



Special Regional Sewerage Program Policy Committee Meeting

AGENDA

Wednesday, November 4, 2015

**Immediately following the
Joint IEUA Board and Regional Policy Committee Workshop at 10:00 am**

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91710

Wednesday, November 4, 2015

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

- 1. Technical Committee Report – Ryan Shaw (Oral)**
- 2. Approval of Minutes**
 - A. Minutes of August 5, 2015 Joint IEUA Board and Policy Committee Workshop
- 3. Action Items**
 - A. Recycled Water Policy Principles (Written)
- 4. Informational Items**

None.
- 5. Receive and File**
 - A. Building Activity Report (YTD)
 - B. Recycled Water Operations Summary
 - C. Annual Water Use Report (Written/PowerPoint)
 - D. Ten-Year Growth Forecast (PowerPoint)
 - E. Conservation Program Update (PowerPoint)
 - F. Energy Management Plan
 - G. 4th Quarter Budget Variance

6. Other Business

Special Regional Sewerage Program Policy Committee Meeting Agenda
November 4, 2015
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- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – December 3, 2015

7. Adjournment

DECLARATION OF POSTING

I, Melinda J. Temblador, Administrative Coordinator of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Monday, November 2, 2015.



Melinda J. Temblador

**APPROVAL OF
MINUTES**

2A



**MINUTES FOR THE
SPECIAL JOINT WORKSHOP OF THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS
AND THE REGIONAL POLICY COMMITTEE**

**WEDNESDAY, AUGUST 5, 2015
10:00 A.M.**

IEUA DIRECTORS PRESENT

Terry Catlin, President
Michael Camacho, Vice President
Jasmin A. Hall, Director

IEUA DIRECTORS ABSENT

Steven J. Elie, Secretary/Treasurer
Gene Koopman, Director

REGIONAL POLICY COMMITTEE MEMBERS PRESENT

Jim Bowman, City of Ontario
Earl Elrod, City of Chino
Trisha Martinez, City of Montclair
Debbie Stone, City of Upland
Jim Curatalo, Cucamonga Valley Water District
Jesse Sandoval, City of Fontana

REGIONAL POLICY COMMITTEE MEMBERS ABSENT

Peter Rogers, City of Chino Hills
Paul Eaton, City of Montclair
Kathy Tiegs, Cucamonga Valley Water District

MONTE VISTA WATER DISTRICT DIRECTOR PRESENT

Sandra Rose, Monte Vista Water District

STAFF PRESENT

Mark Kinsey, Monte Vista Water District
Josh Swift, Fontana Water Company
Cris Fealy, Fontana Water Company
Mark Wiley, City of Chino Hills
Steve Nix, City of Chino Hills
Braden Yu, Cucamonga Valley Water District

John Bosler, Cucamonga Valley Water District
Nicole deMoet, Monte Vista Water District
Harrison Nguyen, City of Upland
Tony Mata, City of Fontana
Ryan Shaw, City of Ontario
Christina Valencia, IEUA
Chris Berch, IEUA
P. Joseph Grindstaff, IEUA
Martha Davis, IEUA
Sylvie Lee, IEUA
Jean Cihigoyenetché, IEUA
April Woodruff, IEUA
Jill Kiefer, IEUA

CALL TO ORDER

A Special Joint Workshop was held on Thursday, August 5, 2015, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Policy Committee Chairman, Jim Bowman, called the meeting to order at 10:02 a.m.

PLEDGE OF ALLEGIANCE

Committee Member Earl Elrod/City of Chino led those present in the Pledge of Allegiance.

PUBLIC COMMENTS

None.

INTEGRATED WATER RESOURCES PLAN (IRP)- Overview

Martha Davis, Executive Manager of Policy Development/Assistant General Manager of IEUA, gave an overview of the development of the Integrated Water Resources Plan (IRP). She began by reviewing the regional water planning within the Chino Basin over the last few decades. Compared with other regions in the state, our region has been better prepared than most for the current drought. Since 2000, our region has invested over 0.5 billion dollars in water infrastructure, with around 40% from outside funding (state and federal grants). Our region has increased the amount of water available by 80,000 acre-feet and reduced dependence on imported water.

Ms. Davis continued with a discussion addressing challenges to our region. This is the most serious drought in California since we became a state. She stated that we have to rethink water supply planning for the future, i.e. population growth, water supply, and resiliency. California also has the Executive Order from the Governor for a 25% mandatory conservation standard, an allocation from MWD, and new conservation requirements are transitioning into permanent requirements. In May of this year, there was zero snow pack which directly impacts imported water supplies. California has had two droughts and two MWD allocations within the first 15 years of this century. El Nino may or may not bring relief depending on the jet stream.

Ms. Davis addressed the following key topics:

Key Regional Water Management Challenges

Regionally, our challenges include maintaining or enhancing safe yield in the groundwater basin, due to loss of natural filtration. The State Water Project has increased in salinity level from 341 to 500 mg per liter. July storms provided some recharge for the groundwater basin, but not as much as anticipated due to dry ground absorbing rain rather than it flowing into the basin. There is also the potential for catastrophic interruption (earthquakes).

The IRP looks at planning both in terms of how much water the region needs, and what it means to manage our local water supplies in the context of day-to-day challenges.

How Much Water Will We Need in 2040

Indoor usage is shrinking due to the efficiency of appliances, and outdoor use is shrinking due to more efficient landscaping, dense urban design, and smaller lawns. All of this results in reduced flow to wastewater treatment plants.

Econometric Model/Projections

The econometric model shows the biggest influence on demand is the type of urban development and outdoor landscaping.

Future Demands/Supplies

Our region has a wealth of resources; we're looking into groundwater conjunctive use projects along Santa Ana River, and expansion of our recycled water program. We are also looking at different ways to bring more water from other sources. Interties are important for sharing water. More conservation is required to meet future demands. Change in rate structures may be helpful.

Projection for Regional Baseline

This is a conservative projection/draft using averages from last five years. Our region is in good shape, but we need to understand the variables coming at us and optimize our resources so that we're able to go through extended periods of drought/challenges and make sure we have reliable water supplies. The IRP will be looking at worst case scenarios and stress testing both demands and supplies. Ms. Davis then turned over the podium to Ms. Sylvie Lee.

INTEGRATED WATER RESOURCES PLAN (IRP) GOALS

Sylvie Lee, Manager of Planning and Environmental Resources at IEUA, addressed the Board and Committee with an in-depth look at the IRP. She stated that the purpose of this IRP is to have a resilient plan for the next 25 years, which can adapt to unforeseen changing conditions and resources. The "Deliverable" would be to have a portfolio of water management projects to be implemented in five-year increments.

Ms. Lee stated that the purpose of this workshop is to present the plan and receive feedback from the Board and Committee.

Continuing with the presentation, Ms. Lee addressed the following four goals of the IRP:

1. Resilience – adaptability to multiple changing conditions.

2. Water Efficiency – Meet or exceed regulations. Based on projections, there could be a potential 60,000 acre-foot buffer of supply vs. demand.
3. Sustainability – How we use our water now should not adversely affect future generations' water supply.
4. Cost Effectiveness – We have been successful with grants, and a regional plan would place us in a good position to maximize funding opportunities, such as through Proposition 1.

IRP PROCESS

Ms. Lee provided an overview of the IRP process, stating that we are at the halfway point in this process. The next step is to work with member agencies to develop regional portfolios which will be a combination of projects including groundwater, recycled water, water storage, and stormwater plans in order to meet projected water demands for the year 2040.

Ms. Lee stated that, following the regional portfolio development, Rand Corporation will conduct resiliency testing to determine points of failure against unforeseen conditions. We will reconvene with the Board and Policy Committee in October or November to present the results and evaluate how well our goals have been met.

Following Ms. Lee's presentation, Chairman Jim Bowman opened the floor for comments, beginning by expressing his appreciation for the partnership between the agencies.

Ms. Sandra Rose, Board President of Monte Vista Water District, asked about the Rand study, and how the needs of each individual agency will be addressed. She also asked what information Rand will be gathering and how they will gather it. Ms. Lee responded that the IRP is structured on a regional basis, and planning is done at the highest level for that region. Ms. Davis stated that the issue of whether or not to build a plan from the bottom up has been addressed by staff, and the agency has invested in the regional approach, although the plan can include agency review in the next steps.

Policy Committee Member Earl Elrod, Council Member with the City of Chino, inquired about future rates and what cutting back 25% will do to IEUA's bottom line. Mr. P. Joseph Grindstaff, General Manager of IEUA, responded that most of the Agency's revenues associated with water are fixed and not variable. Those who sell the water will feel a much larger impact.

Ms. Rose asked about the timeline and the fact that we are already in August. She asked if it's realistic to stick to this timeline. Ms. Lee responded that there is time to include additional project in the plan.

Mr. Mark Kinsey, General Manager of Monte Vista Water District, addressed the committee from the audience, stating that each agency has different needs. Not every agency may feel the need to participate if they are in good shape, particularly in regard to water reduction. Mr. Grindstaff stated that the plan can be looked at individually, but some of it is going to have to happen on a project-by-project basis. He referenced the Memorandum of Understanding with Monte Vista and the City of Pomona and its focus on one specific project that benefits Monte Vista Water District, Pomona, and the region.

Chairman Bowman addressed the issue of each member agency have specific needs, but there must be a collective buy-in. The components can be refined, but the key elements have to be made as part of the global view.

Another joint workshop will be held in November to present and discuss results of the regional portfolios.

Chairman Bowman expressed his appreciation for the staff.

ADJOURNMENT – The Special Workshop meeting was adjourned at 10:56 a.m.


Steven J. Elie, Secretary/Treasurer

APPROVED: SEPTEMBER 16, 2015

**ACTION
ITEM**

3A



Date: November 4, 2015
To: Regional Policy Committee
From: Inland Empire Utilities Agency 
Subject: Recycled Water Policy Principles

RECOMMENDATION

It is requested that the Regional Policy Committee provide comments and recommendations on the Recycled Water Policy Principles for IEUA Board consideration and approval.

BACKGROUND

The Inland Empire Utilities Agency (IEUA) and its contracting agencies have developed a successful regional Recycled Water Program for both direct use and groundwater recharge. In 2000, the region identified that recycled water use was a critical component in drought-proofing and maintaining its economic growth. With imported water rates increasing and long-term imported supply reliability in decline, the region committed to aggressively and proactively develop local water supplies to offset these impacts. This set the path for the development of a regional recycled water distribution system.

While the foundational commitment to beneficial reuse of recycled water has remained unchanged, some fundamental concepts have been questioned over the past few years. This has resulted in the region working together to develop Recycled Water Policy Principles to address the changes since the inception of the program. The region's goal to maximize the beneficial use of recycled water has not changed. However, the commitment to connect additional recycled water users has stagnated over the past few years. At this time, several contracting agencies are struggling with the inherent conflict between use in excess of "base entitlement" (as defined by the Regional Sewage Service Contract) and the prioritization of direct use over groundwater recharge. The struggle has led some contracting agencies to be concerned about their local benefit and perceived inequities.

In order to move forward together as a region, it is appropriate to reevaluate and affirm the regional Recycled Water (RW) Policy Principles prior to implementing any remaining significant system improvements to the Recycled Water Program and to clarify how these principles will govern the future benefits received by all IEUA contracting agencies.

IEUA has been meeting with the contracting agencies for the last few years to develop modifications to the foundational principles. Subsequent to the Regional Technical Committee Meeting in September, the agencies collectively met at a workshop on October 13, 2015 to finalize recommendations on the RW Policy Principles.

The proposed RW Policy Principles resulting from these discussions are summarized below and provided in the attachment in detail.

Recycled Water Policy Principles

1. Maximize the beneficial use of recycled water to enhance local water resource availability and reduce reliance on imported water for the benefit of the region/contracting agencies.

1. Continue the development of the Regional Recycled Water infrastructure by providing equitable access for the contracting agencies to achieve reuse of 50,000 AF/year by 2025.
2. Pursue the long term acquisition of recycled water from out of service area sources to supplement the regional supply.
3. Pursue the long term transfer of recycled water from IEUA service area in exchange for supplemental water supply.

2. Promote efficient application and use of recycled water as a reliable and fundamental component of drought-proofing the IEUA service area.

1. Ensure efficient use of recycled water at the point of use, consistent with rules and expectations of responsible potable water use and laws governing the use of recycled water.

3. The regional recycled water entitlement will be based on the following:

1. Contracting agency entitlement based on wastewater contribution, future external supplies and any acquisition of another contracting agency's unused entitlement.
 - i. This entitlement may be used for Santa Ana River discharge obligations, direct use and /or regional recharge.
2. Contracting agency use above entitlement, as described in 3.1, will require replacement water (ie. Stored water, supplemental water, surcharge, acquisition of another contracting agency's unused entitlement, etc...) be passed on to contracting agencies with surplus entitlement, with the exception of the below in 2.ii.
 - i. This entitlement may be used for Santa Ana River discharge obligations, direct use or regional recharge.

- ii. *If a contracting agency's current direct use exceeds entitlement, current direct use may be grandfathered temporarily or phased in until the agency reaches entitlement as defined in section 3.1. Groundwater recharge allocations will be curtailed for the agency and redistributed to the other agencies under entitlement during that temporary period. Any new connections that require additional supplies above an agency's entitlement and the current grandfathered amount will require external supplies or acquisition of another contracting agency's unused entitlement. ****

4. The regional recycled water system will be operated based on the following priorities for recycled water deliveries:

- 1. Minimal operational discharges (instrumentation, environmental obligations, etc.)
- 2. Contracting agency deliveries
- 3. Regional groundwater recharge

5. Meet peak recycled water direct demands through coordinated demand management of recycled water deliveries.

- 1. Large users will have pressure sustaining valves to ensure that overall regional demands are reliably met.

6. Maintain a financially viable recycled water program with rates that incentivize use of all available recycled water and that provides funding to achieve full cost-of-service for the recycled water program.

- 1. Set recycled water rates that cover the full cost of Operations & Maintenance (O&M) and Rehabilitation & Replacement (R&R) for the system.

7. Maximize the use of recycled water capital investments made by IEUA and its contracting agencies with recycled water use within the region.

- 1. Contracting agencies shall substantially fulfill prior recycled water connection commitments for all existing infrastructure.
- 2. Firm contracting agency commitments for recycled water use will drive new regional investments.
- 3. Expand regional system to maximize groundwater recharge opportunities.

*** Item still under discussion with the Regional Technical Committee

RECYCLED WATER POLICY PRINCIPLES

Introduction

The Inland Empire Utilities Agency (IEUA) and its contracting agencies have developed a successful regional Recycled Water Program for both direct use and groundwater recharge. As the Program continues to advance, it is important to summarize and update the history, operating philosophies, and policy principles on which the Program was founded.

In 2000, the region identified that recycled water use was a critical component in drought-proofing and maintaining its economic growth. With imported water rates increasing and long-term imported supply reliability in decline, the region committed to aggressively and proactively develop local water supplies to offset these impacts. This set the path for the development of a regional recycled water distribution system and a Recycled Water Implementation Plan.

The use of recycled water presented several advantages to the region: it is one of the most significant and underutilized sources of local water supply; it is reliable during drought and climate change conditions; and it requires significantly less energy than imported water to deliver to customers thus reduces greenhouse gas emissions. The development of recycled water is the cornerstone of a larger regional initiative to improve water supply reliability through enhanced local supplies. IEUA, in partnership with its contracting agencies and Chino Basin Watermaster (CBWM), invested over \$600 million over the last fifteen years in water recycling, conservation, recharge improvements, the MWD groundwater storage and recovery project, the Chino Desalter, and other water management programs. These programs collectively reduce the region's need for imported water especially during drought or conditions when imported water supplies are not available. In addition to the region switching large potable water users to recycled water, IEUA and CBWM obtained a landmark permit in 2005 for groundwater recharge using IEUA's high-quality recycled water.

By 2007, Southern California was experiencing one of its driest years with the potential for entering an extended drought period. The State of California subsequently made water recycling an important element of California's water supply policy and adopted a statewide goal of achieving 1,000,000 acre-feet (AF) of reuse by 2010. In response, in November 2007 IEUA and its contracting agencies unanimously adopted and committed to implement the Three Year Recycled Water Business Plan which laid out a focused and cost-effective approach to rapidly expand the availability and use of recycled water within IEUA's service area.

By 2014, over \$250 million has been invested into the implementation of a robust Recycled Water Program. The region has achieved Program success by leveraging heavily on grant funding and loans. With unanimous regional support, annual recycled water use grew from approximately 5,000 AF in FY 04/05 to over 38,500 AF in FY 13/14. Critical to the economical and efficient operation of the system, each contracting agency made commitments to complete initiatives with the goal to increase direct reuse within their service areas. While some contracting agencies accomplished or far exceeded their local goals, some contracting agencies have not been able to fully achieve their original commitments.

The region's goal to maximize the beneficial use of recycled water has not changed. However, the commitment to connect additional recycled water users has stagnated over the past few years. At this time, several contracting agencies are struggling with the inherent conflict between use in excess of "base entitlement" (as defined by the Regional Sewage Service Contract) and the prioritization of direct use over groundwater recharge. The struggle has led some contracting agencies to be concerned about their local benefit and perceived inequities.

In order to move forward together as a region, it is appropriate that we reevaluate and affirm the regional Recycled Water Policy Principles, in order to guide the updates to the Regional Sewer Service Contract, prior to implementing any remaining significant system improvements to the Recycled Water Program and to clarify how these principles will govern the future benefits received by all IEUA contracting agencies.

Draft Recycled Water Policy Principles

These principles are not binding. These principles are intended to be a framework for the development of regional contract amendment. Implementation schedule and details of these principles will be further developed and included with the regional contract amendment addressing recycled water.

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2. Firm contracting agency commitments for recycled water use will drive new regional investments.
3. Expand regional system to maximize groundwater recharge opportunities.

*** Item still under discussion with the Regional Technical Committee

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Building Activity Report - YTD Fiscal Year 2015/16



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

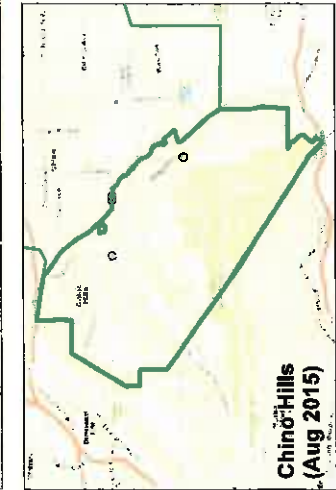
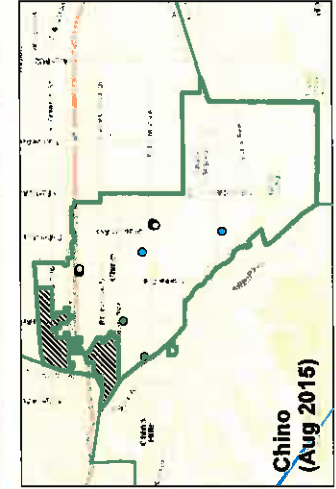
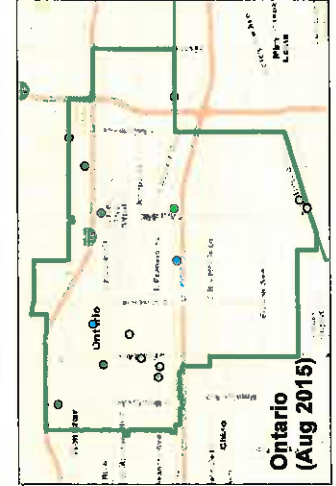
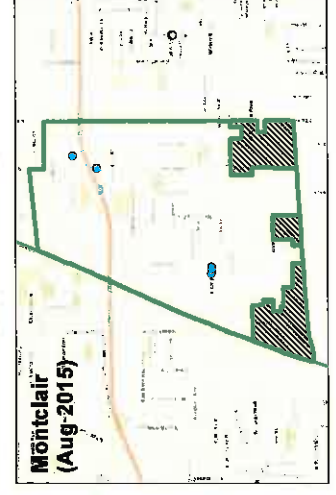
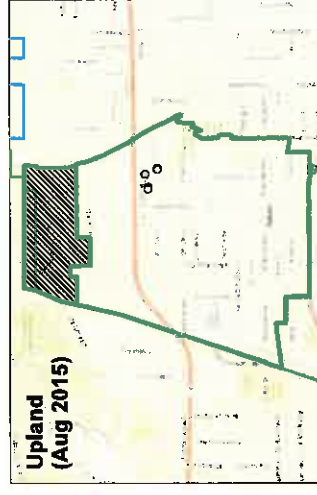
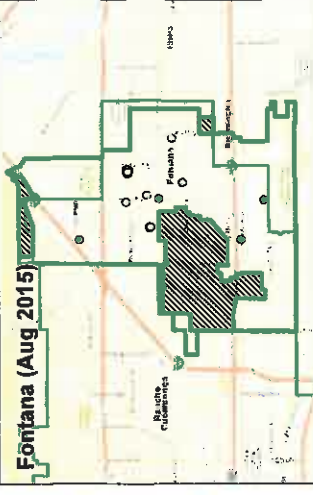
- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDU)
	Residential (EDU)	Commercial (EDU)	Industrial (EDU)	
Chino	61	10	0	71
Chino Hills	17	40	0	57
CVWD	0	2	0	2
Fontana	105	14	1	120
Montclair	12	7	0	19
Ontario	28	14	14	56
Upland	85	3	0	88
Total	308	91	15	413



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IEUA RECYCLED WATER DISTRIBUTION – SEPTEMBER 2015

TOTAL ALL PLANTS

Influent: 52.6 MGD
 RW Supply: 47.5 MGD
Delivered: 34.1 MGD
 Percent Delivered: 72%

RP-4

Influent: 10.5 MGD
 RW Supply: 9.9 MGD
Delivered: 9.5 MGD
 Percent Delivered: 96%

RP-1

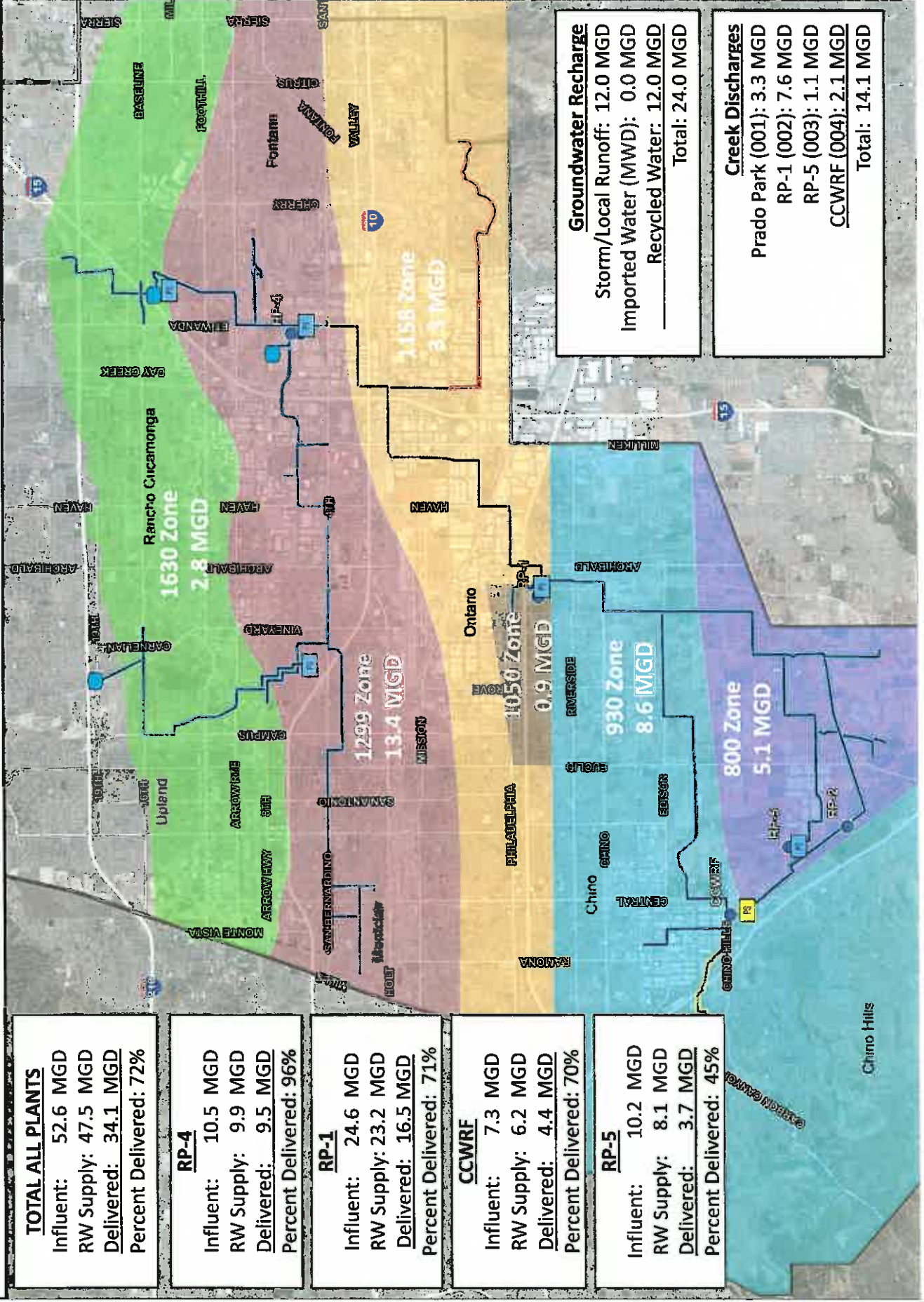
Influent: 24.6 MGD
 RW Supply: 23.2 MGD
Delivered: 16.5 MGD
 Percent Delivered: 71%

CCWRF

Influent: 7.3 MGD
 RW Supply: 6.2 MGD
Delivered: 4.4 MGD
 Percent Delivered: 70%

RP-5

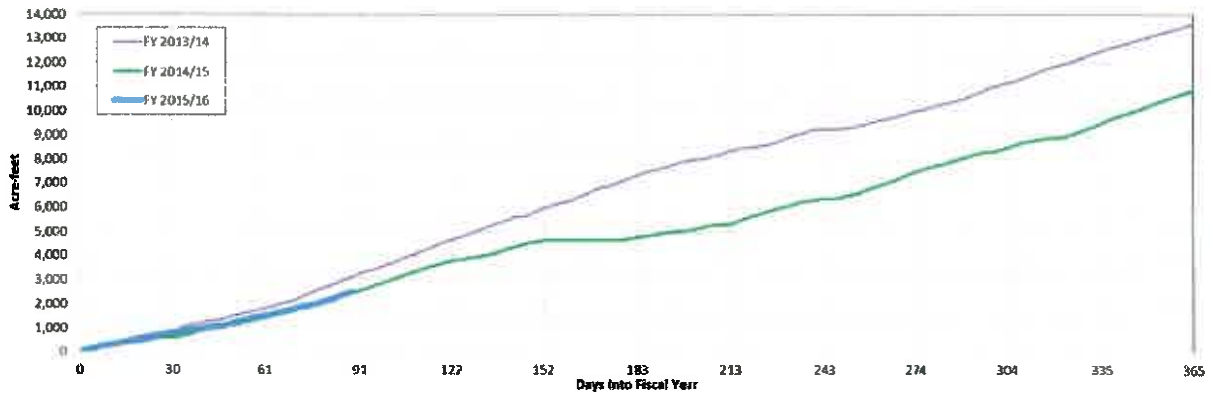
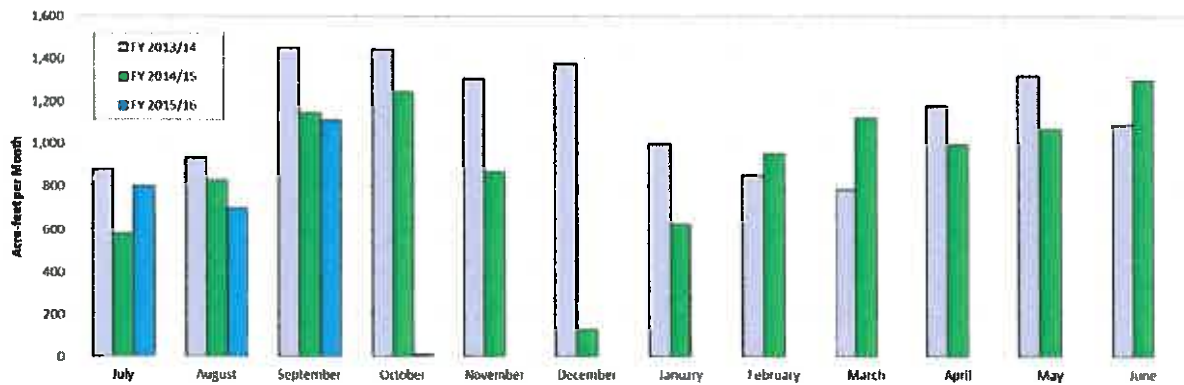
Influent: 10.2 MGD
 RW Supply: 8.1 MGD
Delivered: 3.7 MGD
 Percent Delivered: 45%



Recycled Water Recharge Actuals / Plan - September 2015 (Acre-Feet)

Deliveries are draft until reported as final.


Basin	9/1-9/9	9/10-9/16	9/17-9/23	9/24-9/30	Month Actual	Month Plan	FY To Date Actual	
Ely	0.0	0.0	19.2	11.7	30.9	150	134	On as peak demand allows
Banana	97.2	95.3	91.9	91.1	375.4	100	585	On 7 cfs, as peak demands allow
Hickory	0.1	0.1	0.1	0.1	0.3	150	95	Off until Hickory FMM fixed
Turner 1 & 2	0.0	7.9	67.3	69.3	144.5	150	444	On 4 cfs, as peak demands allow
Turner 3 & 4	36.4	6.4	0.0	7.7	50.5	0		On 4 cfs, as basin levels allow
8th Street	30.0	13.2	0.0	19.8	63.0	0	86	Maintenance on 8th, some flows to 7th
Brooks	0.0	0.0	0.0	0.0	0.0	200	92	Off to dry for maintenance in September through Oct.
RP3	83.4	59.7	116.6	47.5	307.2	250	726	Wineville pipeline on at 10 cfs
Declez	0.0	0.0	0.0	0.0	0.0	0	0	Waiting on submittal of SUP
Victoria	49.9	27.9	7.9	49.9	135.6	100	440	On 5 cfs, as peak demands allow
San Sevalne	0.0	0.0	0.0	0.0	0.0	0	0	Off for midge fly management
Total	296.9	210.6	302.9	297.0	1,107.4	1,100	2,602	2,544 AF, Previous FY End of Month Actual



RECEIVE AND
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5C



Date: October 29, 2015/November 4, 2015
To: Regional Committees
From: Inland Empire Utilities Agency 
Subject: Annual Water Use Report

RECOMMENDATION

This is an information item for the Regional Committees to review.

BACKGROUND

The item was presented as an informational item at the IEUA Board of Directors meeting on October 14, 2015.



Date: October 14, 2015

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager

Chris Berch
Executive Manager of Engineering/Assistant General Manager

Submitted by: Sylvie Lee
Manager of Planning & Environmental Compliance

Subject: Annual Water Use Report for Fiscal Year 2014/15

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

Inland Empire Utilities Agency (IEUA) staff monitors and compiles water use data from each of its retail agencies in the IEUA's service area to track overall water demands and sources of supply. Each year, this data is compiled into an Annual Water Use Report. Data includes monthly water use (by each member agency and by source of supply), a five-year history of water use, and retail agency water usage as a percentage of the total water used in the service area.

In FY 2014/15, Southern California experienced its third year of drought, with over half of the state experiencing "exceptional drought" conditions. Due to the prolonged drought featuring record high temperatures and low rainfall, Governor Brown declared a drought State of Emergency in January 2015 and directed state officials to take all necessary actions to prepare for water shortages.

In May 2015, this was followed by the State Water Board adopting emergency regulations requiring an immediate 25% reduction in residential potable use which went into effect on April 1. The regulation used a sliding scale based on gallons per capita per day and requires monthly reporting from retail agencies to compare monthly usage to 2013 data. Since FY 2013/14 the service area has reduced residential potable water use by 10% (excludes CDA and RW). Per the executive order the Department of Water Resources (DWR) also convened an independent technical panel to review and update the statewide Model Water Efficient Landscape Ordinance (MWELO) with the goal of reducing water used for outdoor irrigation for existing and new construction.

Overall water consumption within the IEUA's service area decreased 11% (~24,217 AF) since FY 2013/14. Chino Desalter Authority (CDA) production decreased slightly by ~250 AF and direct use recycled water decreased by ~1,700 AF.

IEUA anticipates a trend of declining usage as a response to the drought in California. Although development is anticipated to continue and growth may rebound at the end of the drought, long-term demands are not expected to greatly increase. This analysis came from demand modeling conducted as part of IEUA's 2015 Integrated Resources Plan (IRP) which found that new developments in the region tends to be more water efficient due to changes in the plumbing code, higher density developments with less landscaping, and compliance with the existing model landscape ordinance requirements set forth in AB1881.

In addition, aggressive efforts are being made to diversify and maximize local resource development, expand water use efficiency programs, and assist interested member agencies with the development of budget based rate structures. These efforts have better prepared the service area to cope with future dry years and increase regional resiliency in the face of climate change.

Below is a summary and update on the region's major water supply efforts and programs:

- IEUA and its member agencies have continued work on IRP to adopt an overall strategy for developing water supplies and meeting projected demands within the IEUA service area in a cost-effective manner. The plan developed an updated demand model based on new regional development trends of high density, efficient indoor devices, and low outdoor water use plants per state legislation. IRP completion is anticipated for winter 2015.
- The 2015 Water Use Efficiency Business Plan is under development, which will be completed by winter 2015.
- IEUA completed the 2015 Recycled Water Program Strategy, which will further implement the Recycled Water Business Plan to expand its connected demand and maximize recycled water deliveries for both direct use and groundwater recharge. In FY 2014/15 member agency direct recycled water use was 20,515 AF.
- IEUA and its member agencies are continuing to work towards completing the Phase III expansion of the Chino Desalters, which will increase capacity from 24,600 AFY to 40,000 AFY. In FY 2014/15, the Chino Desalters production yielded approximately 14,500 AF.
- IEUA and its member agencies continue to implement the water use efficiency programs outlined in the long term Regional Water Use Efficiency Business Plan completed in September 2010. This document serves as the blueprint for the Agency's existing regional programs while providing the guidance for developing new cost-effective initiatives. The plan is also being updated as part of the IRP process. Future conservation targets are anticipated to be much more aggressive as

a result of the IRP. In FY 2014/15, the regional water use efficiency programs doubled savings from FY 2013/14 reaching a record high of approximately 1,033 AF, and an estimated lifetime savings of 8,852 AF.

Development of the Annual Water Report is consistent with the IEUA business goal of *Water Reliability*, namely tracking of water usage to support planning for the development of new water supplies, recycled water and groundwater recharge.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

Attachment: FY 2014/15 Annual Water Use Report

FY 14/15 Annual Water Use

October 2015

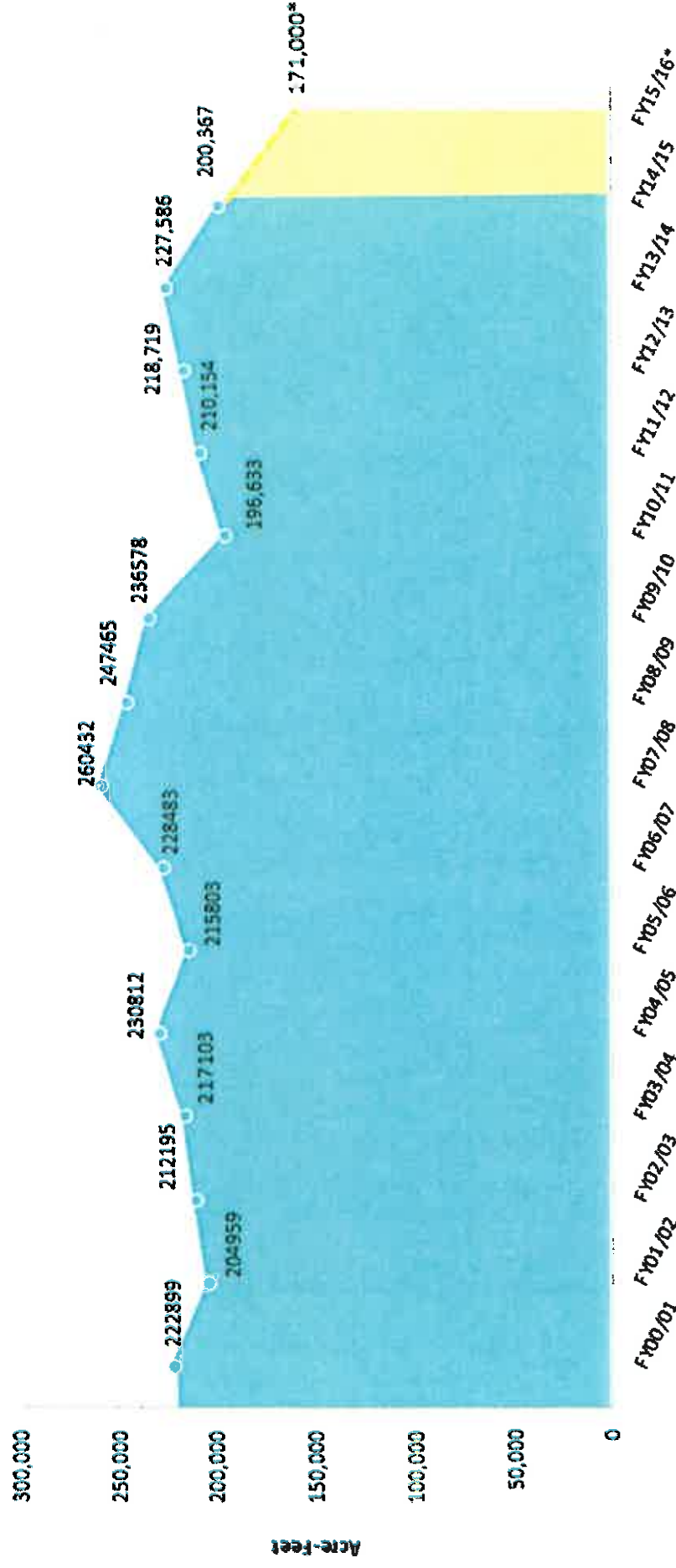


Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

IEUA Member Agency

Overall Total Water Use Trend

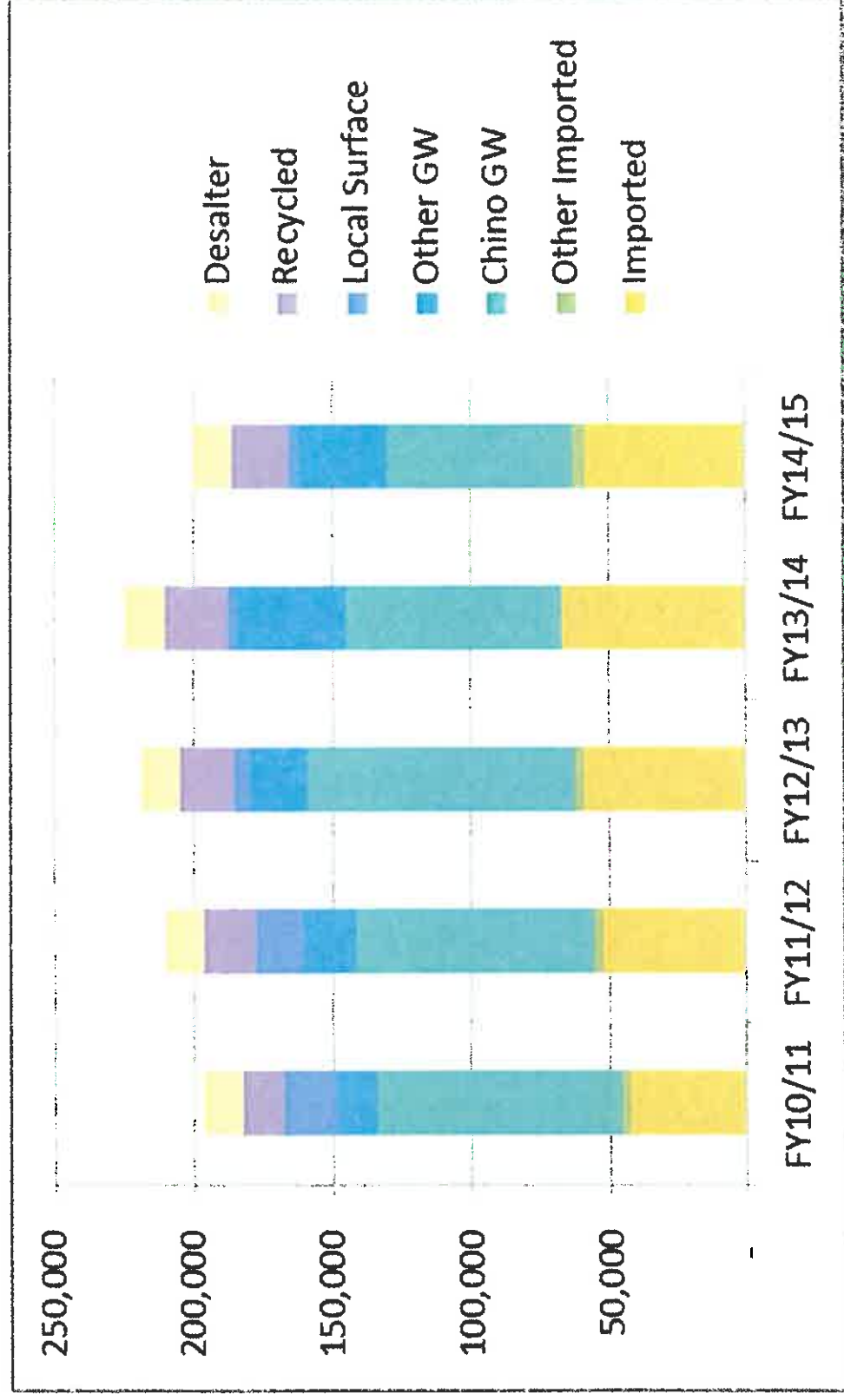


*projection for FY 15/16 based on 25% reduction from FY13/14

Note: Total Water Use Data includes imported water, surface water, groundwater, recycled and desalter production. Excludes IEUA groundwater recharge

IEUA Member Agency

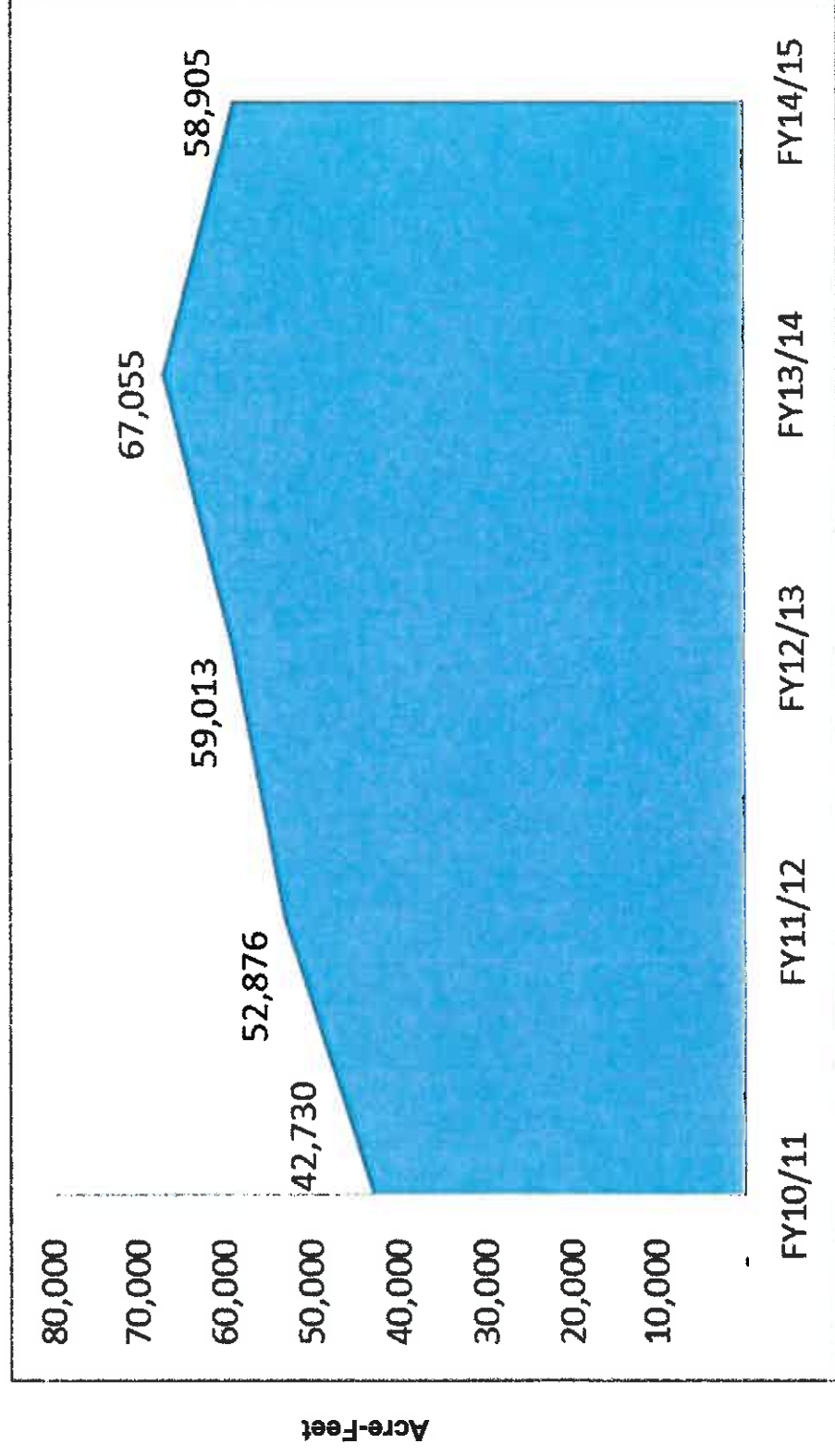
Water Use Trend By Source



*Water purchased from other companies (such as SAWCo or WECWC) that do not get their water from MWD.

IEUA Member Agency

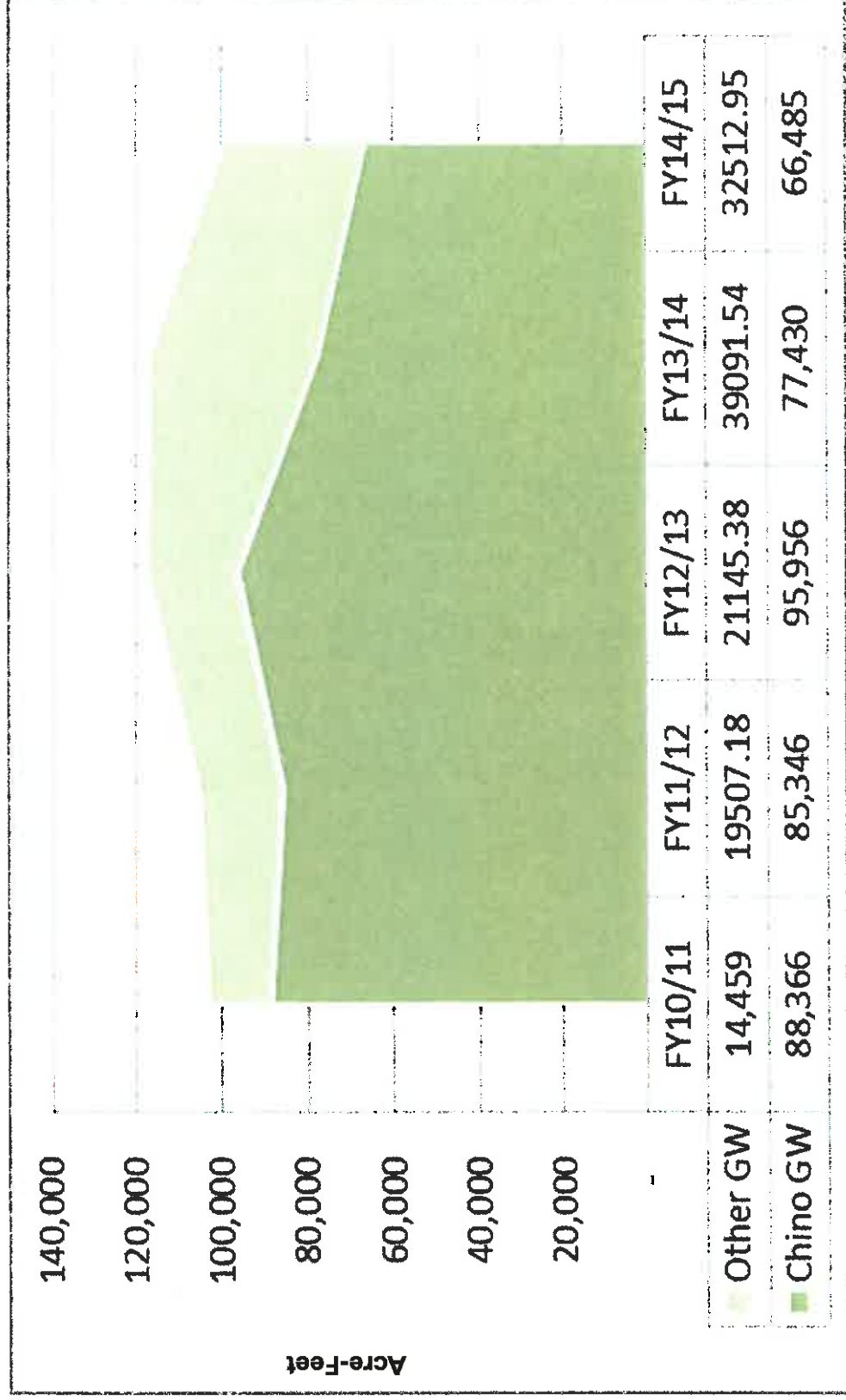
MWD Imported Water Use Trend



Note: based on MWD imported water invoice records

IEUA Member Agency

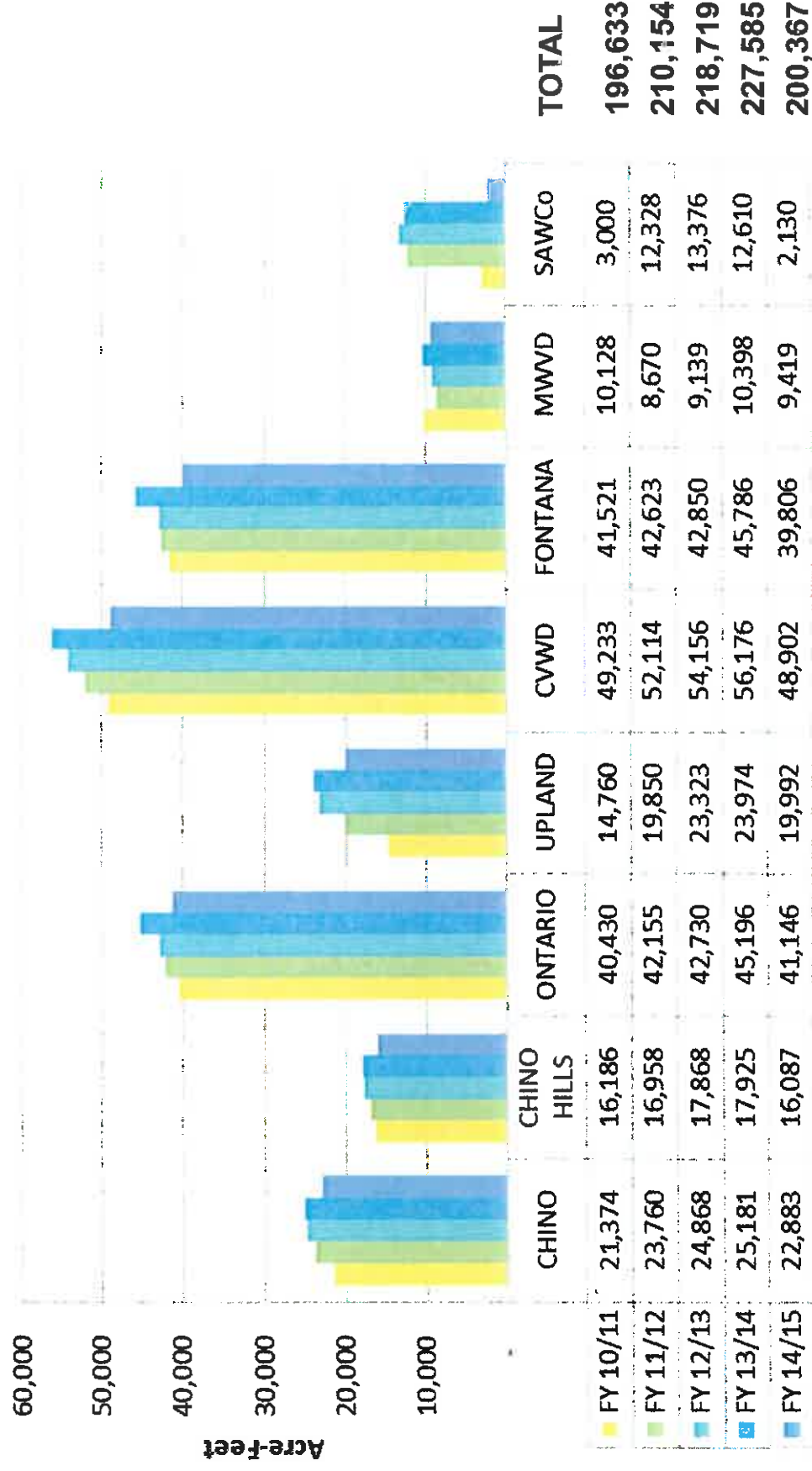
Chino Basin Groundwater Use Trend



Note: Other GW includes Cucamonga Basin and 6 Basin as reported from Member Agencies

IEUA Member Agency

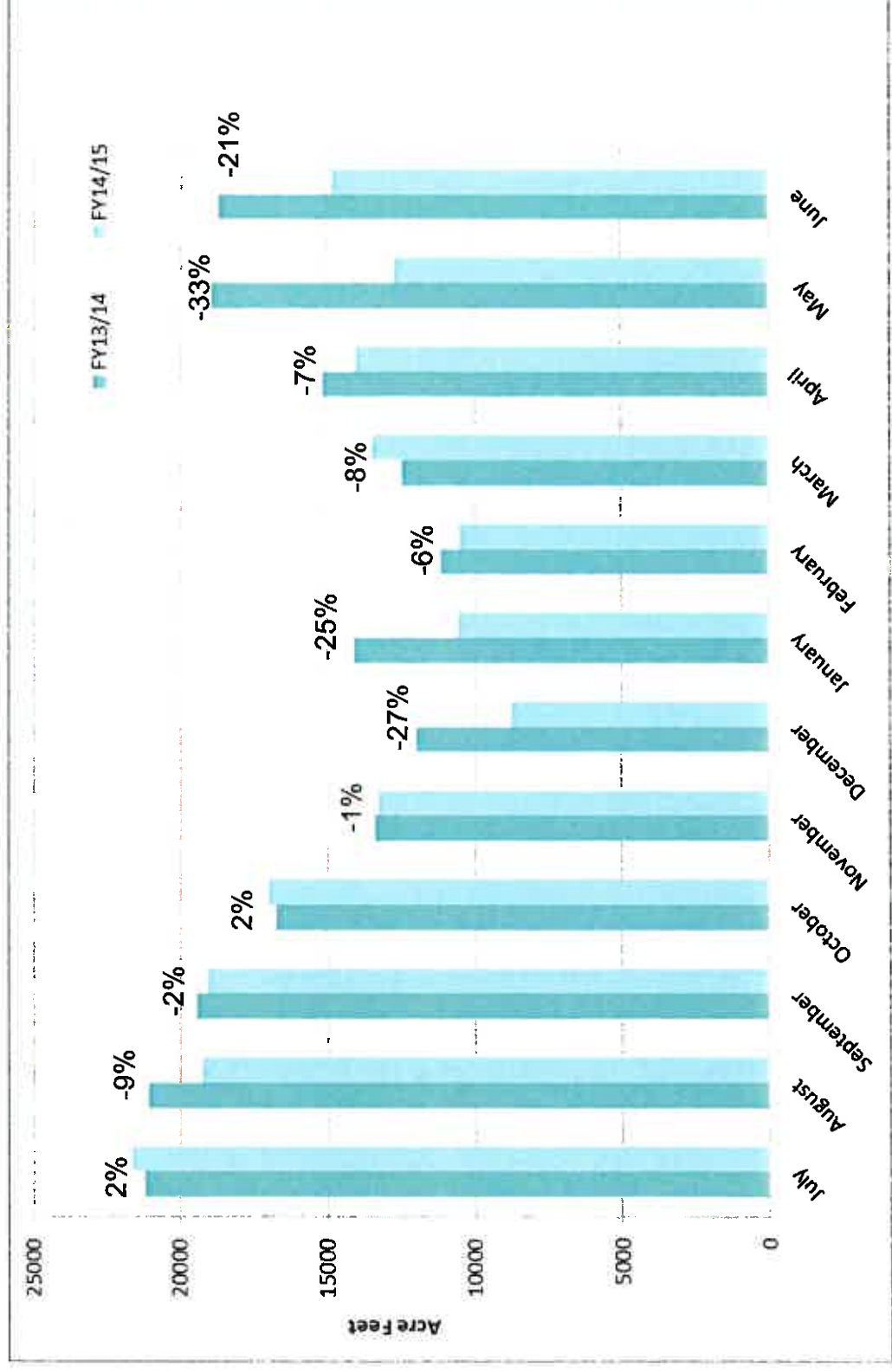
5-Year Historical Water Use



**MVWD wholesale deliveries included in Chino Hills data*

***historically, SAWCo wholesale deliveries included in Upland data*

FY14/15 Monthly Tracking to Meet Governor's 25% Reduction



Questions

Consistent with Agency's Business Goal of Water Reliability, namely tracking of water usage to support planning for the development of new water supplies, recycled water and groundwater recharge

Annual Water Use Report for IEUA Service Area

FY 2014-2015

Retail Agency Water Use and Five Year History

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Preface

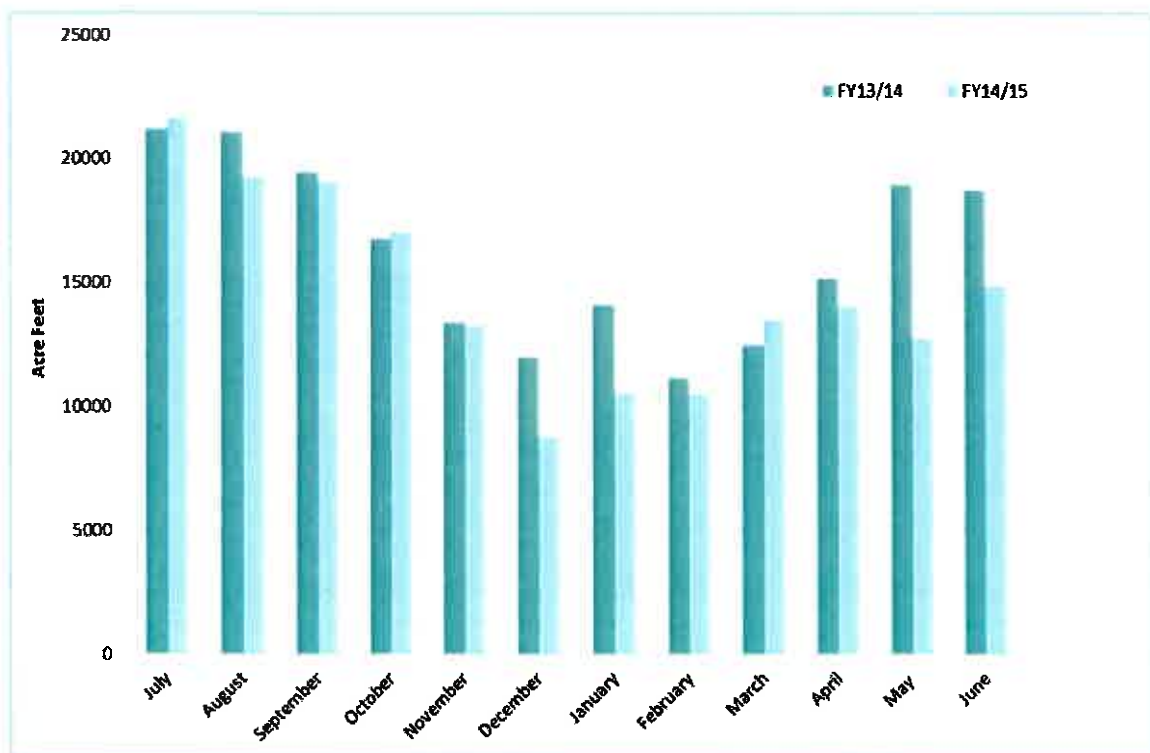
FY 2014-15 Water Use Summary Report

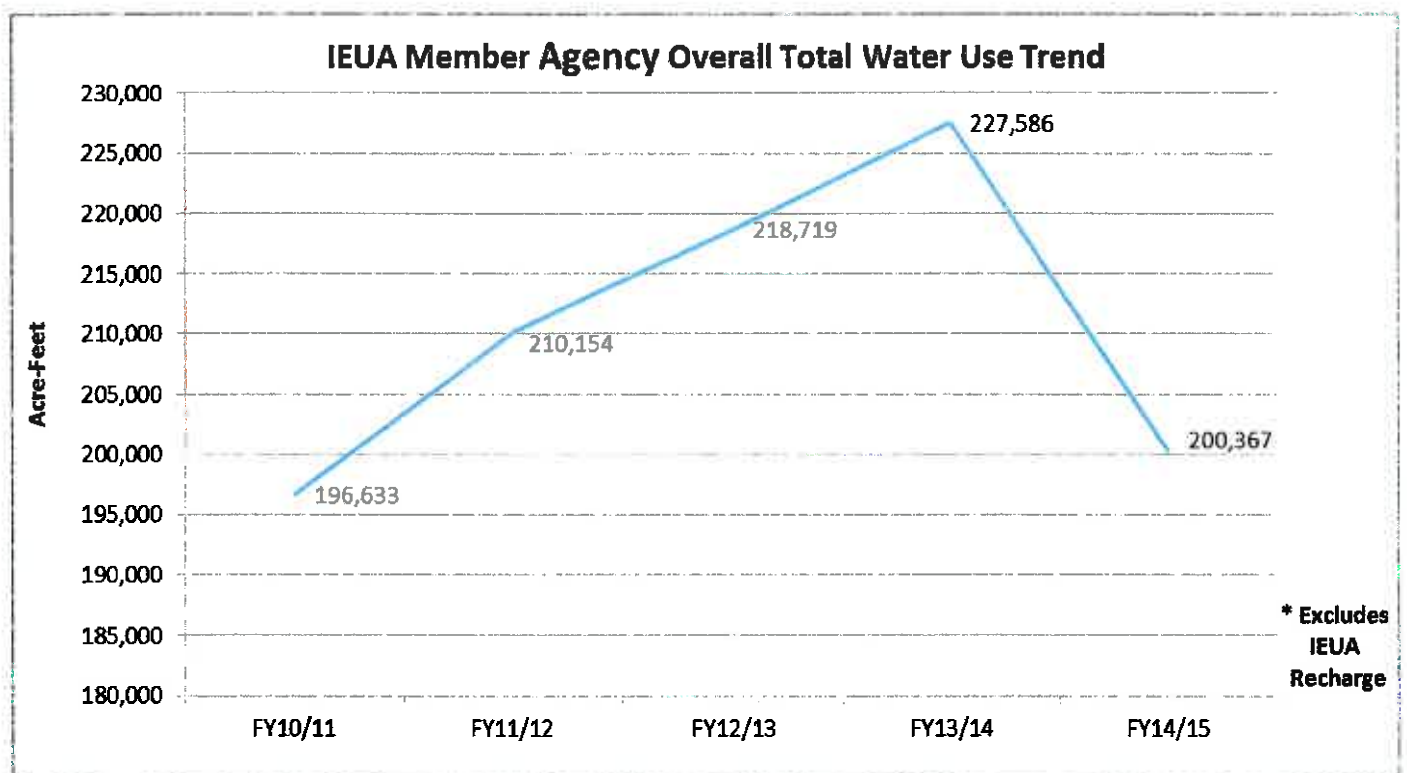
Inland Empire Utilities Agency (IEUA) staff monitors and compiles water use data from each of its retail agencies in the IEUA's service area to track overall water demands and sources of supply. Each year, this data is compiled into an Annual Water Use Report. Data includes monthly water use (by each member agency and by source of supply), a five-year history of water use, and retail agency water usage as a percentage of the total water used in the service area.

In FY 2014/15, Southern California experienced its third year of drought, with over half of the state experiencing "exceptional drought" conditions. Due to the prolonged drought featuring record high - temperatures and low rainfall, Governor Brown declared a drought State of Emergency in January 2015 and directed state officials to take all necessary actions to prepare for water shortages.

In May 2015, this was followed by the State Water Board adopting emergency regulation requiring an immediate 25% reduction in overall potable use which went into effect on April 1. The regulation used a sliding scale based on residential gallons per capita per day and requires monthly reporting from retail agencies to compare monthly usage to 2013 data. Since FY 2013/14, the service area has reduced residential potable water use by 10% (excludes CDA and RW). Per the executive order the Department of Water Resources (DWR) also convened an independent technical panel to review and update the statewide Model Water Efficient Landscape Ordinance (MWELO) with the goal of reducing water used for outdoor irrigation for existing and new construction.

Regional Monthly Total Water Usage FY 14/15 Comparison to FY13/14





Overall water consumption within the IEUA's service area decreased 11% (~24,217AF) since FY 2013/14. Chino Desalter Authority (CDA) production decreased slightly by ~250 AF and direct use recycled water decreased by ~1,700 AF.

IEUA anticipates a trend of declining usage as a response to the drought in California. Although development is anticipated to continue and growth may rebound at the end of the drought, long-term demands are not expected to greatly increase. This analysis came from demand modeling conducted as part of IEUA's 2015 Integrated Resources Plan (IRP) which found that new developments in the region tends to be more water efficient due to changes in the plumbing code, higher density developments with less landscaping, and compliance with the existing model landscape ordinance requirements set forth in AB1881.

In addition, aggressive efforts are being made to diversify and maximize local resource development, expand water use efficiency programs, and assist interested member agencies with the development of budget based rate structures. These efforts have better prepared the service area to cope with future dry years and increase regional resiliency in the face of climate change.

Below is a summary and update on the region's major water supply efforts and programs:

- IEUA and its member agencies have continued work on IRP to adopt an overall strategy for developing water supplies and meeting projected demands within the IEUA service area in a cost-effective manner. The plan developed an updated demand model based on new regional development trends of high density, efficient indoor devices, and low outdoor water use plants per state legislation. IRP completion is anticipated for winter 2015.

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- The 2015 Water Use Efficiency Business Plan is under development, which will be completed by winter 2015.

IEUA would like to thank its member agencies for their assistance in compiling the data contained in this report.

SECTION 1

Total Water Resources Data from FY 14/15

Total IEUA Service Area Water Use For FY 14/15

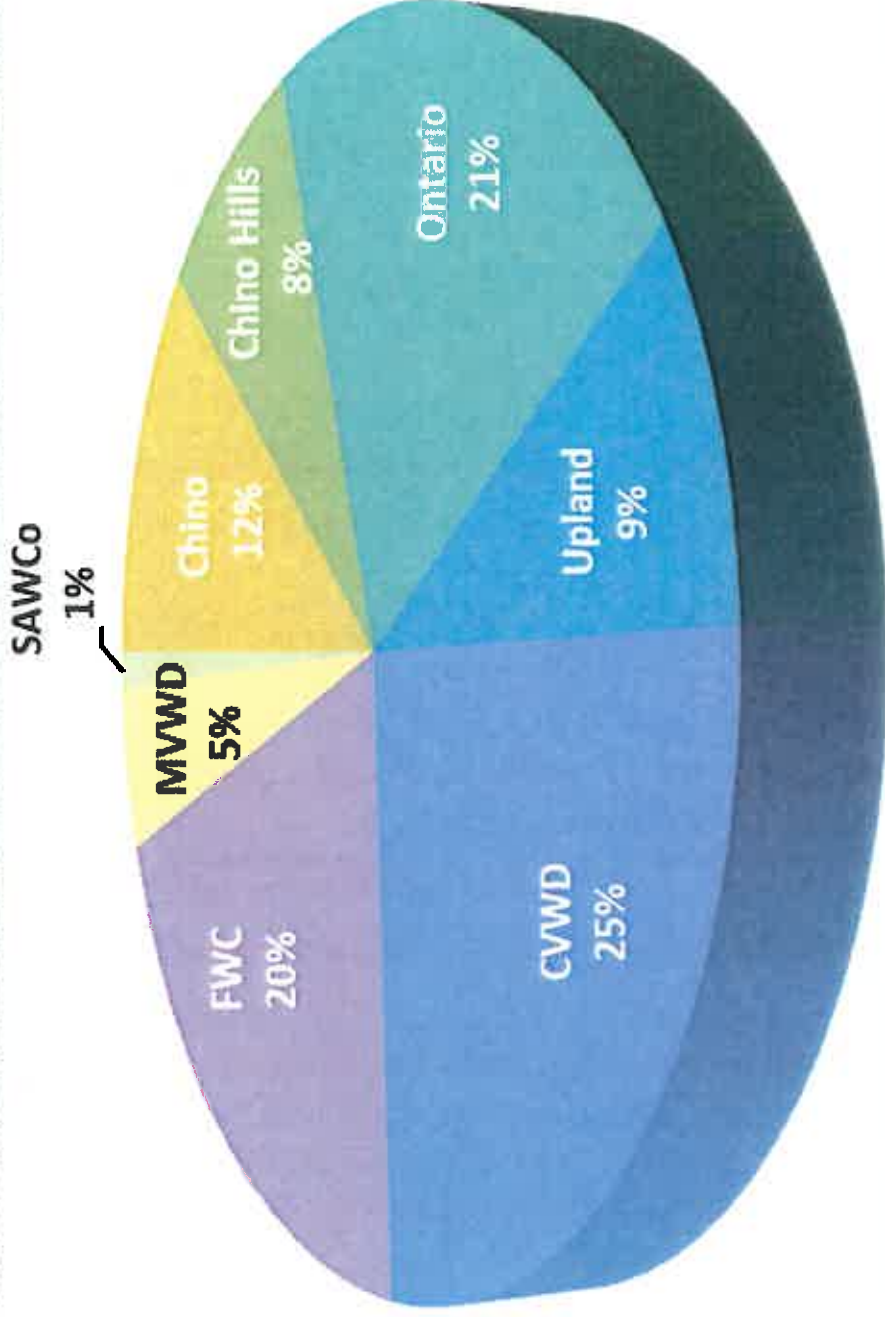
FY 14/15

Table 1. Total IEUA Service Area Water Use by Facility, Agency for FY 14/15

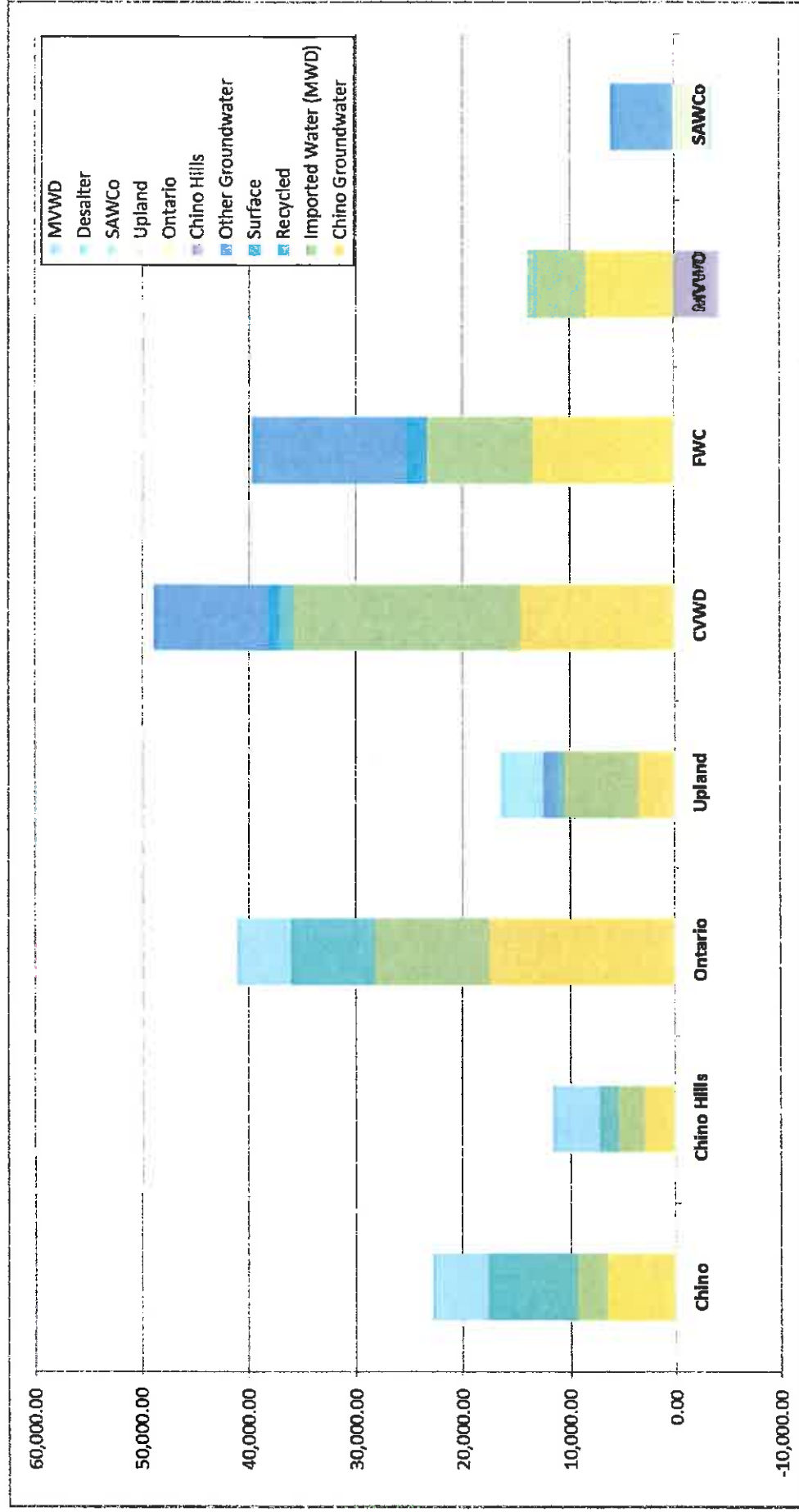
	CHIRO	CHIRO HILLS	ONTARIO	UPLAND	CHAND	FWC	HWY 1	34700	Total
Services to IEUA									
Recharged Water (MWD)	2,300.00	2,434.30	10,700.00	7,043.00	21,305.67	9,993.92	4,530.29	0.00	53,335.69
Recharge	8,323.97	1,327.03	3,715.13	6,553.34	1,400.50	0.00	297.72	0.00	20,512.77
Subtotal	14,164.27	4,321.38	18,721.45	13,934.24	22,706.17	9,993.92	4,827.99	0.00	79,410.46
Production									
Chiro Groundwater	6,497.47	2,934.16	17,425.63	3,416.45	14,488.73	15,244.25	3,407.18	0.00	85,454.72
Local Surface Water	0.00	0.00	0.00	0.00	1,375.57	1,982.78	0.00	0.00	3,358.35
Other Groundwater	0.00	0.00	0.00	0.00	10,621.02	14,459.60	0.00	0.00	25,080.62
Subtotal	6,497.47	2,934.16	17,425.63	4,707.64	26,186.28	29,512.62	3,407.18	0.00	102,022.02
Services for other agencies									
Chiro	5,231.93	4,425.39	4,327.43	0.00	0.00	0.00	0.00	0.00	14,484.39
HWY 1	0.00	4,425.39	0.00	0.00	0.00	0.00	0.00	0.00	8,850.78
Service Water West End	0.00	0.00	172.42	3,452.00	0.00	0.00	872.00	0.00	4,296.42
Subtotal	5,231.93	8,850.78	4,327.43	3,452.00	0.00	0.00	872.00	0.00	21,332.13
Services to other agencies									
Chiro Hills	0.00	0.00	0.00	0.00	0.00	0.00	-4,433.57	0.00	-4,433.57
HWY 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,200.00	-5,200.00
Ontario	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,120.00	-1,120.00
Chand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3,177.05	-3,177.05
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	-4,433.57	-9,377.05	-13,810.62
Total	22,393.63	13,497.16	41,146.90	18,993.16	48,202.59	39,406.54	2,406.64	1,123.00	203,331.90

Note: an additional 695 AF of RW was used for IEUA purposes, an additional 10,840 AF of RW was used for recharge, and additional 1,371 AF of RW was sold to San Bernardino County. All RW numbers in this report based off IEUA operations data.

Total IEUA Service Area Water Use For FY 14/15



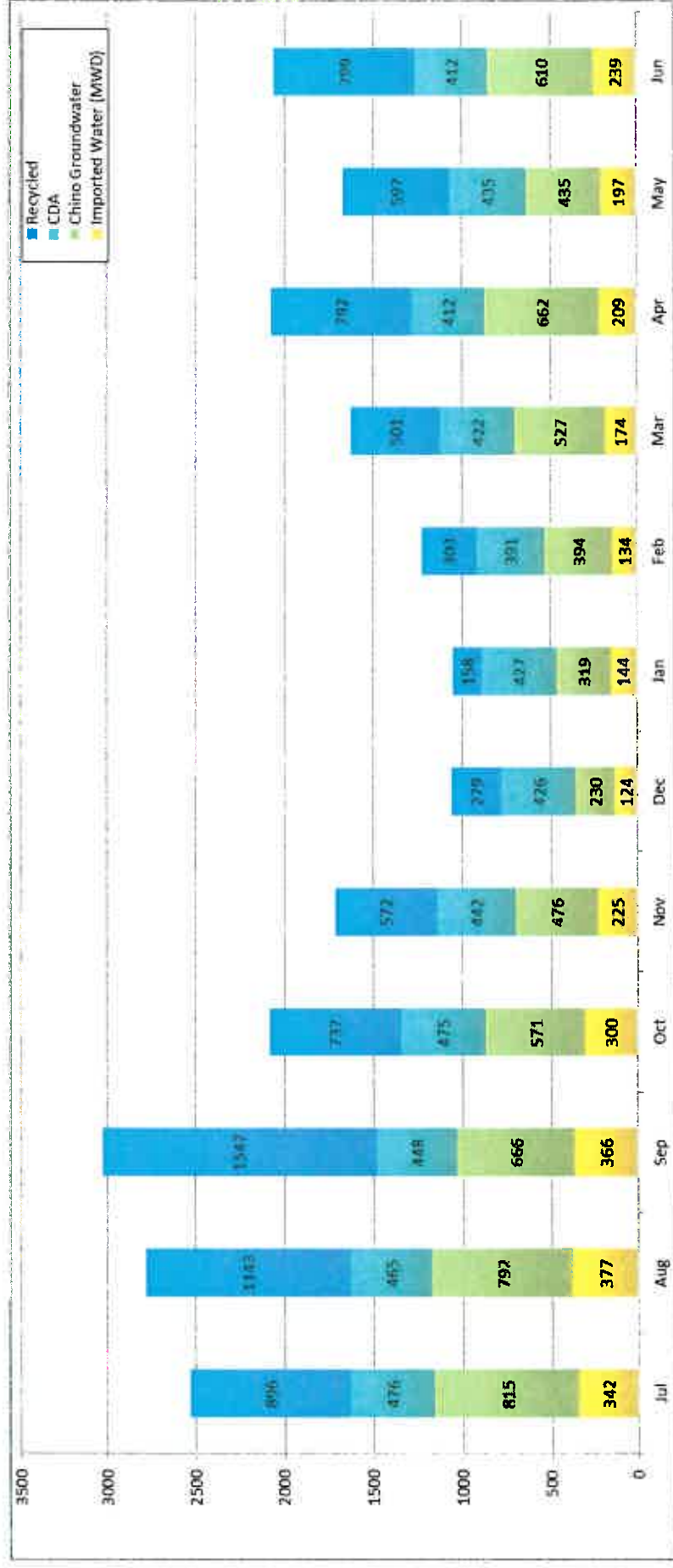
Total IEUA Service Area Water Use for FY14/15



SECTION 2

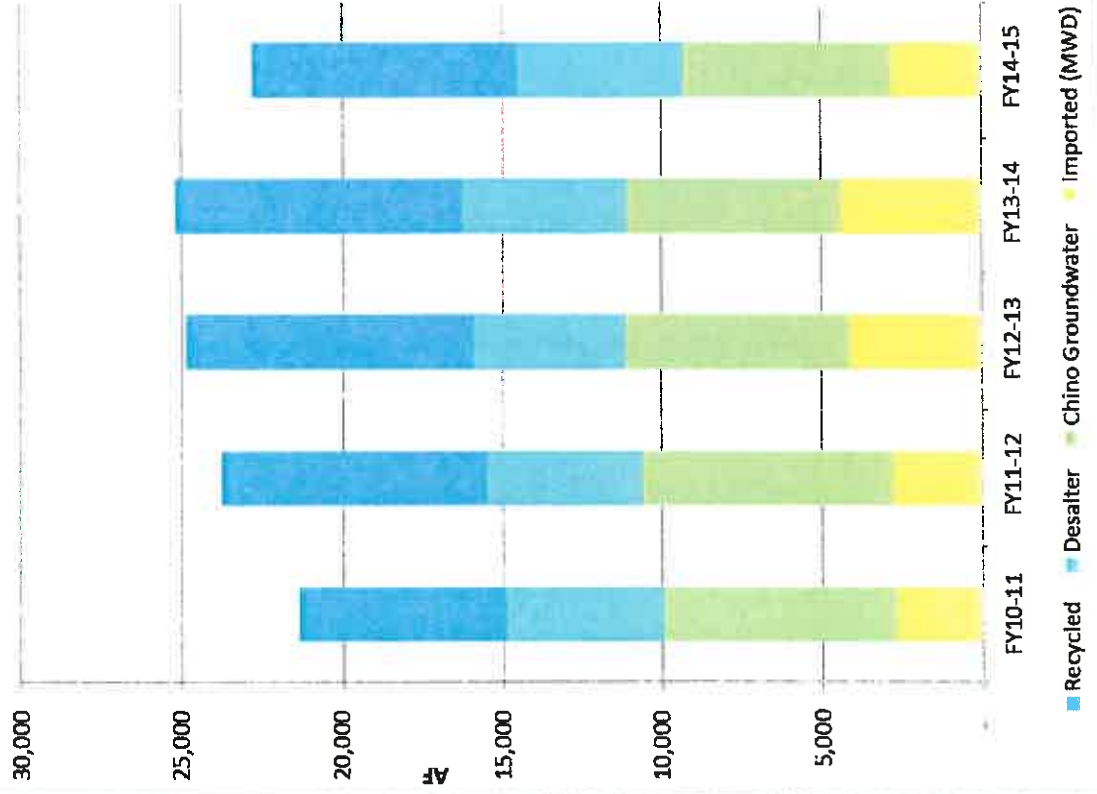
Retail Water Use Data from FY 14/15 by Agency

City of Chino FY 2014-2015 Monthly Water Usage

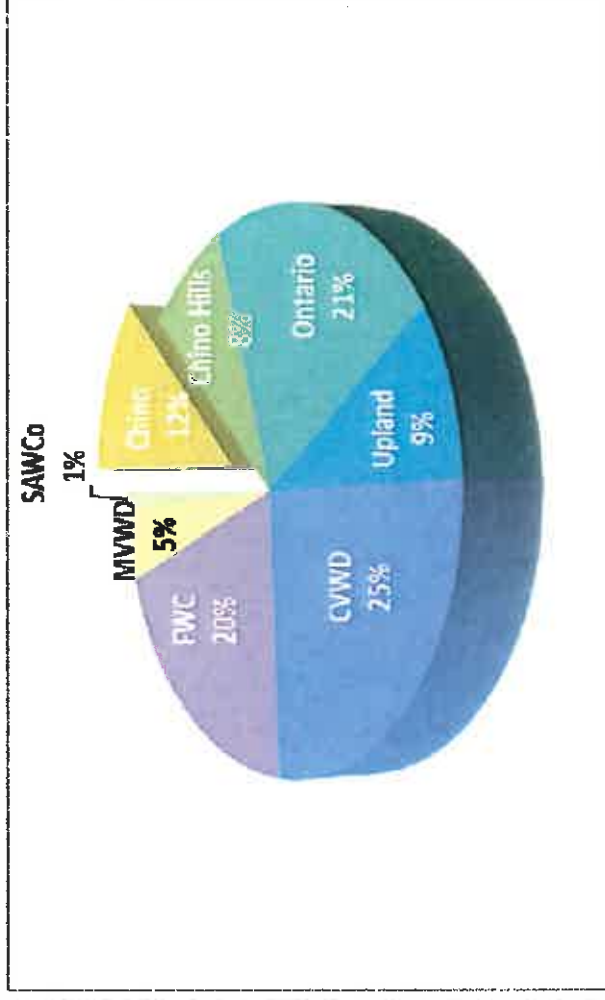


City of Chino FY 2014-15 Water Use Report

5 - Year Water Production Trends Chino



Total IEUA Service Area Water Use for FY14/15

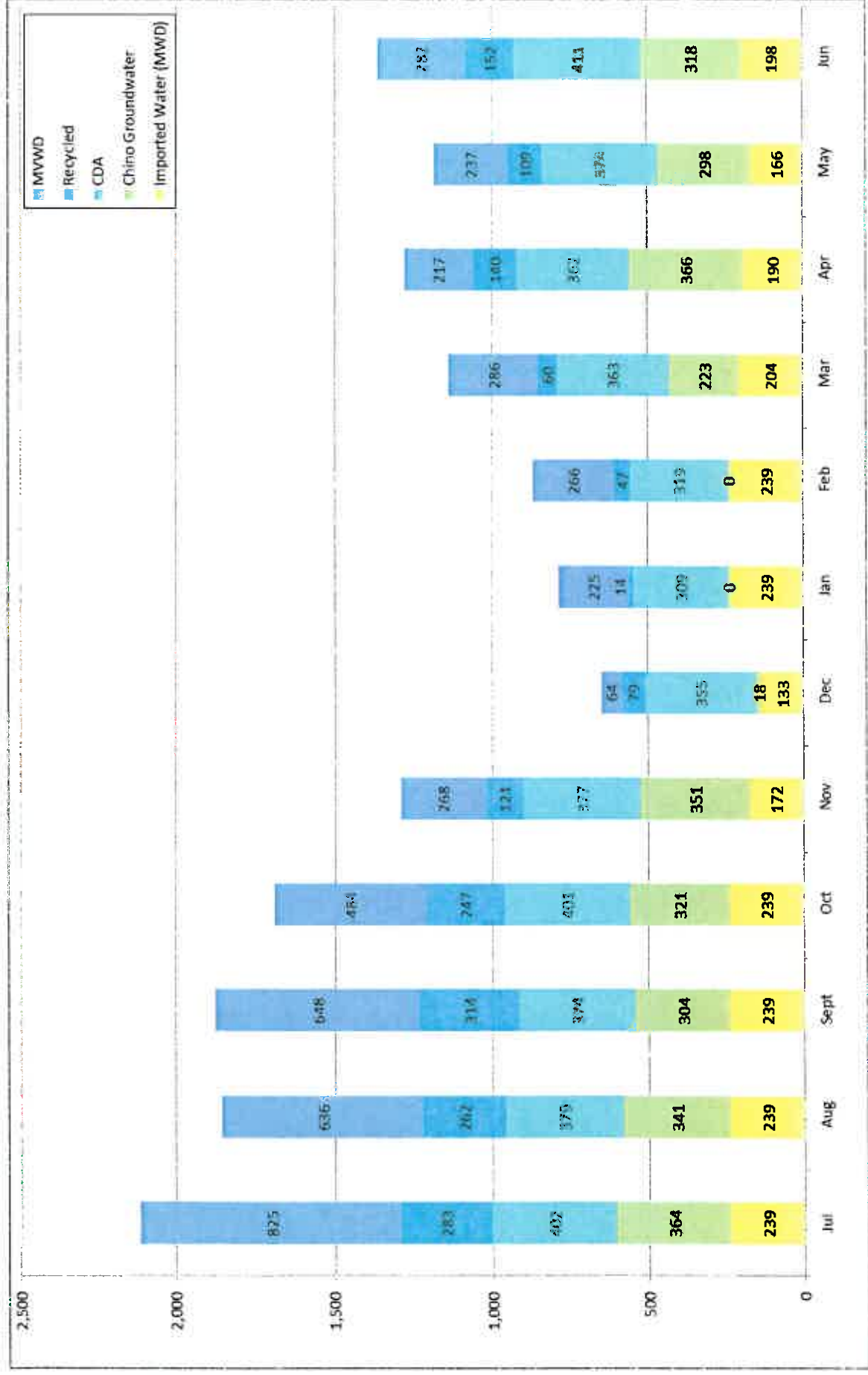


The City of Chino used 12% (22,884 AF) of 200,367 AF used in the IEUA service area.

City of Chicago FY 2014-2015 Monthly Water Usage

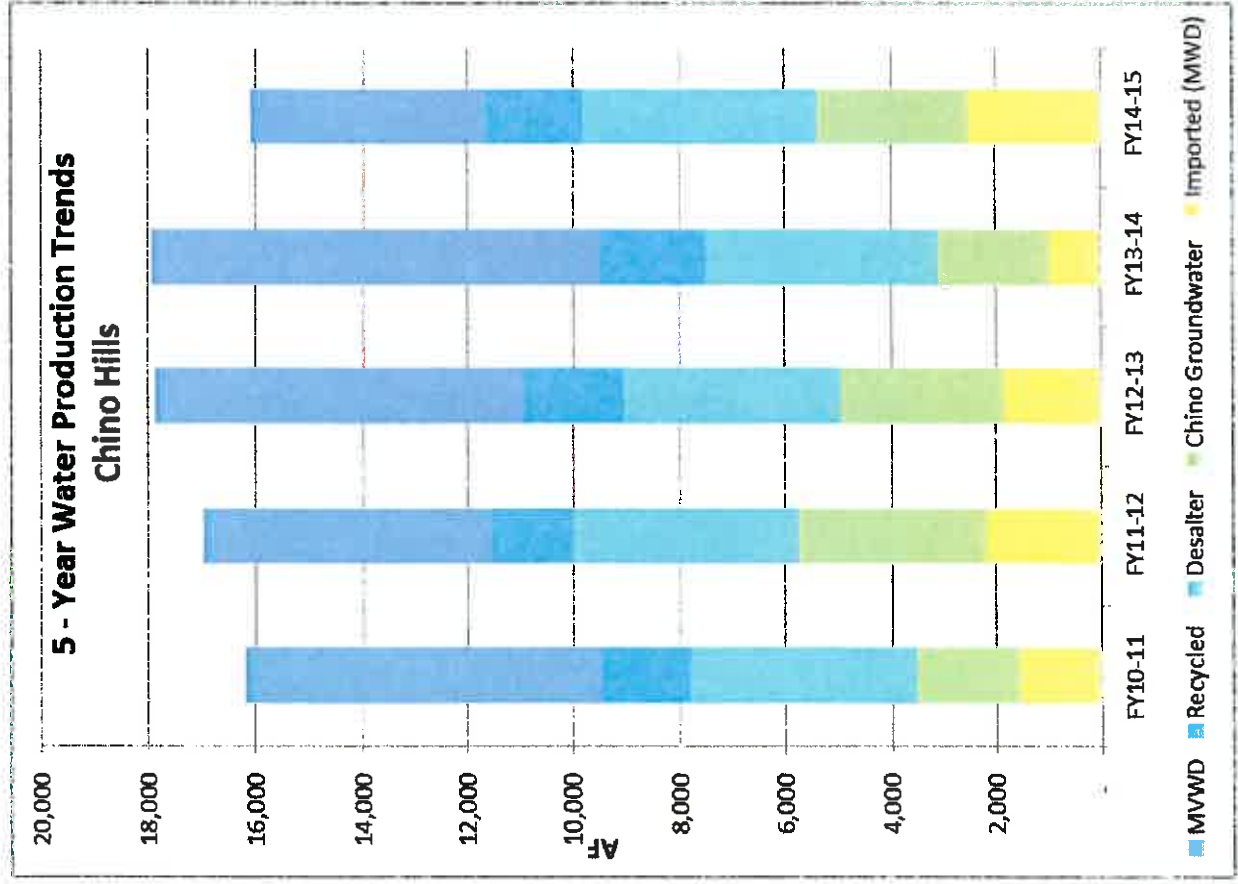
Table 1. Total EJA Service Area Meter Use by Sector Agency for FY 2014-2015 (AF)											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May - Total
Purchases from EJA											
Production Water (MWD)	342	337	365	300	225	224	144	124	174	209	2,329
Recharged	355	1,142	1,547	739	572	279	155	292	531	792	5,324
Subtotal	697	1,479	1,912	1,039	797	503	299	416	705	1,001	7,653
Production											
City of Chicago	815	722	682	571	475	230	315	384	527	662	5,587
Subtotal	815	722	682	571	475	230	315	384	527	662	5,587
Purchases from other agencies											
CDA	475	455	445	475	442	429	457	391	422	412	5,232
Subtotal	475	455	445	475	442	429	457	391	422	412	5,232
Total	1,637	1,934	2,357	1,514	1,239	932	754	807	1,127	1,413	12,885

City of Chino Hills FY 2014-2015 Monthly Water Usage

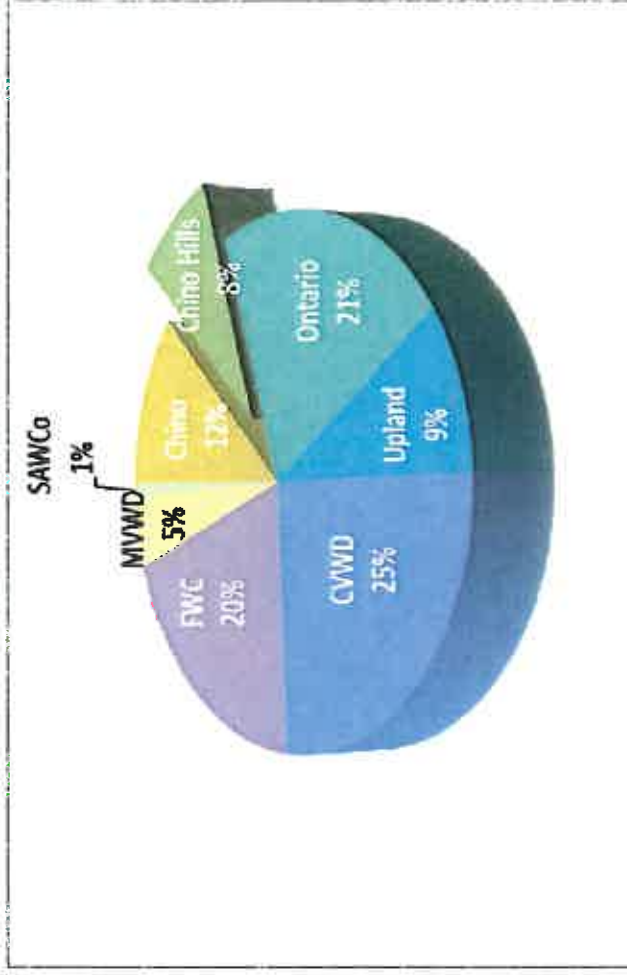


City of Chino Hills

FY 2014-15 Water Use Report



Total IEUA Service Area Water Use for FY14/15



The City of Chino Hills used 8% (16,088 AF) of 200,367 AF used in the IEUA service area.

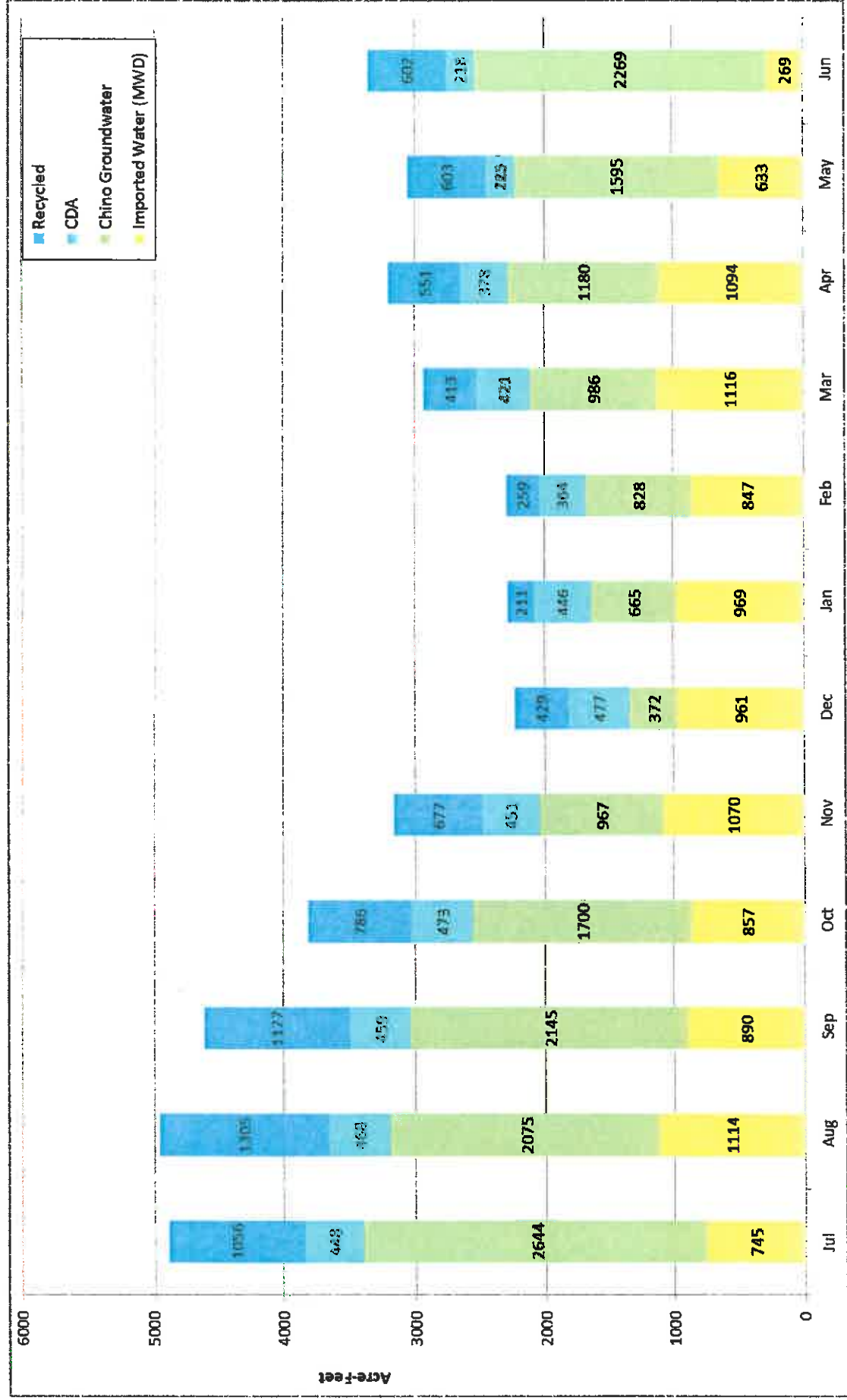
City of Chino Hills

FY 2014-2015 Monthly Water Usage

Table 1. Total IEUA Service Area Water Use by Retail Agency for FY 2014-2015 (AF)

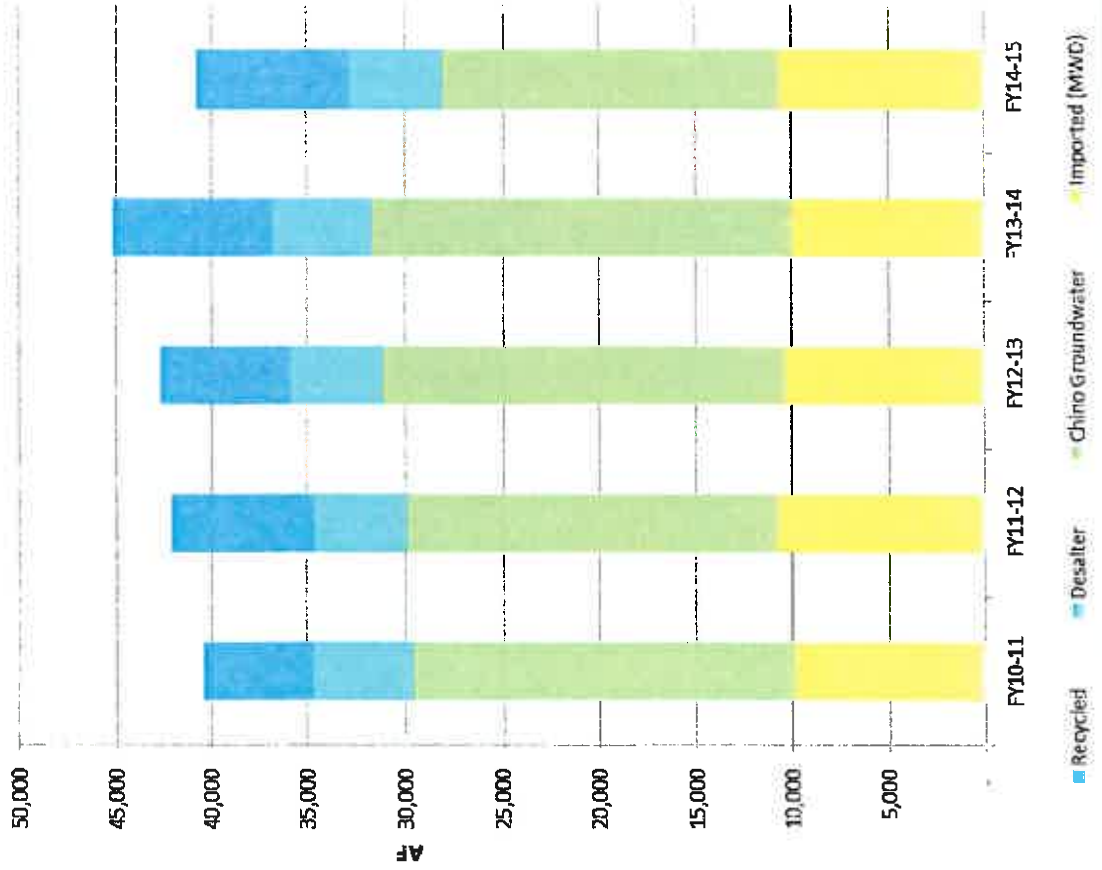
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Chino Hills - Total
Purchases from IEUA													
Imported Water (MWD)	239	234	233	239	172	133	233	239	204	130	136	193	2,495
Recycled	253	262	214	247	121	73	14	47	60	142	136	162	1,827
Subtotal	239	234	233	0	172	103	233	239	204	190	166	193	4,322
Production													
Chino Groundwater	324	241	204	321	251	13	7	0	223	232	236	213	2,902
Subtotal	324	241	204	321	251	13	0	0	223	232	236	213	2,904
Purchase from other agencies													
CDA	122	273	274	421	277	255	223	319	263	262	374	411	4,426
WVWC	325	233	243	434	238	64	225	256	263	217	227	282	4,436
Subtotal	1,228	1,015	1,022	955	515	419	524	575	543	579	611	693	8,862
Total	1,629	1,555	1,564	1,236	1,168	570	773	823	1,015	1,436	1,076	1,210	16,088

City of Ontario FY 2014-2015 Monthly Water Usage

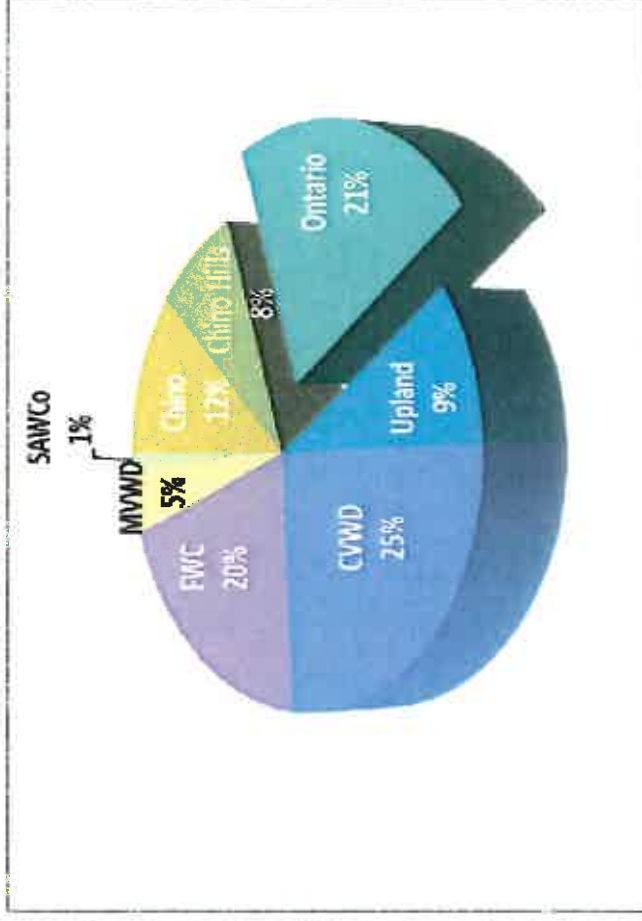


City of Ontario FY 2014/15 Water Use Report

5 - Year Water Production Trends
Ontario



Total IEUA Service Area Water Use for FY14/15



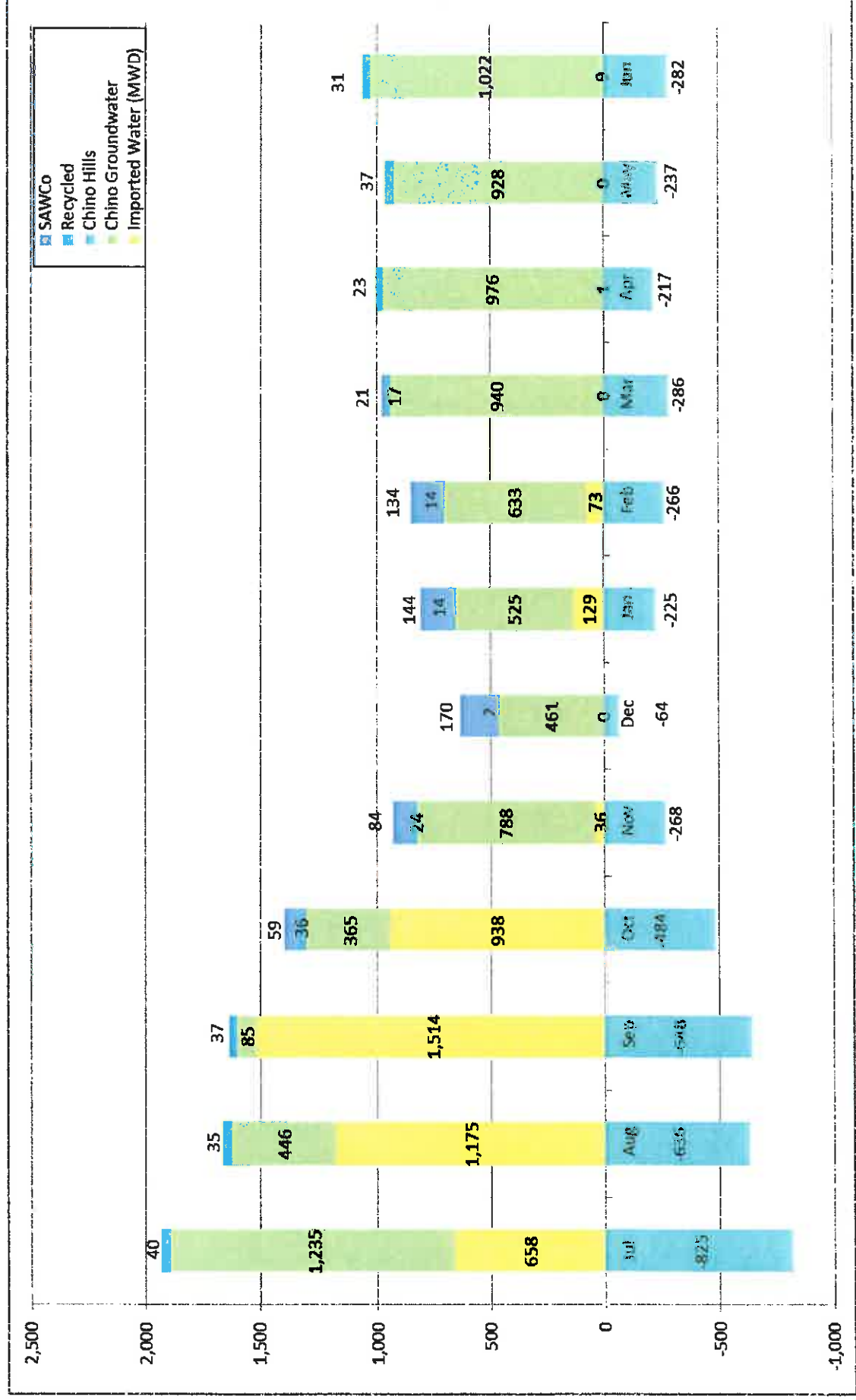
The City of Ontario used 21% (41,148 AF) of 200,367 AF used in the IEUA service area.

City of Ontario FY 2014-2015 Monthly Water Usage

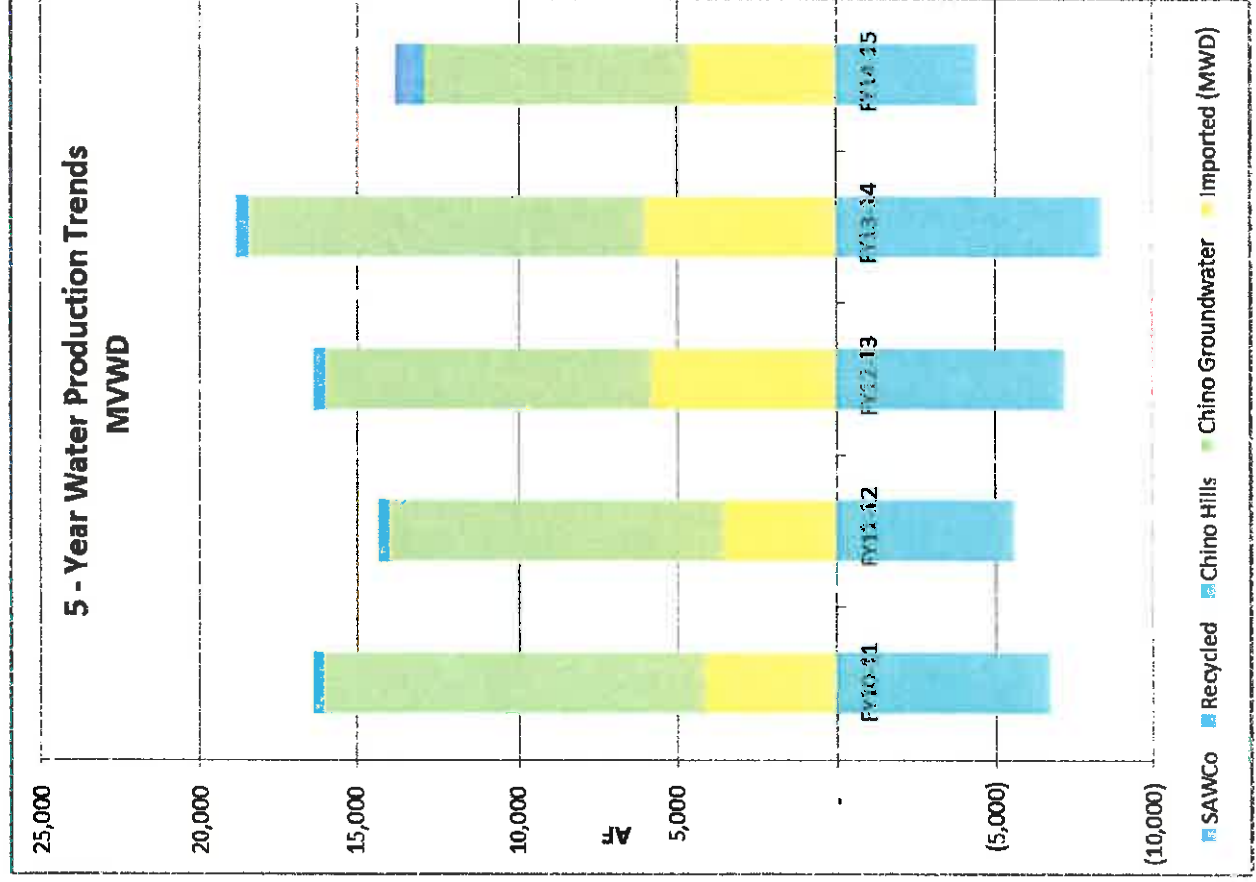
Table 1. EUA Service Area Water Use by Retail Agency for FY 2014-2015 (AF)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Ontario Total
Purchases from IE L.A.	Imported Water (MWD)	7-5	1,114	895	936	1,070	969	847	1,113	1,094	633	269	-0.703
	Recycled	1,058	1,305	1,127	736	677	2-1	259	413	551	616	302	80-9
	Subtotal	7-6	1,114	895	936	1,070	969	847	1,113	1,094	633	269	18,722
Production	Chino Groundwater	2,644	2,075	2,145	1,750	957	565	828	983	1,180	1,595	2,259	-7,426
	Subtotal	2,644	2,075	2,145	1,750	957	565	828	983	1,180	1,595	2,259	17,428
Purchases from other agencies	CDA	448	468	453	473	451	446	364	421	379	225	219	4,827
	SAWCo Water	0	0	0	0	0	0	0	0	46	30	66	-72
	Subtotal	448	468	453	473	451	446	364	421	424	255	284	5,000
	Total	3,808	3,657	3,494	3,080	2,488	2,080	2,039	2,523	2,608	3,513	2,822	41,148

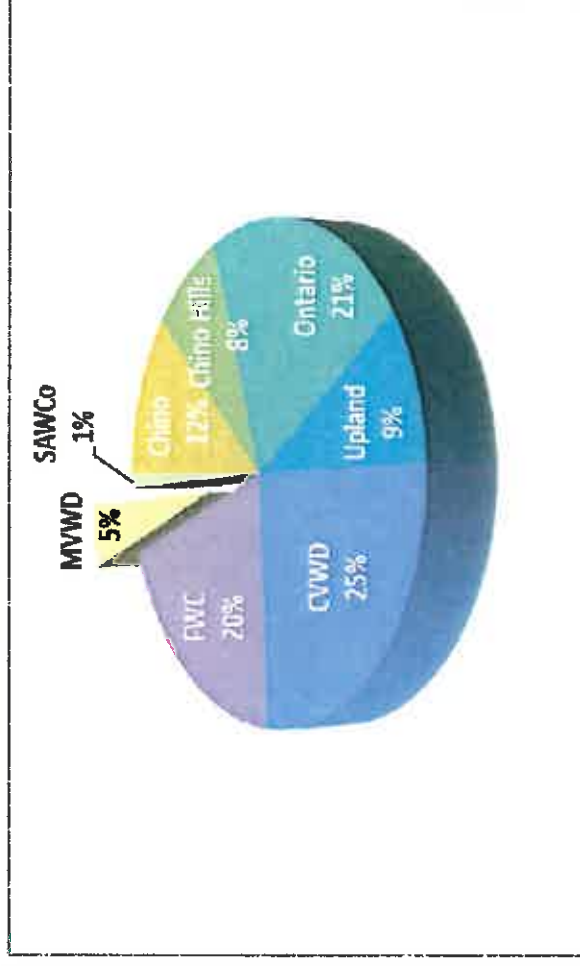
Monte Vista Water District FY 2014-2015 Monthly Water Usage



Monte Vista Water District FY 2014/15 Water Use Report



Total IEUA Service Area Water Use for FY14/15

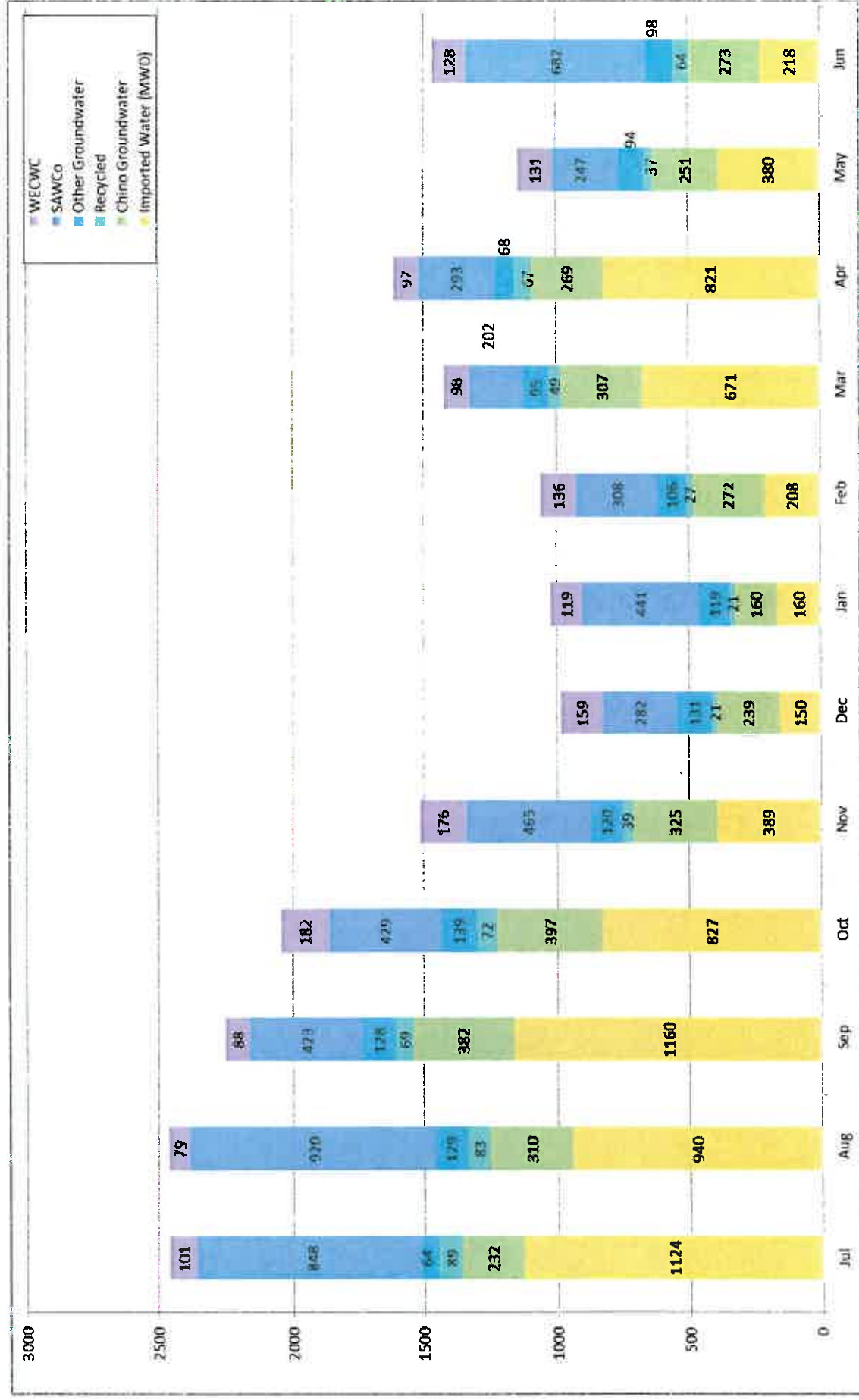


MVWD used 5% (9,420 AF) of 200,367 AF used in the IEUA service area.

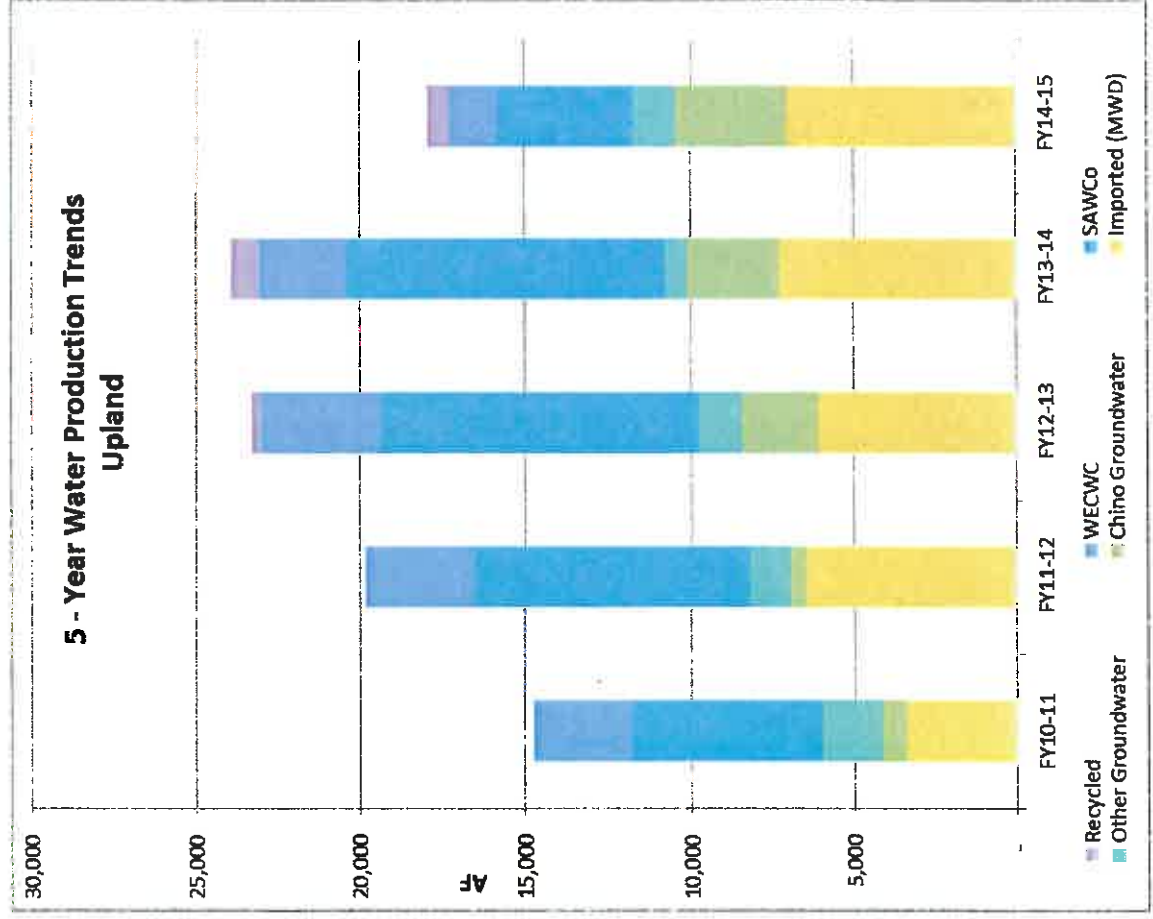
Monte Vista Water District FY 2014-2015 Monthly Water Usage

Table 1. Total EWA Service Area Water Usage Detail by Month FY 2014-2015 (AF)											
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May-Jun
Purchases from EWA											
Inground (Water Right)	853	1,175		1,214				125	72	1	2010
Purchased	5	26	37	37	25	24	1	1	23	37	31
Subtotal	137	1,201	1,251	1,251	374	55	1	126	24	37	36
Production											
Chino Groundwater	1,222	425		32	245	762	411	525	422	342	1,407
Subtotal	1,222	425		32	245	762	411	525	422	342	1,407
Purchases from other agencies											
San Joaquin	0	0	0	0	53	34	11	144	124	21	0
Subtotal	0	0	0	0	53	34	11	144	124	21	0
Sales to other agencies											
Chino Hills	522	625	248	248	454	170	47	225	217	237	1,422
Subtotal	522	625	248	248	454	170	47	225	217	237	1,422
Total	1,058	985	961	961	715	586	397	922	759	634	2,449

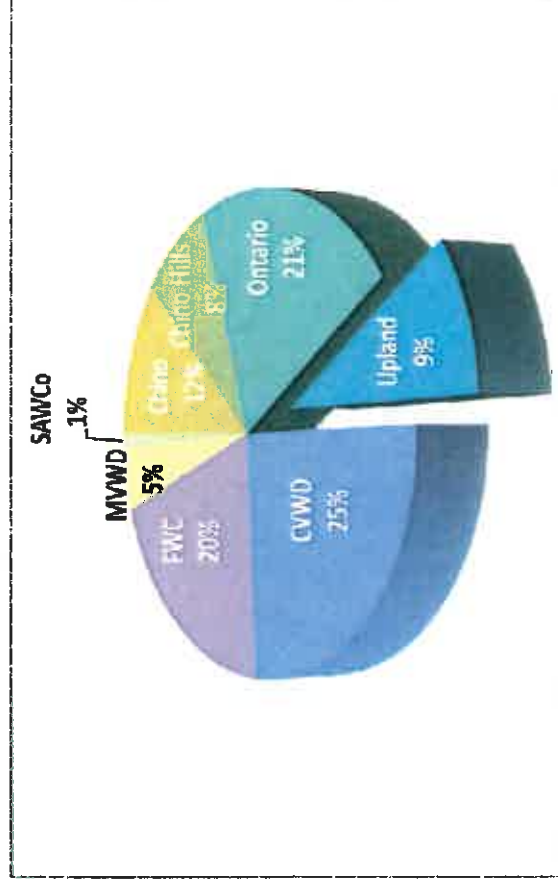
City of Upland FY 2014-2015 Monthly Water Usage



City of Upland FY 2014/15 Water Use Report



Total IEUA Service Area Water Use for FY14/15



The City of Upland used 9% (19,425 AF) of 200,367 AF used in the IEUA service area.

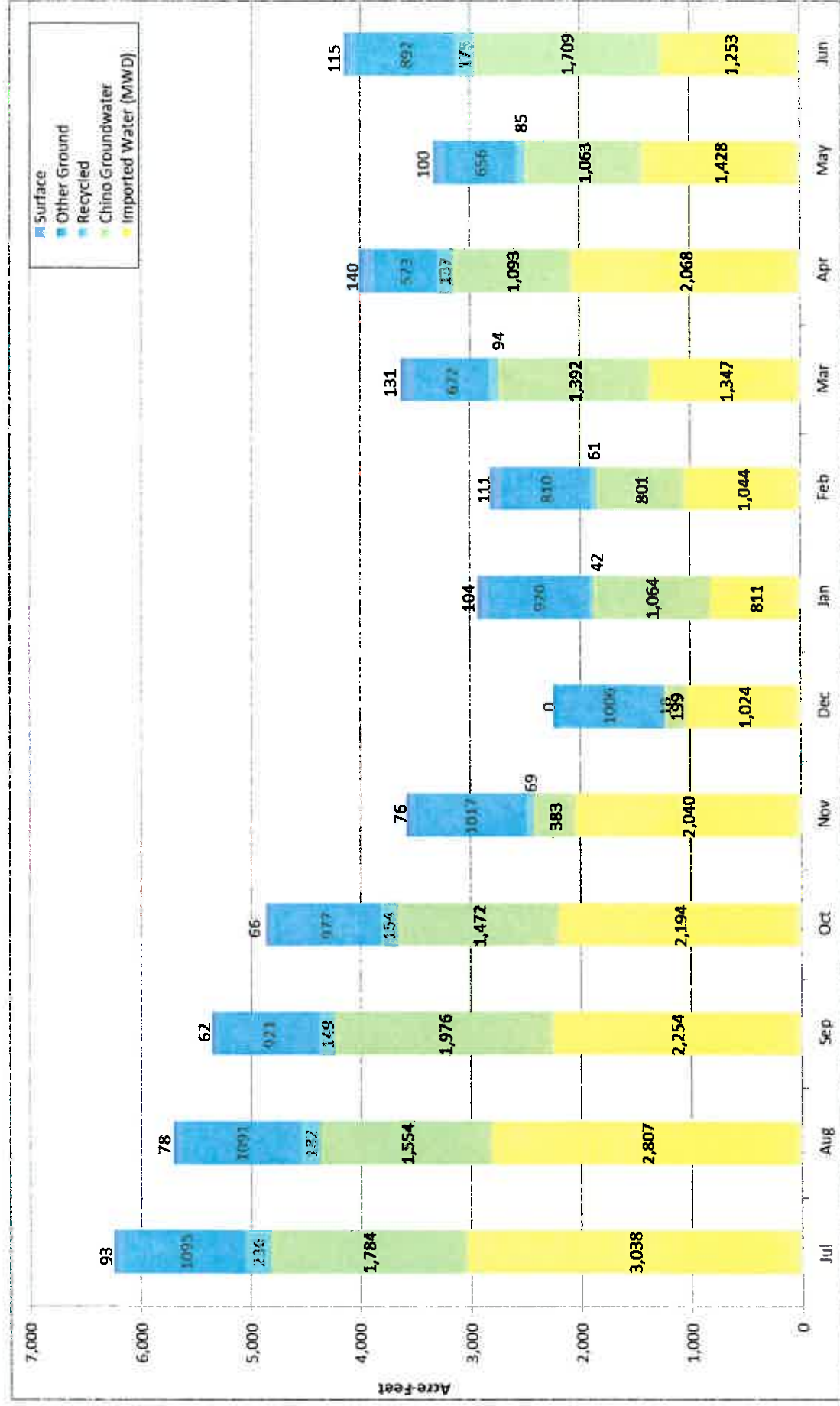
City of Upland

FY 2014-2015 Monthly Water Usage

Table 1: EUA Service Area Water Use by Agency for FY14-15 (AF)

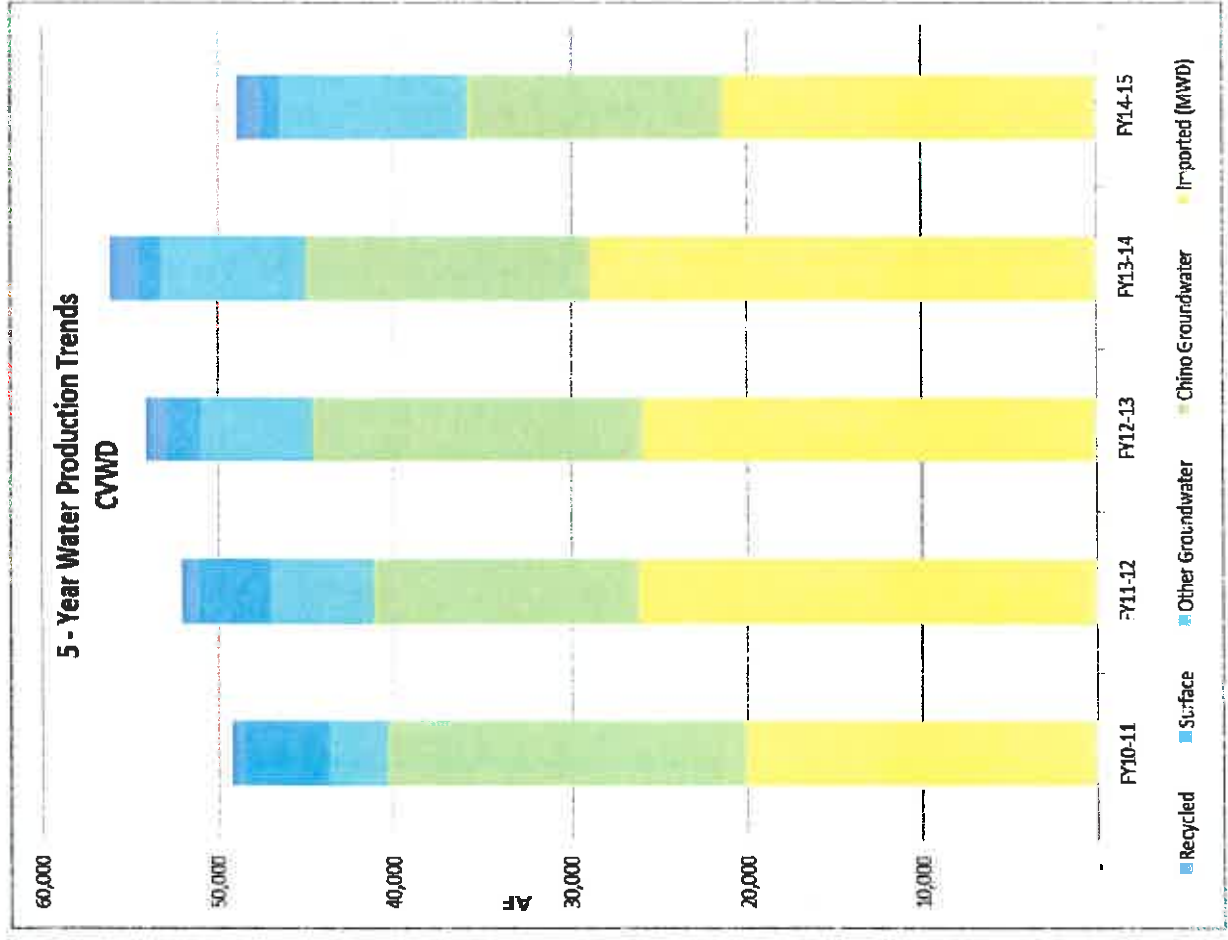
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Upd'd-July
Purchases from EUA	Recorded (MG/Day)	1134	942	1130	827	382	150	122	228	67	230	208	227
	Recorded	5	83	39	72	35	21	24	27	49	67	37	336
Production	Subtotal	1203	940	1169	839	389	160	146	208	871	290	474	7394
	Chico Grower/shr	22	37	322	357	225	235	122	272	377	265	251	273
	Chico Grower/shr	34	25	28	29	127	131	11	136	55	65	94	38
Purchases from other agencies	Subtotal	255	440	510	528	444	371	273	378	402	337	345	4707
	San Jacinto	345	927	223	229	482	282	241	238	222	293	225	622
	West End	131	75	38	22	175	155	11	136	38	97	131	28
Subtotal		345	995	517	571	541	411	252	442	329	390	375	7355
	Total	2448	2379	2400	1937	1474	961	969	1030	1374	1597	1297	1845

Cucamonga Valley Water District FY 2014-2015 Monthly Water Usage

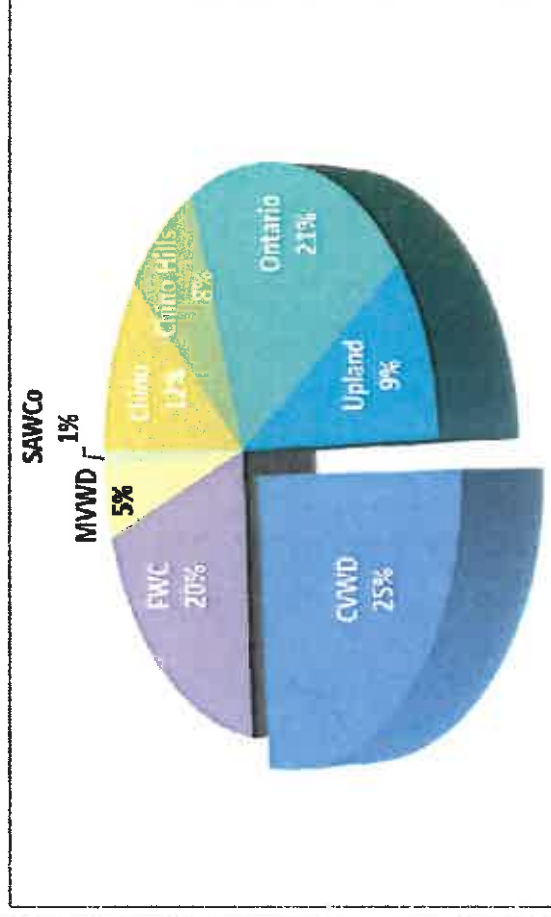


Cucamonga Valley Water District

FY 2014/15 Water Use Report



Total IEUA Service Area Water Use for FY14/15

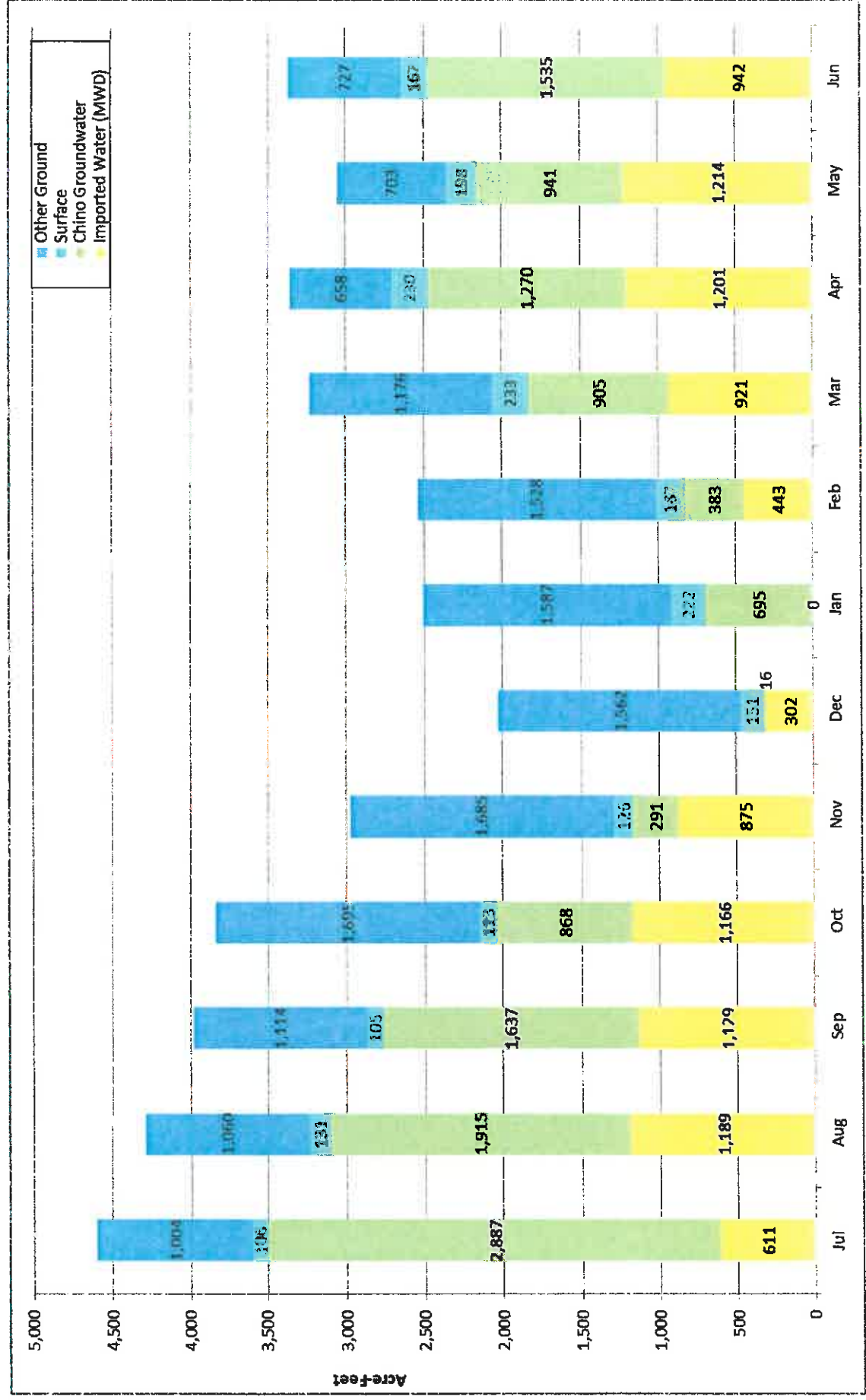


CVWD used 25% (48,902 AF) of 200,367 AF used in the IEUA service area.

Cucamonga Valley Water District
FY 2014-2015 Monthly Water Usage

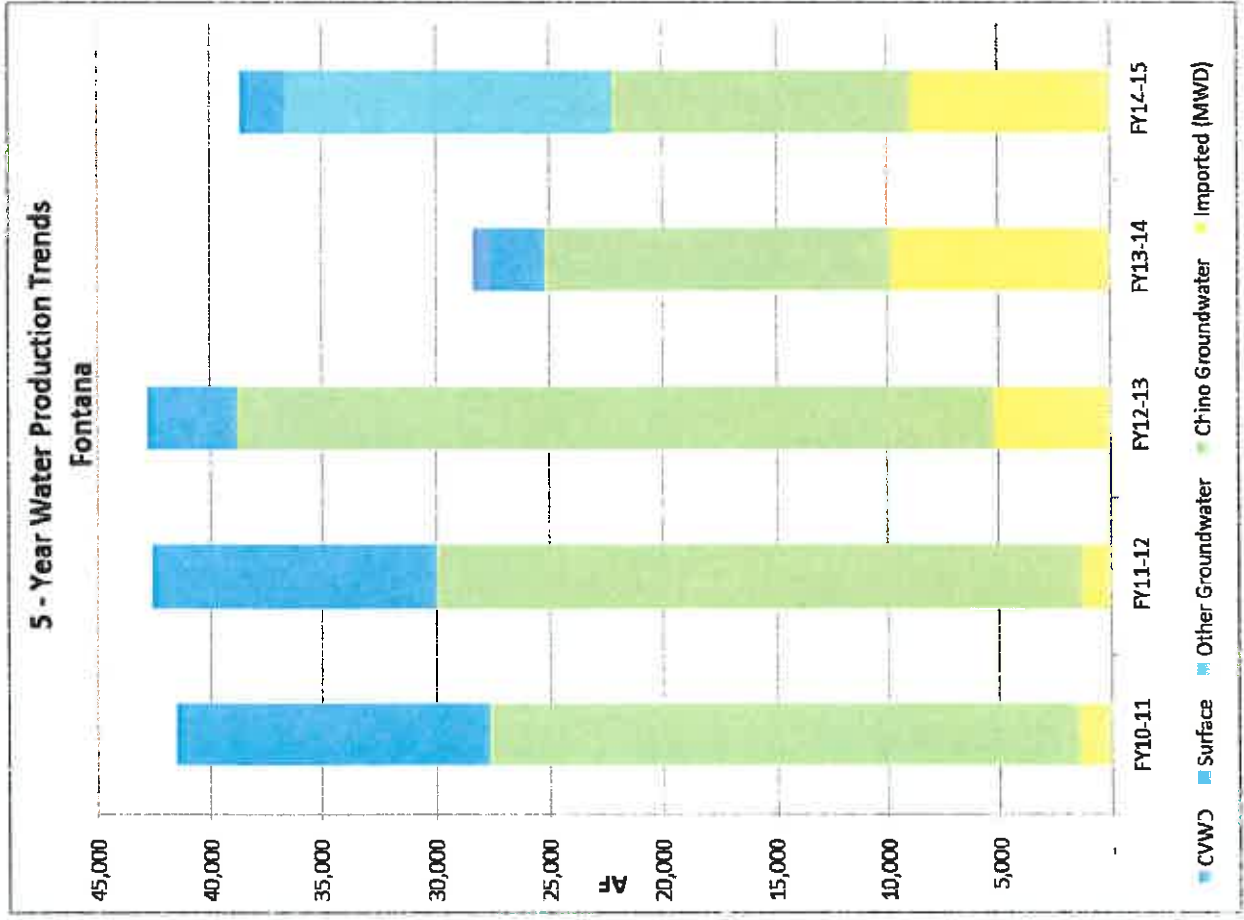
Table 1. IEUA Sewer Area Water Use by Agency for FY14-15 (AF)											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Consumption											
Applied (w/leakage)	1,522	2,227	2,224	2,134	2,347	2,226	2,111	1,994	1,337	2,362	1,223
Seepage	222	152	149	134	133	133	133	133	133	137	142
Subtotal	1,724	2,380	2,373	2,268	2,480	2,359	2,244	2,127	1,470	2,500	1,365
Production											
Cul. Surface	1,724	2,380	2,373	2,268	2,480	2,359	2,244	2,127	1,470	2,500	1,365
Local Surface Water	11	12	12	12	12	12	12	12	12	12	12
Other Surface	1,724	2,380	2,373	2,268	2,480	2,359	2,244	2,127	1,470	2,500	1,365
Subtotal	1,724	2,380	2,373	2,268	2,480	2,359	2,244	2,127	1,470	2,500	1,365
Total	3,448	4,760	4,747	4,536	4,960	4,718	4,488	4,254	2,940	5,000	2,730

Fontana Water Company FY 2014-2015 Monthly Water Usage

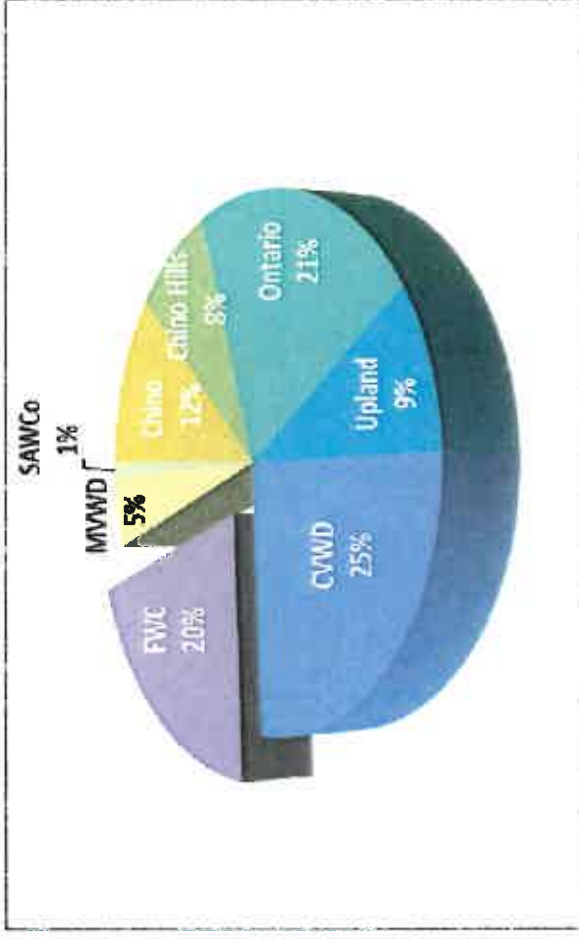


Fontana Water Company

FY 2014/15 Water Use Report



Total IEUA Service Area Water Use for FY14/15



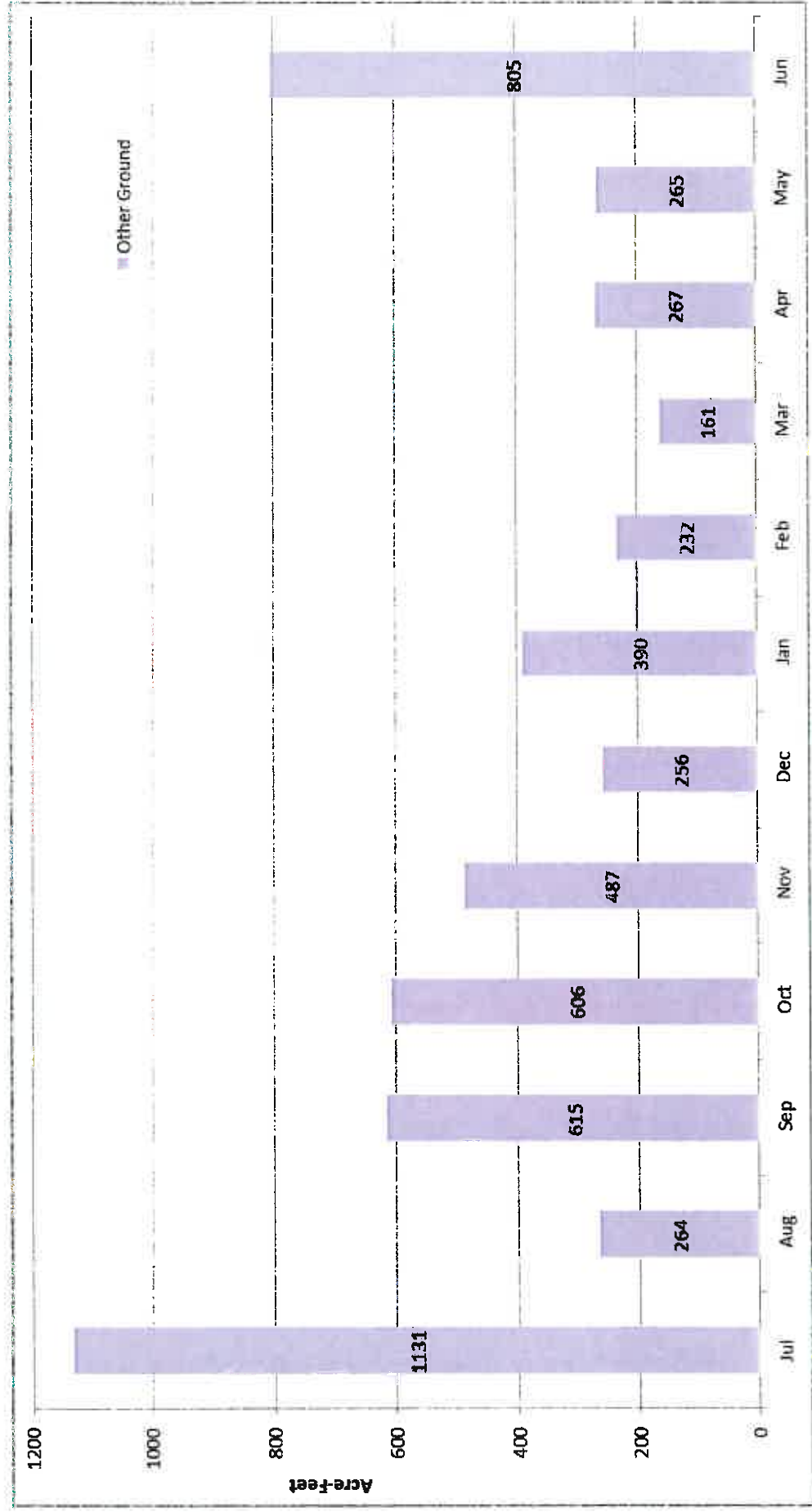
Fontana used 20% (39,807 AF) of 200,367 AF used in the IEUA service area.

Fontana Water Company
FY 2014-2015 Monthly Water Usage

Table 1.1: 2014-2015 Monthly Water Usage (in AFUD) (FY 2014-2015)											
Purchases from EIA	J	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Subtotal	671	1,133	1,129	1,100	875	802	673	502	445	321	227
City of Glendale	2,887	1,975	1,827	1,665	1,291	1,145	835	635	465	335	227
Local Surface Water	102	7	102	112	123	12	12	322	27	222	123
City of Glendale	1,004	1,133	1,112	1,055	885	752	635	465	335	227	123
Subtotal	1,997	3,107	2,936	2,822	2,402	1,959	1,535	1,135	835	597	350
Total	1,668	4,240	3,965	3,877	3,297	2,919	2,208	1,770	1,300	918	577

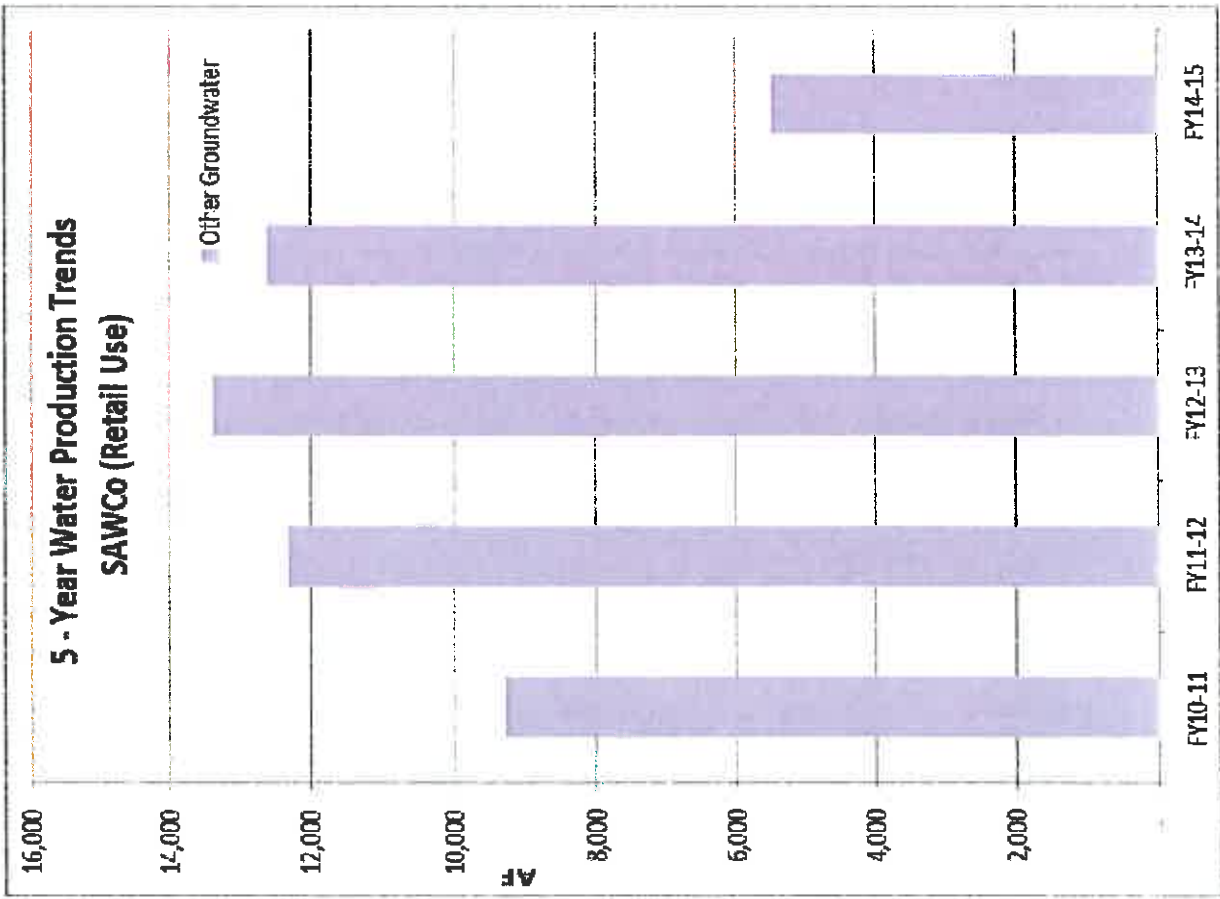
SAWCo - Retail

FY 2014/15 Monthly Water Report

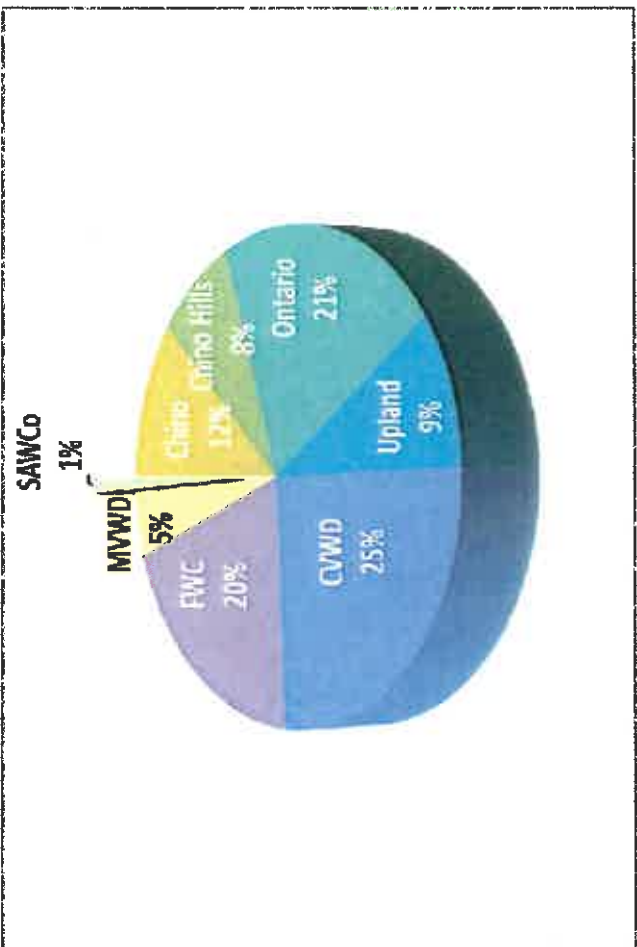


San Antonio Water Company

FY 2014/15 Water Use Report



Total IEUA Service Area Water Use for FY14/15



SAWCo used 1% (2,129 AF) of 200,367 AF used in the IEUA service area.

SAWCo - Retail

FY 2014/15 Monthly Water Report

Table 1: EWA Teller's Service Area's Water Use by Retail Agency for FY 2014-2015 (AF)												
Product	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	SAWCo-TA
CRF/CONSUMER	1,131	234	87	805	37	433	534	388	182	385	305	6,032
STARS	1,131	234	87	805	37	433	534	388	182	385	305	6,032
Issues to the agencies	()	()	()	45	44	77	-144	-134	-2	0	()	-82
	()	()	()	()	0	()	0	()	0	-40	-43	-72
	443	()	-358	34	-352	73	-233	-142	-10	-34	-23	-177
	443	()	-358	405	-438	343	-400	-273	-2	-113	-38	-1,284
Totals	203	234	261	139	136	78	131	91	181	112	703	2,100

Section 3

Appendices

APPENDIX A

Five year Historical Data Summary

FY 14-15

Table 1. Total IEUA Service Area Water Use by Region Agency for FY 14-15 AF									
	CHNC	CHING HILLS	ONTARIO	DE LAND	CLWID	RWC	MYWD	SAWCO	Total
Purchases from IEUA									
Municipal Water (MYWD)	2,830.50	2,494.20	17,700.30	7,043.00	21,200.57	9,993.52	4,530.20	0.00	58,806.59
Recycled	8,323.57	1,827.03	3,015.15	899.24	1,400.50	0.00	307.73	0.00	20,512.77
Subtotal	11,154.07	4,321.23	20,715.45	7,942.24	22,701.07	9,993.52	4,837.93	0.00	79,319.36
Production									
Chinc Groundwater	9,497.47	2,904.10	17,425.90	3,476.53	14,489.70	13,344.25	9,407.18	0.00	65,434.73
Local Surface Water	0.00	0.00	0.00	0.00	1,075.57	1,353.75	0.00	0.00	3,129.32
Other Groundwater	0.00	0.00	0.00	1,227.38	10,531.02	14,433.50	0.00	0.00	32,512.90
Subtotal	9,497.47	2,904.10	17,425.90	4,703.91	26,196.29	29,131.25	9,407.18	0.00	102,067.65
COA	5,231.86	4,435.68	4,627.45	0.00	0.00	0.00	0.00	0.00	14,294.99
MYWD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SAWCO Water	0.00	0.00	172.40	5,462.00	0.00	0.00	612.00	0.00	6,246.40
West End	0.00	0.00	0.00	2,739.00	0.00	0.00	0.00	0.00	2,739.00
Subtotal	5,231.86	4,435.68	4,800.45	7,601.00	0.00	0.00	612.00	0.00	27,306.47
Sales to other agencies									
Chinc Hills	0.00	0.00	0.00	0.00	0.00	0.00	-4,438.57	0.00	-4,438.57
MYWD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-6,246.40	-6,246.40
Ontario	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,172.50	-1,172.50
De Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3,177.05	-3,177.05
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	-4,438.57	-3,961.45	-8,400.02
Total	21,883.69	16,087.13	41,146.90	19,993.15	-8,902.45	39,205.25	9,410.54	2,129.50	200,367.93

Note: an additional 695 AF of RW was used for IEUA purposes, an additional 10,840 AF of RW was used for recharge, and additional 1,371 AF of RW was sold to SBC.

FY13-14

IEUA Service Area Water Use by Retail Agency for FY13-14(AF)										
	CHINO	CHINO HILLS	ONTARIO	UPLAND	CVWD	FWC	MWWD	SAWCo	Total	
Purchases from IEUA										
Imported Water (MWWD)	4,341.99	962.00	9,904.20	7,265.30	28,825.38	9,792.02	5,964.50	0.00	67,055.38	
Recycled	8,915.74	2,001.81	8,428.00	868.73	1,651.57	0.00	339.30	0.00	22,205.15	
Subtotal	13,257.73	2,963.81	18,332.20	8,134.03	30,476.95	9,792.02	6,303.80	0.00	89,260.53	
Production										
Chino Groundwater	6,725.49	2,138.17	21,723.00	2,822.06	16,121.55	15,377.61	12,521.98	0.00	77,429.85	
Local Surface Water	0.00	0.00	0.00	0.00	1,253.67	2,404.58	0.00	0.00	3,658.25	
Other Groundwater	0.00	0.00	0.00	703.66	8,324.37	17,453.63	0.00	12,609.88	39,091.54	
Subtotal	6,725.49	2,138.17	21,723.00	3,525.72	25,699.59	35,235.81	12,521.98	12,609.88	120,179.64	
Purchases from other agencies										
CDA	5,198.08	4,396.23	5,141.08	0.00	0.00	0.00	0.00	0.00	14,735.39	
CVWD	0.00	0.00	0.00	0.00	0.00	757.49	0.00	0.00	757.49	
MWWD	0.00	8,427.43	0.00	0.00	0.00	0.00	0.00	0.00	8,427.43	
SAWCo Water	0.00	0.00	0.00	9,662.49	0.00	0.00	400.08	0.00	10,062.57	
West End	0.00	0.00	0.00	2,653.04	0.00	0.00	0.00	0.00	2,653.04	
Subtotal	5,198.08	12,823.66	5,141.08	12,315.53	0.00	757.49	400.08	0.00	36,635.92	
Sales to other agencies										
Chino Hills	0.00	0.00	0.00	0.00	0.00	0.00	-8,427.66	0.00	-8,427.66	
MWWD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-400.08	-400.08	
Upland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-9,662.49	-9,662.49	
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	-8,427.66	-10,062.57	-18,490.23	
Total	25,181.30	17,925.64	45,196.28	23,975.28	56,176.54	46,786.32	10,798.20	2,547.30	227,586.86	

An additional 841 AF of RW was used by IEUA, 13,593 AF for GWR, and 1,611 AF sold to SBC.

FY12-13		IEUA Service Area Water Use by Retail Agency for FY12-13(AF)									
Purchases from IEUA	Imported Water (MWD)	CHINO	CHINO HILLS	ONTARIO	UPLAND	CVWD	FWC	MVWD	SAWCo	Total	
	Recycled	8,957.15	1,889.53	6,894.28	263.61	1,230.72	0.00	326.59	0.00	19,561.88	
	Subtotal	13,041.75	3,711.03	17,137.78	6,330.91	27,075.28	5,214.96	6,063.19	0.00	78,574.89	
	Production										
	Chino Groundwater	7,021.90	3,133.80	20,800.88	2,358.18	18,739.95	33,576.34	10,324.50	0.00	95,955.54	
	Local Surface Water	0.00	0.00	0.00	0.00	1,921.19	4,058.97	0.00	0.00	5,980.17	
	Other Groundwater	0.00	0.00	0.00	1,348.79	6,420.20	0.00	0.00	13,376.39	21,145.38	
	Subtotal	7,021.90	3,133.80	20,800.88	3,706.98	27,081.34	37,635.31	10,324.50	13,376.39	123,081.09	
Purchase from other agencies	CDA	4,804.51	4,074.89	4,792.01	0.00	0.00	0.00	0.00	0.00	13,671.41	
	MVWD	0.00	6,948.88	0.00	0.00	0.00	0.00	0.00	0.00	6,948.88	
	SAWCo Water	0.00	0.00	0.00	9,594.18	0.00	0.00	841.15	0.00	10,435.33	
	West End	0.00	0.00	0.00	3,691.74	0.00	0.00	0.00	0.00	3,691.74	
	Subtotal	4,804.51	11,023.77	4,792.01	13,285.92	0.00	0.00	841.15	0.00	34,747.36	
Sales to other agencies	Chino Hills	0.00	0.00	0.00	0.00	0.00	0.00	-7,248.87	0.00	-7,248.87	
	MVWD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-841.15	-841.15	
	Upland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-9,594.18	-9,594.18	
	Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	-7,248.87	-10,435.33	-17,684.20	
	Total	24,868.16	17,868.60	42,730.67	23,323.81	54,156.62	42,850.27	9,979.97	2,941.06	218,719.15	

An additional 871 AF of RW was used by IEUA, 10,479 AF for GWR, and 1,407 AF sold to SBC.

FY11-12		IEUA Service Area Water Use by Retail Agency for FY11-12(AF)									
		CHINO	CHINO HILLS	ONTARIO	UPLAND	CVWD	FWC	MVWD	SAWCo	Total	
Purchases from IEUA	Imported Water (MVWD)	2,743.40	2,173.41	10,661.30	6,446.30	26,143.69	1,202.49	3,505.50	0.00	52,876.08	
	Recycled	8,274.12	1,507.00	7,493.02	0.00	1,018.90	0.00	287.79	0.00	18,040.89	
	Subtotal	11,017.52	3,740.41	18,154.32	6,446.30	27,162.65	1,202.49	3,793.29	0.00	71,516.97	
Production	Chino Groundwater	7,856.33	3,566.03	19,163.76	525.68	14,948.73	28,747.52	10,537.72	0.00	85,345.76	
	Local Surface Water	0.00	0.00	0.00	0.00	4,070.40	12,873.92	0.00	0.00	16,744.32	
	Other Groundwater	0.00	0.00	0.00	1,245.90	5,933.21	0.00	0.00	12,328.08	19,507.18	
	Subtotal	7,856.33	3,566.03	19,163.76	1,771.57	24,952.34	41,421.44	10,537.72	12,328.08	121,597.27	
Purchases from other agencies	CDA	4,887.14	4,236.29	4,837.58	0.00	0.00	0.00	0.00	0.00	13,961.01	
	MVWD	0.00	5,415.97	0.00	0.00	0.00	0.00	0.00	0.00	5,415.97	
	SAWCo Water	0.00	0.00	0.00	8,309.08	0.00	0.00	1,276.73	0.00	9,585.81	
	West End	0.00	0.00	0.00	3,323.80	0.00	0.00	0.00	0.00	3,323.80	
	Subtotal	4,887.14	9,652.26	4,837.58	11,632.88	0.00	0.00	1,276.73	0.00	32,286.59	
Sales to other agencies	Chino Hills	0.00	0.00	0.00	0.00	0.00	0.00	-5,660.81	0.00	-5,660.81	
	MVWD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,276.73	-1,276.73	
	Upland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8,309.08	-8,309.08	
	Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	-5,660.81	-9,585.81	-15,240.05	
	Total	15,405.07	15,391.70	34,662.64	19,850.75	51,096.03	42,623.93	9,659.11	2,742.27	210,154.17	

An additional 515 AF of RW was used by IEUA, 8,634 AF for GWR, and 1,450 AF sold to SBC.

=Y4C-11

EUA Service Area Values Used by Retail Agency for FY10-11(AF)										
	CHMC	CRINA HILLS	CMTAFSD	UPLAND	CVWD	FWC	MYWD	SANJO	Total	
Purchases for EUA										
Injunct Water (RW/D)	2,320.13	1,511.30	3,793.32	3,953.00	19,933.34	1,392.03	4,350.50	0.00	42,730.15	
RegDoc	6,472.92	1,631.38	5,743.63	0.00	7,333.33	0.00	303.53	0.00	14,885.05	
Subtotal	8,823.02	3,142.68	15,536.95	3,953.00	26,727.39	1,392.03	4,354.03	0.00	57,615.21	
Purchases										
Crina Groundwater	7,304.11	2,014.22	18,693.35	727.24	24,317.71	26,257.11	12,937.60	0.00	38,396.48	
Local Surface Water	0.00	0.00	0.00	0.00	4,932.48	13,219.22	0.00	0.00	18,151.70	
Civ Groundwater	0.00	0.00	0.00	1,903.65	3,254.34	0.00	0.00	0.00	5,158.00	
Subtotal	7,304.11	2,014.22	18,693.35	2,840.89	23,505.11	40,115.93	12,937.60	0.00	121,536.90	
Purchases for other agencies										
CDA	4,977.43	4,273.56	5,189.36	0.00	0.00	0.00	0.00	0.00	14,440.35	
CVWD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FWC	0.00	6,754.90	0.00	0.00	0.00	0.00	0.00	0.00	6,754.90	
SAWCo Water	0.00	0.00	0.00	5,777.25	0.00	0.00	493.22	0.00	6,270.47	
West End	0.00	0.00	0.00	2,988.89	0.00	0.00	0.00	0.00	2,988.89	
Subtotal	4,977.43	11,028.36	5,189.36	8,766.13	0.00	12.89	493.22	0.00	30,467.95	
Sales										
Crina Hills	0.00	0.00	0.00	0.00	0.00	0.00	-6,738.41	0.00	-6,738.41	
FWC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-493.22	-493.22	
Upland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,777.25	-5,777.25	
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	-8,738.41	-6,270.47	-15,008.88	
Total	14,901.70	14,554.78	24,687.07	14,760.02	38,455.33	41,620.94	9,224.91	3,000.00	195,633.18	

An additional 520 AF of RW was used by IEUA, 8,028 AF for GWR, and 1,251 AF sold to SBC.

APPENDIX B

Definitions

Chino Basin Groundwater – Water pumped from the Chino Basin Aquifer and treated by retail water agencies for all potable uses within the IEUA service area.

Desalter Water – Water pumped from Chino Basin Desalter I owned and operated by the Chino Basin Desalter Authority (CDA). Groundwater, with high levels of dissolved solids, is treated and distributed to several retail agencies within the IEUA's service area for potable uses.

Imported Water (MWD) – Water from Northern California and supplied by the Metropolitan Water District of Southern California (MWD), and water transferred from other groundwater basins to retail water agencies operating within the IEUA service area. All Tier I and Tier II deliveries are included in this category.

Other Groundwater – Water produced from other local groundwater basins to retail water agencies operating within IEUA's service area.

Surface Water – Water collected by retail water agencies from mountain runoff and storm flows, which is collected and treated for potable use.

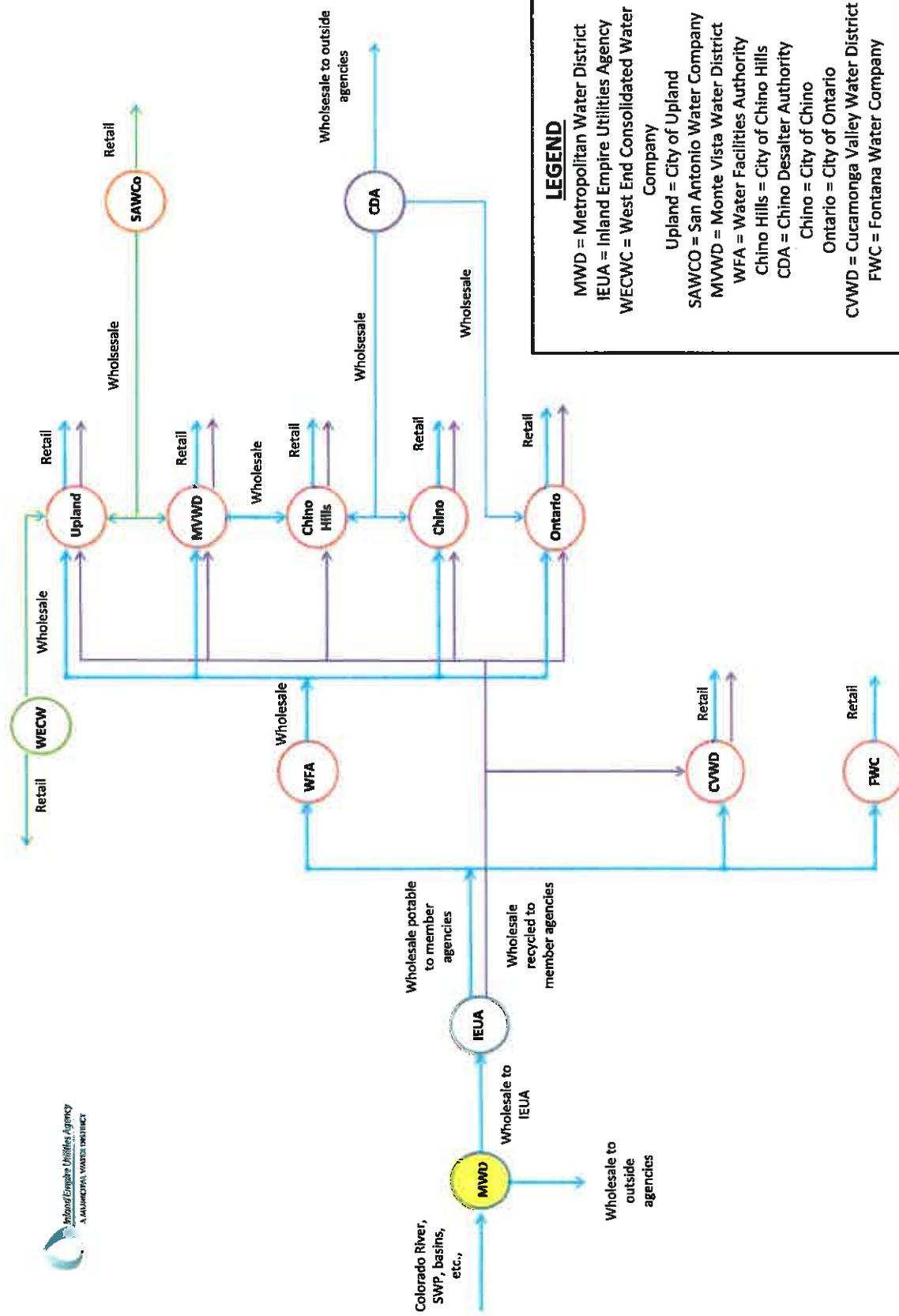
Recycled Water – Title 22 recycled water produced by the IEUA at its water recycling plants for distribution through separate pipelines to retail water agency customers for all non-potable uses.

WECWC– West End Consolidated Water Company supplies some water to the City of Upland.

WVWD – West Valley Water District

APPENDIX C

Member Agency Organizational Chart



RECEIVE AND
FILE

5D



Date: October 29, 2015/November 4, 2015
To: Regional Committees
From: Inland Empire Utilities Agency *g*
Subject: Ten-Year Growth Forecast

RECOMMENDATION

This is an information item for the Regional Committees to review.

BACKGROUND

The item was presented as an informational item at the IEUA Board of Directors meeting on October 14, 2015.

FY14/15 Building Activity Summary Ten-Year Growth Survey



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

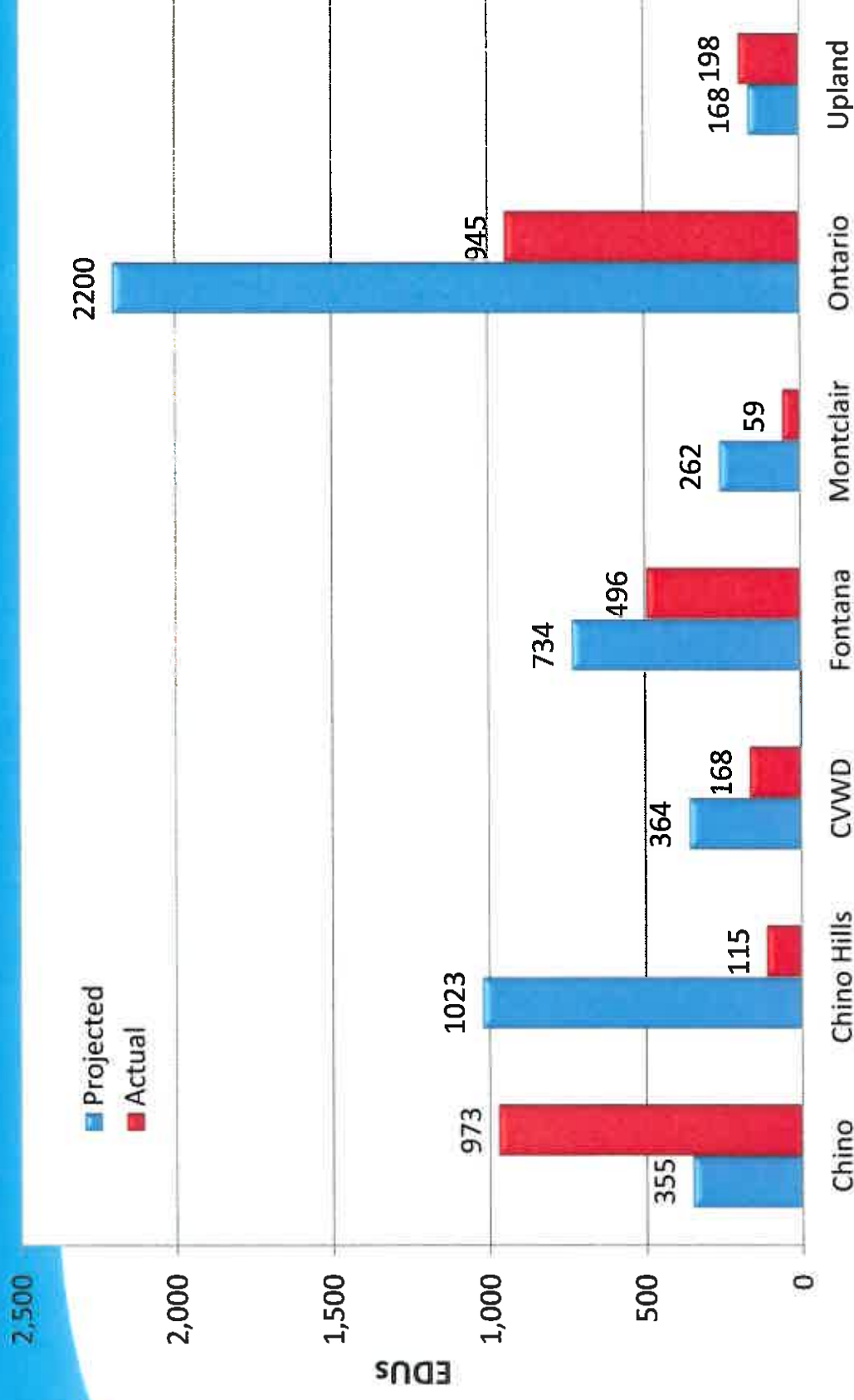
October 2015

Summary: FY14/15 Building Activity

- IEUA Member Agency Forecast = 5,106 EDUs
- IEUA Budgeted Forecast = 3,000 EDUs
- Fiscal Year Building Activity = 2,953 EDUs
- Fiscal Year Building Activity at 58% of IEUA's

Member Agency Forecasts

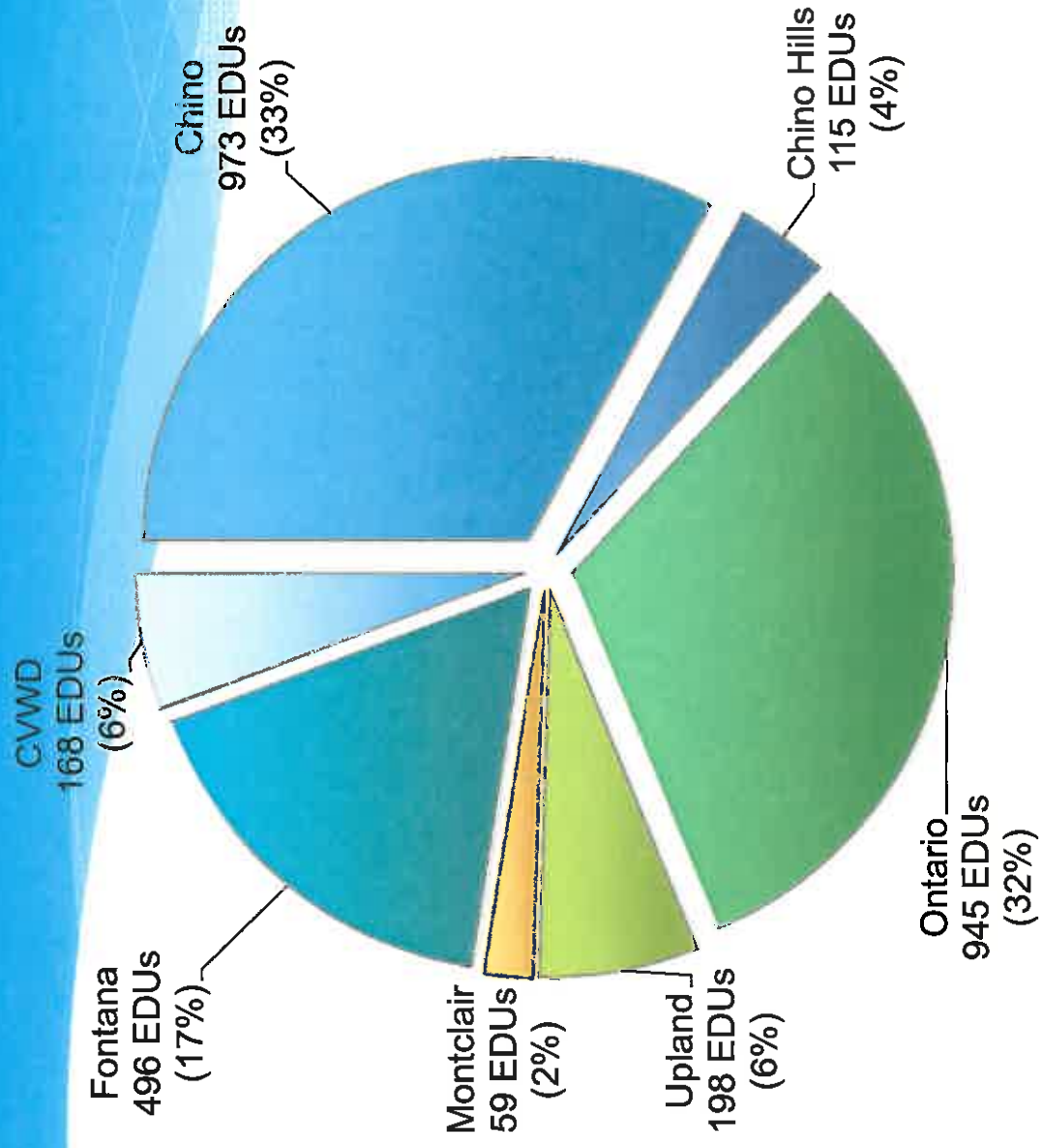
FY14/15 Distribution of Growth



Partial EDU rounded to the nearest whole number

FY14/15 Building Activity

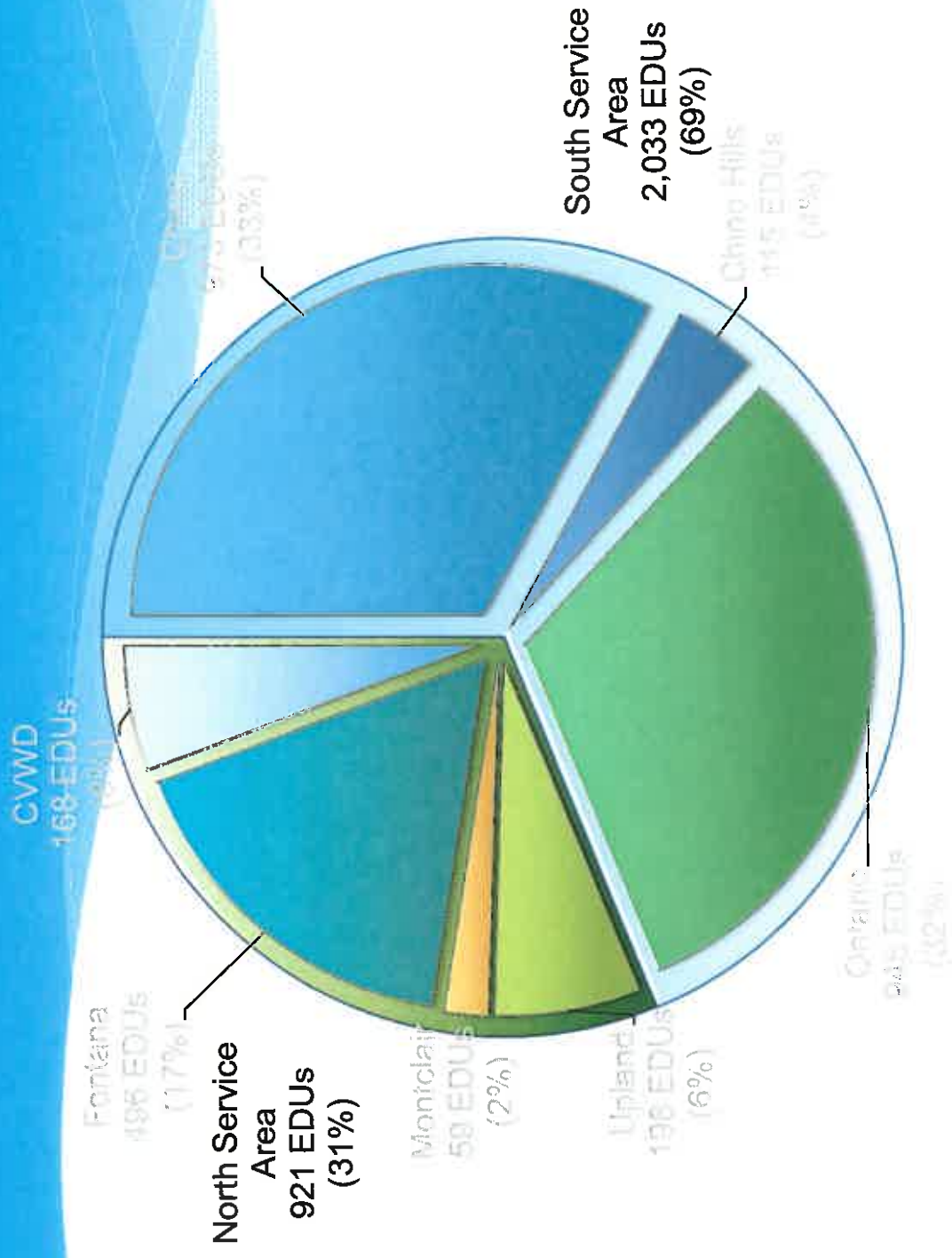
2,953 EDUs Resulted in \$15.08M in CCRA Funding



Partial EDU rounded to the nearest whole number

FY14/15 Building Activity

2,953 EDUs Resulted in \$15.08M in CCRA Funding

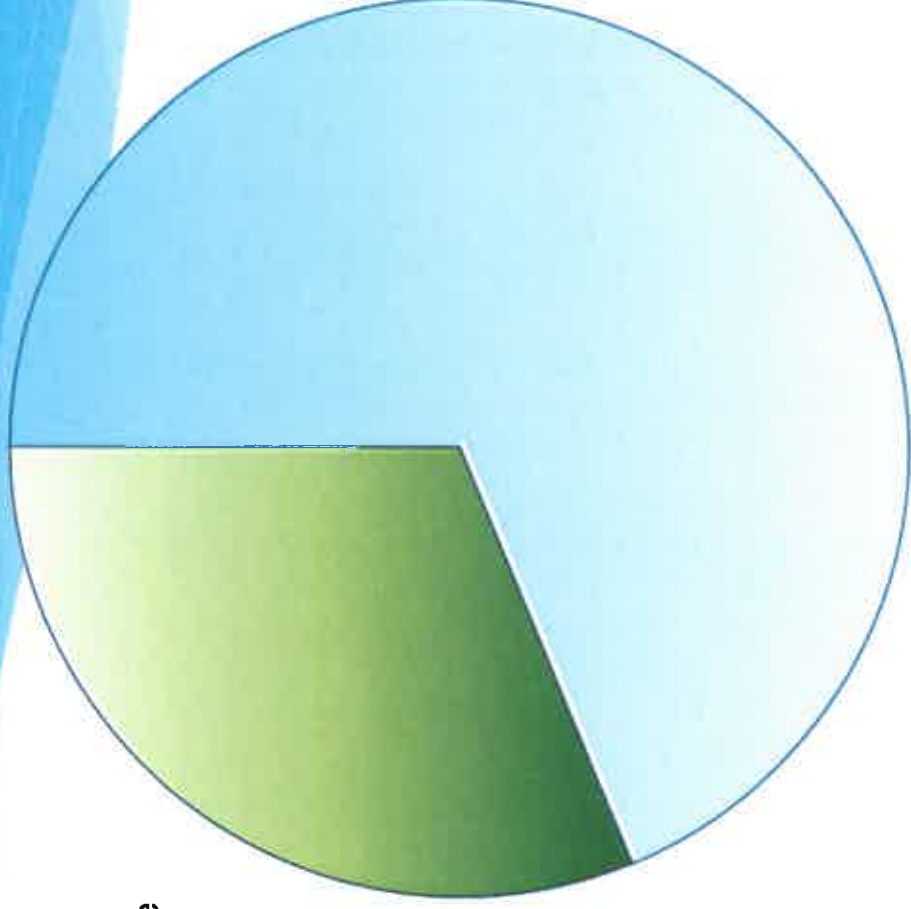


Partial EDU rounded to the nearest whole number

FY14/15 Building Activity

2,953 EDUs Resulted in \$15.08M in CCRA Funding

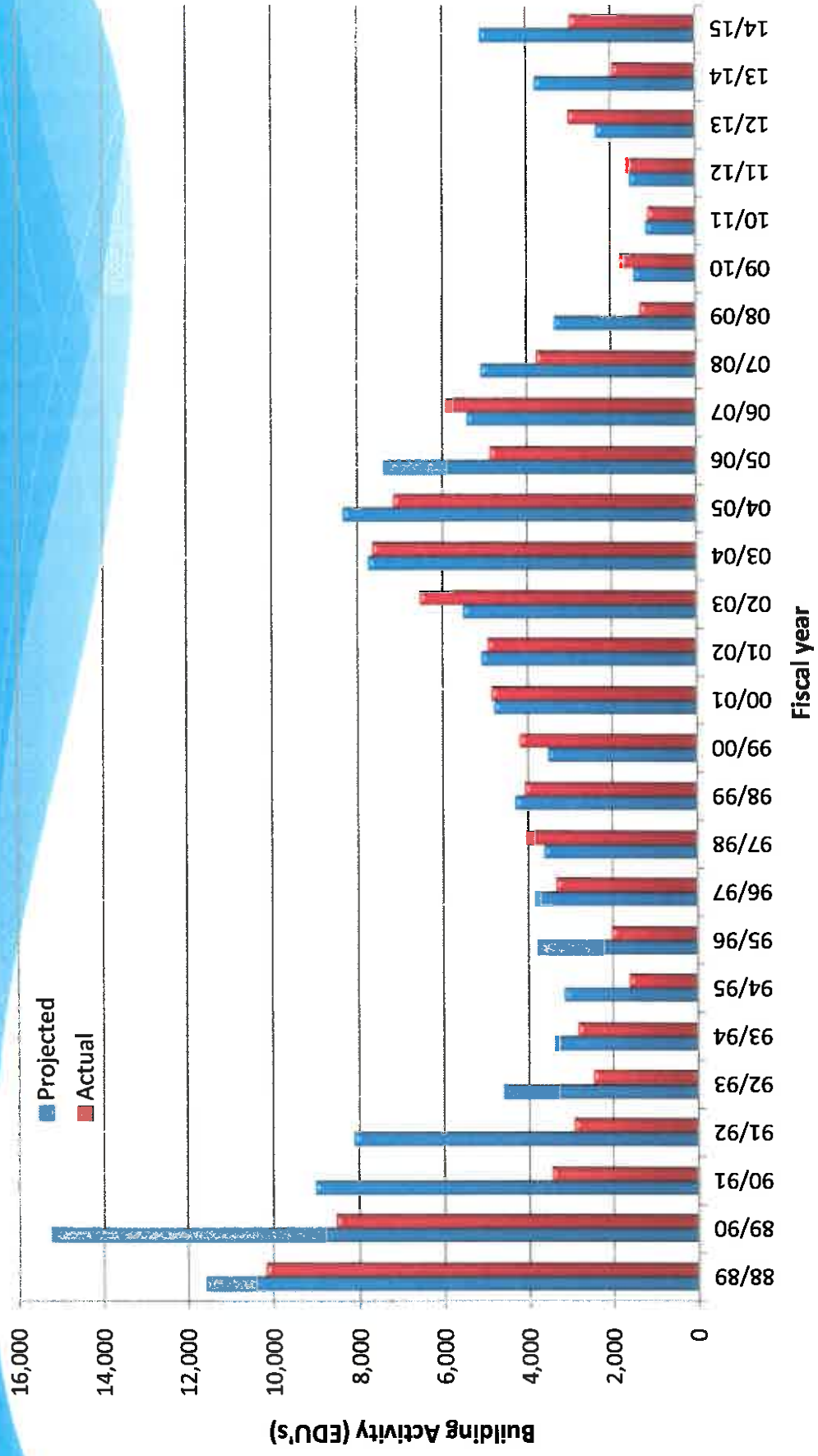
North Service
Area
921 EDUs
(31%)



South Service
Area
2,033 EDUs
(69%)

Building Activity

Projected vs. Actual

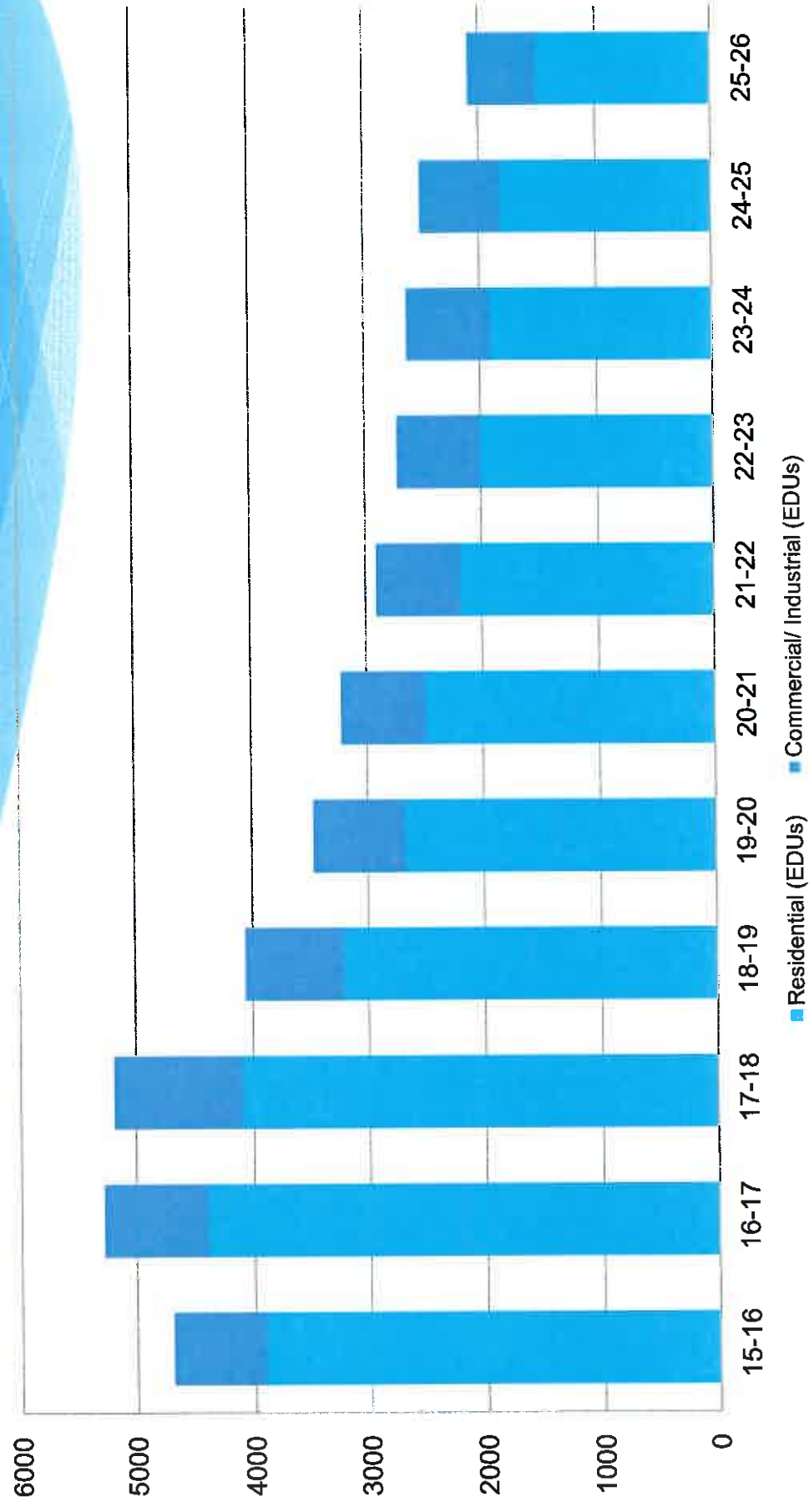


FY15/16 EDU Projection

Contracting Agency	Residential (EDUs)	Commercial Industrial (EDUs)	Total (EDUs)
Chino	680	60	740
Chino Hills	736	75	811
CVWD*	250	114	364
Fontana	560	57	617
Montclair	165	24	189
Ontario	1350	450	1800
Upland	169	3	237
Projected Totals	3554	984	4538

*based on FY13/14 projections. No updates received to date

EDU Growth Forecast



10-Year EDU

Growth

Forecast

34,090 EDUS

Upland
1,103 EDUS

CVWD*
3,335 EDUS

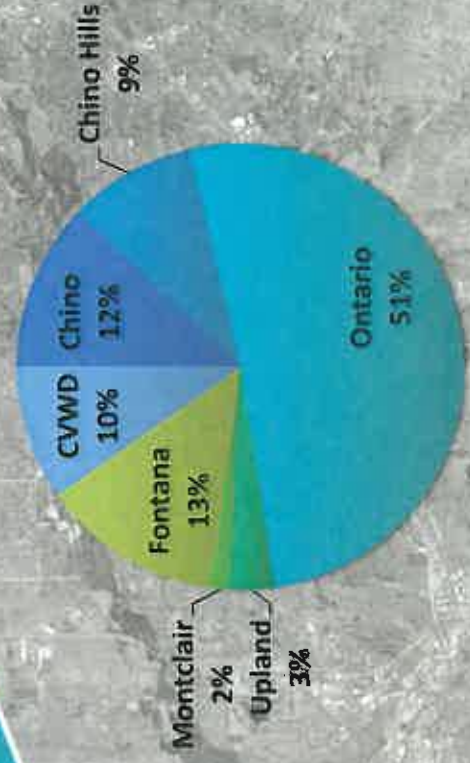
Fontana
4,442 EDUS

Montclair
459 EDUS

Ontario
17,450 EDUS

Chino
4,167 EDUS

Chino Hills
3,134 EDUS



10-Year EDU Growth Forecast

34,090 EDUS

Upland
1,103 EDUS

CVWD*
3,335 EDUS

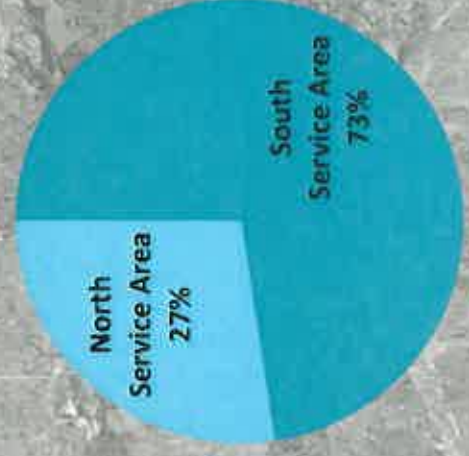
Fontana
4,442 EDUS

Montclair
459 EDUS

Ontario
17,450 EDUS

Chino
4,167 EDUS

Chino Hills
3,134 EDUS



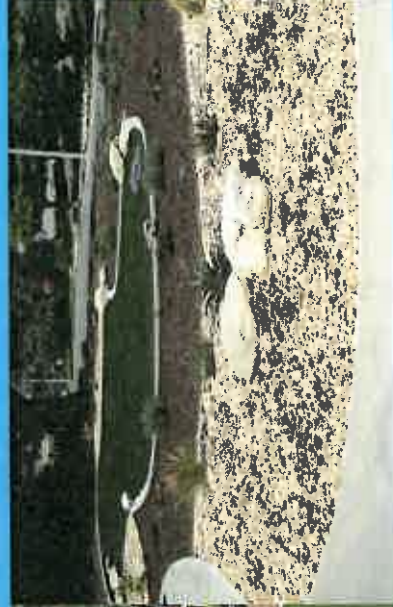
Questions

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5E

Water Conservation Updates

September 2015

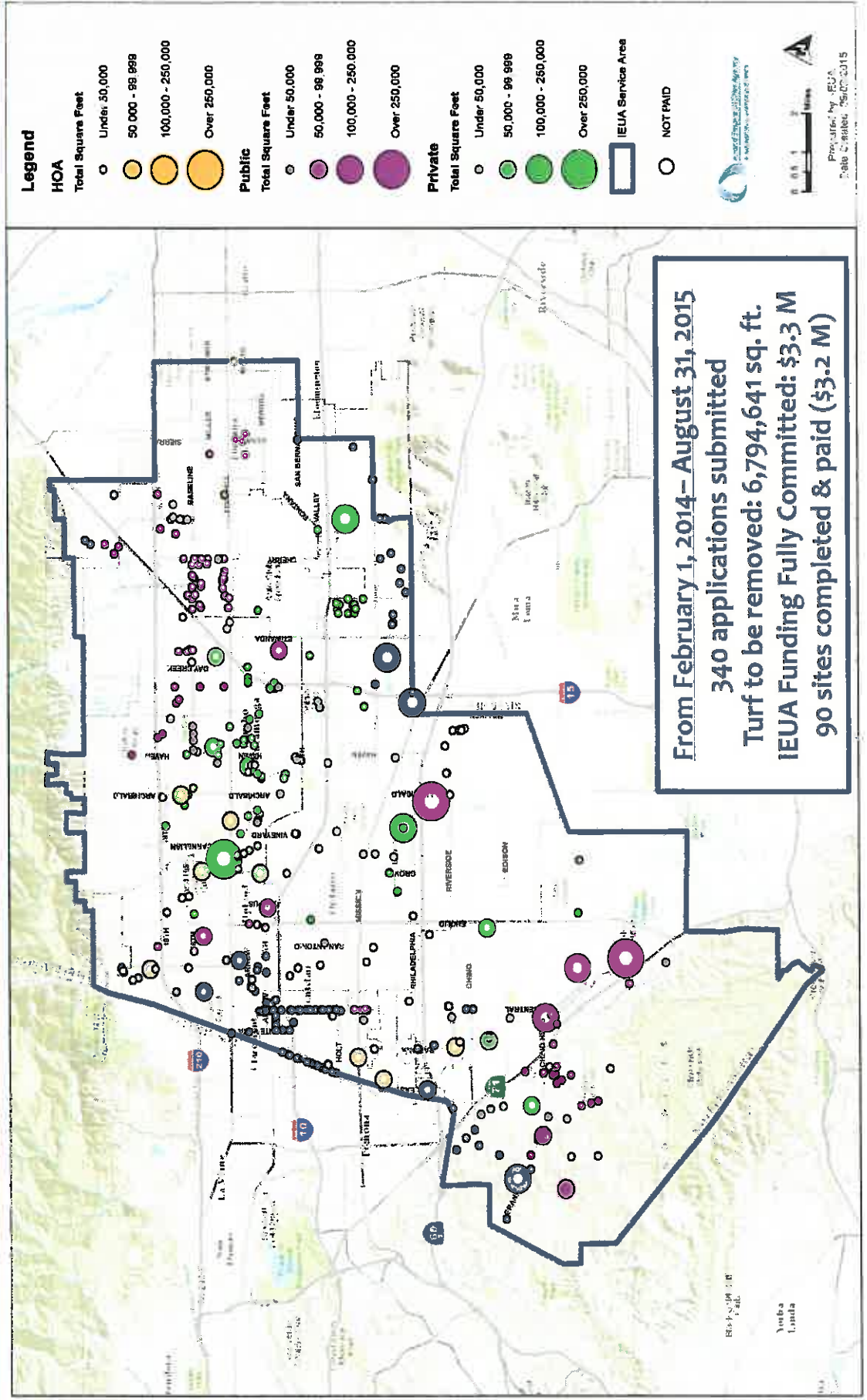


Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT



CII Turf Removal Applications Only



Freesprinklernozzles.com

- Inter-Agency Partnering Program
- Online Voucher Program launched: FY 2010-11
- Target Market:
 - Residential, Commercial, and Landscape Customers
- Phase VI Program (FY 2015-16)
 - Program Expansion – New nozzles (Toro, Hunter, Rainbird – CII Only)
 - 48,750 High Efficiency Nozzles (Redeemed at \$5 per unit)
 - Annual Projected Water Savings: 974 AF
 - Lifetime Water Savings: 4,870 AF (over 5 years)
 - MWD Reimbursement \$182,812.50 (75%)
 - Non-Reimbursable: \$60,937.50 (25%)



Questions




Consistent with Agency's Business Goal of increasing Water Reliability by promoting water use efficiency and education to enhance water supplies within the region

**RECEIVE AND
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5F



Date: November 4, 2015
To: Regional Policy Committee
From: Inland Empire Utilities Agency 
Subject: Energy Management Plan

RECOMMENDATION

This is an Informational Item for the Regional Committee to review.

BACKGROUND

This item will be presented at the IEUA Board of Directors meeting on December 16, 2015.

Energy Management Plan (EMP)

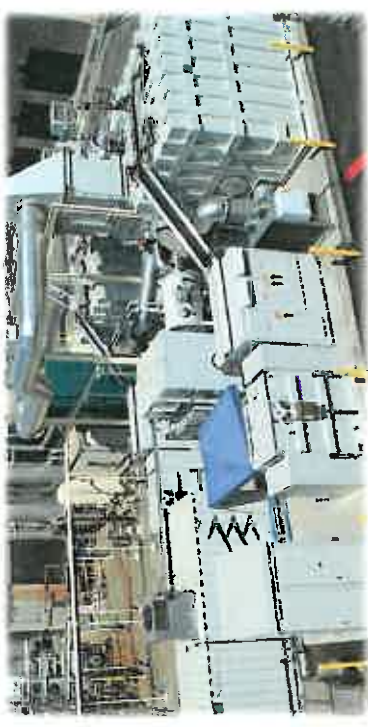


Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

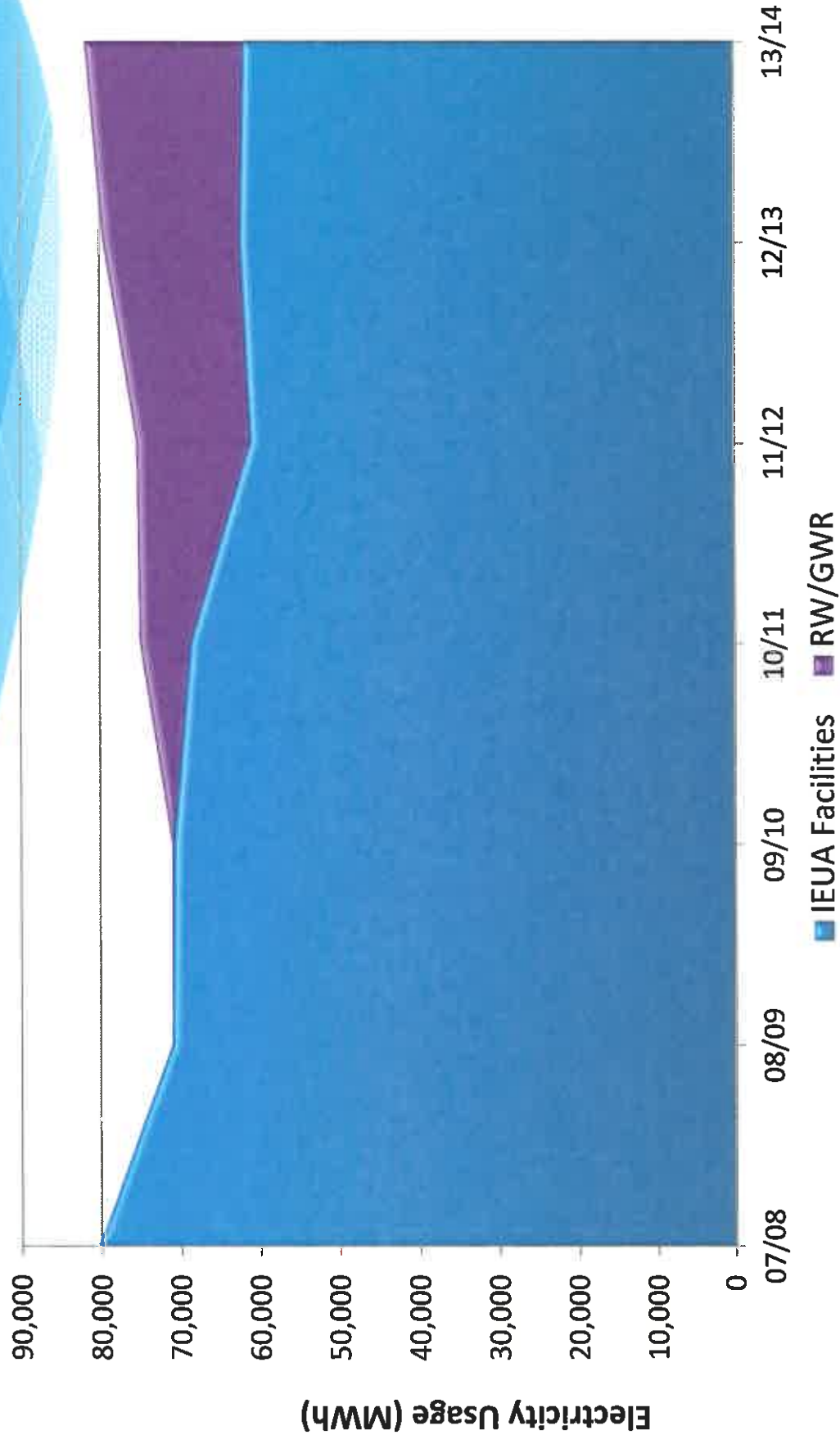
October 2014

EMP Overview

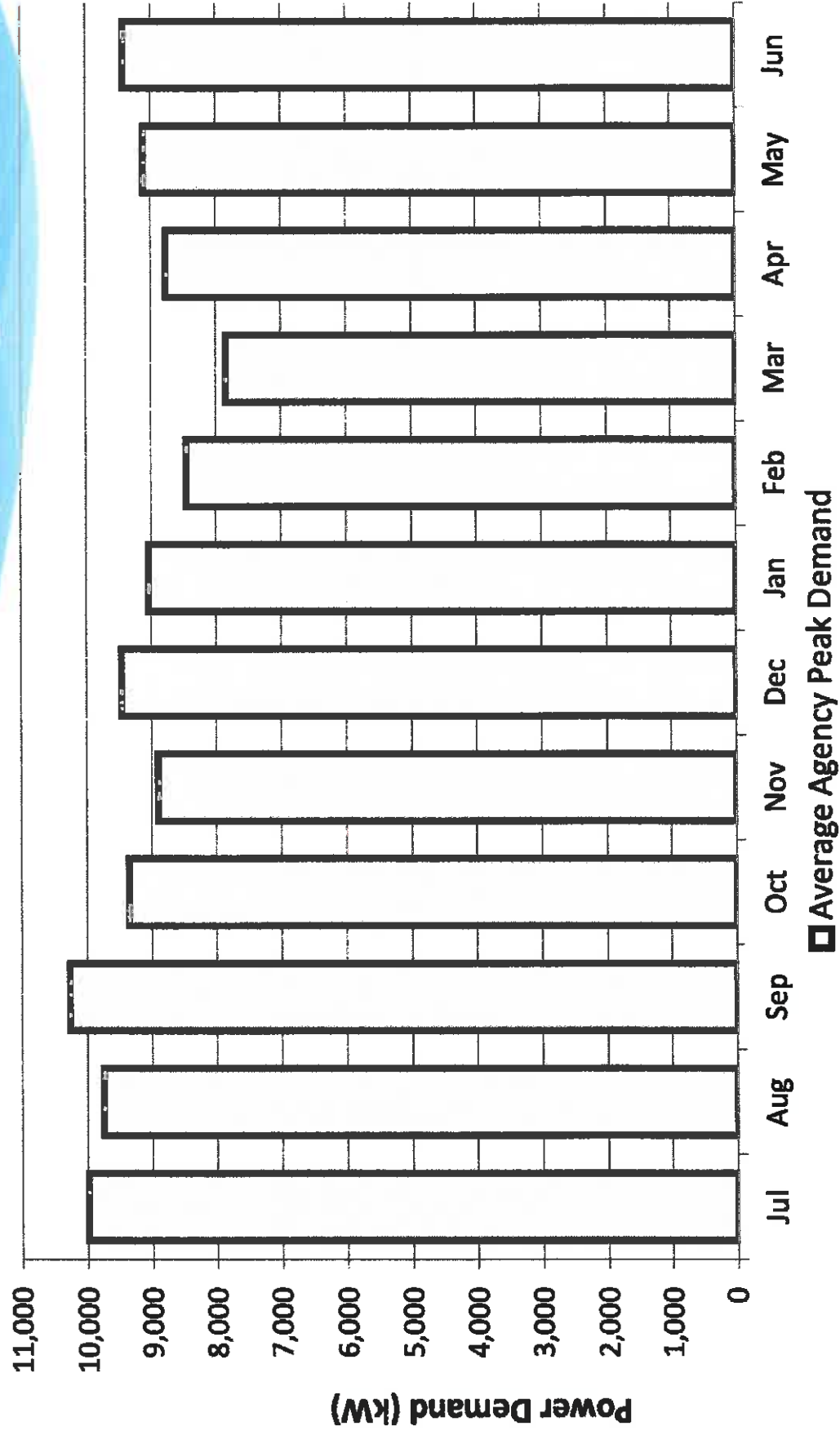
- Benchmark Current Performance
- Peak Power Independence Status
- Optimize Resources
- Improve Demand Side Management
- Forecast Facility Demands
- Mitigate Greenhouse Gas Impacts
- Identify Potential Energy Projects
- Track Energy Regulations
- Qualify for State/Federal Grants



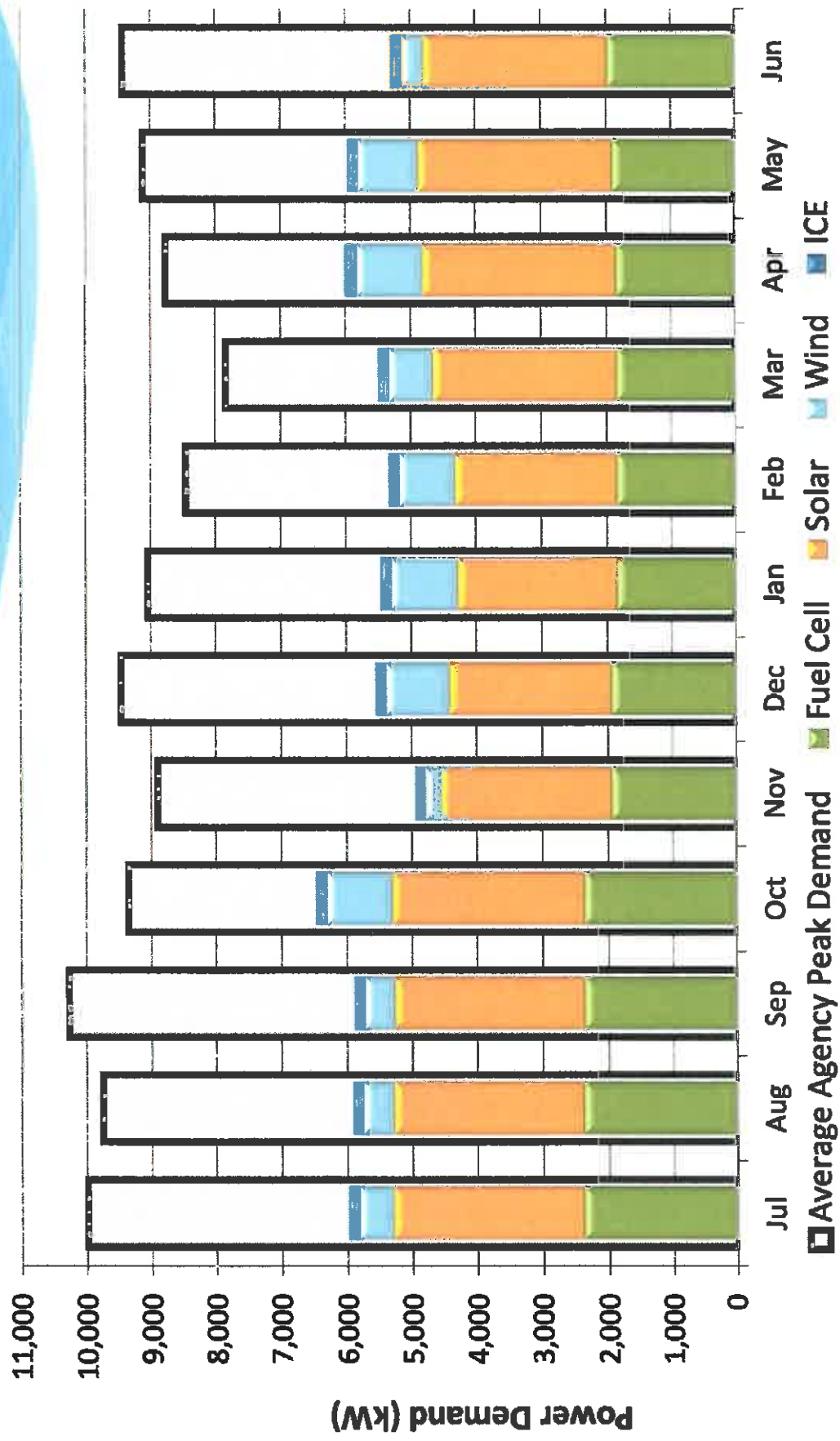
Energy Benchmarking



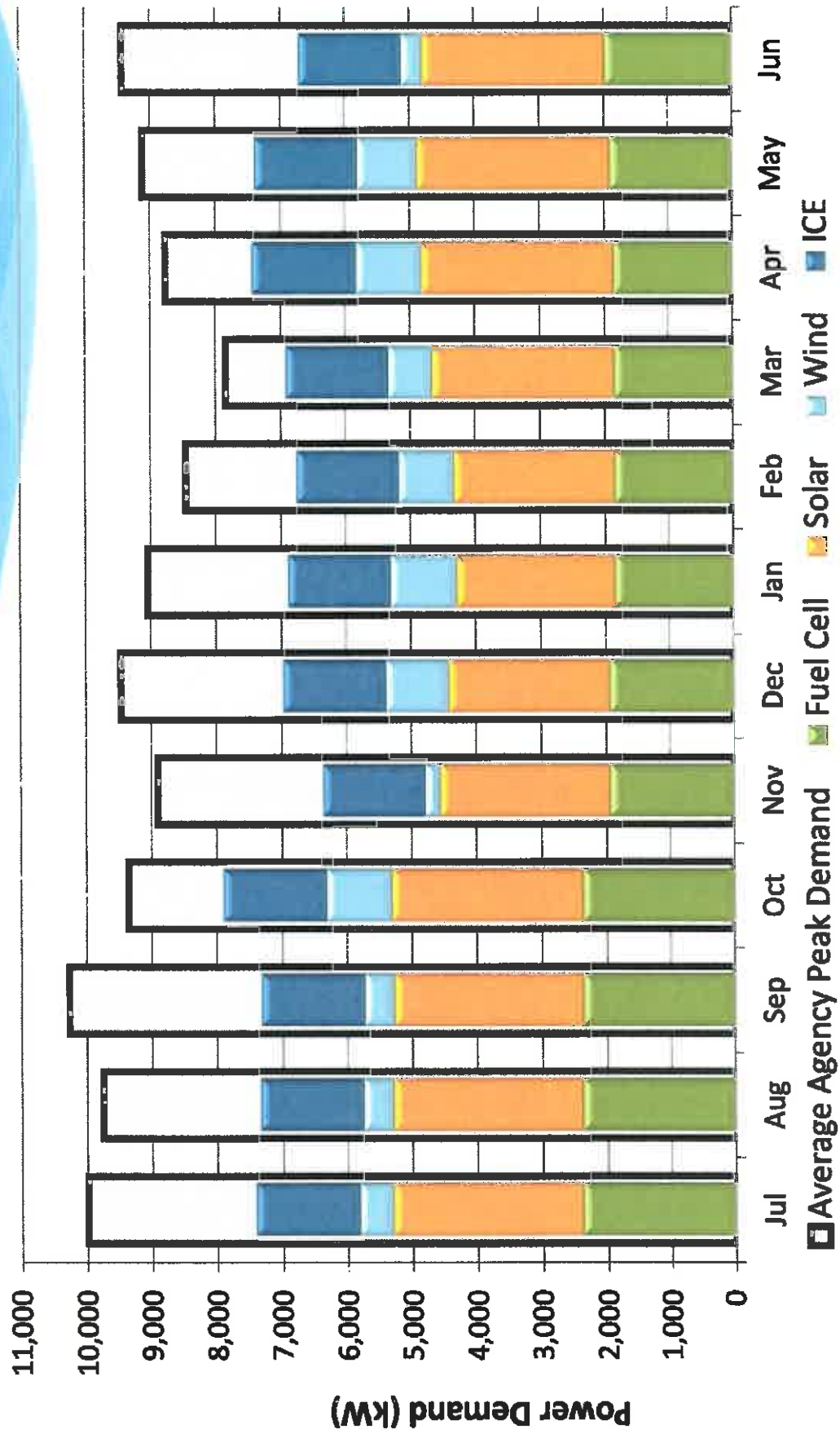
Peak Power Benchmarking



Peak Power Benchmarking



Peak Power Benchmarking

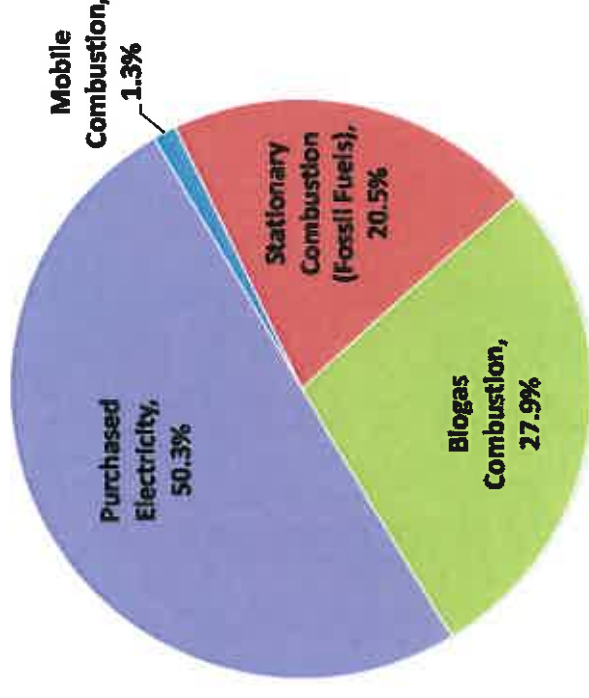


GHG Benchmarking

2008 GHG Emissions (Metric Tons CO ₂ e)	2013 GHG Emissions (Metric Tons CO ₂ e)	Percent Reduction
52,400	33,506	36.1%

- Registered Member of The Climate Registry

- Annual voluntary reporting of GHG emissions
- Verification by end of 2015
 - To qualify for Cap-and Trade funding
- Establish current carbon footprint and track improvements



Facility Assessments

- Available Resources
 - On-site renewables
 - Digester gas production
 - Facility Load
 - Seasonal variation
- Electricity Procurement Strategy
- Demand Response Capabilities
- 20-Year Energy Forecast
- Project Opportunities

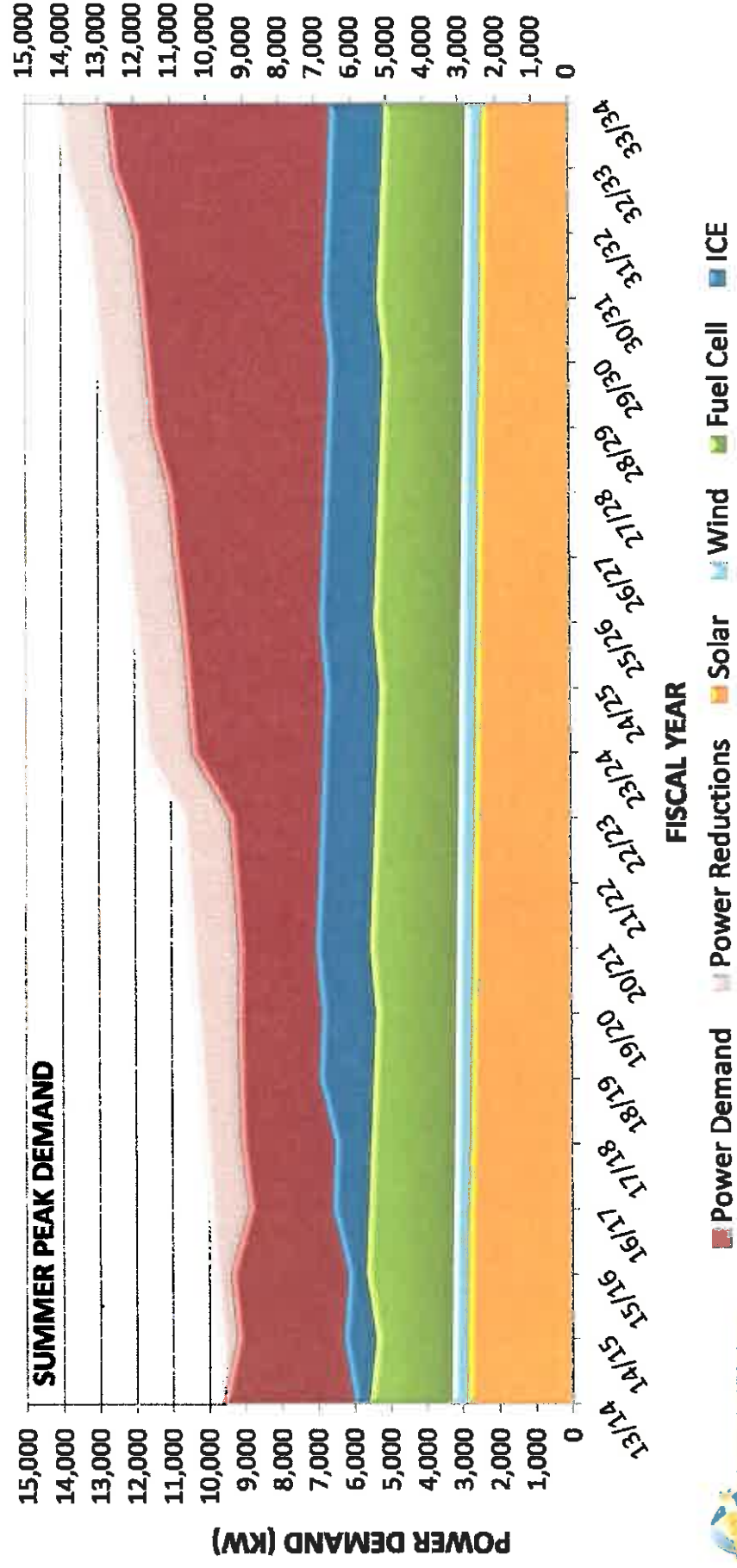


Short-Term Goals

Project	Implementation Timeline	Anticipated Capital	Funding Assistance
Retrofit Lighting at IEUA Facilities	2015	\$1,000,000	SCE
Pump Optimization	2015	\$1,500,000	SCE
Provide Energy Management Training to Staff	2015	-	-
Incorporate Efficiency and GHG Targets into Project Solicitation	2015	-	-
Install Energy Storage	End of 2016	-	-
Phase I Efficiency Measures at RP-1	2016 – 2017	\$200,000	SCE
HVAC Controls and Upgrades	2016 – 2018	\$125,000	
Total		\$2,825,000	

Forecasting Demands

Information from TYCIP, WFMPs, and Short-Term Goals

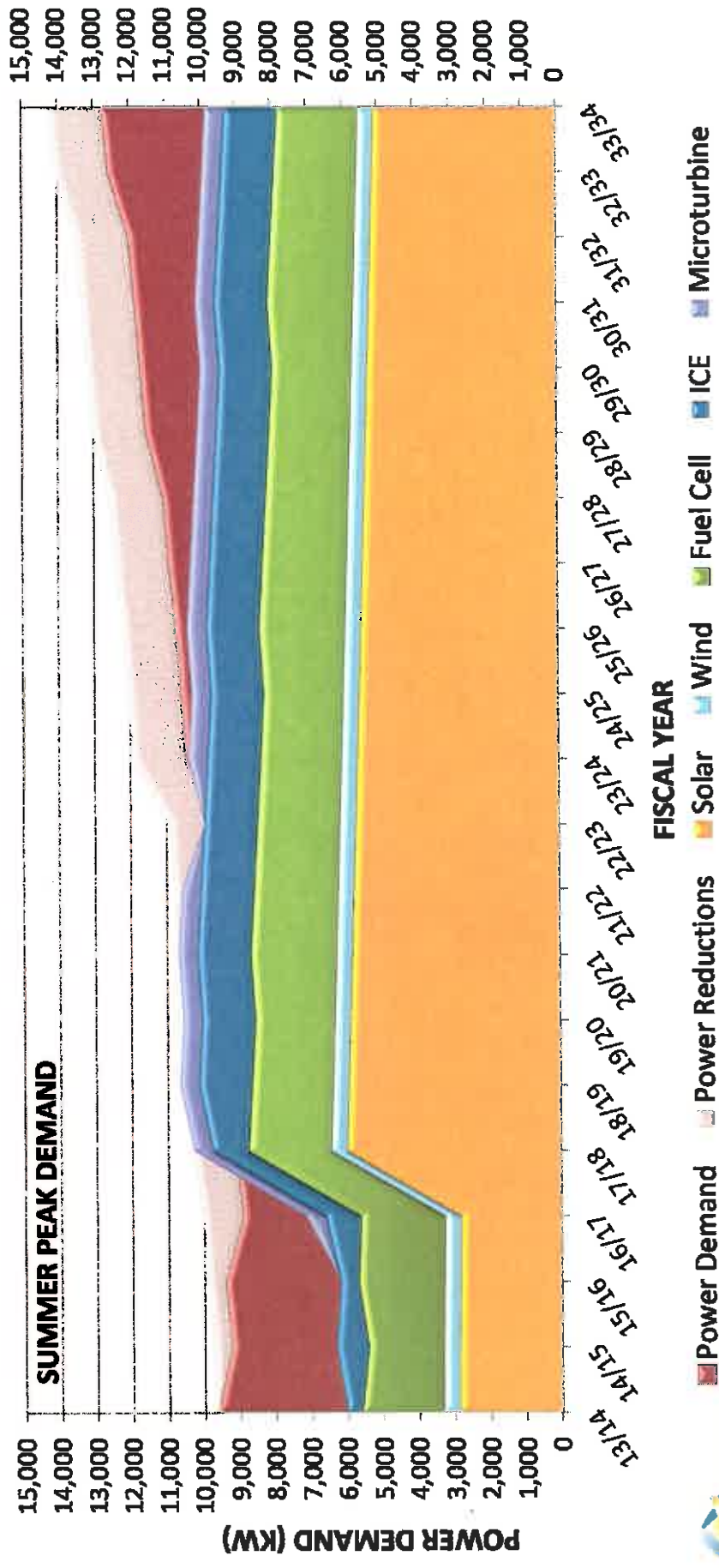


Long-Term Goals

Project	Implementation Timeline	Anticipated Capital	Funding Assistance
Expand Solar at RP-4	2016 – 2017	\$4,000,000	PPA Option
Install Microturbine at RP-2	2017	\$3,000,000	SGIP
Purchase Existing Solar Installations	2016 – 2019	\$7,500,000	-
Digester Gas Mixing at RP-1	2016 – 2020	\$1,500,000	SCG
Implement Phase II and III Efficiency Measures from Audits	2017 – 2020	TBD	TBD
Reduce Flaring by 50%	2019	-	-
Install Additional 3 – 5 MW of Solar	2016 – 2020	\$20,000,000	PPA Option
Peak Power Independence	2020	TBD	TBD
Carbon Neutral by 2030	2030	TBD	TBD
Total		\$36,000,000	

Forecasting Demands

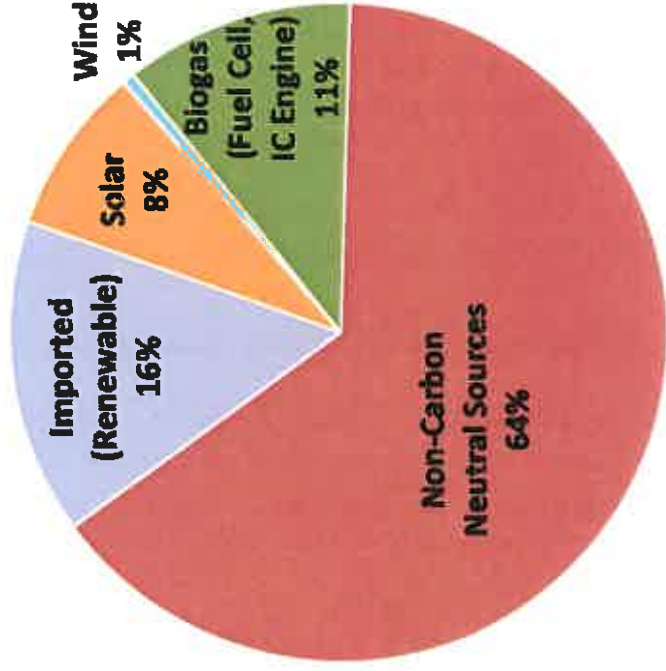
Information from TYCIP, WFMPs, Short-Term and Long-Term Goals



Carbon Neutral by 2030

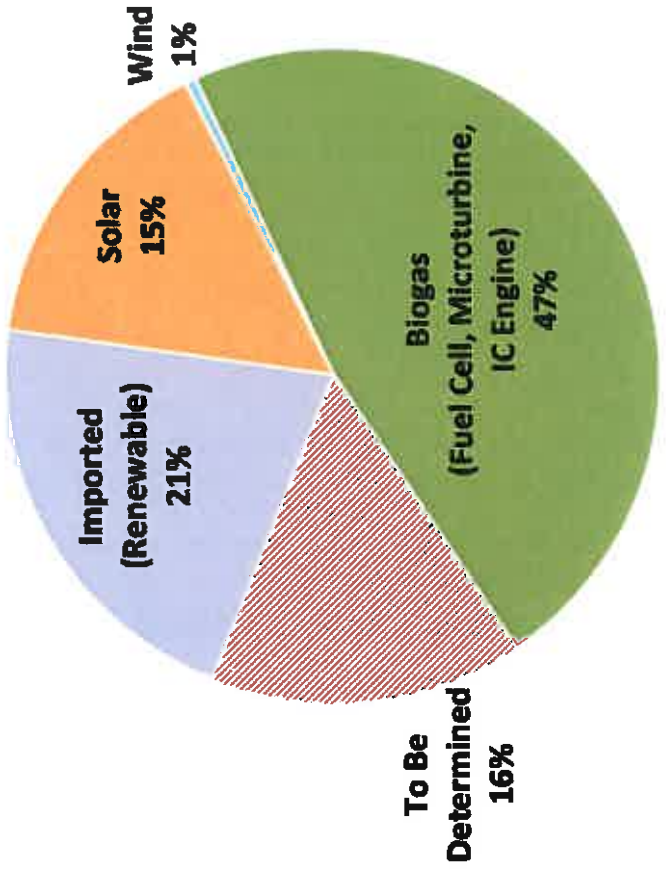
- Current planning efforts expected to achieve 84% neutrality
 - Combination of efficiency measures and new renewable
- Future EMPs to identify opportunities to bridge gap

2013



36% Neutral

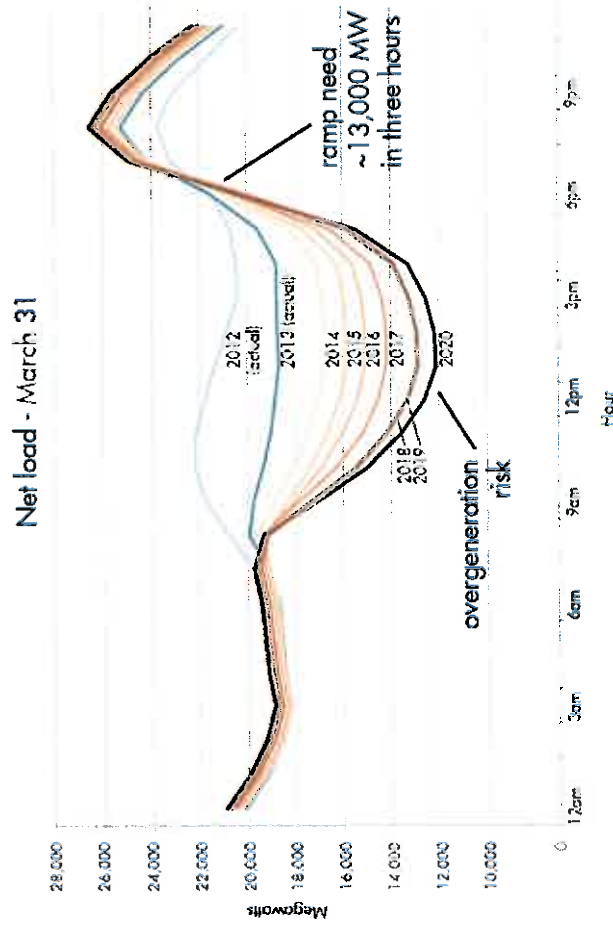
2030 Projected



100% Neutral

Policy Tracking

- Partner with Organizations that Track, Impact Regulations
- Incorporate Anticipated Policy Changes into Analysis
 - Pavley SB 471
 - Air Resource Board Short Lived Climate Pollutants
 - CPUC Water/Energy Cost Calculator
 - Duck Curve



Recent Efforts

- Energy Audits Completed and Efficiency Measures Identified
 - Lighting retrofit to begin in Fall 2015
 - Pump optimization to begin in Fall 2015
- Energy Storage Agreement in development
 - RP-5 installation to be completed by end of 2015
- Microturbine Project Under Evaluation

Next Steps

- Implement Goals and Strategies Identified
- Complete Programmatic EIR – Summer 2016
- Update the EMP every two years – 2017


This project meets the Agency's Business Goal of Energy Management and Wastewater Management by optimizing facility energy use and effectively managing renewable resources.

Questions

RECEIVE AND
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Date: October 29, 2015/November 4, 2015
To: Regional Committees
From: Inland Empire Utilities Agency 
Subject: Fourth Quarter Budget Variance Report

RECOMMENDATION

This is an information item for the Regional Committees to review.

BACKGROUND

The item was presented as an informational item at the IEUA Board of Directors meeting on October 14, 2015.

Date: October 14, 2015 (Special Board Meeting)

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager

Submitted by: Christina Valencia
Chief Financial Officer/Assistant General Manager

Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: FY 2014/15 Fourth Quarter Budget Variance, Performance Goals Updates,
and Budget Transfer

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

The Budget Variance report presents the Agency's financial performance through fourth quarter ending June 30, 2015. Exhibit A provides a comparison of actual revenues and expenses against the FY 2014/15 amended budget including a discussion of major categories with the most significant variances. Exhibit B provides a progress status of Division and Department Goals and Objectives as established in FY 2014/15 adopted budget. Exhibit C-1 presents a summary of Operations and Maintenance (O&M) budget transfers approved by management for the fourth quarter, Exhibit C-2 presents a summary of the GM contingency account activity, and Exhibit D lists Board approved budget amendments and management approved budget transfers for capital and O&M projects. Attachment A provides the FY 2014/15 financial overview of each of the Agency's programs.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received total revenues and other funding sources at the end of the FY 2014/15 were \$199.8 million, or 101.2% of the amended budget (Exhibit A detail). The major change in the amended budget of \$197.4 million compared to the adopted budget of \$153.4 million was the inclusion of \$34.1 million pass-through MWD imported water sales and corresponding purchases recorded in the Water Resources (WW) Fund.

The following section highlights key variances:

- **User Charges** – User charges were \$62.9 million or 101.8% of amended budget. This category includes \$46.7 million from EDU volumetric, \$10.1 million for non-reclaimable wastewater fees, \$4.9 million for water meter service charges, and \$0.8 million for imported potable water surcharge. EDU volumetric fees were slightly over budget due to higher volume reported by the city of Fontana and Cucamonga Valley Water District, 3.1% and 6.2% respectively.
- **Connection Fees** – Member agencies reported a total of 2,953 Equivalent Dwelling Units (EDU) new connections, approximately 98.4% of the budgeted 3,000 EDUs which is equivalent to \$15.1 million of the budgeted \$15.3 million.
- **Recycled Water Sales** – Recycled water sales at the end of the fiscal year were \$10.0 million, or 104.9% of amended budget. Direct delivery was 22,580 acre feet (AF), \$6.3 million, and groundwater recharge was 10,840 AF, \$3.7 million. Total year to date deliveries of 34,419 AF compared favorably to the 32,000 AF budgeted for the fiscal year.
- **MWD Imported Water Sales** – Total MWD pass-through imported water revenue were \$34.1 million for 58,905 AF compared to amended budget of 65,000 AF. The addition of MWD imported pass-through water sales and purchases accounts for the major change in the amended budget for this category.
- **MWD LPP Rebate** –Direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the Metropolitan Water District (MWD) Local Project Program (LPP) at a rate of \$154/AF, for a maximum amount of \$2.1 million per fiscal year. By the end of the fourth quarter, the total maximum allowable rebate of \$2.1 million was achieved for 17,000 AF of credit or 100.0% of total budget.
- **Property Taxes** – Tax receipts at the end of the fiscal year were \$40.9 million or 101.8% of the amended budget. General ad-valorem property taxes received from the San Bernardino County Tax Assessor (County) were \$28.9 million and “pass through” incremental tax receipts were \$12 million. Actual property tax growth for FY 2014/15 was 5% compared to the budgeted 3%.
- **Grants & Loans** – Total amount invoiced for grants and loans was \$26.0 million or 115.4% of the amended budget comprised of; \$2.3 million in grants and \$20.2 million in SRF loan proceeds for the Southern and Central/Wineville Area projects. The surplus in SRF loan receipts are related to the change orders for the Southern Area projects resulting in additional costs.

- **Cost Reimbursements** – Total cost reimbursements were \$5.8 million or 99.1% of the amended budget. Reimbursements include \$3.4 million from the Inland Empire Regional Composting Authority (IERCA), \$1.2 million from Chino Basin Desalter Authority (CDA), and \$1.2 million from Chino Basin Watermaster (CBWM).
- **Other Revenues** – Total other revenues were \$2.4 million or 48% of the amended budget. Other revenues include \$1.2 million for the recovery of the deferred 4R capital charges from Non-Reclaimable Wastewater (NC) fund, \$0.7 million from lease revenue for the RP-5 Solids Handling Facility, \$0.3 million in project reimbursements. Delays in the reimbursable projects from Recycled Water and Water Resources Programs accounted for the lower revenue.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses through the end of FY 2014/15 were \$210.8 million, or 88.9% of the amended budget.

The increase of \$74.8 million between the adopted budget of \$162.3 million and the amended budget of \$237.1 million is accounted by the inclusion of \$34.1 million of MWD imported water purchases, \$16.8 million of encumbrances carried forward from FY 2013/14 (*net of \$2.5 million returned to FY 2013/14*), and \$22.5 million in budget amendments for various projects: \$15.0 million for Wineville Extension Recycled Water Pipeline Segments A & B; \$4.0 million for 930 Zone Recycled Water Pipeline Project; and \$3.2 million for RP-1 Outfall Relocation.

Key highlights of expenses are:

- **Employment Expenses** – Employment expenses through the end of the fiscal year were \$40.3 million or 91.0% of amended budget. The favorable variance was due to a higher than anticipated vacancy factor. A total of 17 positions were vacant and an additional 15 were on hold at the end of the quarter, equivalent to a 12.0% vacancy factor which exceeds the Agency's budgeted rate of 5.0%.
- **Professional Fees & Services** – This category expenses were \$7.0 million, or 87.1% of the amended budget. The positive variance is attributed to the timing of services, planned work or services were not being performed, or work started in this fiscal year and is expected to be completed in the following fiscal year. For example, maintenance and housekeeping tasks such as rebuilding of primary effluent pumps, submersible pumps, air conditioning duct cleaning were not executed at RP-2, RP-5, and Carbon Canyon, and HQ-A restroom hardware upgrades. As a result, \$1.1 million of the amended budget was carried forward to the next fiscal year.
- **Chemicals** – Total chemical expenses were \$4.2 million or 91.9% of amended budget. Favorable variance was due to effective process optimization, suspension of chemical use

during primary clarifier maintenance and decreased plant influent flow enabled operations and maintenance to maintain lower expenditures while maintaining permit compliance parameter, solids capture, and recycled water quality at reduced costs.

- **Operating Fees** – Operating expenses at the end of the fiscal year were \$12.5 million or 93.7% of the amended budget. The favorable variance can be attributed to lower strength and imbalance charges (pass through) in the Non-Reclaimable Waste (NRW) system and lower than budgeted waste permit reviews.
- **Utilities** – This category expenses were \$9.1 million or 90.7% of the amended budget.
 - Electricity cost was slightly higher due to additional imported kWh to compensate for the low fuel cell production at RP-1, and higher actual average rate of \$0.125/kWh compared to the budgeted rate of \$0.120/kWh.
 - Natural gas was favorable due to lower gas rate averaging \$0.41/therm compared to the budgeted rate of \$0.80/therm.
 - Power generated from solar panels was lower in FY 2014/15 compared to FY 2013/14, which was served as the baseline for the FY 2014/15 budget. Electricity generated from the solar power is directly related to the amount of sunlight experienced this year.
- **MWD Imported Water Purchases** – Total MWD pass-through imported water purchases were \$34.1 million for 58,905 AF compared to the amended budget of 65,000 AF. The inclusion of MWD imported water purchases accounts for one of the major changes in the overall amended budget.
- **Special and Reimbursable Projects** – O&M project expenditures were \$4.2 million or 39.6% of the amended budget. The favorable variance is due to the delay of water resources related projects. As a result, \$5.8 million of the FY 2014/15 amended budget has been carried forward to FY 2015/16.
- **Capital Projects**–Total capital project expenditures were \$54.8 million or 84.4% of the amended budget inclusive of \$8.3 million carried forward from the prior fiscal year. Recycled water projects accounted for approximately 65% of total capital project costs through the end of the fiscal year, and 10% was related to Regional Wastewater projects.
- **Debt Service** – Total principal, interest and financial expenses were \$36.1 million or 97.7% of the amended budget. This amount includes: \$14.7 million payment for the early redemption of the 2005A Revenue Bonds in November 2014. The 2008B Variable Rate Demands Bonds interest rate continues to stay below the budgeted 1% rate, with the actual rate averaging 0.049% for the fiscal year.

More detailed explanations of significant revenue and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

Based on the preliminary unaudited year-end results, fiscal year 2014/15 presents a net shortfall in total sources of funds over total uses of funds of \$11.0 million primarily due to the early redemption of the 2005A Revenue bonds. The consolidated ending fund balance is estimated at \$140.1 million. Included in both revenue and expense categories is the “pass-through” sale and purchase of MWD imported potable water deliveries for \$34.1 million corresponding to 58,906 AF.

The operating activities indicated a net decrease of \$0.8 million compared to the amended budget. Lower employment expenses (vacancy factor) and delay in special (O&M) project spending accounted for the lower than budget. Approximately \$5.8 million of water conservation and water quality related projects were carried forward to the FY 2015/16.

The non-operating activities show a net decrease of \$10.2 million. The non-operating expenses comprised of debt service and capital improvement plan (CIP) expenditures. The significant decrease compared to the amended budget was due to delay in capital project execution. As a result, approximately \$8.3 million of regional wastewater and recycled water related projects were carried forward to the FY 2015/16.

Comparative of Total Revenues, Total Expenses, and Fund Balance (\$Millions)

Operating	FY 2014/15 Amended Budget	Fiscal Year Ended 6/30/15	Actual % of Amended
Operating Revenue	\$117.6	\$118.7	100.9 %
Operating Expense	\$134.7	\$119.5	88.7%
Operating Net Increase/(Decrease)	(\$17.1)	(\$0.8)	
Non- Operating			
Non-Operating Revenue	\$79.8	\$81.1	101.6%
Non-Operating Expense	\$102.3	\$91.3	89.2%
Non-Operating Net Increase/(Decrease)	(\$22.5)	(\$10.2)	
Consolidated			
Total Sources of Funds	\$197.4	\$199.8	101.2%
Total Uses of Funds	\$237.0	\$210.8	88.9%
Total Net Increase/(Decrease)	(\$39.6)	(\$11.0)	
Beginning Fund Balance	\$151.1	\$151.1	
Ending Fund Balance	\$111.5	\$140.1	

GOALS AND OBJECTIVES

Exhibit B provides information on division and related department goals and objectives and the status of each through the end of the fiscal year. The goals and objectives indicators are measures used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff will use the indicators to justify current resource allocations, requests for additional resources or re-allocation of staff and to track productivity.

BUDGET TRANSFERS AND AMENDMENTS

O&M budget transfers for this quarter accounted for \$0.8 million as detailed in Exhibit C-1.

Additionally, FY 2014/15 adopted budget included \$400,000 of General Manager (GM) Contingency Account in the RO Fund and \$100,000 in the GG Fund. At the end of the fiscal year, \$375,150 from RO Fund and \$100,000 from GG Fund were utilized to support unexpected and necessary expenses as listed in Exhibit C-2.

Capital and O&M projects budget transfers accounted for \$0.5 million as approved by management during the fourth quarter and are listed in Exhibit D.

The budget variance analysis report is consistent with the Agency's business goal of Fiscal Responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

PRIOR BOARD ACTION

The Board reviewed the Agency's variance report for FY 2014/15 third quarter ending March 31, 2015, on June 17, 2015.

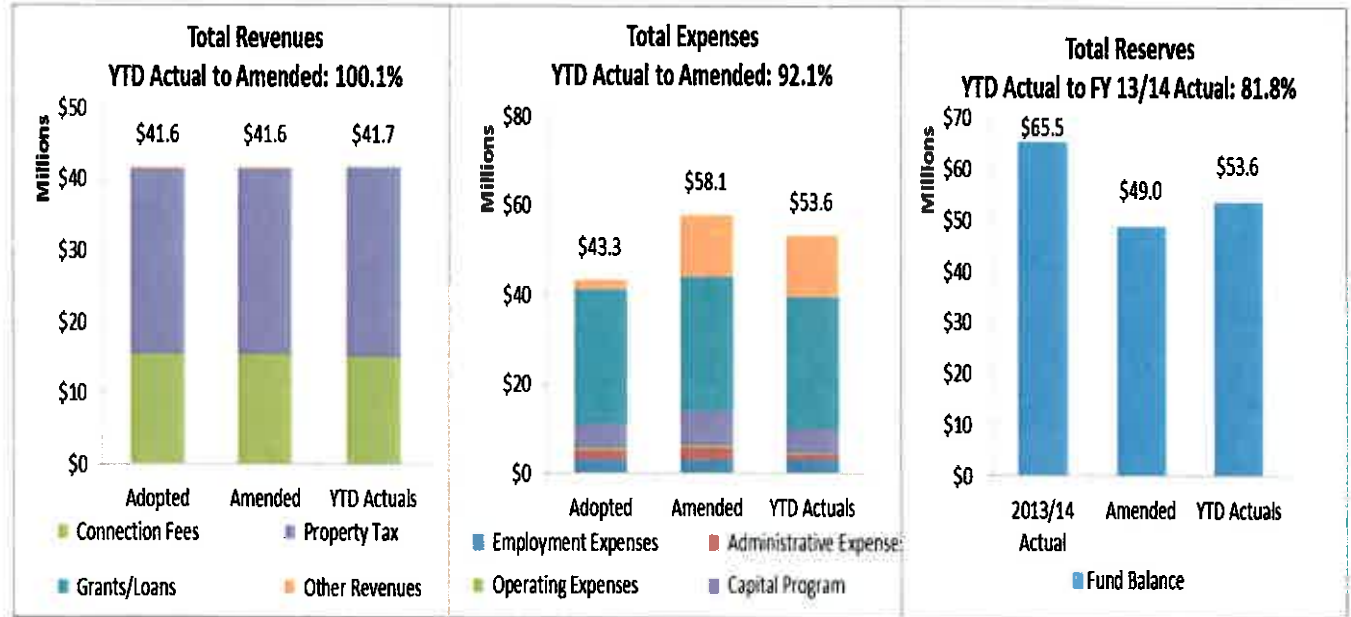
IMPACT ON BUDGET

The net shortfall in total revenues over total expenses in the amount of \$11.0 million resulted in a total estimated fund balance of \$140.1 million for the fiscal year ended June 30, 2015.

Attachment A **FY 2014/15 Financial Overview of Agency's Programs** **Total Revenues, Expenses, and Fund Balance**

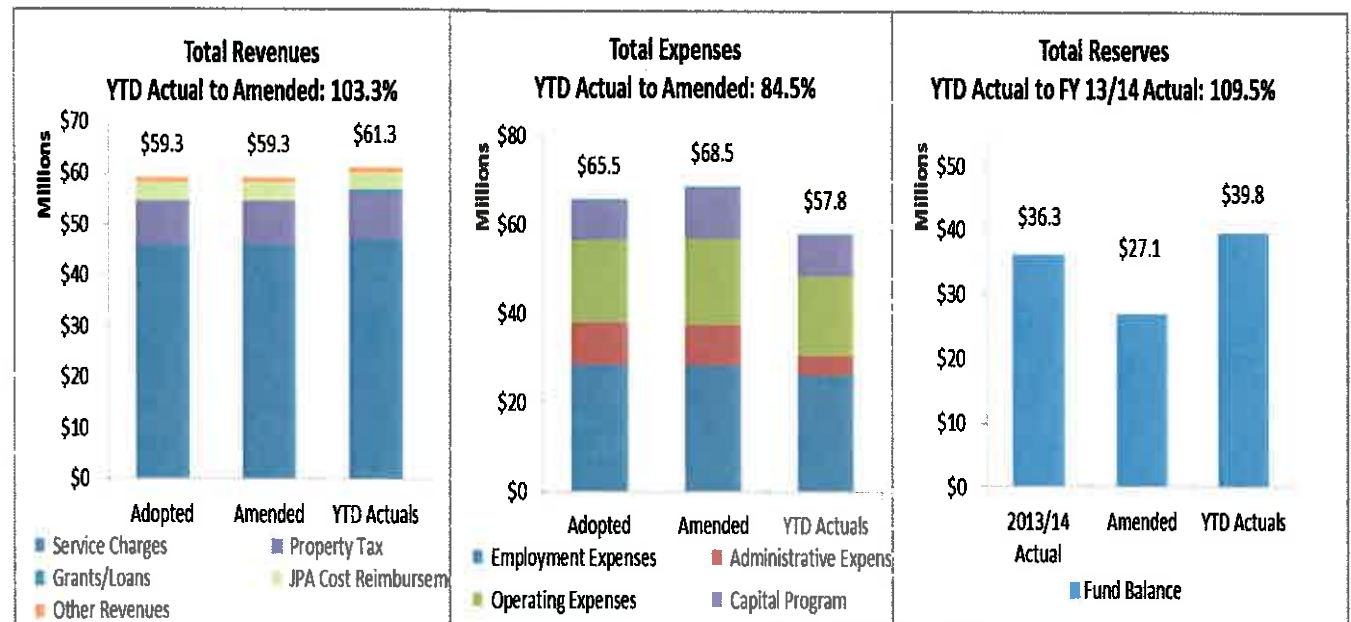
Regional Wastewater Capital Improvement (RC) Fund

- The unaudited ending fund balance indicated a decrease of \$11.9 million compared to the FY 2013/14 ending fund balance primarily due to the early retirement of the 2005A Revenue Bond in November 2014, and an inter-fund loan of \$10.5 million provided for Recycled Water (WC) fund.



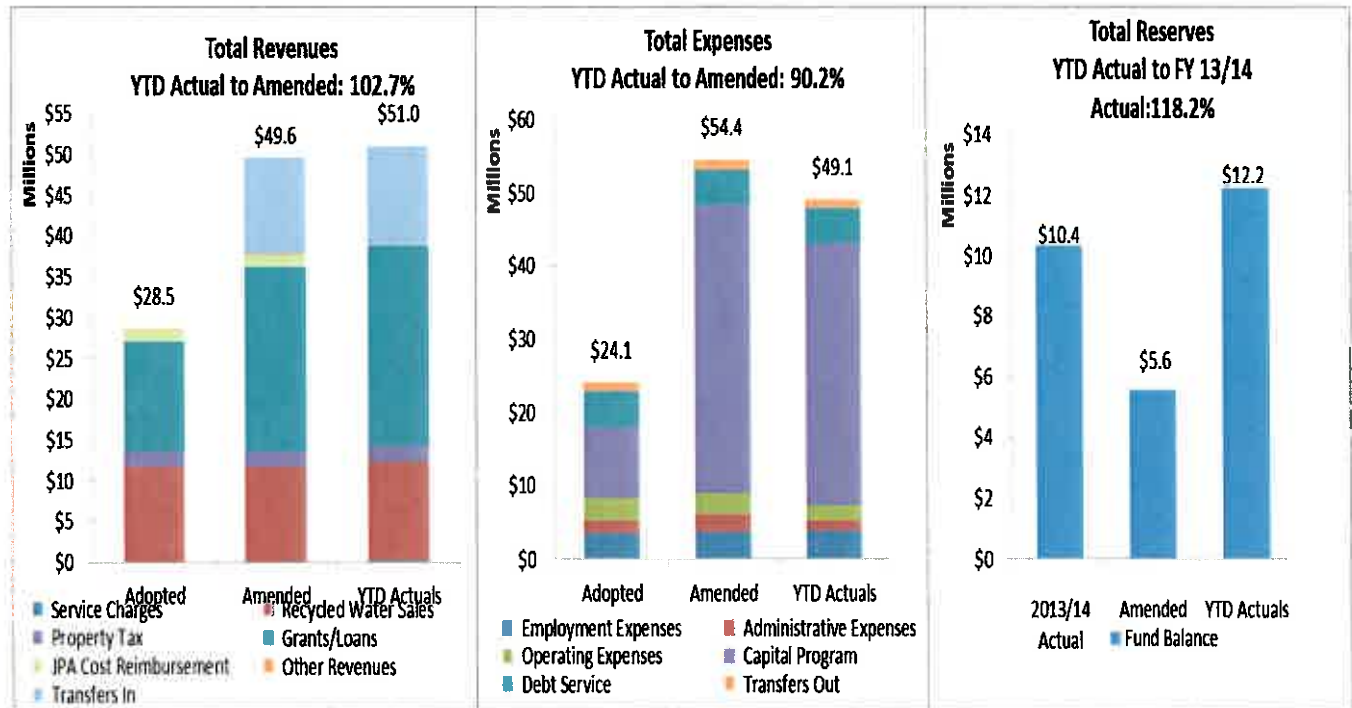
Regional Wastewater Operations and Maintenance (RO) Fund

- The unaudited ending fund balance indicated an increase of \$3.5 million compared to the FY 2013/14 ending fund balance can be attributed by delayed execution of capital replacement and rehabilitation and O&M projects. Also timing in the procurement of administrative/operating supplies, as a result a total of \$0.8million O&M budget was carried forward to FY 2015/16.



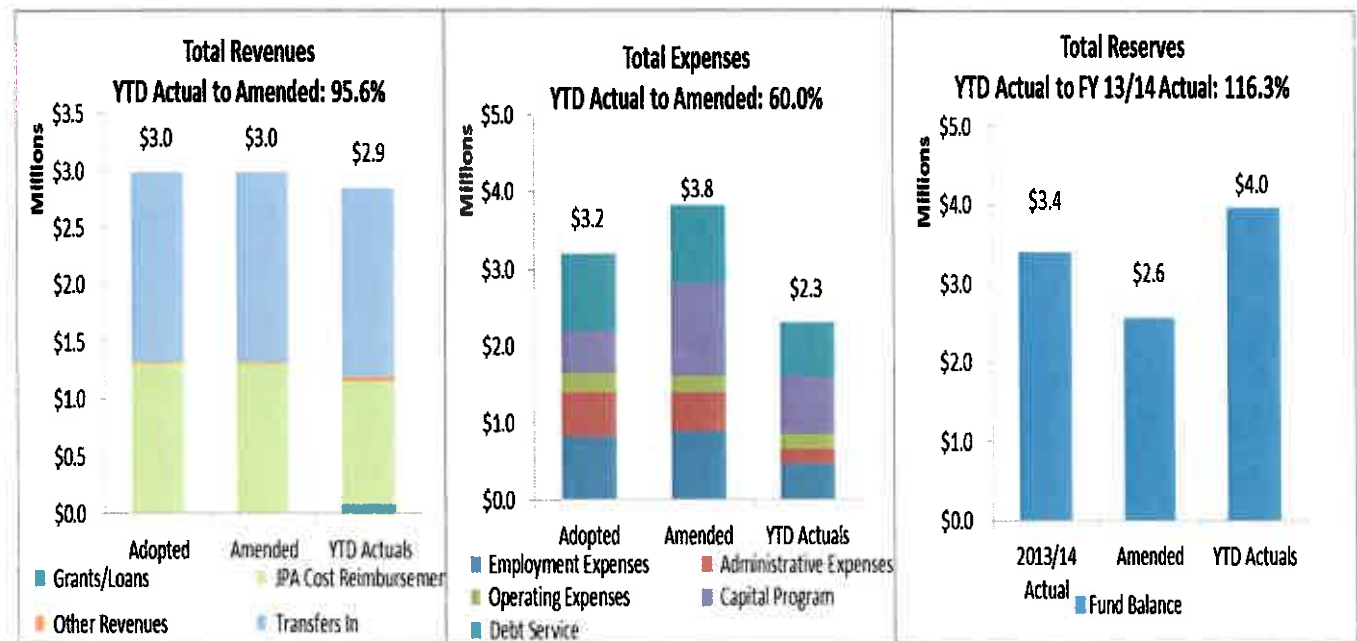
Recycled Water (WC) Fund

- The unaudited ending fund balance indicated an increase of \$1.8 million compared to the FY 2013/14 ending fund balance primarily due to Inter-fund loan from RC fund for \$10.5 million to support the capital expenditures.



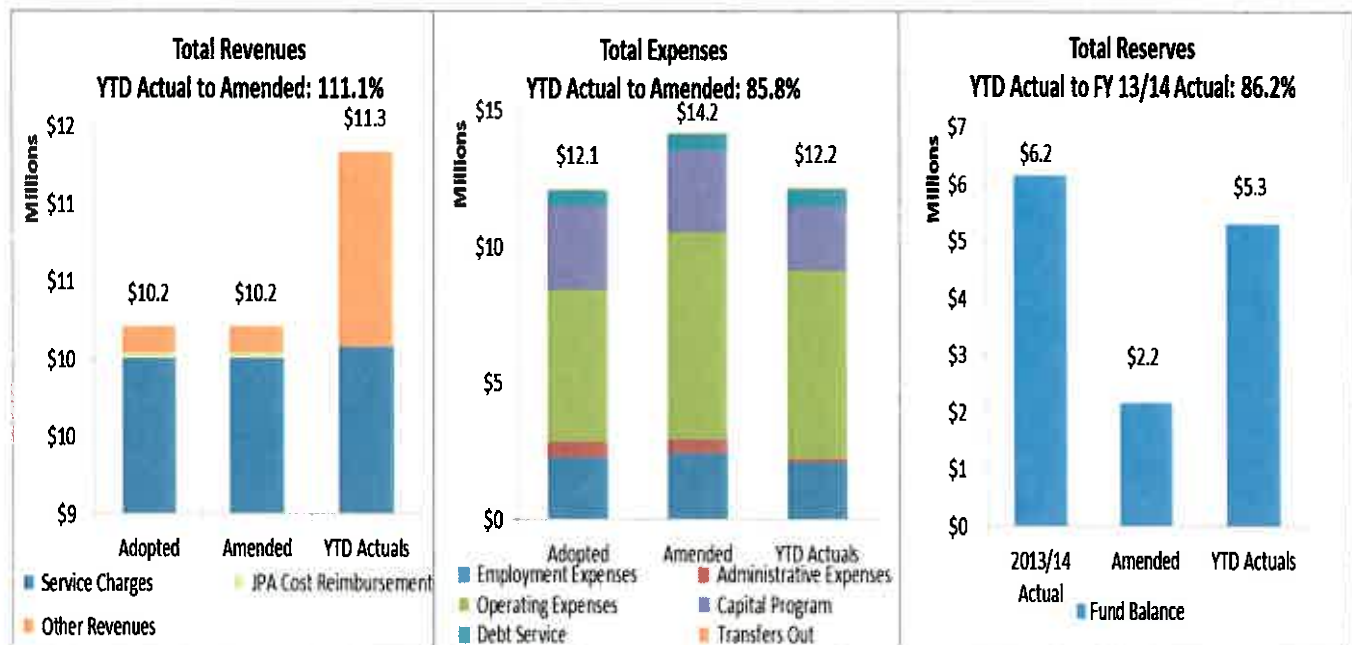
Recharge Water (RW) Fund

- The unaudited ending fund balance presented an increase of \$0.6 million compared to the FY 2013/14 ending fund balance due to lower capital and administrative costs.



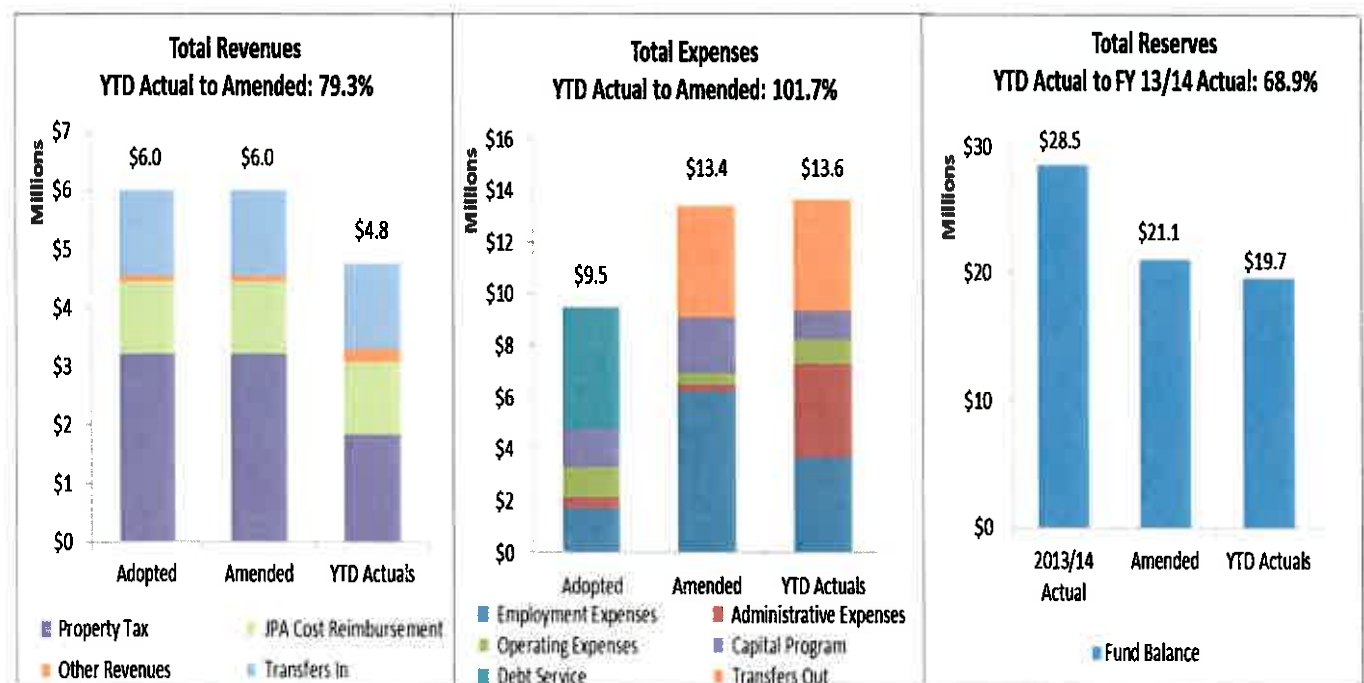
Non-Reclaimable Wastewater (NC) Fund

- The unaudited ending fund balance resulted in a decrease of \$0.9 million compared to the FY 2013/14 ending fund balance was primarily due to higher operating expenses.



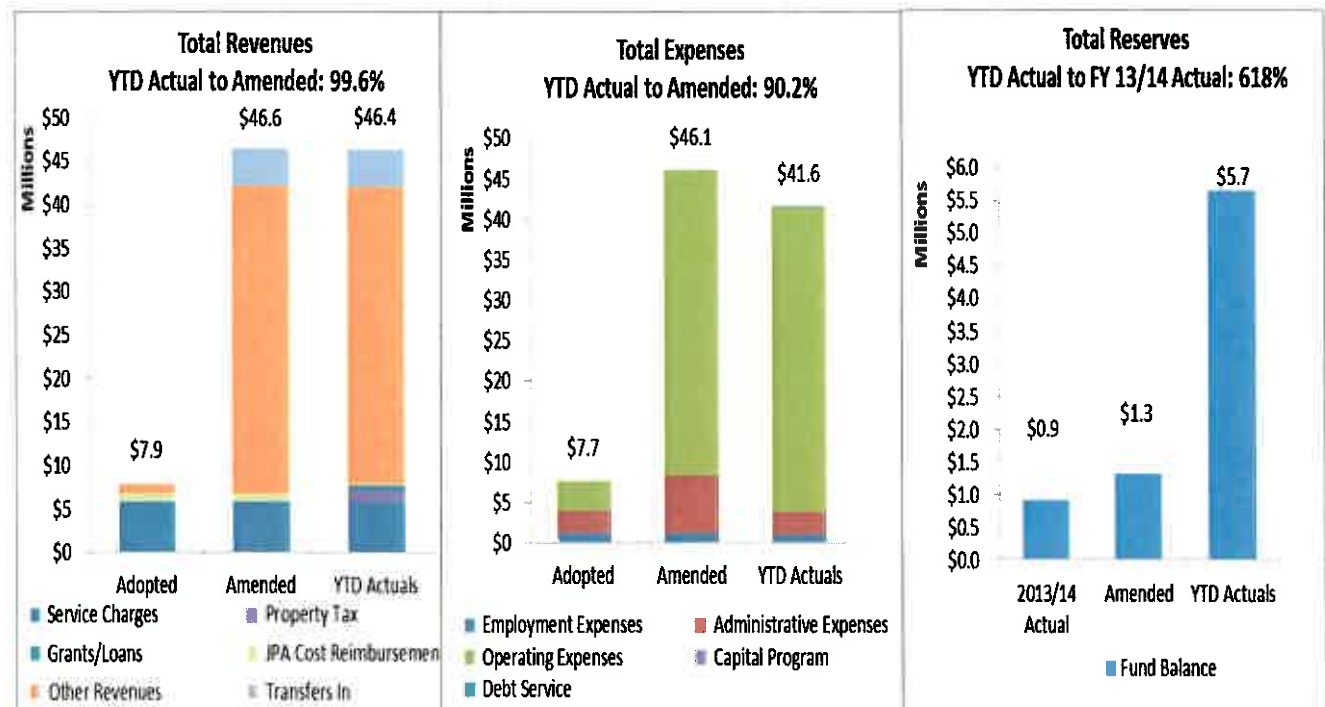
Administrative Services (GG) Fund

- The unaudited ending fund balance indicated a decrease of \$8.8 million compared to the FY 2013/14 ending fund balance, which can be attributed to the shift of \$1.5 million property tax receipts, \$4.3 million of inter-fund loan to the Water Resources (WW) fund, and OPEB liability \$3.5 million.



Water Resources (WW) Fund

- The unaudited ending fund balance increase of \$4.8 million compared to the FY 2013/14 ending fund balance was primarily due to shift of \$1.5 million property tax receipts and \$4.3 million of inter-fund loan from the GG fund to support program cost and conservation programs.

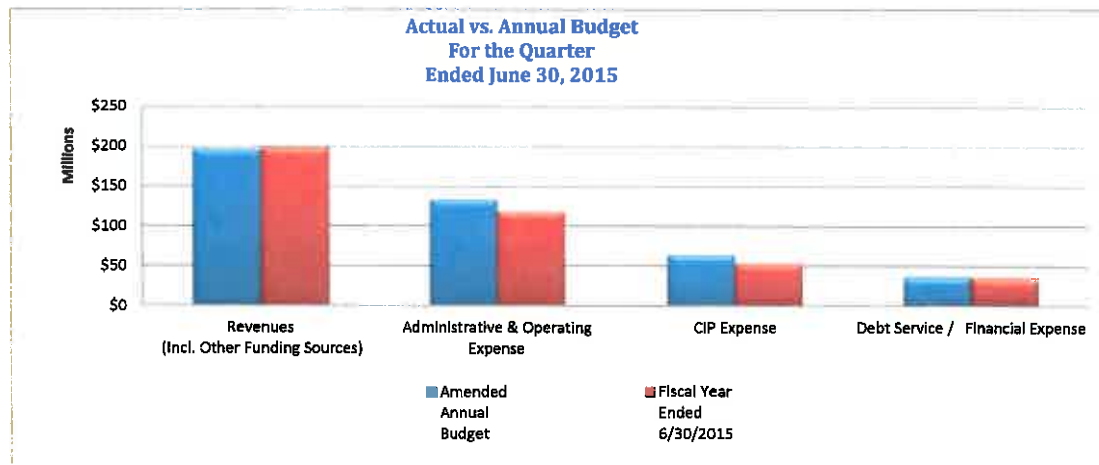


I. Actual vs. Budget Summary:

Fiscal Year Ended June 30, 2015

% of the Year
Elapsed: 100%

	Adopted Annual Budget	Amended Annual Budget	Fiscal Year Ended 6/30/2015	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$82,996,623	\$117,575,298	\$118,694,653	\$1,119,355	101.0%
Non-Operating (Other Sources of Fund)	70,436,544	79,819,510	81,154,822	1,335,312	101.7%
TOTAL FUNDING SOURCES	153,433,167	197,394,808	199,849,475	2,454,667	101.2%
Administrative & Operating Expense	(91,015,073)	(134,716,795)	(119,504,802)	15,211,993	88.7%
CIP Expense	(29,314,800)	(64,976,475)	(54,833,894)	10,142,581	84.4%
Debt Service / Financial Expense	(41,966,339)	(37,358,791)	(36,487,209)	871,582	97.7%
TOTAL USES OF FUNDS	(162,296,212)	(237,052,061)	(210,825,905)	26,226,156	88.9%
Surplus/(Deficit)	(\$8,863,045)	(\$39,657,253)	(\$10,976,430)	\$28,680,823	27.7%



2. Actual Revenue vs. Budget:

					% of the Year Elapsed: 100%
	Adopted Annual Budget	Amended Annual Budget	Fiscal Year Ended 6/30/2015	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$61,812,614	\$61,812,614	\$62,943,912	\$1,131,298	101.8%
Recycled Water Sales	9,502,500	9,502,502	9,968,164	465,662	104.9%
MWD Water Sales	0	34,146,923	34,146,923	0	100.0%
MWD LPP Rebate	2,079,000	2,079,000	2,079,000	0	100.0%
Property Tax - O&M	3,216,278	3,216,278	3,275,680	59,402	101.8%
Cost Reimbursement	5,437,786	5,869,536	5,815,974	(53,562)	99.1%
Interest	948,445	948,445	465,000	(483,445)	49.0%
OPERATING REVENUES	82,996,623	117,575,298	118,694,653	1,119,355	101.0%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$36,987,196	\$36,987,196	\$37,670,323	683,127	101.8%
Connection Fees	\$15,321,000	\$15,320,999	\$15,073,882	(247,117)	98.4%
Grants & Loans	13,394,355	22,562,575	26,043,199	3,480,624	115.4%
Other Revenue	4,733,993	4,948,740	2,367,419	(2,581,321)	47.8%
NON-OPERATING REVENUES	70,436,544	79,819,510	81,154,823	1,335,313	101.7%
Total Revenues	\$153,433,167	\$197,394,808	\$199,849,476	\$2,454,668	101.2%

User Charges	User charges were \$62.9 million, or 102% of the Amended Budget. This category includes EDU volumetric fees of \$46.7 million, \$10.1 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system; \$4.9 million for water meter service charge to meet our Readiness-to-Serve obligation from MWD and water use efficiency programs; and \$0.8 million for imported potable water surcharge. EDU volumetric fees were slightly over budget due to higher volume reported by the city of Fontana and Cucamonga Valley Water District, 3.1% and 6.2% respectively.
Property Tax/ AdValorem	The \$40.9 million in property tax receipts included \$28.9 million of general ad-valorem tax from the San Bernardino County and \$12.0 million in "pass-through" incremental taxes (RDA) taxes received. The tax receipts indicated a 5% growth compared to the budgeted 3%.
Recycled Water Sales	Recycled water actual direct and groundwater recharge sales were \$6.3 million (23,579 AF) and \$3.7 million (10,840 AF) respectively, for a combined total \$10.0 million or 105% of the budget. Total deliveries of 34,419 AF compared favorably to the direct and recharge recycled water budget of 32,000 AF due to dry winter along with optimum basin availability for additional groundwater recharge.
Interest Income	Interest Income is approximately 49% of the annual budget. Lower interest rate due to current financial market condition, with an average rate of the sweep account and LAIF pooled investments at 0.26% compared to the budgeted interest rate of 0.50%.
MWD Water Sales	Total MWD pass-through imported water revenue were \$34.1 million for 58,905 AF compared to amended budget of 65,000 AF. The addition of MWD imported pass-through water sales and purchases accounts for the major change in the amended budget for this category.
MWD LPP Rebates	MWD LPP rebate for direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the Metropolitan Water District (MWD) Local Project Program (LPP) at a rate of \$154/AF, for a maximum amount of \$2.1 million per fiscal year. By the end of the fourth quarter, the total maximum allowable rebate of \$2.1 million was achieved for 17,000 AF of credit or 100.0% of total budget.
Connection Fees	Member agencies reported \$15.1 million or 98% of the annual budget. A total of 2,953 new connections were reported through June 2015 compared to annual budget of 3,000 new EDU connections.
Grants and Loans	Total amount invoiced for grants and loans was \$26.0 million or 115.4% of the amended budget comprised of; \$2.3 million in grants and \$20.2 million in SRF loan proceeds for the Southern and Central/Wineville Area projects. The surplus in SRF loan receipts are related to the change orders for the Southern Area projects resulting in additional costs.
Cost Reimbursements JPA	Total cost reimbursements were \$5.8 million or 99% in line with the amended budget. Category actual includes reimbursements of \$3.4 million from the Inland Empire Regional Composting Authority (IERCA), \$1.2 million from Chino Basin Desalter Authority (CDA), and \$1.2 million from Chino Basin Watermaster (CBWM). Total cost reimbursement budget of \$5.4 million, includes \$1.2 million from CDA, \$3.5 million from IERCA, and \$0.7 million from CBWM.

Other Revenues Total other revenues were \$2.4 million or 48% of the amended budget. Revenues include \$1.2 million for the recovery of the deferred 4R capital charges from Non-Reclaimable (NC) fund, \$0.7 million from lease revenue for the RP-5 Solids Handling Facility, \$0.3 million in project reimbursements. Delays in the reimbursable projects from Recycled Water and Water Resources Programs accounted for the lower revenue.

3. Actual Operating and Capital Expense vs. Budget:

					% of the Year Elapsed: 100%
	Adopted Annual Budget	Amended Annual Budget	Fiscal Year Ended 6/30/2015	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$40,890,683	\$44,259,740	\$40,272,807	\$3,986,933	91.0%
Admin & Operating	50,124,390	90,457,055	79,231,995	\$11,225,060	87.6%
OPERATING EXPENSES	\$91,015,073	\$134,716,795	\$119,504,802	\$15,211,993	88.7%
Non-Operating Expenses:					
Capital	29,314,800	64,976,475	54,833,894	\$10,142,581	84.4%
Debt Service and All Other Expenses	41,966,339	37,358,791	36,487,209	\$871,582	97.7%
NON-OPERATING EXPENSES	\$71,281,139	\$102,335,266	\$91,321,103	\$11,014,163	89.2%
Total Expenses	\$162,296,212	\$237,052,061	\$210,825,905	\$26,226,156	88.9%

Employment Expense *Employment - 91%*
This category includes both wages and benefits. Employment expenses were \$40.3 million or approximately 91.0% of the Amended Budget. The slightly favorable variance was due to a higher than anticipated vacancy factor. A total of 17 positions were vacant and an additional 15 positions were on hold at the end of the fiscal year, equivalent to a 12% vacancy factor which exceeded the Agency's budgeted vacancy rate of 5.0%

Administrative & Operating Expense *Office and Administrative - 65.7%*
The favorable variance were mainly due to reduction in office supply expense, avoided election expenses, training and travel related expense. Other items such as contributions and sponsorships and educational reimbursements were also lower than anticipated.

Insurance Expenses - 88.2%
The favorable variance can be attributed to less occurrences related to general, automobile and casualty liability and property loss or damage which resulted to lower deductible claimed.

Professional Fees & Services - 87.1%
Timing of services; planned work or services were not being performed, or work started in this fiscal year expected to complete in the following fiscal year attributed to the favorable variance. For example, maintenance and housekeeping tasks were not executed at RP-2, RP-5, and Carbon Canyon such as rebuilding of primary effluent pumps, submersible pumps, air conditioning duct cleaning, and HQ-A restroom hardware upgrades. As a result, \$1.1 million of the Amended budget was carried forward to the next fiscal year.

Materials & Supplies/Leases/Contribution - 77.9%
The favorable variance was mainly due minimal needs for items such as: fleet parts, equipment tools, laboratory supplies, and operations and maintenance supplies. Also, timing of replacement parts and routine consumables for plant maintenance, as a result, \$146 thousand of the amended budget was carried forward to the next fiscal year.

Biosolids Recycling - 95.5%
Utilization of the new solar pad to help dry biosolids to significantly reduced hauling costs resulted in a favorable variance. Overall tonnage removal was 60,354 at \$54 per ton.

Chemicals - 91.9%
Total chemical expenses were \$4.2 million or 91.9% of amended budget. Favorable variance was due to effective process optimization, suspension of chemical use during primary clarifier maintenance and decreased plant influent flow enabled operations and maintenance to maintain lower expenditures while maintaining permit compliance parameter, solids capture, and recycled water quality at reduced costs.

MWD Water Purchases - 100%
Total MWD pass-through imported water purchases were \$34.1 million for 58,905 AF compared to the amended budget of 65,000 AF. The inclusion of MWD imported water purchases accounts for the major change in the amended budget for this category.

Utilities - 90.7%

Electricity was slightly higher due to low production from Fuel Cell at RP-1. Low utilization from fuel cell was subsidized by importing at higher electricity costs. Average rate was \$0.125 versus \$0.120/kWh budgeted rate. Natural gas was favorable due to lower gas rate averaging \$0.41/therm compared to the budgeted rate of \$0.80/therm. Fuel Cell experienced some reliability issues resulted in lower than the expected electricity production. Solar panels was lower in FY 2014/15 compared to FY 2013/14, which was used as a baseline for the FY 2014/15 budget. Electricity generated from the solar power is directly related to the amount of sunlight experienced this year.

Special and Reimbursable Projects - 34.7% and 67.2%

The combined special and reimbursable project expenditures were \$4.2 million or 39.6% of the Amended Budget. The favorable variance is mainly due to the delay of water resource related projects. An estimated budget of \$5.8 million or 54.2% of the FY 2014/15 amended special projects has been carried forward to FY 2015/16. The table below provides a summary of the major projects and current status.

Financial Expenses**Financial Expense - 98%**

Total financial and other non-operating expenses were \$36.5 million through the end of fiscal year. This amount includes: \$14.7 million payment for the early redemption of the 2005A Revenue Bonds in November 2014. The 2008B Variable Rate Demands Bonds interest rate continues to stay below the budgeted 1% rate, with the actual rate averaging 0.049% for the fiscal year.

Capital Expense**Capital Costs - 84.4%**

Capital actual expenditures through the end of fiscal year were \$54.8 million compared to the amended budget of \$65.0 million. An estimated budget of \$8.3 million or 14.5% of the FY 2014/15 CIP amended budget has been carried forward to FY 2015/16. Actual cost related to Recycled Water projects was \$35.8 million or 65% of the the total costs and \$5.5 million or 10% were related to Regional Wastewater projects. Listed below is a brief status report on some of the major projects currently under construction.

Summary of major capital and special project expenses and status as of June 30, 2015

Capital Project		Amended FY 2014/15	YTD Expenditure	Budgeted Amount Remaining
EN13023	930 Zone Recycled Water Reservoir Project is complete with expenditures totaling 99% of the budget. The purpose of the project is to provide storage in the Southern Service Area and increase pump station capacities. Currently the project is in construction. Last month sewer repair, appurtenances, and street resurfacing on Foxglove were completed.	7,928,744	7,846,550	82,194
EN13038	RP-1 Outfall Relocation & Upsizing Project is complete with 100% of the budget to be expended. Notice of completion was filed June 5, 2015, final invoices recieved and paid in September. The project includes the relocation of an existing 30-inch RP-1 Outfall recycled water pipeline outside of its easement into public right-of-way. Due to increasing capacity demand from the City of Ontario, the pipeline will be upgraded to a 72-inch pipeline.	5,200,000	3,926,543	1,273,457
EN06025	Wineville Extension Recycled Water Pipeline 98% of the budget was expended by the end of the fourth quarter with completion estimated in July 2015. The project consists of approximately 24,000 lineal feet of pipe and will serve recycled water customers as well as provide recycled water for ground water recharge at the RP-3 and Declez Basins.	11,336,749	11,101,395	235,355
EN13045	Wineville Extension Recycled Water Pipeline Segment B 91% of the budget was expended by the end of the fourth quarter, project is estimated to be complete by September of 2015. The project involves the installation of 2.8 miles of 30" recycled water pipeline in addition to the associated appurtenances. This project is in conjunction with EN06025. Currently permitting and construction are in progress.	9,900,000	8,993,744	906,256
EN13054	Montclair Lift Station Upgrades Project is complete and 86% of the budget was expended by the end of the fiscal year. The project will work to eliminate the ragging problem at the Montclair Pump Station that arose due to additional flow diverted to RP-1. The project is currently in the construction phase. HVAC redesign has been completed and the complete bypass and outage plan is being finalized.	2,535,831	2,192,588	343,243
EN11035	Philadelphia Pump Station Upgrades Project is completed and over the fiscal year budget at 113%, but within the total project budget. The project mitigated problems at the pump station including walls and floor surfaces were recoated with a strong resin.	1,410,742	1,592,150	(181,408)
EN14012	RP-2 Drying Beds Rehabilitation Project was complete at 72% of the budgeted expense. The project includes the design, procurement, and installation of drying bed improvements and temporary provisions for dewatering. The project is currently in construction and recent activities include grading of the west side drying beds.	1,278,279	916,455	361,824

O&M & Reimbursable Projects		Amended FY 2014/15	YTD Expenditure	Budgeted Amount Remaining
WR15022	Water Use Assessments This project was originally established to cover expenses associated with drought response activities. Based on the establishment of the Governor's statewide mandatory water use reductions that were issued on April 1, 2015, staff worked with the Agency's member agencies to develop several drought response activities that would support them in meeting their statewide targets. Those activities include contracting with Omni-Earth to develop agency specific technology based software, development of a regional drought campaign theme, URL, and roll-out, and the creation and printing of signage. Meetings took place in April, May, and June 2015 to launch the activities. Expenses are now being received in 1st and 2nd quarter FY 15-16 for the launch of those activities.	800,000	-	800,000
PA15001	Underground Piping Rehabilitation 24% of the budget was expended by the end of the fourth quarter. This project is an annual appropriation for the rehabilitation or repair of the Agency's underground assets. This includes pipes vaults, channels, and process galleries. All contracts related to this project have been completed.	220,000	51,980	168,020
EP15001	RP-1/RP-2 Digester Cleaning Project 9% of the budget was expended and the cleaning effort for the RP-2 Digester No. 2 is complete. The project involves the removal of solids from Wastewater Treatment Facility Digesters to allow for better processing, a reduction of equipment failures, and improvement in process performance. The digester will be put back in service after the condition assessment.	730,000	17,888	712,112
WR15005	Residential Landscape Device Retrofit This is a 3-year DWR Grant Funded Proposition 84 Project. The Project has been set-up on an annual basis but the total project budget is \$1 million. The Project began in FY 14-15 and for the fiscal year, has expended 53% of the budget. The Agency relies on the member agencies to market, outreach and identify eligible customers for participation in the Project. Through June 30, 2015, there have been 232 sites retrofitted with 355 weather-based irrigation controllers and 4,964 high efficiency nozzles installed. The Residential Landscape Device Retrofit Program will continue through FY 2016/17 or until the \$1 million budget has been	400,000	211,275	188,725

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2014/15
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fiscal Year Ended June 30, 2015

	Adopted FY 2014/15 Annual Budget	Amended FY 2014/15 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$61,812,614	\$61,812,614	\$62,943,912	\$1,131,298	101.8%
Recycled Water	9,502,500	9,502,502	9,968,164	465,662	104.9%
MWD Water Sales	0	34,146,923	34,146,923	-	100.0%
MWD LPP Rebates	2,079,000	2,079,000	2,079,000	-	100.0%
Property Tax - O&M	3,216,278	3,216,278	3,275,680	59,402	101.8%
Cost Reimbursement from JPA	5,437,786	5,869,536	5,815,974	(53,562)	99.1%
Interest Revenue	948,445	948,445	465,000	(483,445)	49.0%
TOTAL OPERATING REVENUES	\$82,996,623	\$117,575,298	\$118,694,653	\$1,119,355	101.0%
<u>NON-OPERATING REVENUES</u>					
Property Tax - Debt, Capital, Reserves	\$36,987,196	\$36,987,196	\$37,670,323	\$683,127	101.8%
Connection Fees (CCRA)	15,321,000	15,320,999	15,073,882	(247,117)	98.4%
Grants	2,320,000	2,320,000	5,917,564	3,597,564	255.1%
SRF Loan Receipts	11,074,355	20,242,575	20,125,635	(116,940)	99.4%
Project Reimbursements	1,969,220	1,969,220	204,267	(1,764,953)	10.4%
Other Revenue	2,764,773	2,979,520	2,163,151	(816,369)	72.6%
TOTAL NON OPERATING REVENUES	\$70,436,544	\$79,819,510	\$81,154,822	\$1,335,312	101.7%
TOTAL REVENUES	\$153,433,167	\$197,394,808	\$199,849,475	\$2,454,667	101.2%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$22,295,053	\$22,295,053	\$23,058,565	(\$763,512)	103.4%
Benefits	18,595,630	21,964,687	17,214,242	4,750,445	78.4%
TOTAL EMPLOYMENT EXPENSES	\$40,890,683	\$44,259,740	\$40,272,807	\$3,986,933	91.0%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,513,247	\$1,718,685	\$1,129,758	\$588,927	65.7%
Insurance Expenses	739,000	689,000	607,648	81,352	88.2%
Professional Fees & Services	7,851,114	8,068,690	7,030,633	1,038,057	87.1%
O&M Projects	3,939,500	9,080,175	3,147,129	5,933,046	34.7%
Reimbursable Projects	1,158,750	1,623,315	1,090,608	532,707	67.2%
TOTAL ADMINISTRATIVE EXPENSES	\$15,001,611	\$21,179,865	\$13,005,776	\$8,174,089	61.4%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2014/15
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fiscal Year Ended June 30, 2015

	Adopted FY 2014/15 Annual Budget	Amended FY 2014/15 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
OPERATING EXPENSES					
Material & Supplies/Leases	\$2,985,473	\$3,330,140	\$2,595,553	\$734,587	77.9%
Biosolids Recycling	3,633,660	3,977,924	3,799,953	177,971	95.5%
Chemicals	4,629,380	4,540,187	4,174,424	365,763	91.9%
MWD Water Purchases	0	34,146,923	34,146,923	0	100.0%
CSDLAC & SARI, Operating Fees/Water	13,349,199	13,288,674	12,445,352	843,322	93.7%
Utilities	10,525,067	9,993,342	9,064,014	929,328	90.7%
TOTAL OPERATING EXPENSES	\$35,122,779	\$69,277,190	\$66,226,219	\$3,050,971	95.6%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$91,015,073	\$134,716,795	\$119,504,802	\$15,211,993	88.7%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$29,314,800	\$64,976,475	\$54,833,894	\$10,142,581	84.4%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditure	41,572,489	36,964,941	36,107,979	856,962	97.7%
OTHER NON OPERATING EXPENSES	393,850	393,850	379,230	14,620	96.3%
TOTAL NON-OPERATING EXPENSES	\$71,281,139	\$102,335,266	\$91,321,103	\$11,014,163	89.2%
TOTAL EXPENSES	\$162,296,212	\$237,052,061	\$210,825,905	\$26,226,156	88.9%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$8,863,045)	(\$39,657,253)	(\$10,976,430)	\$28,680,823	
FUND BALANCE SUMMARY					
Beginning Balance, July 01	\$146,164,676	\$151,132,128	151,132,128	\$0	
Surplus/ (Deficit)	(8,863,045)	(39,657,253)	(\$10,976,430)	28,680,823	
ENDING BALANCE, June 30	\$137,301,631	\$111,474,875	140,155,698	\$28,680,823	

Inland Empire Utilities Agency
Inter-Departmental/Division Transfers FY 2014/2015
Budget Transfer

Fund	Date	O & M Transfer From	Category	Amt Transfer Out	O & M Transfer To	Category	Amount Transfer In	Description	QTR
10200	4/21/15	510040	Election Expense	\$25,000	511410	Recruitment Advertising	\$25,000	Transfer to fund the advertisement of the vacant Manager of Engineering position	4
10200	6/22/15	510040	Election Expense	\$60,000	520210	Gen Legal	\$60,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10200	6/22/15	510040	Election Expense	\$60,000	520230	Litigation	\$60,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10200	5/27/15	512110	General Supplies	\$2,000	512440	Industrial Gases	\$2,000	Transfer to purchase consumable supplies and instrument gases for general laboratory use. Various unexpected special requests from Operations and Technical Services departments and toxicity evaluations at RP1 resulted in insufficient funds available.	4
10200	5/27/15	512110	General Supplies	\$8,000	512160	Laboratory Supplies	\$8,000	Transfer to purchase consumable supplies and instrument gases for general laboratory use. Various unexpected special requests from Operations and Technical Services departments and toxicity evaluations at RP1 resulted in insufficient funds available.	4
10200	5/11/15	517210	Insurance - Casualty	\$50,000	521080	Other Contract Services	\$50,000	Transfer required to fund emergency repair of parking lot stalls at the HQA & HQB parking lots	4
10200	7/28/15	519010	GM Contingency	\$16,000	520230	Legal - Litigation	\$16,000	Transfer to supplement professional fees within the Agency Management department for legal expenses	4
10200	6/23/15	519120	Inv. Obsolete/Scrap	\$10,000	526510	Hazmat Disposal	\$10,000	Transfer to pay for removal of RP-1 Lab waste and surplus chemicals, as entered in SAP PR 10032736	4
10200	4/2/15	521080	Other Contract Services	\$6,000	512730	Equipment Rental	\$6,000	Transfer because equipment rentals for Agency functions need to be billed to rentals instead of professional services - other.	4
10600	6/22/15	545110	Electricity	\$110,000	520210	Gen Legal	\$110,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10600	6/22/15	545110	Electricity	\$5,000	520230	Litigation	\$5,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10700	6/22/15	519010	GM Contingency	\$7,000	520210	Gen Legal	\$7,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10700	6/22/15	519010	GM Contingency	\$30,000	520230	Litigation	\$30,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10800	6/8/15	512170	O & M Supplies	\$18,000	521080	Other Contract Services	\$18,000	For installation of raw water pipelines that will convey groundwater affected by the South Archibald plume to Desalter II for treatment.	4
10800	7/28/15	519010	GM Contingency	\$41,000	520210	Legal - General	\$41,000	Transfer to supplement professional fees within the Agency Management department for legal expenses	4
10800	6/22/15	520230	Litigation	\$200,000	520210	Gen Legal	\$200,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10800	6/22/15	521050	Contr. Matl	\$40,000	520210	Gen Legal	\$40,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10800	6/22/15	545230	Fuel Cell	\$63,225	520210	Gen Legal	\$63,225	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10900	6/22/15	519010	GM Contingency	\$21,000	520210	Gen Legal	\$21,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10900	6/22/15	519010	GM Contingency	\$6,000	520230	Litigation	\$6,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
10900	6/22/15	521080	Other Const	\$30,000	520210	Gen Legal	\$30,000	Transfer to cover 'General Legal' and 'Litigation' budget shortfalls	4
			Total O&M Transfers Out	\$808,225		Total O&M Transfers In	\$808,225		

Inland Empire Utilities Agency
FY 2014/15 GM Contingency Account Activity

Exhibit C-2

Date	Description	Account/Project No.	Requestor	GG TOTAL		RO TOTAL	
				GM	Contingency	GM	Contingency
				Budget		Budget	
7/1/2014	FY 2014/15 Adopted budget	10800-112100-501000-518010		\$160,000		\$400,000	
		10200-112100-100000-518010					
7/28/14	Budget transfer to cover WaterReuse Research Foundation pledge	10200-112100-100000-515030	S. Lee	\$50,000		\$50,000	\$450,000
8/26/14	Budget transfer to cover Recharge Water projected legal expenses	10300-112100-40000-520230	J. C.-Lazaro		\$30,000	\$30,000	\$420,000
9/22/14	Transfer to Water Discovery Program project PK11001	10800-128100-501000-570002	L. Diaz		\$53,150	\$53,150	\$366,850
9/22/14	Transfer to Other Contract Services to cover fees for MWH TCE feasibility study	10200-124100-100000-521080	S. Lee	\$50,000		\$183,150	\$316,850
	First Quarter Total			\$100,000		\$83,150	\$1,553,700
10/20/14	Transfer to WR14003	10800-124100-505000-521080	S. Lee		\$1,000	\$184,150	\$315,850
	Second Quarter Total			\$0		\$1,000	\$315,850
3/18/15	Transfer to WR14019	10700-124100-110000-570005	S. Lee		\$30,000	\$214,150	\$285,850
3/18/15	Transfer to Other Contract Services to amend contract with Carollo Engineers	10800-124100-130000-521080	S. Lee		\$30,000	\$244,150	\$255,850
3/18/15	Transfer to Other Contract Services to amend contract with Carollo Engineers	10700-124100-110000-521080	S. Lee		\$30,000	\$274,150	\$225,850
3/18/15	Transfer to Other Contract Services to amend contract with Carollo Engineers	10800-124100-505000-521080	S. Lee		\$30,000	\$304,150	\$195,850
	Third Quarter Total			\$0		\$120,000	\$953,400
4/6/15	Transfer to WR14019	10700-124100-110000-570005	S. Lee		\$50,000	\$354,150	\$145,850
6/25/15	Transfer to General Legal and Litigation expense RC fund	10800-112100-500000-520210	J. C.-Lazaro		\$21,000	\$375,150	\$124,850
6/25/15	Transfer to General Legal and Litigation expense RC fund	10800-112100-500000-520230	J. C.-Lazaro		\$6,000	\$381,150	\$118,850
6/25/15	Transfer to General Legal and Litigation expense WW fund	10700-112100-110000-520210	J. C.-Lazaro		\$7,000	\$388,150	\$111,850
6/25/15	Transfer to General Legal and Litigation expense WW fund	10700-112100-110000-520230	J. C.-Lazaro		\$30,000	\$418,150	\$91,850
7/28/15	Transfer to General Legal and Litigation expense RO fund	10800-112100-501000-520210	C. Valencia		\$41,000	\$459,150	\$40,850
7/28/15	Transfer to General Legal and Litigation expense RO fund	10200-112100-100000-520230	C. Valencia		\$16,000	\$475,150	\$24,850
	Fourth Quarter Total			\$0		\$171,000	\$648,950
	Year-to-date total budget transferred			\$100,000		\$375,150	
	Remaining budget balances as of			\$0		\$24,850	\$24,850

cc: Joe Ghrdstarff, Christina Valencia

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2014/15

Capital or Fund	Request Spec. Proj.	Date	Total Proj Budget Change (Y/N)?	Annual Proj. Budget Change (Y/N)?	Project Number	Project Title	Adopted Total Project Budget	Proposed 2014/15 TP Change	Current Total Project Budget	Amount of Transfer In / Out	New TP Budget	FY 2014/15 Annual Project Budget Change	New Annual Project Budget	Project Transferred To/From	Justification
10200	Capital	6/8/15	Yes	Yes	IS15004	Executive Dashboard Project	\$100,000	\$0	\$100,000	(\$16,000)	\$84,000	\$100,000	\$84,000	EN15057	Transfer from IS15004 to create new project, EN15057, to allow for purchase of a Trimble unit which will allow staff to capture accurate coordinate points of constructed pipes, utilities, or structures for immediate data collection into IEUA's GIS.
					EN15057	Trimble Geo 7 Series	\$0	\$0	\$0	\$16,000	\$16,000	\$0	\$16,000	(IS15004)	
					Subtotal Administration (GG)				\$100,000		\$100,000	\$100,000	\$100,000		
10500	Capital	6/8/15	Yes	Yes	EN15051	CCWRT Chlorine Contact Basin Splitter Box Modifications	\$0	\$50,000	\$50,000	(\$40,000)	\$10,000	\$50,000	\$10,000	EN12014	Transfer from EN15051 to EN12014 for the cooperative agreement between IEUA and the City of Rancho Cucamonga for the relocation of reclaimed water facilities in conjunction with the Interstate 15 at Baseline Road Interchange Project.
					EN12014	East Avenue 1630 E RWP Relocation	\$550,108	\$0	\$550,108	\$40,000	\$690,108	\$405,180	\$445,180	(EN14041)	
					Subtotal Recycled Water (WC)				\$600,108		\$600,108	\$405,180	\$445,180		
Capital		6/8/15	Yes	Yes	EN14041	RP-4 1158 & 1209 RWDPS Upgrades	\$5,600,000	\$0	\$5,600,000	(\$50,000)	\$5,550,000	\$50,000	\$0	EN13023	Board approved amendment to supplement EN13023 to cover the change order costs negotiated by all parties as discussed on March 16, 2015 during closed session.
					EN13023	950 Zone Recycled Water Pipeline	\$11,719,538	\$4,658,791	\$15,878,329	\$50,000	\$15,928,329	\$7,878,744	\$7,928,744	(EN14041)	
					Subtotal Recycled Water (WC)				\$17,469,646		\$17,469,646	\$8,388,924	\$8,388,924		
					Capital Total Project Budget				\$22,178,437		\$22,178,437	\$8,388,924	\$8,388,924		
					Adopted				\$22,278,437		\$22,278,437	\$8,488,924	\$8,488,924		
10200	O&M Proj	4/27/15	Yes	No	PA15007	Facility Access Improvements	\$900,000	\$0	\$900,000	(\$100,000)	\$800,000	\$900,000	\$800,000	PA15008	Transfer from PA15007 to PA15008 to support the aesthetic rehab of the Agency lift stations' asphalt areas.
					PA15008	Major Asset Repair/ Replacement	\$200,000	\$37,103	\$237,103	\$100,000	\$337,103	\$237,103	\$337,103	(PA15007)	
					Subtotal Administration (GG)				\$1,100,000		\$1,137,103	\$537,103	\$537,103		
10500	O&M Proj	6/25/15	Yes	Yes	EC14010	Investigate NRWS Sol	\$172,000	\$0	\$172,000	\$34,000	\$206,000	\$24,351	\$34,000	O&M - Other Contract Services	Transfer from O&M Other Contract Services to EC14010 to supplement RP-1 Pitrack's share for administration charges (part of Deferred 4th charges)
					Subtotal Non-Recyclable Water (WC)				\$172,000		\$206,000	\$24,351	\$34,000		
10700	O&M Proj	4/6/15	Yes	No	WR14019	Integrated Resources Plan	\$488,054	\$116,125	\$614,179	\$50,000	\$664,179	\$235,688	\$285,688	(GM Contingency)	Transfer from GM Contingency to WR14019 to fund the contract with Wildermuth Environmental Inc. to perform ongoing CBWM modelling work for the Chino Basin and to support and supplement the Agency's integrated Resources Plan.
					Subtotal Administration (GG)				\$488,054		\$664,179	\$235,688	\$285,688		
O&M Proj		4/6/15	Yes	Yes	WR15004	FY 2012/13 Garden In Every School	\$45,000	\$0	\$45,000	(\$24,233)	\$20,767	\$24,233	\$0	WR15004	Transfer from WR15004 to WR15004 to consolidate budgets for Garden in Every School project to correct/current fiscal year project.
					WR15004	FY 2014/15 Garden In Every School	\$45,000	\$0	\$45,000	\$24,233	\$69,233	\$45,000	\$69,233	(WR15004)	
					Subtotal Water Resources (WW)				\$1,366,315		\$1,366,315	\$512,547	\$512,547		
O&M Proj		7/2/15	Yes	No	WR15005	Residential Landscape Installation	\$537,136	\$0	\$537,136	(\$15,000)	\$522,136	\$132,626	\$117,626	WR15007	Transfer from WR15005 to WR15007 to provide supplemental funding that is added to Metropolitan Water District's base rate rebates. Due to the timing of MWD invoicing of supplemental funding, invoicing often occurs for the previous year's activity, draining the current year budget for project WR15007.
					WR15007	Residential Rebates Incentives	\$75,000	\$0	\$75,000	\$15,000	\$90,000	\$75,000	\$90,000	(WR15005)	
					Subtotal Water Resources (WW)				\$1,366,315		\$1,366,315	\$512,547	\$512,547		

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2014/15

Fund	Capital or Spec Proj	Request Date	Total Proj Budget Change (Y/N/P)	Annual Proj Budget Change (Y/N/P)	New Proj?	Project Title	Project Number	Project Title	Amount of Transfer In / Out	New TP Budget	FY 2014/15 Annual Project Budget	Annual Proj Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10800	OS&M Proj	4/30/15	Yes	Yes	No		PA15005	Bioreactor Media Replacement	(\$100,000)	\$1,900,000	\$200,000	(\$100,000)	\$1,000,000	EP15001	Transfer from PA15005 to EP15001 to support the repairs of Digester #4 at RP-1.
							EP15001	RP-1/RP-2 Digester Cleaning	\$100,000	\$730,000	\$630,000	\$100,000	\$730,000	(PA15005)	
OS&M Proj	5/11/15		Yes	Yes	No		CP15001	RP-5 Lawn Conversion Improvements	\$63,000	\$343,000	\$280,000	\$63,000	\$343,000	(OS&M: 512170)	Transfer from OS&M Budget, 512170, to fund unplanned grant-related turf removal project at RP-5.
Subtotal Regional Operations (RO)															
								OS&M Total Project Budget			\$2,973,000				
								Adopted			\$4,892,190				
								OS&M Total Project Budget			\$2,973,000				
								Adopted			\$5,862,418				
								OS&M Total Project Budget			\$2,973,000				
								Adopted			\$2,184,001				
								Total Annual OS&M Project Budget			\$1,110,000				
								Adopted			\$1,173,000				
								Amended			\$2,331,001				

Total Capital and OS&M Project Transfers \$492,233

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Agency Management														
60	FY 2014/15	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/Board Letters	Completed by June 30, 2015	Implement two per quarter until completed	April Woodruff	June	2015	On Schedule	No	Put on hold until the department is fully staffed and trained.
61	FY 2014/15	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2015	Implement two per quarter until completed	April Woodruff	June	2015	On Schedule	No	Put on hold until the department is fully staffed and trained.
62	FY 2014/15	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Update and maintain "Duties and Annual calendar of responsibilities" manual for the Board Secretary position	Completed by June 30, 2015	Implement two per quarter until completed	April Woodruff	June	2015	On Schedule	No	Put on hold until the department is fully staffed and trained.
63	FY 2014/15	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Increase the efficiency of the executive administrative group through streamlining processes	Completed by June 30, 2015	Implement two per quarter until completed	April Woodruff	June	2015	On Schedule	No	Put on hold until the department is fully staffed and trained.
Business Information Services														
109	FY 2014/15	Quarterly	Finance and Administration	C	Determine the scope for Geographic Information Systems online applications to share information with member agencies by September 2014	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	July-2015	Two applications on-line	Kanes Pantayatiwong	July	2015	On Schedule	No	Although there was no new applications deployed in Q4, new contents were updated (e.g., CCTV, photos, BAK data). UtiliQuest, Dig-Alert contractor, is now using Agency's mapping application instead of their own proprietary application, enabling faster and more accurate data of Agency's facilities over previous process.
110	FY 2014/15	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Determine Procurement to Payment material master content	9/30/2014	Design supports functional	Kanes Pantayatiwong	July	2015	On Schedule	No	The original goal of updating material masters was collectively deferred. Instead, the focus was placed on improving the procurement process, where automation of converting PR to PO and ability to send PO as PDF, and was rolled out in June.
111	FY 2014/15	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Implement the use of electronic signatures for invoicing on emergency contracts	April-2015	Electronic signature capability for and approvers	Kanes Pantayatiwong	July	2015	Behind Schedule	No	BIS investigated several possibilities for implementing electronic signature - certificate in Adobe Acrobat, workflow in SharePoint, third-party solution. The solution is scheduled to be implemented in August for EESCM pay estimate.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Buss. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
5	FY 2014/15	Quarterly	Finance and Administration	A	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	Complete the development of the Technology Master Plan (TMP) by 6/30/2014	12/31/2014	Award TMP contract by 5/31/2014	Kanes Pantayathwong	July	2015	On Schedule	Yes	This goal has been met.
13	FY 2014/15	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Determine requirements for new SAP enhancement that automates cost tracking for projects with multiple grants	July-2015	System go-live by 12/31/2015 >= 10% reduction in process time for grants analyst after implementation	Kanes Pantayathwong	July	2015	Behind Schedule	No	This goal was not accomplished in FY2015.
11	FY 2014/15	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Maintain cost of external SAP support to be within contracted amounts for all vendors	Quarterly	Actuals <= quarterly average of the contracted amounts	Kanes Pantayathwong	July	2015	On Schedule	Yes	Actual spending during Q4/2015 is \$17,955 or 121% of quarterly target. However, \$8,327 was spent on pilot projects to enhance the SAP usability - Single-Sign-On (SSO) and Personas (screen customization). Without this enhancement costs, the quarterly spending on support is 65%, which is within the target.
23	FY 2014/15	Quarterly	Finance and Administration	A	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	Assess challenges with Agency's financial processes: Increase speed of processing reports	Quarterly	15% increase in report response time	Kanes Pantayathwong	July	2015	Behind Schedule	No	There are two dashboard projects in progress during Q4. Unfortunately, both were not completed. The dashboard for labor data is 90% complete and should be deployed in July or early August. Content for this report was not available prior to the development. The dashboard for procurement group will be completed in July and will contain KPIs that are not available with standard reports.
30	FY 2014/15	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Provide staff with opportunities for technical and professional training classes, Release new enhancements to Agency's various software applications at fixed intervals (every 4 months)	Every January 15, may 15 and September 15	50% or more of staff receiving training class per year, 100% of enhancements released plus or minus two calendar weeks from scheduled release date	Kanes Pantayathwong	July	2015	On Schedule	Yes	This goal has been met.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
45	FY 2014/15	Quarterly	Finance and Administration	C	Develop a program that annually measures the effectiveness and efficiency of Agency core services based on stakeholder feedback on "quality, cost and value"	Develop at least one dashboard-like reporting tool for key metrics determined by the process owners	Quarterly	Project time / available time >= 50%	Kanas Pantayatiwong	July	2015	Behind Schedule	No	There are two dashboard projects in progress during Q4. Unfortunately, both were not completed. The dashboard for labor data is 90% complete and should be deployed in July or early August. Content for this report was not available prior to the development. The dashboard for procurement group will be completed in July and will contain KPIs that are not available with standard reports.
46	FY 2014/15	Quarterly	Finance and Administration	C	Develop a program that annually measures the effectiveness and efficiency of Agency core services based on stakeholder feedback on "quality, cost and value"	Allocate at least 50% of staff time towards projects and research & development work, aside from break-fixes, maintenance tasks (e.g., upgrades) and administrative tasks	Quarterly	Project time / available time >= 50%	Kanas Pantayatiwong	July	2015	On Schedule	No	48% spent on projects between PPOB - PP14 of FY2015. Staff time spent on projects was 2,108 hrs and total staff time was 4,437 hrs. (excluded manager's hours). This quarter was below target due to slightly higher activities related to SAP-GUI updates.
47	FY 2014/15	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide initial Lean training to all managers	6/30/2015	100% of managers trained	Kanas Pantayatiwong	July	2015	On Schedule	No	No new update. Note: This goal should be removed or revised since it cannot be measured properly.
48	FY 2014/15	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Train all Lean team members	At start of each project	100% of team trained	Kanas Pantayatiwong	July	2015	Behind Schedule	No	The Biosolids project will be completed in late July due to the need for several months data. Another project was assessing whether or not a loan project is appropriate. Lastly, the team has been compiling the potential projects derived from the ECM assessment.
49	FY 2014/15	Quarterly	Finance and Administration	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months)	Continuous	Number of enhancements released; ROI of each enhancement when applicable	Kanas Pantayatiwong	July	2015	Behind Schedule	No	The rollout of automatic PR to PO was deployed in June. Additional enhancements to user interface (Single Sign-On and Personas) were not completed in Q4 due to licensing issue and technical limitation by SAP native software (SAP is addressing it).
42	FY 2014/15	Quarterly	Finance and Administration	C	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	Determine business requirements incorporating an updated taxonomy	April-2015	System on-line by December 2015	Kanas Pantayatiwong	July	2015	On Schedule	Yes	The final workshop on taxonomy, lead by consultant, was held in late May. The draft report was received in late June. Information from this report will help Records Management in developing the requirements for the RFP for ECM software solution.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
43	FY 2014/15	Quarterly	Finance and Administration	C	Determine the scope for Geographic Information Systems online applications to share information with member agencies by September 2014	Promote the use of ArcGIS Online applications for Information sharing through quarterly GIS User Group meetings	Quarterly	Reduction in ArcGIS Desktop users and/or increase in ArcGIS Online users/applications	Kanes Pantayathwong	July	2015	On Schedule	No	The number of ArcGIS Desktop remains unchanged (4) while the number of ArcGIS Online has remain the same at 25 in Q4.
53	FY 2014/15	Quarterly	Finance and Administration	B	Develop and implement a plan to monitor and prepare the next generation of Agency leaders by July 2017	Allow staff to present his/her enhancements at the 4-month enhancement press releases	Every January, May and September	3 or more staff recognized per year	Kanes Pantayathwong	July	2015	On Schedule	Yes	This goal has been met.
118	FY 2014/15	Annual	Finance and Administration	A	Transition to a biennial budget beginning July 1, 2015	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality	April-2015	>= 10% reduction in number of budgeting cycle days for O&M and Capital budgets	Kanes Pantayathwong	July	2015	Behind Schedule	No	This project was not completed in FY2015. The project will need to be planned for the budget process for FY2016 and FY2019.
120	FY 2014/15	Annual	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Reduce the number of external spreadsheets utilized to address NRW rate questions	3/31/2015	50% reduction of spreadsheets in use	Kanes Pantayathwong	July	2015	Behind Schedule	No	This project was deferred due priority change to focus on Water Production Database enhancement. It is planned to be completed in FY2016.
121	FY 2014/15	Annual	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop new process for managing BIS support tickets and with less tools, currently 3 systems	January-2015	< 3 systems in use	Kanes Pantayathwong	July	2015	On Schedule	Yes	This goal has been met.
149	FY 2014/15	Once Complete	Finance and Administration	A	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	Assess challenges with Agency's financial processes; develop RFP for long term modifications	January-2015	Completed by due date	Kanes Pantayathwong	July	2015	Behind Schedule	No	The RFP was not completed in FY2015.
150	FY 2014/15	Once Complete	Finance and Administration	A	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	Assess challenges with Agency's financial processes; create baseline utilization	9/30/2014	completed by due date	Kanes Pantayathwong	July	2015	Behind Schedule	No	This goal was not accomplished in FY2015.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Year	Status	Complete	Notes
163	FY 2014/15	Once Complete	Finance and Administration	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	Create a checklist to ensure all projects are reviewed against TMP standards	During needs assessment for all projects	100% of projects have checklist completed	Kanes Pantayathiwong	July	2015	On Schedule	No	The TMP report did not provide standards. However, planned projects in FY2016 (e.g., ECM, Mobility, SharePoint, Disaster Recovery, etc.) have considerations for the long-term plan as provided by the TMP. This goal should be removed or revise in FY2016.
59	FY 2014/15	Quarterly	Finance and Administration	C	Determine the scope for Geographic Information Systems online applications to share information with member agencies by September 2014	GIS applications with CCTV videos and pipa assessment	July-2015	100% on-line within one month of video receipt	Kanes Pantayathiwong	July	2015	On Schedule	Yes	The videos are being delivered and uploaded to CCTV Viewer application within time allocated.
Engineering														
2	FY 2014/15	Monthly	Engineering, Planning and Science	E	Conduct Lesson's Learned sessions to evaluate key construction implementations	Review and evaluate all projects for best practices that can be applied to future projects	Monthly	10x/year>=90%	Shaun Stone	June	2015	On Schedule	No	1 session: Easements, Liza Munoz
95	FY 2014/15	Quarterly	Engineering, Planning and Science	E	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	Provide high quality project management for the completion of Capital Improvement Projects	FY 2014/15	Design Schedule on time >=80% Complete Construction Schedule on time >=80% Project Costs within Initial Total Project Budget >=90% Project Costs within Initial Fiscal year Project Budget >=90% All Expenditures as a Percentage of Forecasted Expenditures >=80% Change Orders as a percentage of initial contract award value <= 10%	Shaun Stone	June	2015	On Schedule	No	Completed Design Schedule on time = 71%, Completed Construction Schedule on time = 58% Project Costs within Initial Total Project Budget = 82%, All Expenditures as a Percentage of Forecasted Expenditures = 82%, Change Orders as a percentage of initial contract award value = 17.19% (Active Projects = .55%, Completed Projects = 43.11%)
External Affairs														
64	FY 2014/15	Quarterly	Agency Management	C	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	Serve as the Agency Webmaster and provide current and timely information.	The Website will be updated on an ongoing and as needed basis.	The External Affairs Department will review the entire Website for accuracy every six months.	Kathryn Besser	June	2015	On Schedule	No	The website continues to improve and be updated, adding a portal for member agencies for drought-related reporting and other related items.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
65	FY 2014/15	Quarterly	Agency Management	C	Meet annually with affiliated agencies and elected representatives	Build stronger relationships with the local agencies and elected representatives in our region.	Ongoing	Meet with all member agencies in FY 14/15	Kathryn Besser	June	2015	On Schedule	Yes	Congressman Pete Aguilar presented to the Board in April; members of Congress and the State Legislature took tours of IEUA facilities; directors went to Sacramento for a delegation visit in June, meeting with 7 or 8 representatives.
67	FY 2014/15	Quarterly	Agency Management	C	Identify and participate in organizations that advance the Agency's mission, vision and key initiatives	Communicate the role of the Agency in the region through local partnerships.	Ongoing in FY 14/15	Attend one association/organization on meeting a month.	Kathryn Besser	June	2015	On Schedule	Yes	For the 4th quarter, staff was focused on meeting with teachers and school administrators to provide information about our Earth Day events and Solar Cup competition.
68	FY 2014/15	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Communicate the importance of regional/local independence (water, recycling, wastewater, and renewable energy).	Ongoing in FY 14/15	Present to 6 associations/groups in FY14/14	Kathryn Besser	June	2015	On Schedule	Yes	Presentations were made by the general manager, executive management and External Affairs staff to numerous stakeholders and community groups, including city councils and chambers of commerce.
74	FY 2014/15	Quarterly	Agency Management	D	Develop new targets and programs to achieve 20 x 2020 requirement through water use efficiency measures, including: Improve rate structures, Integrate water use into billing, expand outdoor water use efficiency, and increase local use of stormwater by December 2014	Reduce regional water-use through various tactics and strategies.	December-2014	Reduce overall regional water use.	Kathryn Besser	July	2015	On Schedule	Yes	The IEUA region has experienced a cumulative water use reduction of 26% through May 2015 as compared to regional water use in 2013. This can be attributed to public outreach through special events and workshops, enhanced conservation incentives, and drought response activities.
75	FY 2014/15	Quarterly	Agency Management	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Communication the need for continual water use efficiency in the region.	FY 14/15	Complete by July 15	Kathryn Besser	June	2015	On Schedule	Yes	A Drought Task Force was re-established to ensure consistent messaging throughout the service area on the need to, and ways to, conserve water. Regular meetings are being held to keep lines of communication open.
159	FY 2014/15	Once Complete	Agency Management	F	Develop a communication plan to promote being a good neighbor by June 2015	Communicate the Agency-wide goals, services and functions to our entire service area including all community members, businesses, and stakeholders.	Ongoing	Complete by June 2015	Kathryn Besser	June	2015	On Schedule	Yes	We re-established a Drought Task Force from 2009 with representatives from all member agencies to develop consistent region-wide messaging in response to the Governor's emergency declaration.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
151	FY 2014/15	Once Complete	Agency Management	D	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	Create a library of documents to guide the Agency in water-use efficiency, planning and regional development.	Ongoing	Complete documents according to the schedule	Kathryn Besser	July	2015	On Schedule	No	The Integrated Resources Plan completion date has been extended to November 2015 due to additional water supply modeling. The Water Use Efficiency Business Plan cannot be completed until the IRP is done as completion date has been extended to December 31, 2015. The Urban Water Management Plan is on schedule.
152	FY 2014/15	Once Complete	Agency Management	D	Complete water softener ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water.	Work with the remaining cities to pass the water softener ordinance.	December-2014	Remaining Cities pass ordinances by December 2014	Kathryn Besser	June	2015	Behind Schedule	No	Ended FY14/15 without the remaining three cities passing the water softener ordinance. Will continue working with city staff in FY15/16.
127	FY 2014/15	Annual	Agency Management	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Incorporate the Agency's Mission, Vision and Values into all that we do including: collateral materials, employee newsletter, and creating 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	Completed by FY 14/15 and Ongoing as new staff come on board.	Create a pre and post survey and send out to staff. This would be done at the end of FY 14/15	Kathryn Besser	June	2015	Behind Schedule	No	Due to staffing challenges, the department has not sent out pre and post surveys to staff. We began the process of updating the poster boards in all Agency facilities and SAWPA to accurately reflect the Agency's Mission, Vision and Values.
136	FY 2014/15	Annual	Agency Management	C	Meet annually with the region's congressional and state delegations to advance key legislation	Build stronger relationships with the local agencies and elected officials here and in DC/Sacramento.	Travel to D.C. and Sacramento during FY 14/15	Hold two Lobby Days: Sacramento and D.C.	Kathryn Besser	June	2015	On Schedule	Yes	Lobby Days were held in Sacramento and DC during FY14/15. In addition, two members of Congress took tours and a third hosted a drought workshop in the event room, and five members of the Assembly and State Senate went on tours.
141	FY 2014/15	Annual	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support the National Drug Take Back initiatives through various outreach avenues. Work with the Pretreatment and Source Control division on new legislative initiatives that support reducing the amount of pharmaceuticals in the water supply.	Ongoing	Continue to place "No Drugs Down the Drain" ads in local newspapers and on social networking sites; present campaign initiatives at community functions.	Kathryn Besser	June	2015	On Schedule	No	No legislation was introduced during FY14/15 relate to No Drugs Down the Drain, however will continue to work with Source Control and our state and federal delegations to affect change when possible.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Finance and Accounting														
123	FY 2014/15	Annual	Finance and Administration	A	Fully fund the pension unfunded accrued liability by July 2024	Build up reserves to fund the UAL	July-2024	None	Javier Chagoyen -	July	2015	On Schedule	No	The building of the reserve will be on going supported by the adoption of the multi-year raises along with grants and state loans which will prepare the Agency for providing funding to support major capital projects included in the TYCIP and future years.
117	FY 2014/15	Annual	Finance and Administration	A	Integrate and fully fund the Replacement and Rehabilitation (R&R) projects identified in the Agency's Asset Management Plan into the annual capital improvement plan (CIP)	Work with Engineering and Operation/Maintenance departments in identifying the R&R projects for updating the annual CIP and TYCIP in respective program funds	January - March	Present all program budgets including TYCIP for Board adoption in June	Javier Chagoyen -	July	2015	On Schedule	Yes	The R&R projects are identified in the TYCIP and in the biennial budget.
6	FY 2014/15	Quarterly	Finance and Administration	A	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	Work with pertinent departments in identifying projects from various master plan and integrated into the respective program budget	December - April	None	Javier Chagoyen -	July	2015	On Schedule	No	Incorporated proposed projects from IEUA TYCIP and RMPJ (Recharge Master Plan Update) for the FYs 2015/16 and FY 2016/17 budget. Progress from IRP and Energy Plan will be incorporated in LRPF upon their completion around October/November 2015
14	FY 2014/15	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Monitor the receipts of property tax, review the property tax allocation among funds.	Throughout the fiscal year	None	Javier Chagoyen -	July	2015	On Schedule	Yes	Keeping track of property tax receipts and provided recommendations to the Board in June 2015 on property tax transfer between Administrative Service and Water Resources (WWR) funds to support reliability and conservation programs. Reported tax receipts reflect a 5% growth compared to the budgeted 3%.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
15	FY 2014/15	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Develop an Agency Grants Management Plan that will serve as a guide for the following grant activities: <ul style="list-style-type: none"> • Assess current grants management SWOT • Evaluate cost-benefit for each grant application • Recommend potential grant opportunities that align with the Agency mission and financial goal • Pursue new grant awards to diversify revenue. • Collaborate with departments that have projects that need grant funding) • Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs. • Manage congressional grant authorizations for water desalination projects in the Chino Basin • Find grants that match with Member and Regional Agencies capital and conservation programs 	Throughout the fiscal year	None	Javier Chagoyen -	June	2015	On Schedule	No	A Preliminary Version of the Grant Management Plan is being worked on and a draft version will be completed by December 2015.
22	FY 2014/15	Quarterly	Finance and Administration	A	Transition to a biennial budget beginning July 1, 2015	Prepare a biennial budget for both Operations and CIP for Agency's various programs	January to June	To be adopted by the Board in June 2015	Javier Chagoyen -	July	2015	On Schedule	Yes	Successfully prepared the biennial budget for FYs 2015/16 and 2016/17 which was adopted by the Board on June 17, 2015.
18	FY 2014/15	Quarterly	Finance and Administration	A	Adopt rates that fully meet cost of service for key Agency programs; Non-Reclaimable Wastewater (NRW) System by July 2018, Regional Wastewater by July 2018, Recycled Water by July 2018, Water Resources by July 2020	Collaborate with various departments in identifying the cost of service (COS) and developing the rate structure to sufficiently support the COS for NRW system, Regional Wastewater, and Recycled Water programs	FY 2014/15 through 2016/17	Cost of service not to exceed the service rates	Javier Chagoyen -	July	2015	On Schedule	Yes	The biennial budget of FYs 2015/16 and 2016/17 adopted by the Board in June 2015 included a multi-year rates that support the Agency's business goals of full recovery of various programs' cost of service.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
50	FY 2014/15	Quarterly	Finance and Administration	A	Annually update the Agency's Investment Policy to ensure appropriate balance among safety, liquidity and yield considerations	Update the Agency's Investment policy in accordance to the California Government Code (CGC)	March to May	Present the Investment Policy update to the Board for adoption in June	Javier Chagoyan -	June	2015	On Schedule	Yes	Completed. The Board adopted the Agency's investment policy on June 17, 2015.
51	FY 2014/15	Annual	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding or restructuring of outstanding debt to reduce costs	Evaluate market conditions to determine cost benefit of early retirement, refunding or restructuring existing outstanding debt	March-2015	Annually	Javier Chagoyan -	July	2015	On Schedule	Yes	Early retirement of the Agency's 2005A bonds in October 2014 and \$3.2 million of avoided interest payment was realized. Continue to engage the financial advisor to evaluate existing outstanding debt for refinancing or retirement.
8	FY 2014/15	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Collaborate with various department in identifying cost containment items and monitoring the performance through regular budget variance review	Throughout the fiscal year	None	Javier Chagoyan -	June	2015	On Schedule	Yes	Provided assistance to various departments in identifying items with budget shortfall and locating appropriate funding strategy and sources consistent with the Agency's fiscal control ordinance, without increasing the annual appropriation.
Human Resources														
41	FY 2014/15	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Provide required and supplemental training; encourage communication and employee participation in reporting workplace hazards and unsafe work practices	Quarterly	Review hazard and incident reports and worker's comp injury logs	Sharmeen Bhogiani	June	2015	On Schedule	Yes	During the 4th quarter there were 5 incidents reported and 2 Worker's Compensation claims. Incident reports are reviewed quarterly with the Safety & Health Committee.
38	FY 2014/15	Quarterly	Finance and Administration	B	Promote positive labor relations by conducting routine informal labor/management meetings with unit representative	Hold quarterly Labor/Management meetings to address concerns and issues on an ongoing basis	Quarterly	Number of grievances filed and number of grievances resolved at Appeals Committee Level	Sharmeen Bhogiani	June	2015	Behind Schedule	No	Labor Management meetings were not held this quarter due to the meet and confer process for the Class and Comp Study. One grievance was filed during this quarter.
37	FY 2014/15	Quarterly	Finance and Administration	B	Promote positive labor relations by conducting routine informal labor/management meetings with unit representative	Promote and sustain open communication with all levels of staff in order to effectively resolve work related issues in a harmonious manner	June-2015	Number of grievances filed and number of grievances resolved at Appeals Committee Level	Sharmeen Bhogiani	June	2015	Behind Schedule	No	Labor Management meetings were not held this quarter due to the meet and confer process for the Class and Comp Study. One grievance was filed during this quarter.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
54	FY 2014/15	Quarterly	Finance and Administration	B	Review and update the STAR Award Program to more effectively recognize outstanding performance by staff	Develop additional creative and cost-effective ways to reward and recognize outstanding and dedicated staff	December-2014	Number of employees recognized	Sharmeen Bhojani	June	2015	On Schedule	Yes	A total of 20 employees reached a career milestone this past September and were recognized at the Employees Service Recognition luncheon held on April 8, 2015.
28	FY 2014/15	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Develop creative communication methods and continue education of employees to increase knowledge of benefit programs and services including visiting appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations	June-2015	Survey and employee feedback/ Number of on-site visits, lunch and learns and other educational sessions held	Sharmeen Bhojani	June	2015	On Schedule	Yes	HR staff attended 4 staff meeting (IERCF (Greg Barron), Operations (Mehny Moreno), Maintenance (Joe Kingland ISS (David Malmto discuss employee benefits and programs as well as answer any questions relating to our area of responsibility.
7	FY 2014/15	Quarterly	Finance and Administration	B	Implement the Agency-wide Classification and Compensation Study by	Finalize the Agency-wide Classification and Compensation Study to develop a fair, consistent and competitive compensation program	November-2014	Implementation of the Study and feedback from employees	Sharmeen Bhojani	June	2015	Behind Schedule	Yes	The Operators' Association ratified on June 28, 2015 and the Professional Unit on June 30, 2015. Board approval is scheduled on July 15, 2015.
106	FY 2014/15	Quarterly	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction by December 2014	Create and distribute an employee satisfaction survey Identify strategies to increase employee morale and promote employee retention	December-2014	Attain a positive rating of overall employee satisfaction	Sharmeen Bhojani	June	2015	Behind Schedule	No	This is on hold pending conclusion of the class and comp study.
107	FY 2014/15	Quarterly	Finance and Administration	B	Review and update the STAR Award Program to more effectively recognize outstanding performance by	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award	December-2014	Number of employees recognized	Sharmeen Bhojani	June	2015	Behind Schedule	No	Three employees were selected as well as the Employees of the Year in June. The employees will be recognized at STAR recipients for the second half of FY 14 15 as well as the Employee of the Year during the Annual Picnic in July. Due to other priorities in the department and staffing challenges this quarter, the review of the STAR program will be deferred to Quarter 3. The STAR program recognizes employees in July and December. There will not be an update until FY 15 16.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
180	FY 2014/15	Once Complete	Finance and Administration	B	Develop and implement a plan to monitor and prepare the next generation of Agency leaders by July 2017	Classify job openings as internal only when a sufficient talent pool of internal candidates exists within the Agency	July-2017	Number of employee participants in the Academy and other training programs Number of internal only job announcements and percentage of internal promotions	Shameen Bhojani	June	2015	On Schedule	No	During the fourth quarter, no internal only/promotional recruitment were conducted. However, one employee was promoted as a result of an internal/external recruitment.
181	FY 2014/15	Once Complete	Finance and Administration	B	Implement strategies and recruitment practices that provide flexible and responsive solutions to assist the Agency in filling positions in a timely and effective manner by July 2014	Increases use of computer modules for written exams to prevent delays in scoring paper-based tests Develop a process for a recruitment timeline to ensure recruitments are conducted within target completion dates	July-2014	Track the average number of weeks it takes to complete the recruitment process from beginning to end	Shameen Bhojani	June	2015	On Schedule	No	This quarter, we averaged approximately 16 weeks to fill a position from beginning to end. The increase in average weeks is due to external factors. For example, new hires postponing their start date due to relocation, job transition, school schedules, etc.
Internal Audit														
18	FY 2014/15	Quarterly	Agency Management	A	Amend the Regional Sewerage Service Contract to provide more flexibility in the use of property taxes by July 2015	Complete the Regional Contract Review and provide recommendations to improve the consistent and fair application of the Regional Contract requirements among all 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, processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract.	Complete by December 2014.	Board of Director filing of the final report by December 2014.	Teresa Valade	July	2015	On Schedule	No	In Progress and On Going. To-date Internal Audit has completed 10 audit reports related to the Regional Contract and have provided over 23 audit recommendations to Executive Management to consider as part of the Contract renegotiations, amendment, or ongoing monitoring of the contract. IA has completed the evaluation of all seven member agencies and have provided over 20 audit recommendations for improvements and consideration as part of the contract renegotiation. IA has identified several areas that require more hands-on monitoring, methods to improve billing and invoicing to ensure all information is being captured and recommendations to improve collaboration and share information. One final report and presentation is scheduled for September 2015.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
21	FY 2014/15	Quarterly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January	Complete the Regional Contract Review and provide recommendations to improve the consistent and fair application of the Regional Contract requirements among all 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 RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract.	Complete by December 2014.	Board of Director filing of the final report by December 2014.	Teresa Valverde	July	2015	On Schedule	Yes	In Progress and On Going. To-date Internal Audit has completed 10 audit reports related to the Regional Contract Review requested by the Board and Executive Management, and have provided over 23 audit recommendations to Executive Management to consider as part of the Contract renegotiations, amendment, or ongoing monitoring of the contract. IA has evaluated all seven member agencies. IA has identified several areas that require more hands-on monitoring, methods to improve billing and invoicing to ensure all information is being captured and recommendations to improve collaboration and share information.
12	FY 2014/15	Quarterly	Agency Management	A	Continue commitment to cost containment for operating and capital costs	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	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits. Feedback from stakeholders.	Teresa Valverde	July	2015	On Schedule	Yes	In Progress and On Going. Approved audits are on schedule to be completed by the projected date. To-date, IA has completed 10 audits related to the Regional Contract Review requested by the Board and Executive Management.

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Goal ID	FY Start	Reporting Required	Division	Agency Management	Budget Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
44	FY 2014/15	Quarterly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations		Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas "program audits" or 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 program goals and identify areas for improvement, and make recommendations to improve efficiencies.	Ongoing and through approved audits as approved through the Annual Audit Plan.	Completed audits and feedback from stakeholders.	Teresa Velarde	July	2015	On Schedule	Yes	Each year, the Manager of Internal Audit is required to complete an Annual Audit Plan, a plan of proposed audit projects. The audit plan is determined based on a Risk Assessment completed using auditor professional judgment and discussions with various Agency key members. The Annual Audit Plan is reviewed and approved by Executive Management, the Audit Committee and the Board of Directors prior to the projects commencing. Projects are determined based on items identified through the Risk Assessment as well as requests from the Board and Executive Management. The most recent Annual Audit Plan was completed and is ready for Board of Directors approval through the Audit Committee in September of 2015.
38	FY 2014/15	Quarterly	Agency Management	B	Develop a plan to conduct a feedback study to measure employee satisfaction by December 2014		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	Feedback from customers.	Teresa Velarde	July	2015	On Schedule	Yes	Completed after each audit. At the conclusion of each audit, IA will perform a survey of auditee/customer satisfaction to gather information about the auditors and the audit process. Additionally, during the course of the audit, IA meets several times with the auditee to maintain the relationship and ensure audit objectives are on track and address any questions or concerns on time.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
34	FY 2014/15	Quarterly	Agency Management	<input checked="" type="checkbox"/>	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	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. According to the Board-approved Internal Audit Department Charter, internal auditors must engage in continuing professional education, maintain a very professional judgement in appearance and in fact, uphold the values and requirements set forth by the Institute of Internal Auditors and the International Professional Practices Framework. Internal auditors are required to act with confidentiality, and assist the Agency in meeting its organizational goals through independent assessments. All auditors are working to earn the globally-recognized designation of Certified Internal Auditor.	On-going. Through the audits approved by the Audit Committee and the Board	Feedback from senior/Executive Management, the Audit Committee Advisor, and the Audit Committee and/or Board of Directors.	Teresa Valarde	July	2015	On Schedule	Yes	Completed and On Going. IA has 3 professional senior-level internal auditors that uphold the values of the Institute of Internal Auditors and the values of IEUA. 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. According to the Board-approved Internal Audit Department Charter, internal auditors must engage in continuing professional education, maintain a very professional judgement in appearance and in fact, uphold the values and requirements set forth by the Institute of Internal Auditors and the International Professional Practices Framework. Internal auditors are required to act with confidentiality, and assist the Agency in meeting its organizational goals through independent assessments. All auditors are working to earn the globally-recognized designation of Certified Internal Auditor.
35	FY 2014/15	Quarterly	Agency Management	<input checked="" type="checkbox"/>	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Consult and assist all levels of staff, management and Executive Management by providing audit recommendations to improve efficiencies and comply with Agency policies and procedures, as well as for improvement of practices, to strengthen controls, and incorporate best practices. Assist in providing training or coordinating roundtable discussions with the necessary levels of staff.	On-going. Through the audits approved by the Audit Committee and the Board	Feedback from senior/Executive Management, the Audit Committee Advisor, and the Audit Committee and/or Board of Directors.	Teresa Valarde	July	2015	On Schedule	No	On Going. IA is composed of 3 high-level, professional auditors. According to the Board-approved Internal Audit Department Charter, internal auditors must engage in continuing professional education, maintain a very professional judgement uphold the values and requirements set forth by the Institute of Internal Auditors and the International Professional Practices Framework. Internal auditors are required to act with confidentiality, and assist the Agency in meeting its organizational goals through independent assessments. As part of various audits, IA leads, coordinates and/or facilitates meetings and discussions with several key players in the organization related to an audit issue identified for the purpose of finding resolution or identifying the root cause of any issue. This is done through audit discussions, etc. Auditors are required to attend professional development annually. Training was attended in June.

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Goal FY ID	Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Year	Status	Complete	Notes
Laboratory														
147	FY 2014/15	Once Complete	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety fatigue meeting requirement.	All required topics completed by each December.	Document training	Nel Groenewald	June	2015	On Schedule	Yes	Safety meetings are on track to meet the annual requirement.
Maintenance														
93	FY 2014/15	Quarterly	Operations	E	Ensure reliability of Agency assets by annually implementing the asset management monitoring and assessment program (Asset Management Plan)	Conduct major condition assessments annually	Complete condition n assessment of underground process piping at RP-1 by end of FY14/15 Complete RP-1 headworks condition assessment by end of the second quarter FY14/15	Complete at least five major condition assessments	Francis Concernino	June	2015	On Schedule	No	Condition assessment of the RP-1 Headworks was completed before end of June 2015.
Operations														
98	FY 2014/15	Quarterly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Ensure all treatment standards are met to maximize availability of recycled water	FY 2014/15	Attain 100% NPDES Compliance	Matt Melendrez	July	2015	On Schedule	Yes	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 4th Quarter of FY 2014/15.
99	FY 2014/15	Quarterly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Maximize use of biosolids by sending 90% of organics to IERCF	FY 2014/15	Send 90% of organics to IERCF	Matt Melendrez	July	2015	On Schedule	Yes	Greater than 90% of RP-1 and RP-2 Biosolid loads were sent to IERCF during the 4th Quarter of FY 2014/15.
116	FY 2014/15	Semi-Annual	Operations	E	Develop a Biosolids Capacity Marketing Plan maximizing material input and output by June 2017	Establish competitive rate to attract at least 10,000 outside tons at fair market value.	Establish rate and obtain Board approval by June 2015	Add >10,000 wet tons per FY beginning FY15/16	Jeff Ziegenbein	June	2015	On Schedule	Yes	The IERCA board approved a plan and rate to market biosolids and staff executed a contract with OCSD for 13,000 wet tons per year.
101	FY 2014/15	Quarterly	Operations	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Review and update all facility KPIs	FY 2014/15	1 Facility per Quarter	Chander Letulle	July	2015	On Schedule	Yes	Operations KPIs for all facilities were reviewed, standardized and updated. All Operations facility KPIs are monitored daily and reviewed monthly to ensure compliance with regulatory requirements and optimization goals.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
102	FY 2014/15	Quarterly	Operations		Annually review and update the Emergency Response and Operational Plans for all	Support Human Resources and Safety Department in the review and update of the Emergency Response and Operational Plans for all facilities.	FY 2014/15	1 Facility per Quarter	Chander Letelle	July	2015	On Schedule	No	The first Operations Emergency Response plan was completed in June 2015 for RP-1. Operations Emergency Response Plans for the remaining facilities will be completed during FY15/16.
84	FY 2014/15	Quarterly	Operations	D	Develop and implement Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water by June 2015	Develop written RW storage and delivery strategies to meet department forecasts of diurnally variable RW supplies and seasonally variable RW demands.	November-2014	Written strategies and forecasts developed by RW and GWR staff by December 1, 2014	Jason Marsailles	June	2015	Behind Schedule	No	Operational strategies have been implemented to maximize RW delivery from CCWRF to 930 reservoir. Peak RW demand at RP-1 was not experienced until July 2015 where past years this occurred during the month of May. More RW was available during the months of May and June due to more supply created by the expansion of the CCWRF RWPS and the 930 reservoir.
85	FY 2014/15	Quarterly	Operations	D	Develop and implement Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water by June 2015	Develop RW GWR SCADA improvements that implement the storage and delivery strategies by working the DCS Department	May-2015	System Improvement request to DCS Department by March 15, 2015	Jason Marsailles	June	2015	Behind Schedule	No	Work notification has been entered to automate controls between CCWRF 930 RWPS and RP-1 930 RWPS.
86	FY 2014/15	Quarterly	Operations	D	Develop and implement Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water by June 2015	Continue weekly Peak Demand Management Meetings with key operations staff for start of CY2015 Peak Demand season	June 30, 2015	Demand Management meetings scheduled in March 31, 2015	Jason Marsailles	June	2015	On Schedule	No	Weekly meetings are scheduled to review current operations and RW demand patterns. Meetings will continue through the peak season.
78	FY 2014/15	Quarterly	Operations	D	Optimize IEUA's use of potable and recycled water by July 2016	Establish potable and recycled water baseline monitoring plan for all Agency facilities.	FY 2014/15	One facility per quarter	Matt Melendrez	June	2015	On Schedule	No	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.
78	FY 2014/15	Quarterly	Operations	D	Optimize IEUA's use of potable and recycled water by July 2016	Establish potable and recycled water baseline monitoring plan for all Agency facilities.	FY 2014/15	One facility per quarter	Matt Melendrez	July	2015	On Schedule	No	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.

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Goal ID	FY Start	Reporting ID	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
157	FY 2014/15	Monthly	Operations	E	Continue to optimize operation of digestion and dewatering centrifuges to minimize operational costs	Produce 450 CFM of digester gas to support full operation of the fuel cell. Produce an average of 24% total solids cake.	FY 2014/15	Monthly Average of xx CFM Monthly Average of 24% T.S.	Matt Melandrez	June	2015	On Schedule	Yes	Produced 24% cake solids and 497 cfm of digester gas.
158	FY 2014/15	Once Complete	Operations	E	Develop a design concept for the proposed South Compost Facility by December 2014	Conduct a feasibility study for the South Compost Facility	Complete feasibility study by September 2014	Not applicable	Jeff Ziegenhein	June	2015	On Schedule	Yes	South Compost Facility Feasibility Study was completed and submitted in May 2014.
Planning and Environmental Compliance														
159	FY 2014/15	Once Complete	Engineering, Planning and Science	F	Complete odor baselines report by June 2015	Coordinate odor survey and develop baseline report	June-2015		Sylvia Lee	July	2015	On Schedule	No	Odor survey expected first quarter FY 2015/16. Odor report in progress.
162	FY 2014/15	Once Complete	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Completion of the Santa Ana River Habitat Conservation Plan Develop long term strategy for mitigation for other regional projects	June-2015	Completion of the plans/strategies	Sylvia Lee	July	2015	On Schedule	No	Hydraulic modeling is being conducted. Discussions about mitigation are ongoing. Draft findings should be available end of 2015. Effort is being led by SBVMWD.
164	FY 2014/15	Once Complete	Engineering, Planning and Science	D	Integrate water supply, water efficiency, storm water management, energy efficiency, water quality and land use measures to promote sustainable watershed management	<ul style="list-style-type: none"> Complete Integrated Resources Plan Complete Water Use Efficiency Business Plan Complete 2015 Urban Water Management Plan Coordinate the implementation of Recharge Master Plan Update Complete the Recycled Water Program Strategy Complete Wastewater Facilities Master Plan 	<ul style="list-style-type: none"> Dec 2014 June 2015 June 2016 June 2020 Sep 2014 	Completion and coordination of said documents	Sylvia Lee	July	2015	On Schedule	No	IRP work is underway. Goals and objectives, demand forecast, and baseline supplies have been identified. Supply management programs and projects have been identified. Workgroup will be developing portfolio in August and conducting resiliency testing in September. Work is being done in conjunction with Member Agencies, WEI, and RAND Corp. Water Use Efficiency Business Plan's completion date has been extended to December 31, 2015 following the completion of the Agency's IRP.
165	FY 2014/15	Once Complete	Engineering, Planning and Science	F	Develop and update logical, technically based, defensible, local limits for regional significant industrial users by December 2014 and review every five years	Develop Local Limits	March-2015	Completion of local limits	Sylvia Lee	July	2015	Behind Schedule	No	Final local limits report behind schedule due to reevaluation of TDS due to dramatic changes in source water TDS. Recommended local limits to be presented to Regional Committee in July and Board in August.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Buss. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
138	FY 2014/15	Annual	Engineering, Planning and Science	E	Develop a comprehensive Energy Management Master Plan by June 2015	Coordinate Energy Management Master Plan Development consistent with IEUA planning documents	June-2015		Sylvia Lee	July	2015	On Schedule	Yes	Draft Energy Management Plan completed. Workshop to be held in September 2015.
154	FY 2014/15	Once Complete	Engineering, Planning and Science	D	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	Develop project list and implement based on priority	continuous	Keep updated project list and be coordinated with member agencies	Sylvia Lee	July	2015	On Schedule	Yes	Project list has been incorporated into IRP projects and will be included in supply portfolios for regional resiliency testing
155	FY 2014/15	Once Complete	Engineering, Planning and Science	D	Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop strategies in the IRP	December-2014	Adoption of IRP; ensure the goals of the 2010 UWMMP are met	Sylvia Lee	July	2015	Behind Schedule	No	IRP water management portfolios will include resiliency testing. Testing will begin in August. RAND Corp will perform the assessment.
55	FY 2014/15	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop long term strategy for permitting of the O&M activities of recharge basins	June-2015	Completion of strategy by Jun 2015	Sylvia Lee	July	2015	On Schedule	No	EC staff and Tom Dodson are working on the permit application. Application will be submitted by first quarter of FY 15/16
81	FY 2014/15	Quarterly	Engineering, Planning and Science	D	Identify and evaluate supplemental water supplies for the region by October 2014	Complete the IRP	December-2014	Completion of the IRP	Sylvia Lee	July	2015	On Schedule	No	IRP work is underway. Goals and objectives, demand forecast, and baseline supplies have been identified. Supply management programs and projects have been identified. Workgroup will be developing portfolios in August and conducting resiliency testing in September. Work is being done in conjunction with Member Agencies, WEI, and RAND Corp.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Buss. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month Year	Status	Complete	Notes
82	FY 2014/15	Quarterly	Engineering, Planning and Science	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFD of recycled water use by June 2022	Develop planning documents and regulatory permitting strategy to support the implementation plan as identified in the RWPS and IRP	June-2015	Development of Permitting Strategy of the IRP/RWPS	Sylvia Lee	July 2015	On Schedule	No	PEIR of the planning documents will commence at the completion of the IRP.
77	FY 2014/15	Quarterly	Engineering, Planning and Science	D	Optimize IEUA's use of potable and recycled water by July 2016	Complete the Recycled Water Program Strategy and begin the Implementation plan	December-2014	Completion of RWPS	Sylvia Lee	July 2015	On Schedule	No	modeling complete and identified best use to maximize beneficial reuse of available RW. Additional modeling could be needed after policy discussions.
70	FY 2014/15	Quarterly	Engineering, Planning and Science	D	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	Integrated Resources Plan	December-2014	Adoption of the documents	Sylvia Lee	July 2015	On Schedule	No	IRP work is underway. Goals and objectives, demand forecast, and baseline supplies have been identified. Supply management programs and projects have been identified. Modeling results by August.
72	FY 2014/15	Quarterly	Engineering, Planning and Science	D	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	Recycled Water Program Strategy	December-2014	Adoption of the documents	Sylvia Lee	July 2015	On Schedule	No	Draft report complete and forwarded for Member Agency review and comment. Review comments will be incorporated and final RWPS scheduled for August.
73	FY 2014/15	Quarterly	Engineering, Planning and Science	D	Develop new targets and programs to achieve 20 x 2020 requirement through water use efficiency measures, including: improve rate structures, integrate water use into billing, expand outdoor water use efficiency, and increase local use of stormwater by December 2014	Develop tools to target the 2020 requirements	June-2015	226 gpcd by 2015 <200 gpcd by 2018	Sylvia Lee	July 2015	On Schedule	No	Agency staff is working with member agencies on the implementation of a technology based software to identify inefficient residential water users and provide tools and resources to assist them with reduction. Over the last year the Agency has invested approximately \$3.2 million dollars in large landscape turf removal projects and have substantially increased residential turf removal by over 1400 customers between May and June 2015.
100	FY 2014/15	Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Active participation into the legislative process through advise letters, comments.	Ongoing	Participate in local water/wastewater/fair regulatory and association committee meetings.	Sylvia Lee	July 2015	On Schedule	No	Provided comment letter to CalRecycle in regards to dedicated digestion operation.

Business Goals & Objectives Report By Department

FY 2014/15 4th Quarter ended June 30, 2015

Exhibit B

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
94	FY 2014/15	Quarterly	Engineering, Planning and Science	E	Monitor and integrate the Building Activity Report (BAR) data for actual and projected growth with the Asset Management Plan into regional wastewater planning	Continue to work with RCAs to review and maintain accurate building activity reports.	ongoing	Periodic checks to ensure that the forecasts are consistent with the adopted projections provided in the WWFMP	Sylvie Lee	July	2015	On Schedule	Yes	Prepared monthly building activity reports and GIS maps.
96	FY 2014/15	Quarterly	Engineering, Planning and Science	E	Complete an Agency-wide greenhouse gas emission (GHG) baseline assessment using the Climate Registry protocol to allow the Agency to self credits by July 2016	<ul style="list-style-type: none"> • Complete GHG emission baseline • Develop GHG reduction plan consistent with the Energy Management Plan • Measure GHG reduction (tons CO2 eq/yr) work plan needs to be reworded - agency does not self credits 	July-2016	Complete the GHG emission baseline July 2014	Sylvie Lee	July	2015	On Schedule	Yes	Completed Agency-wide greenhouse gas emission (GHG) baseline, Submitted GHG emission for 2014.
97	FY 2014/15	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor by June 2015	Perform odor monitoring, assist Operations, External Affairs during complaints investigation and mitigation	Ongoing	Perform periodic/as needed odor monitoring	Sylvie Lee	July	2015	On Schedule	No	RP-5 SHF odor monitoring conducted weekly.
148	FY 2014/15	Once Complete	Operations	C	Review and update the Asset Management Plan by December 2014	Update the Asset Management Plan annually by incorporating the findings of Condition Assessment reports and documenting changes relating to Agency assets	Complete by December 2014.	Not applicable	Jeff Noelle	June	2015	On Schedule	Yes	The Asset Management Plan for fiscal year 2015/16 was completed in January and distributed for internal and external use in February.

Technical Services



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

FY 2014/15 4th Quarter Budget Variance Report

Board of Directors

**October 14, 2015
(Special Board Meeting)**

Revenue Highlights Actual vs. Amended Budget

GOOD NEWS....

- ❖ **User Charges** – \$62.9M, 102% of amended budget
 - \$46.7M EDU volumetric fees, 2.3% in EDU growth vs. budgeted 0.25%
- ❖ **Recycled Water Sales** – \$10.0M, 105% of amended budget
 - 34,419 AFY actual vs. 32,000 AFY amended budget
- ❖ **New EDU Connection Fees** - \$15.1M, 98% of amended budget
 - 2,953 new connections compared to budgeted 3,000 units.
- ❖ **Property Tax** – \$40.9M, 102% of amended budget,
 - 5% tax growth vs. budgeted 3% growth
- ❖ **Grants and Loans** - \$26.0M, 115% of amended budget



Expense Highlights Actual vs. Amended Budget

GOOD NEWS...

- ❖ **Employment** - \$40.3M, 91% of amended budget
 - Weighted average vacancy factor of 12%, or 32 FTE's, far above the 5% budgeted rate.
- ❖ **Utilities** - \$9.1M, 91% of amended budget
 - *Electricity* higher average rate of \$0.125/kWh vs. \$0.120/kWh budgeted rates, offset by lower consumption
 - *Natural gas* \$0.41/therm vs. \$0.80/therm budgeted rates

Expense Highlights Actual vs. Amended Budget

- ❖ **Capital Projects** - \$54.8 million, 84% of amended budget
 - Recycled Water projects: \$35.8 million or 65% of the total capital costs
 - Wastewater projects: \$5.5 million or 10%
 - \$8.3 million or 14.5% of the FY 2014/15 CIP amended budget has been carried forward to FY 2015/16
- ❖ **Debt Service** - \$36.1 million, 98% of amended budget
 - \$14.7 million, early redemption of 2005A Revenue Bonds
 - Actual average interest rate for the 2008B Variable Rate Demands was 0.049%, well below the budgeted 1% rate

FY 2014/15 Q4 Operating & Non-Operating Net Increase/(Decrease) in Millions

Operating	FY 2014/15 Amended Budget	Fiscal Year Ended 6/30/15	Actual % of Amended
Operating Revenue	\$117.6	\$118.7	100.9 %
Operating Expense	\$134.7	\$119.5	88.7%
Operating Net Increase (Decrease)	(\$17.1)	(\$0.8)	
Non-Operating	FY 2014/15 Amended Budget	Fiscal Year Ended 6/30/15	Actual % of Amended
Non-Operating Revenue	\$79.8	\$81.1	101.6%
Non-Operating Expense	\$102.3	\$91.3	89.2%
Non-Operating Net Increase (Decrease)	(\$22.5)	(\$10.2)	

FY 2014/15 Q4 Ending Fund Balance (\$Millions)

Fund Balance	Amended Annual Budget	Fiscal Year Ended 6/30/15	Actual % of Amended
Total Sources of Funds	\$197.4	\$199.8	101.2%
Total Uses of Funds	\$237.0	\$210.8	88.9%
Total Net Increase/(Decrease)	(\$39.6)	(\$11.0)	
Beginning Fund Balance	\$151.1	\$151.1	
Ending Fund Balance	\$111.5	\$140.1	



Inland Empire Utilities Agency
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Questions?

The budget variance analysis report is consistent with the Agency's
business goal of fiscal responsibility