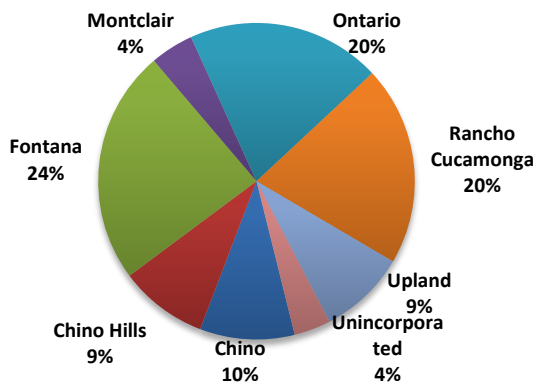
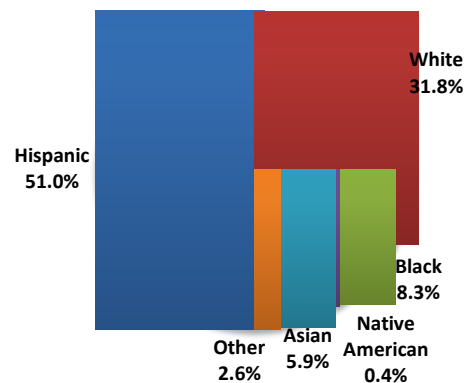


Figure 10-2: Service Area Demographics



Source: Department of Finance Demographic Reports – www.dof.ca.gov/research

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

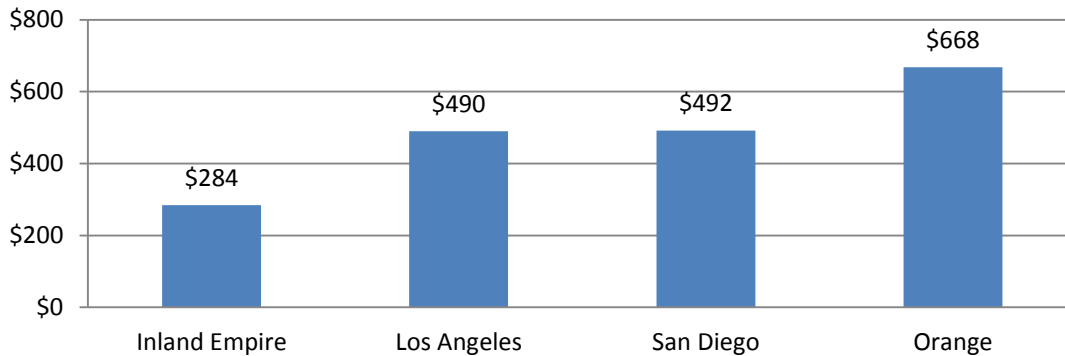
Housing Market

The Inland Empire's economy is beginning to gain speed alongside the recovering housing market. According to a recent report by Metrostudy, a national housing data and consulting firm that maintains the most extensive primary database on residential construction in the US housing market, the IE economy began to recover in 2013. Growing numbers of housing starts and escrow closings indicate that the service area has turned a corner, with total escrow closings in the 1st quarter of 2015 increasing by 23.1 percent over the 1st quarter of 2014. More and more people in the region can now afford to buy a median priced home. The only problem they face is that the inventory of available houses still remains relatively low, both in the IE and throughout California. Furthermore, IE's average home price is beginning to rise slightly, although it is doing so at a much slower pace than that of the rest of Southern California.

Source: Metrostudy Report, Inland Empire Housing, May 2015

AREA PROFILE / DEMOGRAPHICS

Figure 10-3: Southern California Median Home Prices by County (\$ Thousands)



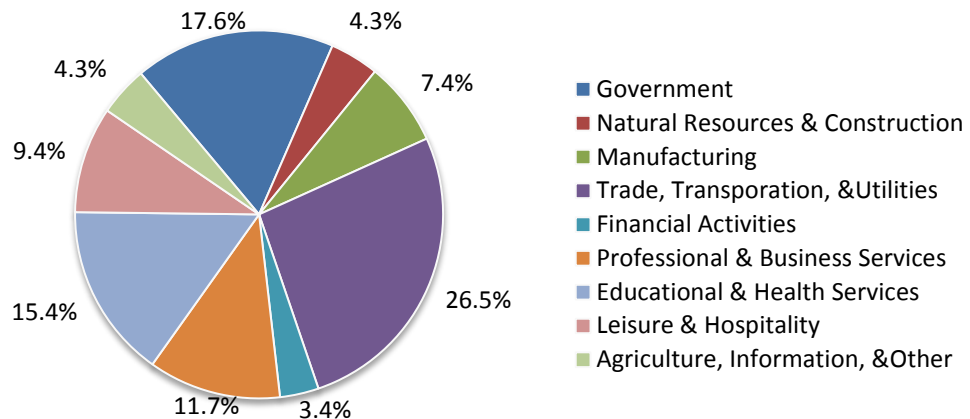
Source: John Husing, April 2015 Inland Empire Quarterly Economic Report

Employment

As the IE economy continues to recover, unemployment in the region has finally dropped to meet the state average. Shown below in Figure 10-4, the three largest employers by industry are transportation (logistics), government, and educational and health services representing nearly 60 percent of the labor market in San Bernardino. The strong US dollar in 2014 led to a record high volume of imports through Southern California ports. This combined with an increase in the demand for larger warehouses and fulfillment centers by conventional and online retailers has resulted in a surge of logistics related jobs in the region.

The educational and health services industry is another key employer of the IE. As the lower housing prices in the region continue to entice people moving out of the more expensive areas of Southern California, the need for educators and health care professionals continues to grow to support the moving population. This sector already supplies over 15 percent of the county's jobs. Economist John Husing calculated that the IE has one health care worker for every 35.8 residents, still lagging behind the state average of one per every 28.0 residents. This factor points to likely continued growth in this sector in the future.

Figure 10-4: San Bernardino County Jobs by Industry



Source: Department of Finance Demographic Reports – www.dof.ca.gov/research

After unexpectedly adding 51,100 jobs in 2013, the IE gained an additional 53,100 jobs in 2014, which was surprisingly higher than anticipated. Economic recovery is beginning to pick up, with another 51,250 jobs expected to be added in 2015. The sectors of logistics, construction, healthcare, manufacturing, and management and professionals were particularly successful in job creation during 2014 and are anticipated to continue to be strong players throughout the next year. In addition, the public sector is expected to show slight job growth in 2015 for the first time since the economic downturn, as pressure and restrictions facing public offices are beginning to lift.

Figure 10-5 shows the region’s job trend from 1984 through a projected estimate for 2015.

Figure 10-5: Inland Empire’s Job Trend



Job growth in the IE for 2015 is forecasted to favor moderate and high paying jobs over low paying jobs, 61 percent to 39 percent. While this will bring an inflow of additional cash to the service area, it may not be paralleled by an increase in consumer spending. This is due to a shift towards conservative consumerism as the effects of the recent recession still linger in the minds of the hard-hit Inland Empire population. Regardless, the economic outlook for the region is bright because if job growth for 2015 continues as expected, the number of jobs created since 2011 will have surpassed the number of jobs lost as a result of the most recent recession. (Source: John Husing, April 2015 Inland Empire Quarterly Economic Report).

Table 10-2 below shows the region’s ten largest employers. The majority of the companies fall under the region’s three largest employers by industry as mentioned above: logistics; government; and educational and health services.

AREA PROFILE / DEMOGRAPHICS

Table 10-2: Ten Largest Public and Private Employers in the IEUA Service Area

Employer	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 Valley Unified School District	Chino	3,200
California Institute for Men	Chino	2,327
San Antonio Community Hospital	Upland	1,900
Chaffey Community College	Rancho Cucamonga	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

Median Income

Median annual income is estimated to be \$68,184 in the Agency's service area, \$54,090 in San Bernardino County, and \$61,094 in the State of California. Table 10-3 illustrates how the average annual incomes for the cities within the Agency's service area compare to the county and state annual average.

Table 10-3: Comparison of the Average Annual Income for the Agency's Service Area vs. the County and State Annual Average

Agency Service Area	Median Annual Income
Chino Hills	\$96,497
Chino	\$71,466
Upland	\$62,667
Montclair	\$50,220
Ontario	\$54,249
Fontana	\$64,354
Rancho Cucamonga	\$77,835
Service Area Average	\$68,184
San Bernardino County Average	\$54,090
State of California Average	\$61,094

Source: www.dof.ca.gov/research - American Community Survey (2013)

**Table 10-4: Ten Colleges and Universities Nearest to IEUA
With Over 2,000 Students Enrolled in fall 2014**

College	Total Number of Students
Mt. San Antonio College	28,481
California State Polytechnic University, Pomona	22,501
Chaffey College	19,211
Citrus College	12,920
Azusa Pacific University	10,755
Norco College	9,648
DeVry University	9,156
University of La Verne	8,796
Universal Technical Institute of California	2,466
La Sierra University	2,440

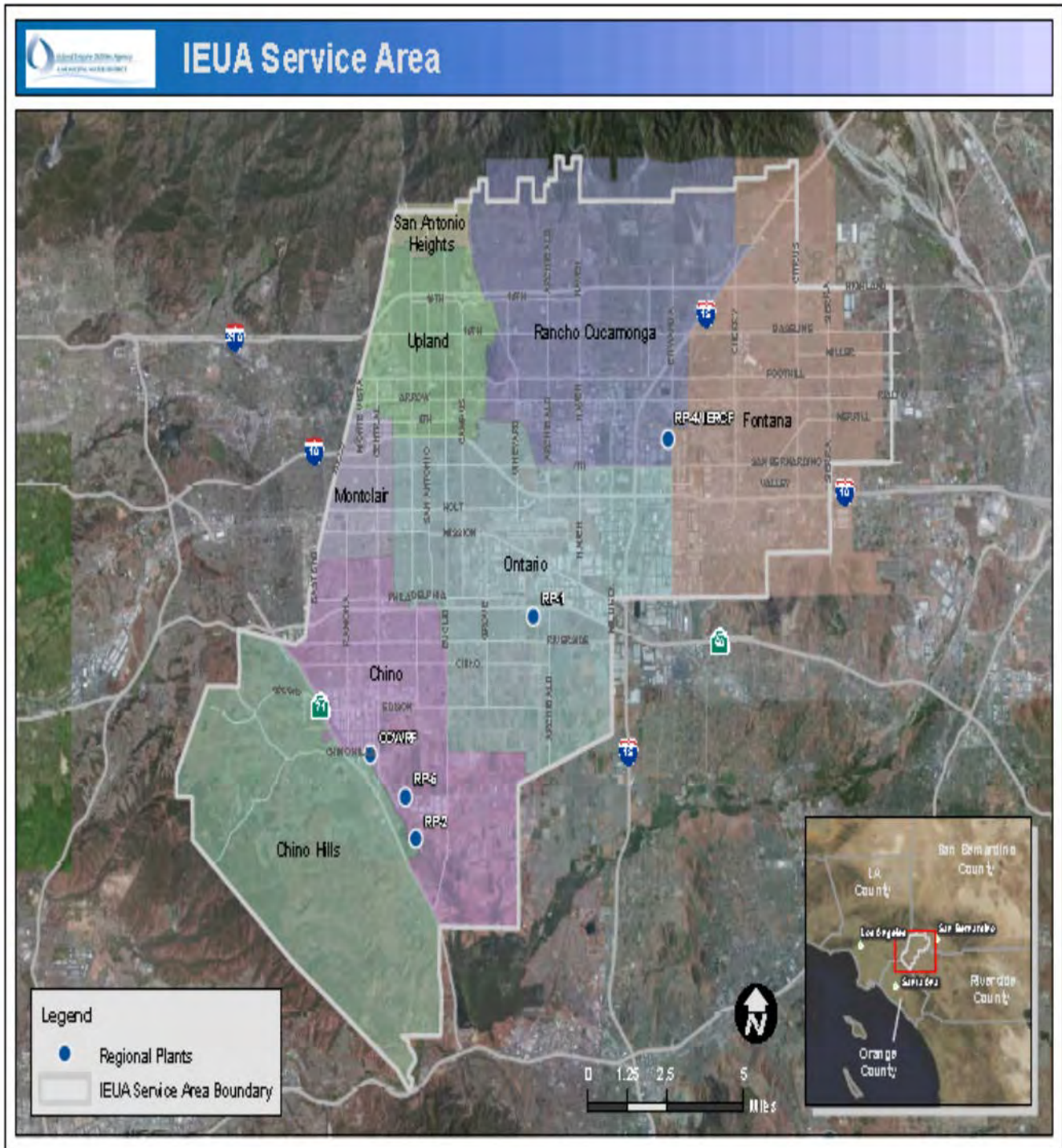
Source: National Center for Educational Statistics



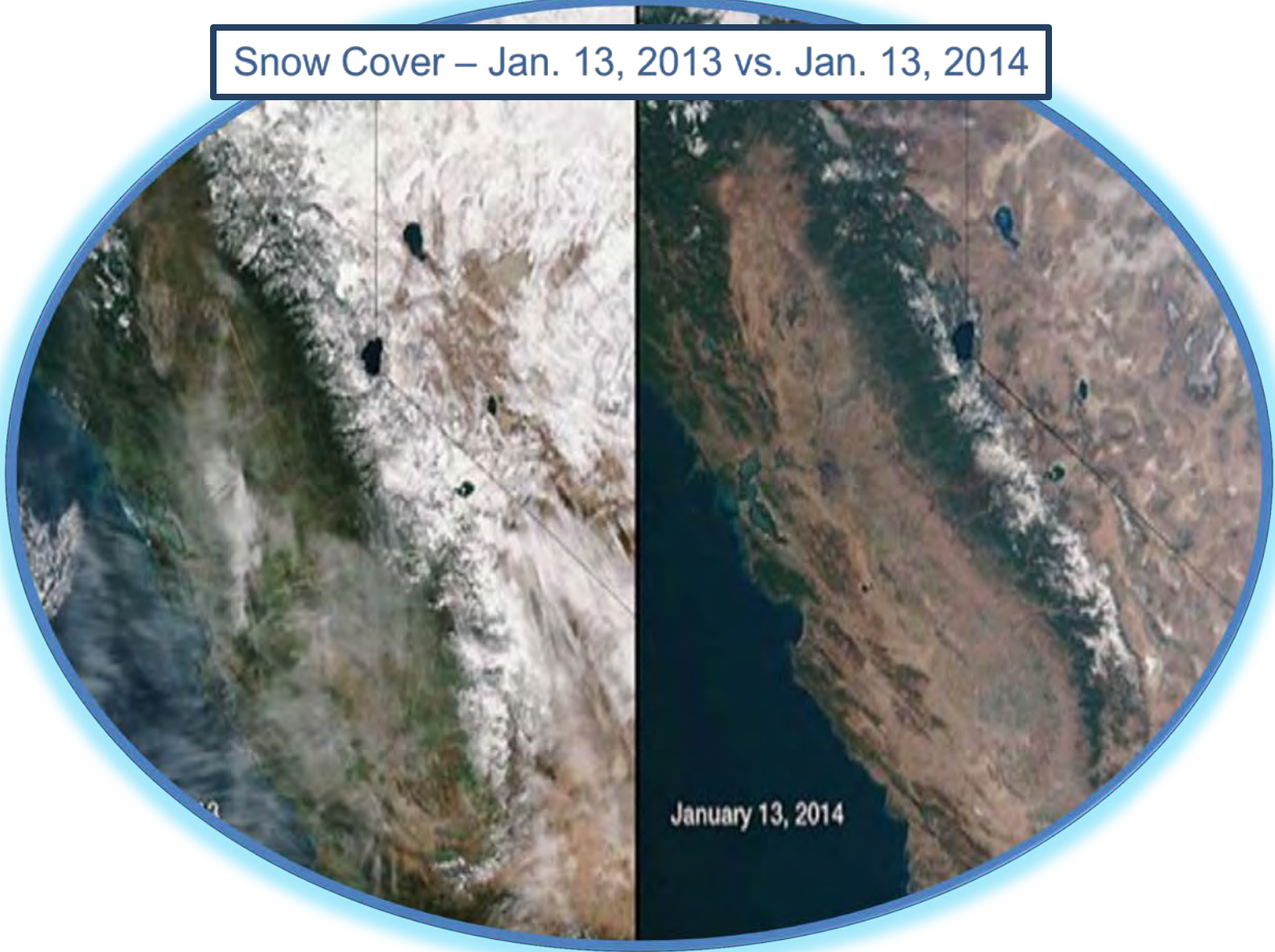
Regional Water Recycling Facility No. 4 (RP-4)
And the
Inland Empire Regional Composting Facility
(IERCF)

AREA PROFILE / DEMOGRAPHICS

IEUA – SERVICE AREA MAP



Snow Cover – Jan. 13, 2013 vs. Jan. 13, 2014



APPENDICES

APPENDICES

INLAND EMPIRE UTILITIES AGENCY FY 2015/16 and FY 2016/17 (partial) ADOPTED RATES

	IMPLEMENTED RATES FY 2014/15	ADOPTED RATES FY 2015/16	ADOPTED RATES FY 2016/17
REGIONAL WASTEWATER PROGRAM			
Regional Wastewater Connection Fee per equivalent dwelling unit (EDU)	\$5,107.00	7/1/15 - \$5,107.00 12/31/15	7/1/16 - \$5,415.00 12/31/16 1/1/17 - \$6,009.00 6/30/17
Total Volumetric (EDU) Fee per EDU per month per million gallons (MG) per EDU per month per MG	\$14.39 \$1,559.45	\$14.39 7/1/15 - 9/30/15 \$1,559.45 7/1/15 - 9/30/15 \$15.89 10/1/15-6/30/16 \$1,810.00 10/1/15-6/30/16	\$17.14 Effective 7/1/16 \$2,060.00 Effective 7/1/16
Fontana Extra-Territorial Sewer Service Charge Monthly Sewer Charge per EDU per month	\$13.09	\$13.92 10/1/15-6/30/16	Not Available
RECYCLED WATER PROGRAM			
Wholesale Rates			
Direct Sale (All Tertiary Plants)			
7/1/2015 - 9/30/2015 per MG		\$890.04 7/1/15 - 9/30/15	
10/1/2015 - 6/30/2016 per MG	\$890.04	\$1,074.27 10/1/15-6/30/16	\$1,258.44 Effective 7/1/16
7/1/2015 - 9/30/2015 per acre foot (AF)		\$290.00 7/1/15 - 9/30/15	
10/1/2015 - 6/30/2016 per AF	\$290.00	\$350.00 10/1/15-6/30/16	\$410.00 Effective 7/1/16
Groundwater Recharge Sale (All Tertiary Plants)			
7/1/2015 - 9/30/2015 per MG		\$1,028.15 7/1/15 - 9/30/15	
10/1/2015 - 6/30/2016 per MG	\$1,028.15	\$1,258.44 10/1/15-6/30/16	\$1,442.60 Effective 7/1/16
7/1/2015 - 9/30/2015 per AF		\$335.00 7/1/15 - 9/30/15	
10/1/2015 - 6/30/2016 per AF	\$335.00	\$410.00 10/1/15-6/30/16	\$470.00 Effective 7/1/16
IMPORTED (MWD) POTABLE WATER ⁽¹⁾			
Agency Surcharge added to MWD rate per AF	\$15.00	\$15.00	Not Available
Imported Water Rates (including the above surcharges)			
Full Service Untreated Water			
Tier 1 7/1/2015 - 12/31/2015 per AF	\$597.00	\$597.00	
Tier 1 1/1/2016 - 12/31/2016 per AF	\$608.00	\$609.00	
Tier 2 7/1/2015 - 12/31/2015 per AF	\$729.00	\$729.00	
Tier 2 1/1/2016 - 12/31/2016 per AF	\$750.00	\$743.00	
Ground Water Storage Program			
Replenishment Water Untreated			
7/1/2015 - 12/31/2015 per AF	No Rate Available	No Rate Available	
1/1/2016 - 12/31/2016 per AF	No Rate Available	No Rate Available	
Capacity Meter Charge per diameter inch of meter per month	\$5.00	\$5.00	
Capacity Reservation Charge			
7/1/2015 - 12/31/2015 per cubic foot per second (cfs)	\$11,100.00	\$11,100.00	
1/1/2016 - 12/31/2016 per cfs	\$8,600.00	\$10,900.00	
Industrial Connection Min. Charge per connection per month	\$1,000.00	\$1,000.00	
Retail Meter Charge per meter per month (for MWD Readiness-to-Serve Charges)	\$2.105	\$2.105	
WATER CONNECTION FEE			
Connection Fee to all potable and recycled water connections and upgrades			
		Effective Date	Effective Date Effective Date
Pipe Sizes		1/1/2016 - 6/30/16	1/1/17-6/30/17 7/1/16-12/31/16
5/8"		\$693.00	\$1,455.00 \$693.00
3/4"		\$693.00	\$1,455.00 \$693.00
1"		\$1,733.00	\$3,638.00 \$1,733.00
1.5"		\$3,465.00	\$7,275.00 \$3,465.00
2"		\$5,544.00	\$11,640.00 \$5,544.00
3"		\$12,128.00	\$25,463.00 \$12,128.00
4"		\$21,830.00	\$45,833.00 \$21,830.00
6"		\$48,510.00	\$101,850.00 \$48,510.00
8"		\$83,160.00	\$174,600.00 \$83,160.00
10"		\$103,950.00	\$218,250.00 \$103,950.00
12"		\$121,275.00	\$254,625.00 \$121,275.00



**INLAND EMPIRE UTILITIES AGENCY
FY 2015/16 ADOPTED RATES**

	IMPLEMENTED RATES FY 2014/15	ADOPTED RATES FY 2015/16	ADOPTED RATES FY 2016/17
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) ⁽²⁾			
NRWS NORTH SYSTEM - SANITATION DISTRICTS OF LOS ANGELES COUNTY(LACSD)			
Acquisition of Wastewater Discharge Right Refer to Resolution 2014-6-4 Section 1 (See Formula) Purchase Rate to discharge one NRWSCU Option- Annual Lease Rate for right to discharge one NRWSCU	\$5,000.00 <i>5% per year of the purchase rate</i>	\$5,150.00 <i>5% per year of the purchase rate</i>	Not Available
Volumetric Fee			
Direct Line Deliveries per MG	\$835.80	\$948.00	
Strength Charges			
Total Suspended Solids in excess (TSS) per 1,000 pounds (dry weight)	\$418.22	\$433.00	
Chemical Oxygen Demand (COD) per 1,000 pounds (dry weight)	\$147.84	\$210.00	
Peak Flow			
per MG	\$317.54	\$360.00	
Operations Fee			
CIP and O&M Charges per NRWSCU per month (new Agreement)	\$17.87	\$18.37	
4Ps Deferred Capital Charges per NRWSCU per month (old Agreement)	\$212.60	\$212.60	
Recycled Water Usage Credit per MG of recycled water used	\$445.02	\$400.52	
NRWS SOUTH SYSTEM - SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA)			
Initial Capacity Charge per capacity unit (CU) Purchase of Agency Capacity Rights	\$215,000.00	\$215,000.00	Not Available
Monthly Capital Improvement Program (CIP) Fee per CU	\$90.00	\$90.00	
Monthly Capacity Unit Fee per CU	\$334.43	351.17	
Volumetric Fee			
Direct Line Deliveries per MG	\$777.00	\$817.00	
Minimum Volumetric Charge <= 100,000 gallons per month per capacity unit	\$77.70	\$81.70	
Strength Charges			
Total Suspended Solids in excess (TSS) per 1,000 pounds (dry weight)	\$411.00	\$420.00	
Biochemical Oxygen Demand (BOD) per 1,000 pounds (dry weight)	\$295.00	\$301.00	
Operations Fee Non Recycled Water Users	50% of Capacity, Volumetric & Strength	50% of Capacity, Volumetric and Strength	
Recycled Water Usage Credit per MG of recycled water used	\$445.02	\$400.52	
Truck Station Deliveries			
<i>Tier Schedule</i>	<i>BOD or TSS Concentration Up to 5,000 gallon</i>		
Brine Less than 100 mg/l	\$232.92	\$237.69	
Tier 1 (Non Brine) 100 to 999 mg/l	\$257.92 /gallon	\$262.69	
Tier 2 (Non Brine) 1,000 to 2,499 mg/l	\$342.92 /gallon	\$347.69	
Tier 3 (Non Brine) 2,500 mg/l and higher	\$197.25 /gallon	\$200.69	
	\$0.652 / pound of TSS \$0.687 / pound of BOD	\$0.661/pound of TSS \$0.694/pound of BOD	

APPENDICES

INLAND EMPIRE UTILITIES AGENCY FY 2015/16 and FY 2016/17 (partial) ADOPTED RATES

	IMPLEMENTED RATES FY 2014/15	ADOPTED RATES FY 2015/16	ADOPTED RATES FY 2016/17
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽²⁾			
NRWS WASTEWATER HAULERS			
Domestic Wastewater Haulers to the Regional System:			
Initial Permit Application Fee	initial charge \$170.00	\$176.00	Not Available
Permit Renewal Fee	renewal fee \$85.00	\$88.00	
Trucked Waste Volumetric Fee	per load up to 2,000 gallons \$62.18 per load over 2,000 gallons 0.031 per 1 gal.	\$65.24 \$0.033 per 1 gal.	
Excessive Biochemical Oxygen Demand and Suspended Solids:			
Suspended Solids in excess of 379 milligrams per liter	per 1,000 lb. dry weight \$567.51 per ton	\$296.54	Not Available
Biochemical Oxygen Demand in excess of 409 milligrams per liter	per 1,000 lb. dry weight \$512.53 per ton	\$266.43	
NRWS ETIWANDA WASTEWATER LINE (EWL)			
Initial Capacity Charge	per capacity unit Purchase of Agency Capacity Rights \$215,000.00	\$215,000.00	Not Available
Monthly Capital Improvement Program (CIP) Fee	per capacity unit \$90.00	\$90.00	
Volumetric Fee	per million gallons Direct Line Deliveries \$983.44 Minimum Volumetric Charge \$98.34 <= 100,000 gallons per month per capacity unit	\$1,037.34 103.73	Not Available
Strength Charges	per 1,000 pounds (dry weight) Total Suspended Solids in excess (TSS) \$411.00 Biochemical Oxygen Demand (BOD) \$295.00	\$433.00 \$210.00	
Operations Fee	50% of Capacity, Non Recycled Water Users Volumetric & Strength	50% of Capacity, Volumetric and Strength	Not Available
Recycled Water Usage Credit	per million gallons of recycled water used \$445.02	\$400.52	



**INLAND EMPIRE UTILITIES AGENCY
FY 2015/16 and FY 2016/17 (partial) ADOPTED RATES**

	IMPLEMENTED RATES FY 2014/15	ADOPTED RATES FY 2015/16	ADOPTED RATES FY 2016/17
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽²⁾			
NRWS - ALL REGIONAL WASTEWATER SYSTEM			
Application Fees:			
Capacity Right/Capacity Option agreement per agreement	\$200.00	\$200	Not Available
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 to the Brine Line			
Categorical Industrial User	\$3,400.00	\$3,520.00	
with Combined Waste Stream Formula, add	\$850.00	\$880.00	
with Production Based Standards, add	\$425.00	\$440.00	
with Multiple Categories, add	\$1,700.00	\$1,760.00	
Non-Categorical, Significant, Industrial User	\$2,550.00	\$2,640.00	
Non-Categorical, Non-Significant Industrial User	\$2,125.00	\$2,200.00	
Wastewater Permit Renewal Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial Users	\$2,550.00	\$2,640.00	
with Combined Waste Stream Formula, add	\$425.00	\$440.00	
with Production Based Standards, add	\$213.00	\$220.00	
with Multiple Categories, add	\$850.00	\$880.00	
Non-Categorical, Significant, Industrial User	\$660.00	\$660.00	
Non-Categorical, Non-Significant Industrial User	\$425.00	\$440.00	
New Permit Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial User	\$2,125.00	\$2,200.00	
with Combined Waste Stream Formula, add	\$850.00	\$880.00	
with Production Based Standards, add	\$425.00	\$440.00	
with Multiple Categories, add	\$1,700.00	\$1,760.00	
Non-Categorical, Significant, Industrial User	\$1,275.00	\$1,320.00	
Non-Categorical, Non-Significant Industrial User	\$850.00	\$880.00	
Wastewater Permit Renewal Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial Users	\$1,700.00	\$1,760.00	
with Combined Waste Stream Formula, add	\$425.00	\$440.00	
with Production Based Standards, add	\$213.00	\$220.00	
with Multiple Categories, add	\$850.00	\$880.00	
Non-Categorical, Significant Industrial User	\$638.00	\$660.00	
Non-Categorical, Non-Significant Industrial User	\$425.00	\$440.00	
Initial Wastewater Hauler Permit Application & Permit Fees (NRWS):			
Permit Application for Wastewater Hauler	\$170.00	\$176.00	
Permit Renewal for Wastewater Hauler	\$85.00	\$88.00	
Major Permit Modification /Facility Expansion Fee			
Major Permit Modification	\$1,275.00	\$1,320.00	
Facility Expansion	\$1,275.00	\$1,320.00	
Minor Permit Modification Fees:			
Changes of Equipment Maintenance or Monitoring Requirements/Changes of Discharge L	\$595.00	\$616.00	
Business Name Change/Owner Name Change	\$170.00	\$176.00	
Change of Limits/Evaluation of Toxic Organic Management Plan Processing	No Charge	No Charge	
<i>(Refer to respective rate resolutions for details)</i>			
<i>(1) Imported Water and Water Resource program related rates for FY 2016/17 are not available as the proposed rates and structure are under review and analysis</i>			
<i>(2) FY 2016/17 NRW Rates are adopted on an annual basis based on SDLAC and SAWPA annual pass-through rates adoption</i>			

APPENDICES

RESOLUTION NO. 2015-5-3

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.

WHEREAS, this Board of Directors shall also adopt its resolution to hold a public hearing to receive public comments on the proposed 2015/16 and 2016/17 budgets 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 2015/16 and 2016/17,

Section 2: That the Board of Directors hereby fixes a time and place for hearing on said proposed budgets as follows:

Date	Time	Place
<u>June 17, 2015</u>	<u>10:00 a.m.</u>	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. 2014-4-1 is hereby rescinded in its entirety.

Resolution No. 2015-5-3
Page 2 of 3

ADOPTED this 20th day of May, 2016.



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

(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 Municipal Water Agency
By:  Date 7.16.15

APPENDICES

Resolution No. 2015-5-3
Page 3 of 3

STATE OF CALIFORNIA)
COUNTY OF)SS
SAN BERNARDINO)

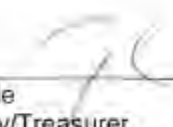
I, Steve Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-5-3 was adopted at a
regular Board Meeting on May 20, 2015 of said Agency by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin

NOES: None

ABSTAIN: None

ABSENT: None



Steve Elie
Secretary/Treasurer

(SEAL)

* A MUNICIPAL WATER DISTRICT

RESOLUTION NO. 2015-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS
BUDGET FOR FISCAL YEARS 2015/16 AND 2016/17

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 budgets for Fiscal Years 2015/16 and 2016/17, 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 17th day of June, 2015.



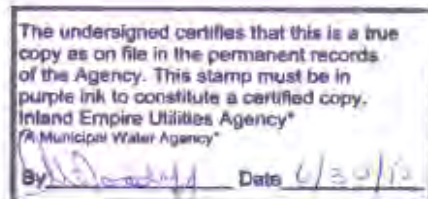
Terry Callio
President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*A Municipal Water District



APPENDICES

Resolution No. 2015-6-1
Page 2 of 2

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

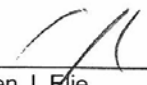
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-1 was adopted at a regular meeting on June 17, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2015-3-1

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 2015/16 THROUGH YEAR 2019/20

WHEREAS, pursuant to the Regional Sewage Service Contract, the Regional Contracting Agencies Advisory Committees have received and reviewed the Regional Wastewater Program Budget with an associated service rate for Fiscal Years 2015/16 through FY 2019/20;

WHEREAS, The Regional Advisory Committees have reviewed service rates for Fiscal Years 2015/16 through 2019/20, and recommended approval for Fiscal Years 2015/16 through FY 2016/17:

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1st of each fiscal year, excluding FY 2015/16, which will require an agreed upon effective date of October 1, 2015:

Section 1. Effective October 1, 2015, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$15.89 per equivalent service unit (EDU) per month or \$1,810.00 per million gallons.

Section 2. Effective July 1, 2016, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$17.14 per equivalent service unit (EDU) per month or \$2,060.00 per million gallons.

Section 3. Effective July 1, 2017, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$18.39 per equivalent service unit (EDU) per month or \$2,310.00 per million gallons.

Section 4. Effective July 1, 2018, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$19.59 per equivalent service unit (EDU) per month or \$2,560.00 per million gallons.

Section 5. Effective July 1, 2019, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$20.00 per equivalent service unit (EDU) per month or \$2,810.00 per million gallons.

Section 6. The provisions of the Regional Sewage Service Contract and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 7. That upon the effective date of this Resolution, Resolution No. 2012-2-2 is hereby rescinded.

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 Agency
By:  Date: 6-10-15

APPENDICES

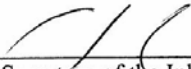
Resolution No. 2015-3-1
Page 2 of 3

ADOPTED this 18th day of March, 2015.



Terry Catlin, 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






Resolution No. 2015-3-1
Page 3 of 3

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. 2015-3-1 was adopted at a Board
Meeting on March 18, 2015, of said Agency by the following vote:

- AYES: Hall, Elie, Camacho, Koopman, Catlin
- NOES: None
- ABSTAIN: None
- ABSENT: None



Steven J. Elie, Secretary/Treasurer of
the Inland Empire Utilities Agency*
and of the Board of Directors thereof

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2015-5-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RATES COVERING THE SALE OF RECYCLED WATER TO SUPPORT FUTURE EXPANSION OF IEUA'S REGIONAL WATER SYSTEM FOR FISCAL YEAR 2015/16 THROUGH YEAR 2019/20

WHEREAS, The Regional Advisory Committees have reviewed and recommended service rates for Fiscal Years 2015/16 through 2019/20:

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. That effective October 1, 2015, 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 \$1,074.27 per million gallons or \$350.00 per acre foot.

Section 2. That effective October 1, 2015, 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 \$1,258.44 per million gallons or \$410.00 per acre foot.

Section 3. That effective July 1, 2016, 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 \$1,258.44 per million gallons or \$410.00 per acre foot.

Section 4. That effective July 1, 2016, 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 \$1,442.60 per million gallons or \$470.00 per acre foot.

Section 5. That effective July 1, 2017, 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 \$1,442.60 per million gallons or \$470.00 per acre foot.

Section 6. That effective July 1, 2017, 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 \$1,626.76 per million gallons or \$530.00 per acre foot.

Section 7. That effective July 1, 2018, 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 \$1,473.29 per million gallons or \$480.00 per acre foot.

Resolution No. 2015-5-4
Page 2 of 3

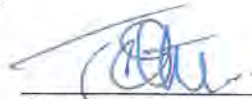
Section 8. That effective July 1, 2018, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,657.45 per million gallons or \$540.00 per acre foot.

Section 9. That effective July 1, 2019, 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 \$1,503.98 per million gallons or \$490.00 per acre foot.

Section 10. That effective July 1, 2019, 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 \$1,688.15 per million gallons or \$550.00 per acre foot.

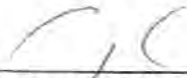
Section 11. Upon the effective date of this Resolution, Resolution No. 2012-2-4 is hereby rescinded in their entirety.

ADOPTED this 20th day of May, 2015.



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

APPENDICES

Resolution No. 2015-5-4
Page 3 of 3

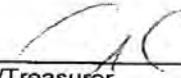
STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-5-4, was adopted at
a regular meeting on May 20, 2015, of said Agency* by the following vote:

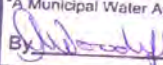
AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None

(SEAL)

* A Municipal Water District



Secretary/Treasurer

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 Agency
By  Date 5/21/15

RESOLUTION NO. 2015-5-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE REIMBURSEMENT PAYMENT FOR FISCAL YEAR 2015/16 THROUGH 2019/20.

WHEREAS, the Finance, Legal, and Administration Committee and the Board of Directors have reviewed and recommended the adjustments to the Reimbursement Payment;

WHEREAS, the financing of the Ten-Year Capital Improvement Program requires that the Reimbursement Payment will be increased to \$5,415 per Equivalent Dwelling Unit (EDU) effective January 1, 2016; and increased to \$6,009 per EDU effective January 1, 2017; and increased to \$6,309 per EDU effective July 1, 2017; and increased to \$6,624 per EDU effective July 1, 2018 and increased to \$6,955 per EDU effective July 1, 2019;

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER the following to be effective on;

Section 1. July 1, 2015 for the first six months, July through December, of Fiscal Year 2015/16 the Reimbursement Payment for the Contracting Agencies shall be \$5,107 per EDU.

Section 2. January 1, 2016 through June 31, 2016 of Fiscal Year 2015/16 and the first six months, July through December, of Fiscal Year 2016/17 the Reimbursement Payment for the Contracting Agencies shall be \$5,415 per EDU.

Section 3. January 1, 2017 for Fiscal Year 2016/17 the Reimbursement Payment for the Contracting Agencies shall be \$6,009 per EDU.

Section 4. July 1, 2017 for Fiscal Year 2017/18 the Reimbursement Payment for the Contracting Agencies shall be \$6,309 per EDU

Section 5. July 1, 2018 for Fiscal Year 2018/19 the Reimbursement Payment for the Contracting Agencies shall be \$6,624 per EDU.

Section 6. July 1, 2019 for Fiscal Year 2019/20 the Reimbursement Payment for the Contracting Agencies shall be \$6,955 per EDU.

Section 7. That the provisions of the Regional Sewage Service Contract and any amendments thereto, are hereby applicable and will remain in full force and effect.

APPENDICES

RESOLUTION NO. 2015-5-5
Page 2 of 3

Section 8. That upon the effective date of this Resolution, Resolution No. 2012-2-3 is hereby rescinded.

ADOPTED this 20th day of May, 2015



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

APPENDICES

RESOLUTION NO. 2015-5-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE WATER CONNECTION FEE FOR FISCAL YEARS 2015/16 THROUGH 2019/20

WHEREAS, modification of this policy may be included in future rate resolutions; and

WHEREAS, the Board of Directors establishes a fee from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA including, but not limited to, Metropolitan supplies, recycled water, and groundwater; and

WHEREAS, the Board of Directors has determined that each new connection is subject to fees based upon the meter size; and

WHEREAS, the Board of Directors has determined that the levy of a one-time connection fee charge be imposed on any new retail water connection or upsized connection to any water system within the Agency's service area in order to recover growth related costs incurred by the Agency and defined in Ordinance 103.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS the following to be effective, July 1, 2015:

Section 1. Customers subject to payment of water capacity charges for new connections shall pay the charges in accordance with the following table:

Fiscal Year	2015/16	2016/17		2017/18	2018/19	2019/20
Effective Date	1/1/2016	7/1/2016	1/1/2017	7/1/2017	7/1/2018	7/1/2019
5/8"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
3/4"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
1"	\$1,733	\$1,733	\$3,638	\$3,818	\$4,011	\$4,211
1.5"	\$3,465	\$3,465	\$7,275	\$7,635	\$8,020	\$8,420
2"	\$5,544	\$5,544	\$11,640	\$12,216	\$12,832	\$13,472
3"	\$12,128	\$12,128	\$25,463	\$26,723	\$28,071	\$29,471
4"	\$21,830	\$21,830	\$45,833	\$48,101	\$50,527	\$53,047
6"	\$48,510	\$48,510	\$101,850	\$106,890	\$112,280	\$117,880
8"	\$83,160	\$83,160	\$174,600	\$183,240	\$192,480	\$202,080
10"	\$103,950	\$103,950	\$218,250	\$229,050	\$240,600	\$252,600
12"	\$121,275	\$121,275	\$254,625	\$267,225	\$280,700	\$294,700



Resolution No. 2015-5-6
Page 2 of 3

ADOPTED this 20th day of May, 2015.

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

*a Municipal Water District


APPENDICES

Resolution No. 2015-5-6
Page 3 of 3

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. 2015-5-6, was adopted at a
regular meeting on May 20, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

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 Agency
By  Date 5/21/15

* A Municipal Water District



RESOLUTION NO. 2015-5-7

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 2015/16

WHEREAS, it is necessary to establish an extra-territorial monthly sewer service charge for system user whose property served is located outside the boundaries of Improvement District "C" of the Inland Empire Utilities Agency (the Agency); and

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the Agency before 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 October 1, 2015:

Section 1. That the monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2014/15 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 2014/15 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 \$13.92 per month per Equivalent Dwelling Unit (EDU).

Section 3. That upon the effective date of this Resolution, Resolution No. 2014-6-9 is hereby rescinded in its entirety.

APPENDICES

Resolution No. 2015-5-7
Page 2 of 4

ADOPTED this 20th day of May, 2015.



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


*A Municipal Water District

Resolution No. 2015-5-7
Page 3 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

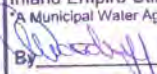
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-5-7 was adopted at a
Board Meeting on May 20, 2015, of said Agency by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



 Steven J. Elie
 Secretary/Treasurer

(SEAL)

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 Agency
 By  Date 6/8/15

* A Municipal Water District

APPENDICES

Resolution No. 2015-5-7
Page 4 of 4

AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2015/16 CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance (RO) Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2014/15. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2014/15 Agency Assessed Value -	= \$	88,849,578,698
FY 2014/15 Projected number of EDU's within Agency =		265,505 EDU per month
<i>\$88,849,578,698 divided by 266,902</i>	= \$	334,644

Annual tax obligation is calculated by:

<i>\$334,644 multiply by 0.000499</i>	= \$	166.99 per year
<i>(adjusted Agency tax rate)</i>	= \$	13.92 per month

RESOLUTION NO. 2015-5-9

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 II, Part III, Section 301(E) of Ordinance No. 103, 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 Net RTS charge, program charge and costs incurred for the Water Conservation Program, including the conservation and drought charges associated with the delivery of imported water supply and water resource development and planning activities effective July 1, 2015; 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 January 1 of each year.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** that the following to be effective July 1, 2015:

Section 1. That the rate for each active retail water meter shall be \$2.105 per meter per month.


Section 2. That upon the effective date of this Resolution, Resolution No. 2014-6-6 is hereby rescinded in its entirety.

ADOPTED this 20th day of May, 2015 .



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

*a Municipal Water District

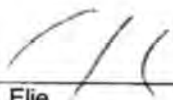
APPENDICES

Resolution No. 2015-5-9
Page 2 of 2

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. 2015-5-9, was adopted at a regular
meeting on May 20, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

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 Agency
By W. Woodley Date 5/21/15

* A Municipal Water District



RESOLUTION NO. 2015-5-10

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. 103, 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 Metropolitan Water District facilities;

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 program charge that is required to maintain sufficient appropriated reserves and to provide for the program support and operational costs associated with the delivery of imported water supplies and water resource development and planning activities; and

WHEREAS, the Board of Directors has also determined that the Agency, by written request, could be levied a supplemental per acre foot surcharge for delivered imported water to fund the cost for the Water Conservation Program which includes the Conservation and Drought Charges; 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, 2015, and January 1, 2016:

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 fifteen dollars (\$15) per acre foot, of which ten dollars (\$10) is used by the IEUA on imported water deliveries to offset program support, operation, maintenance, incentive, depreciation expenses, and debt service incurred by the IEUA, four dollars (\$4) is used to support a regional water conservation program, and one dollar (\$1) for drought programs needed to meet the reduced water supply made available to the region. 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:

7/1/2015 – 12/31/2015 (\$582 + \$15)	\$597.00 per acre foot
1/1/2016 – 12/31/2016 (\$594 + \$15)	\$609.00 per acre foot

APPENDICES

Resolution No. 2015-5-10
Page 2 of 4

- (b) FOR TIER 2 FULL SERVICE UNTREATED WATER – i.e., domestic and municipal purposes:

7/1/2015 – 12/31/2015 (\$714 + \$15)	\$729.00 per acre foot
1/1/2016 – 12/31/2016 (\$728 + \$15)	\$743.00 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.

7/1/2015 – 12/31/2015 (NO RATE AVAILABLE)
1/1/2016 – 12/31/2016 (NO RATE AVAILABLE)

- (d) METROPOLITAN WATER SUPPLY ALLOCATION PLAN (WSAP) PENALTY RATES – Reduced imported water allocations caused by the adoption of a WSAP will reduce a member agencies Tier 1 allocation pursuant to Resolution 2014-12-1. Penalty rates will be applied in accordance to Metropolitan's WSAP to IEUA and its member agencies if IEUA exceeds its imported water allocation from MWD and is invoiced by MWD for WSAP penalty rates, during FY 2015/16. Any such penalty rates shall be "passed through" to the appropriate agency that caused the imposition of a penalty rate by MWD.

Section 2. That IEUA will impose any Metropolitan rates and charges, applicable to each service connection, if invoiced by Metropolitan to IEUA during FY 2015/16.

Section 3. That additional charges will also be levied during FY 2015/16 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:

7/1/2015 – 12/31/2015	\$11,100 per cubic foot per second (cfs)
1/1/2016 – 12/31/2016	\$10,900 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 7/1/2015 through 6/30/2016.



Resolution No. 2015-5-10
Page 3 of 4

Section 6. That upon the effective date of this Resolution, Resolution No. 2014-6-5 is hereby rescinded in its entirety.

ADOPTED this 20th day of May, 2015.

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

*a Municipal Water District

RESOLUTION NO. 2015-5-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY
ANALYSES FOR FISCAL YEAR 2015/16

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, 2015, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto.


Upon the effective date of this Resolution, Resolution No. 2014-6-8 is hereby rescinded in its entirety.

ADOPTED this 20th day of May, 2015.



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

*a Municipal Water District


APPENDICES

Resolution No. 2015-5-11
Page 2 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

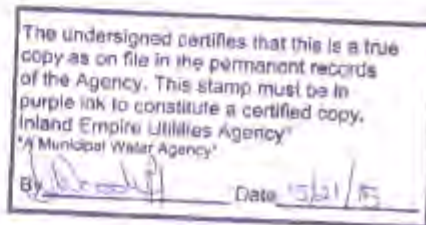
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-5-11, was adopted at
a regular meeting on May 20, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)



* A Municipal Water District

**INLAND EMPIRE UTILITIES AGENCY
LABORATORY PRICES - FY 2015/16**

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$14.30
Ammonia as Nitrogen	EPA 350.1	\$14.30
Anion Sum	SM 1050	\$2.10
BOD, Soluble	SM 5210	\$42.40
BOD, Total	SM 5210	\$37.10
Bromide	EPA 300.0	\$10.60
Cation Sum	SM 1050	\$2.10
Chloride	EPA 300.0	\$8.70
Chlorine Residual	SM 4500-Cl G	\$15.90
COD	SM 5220D	\$31.80
Color	SM 2120B	\$4.80
Conductivity	SM 2510	\$8.50
Corrosivity	SM 2330B	\$39.30
<i>If Alkalinity, Ca, EC, or pH are requested on the sample, Corrosivity cost is reduced by their respective prices.</i>		
Cyanide, Total	ASTM D7284	\$28.60
Cyanide, Free	ASTM D7237	\$26.60
Dissolved Organic Carbon	SM 5310B	\$38.10
Dissolved Organic Carbon	SM 5310C	\$31.80
Dissolved Oxygen	EPA 360.1	\$11.70
Fluoride	EPA 300.0	\$9.00
Fluoride	SM 4500-F C	\$15.90
Hardness, Total (Calculation)	EPA 200.7	\$20.50
<i>If Ca or Mg is requested on the sample, Hardness by Calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$17.50
Mercury	EPA 245.2	\$38.10
Metals Digestion (Liquid)		\$15.90
Metals Digestion (solid)		\$42.30
Metals by ICP, ea.	EPA 200.7	\$9.50
Metals by ICP/MS, ea.	EPA 200.8	\$9.50
Nitrate as Nitrogen	EPA 300.0	\$8.70
Nitrite as Nitrogen	EPA 300.0	\$8.70
Nitrogen, Organic	Various	\$68.90
Oil & Grease, Polar (FOG)	EPA1664B	\$60.40
Oil & Grease, Non-polar	EPA1664B	\$31.80
Oil & Grease, Total	EPA1664B	\$28.60
pH	SM 4500-H+ B	\$4.80
Phosphorus, Ortho	EPA 300.0	\$8.70
Phosphorus, Total	EPA 200.7	\$9.60

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$9.60
Sulfate	EPA 300.0	\$8.70
Sulfide, Dissolved	SM 4500-S D	\$21.20
Sulfide, Total	SM 4500-S D	\$17.50
Surfactants (MBAS)	SM 5540C	\$47.50
TDS	SM 2540C	\$14.30
TDS, Fixed/Volatile	SM 2540E	\$21.20
TKN	EPA 351.2	\$57.20
TOC	SM 5310B	\$31.80
TOC	SM 5310C	\$23.80
Total Solids	SM 2540B	\$10.60
TSS	SM 2540D	\$14.30
Turbidity	EPA 180.1	\$8.50
Uranium pCi/L	EPA 200.8	\$26.50
Volatile Solids	SM 2540E	\$15.90
Volatile Suspended Solids	SM 2540E	\$21.20

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Chronic	EPA 1002	\$1,050.00
Coliform, Fecal	SM 9221E	\$23.80
Coliform, Total (10 Tube)	SM 9221B	\$21.20
Coliform, Total (15 Tube)	SM 9221B	\$23.80
Heterotrophic Plate Count	SM 9215B	\$19.10

Organic Chemistry		
Test	Method	Price
Acrolein & Acrylonitrile	EPA 624	\$143.10
MTBE	EPA 524.2	\$119.20
Pesticides	EPA 608	\$233.20
Pesticides w/ PCBs	EPA 608	\$296.80
PCBs	EPA 608	\$233.20
Semi-Volatiles (Short list DW)	EPA 525	\$312.70
Semi-Volatiles (Acid Extractables)	EPA 625	\$238.50
Semi-Volatiles (Base/Neutrals)	EPA 625	\$238.50
Semi-Volatiles (BNA)	EPA 625	\$344.50
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$143.10
Thiobencarb	EPA 525	\$286.10
Volatiles, DW	EPA 524.2	\$143.10
Volatiles, WW	EPA 624	\$159.00

APPENDICES

RESOLUTION NO. 2015-5-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2015/2016.

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, 2015.

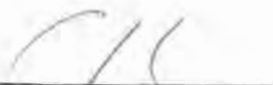
Upon the effective date of this Resolution, Resolution No. 2014-6-7 is hereby rescinded in its entirety.

ADOPTED this 20th day of May, 2015.



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

*a Municipal Water District

Resolution No. 2015-5-12
Page 2

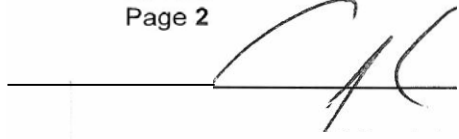


EXHIBIT 1

**INLAND EMPIRE UTILITIES AGENCY*
MAINTENANCE EQUIPMENT RENTAL RATES
FISCAL YEAR 2015/16**

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	87.67
With two operators	per hour portal-to-portal	150.28
Jetter Vactor		
With one operator	per hour portal-to-portal	80.23
With two operators	per hour portal-to-portal	142.84
Camera Van		
With one operator	per hour portal-to-portal	67.65
With two operators	per hour portal-to-portal	130.26
Gap Vactor Truck		
With one operator	per hour portal-to-portal	96.85
With two operators	per hour portal-to-portal	159.45
Safety Van		
With one operator	per hour portal-to-portal	66.12
With two operators	per hour portal-to-portal	125.80
Water Truck		
With one operator	per hour portal-to-portal	70.59
With two operators	per hour portal-to-portal	133.19

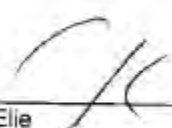
APPENDICES

Resolution No. 2015-5-12
Page 3 of 3

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. 2015-5-12 was adopted at
a regular meeting on May 20, 2015, of said Agency* by the following vote:


AYED: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



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 Municipal Water Agency*	
By: 	Date: 5-21-15

RESOLUTION NO. 2015-6-2

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 YEAR 2015/16 AND FISCAL YEAR 2016/17

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, required 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 required the Agency's approval of such budgets be evidenced by a certified copy of a Resolution of Approval filed with SAWPA.

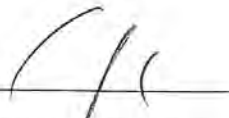
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year 2015/16 and Fiscal Year 2016/17 Budget, directs the Board Secretary/Office Manager to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$269,559 (FY 2015/16) and \$287,861 (FY 2016/17).

ADOPTED this 17th day of June, 2015.



Terry Catlin
President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

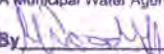
ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*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 Municipal Water Agency

By  Date 6 30 15

APPENDICES

Resolution No. 2015-6-2
Page 2 of 2

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. 2015-6-2 was adopted at a regular meeting on June 17, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2015-6-4

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 THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR 2015/16

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 Brine Line;

WHEREAS, one Agency Capacity Unit (CU) 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. 96, 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, 2015

Section 1 That the Initial Capacity Charge for the purchase of Agency Capacity Rights shall be set at \$215,000 per CU.

Section 2 That the monthly charges for discharge to the Brine Line are as follows:

(A) CAPACITY CHARGES:

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$351.17 per CU.

The monthly Capital Improvements Program (CIP) charge for Brine Line is \$90.00 per CU per month.

APPENDICES

Resolution No. 2015-6-4

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(B) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$817.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$81.70 per CU per month.

(C) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the Brine Line, via pipeline or hauled by truck, for excessive Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$301.00 per 1,000 pounds (dry weight)
TSS	\$420.00 per 1,000 pounds (dry weight)

Strength charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) AGENCY ADMINISTRATIVE CHARGES

Agency Administrative Charges of 50% shall be added to the charges of Section 2(A), 2(B), and 2(C).

(E) RECYCLED WATER USAGE CREDIT FOR BRINE LINE

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2015/16, the Recycled Water Usage Credit is \$400.52 per million gallons of recycled water used.

(F) Other Charges

Resolution No. 2015-6-4
Page 3 of 7

IEUA will pass on any other charges from SAWPA invoiced to the Agency to dischargers to the Brine Line, such as, but not limited to, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 3 For trucked discharges to the Brine Line, the wastewater discharge rate shall be based on the applicable Tiered Schedule as established by the higher concentration value for BOD or TSS. The Brine Line Tiered Rate Schedule for Trucks is shown in Table 1.

Table 1 – Brine Line Tiered Rate Schedule for Trucks

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	\$237.69	\$0.010	N/A	N/A
Tier 1 (Non-Brine)	100 to 999 mg/L	\$262.69	\$0.015	N/A	N/A
Tier 2 (Non-Brine)	1,000 to 2,499 mg/L	\$347.69	\$0.032	N/A	N/A
Tier 3 (Non-Brine)	2,500 mg/L and higher	\$200.69	\$0.0026	\$0.694 per pound of BOD	\$0.661 per pound of TSS

Section 4 That Application fees for a Capacity Right Agreement shall be: \$ 200.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Brine Line shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$ 3,520.00
with Combined Waste Stream Formula, add	\$ 880.00
with Production Based Standards, add	\$ 440.00
with Multiple Categories, add	\$ 1,760.00
Non-Categorical, Significant Industrial User	\$ 2,640.00
Non-Categorical, Non-Significant Industrial User	\$ 2,200.00

APPENDICES

Resolution No. 2015-6-4

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Permit Renewal Fees:

Categorical Industrial User	\$ 2,640.00
with Combined Waste Stream Formula, add	\$ 440.00
with Production Based Standards, add	\$ 220.00
with Multiple Categories, add	\$ 880.00
Non-Categorical, Significant Industrial User	\$ 660.00
Non-Categorical, Non-Significant Industrial User	\$ 2,640.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the Brine Line shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$ 2,200.00
with Combined Waste Stream Formula, add	\$ 880.00
with Production Based Standards, add	\$ 440.00
with Multiple Categories, add	\$ 1,760.00
Non-Categorical, Significant Industrial User	\$ 1,320.00
Non-Categorical, Non-Significant Industrial User	\$ 880.00

Permit Renewal Fees:

Categorical Industrial User	\$ 1,760.00
with Combined Waste Stream Formula, add	\$ 440.00
with Production Based Standards, add	\$ 220.00
with Multiple Categories, add	\$ 880.00
Non-Categorical, Significant Industrial User	\$ 660.00
Non-Categorical, Non-Significant Industrial User	\$ 440.00

Section 7 That initial Wastewater Hauler Permit application and Permit Renewal fees for the Brine Line shall be:

Initial Permit Application for Wastewater Hauler	\$ 176.00
Permit Renewal for Wastewater Hauler	\$ 88.00

Brine Line Liquid Waste Hauler Permit Application and Permit Renewal are processed and administered by Santa Ana Watershed Project Authority (SAWPA).

Section 8 That Permit Revision or Facility Expansion fees shall be: \$ 1,320.00

Resolution No. 2015-6-4

Page 5 of 7

Permit Revisions 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 Permit Addendum fees shall be: \$ 616.00

That for change of business name with no process changes shall be: \$ 176.00

Permit Addendum 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, Ownership Change without Process Changes, etc.

Section 10 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12 That all provisions of the Brine Line 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. 2014-06-02 pertaining to the South NRWS is hereby rescinded in its entirety.

APPENDICES

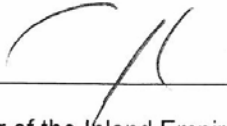
Resolution No. 2015-6-4
Page 6 of 7

ADOPTED this 17th day of June, 2015.



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

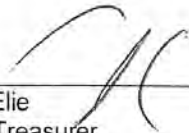
*A Municipal Water District

Resolution No. 2015-6-4
Page 7 of 7

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. 2015-06-04 as adopted at a regular Board meeting on June 17, 2015, of said Agency* by the following vote:

- AYES: Hall, Elie, Camacho, Koopman, Catlin
- NOES: None
- ABSTAIN: None
- ABSENT: None



 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 Municipal Water Agency

By Woodly Date 6/30/15

APPENDICES

RESOLUTION NO. 2015-6-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2015/2016.

WHEREAS, it is necessary to establish service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and 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 of wastewater discharge permits to 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. 97, 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, 2015:

Section 1 That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follow:

Initial Permit Application Fee	\$ 176.00
Permit Renewal Fee	\$ 88.00

Section 2 That wastewater volumetric fee for domestic and industrial wastewater hauler is as follow:

For each load up to 2,000 gallons	\$ 65.24
Loads in excess of 2,000 gallons	\$ 0.033 per one (1) gallon

Section 3 That a rate schedule effective July 1, 2015, 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>
Biochemical Oxygen Demand (BOD) in excess of 409 mg/L	\$ 266.43 per 1,000 lb (dry weight)
Suspended Solids (SS) in excess of 379 mg/L	\$ 296.54 per 1,000 lb (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 Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

**Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):**

Categorical Industrial User	\$ 3,520.00
with Combined Waste Stream Formula, add	\$ 880.00
with Production Based Standards, add	\$ 440.00
with Multiple Categories, add	\$ 1,760.00
Non-Categorical, Significant Industrial User	\$ 2,640.00
Non-Categorical, Non-Significant Industrial User	\$ 2,200.00

Permit Renewal Fees:

Categorical Industrial User	\$ 2,640.00
with Combined Waste Stream Formula, add	\$ 440.00
with Production Based Standards, add	\$ 220.00
with Multiple Categories, add	\$ 880.00
Non-Categorical, Significant Industrial User	\$ 660.00
Non-Categorical, Non-Significant Industrial User	\$ 440.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, 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	\$ 2,200.00
with Combined Waste Stream Formula, add	\$ 880.00
with Production Based Standards, add	\$ 440.00
with Multiple Categories, add	\$ 1,760.00
Non-Categorical, Significant Industrial User	\$ 1,320.00
Non-Categorical, Non-Significant Industrial User	\$ 880.00

Permit Renewal Fees:

Categorical Industrial User	\$ 1,760.00
with Combined Waste Stream Formula, add	\$ 440.00
with Production Based Standards, add	\$ 220.00
with Multiple Categories, add	\$ 880.00
Non-Categorical, Significant Industrial User	\$ 660.00
Non-Categorical, Non-Significant Industrial User	\$ 440.00

APPENDICES

Resolution No. 2015-6-5
Page 3 of 5

Section 7 That Permit Revision or Facility Expansion fees shall be: \$ 1,320.00

Permit Revisions 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, Process Changes, etc.

Section 8 That Permit Addendum fees shall be: \$ 616.00

That for change of business name or ownership only with no process changes shall be: \$ 176.00

Permit Addendum 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, Ownership Change without Process Changes, etc.

Section 9 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 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

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 adoption of this Resolution, Resolution No. 2014-6-3 is hereby rescinded in its entirety.

Resolution No. 2015-6-5
Page 4 of 5

ADOPTED this 17th day of June, 2015.



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

(SEAL)

* A Municipal Water District

APPENDICES

Resolution No. 2015-6-5
Page 5 of 5

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. 2015-6-5, was adopted at a Board
Meeting on June 17, 2015, of said Agency* by the following vote:

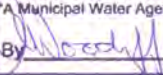
AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



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 Municipal Water Agency
By  Date 6-30-15

RESOLUTION NO. 2015-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR 2015/16

WHEREAS, NRWS *Wastewater Disposal Agreement No. 4830* (Agreement) has been adopted between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate User with Non Reclaimable Wastewater System Capacity Unit (NRWSCU), in order to collect such charges;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Solids Discrepancy at East End (SD_{EE}) monitoring facility determined by the *Fractional Solids Discrepancy (FSD_i)* formula;

WHEREAS, it is necessary to establish application fees for processing applications for NRWSCU Allocations and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s NRWS;

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. 99, 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, 2015

APPENDICES

Section 1 That the acquisition of wastewater discharge right shall be as follows:

(A) NRWSCU ACQUISITION RATES

1. A NRWSCU for the NRWS is determined by the following formula:

$$\begin{aligned} \text{NRWSCU} &= \left(0.6513 \times \frac{\text{Flow}_{gpd}}{260} \right) + \left(0.1325 \times \frac{\text{COD}_{ppd}}{1.22} \right) \\ &+ \left(0.2162 \times \frac{\text{TSS}_{ppd}}{0.59} \right) \end{aligned}$$

Where:

gpd = gallons per day
ppd = pounds per day

2. The minimum number of NRWSCU shall be 25 NRWSCU.
3. The **purchase rate** for the right to discharge one (1) NRWSCU shall be \$5,150.00 per NRWSCU.
4. The optional **annual lease rate** for the right to discharge one (1) NRWSCU shall be 5% per year of the purchase rate, i.e. \$257.50 per NRWSCU per each year.

The above charges shall be paid in full upon the execution of the NRWSCU purchase or lease.

Section 2 That the monthly charges for discharge to the NRWS are:

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is \$948.00 per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be \$360.00 per million gallons of volumetric discharge.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the NRWS. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$210.00 per 1,000 pounds (dry weight)
TSS	\$433.00 per 1,000 pounds (dry weight)

Strength charges for the NRWS discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) SOLIDS DISCREPANCY CHARGE FOR NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

$$SDC_i = (FSD_i) \times (TSD_{EE}) \times (TSS \text{ rate})$$

Individual industry's FSD_i for the NRWS is determined by the FSD_i formula to allocate the individual industry's solids contribution to the total solids discrepancy, based on their contribution to the overall loading of Alkalinity, Biological Oxygen Demand (BOD), Dissolved Calcium, and Flow.

$$FSD_i = 0.086 \times \left[\frac{Alk_i}{Alk_T} \right] + 0.541 \times \left[\frac{BOD_i}{BOD_T} \right] + 0.057 \times \left[\frac{Ca_i}{Ca_T} \right] + 0.316 \times \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

FSD_i = Fractional Solids Discrepancy for individual discharger (i)

Alk_i = Individual dissolved alkalinity loading to the NRWS for discharger (i)

Alk_T = Combined dissolved alkalinity loading from all dischargers to the NRWS

BOD_i = Individual BOD_5 loading to the NRWS for discharger (i)

BOD_T = Combined BOD_5 loading from all dischargers to the NRWS

Ca_i = Individual dissolved calcium loading to the NRWS for discharger (i)

Ca_T = Combined dissolved calcium loading from all dischargers to the NRWS

$Flow_i$ = Individual flow contribution to the NRWS from discharger (i)

$Flow_T$ = Combined flow from all dischargers to the NRWS

APPENDICES

All the CSDLAC rates include the ad valorem charges.

(E) AGENCY CIP AND O&M CHARGES

The Agency's CIP and O&M charges shall be \$18.37 per NRWSCU per month.

(F) 4R DEFERRED CAPITAL CHARGES

The deferred 4R capital charges shall be \$212.60 per NRWSCU per month as assigned per Agreement 1679.

(G) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the RW system.

For Fiscal Year 15-16, the Recycled Water Usage Credit is \$400.52 per million gallons of recycled water used.

Section 3 OTHER CHARGES

IEUA will pass on any other charges from CSDLAC 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.

Section 4 That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$ 200.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, 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
(Ownership Change with Process Changes included):**

Categorical Industrial User	\$ 3,520.00
with Combined Waste Stream Formula, add	\$ 880.00
with Production Based Standards, add	\$ 440.00
with Multiple Categories, add	\$ 1,760.00
Non-Categorical, Significant Industrial User	\$ 2,640.00
Non-Categorical, Non-Significant Industrial User	\$ 2,200.00

Permit Renewal Fees:

Categorical Industrial User	\$ 2,640.00
-----------------------------	-------------

with Combined Waste Stream Formula, add	\$ 440.00
with Production Based Standards, add	\$ 220.00
with Multiple Categories, add	\$ 880.00
Non-Categorical, Significant Industrial User	\$ 660.00
Non-Categorical, Non-Significant Industrial User	\$ 2,640.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$ 1,320.00

Permit Revisions 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, Process Changes, etc.

Section 7 That Permit Addendum fees shall be: \$ 616.00

That for change of business name with no process changes shall be: \$ 176.00

Permit Addendum 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, Ownership Change without Process Changes, etc.

Section 8 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10 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 11 That upon the effective date of this Resolution, the Resolution No. 2015-1-1 pertaining to the NRWS is hereby rescinded in its entirety.

APPENDICES


Resolution No. 2015-6-6
NRWS Rates
Page 6 of 7

ADOPTED this 17th day of June, 2015



Terry Catlin
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:



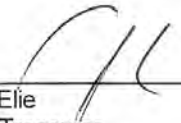
Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*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. 2015-6-6 adopted at a regular Board meeting on June 17, 2015, of said Agency* by the following vote:

- AYES: Hall, Elie, Camacho, Koopman, Catlin
- NOES: None
- ABSTAIN: None
- ABSENT: None

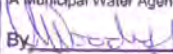


 Steven J. Elie
 Secretary/Treasurer

(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 Municipal Water Agency

By  Date 6 30 15

APPENDICES

RESOLUTION NO. 2015-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR 2015/16

WHEREAS, *Etiwanda Wastewater Line Disposal Agreement* (Agreement) was entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate industries with Etiwanda Wastewater Line Capacity Unit (EWLCU), in order to collect such charges;

WHEREAS, one EWLCU for the EWL is defined as an equalized discharge not to exceed a flow rate of 15 gallons per minute;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Agency's EWL;

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. 99, 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, 2015

Section 1 That the acquisition of capacity rights shall be as follows:

(A) CAPACITY RIGHT ACQUISITION RATE

That the purchase rate for the right to discharge one (1) EWLCU for the EWL shall be \$215,000.00 per an equalized flow rate not to exceed 15 gallons per minute. This charge shall be paid in full upon the execution of the Capacity Right Agreement.

Section 2 That the monthly charges for discharge to the EWL are as follows:

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the CSDLAC, the monthly Capacity Charge is \$0.00 per EWLCU.

The monthly Capital Improvements Program (CIP) charge for EWL is \$90.00 per month per EWLCU.

(B) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$1,037.34 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less is \$103.73 per EWLCU per month.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the EWL. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$210.00 per 1,000 pounds (dry weight)
TSS	\$433.00 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) AGENCY CIP AND O&M CHARGES

Agency CIP and O&M Charges of 50% shall be added to the charges of Section 2(A), 2(B), and 2(C).

(E) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the RW system.

For Fiscal Year 2015/16, the Recycled Water Usage Credit is \$400.52 per million gallons of recycled water used.

APPENDICES

Section 4 OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the EWL, such as, but not limited to, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 5 That Application fees for a EWL Capacity Right Agreement shall be: \$ 200.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the EWL sewer system shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$ 3,520.00
with Combined Waste Stream Formula, add	\$ 880.00
with Production Based Standards, add	\$ 440.00
with Multiple Categories, add	\$ 1,760.00
Non-Categorical, Significant Industrial User	\$ 2,640.00
Non-Categorical, Non-Significant Industrial User	\$ 2,200.00

Permit Renewal Fees:

Categorical Industrial User	\$ 2,640.00
with Combined Waste Stream Formula, add	\$ 440.00
with Production Based Standards, add	\$ 220.00
with Multiple Categories, add	\$ 880.00
Non-Categorical, Significant Industrial User	\$ 660.00
Non-Categorical, Non-Significant Industrial User	\$ 2,640.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$ 1,320.00

Permit Revisions 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, Process Changes, etc.

Section 8 That Permit Addendum fees shall be: \$ 616.00

That for change of business name with no process changes shall be: \$ 176.00

Permit Addendum 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, Ownership Change without Process Changes, etc.

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 10 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11 That all provisions of the Etiwanda Wastewater Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

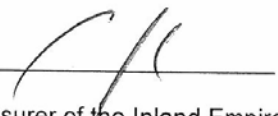
Section 12 That upon the adoption of this Resolution, the Resolution No. 2014-6-13 pertaining to the EWL is hereby rescinded in its entirety.

ADOPTED this 17th day of June, 2015



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

*A Municipal Water District

APPENDICES

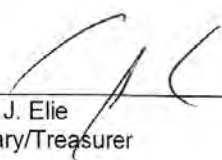
Resolution No. 2015-6-7

Page 5 of 5

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. 2015-6-7 as adopted at a regular Board meeting on May 20, 2015, of said Agency* by the following vote:


AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



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 Municipal Water Agency*	
By 	Date 6 30 15

RESOLUTION NO. 2015-6-10

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR
FISCAL YEAR 2015/16

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 2015/16 Appropriation Limits are now available.

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 Agency
By Date 6 30 15

APPENDICES

Resolution No. 2015-6-10
Page 2 of 11

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 State of 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 San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

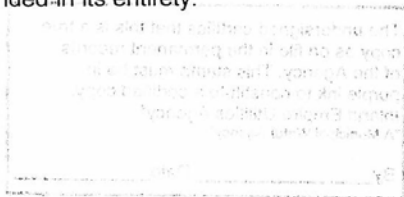
Section 3. Appropriation Limits. That pursuant to Section 7910 of the Government Code and Exhibits I through IV attached hereto and made a part hereof, the Board of Directors does hereby establish the following Appropriation Limits for Fiscal Year 2015/16:

<u>EXHIBIT</u>	<u>FUND</u>	<u>APPROPRIATION LIMITS</u>
I	Administrative Service Fund	\$18,578,137
II	Regional Wastewater Capital Improvement Fund	\$109,484,589
III	Regional Wastewater Operations and Maintenance Fund	\$25,364,177
IV	Recycled Water Fund	\$4,215,341
V	Water Resources Fund	\$1,928,336
	Total	<u>\$159,570,580</u>

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 adoption of this Resolution, Resolution No. 2014-6-10 is hereby rescinded in its entirety.



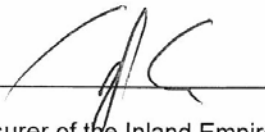
Resolution No. 2015-6-10
Page 3 of 11

Adopted this 17th day of June, 2015



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

(SEAL)

*A Municipal Water District

APPENDICES

Resolution No. 2015-6-10
Page 4 of 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. 2015-6-10, was adopted at a regular meeting on June 17, 2015, of said Agency by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
General Fund

	1978-79 Base Year	
	Proceeds of Tax	Non-Proceeds of Tax
Appropriation Revenues	\$ 475,362	\$1,964,160
Appropriation Subject to Limitation		(342,172)
		\$1,621,988*

APPROPRIATION LIMITS

Fiscal Year	At Beginning of Year	Factor #1	Factor #2	At End of Year
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%>	0.85%	15,317,335
2011-2012	15,317,335	2.51%	1.05%	15,866,669
2012-2013	15,866,669	3.77%	0.86%	16,606,373
2013-2014	16,606,373	5.12%	0.85%	17,605,080
2014-2015	17,605,080	<0.23%>	0.78%	17,701,556
2015-2016	17,701,556	3.82%	1.09%	18,578,137

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 2015.

* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

APPENDICES

Resolution No. 2015-6-10
Page 6 of 11

EXHIBIT II

APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Regional Wastewater Capital Improvement Fund (Improvement District C)

	1978-79 Base Year	
	Proceeds of Tax	Non-Proceeds of Tax
Appropriation Revenues	\$ 2,578,964	\$17,954,195
Appropriation Subject to Limitation		(8,395,597)
		\$ 9,558,698*

APPROPRIATION LIMITS

Fiscal Year	At Beginning of Year	Factor #1	Factor #2	At End of Year
1979-80	9,558,698	10.17%	5.97%	11,159,507
1980-81	11,159,507	12.11%	5.56%	15,203,570
1981-82	13,206,531	9.12%	5.50%	16,860,759
1982-83	15,203,570	6.79%	3.85%	17,803,275
1983-84	16,860,759	2.35%	3.17%	19,221,482
1984-85	17,803,275	4.74%	3.08%	20,670,183
1985-86	19,221,482	3.74%	3.66%	22,190,190
1986-87	20,670,183	2.30%	4.94%	24,051,453
1987-88	22,190,190	3.04%	5.19%	26,391,490
1988-89	24,051,453	3.93%	5.58%	29,418,004
1989-90	26,391,490	4.98%	6.18%	32,710,488
1990-91	29,418,004	4.21%	6.70%	35,924,635
1991-92	32,710,488	4.14%	5.46%	37,093,950
1992-93	35,924,635	<.64%>	3.92%	39,322,198
1993-94	37,093,950	2.72%	3.20%	40,219,167
1994-95	39,322,198	.71%	1.56%	42,799,830
1995-96	40,219,167	4.72%	1.62%	45,489,004
1996-97	42,799,830	5.21%	1.02%	47,656,192
1997-98	45,489,004	4.67%	.09%	50,120,336
1998-99	47,656,192	4.15%	.98%	53,107,938
1999-2000	50,120,336	4.53%	1.37%	56,730,335
2000-2001	53,107,938	4.91%	1.82%	62,357,043
2001-2002	56,730,335	7.82%	1.95%	66,373,962
2002-2003	62,357,043	<1.27%>	2.72%	70,277,680
2003-2004	63,237,491	2.31%	2.59%	75,815,128
2004-2005	66,373,962	3.28%	2.52%	80,472,573
2005-2006	70,277,680	5.26%	2.49%	85,592,409
2006-2007	75,815,128	3.96%	2.10%	91,839,969
2007-2008	80,472,573	4.42%	1.86%	90,268,045
2008-2009	85,592,409	4.29%	1.45%	97,864,598
2009-2010	90,558,656	0.62%	0.79%	103,750,175
2010-2011	91,839,969	<2.54%>	0.85%	104,318,726
2011-2012	90,268,045	2.51%	1.05%	109,484,589
2012-2013	93,505,378	3.77%	0.86%	
2013-2014	97,864,598	5.12%	0.85%	
2014-2015	103,750,175	<0.23%>	0.78%	
2015-2016	104,318,726	3.82%	1.09%	

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 2015.
* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

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EXHIBIT III

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>
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	7.82%	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
2012-2013	21,662,290	3.77%	0.86%	22,672,186
2013-2014	22,672,186	5.12%	0.85%	24,035,691
2014-2015	24,035,691	<0.23%>	0.78%	24,167,407
2015-2016	24,167,407	3.82%	1.09%	25,364,177

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 2015.
* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

APPENDICES

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EXHIBIT IV

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
2012-2013	3,600,115	3.77%	0.86%	3,767,952
2013-2014	3,767,952	5.12%	0.85%	3,994,557
2014-2015	3,994,557	<0.23%>	0.78%	4,016,447
2015-2016	4,016,447	3.82%	1.09%	4,215,341

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 2015.

* Details for Base Year 2008/09 data are available in FY 2008/09 Adopted Budget.

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EXHIBIT V

APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Water Resources Fund

2014-15 Base Year

	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$48,488,679
Revenues	<u>\$1,500,000</u>	<u>(46,651,329)</u>
Appropriation Subject to Limitation		<u>\$ 1,837,350*</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>
2015-2016	1,837,350	3.82%	1.09%	1,928,336

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 2015.
* Details for Base Year 2014/15 data are available in FY 2014/15 Adopted Budget.

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EXHIBIT VI

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 the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of 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 situations, 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 2015/16 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2015/16. The increase in the limit is based upon population change of 1.09% within the county and a per capita personal income change of 3.82%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2010/11	\$129,973,153	\$ 33,821,422
2011/12	\$134,634,452	\$ 32,965,008
2012/13	\$140,911,109	\$ 32,607,254
2013/14	\$149,385,503	\$ 33,351,677
2014/15	\$150,204,136	\$ 40,203,474
2015/16	\$159,570,580	\$ 41,156,629

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 2015/2016 SCHEDULE OF APPROPRIATIONS							
	ADMINISTRATIVE SERVICES	REGIONAL WASTEWATER	NON-RECLAIMABLE WASTEWATER	RECHARGE WATER	RECYLED WATER	WATER RESOURCES	AGENCY TOTAL
TOTAL EXPENSES	\$2,532,006	\$73,731,628	\$10,382,395	\$1,579,546	\$10,591,504	\$54,452,543	\$153,269,622
NET CHANGES IN - CAPITAL OUTLAY	1,770,207	23,030,860	1,337,600	1,455,000	16,292,735	0	43,886,402
DEBT SERVICE	2,017,975	13,717,519	545,124	920,403	6,230,093	31,648	23,462,762
NET OTHER (SOURCES)/USES OF FUNDS	(1,770,207)	3,547,950	(158,395)	(1,302,242)	(527,306)	(40,959)	(251,159)
SUBTOTAL OF APPROPRIATIONS	\$4,549,981	\$114,027,957	\$12,106,724	\$2,652,707	\$32,587,026	\$54,443,232	\$220,367,627
INCREASE (DECREASE) IN WORKING CAPITAL RESERVES	(1,118,185)	3,738,265	(179,724)	(363,850)	1,059,139	(1,390,919)	1,744,726
TOTAL APPROPRIATION	\$3,431,796	\$117,766,222	\$11,927,000	\$2,288,857	\$33,646,165	\$53,052,313	\$222,112,353
LESS: NON-TAX PROCEEDS	(1,639,266)	(81,959,954)	(11,927,000)	(2,288,857)	(31,588,334)	(51,552,313)	(180,955,724)
APPROPRIATION SUBJECT TO LIMITATION	\$1,792,530	\$35,806,268	\$0	\$0	\$2,057,831	\$1,500,000	\$41,156,629
APPROPRIATION LIMIT	\$18,578,137	\$134,848,766	EXEMPT	EXEMPT	\$4,215,341	\$1,928,336	\$159,570,580

☆ By resolution, the Appropriation Limit for Regional Program Funds is established as follows:

Regional Wastewater Capital Improvement	\$109,484,589
Regional Wastewater Operations and Maintenance	25,364,177
Combined Regional Wastewater Appropriation Limit	\$134,848,766



GLOSSARIES/INDEX

GLOSSARY OF GENERAL TERMS

A

ACCOUNTING PERIOD - IEUA's fiscal year is divided into four accounting periods. Each accounting period is considered to be a quarter (3 months).

ADOPTED BUDGET - The IEUA Board approves the plan for the Agency's operations, which includes an estimate of expenditures and revenues for a given fiscal year.

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 from the 1% rate and voter approved debt.

ADMINISTRATIVE SERVICES (GG) FUND - Serves as the Agency's general fund. Accounts for Agency-wide goods and services such as employment, landscaping and janitorial expense.

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) - Replacement of various software applications including financial maintenance, payroll, procurements, etc. to an integrated enterprise resource planning (ERP) system.

THE AMERICAL RECOVERY AND REINVESTMENT ACT - The American Recover and Reinvestment Act (ARRA) of 2009 is a stimulus bill that was signed into law by President Barack Obama on February 17, 2009, which will provide approximately \$787 billion of funding to both state and 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 - Chloride, Fluoride, Nitrate, Nitrite, Phosphate, and Sulfate.

ANOXIC - Meaning greatly deficient in oxygen.

GLOSSARY OF GENERAL TERMS

A

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.

ASSET MANAGEMENT – Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide IEUA with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing equipment in a cost effective manner.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – ACWA was founded in 1910, representing and providing key services to members has been ACWAs 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. ACWAs involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their constituents.

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

BIENNIAL BUDGET - the practice of preparing and adopting budgets for two-year periods.

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.

GLOSSARY OF GENERAL TERMS

B

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 indicated 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.

GLOSSARY OF GENERAL TERMS

C

CAPITAL CAPACITY REIMBURSEMENT ACCOUNT – Accounts that are established and maintained by the contracting agencies, to which connection fees are deposited or credited, pursuant to the Regional Sewage Service Contract.

CAPITAL OUTLAY – Expenditures resulting in the acquisition of or addition to 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 which 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 – Ammonia, Calcium, Magnesium, Potassium, and Sodium.

CALIFORNIA EMPLOYERS' RETIREMENT BENEFIT TRUST (CERBT) FUND - An investment portfolio, established in 2007 by CalPERS, for employers to prefund their retiree health and other post-employment benefit obligations.

CHINO BASIN – An area which is underlain by the Chino and Cucamonga groundwater basins and portions 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 is comprised 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 operates the Chino Desalter I facility, as well as grant administration 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) – A court created entity to account for and implement the management of the Chino Basin. Water rights in the Chino Basin are allotted amongst three pools of Chino Basin Water users: agricultural users (AG), industrial users (non-AG), and water municipalities (appropriative pool).

GLOSSARY OF GENERAL TERMS

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.

COMPOST – A product resulting from the decomposition and sanitation 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 usable 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 to employee wages.

CONJUNCTIVE USE – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.

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 the Cities of Chino, Chino Hills, Upland, Montclair, Ontario, Fontana, and Cucamonga Valley Water Districts as part of the Regional Sewage Service contract.

COST CONTAINMENT STRATEGY – An action plan to identify sustainable 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 – Payment of current year portion of interest and principal costs incurred on long-term debt issued by the Agency.

GLOSSARY OF GENERAL TERMS

D

DEPARTMENT – A basic organizational unit of government dealing with a specific subject. A department may be grouped into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

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 – 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) – A 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 measured as 270 gallons per day of sewage discharge pursuant to the Regional Sewage Service Contract.

EXPENSES – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charged presumed to benefit the current fiscal period.

GLOSSARY OF GENERAL TERMS

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 operation. Inland Empire Utilities Agency operates on a fiscal year from July 1, through June 30.

FISCAL CONTROL ORDINANCE – Provide a system of financial administration, accounting, and 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 is structured where the Agency enters into a receive-floating and pay-floating interest rate swap.

FULL TIME EQUIVALENT (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.

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 NET POSITION – 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 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 require supplementary information, including Management's Discussion and Analysis.

GASB 45 – This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

GASB 67 - The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GLOSSARY OF GENERAL TERMS

G

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses 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, mission, and IEUA Business Goals.

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. It 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.

GROUP POLICIES – Centrally managed set of computer-based policies used to manage computer and end user settings.

H

HAZMAT MANAGEMENT PROGRAM – A hazardous material management program that aims to ensure safety compliance.

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

INDUSTRY STANDARD DEFINITION (IDC) – Generally accepted requirements followed by the members of an industry

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA) – A joint power authority (JPA) established by IEUA and the Sanitation District of Los Angeles County (SDLAC) in February 2002 for recycling biosolids.

GLOSSARY OF GENERAL TERMS

I

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 new 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.

INTER-FUND LOAN – Loan between Agency program funds to support a shortfall in debt service, operating, and/or capital requirements, and the establishment of a promissory note between the borrower and lender, providing payment terms and a repayment timeline. This transaction requires approval by the Agency Board.

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 the 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

LEAN – A production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination.

LIABILITY – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer assets or provide service to other entities in the future as a result of a past transaction or event.

LONDON INTERBANK 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.

GLOSSARY OF GENERAL TERMS

L

LOW IMPACT DEVELOPMENT (LID) – The term is used in Canada and the United States to describe a land planning and engineering design approach to managing storm water runoff.

M

MEGAWATTS (MW) – One million watts

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.

MEU – a measurement expressed in terms of a ratio of rated meter capacity for each meter size relative to the size of a standard residential meter.

MILLION GALLONS PER DAY (MGD) – MGD is the term used to represent million gallons per day of sewage discharged to IEUA wastewater treatment facilities.

MUNICIPAL STORM WATER SEWER SYSTEM (MS4) – An MS4 is a conveyance or system of conveyance that is; Owned by a state, city, town, village, or other public entity that discharges to waters of the U.S.; Designed or used to collect or convey storm water (including storm drains, pipes, ditches, etc.); Not a combined sewer; and Not part of a Publicly Owned Treatment Works (sewage treatment plant).

N

NO DRUGS DOWN THE DRAIN (NDDD) – Program to discourage residents from flushing expired drugs.

NITRIFICATION – The process by which bacteria in soil and water oxidize ammonia 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 operation 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.

GLOSSARY OF GENERAL TERMS

O

ONE WATER ON WATERSHED PROGRAM (OWOW) – A new and innovative planning process being developed within the Santa Ana Watershed. Through collaborative strategic partnerships and buildings 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 storm water, recycled water, and imported water.

ORANGE COUNTY SANITATION DISTRICT (OCS D) – A public agency located in Fountain Valley, Orange County providing wastewater treatment services for 21 cities and 3 sanitation 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.

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.

GLOSSARY OF GENERAL TERMS

P

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.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

PUBLICLY OWNED TREATMENT WORKS (POTWs) – 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 think tank 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 designated 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.

GLOSSARY OF GENERAL TERMS

R

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 storm water, 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 connections to 50,000 acre foot per year (AFY).

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.

RECYCLED WATER PROGRAM STRATEGY (RWPS) – Developed to update the 2005 Recycled Water Implementation Plan and the 2007 Recycled Water Three Year Business Plan. The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year. This is necessary as changes in the region's water resource priorities occur and increased water efficient landscape measures are adopted.

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) formed to accelerate recycled water use in the IEUA service areas.

REDEVELOPMENT AGENCY (RDA) – A government subdivision created to improve blighted, depressed, deteriorated economically depressed areas. RDAs were officially dissolved in February 2012.

REGIONAL COMPOSTING AUTHORITY (RCA) – (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 to ensure their proper allocation and efficient use for the benefit of present and future generations.

GLOSSARY OF GENERAL TERMS

R

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.

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. Resolutions typically become effective upon their adoption by the IEUA Board of Directors.

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 the 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.

SYSTEM APPLICATION and PRODUCTS (SAP) – The Agency's Enterprise Resource Planning (ERP) system which stands for increased efficiency, streamlining the supply-chain network and overhauling the entire business process of the organization. This ERP system provides transparency that follows – real-time visibility across the entire enterprise and is not limited to management or staff.

GLOSSARY OF GENERAL TERMS

S

SANITATION DISTRICT OF LOS ANGELES COUNTY (SDLAC) – A special district created within Los Angeles County to treat residential and industrial wastewater discharge.

SANTA ANA RIVER WATERSHED ACTION TEAM CONJUNCTIVE USE PROJECT (SARCUP) – This project is to develop a watershed-scale conjunctive use program.

SERVICE AREA – The territory served by IEUA for sewage collection and treatment operations. IEUA territory covers 242 square miles, encompassing the urban west end of San Bernardino County, immediately east of the Los Angeles County line, and including the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Rancho Cucamonga.

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 percent removal efficiencies for biological oxygen demand and suspended solids.

SEWER SYSTEM MANAGEMENT PLAN (SSMP) – The plan 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).

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – This is an air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties.

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.

GLOSSARY OF GENERAL TERMS

S

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 1997 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 loans 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.

SUCCESSOR AGENCY - All redevelopment agencies in California dissolved as of February 1, 2012. AB 26 provides for so-called "successor agencies" to wind down the affairs of the dissolved redevelopment agencies. AB 26 designates the city, county or city and county that authorized the creation of the former redevelopment agency as the successor agency.

SUPERVISORY CONTROL and DATA ACQUISITION (SCADA) - Is a system operating with coded signals over communication channels so as to provide control of remote equipment (using typically one communication channel per remote station).

SWAP POLICY – A policy to establish guidelines to govern the evaluation, approval, execution, management, and monitoring of interest rate 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.

GLOSSARY OF GENERAL TERMS

T

TERTIARY TREATMENT – The treatment of wastewater beyond the secondary or biological stage. Normally implies to 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, transitional to the Recycled Water Business Plan.

TIER I/II RATES – Water supply rates charged by the Metropolitan Water District (MWD) to its customers. Tier 1 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

VADOSE ZONE – Region of earth between the land surface and the top of the water table.

VOLUMETRIC FEES – Fees charged to customers for their metered wastewater flows.

W

WATER CONNECTION FEE – A fee to connect to the IEUA regional water system comprised of potable water, recycled water, and groundwater recharge. The fee will support future expansion of the regional water system, which is comprised of potable water, recycled water, and groundwater recharge.

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 CONNECTION FEES – A fee to connect to the IEUA regional sewer system.

GLOSSARY OF GENERAL TERMS

W

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 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 integrated water resource management and regional conservation programs to increase the resiliency of existing water supplies and reduce reliance on imported water purchase.

WATER REUSE ASSOCIATION – The Water Reuse 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 EFFICIENCY PLAN (WUE) – Plan designed to supplement existing surface water and groundwater supplies.

ACRONYMS

3YBP Three Year Business Plan
4Rs Repair, Relocation, Reconstruction, and Rehabilitation

A	AB939	Assembly Bill for Material Recycling
	ABRA	Human Resources Software
	ACH	Automated Clearing House
	ACOE	Army Corps of Engineers
	ACP	Association of Compost Producers
	ACWA	Association of California Water Agencies
	AF	Acre-Feet
	AFY	Acre-Feet per Year
	AG	Agricultural
	AIM	Agency Information Management
	AMP	Asset Management Plan
	AMTA	American Membrane Technology Association
	AQMD	Air Quality Management District
	ARMA	Association of Records Managers and Administrators (now expanded to ARMA International)
	ARRA	American Recovery Rehabilitation Act
	ASA	Adaptive Security Appliance
	ASP	Aerated Static Pile
	AV	Audio/Visual
	AWWA	American Water Works Association
B	BCE	Business Case Evaluation
	BMA	Bond Market Association
	BMP	Best Management Practice
	BMPTF	Basin Monitoring Program Task Force
	BOD	Biochemical Oxygen Demand
	BPA	Blanket Purchase Agreement
	BW	Business Warehouse
C	CAFR	Comprehensive Annual Financial Report
	CaLEEP	California Local Energy Efficiency Project
	CalPERS	California Public Employees Retirement System
	CAPPO	California Associations of Public Procurement Officials
	CASA	California Association of Sanitation Districts
	CBFIP	Chino Basin Facilities Improvement Project
	CBGRMP	Chino Basin Groundwater Master Plan
	CBWCD	Chino Basin Water Conservation District

ACRONYMS

C	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 Basin Desalter Authority
	CDPH	California Department of Public Health
	CEC	California Energy Commission
	CEMS	Continuous Emission Monitoring System
	CEQA	California Environmental Quality Act
	CERBT	California Employers' Retiree Benefit Trust
	CFS	Cubic Feet per Second
	ChARM	Charge & Request Management
	CHP	Combined Heat and Power
	CIA	Cash in Advance
	CII	Commercial, Industrial, and Institutional
	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
	COS	Cost of Service
	CPE	Continuing Professional Education
	CPI	Consumer Price Index
	CPUC	California Public Utilities Commission
	CSI	California Solar Incentive
	CSMFO	California Society of Municipal Finance Officers
	CUPA	Certified Public Utilities Commission
	CUWCC	California Urban Water Conservation Council
	CWA	Clean Water Act
	CWEA	California Water Environment Association
	CWSFR	California Clean Water State Revolving Fund

ACRONYMS

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
	ECM	Electronic Content Management
	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
	EPMC	Employer Paid Member Contribution
	ERP	Enterprise Resources Planning
	ESS	Employee Self-Service
	F	FEMA
FMLA		Family Medical Leave Act
FOG		Fats, Oils, and Grease
FTE		Full Time Equivalent
FY		Fiscal Year
G	GAAP	Generally Accepted Accounting Principles
	GASB	Governmental Accounting Standards Board
	GCMS	Gas Chromatograph/Mass Spectrometer
	GFOA	Government Finance Officers Association
	GG	Administrative Services Program
	GIS	Geographic Information System
	GIES	Garden in Every School

ACRONYMS

G	GM	Grants Management
	GPCD	Gallons per Capita per Day
	GPM	Gallons per Minute
	GWR	Groundwater Recharge
	GWRMP	Groundwater Recharge Master Plan
H	H2S	Hydrogen Sulfide
	HCM	Human Capital Management
	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"
	IERCA	Inland Empire Regional Composting Authority
	IERCF	Inland Empire Regional Composting Facility
	IEUA	Inland Empire Utilities Agency
	IIA	Institute of Internal Auditors
	IPS	Intrusion Prevention System
	IRP	Integrated Resource Plan
	IRWMP	Integrated Regional Water Management Plan
	IEBL	Inland Empire Brine Line
J	JPA	Joint Powers Authority
K	KPI	Key Performance Indicators
	KSA	Knowledge, Skills, and Abilities
	KVM	Keyboard/Video/Mouse
	kWh	Kilowatt hour

ACRONYMS

L	LAN	Local Area Network
	LEED	Leadership in Energy and Environmental Design
	LF	Linear Feet
	LIBOR	London Inter-Bank Offered Rate
	LID	Low Impact Development
	LIMS	Laboratory Information Management System
	LPP	Local Projects Program
	LRP	Local Resources Program
	LRPF	Long Range Plan of Finance
	LS	Lift Station
LT	Limited Term	
M	MCC	Microbial Culture Collection
	MG	Million Gallons
	Mg/L	Milligrams per liter
	MGD	Million Gallons per Day
	MEU	Meter Equivalent Unit
	MPC	Milk Producer's Council
	MOU	Memorandum of Understanding
	MS4	Municipal Storm Water Sewer System
	MSDS	Material Safety Data Sheets
	MSS	Manager Self-Service
	MVV	Mission, Vision, and Values
	MW	Megawatts
	MWD	Metropolitan Water District of Southern California
	N	NAC
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

ACRONYMS

O	OCSD	Orange County Sanitation District
	OCWD	Orange County Water District
	OE	Office Engineering
	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	PAYGO	Pay-As-You-Go
	P&ID	Piping and Instrumentation Diagrams
	PD	Positive Displacement
	PDR	Preliminary Design Report
	PE	Perkin Elmer
	PERS	Public Employee Retirement System
	PIER	Public Interest Energy Research
	PIPES	IEUA's Intranet
	PIO	Public Information Officer
	PLCs	Programmable Logic Controllers
	PLPs	Personal Learning Plans
	PM	Plant Maintenance
	PMT	Plant Maintenance Technician
	POTWs	Publicly Owned Treatment Works
	PPA	Power Purchase Agreement
	PRV	Pressure Reducing Valve
	PS	Process Control System Migration
	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

ACRONYMS

R	REEP	Renewable Energy Efficiency Project
	RFI	Request for Information
	RFP	Request for Proposal
	RMPU	Recharge Master Plan Update
	RO	Regional Operations and Maintenance (Wastewater) Program
	ROI	Return on Investment
	RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
	RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino
	RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
	RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
	R&R	Replacement and Rehabilitation
	RRWDS	Regional Recycled Water Distribution System
	RTS	Readiness-to-Serve
	RW	Recharge Water Program
	RWBP	Recycled Water Business Plan
	RWC	Recycled Water Contribution
	RWPS	Recycled Water Program Strategy
	RWQCB	Regional Water Quality Control Board
	RWRP	Regional Water Recycling Plants
S	SAC	San Antonio Channel
	SAN	Storage Area Network
	SAP	Systems Applications and Products
	SARCUP	Santa Ana River Watershed Action Team Conjunctive Use Project
	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
	SCWC	Southern California Water Committee
	SDLAC	Sanitation Districts of Los Angeles County (formerly LACSD)
	SE	Sterling Engine
	SEIR	Subsequent Environmental Impact Report
	SIU	Significant Industrial User
	SKU	Stock Keeping Unit
	SLO	Service Level Operator

ACRONYMS

S	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	TCE	Trichloroethylene
	TDS	Total Dissolved Solids
	TEAMS	Technical Enhancement and Management Succession
	TIN	Total Inorganic Nitrogen
	TKN	Total Kjeldahl Nitrogen
	TMDL	Total Maximum Daily Load
	TMECC	Testing Methods for Evaluating Compost and Compost Products
	TMP	Technology Master Plan
	TO	Wastewater Program – Tertiary Operations & Maintenance
	TOC	Total Organic Carbon
	TP	Tertiary Plant
	TSS	Total Suspended Solids
	TWAS	Thickened Waste Activated Sludge
	TYCIP	Ten Year Capital Improvement Plan
	TYRA	Ten Year Rolling Average
U	UA	Unauthorized Activities
	ULFT	Ultra Low-Flush Toilets
	UPC	Unit Production Cost
	UPCP	Unit Process Control Procedure
	UPS	Uninterruptible Power Supply
	USACE	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

ACRONYMS

W	WaterReuse	Water Reuse – the use of treated wastewater or reclaimed water for beneficial purposes such as irrigation
	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
	WRCWRA	Western Riverside County Regional Wastewater Authority
	WS	Workstation
	WSAP	Water Supply Allocation Plan
	WUE	Water Use Efficiency
	WW	Water Resources Program
Y	YCF	Youth Correctional Facility

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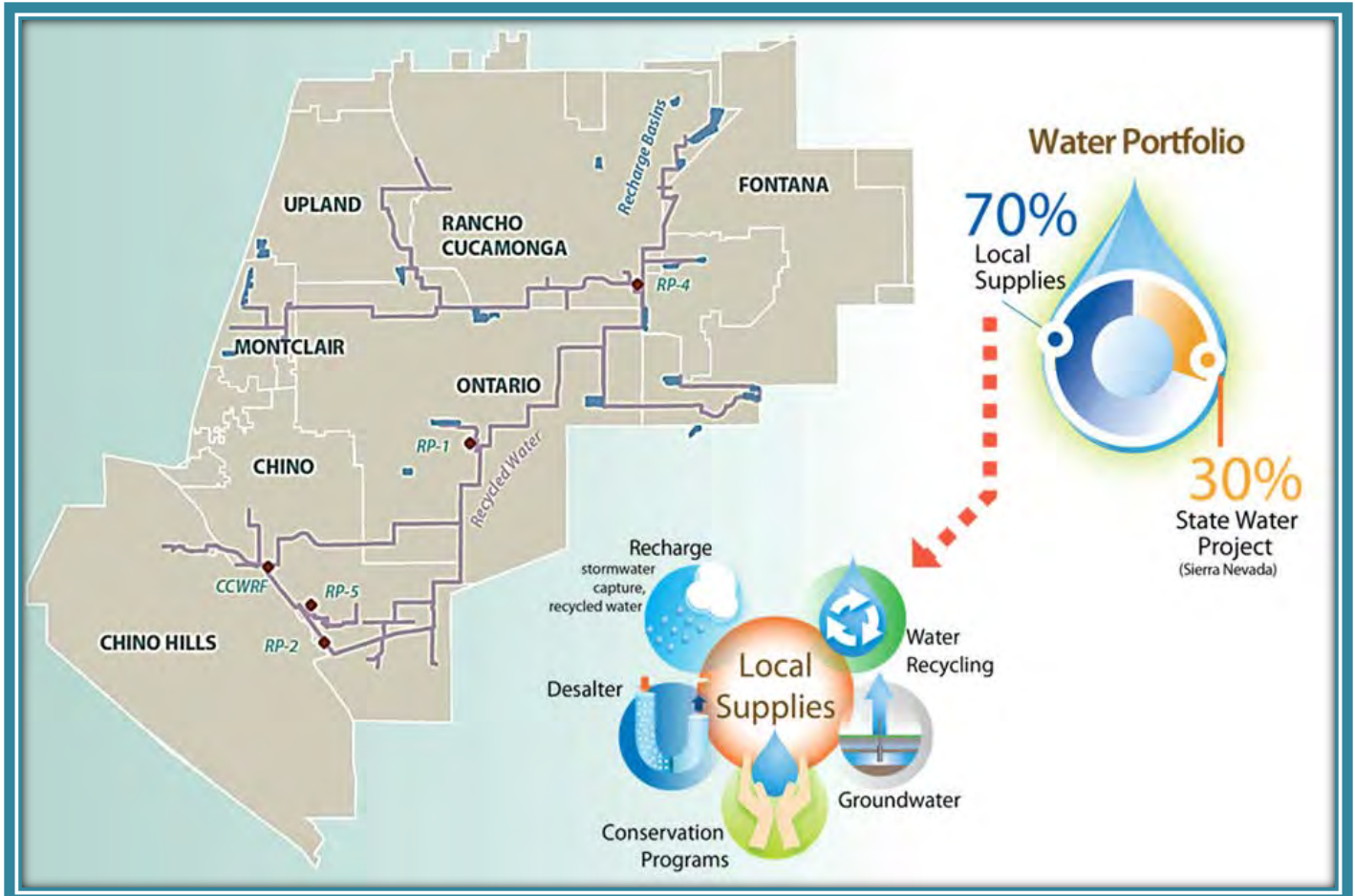
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