



**FINANCE, LEGAL, AND ADMINISTRATION
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, JUNE 8, 2016
11:00 A.M.**

*Or immediately following the
Engineering, Operations, and Biosolids Management
Committee Meeting*

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. CONSENT ITEMS

A. MINUTES

The Committee will be asked to approve the Finance, Legal, and Administration Committee meeting minutes of May 11, 2016.

B. REPORT ON GENERAL DISBURSEMENTS

It is recommended that the Committee/Board approve the total disbursements for the month of April 2016, in the amount of \$10,275,385.58.

2. ACTION ITEMS

A. ADOPTION OF RESOLUTION NO. 2016-6-8, ESTABLISHING THE APPROPRIATION LIMITS FOR FISCAL YEAR 2016/17

It is recommended that the Committee/Board adopt Resolution No. 2016-6-8, establishing the appropriation limits for Fiscal Year (FY) 2016/17.

B. FY 2016/17 BUDGET AMENDMENT, RATES AND FEES, AND INTER-FUND LOANS

It is recommended that the Committee/Board approve:

1. The amendments to the FY 2016/17 adopted budget for all Agency's funds;
2. The Non-Reclaimable Wastewater (NC) fund Rate Resolution Nos. 2016-6-1 through 2016-6-3;
3. The Regional Wastewater Operations & Maintenance (RO) fund Rate Resolution 2016-6-4;
4. The Water Resources (WW) fund Rate Resolution Nos. 2016-6-7 and 2016-6-15;
5. Rate Resolution No. 2016-6-5 for Laboratory Fees, 2016-6-6 for Equipment Rental, and 2016-6-9 for the Fontana Extra-Territorial Charge;
6. An inter-fund loan from the RO fund to the WW fund for a not-to-exceed amount of \$3.2 million in FY 2016/17 to support purchase of supplemental water supplies;
7. The forgiveness of the inter-fund loan from the Administrative Service (GG) fund to the WW fund in the amount of \$4.3 million in FY 2015/16; and
8. The allocation of property tax receipts in excess of \$13.7 million from the Regional RO, Recycled Water (WC), and GG funds to the WW fund beginning in FY 2016/17, and maintain allocation of 65% of property tax receipts to the Regional Wastewater Capital Improvement (RC) fund.

C. CONTRACT APPROVAL FOR COMPRESSED GAS, PROPANE, AND RELATED SUPPLIES

It is recommended that the Committee/Board:

1. Approve a seven-year competitively-let contract (No. 4600002112)

to Arigas USA, LLC of Ontario, California, through June 30, 2022, for Agency-wide compressed gases, propane, and related supplies; and

2. Authorize the General Manager to execute the contract.

D. PUMP EFFICIENCY IMPROVEMENTS PROPOSAL REJECTION

It is recommended that the Committee/Board reject the April 12, 2016, proposals for the construction of the Agency-wide Pump Efficiency Improvements, Project No. EN16070.

E. RP-2 MICROTURBINE PROPOSAL REJECTION

It is recommended that the Committee/Board reject the November 17, 2015, proposal from Regatta Solutions to design and build a microturbine at Regional Plant No. 2.

F. CBWM MASTER AGREEMENT SECOND AMENDMENT TO TASK ORDER NO. 1

It is recommended that the Committee/Board:

1. Approve the second amendment to Task Order No.1 of the Master Agreement with the Chino Basin Watermaster as part of the Recharge Master Plan Update Yield Enhancement Projects, Project No. RW15003; and
2. Authorize the General Manager, subject to non-substantive changes, to execute the amendment.

G. PROFESSIONAL SERVICES CONTRACT AWARD FOR SEWER FEE EVALUATION

It is recommended that the Committee/Board:

1. Approve the professional services contract award for the Sewer Fee Evaluation to Carollo Engineers, Inc. for the not-to-exceed amount of \$376,586; and
2. Authorize the General Manager to execute the contract.

H. SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP)

It is recommended that the Committee/Board:

1. Approve the June 2016 SARCCUP Memorandum of Understanding (MOU);
2. Approve Project Agreement 23 (PA23) between SAWPA and the five SAWPA member agencies for SARCCUP governance;

3. Approve the professional services contract award to Tom Dodson & Associates to conduct a SARCCUP CEQA evaluation for the not-to-exceed amount of \$340,397;
4. Approve the CEQA Cost Sharing Agreement; and
5. Authorize the General Manager to execute the following documents:
 - a. June 2016 SARCCUP Memorandum of Understanding (MOU)
 - b. Project Agreement 23 (PA23)
 - c. Professional Services Contract Award to Tom Dodson & Associates
 - d. CEQA Cost Sharing Agreement

I. CONTRACT AWARD TO POLYDYNE INC. FOR FLOSPERSE 30S

It is recommended that the Committee/Board:

1. Approve Contract No. 4600002106 to Polydyne Inc., establishing a two-year contract for the supply of Flosperse 30S with options for three additional one-year extensions, for a potential total contract term for five years; and
2. Authorize the General Manager to execute the contract with three potential contract extensions.

J. PURCHASE OF DEWATERING POLYMER BLENDING UNITS

It is recommended that the Committee/Board:

1. Authorize the single source procurement of new polymer blending units and start up services for Regional Water Recycling Plant No. 1 (RP-1) from Velocity Dynamics, LLC for a not-to-exceed amount of \$172,000 (including tax and delivery); and
2. Authorize the General Manager to execute the purchase.

3. INFORMATIONAL ITEMS

A. THIRD QUARTER BUDGET VARIANCE, PERFORMANCE GOALS UPDATES, AND BUDGET TRANSFERS (WRITTEN)

B. RECYCLED WATER RESOLUTIONS (WRITTEN)

RECEIVE AND FILE INFORMATION ITEM

C. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN)

4. GENERAL MANAGER'S COMMENTS

5. COMMITTEE MEMBER COMMENTS

6. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

7. ADJOURN

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: _____

DECLARATION OF POSTING

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, June 2, 2016.

April Woodruff

**CONSENT
ITEM**

1A



MINUTES

FINANCE, LEGAL, AND ADMINISTRATION COMMITTEE MEETING INLAND EMPIRE UTILITIES AGENCY* AGENCY HEADQUARTERS, CHINO, CA

**WEDNESDAY, MAY 11, 2016
11:00 A.M.**

COMMITTEE MEMBERS PRESENT

Terry Catlin (Alternate)
Michael Camacho

COMMITTEE MEMBERS ABSENT

Gene Koopman, Chair
Steven J. Elie

STAFF PRESENT

Jasmin A. Hall, Director
P Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Randy Lee, Executive Manager of Operation/Assistant General Manager
Ernest Yeboah, Executive Manager of Operations/ Assistant General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Pietro Cambiaso, Supervisor
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Jason Gu, Grants Officer
Warren Green, Manager of Contracts and Facilities Services
Nel Groenveld, Manager of Laboratories
Elizabeth Hurst, Environmental Resources Planner
Joel Ignacio, Senior Engineer
Linda Johnson, Administrative Coordinator
Sylvie Lee, Manager of Planning and Environmental Resources
John Scherck, Acting Deputy Manager of Engineering
Shaun Stone, Manager of Engineering
Kenneth Tam, Senior Associate Engineer
Teresa Velarde, Manager of Internal Audit
Jamal Zughbi, Senior Engineer
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

None.

The meeting was called to order at 10:50 a.m. There were no public comments received or additions to the agenda.

CONSENT CALENDAR ITEMS

The Committee:

- ◆ Approved the Finance, Legal, and Administration Committee meeting minutes of March 9, 2016.

- ◆ Recommended that the Board approve the total disbursements for the month of March 2016, in the amount of \$10,251,783.01;

as a Consent Calendar Item on the May 18, 2016 Board meeting agenda.

ACTION ITEMS

The Committee:

- ◆ Recommended that the Board adopt Resolution No. 2016-5-1, approving the update of the Agency's Investment Policy for Fiscal Year 2016/17;

as a Consent Calendar Item on the May 18, 2016 Board meeting agenda.

- ◆ Recommended that the Board adopt the updated Reserve Policy governing all Agency funds;

as a Consent Calendar Item on the May 18, 2016 Board meeting agenda.

- ◆ Recommended that the Board adopt the proposed Debt Management Policy governing all Agency's debt;

as an Action Item on the May 18, 2016 Board meeting agenda.

- ◆ Recommended that the Board:

1. Adopt Resolution No. 2016-5-2, authorizing IEUA's General Manager to execute the Groundwater Grant Program application with the SWRCB for the Chino Basin Improvements and Groundwater Cleanup Project through the Chino Basin Regional Financing Authority (CBRFA);
2. Adopt Resolution No. 2016-5-3, authorizing IEUA's General Manager to execute the Stormwater Grant Program application with the SWRCB for the RMPU Project referred to as the Wineville, Jurupa, and RP-3 Basin Improvements and Groundwater Cleanup Project through the CBRFA;
3. Adopt Resolution No. 2016-5-4, authorizing IEUA's General Manager to execute the Clean Water State Revolving Fund (CWSRF) loan application with the SWRCB for the planning and design of the RMPU Project through the CBRFA;
4. Adopt Resolution No. 2016-5-5, dedicating certain revenues for the repayment of the SRF loan for the Planning and Design of the RMPU Project;
5. Authorize IEUA's General Manager to approve the Master Cost Sharing Agreement between CBWM and IEUA; and
6. Authorize IEUA's General Manager to approve the Master Recharge Facilities Financing Agreement between CBRFA, IEUA, and CBWM;

as a Consent Calendar Item on the May 18, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the construction contract award for the Water Quality Laboratory, Project No. EN15008, to Kemp Bros. Construction, Inc. in the amount of \$17,460,000;
2. Approve a total project budget amendment in the amount of \$3,745,000, which will increase the total project budget from \$20,900,000 to \$24,645,000;
3. Authorize the Agency to request an increase to the current SRF Loan Agreement in the amount of \$7,545,000; and
4. Authorize the General Manager to execute the construction contract, budget amendment, and required loan documents;

as an Action Item on the May 18, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the electricity amendment with Shell Energy North America (SENA) US, L.P. through December 31, 2016, to purchase 1.5 megawatts (MW) of electricity per hour at a variable rate;
2. Approve the natural gas amendment with SENA US, L.P. through May 31, 2017, to purchase 200 MMBtu per day of natural gas at a variable rate; and
3. Authorize the General Manager to finalize and execute the contract amendment;

as a Consent Calendar Item on the May 18, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the amendment to the Master Service Contract No. 4600000900 with EnerNOC, Inc. for provision of demand response services, including sub-metering data management; and
2. Authorize the General Manager to finalize and execute the contract amendment;

as a Consent Calendar Item on the May 18, 2016 Board meeting agenda.

◆ Recommended that the Board approve the proposed Fiscal Year (FY) 2016/17 through 2025/26 Ten-Year Capital Improvement Plan;

as an Action Item on the May 18, 2016 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented, or received and filed by the Committee:

- ◆ Ordinance No. 201, Establishing Fiscal Control
- ◆ RY 2016/17 Adopted Budget for Inland Empire Regional Composting Authority

- ◆ Water Ordinance No. 104
- ◆ FY 2016/17 Proposed Amended Budget
- ◆ Treasurer's Report of Financial Affairs

GENERAL MANAGER'S COMMENTS

General Manager P. Joseph Grindstaff has no comments.

COMMITTEE MEMBER COMMENTS

There were no additional Committee Member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee Member requests for future agenda items.

With no further business, Director Elie adjourned the meeting at 11:45 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: JUNE 8, 2016

**CONSENT
ITEM**

1B

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (6/8/16)

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: Report on General Disbursements

RECOMMENDATION

It is recommended that the Board of Directors approve the total disbursements for the month of April 2016, in the amount of \$10,275,385.58.

BACKGROUND

April disbursement activity includes vendor payments (check numbers 213461-213911) of \$3,123,752.33 and workers compensation payments (check numbers 04479-04500) of \$8,358.87. The total amount of ACH and wire transfer payments is \$7,141,466.89, which includes payroll taxes in the amount of \$768,290.10. The total employee pay was \$1,955,224.53. The total pay for the Board of Directors was \$3,304.28.

Payment Type		Transactions	Total Amount
Check	Vendors	448	3,123,752.33
	Workers-Comp	22	8,358.87
	Payroll-Directors'	3	1,807.49
	Payroll-Others	0	0.00
Subtotal Check		473	\$3,133,918.69
ACH		151	\$2,940,909.37
Wire Transfer	Payroll-Net Pay	3	1,955,224.53
	Payroll-Directors'	1	1,496.79
	Others	18	2,243,836.20
Subtotal Wires		22	\$4,200,557.52
TOTAL		646	\$10,275,385.58

Payments to vendors this month above \$500,000 include:

Vendor	Amount	Description
CDA	1,797,193.52	CDPH ChnIII Expnsn 6A,7A,8 Grant PassThru
PERS	763,419.89	P/R 7,8,9 Contributions; 4/16 Health Ins
MWD	662,114.52	February 2016 Water Purchase
IRS	641,741.84	P/R 7,8,9 Taxes

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The cash held by the Agency's various funds, including the Administrative Services (GG) Fund, is reduced as a result of paying the Agency's authorized expenditures.

CITIZENS BUSINESS BANK
ONTARIO CA 917610000

CBB
122234149
CHECK
231167641

Check	Check number from to	Payment	Post date	Crcy	Amount paid (FC)	Recipient/vold reason code	Exec./vold
213451	2200073860	04/04/2016	USD	1,500.00	HANSON, MATTHEW CHINO HILLS CA	04/05/2016	
213452	2200073937	04/07/2016	USD	96.40	ABRIK CORPORATION BAKERS TX	04/13/2016	
213463	2200073954	04/07/2016	USD		VOIDED BY P JACKSON - Check not needed	04/21/2016	
213464	2200073832	04/07/2016	USD	644.83	AIRGAS WEST INC PASADENA CA	04/20/2016	
213465	2200073898	04/07/2016	USD	2,093.10	APPLORNE EMPLOYMENT SERVICES GLENDALE CA	04/12/2016	
213466	2200073935	04/07/2016	USD	5,412.72	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/13/2016	
213467	2200073934	04/07/2016	USD	194.52	DAM GRAPHICS N LAS VEGAS NV	04/12/2016	
213468	2200073975	04/07/2016	USD	437.54	BODEHAN, ARIK CHINO HILLS CA	04/13/2016	
213469	2200073928	04/07/2016	USD	975.00	BUILDING BLOCK ENTERTAINMENT WOODLAND HILLS CA	04/13/2016	
213470	2200073883	04/07/2016	USD	1,420.18	CALTEK INC LOS ANGELES CA	04/11/2016	
213471	2200073964	04/07/2016	USD	324.00	CAMBRASO, PIETRO CHINO HILLS CA	04/11/2016	
213472	2200073905	04/07/2016	USD	786.60	CARROLL ENGINEERS SACRAMENTO CA	04/15/2016	
213473	2200073904	04/07/2016	USD	175.00	CEPA OPERATIONS INC ONTARIO CA	04/11/2016	
213474	2200073900	04/07/2016	USD	335.00	CHINO BASIN WATER CONSERVATION MONTCLAIR CA	04/13/2016	
213475	2200073926	04/07/2016	USD	6,451.82	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/13/2016	
213476	2200073956	04/07/2016	USD	2,511.81	CITY OF CHINO CHINO CA	04/13/2016	
213477	2200073930	04/07/2016	USD	720.50	CPS HUMAN RESOURCE SERVICES SAN FRANCISCO CA	04/12/2016	
213478	2200073929	04/07/2016	USD	2,839.10	DESIGNWORK PACKAGING LAKE FOREST CA	04/12/2016	
213479	2200073940	04/07/2016	USD	1,787.88	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	04/12/2016	
213480	2200073976	04/07/2016	USD	300.00	ESPINOSA, DAVID RANCHO CUCAMONGA CA	04/14/2016	
213481	2200073939	04/07/2016	USD	350.00	EUROFINS BAYON ANALYTICAL, INC GRAPEVINE TX	04/13/2016	
213482	2200073908	04/07/2016	USD	461.94	EXPRESS PIPE & SUPPLY INC ANAHEIM CA	04/12/2016	
213483	2200073944	04/07/2016	USD	7,306.10	FERRERIA COASTAL CONSTRUCTION BRANCHBURG NJ	04/25/2016	
213484	2200073886	04/07/2016	USD	1,896.06	FISHER SCIENTIFIC LOS ANGELES CA	04/14/2016	
213485	2200073897	04/07/2016	USD	337.92	FONTANA HERALD NEWS FONTANA CA	04/14/2016	
213486	2200073960	04/07/2016	USD	514.03	FONZANA-WAHER COMPANY FONTANA CA	04/18/2016	
213487	2200073967	04/07/2016	USD	115.68	FRANCOBE, LEO CHINO HILLS CA	04/18/2016	
213488	2200073977	04/07/2016	USD	300.00	GERSTERBERGER, ROBERT CHINO CA	04/18/2016	
213489	2200073895	04/07/2016	USD	2,026.07	GRANGER PALATINE II	04/18/2016	
213490	2200073887	04/07/2016	USD	1,434.81	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	04/12/2016	
213491	2200073947	04/07/2016	USD	1,053.00	HD WORK GEAR LAKEWOOD CA	04/25/2016	
213492	2200073888	04/07/2016	USD	614.80	HOME IMPGT CREDIT SERVICES DBS MOJAVE IA	04/14/2016	
213493	2200073972	04/07/2016	USD	190.44	HUNTER, BONNIE CHINO HILLS CA	04/14/2016	
213494	2200073963	04/07/2016	USD	15.00	ICMA EMPLOYERS ASSOCIATION CHINO HILLS CA	04/15/2016	
213495	2200073962	04/07/2016	USD	44,467.20	INLAND BIOSHERY LLC FONTANA CA	04/15/2016	
213496	2200073889	04/07/2016	USD	3,426.30	J G TUCKER & SON INC COVINA CA	04/13/2016	
213497	2200073931	04/07/2016	USD	6,000.00	LAMAR COMPANIES BATON ROUGE LA	04/12/2016	
213498	2200073942	04/07/2016	USD	1,533.76	LAW OFFICE OF MICHAEL R. WERNER CALABASAS CA	04/15/2016	
213499	2200073941	04/07/2016	USD	60.00	LITTLE SISTER S TRUCK WASH, INBONSALL CA	04/13/2016	
213500	2200073970	04/07/2016	USD	43.64	LOPEZ, ALEX CHINO HILLS CA	04/12/2016	
213501	2200073974	04/07/2016	USD	155.00	MCCORKELL, GREGORY CHINO HILLS CA	04/27/2016	
213502	2200073945	04/07/2016	USD	124.07	MEDINA CORPORATION DICKINSON ND	04/12/2016	
213503	2200073907	04/07/2016	USD	77.15	MIDPOINT HEARING ONTARIO CA	04/11/2016	
213504	2200073903	04/07/2016	USD	19.44	MISSION AEROGRAPHICS RIVERSIDE CA	04/13/2016	

Bank	CBB	CITIZENS BUSINESS BANK	ONTARIO CA	917610000		
Bank Key	122234149					
Acct number	CHECK	231167641				
Check						
Check number from to	Payment	Print date	Crncy	Amount paid (Pct)	Recipient/vold reason code	Enca /void
213505	2200073949	04/07/2016	USD	31,054.15	MOSS ADAMS LLP SEATTLE WA	04/11/2016
213506	2200073953	04/07/2016	USD	25,800.00	MERRISON NIGUEL WATER DISTRICT LAGUNA NIGUEL CA	04/13/2016
213507	2200073915	04/07/2016	USD	200.00	NATIONAL BUSINESS INVESTIGATION MURRIETA CA	04/14/2016
213508	2200073973	04/07/2016	USD	1,077.93	NOB BRIAN CHINO HILLS CA	04/13/2016
213509	2200073971	04/07/2016	USD	69.55	O'BRIEN, MICHELLE CHINO HILLS CA	04/13/2016
213510	2200073988	04/07/2016	USD	362.39	OFFICE DEPOT LOS ANGELES CA	04/11/2016
213511	2200073957	04/07/2016	USD	298.00	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/11/2016
213512	2200073950	04/07/2016	USD	1,230.48	PACIFIC OCCURRENCS INC FULLERTON CA	04/19/2016
213513	2200073913	04/07/2016	USD	1,946.40	PALM AUTO DETAIL INC COLTON CA	04/19/2016
213514	2200073965	04/07/2016	USD	91.42	PRATYAVATI WINS, KANAS CHINO HILLS CA	04/15/2016
213515	2200073894	04/07/2016	USD	685.45	PRETTY CASH EXPENDITURES CHINO CA	04/15/2016
213516	2200073948	04/07/2016	USD	35,575.00	PLANEBIDS INC WOODLAND HILLS CA	04/18/2016
213517	2200073919	04/07/2016	USD	3,477.00	PLUMBERS DEPOT INC HAWTHORNE CA	04/18/2016
213518	2200073958	04/07/2016	USD	156.00	PUBLIC SECTOR EXCELLENCE LONG BEACH CA	05/03/2016
213519	2200073936	04/07/2016	USD	2,423.13	RDO TRUST # 80-5800 LAKESIDE CA	04/12/2016
213520	2200073908	04/07/2016	USD	221.38	RED KNEE SHOE STORE FORTYANA CA	04/15/2016
213521	2200073968	04/07/2016	USD	515.16	ROBISON, JOHN CHINO HILLS CA	04/13/2016
213522	2200073890	04/07/2016	USD	359.12	ROYAL WHEELSALE ELECTRIC OKANOS CA	04/25/2016
213523	2200073932	04/07/2016	USD	4,403.50	RUTAN & TUCKER LLP COSTA MESA CA	04/12/2016
213524	2200073912	04/07/2016	USD	890.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/12/2016
213525	2200073938	04/07/2016	USD	2,687.50	SCHREVEL ENGINEERING LLC ANAHEIM CA	04/21/2016
213526	2200073949	04/07/2016	USD	182.19	SCHRECK, JOHN CHINO HILLS CA	04/13/2016
213527	2200073902	04/07/2016	USD	210.26	SHAPE PRODUCTS CO OAKLAND CA	04/13/2016
213528	2200073914	04/07/2016	USD	4,962.87	SERRA INSTRUMENTS INC MONTEREY CA	04/23/2016
213529	2200073959	04/07/2016	USD	270.01	SO CALIF EDISON ROSEMEAD CA	04/12/2016
213530	2200073896	04/07/2016	USD	1,500.00	SOUTH COAST RMD DIAMOND BAR CA	04/25/2016
213531	2200073923	04/07/2016	USD	8,402.15	STANTEC CONSULTING INC CHICAGO IL	04/11/2016
213532	2200073925	04/07/2016	USD	3,036.00	STARLIGHT EDUCATION INC NEWPORT BEACH CA	04/15/2016
213533	2200073899	04/07/2016	USD	440.00	STATE WATER RESOURCES CNTRL BOSACRAMENTO CA	04/15/2016
213534	2200073910	04/07/2016	USD	351.90	TELETYPE INSTRUMENTS INC DALLAS TX	04/14/2016
213535	2200073903	04/07/2016	USD	7,998.94	THATCHER COMPANY OF CALIFORNIA SALT LAKE CITY UT	04/12/2016
213536	2200073946	04/07/2016	USD	20.00	THE SHERIDANS LOS ANGELES CA	04/13/2016
213537	2200073952	04/07/2016	USD	520.00	TKE ENGINEERING INC RIVERSIDE CA	04/13/2016
213538	2200073943	04/07/2016	USD	2,570.00	THEPPEL SMITH AND ASSOCIATES, IRVINE CA	04/29/2016
213539	2200073927	04/07/2016	USD	32,570.38	U S BANK ST LOUIS MO	04/14/2016
213540	2200073911	04/07/2016	USD	2,348.21	U S BANK INC ONTARIO CA	04/13/2016
213541	2200073920	04/07/2016	USD	35.72	URIMAGE BLOOMINGTON CA	04/14/2016
213542	2200073933	04/07/2016	USD	7,830.33	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	04/14/2016
213543	2200073951	04/07/2016	USD	4,015.00	VANTAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	04/14/2016
213544	2200073924	04/07/2016	USD	28,717.36	VADEHAK'S INDUSTRIAL REPAIR COPARAMOUNT CA	04/12/2016
213545	2200073966	04/07/2016	USD	815.00	VELARDE, TERESA CHINO HILLS CA	04/15/2016
213546	2200073958	04/07/2016	USD	1,457.30	VERIZON CALIFORNIA DALLAS TX	04/18/2016
213547	2200073961	04/07/2016	USD	390.74	VERIZON COMMUNICATIONS DALLAS TX	04/18/2016
213548	2200073916	04/07/2016	USD	7,585.23	VIRAMONTAS EXPRESS CORONA CA	04/14/2016

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213549	2200073917	04/07/2016	USD	40,381.00	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/12/2016
213550	2200073891	04/07/2016	USD	1,309.50	WASTE SANITARY SUPPLY LOS ANGELES CA	04/13/2016
213551	2200073901	04/07/2016	USD	549.00	WESTERN ANALYTICAL LABORATORIES CHINO CA	04/12/2016
213552	2200073905	04/07/2016	USD	1,500.00	WESTERN MUNICIPAL WATER DISTRICT RIVERSIDE CA	04/26/2016
213553	2200073921	04/07/2016	USD	9,060.00	WILLARD ENGINEERING ANAHEIM CA	04/13/2016
213554	2200073923	04/07/2016	USD	3,668.40	WITCHER SYSTEMS INC BILMERIC CA	04/22/2016
213555	2200073918	04/07/2016	USD	15,016.78	XYLEM DRAINAGE SOLUTIONS INC ATLANTA GA	04/11/2016
213557	2200073929	04/07/2016	USD	1,361.15	HURTING WASTE INDUSTRIES INC FONTANA CA	04/23/2016
213558	2200073981	04/07/2016	USD	1,382.00	SO CALIF GAS MONTEBEL PARK CA	04/15/2016
213559	2200073980	04/07/2016	USD	2,410.59	WORLDWIDE EXPRESS ALBANY NY	04/11/2016
213560	2200074000	04/13/2016	USD	86,062.20	JCE EQUIPMENT, INC. UPLAND CA	04/18/2016
213561	2200074001	04/13/2016	USD	500.00	WILD WONDERS BONSALL CA	04/21/2016
213562	2200074047	04/14/2016	USD	5,428.01	ACCURATE AIR ENGINEERING INC CERRITOS CA	04/20/2016
213563	2200074048	04/14/2016	USD	386.00	ACCUSTANDARD INC NEW HAVEN CT	04/20/2016
213564	2200074031	04/14/2016	USD	1,438.31	AIRGAS WEST INC PASADENA CA	04/22/2016
213565	2200074144	04/14/2016	USD	2,364.59	ALQUERRA, ROBERT CHINO HILLS CA	04/21/2016
213566	2200074108	04/14/2016	USD	4,200.00	ALS ENVIRONMENTAL DALLAS TX	04/20/2016
213567	2200074132	04/14/2016	USD	38.72	ALVARADO, ROSEMARY CHINO HILLS CA	04/18/2016
213568	2200074037	04/14/2016	USD	659.12	APPLIVE EMPLOYMENT SERVICES GLENDALE CA	04/20/2016
213569	2200074086	04/14/2016	USD	2,762.65	AQUA AEROBIC SYSTEMS INC LOMES PARK IL	04/25/2016
213570	2200074143	04/14/2016	USD	150.00	ARAMBULA, BLANCA CHINO HILLS CA	04/25/2016
213571	2200074101	04/14/2016	USD	40,986.59	ARCHIVE-95 INC CHICAGO IL	04/28/2016
213572	2200074133	04/14/2016	USD	1,529.99	ARGUELLES, ALEX CHINO HILLS CA	04/21/2016
213573	2200074046	04/14/2016	USD	60.00	ARMA RIVERSIDE CA	04/20/2016
213574	2200074088	04/14/2016	USD	137.87	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/19/2016
213575	2200074053	04/14/2016	USD	534.73	ASBCE HESPERIA CA	04/25/2016
213576	2200074148	04/14/2016	USD	672.56	ASH, THOMAS CHINO HILLS CA	04/27/2016
213577	2200074091	04/14/2016	USD	1,207.35	AUMA ACTUATORS INC PITTSBURGH PA	05/02/2016
213578	2200074066	04/14/2016	USD	163.07	AUTOCONE INC AILANUA GA	04/21/2016
213579	2200074018	04/14/2016	USD	512.38	BEAR STATE PUMP & EQUIPMENT COONTARIO CA	04/20/2016
213580	2200074045	04/14/2016	USD	428.07	BEN REARDONS CO CHICAGO IL	04/22/2016
213581	2200074095	04/14/2016	USD	1,975.38	BERLIN PACKAGING LLC CHICAGO IL	04/21/2016
213582	2200074145	04/14/2016	USD	344.00	BHOJANI, SHAMREN CHINO HILLS CA	04/21/2016
213583	2200074059	04/14/2016	USD	599.20	BOOT BARN INC IRVINE CA	04/21/2016
213584	2200074113	04/14/2016	USD	100.00	BOWMAN, JIM W ONTARIO CA	04/20/2016
213585	2200074083	04/14/2016	USD	5,025.98	BURREC WASTE INDUSTRIES INC FONTANA CA	04/21/2016
213586	2200074082	04/14/2016	USD	164.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	04/22/2016
213587	2200074097	04/14/2016	USD	6,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	04/21/2016
213588	2200074019	04/14/2016	USD	9,257.32	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	04/20/2016
213589	2200074021	04/14/2016	USD	283.66	CALTRON INC LOS ANGELES CA	04/18/2016
213590	2200074130	04/14/2016	USD	1,430.00	CAPPO INC YUBA CITY CA	04/22/2016
213591	2200074050	04/14/2016	USD	98.42	CARL H TAYLOR III CRYSTAL RIVER FL	04/19/2016
213592	2200074050	04/14/2016	USD	10,877.35	CAROLLO ENGINEERS SACRAMENTO CA	04/22/2016

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213594	2200074140	04/14/2016	USD	350.00	CATALAN, JOSE L CHINO HILLS CA	05/02/2016	
213595	2200074141	04/14/2016	USD	350.00	CATALAN, MARIA CHINO HILLS CA	04/25/2016	
213596	2200074020	04/14/2016	USD	13,229.40	CHARLES P CROWLEY CO IRVINDALE CA	04/27/2016	
213597	2200074038	04/14/2016	USD	350.00	CHEN, TIM CHINO HILLS CA	04/21/2016	
213598	2200074040	04/14/2016	USD	1,400.00	CHINO BASIN WATER CONSERVATION MONTCLAIR CA	04/19/2016	
213599	2200074028	04/14/2016	USD	404.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	04/26/2016	
213600	2200074089	04/14/2016	USD	3,250.00	CIVIC PUBLICATIONS INC LA VERNE CA	04/19/2016	
213601	2200074122	04/14/2016	USD	572.55	COLONIAL LIFE & ACCIDENT INSURANCE CO	04/25/2016	
213602	2200074090	04/14/2016	USD	49,202.64	CONSERV CONSTRUCTION INC MURRIETA CA	04/19/2016	
213603	2200074083	04/14/2016	USD	2,040.05	TRE SECURITY SOLUTIONS WASHINGTON CA	04/20/2016	
213604	2200074069	04/14/2016	USD	5,045.55	CS-ANSCO HUNTINGTON BEACH CA	04/22/2016	
213605	2200074034	04/14/2016	USD	100.00	CUCAMONGA VALLEY WATER DISTRICT RANCHO CUCAMONGA CA	04/18/2016	
213606	2200074080	04/14/2016	USD	217.08	CUMMINS PACIFIC LLC LOS ANGELES CA	04/17/2016	
213607	2200074037	04/14/2016	USD	1,279.91	CUNNINGHAM, RICHARD CHINO HILLS CA	04/17/2016	
213608	2200074104	04/14/2016	USD	100.00	CURATALO JR, JAMES V. RANCHO CUCAMONGA CA	04/28/2016	
213609	2200074063	04/14/2016	USD	3,564.32	CK. E. DAVIES CORP HARSDR CITY CA	04/15/2016	
213610	2200074021	04/14/2016	USD	633.36	DATALOK COMPANY, THE LOS ANGELES CA	04/20/2016	
213611	2200074081	04/14/2016	USD	250.00	DAVE'S PLUMBING CHINO HILLS CA	04/20/2016	
213612	2200074087	04/14/2016	USD	100.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/26/2016	
213613	2200074038	04/14/2016	USD	4,634.44	DELL MARKETING L.P. PASADENA CA	04/19/2016	
213614	2200074071	04/14/2016	USD	100.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/20/2016	
213615	2200074072	04/14/2016	USD	100.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/20/2016	
213616	2200074134	04/14/2016	USD	24.32	ECHAVARRIA, CAROLYN CHINO HILLS CA	04/20/2016	
213617	2200074033	04/14/2016	USD	417.92	ELECTRO-CHEMICAL SERVICES, INC ARHEEN CA	04/19/2016	
213618	2200074071	04/14/2016	USD	100.00	ELROD, EARL CHINO CA	05/05/2016	
213619	2200074075	04/14/2016	USD	1,508.00	EMPRESS & HANSEN INC DETROIT MI	04/19/2016	
213620	2200074065	04/14/2016	USD	4,562.50	ENVIRONMENTAL ENGINEERING SANTA ANA CA	04/19/2016	
213621	2200074106	04/14/2016	USD	555.87	ENVIRONMENTAL EXPRESS INC ATLANTA GA	04/18/2016	
213622	2200074092	04/14/2016	USD	250.00	EUROTECH BAYON ANALYTICAL, INGRAPEVINE TX	04/19/2016	
213623	2200074004	04/14/2016	USD	70.95	EVOCOR WATER TECHNOLOGIES LLC PITTSBURGH PA	04/21/2016	
213624	2200074129	04/14/2016	USD	2,199.30	FIDELITY SECURITY LIFE INSURANCE INDIANAPOLIS OH	04/22/2016	
213625	2200074023	04/14/2016	USD	2,060.12	FISHER SCIENTIFIC LOS ANGELES CA	04/18/2016	
213626	2200074051	04/14/2016	USD	810.03	FLORENCE FILTER CORP COMPTON CA	04/25/2016	
213627	2200074036	04/14/2016	USD	354.40	FUNYANG, HERALD NEWS FORTNAVA CA	04/20/2016	
213628	2200074127	04/14/2016	USD	450.00	FRANCHISE TAX BOARD SACRAMENTO CA	05/09/2016	
213629	2200074116	04/14/2016	USD	383.00	TEWA EMPLOYEES ASSOCIATION CHINO HILLS CA	04/20/2016	
213630	2200074119	04/14/2016	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	04/21/2016	
213631	2200074049	04/14/2016	USD	300.00	JARVIS, JERANNE CHINO CA	04/21/2016	
213632	2200074150	04/14/2016	USD	300.00	JURKEZ, JORGE CHINO CA	04/26/2016	
213633	2200074135	04/14/2016	USD	63.77	LEAK, SHELVE CHINO HILLS CA	04/20/2016	
213634	2200074119	04/14/2016	USD	996.52	LEVEL 3 COMMUNICATIONS LLC DENVER CO	04/29/2016	
213635	2200074114	04/14/2016	USD	188.00	LIFFE INSURANCE COMPANY OF PHILADELPHIA PA	04/29/2016	
213636	2200074126	04/14/2016	USD	187.00	LOPEZ, ALEX CHINO HILLS CA	04/29/2016	
213637	2200074142	04/14/2016	USD	182.00	MARIA PRESQUEZ LAS VEGAS NV	04/20/2016	

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213658	2200074084	04/14/2016	USD	20,495.32	MEYERS NAVE OAKLAND CA	04/19/2016	
213659	2200074085	04/14/2016	USD	289.11	MIDPOINT BEARING ONTARIO CA	04/19/2016	
213660	2200074086	04/14/2016	USD	602.79	MISSION REPROGRAPHICS RIVERSIDE CA	04/20/2016	
213661	2200074087	04/14/2016	USD	690.00	NATIONAL BUSINESS INVESTMENT CORP CA	04/25/2016	
213662	2200074088	04/14/2016	USD	350.00	OCELO, MARISSA CHINO HILLS CA	04/25/2016	
213663	2200074089	04/14/2016	USD	106.80	OFFICE DEPOT LOS ANGELES CA	04/25/2016	
213664	2200074090	04/14/2016	USD	5,536.66	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/18/2016	
213665	2200074091	04/14/2016	USD	4,217.03	PACIFIC CITIES INC FULLERTON CA	04/20/2016	
213666	2200074092	04/14/2016	USD	464.49	PATTON SALES CORP ONTARIO CA	04/22/2016	
213667	2200074093	04/14/2016	USD	34,104.00	PERKINSER HEALTH SCIENCES INCHICGO IL	04/22/2016	
213668	2200074094	04/14/2016	USD	70.98	PERS LONG TERM CARE PROGRAM PASADENA CA	04/20/2016	
213669	2200074095	04/14/2016	USD	255.00	PETE'S HOME SERVICE FULLERTON CA	04/19/2016	
213670	2200074096	04/14/2016	USD	1,696.00	PLUMBERS DEPOT INC HAWTHORNE CA	04/19/2016	
213671	2200074097	04/14/2016	USD	127.44	ROMBERG, TOM CHINO HILLS CA	05/05/2016	
213672	2200074098	04/14/2016	USD	55.26	PREMIUM PROMOTIONALS UPLAND CA	04/20/2016	
213673	2200074099	04/14/2016	USD	1,337.26	RAMONA TIRE & SERVICE CENTERS HEMET CA	04/22/2016	
213674	2200074100	04/14/2016	USD	19,509.00	RITE-WAY ROOF CORPORATION FONTANA CA	04/20/2016	
213675	2200074101	04/14/2016	USD	300.00	ROGERS, PETER J CHINO HILLS CA	04/20/2016	
213676	2200074102	04/14/2016	USD	1,105.87	ROSEMOUNT INC CHICAGO IL	04/20/2016	
213677	2200074103	04/14/2016	USD	953.78	ROSE LAKE FOREST CA	04/20/2016	
213678	2200074104	04/14/2016	USD	76.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/26/2016	
213679	2200074105	04/14/2016	USD	311.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	08/23/2016	
213680	2200074106	04/14/2016	USD	1,315.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/29/2016	
213681	2200074107	04/14/2016	USD	300.00	SAROVALL, JESUS L FONTANA CA	04/26/2016	
213682	2200074108	04/14/2016	USD	15,001.00	SCAP ENCINITAS CA	04/26/2016	
213683	2200074109	04/14/2016	USD	326.42	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	04/25/2016	
213684	2200074110	04/14/2016	USD	9,744.66	SO CALIF EDISON ROSEBUD CA	04/20/2016	
213685	2200074111	04/14/2016	USD	1,156.16	SO CALIF GAS MONTEREY PARK CA	04/25/2016	
213686	2200074112	04/14/2016	USD	3,981.00	STANTEC CONSULTING INC CHICAGO IL	04/25/2016	
213687	2200074113	04/14/2016	USD	1,730.00	STATE WATER RESOURCES CENTRAL BREA/CARMENTO CA	04/25/2016	
213688	2200074114	04/14/2016	USD	100.00	STONE, DERRA KAYE UPLAND CA	04/20/2016	
213689	2200074115	04/14/2016	USD	450.00	SUBWAY SANDWICHES & SALADS CHINO CA	04/25/2016	
213690	2200074116	04/14/2016	USD	350.00	TE, GARY CHINO HILLS CA	04/19/2016	
213691	2200074117	04/14/2016	USD	16,333.97	THEIR HEALTHCARE NORTH AMERICA ATLANTA GA	04/25/2016	
213692	2200074118	04/14/2016	USD	623.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	04/18/2016	
213693	2200074119	04/14/2016	USD	350.00	UNION BANK OF CALIFORNIA MONTEREY PARK CA	04/23/2016	
213694	2200074120	04/14/2016	USD	1,793.75	VALT CONSULTING INC NAPREVILLE IL	04/20/2016	
213695	2200074121	04/14/2016	USD	73.13	VERLIFE, TERESA CHINO HILLS CA	04/25/2016	
213696	2200074122	04/14/2016	USD	444.41	VERIZON BUSINESS ALBANY NY	04/21/2016	
213697	2200074123	04/14/2016	USD	297.00	WATER ENVIRONMENT FEDERATION BOSTON MA	04/25/2016	
213698	2200074124	04/14/2016	USD	2,936.55	WALIB SANITARY SUPPLY LOS ANGELES CA	04/26/2016	
213699	2200074125	04/14/2016	USD	216.00	WESTERN ANALYTICAL LABORATORIES CHINO CA	04/25/2016	
213700	2200074126	04/14/2016	USD	414.89	WORLDWIDE EXPRESS ALBANY NY	04/19/2016	
213701	2200074127	04/14/2016	USD	4,156.34	WIS INDUSTRIES BAKERSFIELD CA	04/23/2016	

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213683	2200074156			04/14/2016	USD	1,912.44	RUSSELL SIGLER INC LOS ANGELES CA	04/18/2016
213684	2200074153			04/14/2016	USD	231.60	SHAPE PRODUCTS CO OAKLAND CA	04/19/2016
213685	2200074161			04/14/2016	USD	1,343.67	SO CALIF EDISON ROSEMEAD CA	04/19/2016
213686	2200074159			04/14/2016	USD	16,801.85	TEB-BRICKMAN GROUP LTD INC CHICAGO IL	04/20/2016
213687	2200074154			04/14/2016	USD	120.83	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	04/19/2016
213688	2200074157			04/14/2016	USD	8,403.16	UNIVERSAL PROTECTION SERVICE PASADENA CA	04/19/2016
213689	2200074158			04/14/2016	USD	9,828.33	UTILIQUEST LLC ATLANTA GA	04/18/2016
213690	2200074152			04/14/2016	USD	749.29	VWR INTERNATIONAL LLC PITTSBURGH PA	04/20/2016
213691	2200074155			04/14/2016	USD	4,504.69	WESTERN WATER WORKS SUPPLY CO CHINO HILLS CA	04/20/2016
213692	2200074265			04/21/2016	USD	980.85	ALIMENT INC CHICAGO IL	04/28/2016
213693	2200074217			04/21/2016	USD	390.56	ACCUSTANDARD INC NEW HAVEN CT	05/09/2016
213694	2200074267			04/21/2016	USD	2,726.00	ACT-CONSTRUCTION COMPANY INC ONTARIO CA	04/25/2016
213695	2200074205			04/21/2016	USD	133.77	AIRGAS WEST INC PASADENA CA	05/02/2016
213696	2200074232			04/21/2016	USD	826.00	ALBERT A WEBER ASSOCIATES MYERSIDE CA	05/02/2016
213697	2200074254			04/21/2016	USD	42,531.97	ALLISON MECHANICAL INC REDLANDS CA	04/28/2016
213698	2200074264			04/21/2016	USD	2,100.00	ALE ENVIRONMENTAL DALLAS TX	04/27/2016
213699	2200074259			04/21/2016	USD	39.00	ALTA PACIFIC BANK TEMESCUA CA	04/26/2016
213700	2200074213			04/21/2016	USD	399.23	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	04/25/2016
213701	2200074241			04/21/2016	USD	8,935.00	AMP MECHANICAL INC COSTA MESA CA	04/28/2016
213702	2200074216			04/21/2016	USD	1,536.03	APPARELS EMPLOYMENT SERVICES GLENDALE CA	04/24/2016
213703	2200074234			04/21/2016	USD	66.00	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/26/2016
213704	2200074246			04/21/2016	USD	1,101.54	AUTOTONE INC ATLANTA GA	04/26/2016
213705	2200074248			04/21/2016	USD	370.08	BARCOCK LABORATORIES INC RIVERSIDE CA	04/26/2016
213706	2200074225			04/21/2016	USD	331.24	BEAR STATE PUMP & EQUIPMENT COONTARIO CA	04/26/2016
213707	2200074190			04/21/2016	USD	252.83	BLINES ETC UPLAND CA	04/26/2016
213708	2200074236			04/21/2016	USD	978.79	BRITHINEE ELECTRIC COLTON CA	04/26/2016
213709	2200074191			04/21/2016	USD	19,696.12	BUSINESS CARD WILMINGTON DE	04/25/2016
213710	2200074258			04/21/2016	USD	12,538.20	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	04/25/2016
213711	2200074251			04/21/2016	USD	50.26	CALAMPIC SAFETY CORONA CA	04/27/2016
213712	2200074218			04/21/2016	USD	58.32	CAMPOS, JESSE CHINO HILLS CA	04/28/2016
213713	2200074273			04/21/2016	USD	563.61	CEWAS CORPORATION LOS ANGELES PHOENIX AZ	04/28/2016
213714	2200074238			04/21/2016	USD	6,095.00	CITY OF CHINO CHINO CA	04/27/2016
213715	2200074209			04/21/2016	USD	10.66	CITY OF CHINO CHINO CA	05/03/2016
213716	2200074193			04/21/2016	USD	380,269.46	COUNTY SANITATION DISTRICTS OFWHITTIER CA	04/29/2016
213717	2200074194			04/21/2016	USD	499.50	D. K. F. WATER SYSTEMS INC OCEANSIDE CA	04/29/2016
213718	2200074252			04/21/2016	USD	691.64	DAVID WHEELER'S PEST CONTROL NORCO CA	04/26/2016
213719	2200074245			04/21/2016	USD	1,837.77	DEAL MARKETING L.P. PASADENA CA	04/28/2016
213720	2200074241			04/21/2016	USD	300.00	DOCUMENT DEMOLITION LLC CHINO CA	04/25/2016
213721	2200074260			04/21/2016	USD	190.29	EASTERN MUNICIPAL WATER DIST PERKINS CA	04/26/2016
213722	2200074215			04/21/2016	USD	284.65	EMECO INC BUFFALO NY	05/02/2016
213723	2200074208			04/21/2016	USD	509.85	ENVIRONMENTAL SCIENCE ASSOCIATION FRANCISCO CA	04/29/2016
213724	2200074249			04/21/2016	USD	2,000.00	ESTRADA, ARTURO RANCHO CUCAMONGA CA	04/29/2016
213725	2200074274			04/21/2016	USD	65.00	EUROKINS ENVY ANALYTICAL, INCORPORATED TX	04/28/2016
213726	2200074247			04/21/2016	USD			

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Check	Check number	frcm to	Payment	Frqnt date	Cncy	Amount paid (FC)	Recipient/vold reason code	Enclr/vold
213727	2200074255		USD	04/21/2016	USD	19,648.75	FERRERA COASTAL CONSTRUCTION BRANCHBURG NJ	04/26/2016
213728	2200074197		USD	04/21/2016	USD	564.66	FISHER SCIENTIFIC LOS ANGELES CA	04/25/2016
213729	2200074198		USD	04/21/2016	USD	2,893.18	FLO SYSTEMS INC ANAHEIM HILLS CA	04/27/2016
213730	2200074250		USD	04/21/2016	USD	1,027.68	FOREMOST COMMUNITIES INC IRVINE CA	05/03/2016
213731	2200074270		USD	04/21/2016	USD	780.45	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/26/2016
213732	2200074229		USD	04/21/2016	USD	49,582.82	HACH COMPANY CHICAGO IL	04/23/2016
213733	2200074272		USD	04/21/2016	USD	1,439.29	HANSON, MATTHEW CHINO HILLS CA	04/25/2016
213734	2200074253		USD	04/21/2016	USD	725.00	HAPPY DAYS ENTERTAINMENT KENNESHA WA	04/28/2016
213735	2200074222		USD	04/21/2016	USD	30.43	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	04/26/2016
213736	2200074237		USD	04/21/2016	USD	2,569.90	INTERSTATE DESIGN SERVICES INGLEWINE CA	05/02/2016
213737	2200074207		USD	04/21/2016	USD	8,245.34	INTERSTATE BATTERY SYSTEM ALTA LOMA CA	04/26/2016
213738	2200074216		USD	04/21/2016	USD	75,996.63	J. F. SHEA CONSTRUCTION INC WALNUT CA	04/26/2016
213739	2200074199		USD	04/21/2016	USD	1,904.58	J G TUCKER & SON INC COVINA CA	04/26/2016
213740	2200074200		USD	04/21/2016	USD	56,415.61	J. R. PEARL CONSTRUCTION CO. INC ESCONCADO CA	04/26/2016
213741	2200074214		USD	04/21/2016	USD	2,705.40	KONICA MINOLTA PASADENA CA	04/25/2016
213742	2200074275		USD	04/21/2016	USD	300.80	LOPEZ, FRANK UPLAND CA	05/11/2016
213743	2200074262		USD	04/21/2016	USD	1,962.96	MARNGED MOBILE INC PLACENTIA CA	04/27/2016
213744	2200074219		USD	04/21/2016	USD	1,052.02	MCMASTER-CARR SUPPLY CO CHICAGO IL	04/26/2016
213745	2200074261		USD	04/21/2016	USD	6,238.37	MERTEC ENGINEERING UPLAND CA	04/26/2016
213746	2200074228		USD	04/21/2016	USD	275.60	MIDPOINT BEARING ONTARIO CA	04/26/2016
213747	2200074231		USD	04/21/2016	USD	17,150.22	MIKE BURALO CONSTRUCTION CO INBALDWIN PARK CA	04/26/2016
213748	2200074276		USD	04/21/2016	USD	309.00	MORRIS, WILLIAM MONTCLAIR CA	04/28/2016
213749	2200074234		USD	04/21/2016	USD	995.10	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	04/26/2016
213750	2200074235		USD	04/21/2016	USD	729.50	NESBITT WEAVERS NORTH AMERICA LOUISVILLE KY	04/26/2016
213751	2200074196		USD	04/21/2016	USD	1,093.71	OFFICE DEPOT CINCINNATI OH	04/27/2016
213752	2200074195		USD	04/21/2016	USD	3,040.17	OFFICE DEPOT LOS ANGELES CA	04/25/2016
213753	2200074201		USD	04/21/2016	USD	149.39	PATTON SALES CORP ONTARIO CA	04/26/2016
213754	2200074206		USD	04/21/2016	USD	804.41	PETER'S ROAD SERVICE FULLERTON CA	04/26/2016
213755	2200074228		USD	04/21/2016	USD	2,576.66	PONTON INDUSTRIES INC YORBA LINDA CA	05/02/2016
213756	2200074263		USD	04/21/2016	USD	1,046.60	POSTALIVE PROMOTIONS INC NEWARK NJ	04/21/2016
213757	2200074212		USD	04/21/2016	USD	1,288.41	R F MACDONALD HAYWARD CA	04/26/2016
213758	2200074202		USD	04/21/2016	USD	371.70	RAMONA TIRE & SERVICE GLENVIEW CA	05/02/2016
213759	2200074192		USD	04/21/2016	USD	1,008.66	REM LOCK & KEY ONTARIO CA	04/29/2016
213760	2200074256		USD	04/21/2016	USD	7,273.53	RMS INDUSTRIES BAKERSFIELD CA	04/27/2016
213761	2200074230		USD	04/21/2016	USD	6,147.53	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	04/26/2016
213762	2200074244		USD	04/21/2016	USD	1,650.00	ROGERS ANDERSON MAYOY & SCOTT SAN BERNARDINO CA	04/26/2016
213763	2200074203		USD	04/21/2016	USD	3,974.15	ROYAL WHEELS ELECTRIC ORANGE CA	04/25/2016
213764	2200074243		USD	04/21/2016	USD	944.48	RUSSELL SIEGLER INC LOS ANGELES CA	04/27/2016
213765	2200074242		USD	04/21/2016	USD	426.80	SAFE ENTRY TECHNICAL INC RANCHO CUCAMONGA CA	05/04/2016
213766	2200074204		USD	04/21/2016	USD	229.96	SMART & FINAL LOS ANGELES CA	04/26/2016
213767	2200074268		USD	04/21/2016	USD	3,084.80	SO CALIF EDISON ROSEMEAD CA	04/26/2016
213768	2200074259		USD	04/21/2016	USD	239,509.87	SO CALIF EDISON ROSEMEAD CA	04/26/2016
213769	2200074257		USD	04/21/2016	USD	54,306.14	TECHNICAL SYSTEMS INC LYNNWOOD WA	04/26/2016
213770	2200074233		USD	04/21/2016	USD	181,500.00	THE AUSTIN COMPANY CLARKLAND OH	04/26/2016

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Inland Empire Util. Agency
 Chino, CA
 Company code 1000

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Check	Check number from to	Payment	Print date	Croy	Amount paid (RU)	Recipient/Void reason code	Encr./void
213771	2200074223	USD	04/21/2016	USD	15,664.00	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	04/26/2016
213772	2200074224	USD	04/21/2016	USD	4,634.42	U.S. BANK NA ST PAUL MN	04/27/2016
213773	2200074226	USD	04/21/2016	USD	7,357.50	VIRAMONTES EXPRESS CORONA CA	05/04/2016
213774	2200074240	USD	04/21/2016	USD	1,013.85	YUECAN PLUMB & MECHANICAL SERV DONNEY CA	04/28/2016
213775	2200074227	USD	04/21/2016	USD	63,347.00	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/26/2016
213776	2200074225	USD	04/21/2016	USD	244.88	WARRISER-PARSON INDUSTRIES INC DALLAS TX	04/26/2016
213777	2200074266	USD	04/21/2016	USD	1,700.00	WILD WONDERS BONSALL CA	04/25/2016
213778	2200074271	USD	04/21/2016	USD	1,127.12	ALEXHEBEL, JEFF CHINO HILLS CA	04/26/2016
213779	2200074285	USD	04/21/2016	USD	414.34	OFFICE DEPOT LOS ANGELES CA	04/26/2016
213780	2200074309	USD	04/21/2016	USD	965.38	PMC ENGINEERING LLC DANBURY CT	05/02/2016
213781	2200074286	USD	04/21/2016	USD	4,938.74	RAMONA TIRE & SERVICE CENTERS HEMET CA	04/26/2016
213782	2200074287	USD	04/21/2016	USD	6,526.55	ROYAL WHOLESALER ELECTRIC ORANGE CA	04/26/2016
213783	2200074306	USD	04/21/2016	USD	740.32	RSD LAKE FOREST CA	04/28/2016
213784	2200074282	USD	04/21/2016	USD	284.00	SCUBA SCHOOLS OF AMERICA MONTECLAIR CA	05/04/2016
213785	2200074304	USD	04/21/2016	USD	266.42	SKALAR INC BUFORD GA	05/02/2016
213786	2200074288	USD	04/21/2016	USD	1,651.84	SMITH & FINNAN LOS ANGELES CA	04/26/2016
213787	2200074312	USD	04/21/2016	USD	9,484.23	SO CALIF GAS MONTEREY PARK CA	04/26/2016
213788	2200074305	USD	04/21/2016	USD	30,587.50	STANERC CONSULTING INC CHICAGO IL	04/26/2016
213789	2200074307	USD	04/21/2016	USD	4,100.00	SUNBARD AVAILABILITY SERVICES CHICAGO IL	04/28/2016
213790	2200074297	USD	04/21/2016	USD	887.78	TELEPHONE INSTRUMENTS INC DALLAS TX	04/28/2016
213791	2200074291	USD	04/21/2016	USD	510.30	TELL STEEL INC LONG BEACH CA	04/26/2016
213792	2200074293	USD	04/21/2016	USD	66,650.27	TEPRA TECH INC DENVER CO	04/26/2016
213793	2200074295	USD	04/21/2016	USD	4,042.68	THATCHER COMPANY OF CALIFORNIA SALT LAKE CITY UT	04/26/2016
213794	2200074311	USD	04/21/2016	USD	40,545.00	TONY PAINTING GARDEN GROVE CA	04/26/2016
213795	2200074310	USD	04/21/2016	USD	350.00	TRIPLEI SMITH AND ASSOCIATES ITUSTIN CA	04/25/2016
213796	2200074301	USD	04/21/2016	USD	605.09	U-S HEAVYWORKS MEDICAL GROUP LOS ANGELES CA	04/26/2016
213797	2200074298	USD	04/21/2016	USD	1,109.98	U S HOSE INC ONTARIO CA	04/26/2016
213798	2200074299	USD	04/21/2016	USD	1,280.06	U S POSTAL SERVICE CHINO HILLS CA	04/27/2016
213799	2200074300	USD	04/21/2016	USD	298.00	U S POSTAL SERVICE CHINO HILLS CA	04/27/2016
213800	2200074296	USD	04/21/2016	USD	140.25	ULTRA-SCIENTIFIC NORTH KINGSTOWN RI	04/27/2016
213801	2200074303	USD	04/21/2016	USD	23,434.75	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/27/2016
213802	2200074308	USD	04/21/2016	USD	11,238.66	WASPELBER TECH TRAILER MOUNTAIN VALLEY CA	04/27/2016
213803	2200074290	USD	04/21/2016	USD	1,676.42	WAXIE SANITARY SUPPLY LOS ANGELES CA	04/26/2016
213804	2200074302	USD	04/21/2016	USD	45.01	WESTERN WATER WORKS SUPPLY CO CHINO HILLS CA	04/26/2016
213805	2200074294	USD	04/21/2016	USD	30.91	YALE CHASE EQUIPMENT AND SERVICES LOS ANGELES CA	04/26/2016
213806	2200074355	USD	04/28/2016	USD	6,214.12	ACCURATE AIR ENGINEERING INC CERRITOS CA	05/03/2016
213807	2200074490	USD	04/28/2016	USD	490.00	ADVANCED CHEMICAL TECHNOLOGY TRANCHO CUCAMONGA CA	05/04/2016
213808	2200074442	USD	04/28/2016	USD	825.52	AIRGAS WEST INC PASADENA CA	05/03/2016
213809	2200074512	USD	04/28/2016	USD	1,575.00	AIS ENVIRONMENTAL DALLAS TX	05/04/2016
213810	2200074494	USD	04/28/2016	USD	532.11	ALFA FOODCRAFT COFFEE ORANGE CA	05/03/2016
213811	2200074516	USD	04/28/2016	USD	3,529.21	AMB PROPERTY LP DENVER CO	05/05/2016
213812	2200074453	USD	04/28/2016	USD	133.73	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	05/03/2016
213813	2200074528	USD	04/28/2016	USD	239.14	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX	05/09/2016
213814	2200074444	USD	04/28/2016	USD	859.21	APPARONS EMPLOYMENT SERVICES GLENDALE CA	05/04/2016

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Check #	Check number from to	Payment	Post Date	Crcy	Amount paid (FC)	Recipient/void reason code	Encr./void
213815	2200074496	USD	04/26/2016	USD	570.10	ASAP INDUSTRIAL SUPPLY FONTANA CA	05/03/2016
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213817	2200074524	USD	04/28/2016	USD	172.23	BREIG, ANNA VICTORVILLE CA	05/09/2016
213818	2200074438	USD	04/28/2016	USD	1,240.00	C BLOW INC CHINO CA	05/03/2016
213819	2200074451	USD	04/28/2016	USD	164.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	05/03/2016
213820	2200074507	USD	04/28/2016	USD	6,223.16	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	05/04/2016
213821	2200074457	USD	04/28/2016	USD	165.12	CAOLYMPIC SAFETY CORONA CA	05/03/2016
213822	2200074538	USD	04/28/2016	USD	36.43	CARL K TAYLOR III CRYSTAL RIVER FL	05/09/2016
213823	2200074471	USD	04/28/2016	USD	2,580.00	CASC ENGINEERING AND CONSULTING COLTON CA	05/04/2016
213824	2200074543	USD	04/28/2016	USD		voided by SHEATH Incorrect lot inserted	05/04/2016
213825	2200074485	USD	04/28/2016	USD	1,565.12	CINTAS CORPORATION LOC#150 PHOENIX AZ	05/06/2016
213826	2200074457	USD	04/28/2016	USD	155.38	CLAVIS FIRST AID & SAFETY LOCCINCINNATI OH	05/06/2016
213827	2200074537	USD	04/28/2016	USD	10.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	05/04/2016
213828	2200074431	USD	04/28/2016	USD	31.87	CITY RETAILS INC ONTARIO CA	05/04/2016
213829	2200074432	USD	04/28/2016	USD	253.37	COLE PARMER INSTRUMENT CO CHICAGO IL	05/02/2016
213830	2200074469	USD	04/28/2016	USD	1,356.95	CX & B UNITED CORP HARBOR CITY CA	05/04/2016
213831	2200074487	USD	04/28/2016	USD	500.00	DAVE'S PLUMBING CHINO HILLS CA	05/10/2016
213832	2200074509	USD	04/28/2016	USD	3,670.60	DAVIS BARBER PRODUCTIONS INC FULLERTON CA	05/02/2016
213833	2200074511	USD	04/28/2016	USD	4,800.00	DRH2O LLC IRVINE CA	05/05/2016
213834	2200074482	USD	04/28/2016	USD	2,800.00	E NOR INNOVATIONS INC LONG BEACH CA	05/03/2016
213835	2200074515	USD	04/28/2016	USD	63,498.00	ECOTECH SERVICES INC MONROVIA CA	05/03/2016
213836	2200074503	USD	04/28/2016	USD	2,868.99	EMACRO-CHEMICAL DEVICES INC ANAHEIM CA	05/04/2016
213837	2200074493	USD	04/28/2016	USD	16,560.00	EMERCO INC BOSTON MA	05/03/2016
213838	2200074502	USD	04/28/2016	USD	390.08	EMERSON EASON ANALYTICAL INGLEWOOD TX	05/03/2016
213839	2200074508	USD	04/28/2016	USD	99.29	EVODIA WATER TECHNOLOGIES LLC PITTSBURGH PA	05/03/2016
213840	2200074461	USD	04/28/2016	USD	810.13	FLORENCE FILTER CORP COMPON CA	05/10/2016
213841	2200074447	USD	04/28/2016	USD	414.01	FLM INC HUNTINGTON BEACH CA	05/04/2016
213842	2200074521	USD	04/28/2016	USD	2,638.11	FOUNDATION WA ENERGY GENERATION SAN FRANCISCO CA	05/10/2016
213843	2200074534	USD	04/28/2016	USD	450.00	FRANCHISE TAX BOARD SACRAMENTO CA	05/03/2016
213844	2200074523	USD	04/28/2016	USD	4,891.78	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/03/2016
213845	2200074475	USD	04/28/2016	USD	578.00	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	05/04/2016
213846	2200074445	USD	04/28/2016	USD	10,021.43	GRANITEK PALATINE IL	05/04/2016
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213849	2200074527	USD	04/28/2016	USD	459.46	HOBBS, DIANA APPEL VALLEY CA	05/04/2016
213850	2200074435	USD	04/28/2016	USD	3,738.28	HOME DEPOT CREDIT SERVICES DES MOINES IA	05/03/2016
213851	2200074525	USD	04/28/2016	USD	469.46	HORN, WILLIAM YUCCA VALLEY CA	05/03/2016
213852	2200074530	USD	04/28/2016	USD	41,383.10	INLAND BIOENERGY LLC SOMPANA CA	05/03/2016
213853	2200074530	USD	04/28/2016	USD	41.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	05/03/2016
213854	2200074473	USD	04/28/2016	USD	6,500.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	05/06/2016
213855	2200074460	USD	04/28/2016	USD	5,235.16	JSB ENGINEERING HUNTINGTON BEACH CA	05/03/2016
213856	2200074466	USD	04/28/2016	USD	3,406.80	LEE & KO INC CITY OF INDUSTRY CA	05/03/2016
213857	2200074536	USD	04/28/2016	USD	329.80	LEGALSHIELD ADA OK	05/05/2016
213858	2200074542	USD	04/28/2016	USD	113.67	LEWIS & CHANDLER CHINO HILLS CA	05/04/2016

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Bank	CBB	CITIZENS BUSINESS BANK	Acct number	231167641	Check	Check number from to	Payment	Remt date	Ctry	Amount paid (FC)	Recipient/vold reason code	Book /void
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Bank key	CBB	CITIZENS BUSINESS BANK	122234149	231167641	Check							
Acct number	CBB	CITIZENS BUSINESS BANK	122234149	231167641	Check							
Check												
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213860	2200074539	04/28/2016	USD		VOIDED BY MCCHEERIS - ISENT CHECK	05/09/2016						
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213862	2200074501	04/28/2016	USD	1,251.98	MERCER RUBBER CO HARPERVILLE NY	05/05/2016						
213863	2200074526	04/28/2016	USD	716.06	MILLER, KIMER L BLUE JAY CA	05/05/2016						
213864	2200074443	04/28/2016	USD	34.84	MILBURN PHOTOGRAPHICS ALVARADO CA	05/04/2016						
213865	2200074449	04/28/2016	USD	7,500.00	MOODY'S INVESTORS SERVICE ATLANTA GA	05/04/2016						
213866	2200074483	04/28/2016	USD	2,853.06	NEW RESOURCES GROUP INC PALMFIELD CT	05/03/2016						
213867	2200074473	04/28/2016	USD	6,800.00	NINYO & MOORE SAN DIEGO CA	05/03/2016						
213868	2200074433	04/28/2016	USD	248.39	OFFICE DEPOT LOS ANGELES CA	05/02/2016						
213869	2200074517	04/28/2016	USD	48.54	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	05/02/2016						
213870	2200074477	04/28/2016	USD	650.00	OSTS INC CHINO CA	05/03/2016						
213871	2200074510	04/28/2016	USD	3,993.00	PENCO ENGINEERING INC IRVINE CA	05/05/2016						
213872	2200074533	04/28/2016	USD	70.98	PERS-LANE TRM CARE PROGRAM PASADENA CA	05/03/2016						
213873	2200074444	04/28/2016	USD	798.99	PETTY CASH EXPENDITURES CHINO CA	05/03/2016						
213874	2200074544	04/28/2016	USD	59.94	PIVOTAROFF, JASON CHINO HILLS CA	05/03/2016						
213875	2200074514	04/28/2016	USD	14,525.00	PRIORITY BUILDING SERVICES LLCBERA CA	05/03/2016						
213876	2200074462	04/28/2016	USD	818.96	RED WENS SHOE STORE UPLAND CA	05/05/2016						
213877	2200074480	04/28/2016	USD	118,090.67	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	05/05/2016						
213878	2200074437	04/28/2016	USD	14,199.36	ROYAL WHOLESALE ELECTRIC ORANGE CA	05/04/2016						
213879	2200074529	04/28/2016	USD	355.60	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	05/09/2016						
213880	2200074506	04/28/2016	USD	300.00	SIGNATURE SCOVA RANCHO CUCAMONGA CA	05/04/2016						
213881	2200074481	04/28/2016	USD	283.80	SCALAR INC RUFORD GA	05/03/2016						
213882	2200074493	04/28/2016	USD	14,354.58	SNAP SERVICES & DESIGN RANCHO CUCAMONGA CA	05/05/2016						
213883	2200074518	04/28/2016	USD	266.43	SO CALIF EDISON ROSEMEAD CA	05/05/2016						
213884	2200074519	04/28/2016	USD	28,534.38	SO CALIF EDISON ROSEMEAD CA	05/03/2016						
213885	2200074520	04/28/2016	USD	22.46	SO CALIF GAS MONTEREY PARK CA	05/06/2016						
213886	2200074442	04/28/2016	USD	234.72	SOUTH COAST AQMD LOS ANGELES CA	05/02/2016						
213887	2200074458	04/28/2016	USD	500.00	SOUTHERN CALIFORNIA EDISON COMROSEMEAD CA	05/02/2016						
213888	2200074482	04/28/2016	USD	2,280.00	STANWEL CONSULTING INC CHICAGO IL	05/05/2016						
213889	2200074454	04/28/2016	USD	627.97	TELETYPE INSTRUMENTS INC DALLAS TX	05/02/2016						
213890	2200074505	04/28/2016	USD	3,493.30	THE BRICKMAN GROUP LTD. LLC CHICAGO IL	05/02/2016						
213891	2200074464	04/28/2016	USD	9,341.40	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	05/03/2016						
213892	2200074485	04/28/2016	USD	3,090.00	TOTALWORKS BY ENLIER TAMPA FL	05/05/2016						
213893	2200074545	04/28/2016	USD	189.31	TULLI, KENNETH CHINO HILLS CA	05/10/2016						
213894	2200074468	04/28/2016	USD	498.00	U.S. HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	05/02/2016						
213895	2200074438	04/28/2016	USD	459.00	UNDERGROUND SERVICE ALERT/SC CORONA CA	05/05/2016						
213896	2200074540	04/28/2016	USD	27.00	VALENCIA, KRISTINA CHINO HILLS CA	05/11/2016						
213897	2200074513	04/28/2016	USD	5,189.25	VANTAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	05/06/2016						
213898	2200074465	04/28/2016	USD	7,145.60	VERIZON WIRELESS DALLAS TX	05/05/2016						
213899	2200074470	04/28/2016	USD	20,491.29	VIRAMONTES EXPRESS CORONA CA	05/05/2016						
213900	2200074440	04/28/2016	USD	953.53	VIVE INTERNATIONAL LLC PITTSBURGH PA	05/05/2016						
213901	2200074472	04/28/2016	USD	73,348.51	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	05/03/2016						
213902	2200074456	04/28/2016	USD	360.93	WASTE MANAGEMENT OF LOS ANGELES CA	05/04/2016						

Check Register

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Bank	CBB	CITIZENS BUSINESS BANK	ONTARIO CA 917610000			
Bank Key	122234149					
Acct number	CHECK	231167641				
Check	Payment	Pmt date	Crcy	Amount paid (PT)	recipient/void reason code	Encls /void#
213903	2200074441	04/28/2016	USD	1,309.50	WAXIE SANITARY SUPPLY LOS ANGELES CA	05/04/2016
213904	2200074452	04/28/2016	USD	396.90	WESTERN ANALYTICAL LABORATORIES CHINO CA	05/03/2016
213905	2200074531	04/28/2016	USD	2,769.40	WESTERN DENTAL PLAN ORANGE CA	05/11/2016
213906	2200074431	04/28/2016	USD	3,732.00	WORKFORCE SAFETY MORRISTOWN CA	05/10/2016
213907	2200074478	04/28/2016	USD	982.51	WORLDWIDE EXPRESS ALBANY NY	05/03/2016
213908	2200074475	04/28/2016	USD	1,181.89	XYLEM DEWATERING SOLUTIONS INC ATLANTA GA	05/02/2016
213909	2200074498	04/28/2016	USD	347.56	YRC PASADENA CA	05/02/2016
213910	2200074531	04/28/2016	USD	242.19	ZIEGENBEIN JEFF CHINO HILLS CA	05/03/2016
* Payment method Check				3,114,859.35		

Check Register

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Bank CFB CITIZENS BUSINESS BANK ONTARIO CA 917610000
 Bank Key 122234149
 Acct number CHCK 231167641

Separate Check

Check number from to	Payment	Print date	Ctry.	Amount paid (P)	Recipient/vold reason code	Rec'd /void
21356	220073884	04/07/2016	USD	6,677.98	COUNTY SANITATION DISTRICTS OF WHITTIER CA	04/12/2016
21361	220074056	04/14/2016	USD	1,315.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/29/2016
213911	220074463	04/28/2016	USD	900.00	RED WING SHOE STORE UPLAND CA	05/06/2016
* Payment method Separate Check				8,892.98		

Check Register

Total of all entries

Check Number	From to	Payment	Post Date	Crcy	Amount paid (FC)	Recipient/Void reason code	Encr/Void
**				USD	3,123,752.33		

CITIZENS BUSINESS BANK
 CBB
 122234149
 WCOMP
 231159290
 ONTARIO CA 917610000

Checks created manually

Check number	From to	Payment	Print date	Ccy	Amount paid (PC)	Recipient/Void reason code	Encr /void
04479		2200073995	04/06/2016	USD	128.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/06/2016
04480		2200073996	04/06/2016	USD	128.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/12/2016
04481		2200074004	04/13/2016	USD	89.64	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/13/2016
04482		2200074005	04/13/2016	USD	337.26	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/13/2016
04483		2200074006	04/13/2016	USD	139.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/14/2016
04484		2200074007	04/13/2016	USD	161.04	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/14/2016
04485		2200074008	04/13/2016	USD	346.80	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/14/2016
04486		2200074009	04/13/2016	USD	112.17	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/14/2016
04487		2200074010	04/13/2016	USD	230.60	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2016
04488		2200074011	04/13/2016	USD	379.50	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2016
04489		2200074012	04/13/2016	USD	65.14	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/19/2016
04490		2200074013	04/13/2016	USD	355.96	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/19/2016
04491		2200074014	04/13/2016	USD	214.75	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2016
04492		2200074015	04/13/2016	USD	168.48	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2016
04493		2200074016	04/13/2016	USD	18.63	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2016
04494		2200074017	04/13/2016	USD	139.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/20/2016
04495		2200074280	04/29/2016	USD	112.17	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/21/2016
04496		2200074281	04/29/2016	USD	4,142.86	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/29/2016
04497		2200074282	04/29/2016	USD	110.16	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/22/2016
04498		2200074283	04/29/2016	USD	339.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/22/2016
04499		2200074284	04/29/2016	USD	439.32	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/22/2016
04500		2200074546	04/27/2016	USD	388.90	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/22/2016

* Payment method Checks created manually

8,358.87

USD

Check number from to	Payment	Print date	Ctry	Amount paid (FC)	Recipient/vcid reason code	Area./void
			USD	8,358.87		

**

Check	Payee / Description		Amount
ACH	AQUA BEN CORPORATION		
	RP1-16,100 Lbs Polymer 750A	34292	21,401.15
	DAFT-4,600 Lbs Polymer 748E	34291	4,992.84
	AQUA BEN CORPORATION	\$	26,393.99
ACH	LASER LINE		
	ISI5020-5 HP Color LJ 4025DN's	28637	7,185.60
	ISS-2 HP Color LJ 4025DN's	28636	2,874.24
	ISS-Svc HP 5000PS	28649	159.95
	LASER LINE	\$	10,219.79
ACH	SANTA ANA WATERSHED		
	February 2016 Truck Discharge	8796	722.69
	SANTA ANA WATERSHED	\$	722.69
ACH	INLAND EMPIRE REGIONAL		
	3/16 Biosolids	90017868	294,958.26
	INLAND EMPIRE REGIONAL	\$	294,958.26
ACH	TRICO CORPORATION		
	Oil Analysis	P36325	592.00
	Oil Analysis	P36306	37.00
	TRICO CORPORATION	\$	629.00
ACH	SHELL ENERGY NORTH AMERICA LP		
	RP2/RP5-2/1-2/29 16400 El Prado Rd 11/1- 2044 2/16		541.11
	CCWRP/TP/RWPS-2/1-2/29 14950 Tlphn 11/1- 2046 2/16		19,606.05
	RP1-2/1-2/29 2450 Phila St 11/1-11/30 Ad 2042 2/16		62,731.91
	SHELL ENERGY NORTH AMERICA LP	\$	81,796.85
ACH	SOLAR STAR CALIFORNIA V LLC		
	1/16 Solar Energy	IEUA0087	32,235.17
	SOLAR STAR CALIFORNIA V LLC	\$	32,235.17
ACH	SHELL ENERGY NORTH AMERICA LP		
	2/16 Gas Cmndty-Core,12/15 Adj	1100002880302	3,407.20
	2/16 Gas Commodity-Non Core	2754802	14,940.11
	SHELL ENERGY NORTH AMERICA LP	\$	18,347.31
ACH	CHINO BASIN DESALTER AUTHORITY		
	CDPH-Chino III Expnasion Prjcts Inv#6A-G 249		509,760.53
	CDPH-Chino III Expnasion Prjcts Inv#7A-G 250		1,274,633.02
	CHINO BASIN DESALTER AUTHORITY	\$	1,784,393.55
ACH	ICMA RETIREMENT TRUST 457		
	P/R B 4/15/16 Deferred Comp Ded	HR 0043400	13,878.68
	ICMA RETIREMENT TRUST 457	\$	13,878.68

Check	Payee / Description		Amount
ACH	LINCOLN NATIONAL LIFE INS CO P/R 8 4/15/16 Deferred Comp Ded	HR 0043400	24,514.82
	LINCOLN NATIONAL LIFE INS CO	\$	24,514.82
ACH	ICMA RETIREMENT TRUST 401 P/R 8 4/15/16 Exec Deferred Comp Ded	HR 0043400	9,994.65
	ICMA RETIREMENT TRUST 401	\$	9,994.65
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A	34314	21,401.15
	RP2-18,400 Lbs Polymer 748E	34359	19,971.36
	DAFT-4,600 Lbs Polymer 748E	34313	4,992.84
	AQUA BEN CORPORATION	\$	46,365.35
ACH	LASER LINE DCSLab-Svc HP 5550DN	28665	159.95
	LASER LINE	\$	159.95
ACH	SANTA ANA WATERSHED February 2016 Service	8802	121,768.79
	SANTA ANA WATERSHED	\$	121,768.79
ACH	UNIVAR USA INC RP1-13,193 Lbs Sodium Bisulfite	LA216506	2,855.38
	RP1-13,203 Lbs Sodium Bisulfite	LA215992	2,857.62
	CCWRP-13,245 Lbs Sodium Bisulfite	LA214375	2,866.61
	RP1-13,219 Lbs Sodium Bisulfite	LA214374	2,861.00
	UNIVAR USA INC	\$	11,440.61
ACH	WESTERN MUNICIPAL WATER DISTRI WR15001-2/1/16-2/29/16 25 Sprinkler Nozz IEUA-1014		90.00
	WESTERN MUNICIPAL WATER DISTRI\$		90.00
ACH	OLIN CORP TP1-4,900 Gals Sodium Hypochlorite	2136237	2,685.20
	TP1-4,904 Gals Sodium Hypochlorite	2139318	2,687.39
	RP4-4,892 Gals Sodium Hypochlorite	2138776	2,680.82
	TP1-4,854 Gals Sodium Hypochlorite	2138432	2,659.99
	CCWRP-3,010 Gals Sodium Hypochlorite	2138431	1,649.48
	TP1-4,950 Gals Sodium Hypochlorite	2137931	2,712.60
	RP4-3,000 Gals Sodium Hypochlorite	2137448	1,644.00
	TP1-4,942 Gals Sodium Hypochlorite	2137447	2,708.22
	TP1-4,952 Gals Sodium Hypochlorite	2136876	2,713.70
	CCWRP-2,996 Gals Sodium Hypochlorite	2136875	1,641.81
	TP1-4,936 Gals Sodium Hypochlorite	2133972	2,704.93
	TP1-5,000 Gals Sodium Hypochlorite	2134516	2,740.00
	TP1-4,994 Gals Sodium Hypochlorite	2135739	2,736.71
	OLIN CORP	\$	31,964.85
ACH	RUBY CANYON ENGINEERING 2/5 Greenhouse Gas Inventory Verificatio RCE 16-033		3,900.00

Check	Payee / Description	Amount
	RUBY CANYON ENGINEERING	\$ 3,900.00
ACH	WEST COAST ADVISORS 3/16 Prof Svcs 10339	9,800.00
	WEST COAST ADVISORS	\$ 9,800.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 8 4/15/16 Emplýee Ded HR 0043400	420.00
	IEUA SUPERVISORS UNION ASSOCIA\$	420.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 8 4/15/16 Emplýee Ded HR 0043400	1,106.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,106.60
ACH	PREFERRED BENEFIT INSURANCE 4/16 Agency Dental Plan EIA17066	14,614.30
	PREFERRED BENEFIT INSURANCE \$	14,614.30
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 8 4/15/16 Emplýee Ded HR 0043400	440.00
	IEUA PROFESSIONAL EMPLOYEES ASS	440.00
ACH	DISCOVERY BENEFITS INC P/R 8 4/15/16 Cafeteria Plan HR 0043400	2,957.58
	DISCOVERY BENEFITS INC \$	2,957.58
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A 34344 21,401.15 DAFT-2,300 Lbs Polymer 748E 34343 2,496.42	
	AQUA BEN CORPORATION \$	23,897.57
ACH	HASCO OIL COMPANY, INC. RP5-Mobil SHC 630,Mobil Grease XHP 222,M 0199948-IN 4,584.18 RP5-Mobilith SHC 100,Mobil SHC RARUS 32 0200138-IN 2,089.33	
	HASCO OIL COMPANY, INC. \$	6,673.51
ACH	LASER LINE HOA-Svc HP LJ 600 M603 28677 109.95	
	LASER LINE \$	109.95
ACH	GENESIS CONSTRUCTION EN15045-3/16 Pay Est 6 PE 6-EN15045 741.00	
	GENESIS CONSTRUCTION \$	741.00
ACH	AGRICULTURAL RESOURCES 5/16 Wtr Quality Consult 5/16 WTR QLT 6,000.00	
	AGRICULTURAL RESOURCES \$	6,000.00

Check Payee / Description Amount

ACH CHINO BASIN DESALTER AUTHORITY
 CDPH-Chino III Expnasion Prjcts Inv#8-Gr 253 12,799.97
 CHINO BASIN DESALTER AUTHORITY\$ 12,799.97

ACH INVENSYS SYSTEMS INC
 DCS-Vac Expansion IO 93312653 1,640.41
 INVENSYS SYSTEMS INC \$ 1,640.41

ACH OLIN CORP
 TP1-4,980 Gals Sodium Hypochlorite 2144288 2,729.04
 RP4-2,492 Gals Sodium Hypochlorite 2140489 1,365.62
 TP1-4,938 Gals Sodium Hypochlorite 2141012 2,706.02
 TP1-4,884 Gals Sodium Hypochlorite 2144000 2,676.43
 CCWRP-2,994 Gals Sodium Hypochlorite 2141493 1,640.71
 RP5-4,996 Gals Sodium Hypochlorite 2143466 2,737.81
 TP1-4,888 Gals Sodium Hypochlorite 2141494 2,678.62
 TP1-4,940 Gals Sodium Hypochlorite 2141741 2,707.12
 TP1-4,994 Gals Sodium Hypochlorite 2141849 2,736.71
 TP1-4,966 Gals Sodium Hypochlorite 2142250 2,721.37
 TP1-4,936 Gals Sodium Hypochlorite 2142860 2,704.93
 RP4-2,490 Gals Sodium Hypochlorite 2142251 1,364.52
 TP1-4,928 Gals Sodium Hypochlorite 2139914 2,700.54
 CCWRP-4,944 Gals Sodium Hypochlorite 2139915 2,709.31
 RP1-3,010 Gals Sodium Hypochlorite 2146350 1,649.48
 RP5-4,918 Gals Sodium Hypochlorite 2144289 2,695.06
 CCWRP-3,002 Gals Sodium Hypochlorite 2144287 1,645.10
 RP5-4,936 Gals Sodium Hypochlorite 2140488 2,704.93
 OLIN CORP \$ 42,873.32

ACH GK & ASSOCIATES INC
 46-1141-2/16 Prof Svcs 16-010 19,000.00
 46-1141-2/16 Prof Svcs 16-014 10,560.00
 46-1141-2/16 Prof Svcs 16-013 22,638.00
 46-1141-2/16 Prof Svcs 16-015 14,400.00
 46-1141-2/16 Prof Svcs 16-012 13,320.00
 46-1141-2/16 Prof Svcs 16-011 20,000.00
 GK & ASSOCIATES INC \$ 99,918.00

ACH TRICO CORPORATION
 Oil Analysis P36579 777.00
 Oil Analysis P36569 442.00
 TRICO CORPORATION \$ 1,219.00

ACH SOLAR STAR CALIFORNIA V LLC
 2/16 Solar Energy TEUA0088 55,474.87
 SOLAR STAR CALIFORNIA V LLC \$ 55,474.87

ACH UNIVAR USA INC
 RP1-12,835 Lbs Sodium Bisulfite LA218709 2,777.88
 UNIVAR USA INC \$ 2,777.88

Check	Payee / Description	Amount
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem	HEALTH PREM 469.46
	ESTRADA, JIMMIE J	\$ 469.46
ACH	LICHTI, ALICE Reim Monthly Health Prem	HEALTH PREM 172.23
	LICHTI, ALICE	\$ 172.23
ACH	MORASSE, EDNA Reim Monthly Health Prem	HEALTH PREM 172.23
	MORASSE, EDNA	\$ 172.23
ACH	NOWAK, THEO T Reim Monthly Health Prem	HEALTH PREM 469.46
	NOWAK, THEO T	\$ 469.46
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	HEALTH PREM 172.23
	SONNENBURG, ILSE	\$ 172.23
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	HEALTH PREM 172.23
	DYKSTRA, BETTY	\$ 172.23
ACH	TORRES, ROBERT G Reim Monthly Health Prem	HEALTH PREM 469.46
	TORRES, ROBERT G	\$ 469.46
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	HEALTH PREM 172.23
	MUELLER, CAROLYN	\$ 172.23
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM 172.23
	GRIFFIN, GEORGE	\$ 172.23
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM 172.23
	CANADA, ANGELA	\$ 172.23
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 172.23
	CUPERSMITH, LEIZAR	\$ 172.23
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 297.23
	DELGADO-ORAMAS JR, JOSE	\$ 297.23

Check	Payee / Description	Amount
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 148.62
	GRANGER, BRANDON	\$ 148.62
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 148.62
	GADDY, CHARLES L	\$ 148.62
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 23.62
	BAKER, CHRIS	\$ 23.62
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 125.00
	WEBB, DANNY C	\$ 125.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 148.62
	HUMPHREYS, DEBORAH E	\$ 148.62
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 148.62
	MOUAT, FREDERICK W	\$ 148.62
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 125.00
	MORGAN, GARTH W	\$ 125.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 23.62
	ALLINGHAM, JACK	\$ 23.62
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 451.14
	MAZUR, JOHN	\$ 451.14
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 23.62
	RUDDER, LARRY	\$ 23.62
ACH	INTERLICCHIA, RANDY Reim Monthly Health Prem	HEALTH PREM 125.00
	INTERLICCHIA, RANDY	\$ 125.00
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 125.00

Check	Payee / Description	Amount
	HAMILTON, MARIA	\$ 125.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 172.23
	PICENO, TONY	\$ 172.23
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 23.62
	RAMOS, CAROL	\$ 23.62
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 125.00
	FISHER, JAY	\$ 125.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 23.62
	KING, PATRICK	\$ 23.62
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 23.62
	HOWARD, ROBERT JAMES	\$ 23.62
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 125.00
	DIETZ, JUDY	\$ 125.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 148.62
	DAVIS, GEORGE	\$ 148.62
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 23.62
	MONZAVI, TAGHI	\$ 23.62
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 172.23
	PETERSEN, KENNETH	\$ 172.23
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 172.23
	TRAUTERMAN, HELEN	\$ 172.23
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 1,087.66
	TIEGS, KATHLEEN	\$ 1,087.66
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 777.28

Check	Payee / Description	Amount
	DIGGS, GEORGE	\$ 777.28
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 469.46
	HAYES, KENNETH	\$ 469.46
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 148.62
	HUNTON, STEVE	\$ 148.62
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 148.62
	RODRIGUEZ, LOUIS	\$ 148.62
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 543.83
	VARBEL, VAN	\$ 543.83
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 418.83
	CLIFTON, NEIL	\$ 418.83
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 125.00
	DELGADO, FRANCOIS	\$ 125.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 543.83
	WELLMAN, JOHN THOMAS	\$ 543.83
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 23.62
	SPEARS, SUSAN	\$ 23.62
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 172.23
	TROXEL, WYATT	\$ 172.23
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 451.14
	CORLEY, WILLIAM	\$ 451.14
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 340.15
	CALLAHAN, CHARLES	\$ 340.15
ACH	LESNIAKOWSKI, NORBERT	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 172.23
	LESNIAKOWSKI, NORBERT	\$ 172.23
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 465.15
	VER STEEG, ALLEN J	\$ 465.15
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 420.53
	HACKNEY, GARY	\$ 420.53
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 23.62
	CAREL, LARRY	\$ 23.62
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 326.14
	TOL, HAROLD	\$ 326.14
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 480.05
	BANKSTON, GARY	\$ 480.05
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 125.00
	ATWATER, RICHARD	\$ 125.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 451.14
	FIESTA, PATRICIA	\$ 451.14
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 902.28
	DIGGS, JANET	\$ 902.28
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM 146.92
	CARAZA, TERESA	\$ 146.92
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 469.46
	ANDERSON, JOHN	\$ 469.46
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 706.98
	SANTA CRUZ, JACQUELYN	\$ 706.98

Check	Payee / Description	Amount
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM 23.62
	HECK, ROSELYN	\$ 23.62
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM 297.23
	SOPICKI, LEO	\$ 297.23
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	HEALTH PREM 480.05
	HERNANDEZ, BENJAMIN	\$ 480.05
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 125.00
	GOSE, ROSEMARY	\$ 125.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM 125.00
	KEHL, BARRETT	\$ 125.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM 125.00
	RITCHIE, JANN	\$ 125.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM 418.83
	LONG, ROCKWELL DEE	\$ 418.83
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM 125.00
	FATTAHI, MIR	\$ 125.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 297.23
	VERGARA, FLORENTINO	\$ 297.23
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM 172.23
	WARMAN, RALPH	\$ 172.23
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 172.23
	ROGERS, SHIRLEY	\$ 172.23
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 271.92
	WALL, DAVID	\$ 271.92

Check	Payee / Description		Amount
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM	148.62
	CHUNG, MICHAEL	\$	148.62
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM	172.23
	ADAMS, PAMELA	\$	172.23
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM	962.66
	BLASINGAME, MARY	\$	962.66
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM	23.62
	ANDERSON, KENNETH	\$	23.62
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM	23.62
	MOE, JAMES	\$	23.62
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM	706.98
	POLACEK, KEVIN	\$	706.98
ACH	ELROD, SONDRRA Reim Monthly Health Prem	HEALTH PREM	271.92
	ELROD, SONDRRA	\$	271.92
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM	177.53
	FRAZIER, JACK	\$	177.53
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM	125.00
	HOAK, JAMES	\$	125.00
ACH	DEZHAM, PARTVASH Reim Monthly Health Prem	HEALTH PREM	146.92
	DEZHAM, PARTVASH	\$	146.92
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM	146.92
	FOLEY III, DANIEL J.	\$	146.92
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM	125.00

Check	Payee / Description	Amount
	CLEVELAND, JAMES	\$ 125.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 845.41
	LANGNER, CAMERON	\$ 845.41
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 146.92
	HAMILTON, LEANNE	\$ 146.92
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 125.00
	HOOSHMAND, RAY	\$ 125.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 125.00
	SCHLAPKOHL, JACK	\$ 125.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 177.53
	POOLE, PHILLIP	\$ 177.53
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 148.62
	ADAMS, BARBARA	\$ 148.62
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 458.68
	RUESCH, GENECE	\$ 458.68
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 416.27
	VANDERPOOL, LARRY	\$ 416.27
ACH	DECOITE, JOANN Reim Monthly Health Prem	HEALTH PREM 125.00
	DECOITE, JOANN	\$ 125.00
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 543.83
	AMBROSE, JEFFREY	\$ 543.83
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 271.92
	MERRILL, DIANE	\$ 271.92
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 613.76

Check	Payee / Description	Amount
	HOUSER, ROD	\$ 613.76
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 146.92
	RUSSO, VICKI	\$ 146.92
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 418.83
	HUSS, KERRY	\$ 418.83
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 581.98
	BINGHAM, GREGG	\$ 581.98
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 125.00
	CHARLES, DAVID	\$ 125.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 125.00
	YEBOAH, ERNEST	\$ 125.00
ACH	ICMA RETIREMENT TRUST 457 P/R 9 4/29 Deferred Comp Ded	HR 0043500 13,838.63
	ICMA RETIREMENT TRUST 457	\$ 13,838.63
ACH	LINCOLN NATIONAL LIFE INS CO P/R 9 4/29 Deferred Comp Ded	HR 0043500 24,408.36
	LINCOLN NATIONAL LIFE INS CO	\$ 24,408.36
ACH	ICMA RETIREMENT TRUST 401 P/R 9 4/29 Exec Deferred Comp	HR 0043500 9,509.86
	ICMA RETIREMENT TRUST 401	\$ 9,509.86
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A	34380 21,401.15
	DAFT-9,200 Lbs Polymer 748E	34379 9,985.68
	AQUA BEN CORPORATION	\$ 31,386.83
ACH	NAPA GENUINE PARTS COMPANY Fuse Holders	753251 11.10
	Coolant Reservoir—See CM 756561	756413 58.81
	Return Coolant Reservoir—See Inv 756413	756561 58.81
	1 Napa Battery, Core Deposit	187155 147.96
	Windshield Washer Reservoir	756567 51.32
	Latitude Blade, Wheel Cover, Light Bulbs	756407 74.47
	Universal Lift Support	187160 146.84
	Napa Battery, Core Deposit	187152 147.96
	2 Napa Batteries, Core Deposits	187154 560.76

Check	Payee / Description	Amount
	NAPA GENUINE PARTS COMPANY \$	1,140.41
ACH	UNIVAR USA INC RP1-12,650 Lbs Sodium Bisulfite LA222717 2,737.83 CCWRP-12,771 Lbs Sodium Bisulfite LA221513 2,764.14 RP5-12,716 Lbs Sodium Bisulfite LA221080 2,752.07	
	UNIVAR USA INC \$	8,254.04
ACH	STANDARD & POOR'S 08B Ends-4/16-3/17 Analytical Svcs-Stand 11306164 5,000.00	
	STANDARD & POOR'S \$	5,000.00
ACH	PEST OPTIONS INC February 2016 GWR Weed Abatement Service 255707 5,916.00	
	PEST OPTIONS INC \$	5,916.00
ACH	OLIN CORP CCWRP-2,992 Gals Sodium Hypochlorite 2142859 1,639.62 TP1-4,960 Gals Sodium Hypochlorite 2145034 2,718.08	
	OLIN CORP \$	4,357.70
ACH	DANRAE, INC EN13016-3/2016 Professional Services 141291 962.50	
	DANRAE, INC \$	962.50
ACH	YORK RISK SERVICES GROUP INC 4/16-6/16 W/C Adm Fee - 2016 500013955 4,488.75	
	YORK RISK SERVICES GROUP INC \$	4,488.75
ACH	TRICO CORPORATION Oil Analysis P36781 37.00	
	TRICO CORPORATION \$	37.00
ACH	DISCOVERY BENEFITS INC P/R 5 & 6 Admin Fees 0000636837-IN 161.50	
	DISCOVERY BENEFITS INC \$	161.50
ACH	ORRICK HERRINGTON & SUTCLIFFE 08B Bank Counsel LOC Remarketing Fees 1571033 7,500.00	
	ORRICK HERRINGTON & SUTCLIFFE \$	7,500.00

Grand Total Payment Amount: \$ 2,940,909.37

Check	Payee / Description	Amount
Wire	EMPLOYMENT DEVELOPMENT DEPARTM	
	P/R 107 3/31/16 Taxes Vacation Buy Back HR 0043100	2,594.01
	P/R 107 3/31/16 Taxes Vacation Buy Back HR 0043100	15,133.80
	EMPLOYMENT DEVELOPMENT DEPARTM\$	17,727.81
Wire	INTERNAL REVENUE SERVICE	
	P/R 107 3/31/16 Taxes Vacation Buy Back HR 0043100	82,574.51
	INTERNAL REVENUE SERVICE \$	82,574.51
Wire	EMPLOYMENT DEVELOPMENT DEPARTM	
	P/R 7 4/1/16 Taxes HR 0043200	9,306.10
	P/R 7 4/1/16 Taxes HR 0043200	45,815.17
	EMPLOYMENT DEVELOPMENT DEPARTM\$	55,121.27
Wire	INTERNAL REVENUE SERVICE	
	P/R 7 4/1/16 Taxes HR 0043200	280,589.31
	INTERNAL REVENUE SERVICE \$	280,589.31
Wire	BANK OF AMERICA NT&SA	
	P/R 7 4/1/16 EFT Direct Deposit 040116	656,690.34
	BANK OF AMERICA NT&SA \$	656,690.34
Wire	EMPLOYMENT DEVELOPMENT DEPARTM	
	P/R DIR 004 4/8/16 Taxes HR 0043300	336.19
	EMPLOYMENT DEVELOPMENT DEPARTM\$	336.19
Wire	INTERNAL REVENUE SERVICE	
	P/R DIR 004 4/8/16 Taxes HR 0043300	1,842.41
	INTERNAL REVENUE SERVICE \$	1,842.41
Wire	BANK OF AMERICA NT&SA	
	P/R 4 DIR 4/8/16 EFT Direct Deposit 040816 DIR	1,496.79
	BANK OF AMERICA NT&SA \$	1,496.79
Wire	EMPLOYMENT DEVELOPMENT DEPARTM	
	P/R 8 4/15/16 Taxes HR 0043400	44,141.76
	P/R 8 4/15/16 Taxes HR 0043400	9,221.23
	EMPLOYMENT DEVELOPMENT DEPARTM\$	53,362.99
Wire	INTERNAL REVENUE SERVICE	
	P/R 8 4/15/16 Taxes HR 0043400	276,735.61
	INTERNAL REVENUE SERVICE \$	276,735.61
Wire	BANK OF AMERICA NT&SA	
	P/R 8 4/15/16 EFT Direct Deposit 041516	652,289.32
	BANK OF AMERICA NT&SA \$	652,289.32

Check	Payee / Description	Amount
Wire	BANK OF AMERICA NT&SA P/R 9 4/29/16 EFT Direct Deposit 042916	646,244.87
	BANK OF AMERICA NT&SA \$	646,244.87
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 7 4/1/16 Deferred Comp Ded HR 0043200	15,143.17
	PUBLIC EMPLOYEE'S RETIREMENT S\$	15,143.17
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 7 4/1 Emp (er)/Empr Special Cont P/R 7 CREDIT 92.57 P/R 7 4/1/16 PERS HR 0043200 247,191.76	247,099.19
	PUBLIC EMPLOYEES RETIREMENT SYS	247,099.19
Wire	PUBLIC EMPLOYEES' RETIREMENT S 4/16 Health Ins-Retirees, Board, Employees 1983 4/16	239,521.21
	PUBLIC EMPLOYEES' RETIREMENT S\$	239,521.21
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 8 4/15/16 Deferred Comp Ded HR 0043400	15,013.06
	PUBLIC EMPLOYEE'S RETIREMENT S\$	15,013.06
Wire	STATE DISBURSEMENT UNIT P/R 7, P/R 107 Adjustment 041516B 294.33- P/R 7 4/1/16 HR 0043200 558.78 P/R 107 3/31/16 Vacation Buy Back HR 0043100 988.95	1,253.40
	STATE DISBURSEMENT UNIT \$	1,253.40
Wire	STATE DISBURSEMENT UNIT P/R 8 4/15/16 HR 0043400	1,135.25
	STATE DISBURSEMENT UNIT \$	1,135.25
Wire	SUMITOMO MITSUI BANKING CORP 08B 1/15/16-3/31/16 LOC Fees NY-091282 030	38,903.04
	SUMITOMO MITSUI BANKING CORP \$	38,903.04
Wire	STATE BOARD OF EQUALIZATION 3/16 Sales Tax Deposit 23784561 3/16	8,720.00
	STATE BOARD OF EQUALIZATION \$	8,720.00
Wire	METROPOLITAN WATER DISTRICT February 2016 Water Purchase 8614	662,114.52
	METROPOLITAN WATER DISTRICT \$	662,114.52
Wire	PUBLIC EMPLOYEES RETIREMENT SY p/R 8 4/15 Adj Request by PERS PP 2016-8-ADJ 11.03- P/R 8 4/15/16 PERS HR 0043400 246,654.29	246,643.26
	PUBLIC EMPLOYEES RETIREMENT SYS	246,643.26

Report: ZFIR TREASURER Inland Empire Utilities Agency Page 3
For 04/01/2016 ~ 04/30/2016 Treasurer Report Date 05/12/2016

Check	Payee / Description	Amount
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Grand Total Payment Amount: \$ 4,200,557.52

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR APRIL 1, 2016

PRESENTED AT BOARD MEETING ON JUNE 15, 2016

GROSS PAYROLL COSTS			\$1,161,754.05
DEDUCTIONS			(\$505,063.71)
NET PAYROLL			<u>\$656,690.34</u>
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED	-		
TRANSACTION PROCESSED	0	340	340
AMOUNT	\$0.00	\$656,690.34	<u>\$656,690.34</u>

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR APRIL 15, 2016

PRESENTED AT BOARD MEETING ON JUNE 15, 2016

GROSS PAYROLL COSTS			\$1,153,836.79
DEDUCTIONS			(\$501,547.47)
NET PAYROLL			<u>\$652,289.32</u>
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED	-	345	345
TRANSACTION PROCESSED	0	345	345
AMOUNT	\$0.00	\$652,289.32	<u>\$652,289.32</u>

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR APRIL 29, 2016

PRESENTED AT BOARD MEETING ON JUNE 15, 2016

GROSS PAYROLL COSTS			\$1,015,439.83
DEDUCTIONS			(\$369,194.96)
NET PAYROLL			<u>\$646,244.87</u>
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED	-	346	346
TRANSACTION PROCESSED	0	346	346
AMOUNT	\$0.00	\$646,244.87	<u>\$646,244.87</u>

INLAND EMPIRE UTILITIES AGENCY

RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR APRIL 8, 2016
PRESENTED AT BOARD MEETING ON JUNE 15, 2016

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$3,178.39	\$748.51
TERRY L. CATLIN	\$2,865.25	\$793.56
STEVEN J. ELIE	\$2,740.25	\$265.42
JASMIN HALL	\$2,449.22	\$1,496.79
GENE T. KOOPMAN	\$1,302.99	\$0.00
TOTALS	\$12,536.10	\$3,304.28

TOTAL EFTS PROCESSED	1
BEGINNING CHECK NO.	105735
ENDING CHECK NO.	105737
TOTAL CHECKS PROCESSED	3

IEUA DIRECTOR PAYSHEET

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-16	IEUA Board Workshop	Cancelled	\$-0-
03-03-16	Southern Coalition/Inland Caucus meeting	Yes	\$225.00
03-04-16	Meeting w/O. Gonzalez/CVWD to discuss Agency business	Yes	\$225.00
03-09-16	Public, Legislative Affairs, & Water Resources Committee Meeting	Yes	\$225.00
03-09-16	Engineering & Operations Committee	Yes (same day)	\$-0-
03-16-16	IEUA Board Meeting	No	\$-0-
03-23-16	Telecon meeting w/O. Gonzalez/CVWD to discuss ACWA appointment & Agency business	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83, including MWD meetings)			\$900.00
Total No. of Meetings Attended			4
Total No. of Meetings Paid			4

DIRECTOR SIGNATURE 

Approved by: 
 Terry Catlin, President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON MWD BOARD**

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-16	OP & T Committee Telecon update	Yes	\$225.00
03-08-16	MWD Standing Committee and Board Meetings	Yes	\$225.00
03-22-16	MWD other Committee Meetings	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$675.00
Total No. of Meetings Attended			3
Total No. of Meetings Paid			3

**DIRECTOR
SIGNATURE**

Michael Camacho

Approved by:

Terry Caffin
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

**MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10200 110100 100000 501010**

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-03-16	Regional Policy Committee Mtg.	No	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings			
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

DIRECTOR SIGNATURE 

Approved by: 
 Terry Catlin
 President, Board of Directors

IEUA DIRECTOR PAYSHEET

TERRY CATLIN
 EMPLOYEE NO. 615
 ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-16	IEUA Board Workshop	Cancelled	\$-0-
03-09-16	Audit Committee	Yes	\$225.00
03-09-16	Engineering & Operations Committee	Yes (same day)	\$-0-
03-09-16	Finance, Legal & Administration Committee (Alternate)	Yes (same day)	\$-0-
03-09-16	Montclair RDA Oversight	Yes (same day)	\$-0-
03-16-16	Board Meeting	Yes	\$225.00
03-29-16	City of Upland Meeting w/ Director Catlin, GM Grindstaff, Upland City Manager Rod Butler, Public Works Director Rosemary Hoerning	Yes (Decline Pymt.)	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$450.00
Total No. of Meetings Attended			6
Total No. of Meetings Paid			2

**DIRECTOR
SIGNATURE**



Approved by:



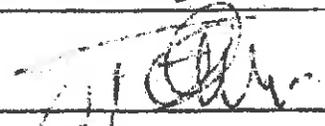
Steven J. Elie
 Secretary/Treasurer, Board of Directors

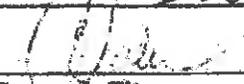
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON SAWPA COMMISSION**

TERRY CATLIN
EMPLOYEE NO. 615
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-16	SAWPA Commission Workshop	Yes	\$225.00
03-15-16	SAWPA Commission Meeting	Yes	\$225.00
TOTAL REIMBURSEMENT			\$450.00
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) including Agency meetings* (SAWPA \$197.82 (eff. 2/16/16))			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE 

Approved by: 
Steven J. Elie
Secretary/Treasurer, Board of Directors

*SAWPA will pay \$197.82 (eff. 2/16/16) per meeting directly to the Agency.

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE**

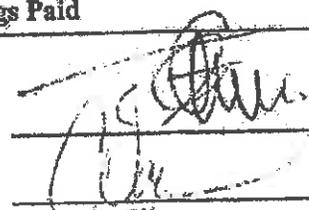
TERRY CATLIN
EMPLOYEE NO. 615
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-03-16	Regional Policy Committee Mtg.	Yes	\$125.00

TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings	\$125.00
Total No. of Meetings Attended	1
Total No. of Meetings Paid	1

**DIRECTOR
SIGNATURE**



Approved by:

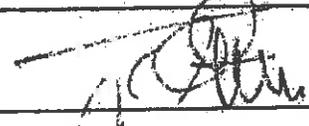
Steven J. Elie
Secretary/Treasurer, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON WATERMASTER BOARD (ALTERNATE)**

TERRY CATLIN
EMPLOYEE NO. 615
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-17-16	CBWM Advisory Cmte. Meeting	No	\$-0-
03-24-15	CBWM Board Meeting	Yes (decline pymt)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$100.00 – difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings			
Total No. of Watermaster Meetings Attended			1
Total No. of Watermaster Meetings Paid			0

DIRECTOR SIGNATURE _____


Approved by: _____
Steven J. Elie
Secretary/Treasurer, Board of Directors

*Decline IEUA payment portion.

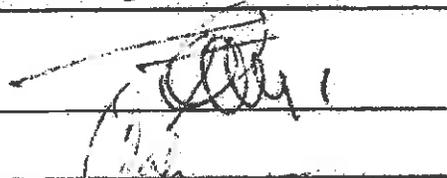
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY**

TERRY CATLIN
EMPLOYEE NO. 615
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-03-16	CDA Board Meeting	Cancelled	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$225.00) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			\$-0-

DIRECTOR
SIGNATURE _____



Approved by: _____

Steven J. Elie
Secretary/Treasurer, Board of Directors

*Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency.

IEUA DIRECTOR PAYSHEET

STEVEN J. ELIE
EMPLOYEE NO. 1175
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-16	IEUA Board Workshop	Cancelled	\$-0-
03-08-16	Water Agencies of the Inland Empire Legislative Reception	Yes	\$225.00
03-09-16	Public, Legislative Affairs and Water Resources Committee	Yes	\$225.00
03-09-16	Finance, Legal & Administration Committee	Yes (same day)	\$-0-
03-16-16	IEUA Board Meeting	Yes	\$225.00
03-21-16	IEUA hosted Association of SB Special Districts Meeting	Yes	\$225.00
03-24-16	Telecon Meeting w/G Newmark, Special Counsel	Yes (decline pymt.)	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$900.00
Total No. of Meetings Attended			6
Total No. of Meetings Paid			4

DIRECTOR SIGNATURE

Steven J. Elie
Terry Catlin

Approved By:

Terry Catlin
 Terry Catlin
 President, Board of Directors

IEUA DIRECTOR PAYSHEET

JASMIN A. HALL
 EMPLOYEE NO: 1256
 ACCOUNT NO. 10200 110100 100000 501010

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-16	IEUA Board Workshop	Cancelled	\$-0-
03-05-16	10 th Annual the State of the Women Address - City of Rialto	Yes	\$225.00
03-08-16	Rialto City Council Meeting	Yes	\$225.00
03-09-16	Engineering, Operations & Biosolids Management Committee	Yes (Alternate)	\$225.00
03-16-16	IEUA Board Meeting	Yes	\$225.00
03-21-16	Business Activity Update with City of Fontana/Councilmember Sandoval and Chuck Hays	Yes	\$225.00
03-21-16	IEUA hosted Association of Special Districts Dinner Meeting	Yes (same day)	\$-0-
03-22-16	Live Streaming - Water Day (Dr. Kelly A. Krye, Sr. Policy Analyst Energy, Water & Ocean Sciences)	Yes (same day)	\$-0-
03-22-16	Rialto City Council Meeting	Yes (same day)	\$-0-
03-22-16	Fontana City Council Meeting	Yes	\$225.00
03-23-16	Ontario State of the City Address	Yes	\$225.00
03-30-16	CASA Utility Leadership Committee Meeting (call-in)	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$1,800.00
Total No. of Meetings Attended			11
Total No. of Meetings Paid			8

DIRECTOR SIGNATURE

Jasmin A. Hall

Approved by:

Terry Catlin
 Terry Catlin, President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION (ALTERNATE)**

**JASMIN A. HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10200 110100 100000 501010**

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-16	SAWPA Commission Workshop	Yes	\$27.18
03-15-16	SAWPA Commission Meeting	Yes	\$27.18
TOTAL REIMBURSEMENT			\$54.36
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$27.18 – difference between SAWPA (\$197.82 (eff. 2/16/16) and Agency meetings \$225.00 including Agency meetings			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE *Jasmin A. Hall*

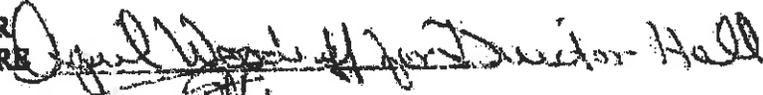
Approved by: *Terry Catlin*
Terry Catlin
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY (ALTERNATE)**

**JASMIN A. HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10200 110100 100000 501010**

MARCH 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-03-16	CDA Board Meeting	Cancelled	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$225.00 excludes alternate) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR SIGNATURE 

Approved by: 
Terry Catlin
President, Board of Directors

**ACTION
ITEM**

2A



Date: June 15, 2016

To: The Honorable Board of Directors

Through: Finance, Legal and Administration Committee (06/08/16)

From:  Joseph Grindstaff
General Manager

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

 Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Adoption of Resolution No. 2016-6-8, Establishing the Appropriation Limits for Fiscal Year 2016/17

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2016-6-8, establishing the appropriation limits for Fiscal Year (FY) 2016/17.

BACKGROUND

A year after the adoption of Proposition 13 (People's Initiative to Limit Property Taxation), the State Legislature adopted Proposition 4 (Gann Limit Initiative) in November 1979 to limit the amount of property taxes that local governmental agencies can receive and appropriate each FY, and require any excess property taxes be returned to taxpayers within two years.

Pursuant to Proposition 4, an agency's annual appropriations limit is based on the amount of property taxes that were authorized to be spent in FY 1978/79 (base year) modified each subsequent year for changes in one of two factors; inflation, population, or per capita personal income tax (PIT) index. The Agency applies the population and PIT factors to its annual appropriations limit calculation. Both of these factors changed as follows: the San Bernardino County population changed from 1.09% to 0.93%, and the State of California PIT index changed from 3.82% to 5.37%, an increase of 1.55%.

Based on the change in population and PIT index, the Agency's total appropriation limit increased to \$169.7 million for FY 2016/17; an increase of \$10.1 million compared to \$159.6 million for the

Adoption of Resolution No. 2016-6-8, Establishing
the Appropriation Limits for FY 2016/17
June 15, 2016
Page 2 of 2

current FY. The Agency's FY 2016/17 budget subject to the limit is \$44.7 million, equal to the projected amount of revenues related to property tax receipts for FY 2016/17, which is well below the \$169.7 million appropriation limit. The calculation of the FY 2016/17 appropriation limit has been affirmed by the external auditors. Additional information on the statute and appropriation limit by Agency fund is provided under Exhibits I – VI.

Prior to June 15, 2016, the required notice of the Board's intention to adopt the Agency's appropriation limits was published in the Inland Valley Daily Bulletin, and documentation of staff's determinations has been available for public review since that date. The required minimum 15-day notice has now been met.

Establishing the appropriation limits for FY 2016/17 is consistent with the Agency's business goals of Fiscal Responsibility in funding and appropriation.

PRIOR BOARD ACTION

On June 17, 2015, the Board of Directors adopted Resolution No. 2015-6-10, establishing the Appropriation Limits for FY 2015/16.

IMPACT ON BUDGET

The appropriation limits will not affect the Agency's proposed spending level or reserves, as the proposed expenditures are projected to be supported primarily by non-ad valorem tax revenue sources, such as user fees and rates. Expenses that will utilize tax revenue are expected to be well below the FY 2016/17 Appropriation Limit.

Attachment:
Resolution No. 2016-6-8

RESOLUTION NO. 2016-6-8

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR FISCAL YEAR 2016/17

WHEREAS, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

WHEREAS, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriation may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

WHEREAS, Article XIII B and its implementing legislation were modified by Proposition 111 and SB88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriation Limits;

WHEREAS, Inland Empire Utilities Agency*, as a local government, is required under Article XIII B to annually establish an appropriation limit for the following fiscal year;

WHEREAS, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of the Agency;

WHEREAS, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

WHEREAS, it is Inland Empire Utilities Agency's* intent to establish this year's Appropriation Limits, following the California League of Cities Uniform Guidelines dated March, 1991; and

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2016/17 Appropriation Limits are now available.

NOW, THEREFORE, the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

Section 3. Appropriation Limits. That pursuant to Section 7910 of the Government Code and Exhibits I through IV attached hereto and made a part hereof, the Board of Directors does hereby establish the following Appropriation Limits for Fiscal Year 2016/17:

<u>EXHIBIT</u>	<u>FUND</u>	<u>APPROPRIATION LIMITS</u>
I	Administrative Service Fund	\$19,757,849
II	Regional Wastewater Capital Improvement Fund	\$116,436,860
III	Regional Wastewater Operations and Maintenance Fund	\$26,974,802
IV	Recycled Water Fund	\$4,483,015
V	Water Resources Fund	\$2,050,785
	Total	<u>\$169,703,311</u>

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriation Limits and the Total Appropriation Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 45-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon adoption of this Resolution, Resolution No. 2015-6-10 is hereby rescinded in its entirety.

Adopted this 15th day of June, 2016

Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-8, was adopted at a regular meeting on June 15, 2016, of said Agency by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
General Fund**

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation Revenues	\$ 475,362	\$1,964,160 (342,172)
Appropriation Subject to Limitation		<u>\$1,621,988*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1979-80	1,621,988	10.17%	5.97%	1,893,625
1980-81	1,893,625	12.11%	5.56%	2,240,979
1981-82	2,240,979	9.12%	5.50%	2,579,851
1982-83	2,579,851	6.79%	3.85%	2,861,055
1983-84	2,861,055	2.35%	3.17%	3,020,988
1984-85	3,020,988	4.74%	3.08%	3,261,640
1985-86	3,261,640	3.74%	3.66%	3,507,466
1986-87	3,507,466	2.30%	4.94%	3,765,392
1987-88	3,765,392	3.04%	5.19%	4,081,225
1988-89	4,081,225	3.93%	5.58%	4,478,299
1989-90	4,478,299	4.98%	6.18%	4,991,860
1990-91	4,991,860	4.21%	6.70%	5,550,552
1991-92	5,550,552	4.14%	5.46%	6,095,952
1992-93	6,095,952	<.64%>	3.92%	6,294,370
1993-94	6,294,370	2.72%	3.20%	6,672,475
1994-95	6,672,475	.71%	1.56%	6,824,679
1995-96	6,824,679	4.72%	1.62%	7,262,585
1996-97	7,262,585	5.21%	1.02%	7,718,904
1997-98	7,718,904	4.67%	.09%	8,086,648
1998-99	8,086,648	4.15%	.98%	8,504,782
1999-2000	8,504,782	4.53%	1.37%	9,011,740
2000-2001	9,011,740	4.91%	1.82%	9,626,414
2001-2002	9,626,414	7.82%	1.95%	10,581,194
2002-2003	10,581,194	<1.27%>	2.72%	10,730,595
2003-2004	10,730,595	2.31%	2.59%	11,262,814
2004-2005	11,262,814	3.28%	2.52%	11,925,225
2005-2006	11,925,225	5.26%	2.49%	12,864,859
2006-2007	12,864,859	3.96%	2.10%	13,655,168
2007-2008	13,655,168	4.42%	1.86%	14,523,939
2008-2009	14,523,939	4.29%	1.45%	15,366,648
2009-2010	15,366,648	0.62%	0.79%	15,584,070
2010-2011	15,584,070	<2.54%>	0.85%	15,317,335
2011-2012	15,317,335	2.51%	1.05%	15,866,669
2012-2013	15,866,669	3.77%	0.86%	16,606,373
2013-2014	16,606,373	5.12%	0.85%	17,605,080
2014-2015	17,605,080	<0.23%>	0.78%	17,701,556
2015-2016	17,701,556	3.82%	1.09%	18,578,137
2016-2017	18,578,137	5.37%	0.93%	19,757,849

Factor #1 – The change in the California Per Capita Personal Income Index.
Factor #2 – Percent of Increase In San Bernardino County population.
All factors provided by State Department of Finance, May 2016.
* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

**APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Regional Wastewater Capital Improvement Fund (Improvement District C)**

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation Revenues	<u>\$ 2,578,964</u>	\$17,954,195 <u>(8,395,597)</u>
Appropriation Subject to Limitation		<u>\$ 9,558,698*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1979-80	9,558,698	10.17%	5.97%	11,159,507
1980-81	11,159,507	12.11%	5.56%	13,206,531
1981-82	13,206,531	9.12%	5.50%	15,203,570
1982-83	15,203,570	6.79%	3.85%	16,860,759
1983-84	16,860,759	2.35%	3.17%	17,803,275
1984-85	17,803,275	4.74%	3.08%	19,221,482
1985-86	19,221,482	3.74%	3.66%	20,670,183
1986-87	20,670,183	2.30%	4.94%	22,190,190
1987-88	22,190,190	3.04%	5.19%	24,051,453
1988-89	24,051,453	3.93%	5.58%	26,391,490
1989-90	26,391,490	4.98%	6.18%	29,418,004
1990-91	29,418,004	4.21%	6.70%	32,710,488
1991-92	32,710,488	4.14%	5.46%	35,924,635
1992-93	35,924,635	<.64%>	3.92%	37,093,950
1993-94	37,093,950	2.72%	3.20%	39,322,198
1994-95	39,322,198	.71%	1.56%	40,219,167
1995-96	40,219,167	4.72%	1.62%	42,799,830
1996-97	42,799,830	5.21%	1.02%	45,489,004
1997-98	45,489,004	4.67%	.09%	47,656,192
1998-99	47,656,192	4.15%	.98%	50,120,336
1999-2000	50,120,336	4.53%	1.37%	53,107,938
2000-2001	53,107,938	4.91%	1.82%	56,730,335
2001-2002	56,730,335	7.82%	1.95%	62,357,043
2002-2003	62,357,043	<1.27%>	2.72%	63,237,491
2003-2004	63,237,491	2.31%	2.59%	66,373,962
2004-2005	66,373,962	3.28%	2.52%	70,277,680
2005-2006	70,277,680	5.26%	2.49%	75,815,128
2006-2007	75,815,128	3.96%	2.10%	80,472,573
2007-2008	80,472,573	4.42%	1.86%	85,592,409
2008-2009	85,592,409	4.29%	1.45%	90,558,656
2009-2010	90,558,656	0.62%	0.79%	91,839,969
2010-2011	91,839,969	<2.54%>	0.85%	90,268,045
2011-2012	90,268,045	2.51%	1.05%	93,505,378
2012-2013	93,505,378	3.77%	0.86%	97,864,598
2013-2014	97,864,598	5.12%	0.85%	103,750,175
2014-2015	103,750,175	<0.23%>	0.78%	104,318,726
2015-2016	104,318,726	3.82%	1.09%	109,484,589
2016-2017	109,484,589	5.37%	0.93%	116,436,860

Factor #1 – The change in the California Per Capita Personal Income Index.
Factor #2 – Percent of Increase in San Bernardino County population.
All factors provided by State Department of Finance, May 2016.
* Data for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

**APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Regional Wastewater Operations & Maintenance Fund**

	1978-79 Base Year	
	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation Revenues	\$ <u>935,780</u>	\$2,260,247 (45,794)
Appropriation Subject to Limitation		<u>\$2,214,453*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
1979-80	2,214,453	10.17%	5.97%	2,585,311
1980-81	2,585,311	12.11%	5.56%	3,059,543
1981-82	3,059,543	9.12%	5.50%	3,522,195
1982-83	3,522,195	6.79%	3.85%	3,906,114
1983-84	3,906,114	2.35%	3.17%	4,124,466
1984-85	4,124,466	4.74%	3.08%	4,453,020
1985-86	4,453,020	3.74%	3.66%	4,788,639
1986-87	4,788,639	2.30%	4.94%	5,140,777
1987-88	5,140,777	3.04%	5.19%	5,571,974
1988-89	5,571,974	3.93%	5.58%	6,114,008
1989-90	6,114,088	4.98%	6.18%	6,815,237
1990-91	6,815,237	4.21%	6.70%	7,578,003
1991-92	7,578,003	4.14%	5.46%	8,322,621
1992-93	8,322,621	<.64% >	3.92%	8,593,515
1993-94	8,593,515	2.72%	3.20%	9,109,731
1994-95	9,109,731	.71%	1.56%	9,317,531
1995-96	9,317,531	4.72%	1.62%	9,915,390
1996-97	9,915,390	5.21%	1.02%	10,538,388
1997-98	10,538,388	4.67%	.09%	11,040,458
1998-99	11,040,458	4.15%	.98%	11,611,324
1999-2000	11,611,324	4.53%	1.37%	12,303,459
2000-2001	12,303,459	4.91%	1.82%	13,142,656
2001-2002	13,142,656	7.82%	1.95%	14,446,189
2002-2003	14,446,189	<1.27%>	2.72%	14,650,161
2003-2004	14,650,161	2.31%	2.59%	15,376,784
2004-2005	15,376,784	3.28%	2.52%	16,281,154
2005-2006	16,281,154	5.26%	2.49%	17,564,009
2006-2007	17,564,009	3.96%	2.10%	18,642,994
2007-2008	18,642,994	4.42%	1.86%	19,829,101
2008-2009	19,829,101	4.29%	1.45%	20,979,626
2009-2010	20,979,626	0.62%	0.79%	21,276,466
2010-2011	21,276,466	<2.54%>	0.85%	20,912,301
2011-2012	20,912,301	2.51%	1.05%	21,662,290
2012-2013	21,662,290	3.77%	0.86%	22,672,186
2013-2014	22,672,186	5.12%	0.85%	24,035,691
2014-2015	24,035,691	<0.23%>	0.78%	24,167,407
2015-2016	24,167,407	3.82%	1.09%	25,364,177
2016-2017	25,364,177	5.37%	0.93%	26,974,802

Factor #1 - The change in the California Per Capita Personal Income index.
Factor #2 - Percent of increase in San Bernardino County population.
All factors provided by State Department of Finance, May 2016.
* Details for Base Year 1978-79 data are available as attachments to Resolution No. 81-6-7.

**APPROPRIATION LIMITS UNDER
CALIFORNIA CONSTITUTION AMENDMENT XIII B
Recycled Water Fund**

2008-09 Base Year

	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$8,824,659
Revenues	<u>\$ 0</u>	<u>(5,337,998)</u>
Appropriation Subject to Limitation		<u>\$3,486,661*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
2009-2010	3,486,661	0.62%	0.79%	3,535,994
2010-2011	3,535,994	<2.54%>	0.85%	3,475,472
2011-2012	3,475,475	2.51%	1.05%	3,600,115
2012-2013	3,600,115	3.77%	0.86%	3,767,952
2013-2014	3,767,952	5.12%	0.85%	3,994,557
2014-2015	3,994,557	<0.23%>	0.78%	4,016,447
2015-2016	4,016,447	3.82%	1.09%	4,215,341
2016-2017	4,215,341	5.37%	0.93%	4,483,015

Factor #1 - The change in the California Per Capita Personal Income Index.
 Factor #2 - Percent of increase in San Bernardino County population.
 All factors provided by State Department of Finance, May 2016.
 * Details for Base Year 2008/09 data are available in FY 2008/09 Adopted Budget.

**APPROPRIATION LIMITS UNDER
 CALIFORNIA CONSTITUTION AMENDMENT XIII B
 Water Resources Fund**

2014-15 Base Year

	<u>Proceeds of Tax</u>	<u>Non-Proceeds of Tax</u>
Appropriation		\$48,488,679
Revenues	<u>\$1,500,000</u>	<u>(46,651,329)</u>
Appropriation Subject to Limitation		<u>\$ 1,837,350*</u>

APPROPRIATION LIMITS

<u>Fiscal Year</u>	<u>At Beginning of Year</u>	<u>Factor #1</u>	<u>Factor #2</u>	<u>At End of Year</u>
2015-2016	1,837,350	3.82%	1.09%	1,928,336
2016-2017	1,928,336	5.37%	0.93%	2,050,785

Factor #1 - The change in the California Per Capita Personal Income Index.
 Factor #2 - Percent of increase in San Bernardino County population.
 All factors provided by State Department of Finance, May 2016.
 * Details for Base Year 2014/15 data are available in FY 2014/15 Adopted Budget.

APPROPRIATION LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriation Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriation Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2016/17 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2016/17. The increase in the limit is based upon population change of 0.93% within the county and a per capita personal income change of 5.37%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2011/12	\$134,634,452	\$ 32,965,008
2012/13	\$140,911,109	\$ 32,607,254
2013/14	\$149,385,503	\$ 33,351,677
2014/15	\$150,204,136	\$ 40,203,474
2015/16	\$159,570,580	\$ 41,156,629
2016/17	\$169,703,311	\$ 44,704,800

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriation limit and has been in compliance.

**INLAND EMPIRE UTILITIES AGENCY
AMENDED BUDGET FISCAL YEAR 2016/17
SCHEDULE OF APPROPRIATIONS**

	ADMINISTRATIVE SERVICES	REGIONAL WASTEWATER	NON-RECLAIMABLE WASTEWATER	RECHARGE WATER	RECYCLED WATER	WATER RESOURCES	AGENCY TOTAL
TOTAL EXPENSES	\$3,837,874	\$75,561,751	\$9,533,660	\$1,762,315	\$12,519,311	\$45,139,652	\$148,354,563
NET CHANGES IN- CAPITAL OUTLAY	2,854,812	39,284,920	1,728,963	4,619,800	11,899,063	0	60,387,558
DEBT SERVICE	21,000	16,913,628	583,787	944,608	6,722,403	16,000	25,201,426
NET OTHER (SOURCE)/USES OF FUNDS	(854,812)	3,343,638	(49,839)	(1,531,400)	1,360,927	(2,268,514)	0
SUBTOTAL OF APPROPRIATIONS	\$5,858,874	\$135,103,937	\$11,796,571	\$5,795,323	\$32,501,704	\$42,887,138	\$233,943,547
INCREASE (DECREASE) IN WORKING CAPITAL RESERVES	(2,312,119)	(4,212,434)	(545,071)	(211,266)	4,648,673	(2,279,592)	(4,911,809)
TOTAL APPROPRIATION	\$3,546,755	\$130,891,503	\$11,251,500	\$5,584,057	\$37,150,377	\$40,607,546	\$229,031,738
LESS: NON-TAX PROCEEDS	(1,574,555)	(92,284,804)	(11,251,500)	(5,584,057)	(34,980,277)	(38,651,745)	(184,326,938)
APPROPRIATION SUBJECT TO LIMITATION	\$1,972,200	\$38,606,699	\$0	\$0	\$2,170,100	\$1,955,801	\$44,704,800
APPROPRIATION LIMIT	\$19,757,849	\$143,411,662	EXEMPT	EXEMPT	\$4,483,015	\$2,050,785	\$168,703,311

☆ By resolution, the Appropriation Limit for Regional Program Funds is established as follows:

Regional Wastewater Capital Improvement	\$116,436,860
Regional Wastewater Operations and Maintenance	<u>26,974,802</u>
Combined Regional Wastewater Appropriations Limit	\$143,411,662

**ACTION
ITEM**

2B

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (06/08/16)

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 2016/17 Budget Amendment, Rates and Fees, and Inter-fund Loans

RECOMMENDATION

It is recommended that the Board of Directors approve:

1. The amendments to the FY 2016/17 adopted budget for all Agency's funds;
2. The Non-Reclaimable Wastewater (NC) fund Rate Resolution Nos. 2016-6-1 through 2016-6-3;
3. The Regional Wastewater Operations & Maintenance (RO) fund Rate Resolution 2016-6-4;
4. The Water Resources (WW) fund Rate Resolution Nos. 2016-6-7 and 2016-6-15;
5. Rate Resolution No. 2016-6-5 for Laboratory Fees, 2016-6-6 for Equipment Rental, and 2016-6-9 for the Fontana Extra-Territorial Charge;
6. An inter-fund loan from the RO fund to the WW fund for a not-to-exceed amount of \$3.2 million in FY 2016/17 to support purchase of supplemental water supplies;
7. The forgiveness of the inter-fund loan from the Administrative Service (GG) fund to the WW fund in the amount of \$4.3 million in FY 2015/16; and
8. The allocation of property tax receipts in excess of \$13.7 million from the Regional RO, Recycled Water (WC), and GG funds to the WW fund beginning in FY 2016/17, and

maintain allocation of 65% of property tax receipts to the Regional Wastewater Capital Improvement (RC) fund.

BACKGROUND

On May 18, 2016, a review of the budget amendments to the FY 2016/17 adopted budget, along with the proposed potable water rates were presented to the IEUA Board of Directors (Board). Not included in the overview was the NC fund due to pending updates on the pass-through rates for FY 2016/17. The amendments to FY 2016/17 adopted budget for the RC, RO, WC, and Recharge Water (RW) funds were also presented to the Regional Technical and Policy Committees (Regional Committees) on May 26, 2016 and June 2, 2016, respectively. The proposed Ten Year Capital Improvement Plan (TYCIP) for fiscal years (FYs) 2016/17 – 2025/26 were also presented to the Board on April 20, the Regional Committees on April 28 and May 5, respectively.

Following is a summary of the proposed changes (amendments) to the FY 2016/17 O&M adopted budget, including the proposed rates and amendments for the NC Fund and the proposed multi-year rates for the WW fund. Also included is an overview of the FYs 2016/17 – 2025/26 TYCIP recommended for approval by the Regional Committees and adopted by the Board on May 18, 2016.

FY 2016/17 Amended Budget (All Funds)

Total revenue and other sources of funds of \$257.9 million adopted for FY 2016/17 is being reduced to \$229 million. A summary of the adjustments that account for the \$28.9 million reduction is provided in Table 1.

Table 1: FY 2016/17 Changes to Total Revenues (\$Millions)

Revenues	Adopted FY 2016/17	Amended FY 2016/17	Increase/ (Decrease)	Key Assumptions
MWD Water Sales (pass-through)	\$42.1	\$28.7	(\$13.4)	Deliveries reduced from 60,000 AF to 45,000 AF (5,000AF IEUA storage)
Connection Fees	30.6	20.0	(10.6)	New wastewater connections cut from 4,580 to 3,000 units. New water connection units cut from 4,167 to 2,730 units
User Charges	76.7	71.9	(4.8)	Lower water revenues from proposed new water rates partially offset by an increase in volumetric EDU charges
Grants/Loans	31.3	28.0	(3.3)	Decrease due to changes in related project timeline execution
Interest Revenue	1.3	0.6	(0.7)	Lower interest rate projection
Property taxes	42.4	44.7	2.3	Higher growth in FY 2015/16
Inter-Fund Loan	2.0	3.2	1.2	From RO Fund to WW Fund to support purchase of supplemental water
Other Revenues	13.7	14.1	0.4	Contract reimbursements
Recycled Water Sales	17.8	17.8	0.0	No change

Total	\$257.9	\$229.0	(\$28.9)
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The total expenses and other uses of funds adopted for FY 2016/17 were \$227.7 million. The amended FY 2016/17 budget reflects an increase of \$6.3 million to \$234.0 million. The primary driver is an increase in Capital Improvement Plan (CIP) and special O&M expenditures due to changes in project schedules, which is offset by lower imported MWD water purchases, as shown in Table 2.

Table 2: FY 2016/17 Changes to Total Expenses (\$Millions)

Expenses	Adopted FY 2016/17	Amended FY 2016/17	Increase/ (Decrease)	Change in Key Assumptions
Capital Projects	\$52.5	\$60.4	\$7.9	Change in project scope and schedule
Operating Expenses	65.7	73.2	7.5	Increase in special O&M project costs
Inter-Fund Loans	2.0	3.2	1.2	Higher amount to support purchase of supplemental water
Employment Cost	42.7	43.3	0.6	Reduction in vacancy factor from 3% to 2% to support succession planning
MWD Water Purchases	42.1	31.9	(10.2)	Deliveries reduced from 60,000 AF to 45,000 AF (5,000 AF IEUA storage)
Debt Service Costs	22.7	22.0	(0.7)	Change in the Wineville SRF loan repayment to FY 2017/18
Total	\$227.7	\$234.0	\$6.3	

TYCIP

The FYs 2016/17 – 2025/26 TYCIP was adopted by the Board in May 2016. Since then, projects and respective budget realignments have resulted in an increase of \$13.5 million to the adopted TYCIP, from \$732.6 million to \$746.1 million. The increase is primarily due to the inclusion of additional projects anticipated to be fully funded by grants and contributions. These additional projects include; conservation program carry forward projects of \$11.2 million, Chino Creek Wetlands and Educational Park Upgrades project of \$1.9 million, and construction of a recycled water lateral north of California Institute of Men (CIM) of \$0.4 million.

Table 3 provides a comparison by fund of the FYs 2016-2025 and adopted FYs 2017-2026 TYCIP. The increase of \$54.1 million is primarily due to adjustments in project execution timeline, changes in scope of work, and increase in project costs. One example is the increase in total project budget from \$20 million to \$25 million for construction of the water quality laboratory.

Table 3: FY 2015/16 and FY 2016/16 TYCIP by Fund (\$ Millions)

Fund	FYs 2016-2025 TYCIP	FYs 2017-2026 TYCIP	Increase (Decrease)
Regional Wastewater Capital Improvement (RC)	\$348.9	\$386.4	\$37.5
Recycled Water (WC)	75.2	85.5	10.3
Regional Wastewater O&M (RO)	131.0	139.7	8.7
Recharge Water (RW)	49.3	53.2	3.9

Fund	FYs 2016-2025 TYCIP	FYs 2017-2026 TYCIP	Increase (Decrease)
Administrative Services (GG)	9.5	13.1	3.6
Non-Reclaimable Wastewater (NC)	17.2	11.1	(6.1)
Water Resources (WW)	60.9	57.1	(3.8)
TOTAL	\$ 692.0	\$ 746.1	54.1

The CIP for FY 2016/17 reflects a net increase of \$7.9 million, from \$52.5 million to \$60.4 million (Table 4). The increase is primarily in the Regional Wastewater Program (RC and RO funds) for projects such as: Agency wide pump efficiencies and lighting improvements, RP-4 safety improvements, and RP-5 solids treatment facility. The higher CIP for the Regional Wastewater program is partially offset by a decrease in the WC fund regional recycled water intertie projects with the City of Pomona and Jurupa Community Services District (JCSD).

Table 4: FY 2016/17 Changes to Capital Improvement Plan (\$Millions)

Fund	Adopted FY 2016/17	Amended FY 2016/17	Increase (Decrease)
RO fund	\$11.8	\$19.3	\$7.5
RC fund	15.4	20.0	4.6
GG fund	0.9	2.9	2.0
NC fund	1.1	1.7	0.6
WC fund	18.6	11.9	(6.7)
RW fund	4.7	4.6	(0.1)
Total	\$52.5	\$60.4	\$7.9

Debt service

Total amended debt service in FY 2016/17 is \$25.2 million; slightly higher than the \$24.7 million projected in the adopted budget (Table 5).

Table 5: FY 2016/17 Changes to Debt Service (\$Millions)

	Adopted FY 2016/17	Amended FY 2016/17	Increase (Decrease)
Principal	\$12.5	\$12.0	(\$0.5)
Interest	9.8	9.6	(\$0.2)
Financial Expenses	0.4	0.4	0.0
Subtotal	\$22.7	\$22.0	(\$0.70)
Inter-fund Loan	2.0	3.2	1.2
Total	\$24.7	\$25.2	\$.05

The amended FY 2016/17 budget includes a \$3.2 million inter-fund loan from the RO fund to the WW fund to support the purchase of supplemental water. A summary of the inter-fund loans and repayment schedule is provided in Table 6.

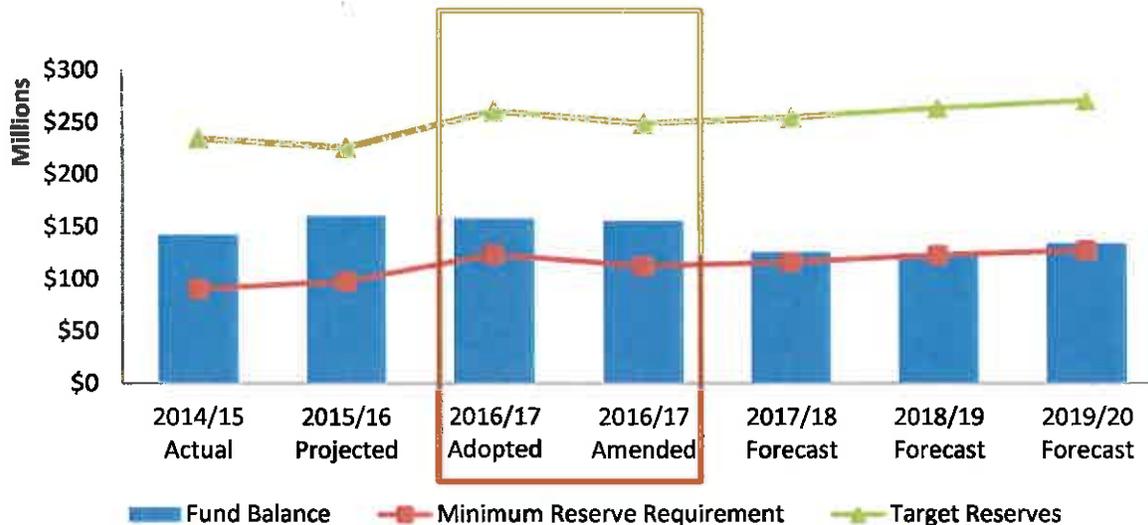
Table 6: Repayment Schedule of Inter-Fund Loans (\$Millions)

Inter Fund Loan Issued	From	To	Loan Amount	Proposed Repayment Amount FY 2016/17	Repayment Schedule
2007/08	NC fund	WC fund	\$9.0	\$0	2019/20 \$2.0 2020/21 \$2.0 2021/22 \$2.0 2022/23 \$2.0 2023/24 \$1.0 Total \$9.0
	RC fund	WC fund	\$3.0	\$0	2022/23 \$1.0 2023/24 \$1.0 2024/25 \$1.0 Total \$3.0
2009/10	NC fund	WC fund	\$6.0	\$0	2023/24 \$1.0 2024/25 \$2.0 2025/26 \$3.0 Total \$6.0
	RC fund	WC fund	\$10.5	\$0	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5 Total \$10.5
2014/15	GG fund	WW fund	\$4.3	\$0	Board to approve request from member agencies to forgive loan
2016/17	RO fund	WW fund	\$3.2	\$0	2024/25 \$0.5 2025/26 \$0.5 2026/27 \$0.5 2027/28 \$0.5 2028/29 \$0.5 2029/30 \$0.5 2030/31 \$0.2 Total \$3.2
	Grand Total		\$36.0	\$0	\$36.0

Consolidated Fund Balance

Based on net changes to total revenues and expenses, the consolidated fund balance is projected to be \$2.5 million lower; decreased from \$157.8 million to \$155.3 million at the end of FY 2016/17 as shown in Figure 1.

Figure 1: Consolidated Fund Balance (\$Millions)



Offsetting the proposed reduction in total revenues and other funding sources and proposed increase in total expenses and other uses of funds is a higher projected ending fund balance for FY 2015/16. The projected ending fund balance for the current fiscal year is projected be approximately \$30 million higher than estimated in the FY 2015/16 adopted budget. The primary driver for the projected higher ending fund balance is lower capital project costs and higher than anticipated property tax receipts.

Non Reclaimable Wastewater (NC) Fund

The NC fund records the transactions for the acquisition, construction, expansion, replacement, and operation of the Agency’s non-reclaimable wastewater sewer lines, interceptors, and appurtenant facilities. The primary funding source for the NC fund are the pass-through rates from the Sanitation District of Los Angeles County (SDLAC) for the north system and the Santa Ana Watershed Project Authority (SAWPA) for the south system. As a result, the north and south systems have different rate structures and rates.

On average, the amended rates for FY 2016/17 for the north system are decreasing by 9% and the south system rates are increasing by 3%. A key change for the north system is the reduction in total capacity units (CU) allocated to the industries from 13,611 to 13,505 CUs. In accordance with the agreement, total CUs are adjusted annually based on the prior fiscal year’s actual flow and strength data.

On May 19, 2016 Agency staff facilitated a workshop for the NRW industries to provide an overview of the proposed rates for FY 2016/17. Listed in Table 7 are the pass-through rates for FYs 2015/16 and 2016/17 for the north and south systems.

Table 7: NRW North and South System Pass-Through Rates

Rate Description	Current FY 2015/16	Amended FY 2016/17
North System	13,011 CU	13,505 CU
Flow/mg	\$948	\$915
COD/klb	\$210	\$180
TSS/klb	\$433	\$436
Peak/mg	\$360	\$348
CU Purchase	\$5,150	\$4,172
CU Lease	\$257.50/CU/Yr.	\$208.60/CU/Yr.
South System		
Capacity/CU	\$351.17	\$368.76
Flow/mg	\$817.00	\$858.00
BOD/klb	\$301.00	\$307.00
TSS/klb	\$420.00	\$429.00

In addition to the pass-through rates which fully recover operating and capital costs from SDLAC and SAWPA, the Agency collects a capacity charge from the NRW industries in the north system. A 50% operating surcharge on the volumetric, capacity and strength charges for non-recycled water users is collected from NRW industries in the south system. The Agency's capacity charge and operating surcharge support the Agency's program costs. For FY 2016/17, the north system capacity charge is \$26.54 per CU.

The NC fund FY 2016/17 amended revenue and other funding sources are estimated at \$11.4 million, a decrease of 3.1 million compared to the adopted budget of \$14.5 million. The decrease is primarily due to a decrease in user charges due to reduced pass-through excess strength charges from SDLAC and the deferral for repayment of the inter fund loan due from the WC fund to FY 2019/20. Table 8 highlights the changes in major revenue and other funding sources.

Table 8: NC Fund Major Revenues and Other Funding Sources

\$Millions	Major Funding Sources	Adopted FY2016/17	Amended FY 2016/17	Increase (Decrease)	Key Assumptions
Non-Reclaimable (NC) fund	Other Revenues	\$2.4	\$0.3	(\$2.1)	Deferral of \$2 million inter-fund loan repayment from WC fund to FY 2019/20
	Excess User Fees (SS)	4.8	3.7	(1.1)	Fees for wastewater strength composition*
	Agency Program Charges	4.7	4.8	0.1	Administrative, operational, and capacity surcharges, which includes a portion of the Agency capital costs.
	Volumetric Fees	2.0	2.0	0.0	Monthly fee based on adopted fees and metered wastewater flows.

\$Millions	Major Funding Sources	Adopted FY2016/17	Amended FY 2016/17	Increase (Decrease)	Key Assumptions
	Capacity Fees	0.6	0.6	0.0	Monthly fee charged to the holders of capacity rights in the South system to cover capital.
	Total	\$14.5	\$11.4	(\$3.1)	

*Strength charges are calculated on Total Suspended Solids (TSS), Chemical Oxygen Demand (COD), and Biochemical Oxygen Demand (BOD).

The amended NC fund FY 2016/17 total expenses and other uses of funds are estimated at \$11.9 million; approximately \$0.4 million lower than the adopted budget of \$12.3 million (Table 9). The decrease is mainly due to lower excess strength pass-through charges from SDLAC; partially offset by an increase in SAWPA capital expenditures.

Table 9: NC Fund Major Expenses & Other Uses of Funds

\$Millions	Major Uses of Funds	Adopted FY 2016/17	Amended FY 2016/17	Increase (Decrease)	Key Assumptions
Non-Reclaimable (NC) fund	Operating Fees	\$7.2	\$6.1	(\$1.1)	SDLAC and SAWPA pass through fees
	Capital Expenditures	1.1	1.7	0.6	Includes \$0.7M SDLAC capital charges (4R's) funded through the SRF loan and capital project costs.
	Other Expenses	0.1	0.2	0.1	Capital transfer to support agency-wide asset acquisition.
	Administration & Operations	3.4	3.4	0.0	Agency employment, chemicals, materials & supplies, professional fees, utilities, and other operating costs. Also includes Regional Brine Management pipe cleaning, and meter maintenance costs to support the Agency's NRW system.
	Debt Service	0.5	0.5	0.0	2008A Bond and inland Empire Brine Line loan principal and interest payments.
	Total	\$12.3	\$11.9	(\$0.4)	

Capital expenditures are also increasing from the adopted budget at \$1.1 million to \$1.7 million. A list of major capital projects is provided in Table 10.

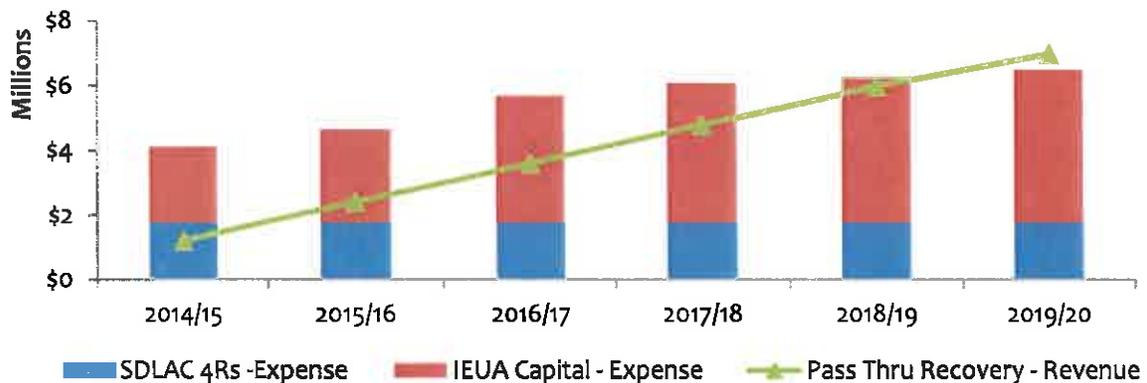
Table 10: NC Fund Changes in Major Capital Projects

\$Millions	Project	Adopted FY 2016/17	Amended FY 2016/17
NC Fund Capital Projects	NRW Manhole Upgrade	\$0.35	\$0.35
	SBCFCD NRW Easement	0.0	0.52
	NRW East End Flowmeter Replacement	0.0	0.18
	Sub-total	\$0.35	\$1.05
	SDLAC Capital Replacement 4Rs SRF Installment	0.74	0.69
	Total Capital Projects	\$1.09	\$1.74

For the past years, recovery of the Agency capital expenditures has been deferred until the outstanding SDLAC relocation, reconstruction, repair, and replacement (4Rs) capital costs were fully paid in FY 2015/16. Deferring recovery of the Agency’s capital costs and the Board’s agreement to use NC fund reserves to support the repayment of SDLAC SRF loan significantly helped to mitigate the fiscal impact to the north system NRW customers resulting from the negotiation of the new agreement with SCLAC in 2014.

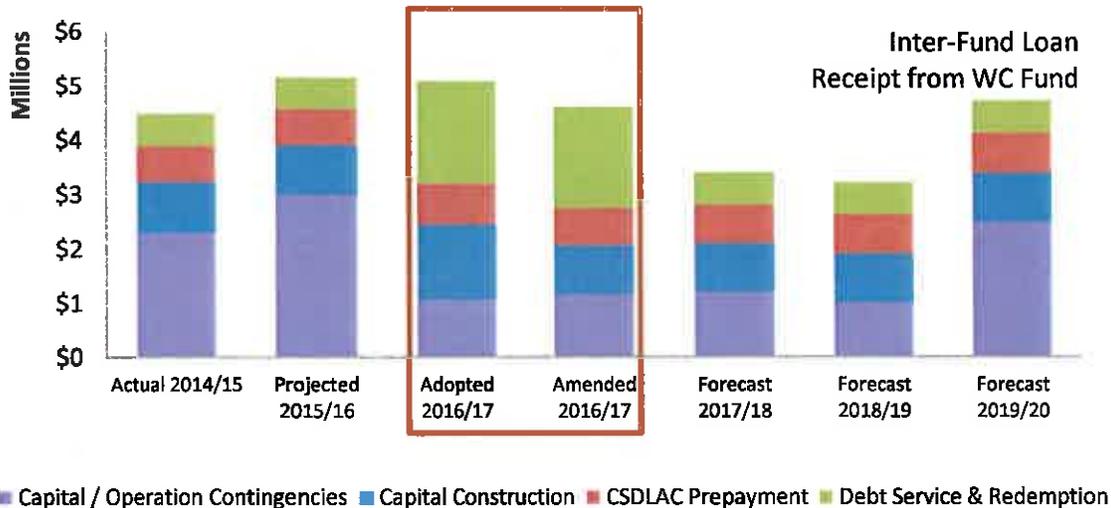
Starting in FY 2016/17, the Agency’s capital expenditures will be recovered through the collection of \$1.2 million from the north NRW users. Full recovery of the Agency’s capital cost is projected to be reached in FY 2019/20 (Figure 2).

Figure 2: Recovery of Capital Expenditures



The FY 2016/17 ending fund balance is projected to be \$4.6 million, approximately \$0.5 million lower than the adopted budget’s fund balance of \$5.1 million. Future receipt of the inter-fund loan repayment from the WC fund is projected to improve the ending fund balance beginning in FY 2019/20 (Figure 3).

Figure 3: NC Fund Reserve by Type



Water Resources (WW) Fund

Proposed Water Rates

In 2014 the Agency engaged Carollo Engineering to perform a rate study analysis of the potable water rates. The study identified some structural deficiencies in the existing rate structure. The final report issued in March 2015 (IEUA 2015 Water Rate Study) recommended restructuring of the rates to better align the collection and incurrence of program costs. Given the potential fiscal impact to ratepayers, water member agencies requested, and the Board agreed, to defer implementation of the proposed rate re-structuring to FY 2016/17. As a result, the water rates remained unchanged in FY 2015/16.

AF Surcharge

The AF surcharge, currently at \$15 per acre foot (AF), applied to MWD imported water deliveries will be eliminated on September 30, 2016. Under the proposed water rates, program costs partially supported by the AF surcharge will be supported by the meter equivalent unit (MEU) rate effective October 1, 2016.

Readiness to Serve (RTS) Pass-Through Fees

Currently IEUA collects the MWD RTS pass-through fees through the monthly meter charge. The meter charge is based on an account or fixed basis regardless of the meter size. MWD bills RTS based on water use over a ten year rolling average (TYRA). Under the proposed restructuring, the Agency will pass through RTS using MWD's TYRA methodology. This change has a significant impact to water agencies that purchase a greater portion of the MWD water deliveries. Member agencies requested an extended phase-in period of seven (7) years in alignment with the implementation of the proposed recycled water surcharge for use over entitlement (Resolution No. 2016-6-17).

Monthly Meter Charge/MEU Rate

Under the proposed rates, the monthly meter charge rate will be restructured from an account based to a MEUs, effective October 1, 2016. One MEU will be equivalent to a 5/8" or 3/4" meter. A higher MEU will be applied to larger size meters. For example, a 1" meter will be equivalent 2.5 MEUs. The revenue generated from MEUs will support the water resource program costs, a portion of which was previously supported by the acre foot (AF) surcharge rate.

The use of the MEU rate to support a primarily "fixed" program cost will provide more stable funding for the management of regional water resource initiatives, including the Agency's regional conservation and water use efficiency programs.

Proposed Water Rates

Since January 2016, numerous review sessions with the water member agencies were held to analyze the program costs to be supported by the proposed water rates. Throughout this review period, significant changes were made to refine the program costs to be supported by the proposed rates and the implementation period. Some of the significant changes include;

- Removal of direct costs associated with the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), Integrated Water Resources Plan (IRP) Phase II projects, and purchases of supplemental water supplies from program costs to be supported by the MEU rate,
- Seven year phased implementation of the MWD RTS Ten Year Rolling Average (TYRA) direct charge to member agencies,
- Use of property taxes to cover the RTS fees not recovered through the TYRA direct charge during the seven year implementation period,
- Reduction in the minimum fund balance reserves from \$6 million to \$1.6 million (Operating Contingency only). The significant reduction is due to the elimination of the reserve to support payment to MWD in the event of default by a water agency. The recommendation from the member agencies is for the Agency to rely on reserves already maintained by each of the water agencies. The Agency's Water Ordinance 104 was updated to reflect this, and
- Forgiveness of the \$4.3 million inter-fund loans due to the GG fund by the WW fund, as formally requested the member agencies on May 11, 2016.

All of these significant changes, including the forgiveness of the inter-fund loans, are reflected in the proposed rates as summarized in Table 11.

Table 11: Proposed Multi-Year Water Rates

	FY 2015/16 Current	FY 2016/17 Amended	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
AF Surcharge	\$15.0	*\$15.00	n/a	n/a	n/a	n/a	n/a	n/a
RTS Ten Year Rolling Average	n/a	15% ~\$7.82	30% ~\$16.02	45%	60%	75%	90%	100%
Water Meter Rate/Account	\$2.105	*\$2.105	n/a	n/a	n/a	n/a	n/a	n/a
MEU	n/a	\$0.90	\$0.95	\$0.99	\$1.04	Adjustments based on CPI		

*Only effective through September 30, 2016.

Other Funding Sources

Beginning in FY 2014/15, the Board approved the reallocation of \$1.5 million annually of property taxes from the GG fund to the WW fund to support program costs not covered by existing rates and charges. In addition to the \$3 million of property tax reallocated to date (\$1.5 million in FY 2014/15 and \$1.5 million in FY 2016/17), additional transfers will be needed to support the seven year phased implementation of the RTS TYRA, as well as regional water resources initiatives not supported by the proposed rates, such as SARCCUP, IRP Phase II drought resiliency projects, and supplemental water purchases and storage.

To appropriately support these regional water resource initiatives not supported by the proposed rates, the property tax allocation to the WW fund will need to be increased. In order to mitigate the impact to the other funds receiving property taxes and sustain the current level of funding, the future property tax receipts in excess of \$13.7 million, (\$9.5 million to RO, \$2.2 million to WC and \$2.0 million to GG) will be reallocated to the WW fund. The sum allocation to the RO, WC, GG and WW funds of \$13.7 million represents approximately 35% of the Agency’s total property tax receipts. No change is proposed for the remaining 65% allocated to the RC fund. Consistent with past practice, the RC fund will continue to be allocated approximately 65% of total property tax receipts, including related future growth. Table 12 provides a summary of projected property taxes to be reallocated to the WW fund.

Table 12: Reallocation of Property Taxes to WW Fund

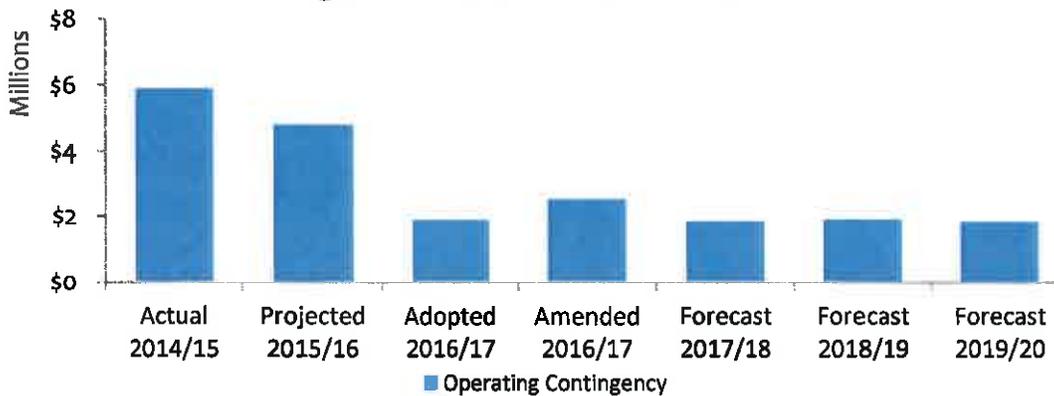
\$ Millions	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/22	Total
Property Taxes (RTS Deficit)	\$2.7	\$2.3	\$1.8	\$1.4	\$0.9	\$0.4	\$9.5
Other property tax support	\$1.2	\$0.1	\$2.3	\$2.8	\$2.7	\$3.5	\$12.6
Total Property Tax Allocation	\$3.9	\$2.4	\$4.1	\$4.2	\$3.6	\$3.9	\$22.1

In addition to the property tax allocations, inter-fund loans have also been needed to support program costs in prior years. At the end of FY 2014/15 a total of \$4.3 million in inter-fund loans

was issued to support both operating costs (\$1.3 million) and expansion of the turf removal program (\$3 million) in response to the drought crisis. Reflected in the proposed water rates is Board approval to forgive repayment of this inter-fund loan in FY 2015/16. Another \$3.2 million loan from the RO fund is proposed in FY 2016/17 to support the purchase of supplemental water supplies.

The WW fund estimated ending fund balance for FY 2016/17 of \$2.5 million is slightly higher than the \$1.9 million reported in the adopted budget. As shown in Figure 4 below, the fund balance is projected to slightly decline over the ensuing three fiscal years. The primary drivers are higher project expenditures such as the SARCCUP and other regional water resources initiatives beginning in FY 2017/18.

Figure 4: WW Fund Reserve Balance



Adopted Multi-Year Rates

In May 2015, the Board adopted multi-year rates for the wastewater connection fee, EDU volumetric rate, new water connection fee, and recycled water rates. To lessen the impact on the development community, the increase to the connection fees as recommended by the rate study were phased in over multiple years. No change is proposed for the adopted multi-year rates for the Regional Wastewater and Recycled Water programs.

New Connection Fees

The new connection fees for FY 2016/17 will include different rates for the first and second half of the fiscal year; \$5,415 per unit, from July 1, 2016 to December 31, 2016, and \$6,009 per unit starting January 1, 2017 through June 30, 2017 (Table 13).

Table 13: Adopted Wastewater Connection Fee Rates

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

EDU Volumetric Rate

To achieve full cost of service, or recovery of O&M, replacement and rehabilitation (R&R), and debt service costs, the Board adopted the rates for FYs 2015/16 to 2019/20, as shown in Table 14. Effective July 1, 2016, the monthly EDU volumetric rate will be \$17.14 per EDU.

Table 14: Adopted EDU Volumetric Rates

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

Water Connection Fee

The new water connection fee was initially set at \$693 per MEU per residential unit (based on 5/8" and 3/4" meter sizes) with an effective date of January 1, 2016, as reported on Table 15. This represents 50 percent of the proposed rate in 2015 Water Connection Fee Update Final Report (April 16, 2015). Additionally, to lessen the impact on new development, the implementation of the proposed fees is phased in over a period of 18 months with annual adjustment of 5 percent beginning January 1, 2017.

Table 15: Adopted Water Connection Fee

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

Recycled Water Rates

As recommended by the Board in May 2015, the adopted five (5) year recycled water rates as indicated in Table 16, achieve full cost of service over three years, and comply with the threshold established by the Board to keep recycled water rates at 70 percent of the MWD Untreated Tier 1 rate. The "70 percent" threshold ensures that rates remain affordable and recycled water continues to be a good value for the region.

Table 16: Recycled Water Program Proposed Multi-Year Rates

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

Conclusion

The Agency is committed to adopt rates and fees that fully recover the cost of providing the services. Adoption of multi-year rates has allowed the Agency to implement incremental annual adjustments that help to mitigate the fiscal impact to its member agencies and their ratepayers. Achieving full cost of service funding for the Agency’s essential programs is crucial in maintaining a high quality level of service and in safeguarding the Agency’s financial position (funding and appropriation commitment under the Fiscal Responsibility Business goal). The rates adopted in 2015 for the five-year period support this commitment, as well as the proposed new water rates for FYs 2016/17 – 2019/20.

Member water agencies and other stakeholders collaborated closely with Agency staff in reviewing and evaluating the proposed changes to existing water rate structure and the proposed implementation period. The proposed changes to the water rate structure will more equitably collect costs and provide more stable revenue to support program costs. Providing reliable and sustainable water supplies is essential to ensuring the region can continue to prosper from future economic development.

The proposed amended budget for the Agency’s programs is consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices*.

PRIOR BOARD ACTION

On June 20, 2015, the Board adopted the biennial FYs 2015/16 and 2016/17 Operating Budget and FY’s 2015/16 through 2024/25 TYCIP.

IMPACT ON BUDGET

None.

Attachments:

Appendix A – The Sources and Uses of Fund reports for All Funds (Consolidated), NC, WW, RC, RO, WC, RW, and GG funds

Appendix A
INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2016/17 BUDGET UPDATE
ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)

	2014/2015	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
User Charges	\$63,557	\$67,041	\$67,582	\$76,665	\$71,875
Property Tax - O&M	1,828	1,793	1,972	1,891	1,972
Cost Reimbursement from JPA	5,256	5,483	5,117	5,738	5,913
Contract Cost reimbursement	752	2,453	2,398	1,593	1,618
Interest Revenue	436	1,036	634	1,321	609
Recycled Water Sales	12,047	14,022	14,022	17,814	17,814
Water Sales	34,147	34,659	26,514	42,062	28,671
TOTAL REVENUES	\$118,023	\$126,486	\$118,239	\$147,085	\$128,473
OTHER FINANCING SOURCES					
Property Tax - Debt , Capital, Reserves	\$39,118	\$39,364	\$44,184	\$40,500	\$42,733
Connection Fees	15,074	23,329	23,261	30,636	20,068
State Loans	22,714	15,202	5,002	23,641	17,293
Grants	5,918	8,942	4,686	7,710	10,715
Capital Contract Reimbursement	714	2,931	1,634	5,419	5,675
Other Revenues	1,330	895	1,389	913	875
Sale of Capacity	0	0	215	0	0
Loan Transfer from Internal Fund	14,808	2,000	0	2,000	3,200
TOTAL OTHER FINANCING SOURCES	\$99,675	\$92,664	\$80,371	\$110,819	\$100,659
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$217,698	\$219,150	\$198,610	\$257,904	\$229,032
EXPENSES					
Employment Expense	\$36,510	\$41,183	\$40,178	\$42,737	\$43,326
Contract Work/Special Projects	5,045	28,235	10,326	16,117	23,709
Utilities	9,064	11,100	9,700	11,617	11,608
Operating Fees	12,599	13,334	12,329	13,651	11,791
Chemicals	4,192	4,641	4,498	4,524	4,674
Professional Fees and Services	7,133	9,874	9,267	8,539	9,794
Office and Administrative Expense	1,614	1,852	1,662	2,465	2,608
Biosolids Recycling	3,800	4,359	4,335	4,300	4,469
Materials & Supplies	2,273	2,912	2,990	2,883	2,867
MWD Water Purchases	34,147	34,659	29,460	42,062	31,856
Other Expenses	1,454	1,697	1,424	1,596	1,652
TOTAL EXPENSES	\$117,832	\$153,844	\$126,168	\$150,492	\$148,355
CAPITAL PROGRAM					
CSDLAC 4Rs	\$658	\$738	\$673	\$738	\$689
IERCA investment	0	0	0	500	500
Capital Construction & Expansion	53,161	51,306	32,558	51,292	59,199
TOTAL CAPITAL PROGRAM	\$53,819	\$52,043	\$33,231	\$52,530	\$60,388
DEBT SERVICE					
Financial Expenses	\$3,752	\$549	\$240	\$349	\$349
Interest	9,616	9,601	9,285	9,810	9,638
Principal	26,655	11,281	11,827	12,528	11,999
Short Term Inter-Fund Loan	14,808	2,032	0	2,032	3,216
TOTAL DEBT SERVICE	\$54,831	\$23,463	\$21,351	\$24,718	\$25,201
TRANSFERS IN (OUT)					
TOTAL INTERFUND TRANSFERS IN (OUT)					
FUND BALANCE					
Net Increase (Decrease)	(\$8,784)	(\$10,199)	\$17,859	\$30,165	(\$4,912)
Beginning Fund Balance July 01	\$151,132	\$142,348	\$142,348	\$127,671	\$160,207
ENDING BALANCE AT JUNE 30	\$142,348	\$132,148	\$160,207	\$157,836	\$155,296
RESERVE BALANCE SUMMARY					
Operating Contingency	\$31,618	\$27,937	\$32,099	\$27,997	\$30,011
Capital Construction	6,667	2,589	18,292	6,364	23,652
CCRA Capital Construction	41,023	43,824	40,472	45,913	32,608
Water Connection	0	0	0	0	1,088
Rehabilitation/Replacement (R&R)	26,495	17,912	30,210	26,830	8,677
CSDLAC Prepayment	658	738	673	738	689
Debt Service	20,169	22,107	22,145	29,370	25,758
Self-Insurance Program	6,000	6,000	6,000	6,000	6,000
Employee Retirement Benefit	9,697	11,043	10,316	14,625	8,024
Sinking Fund	0	0	0	0	18,788
ENDING BALANCE AT JUNE 30	\$142,348	\$132,148	\$160,207	\$157,836	\$155,296

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEAR 2016/17 BUDGET UPDATE
 GG FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
Property Tax	\$1,828	\$1,793	\$1,972	\$1,891	\$1,972
Cost Reimbursement from JPA	1,238	1,391	1,391	1,439	1,473
Contract Cost reimbursement	-	-	-	-	-
Interest Revenue	87	215	215	279	100
TOTAL REVENUES	\$3,153	\$3,398	\$3,578	\$3,610	\$3,545
OTHER FINANCING SOURCES					
Other Revenues	\$157	\$34	\$34	\$34	\$2
Sale of Capacity	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$157	\$34	\$34	\$34	\$2
EXPENSES					
Employment Expenses	\$1,319	\$2,030	\$1,964	\$2,137	\$1,472
Contract Work/Special Projects	387	1,425	1,513	450	1,793
Utilities	438	699	678	723	703
Operating Fees	7	6	6	6	10
Professional Fees and Services	2,651	4,254	4,243	3,967	4,883
Office and Administrative expenses	1,537	1,370	1,380	1,983	2,126
Biosolids Recycling	33	25	25	25	25
Materials & Supplies	418	438	514	505	488
Other Expenses	(1,103)	(7,921)	(8,445)	(7,202)	(7,662)
TOTAL EXPENSES	\$5,686	\$2,327	\$3,879	\$2,594	\$3,838
CAPITAL PROGRAM					
Capital Expansion & Construction	\$1,098	\$1,770	\$2,058	\$938	\$2,855
Rehab & Replacement	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$1,098	\$1,770	\$2,058	\$938	\$2,855
DEBT SERVICE					
Financial Expenses	\$3,503	\$18	\$18	\$18	\$21
Interest	0	0	0	0	0
Principal	0	0	0	0	0
TOTAL DEBT SERVICE	\$7,811	\$2,018	\$18	\$18	\$21
TRANSFERS IN (OUT)					
Capital Contribution	\$1,098	\$1,638	\$1,630	\$571	\$2,487
Capital - Connection Fees Allocation	-	684	401	355	355
One Water	-	27	27	13	13
Property Tax Transfer	-	-	-	-	(2,000)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,098	\$2,349	\$2,058	\$938	\$855
FUND BALANCE					
Net Income (Loss)	(\$10,188)	(\$334)	(\$285)	\$1,031	(\$2,312)
Beginning Fund Balance July 01	\$28,528	\$18,340	\$18,340	\$20,691	\$18,055
ENDING FUND BALANCE AT JUNE 30	\$18,340	\$18,006	\$18,055	\$21,722	\$15,743
RESERVE BALANCE SUMMARY					
Operating Contingency	\$2,643	\$963	\$1,739	\$1,097	\$1,719
Self-insurance Program	6,000	6,000	6,000	6,000	6,000
Employee Retirement Benefit	9,697	11,043	10,316	14,625	8,024
ENDING BALANCE AT JUNE 30	\$18,340	\$18,006	\$18,055	\$21,722	\$15,743

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEAR 2016/17 BUDGET UPDATE
 NC FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
User Charges	\$10,902	\$11,725	\$11,041	\$12,144	\$11,052
Interest Revenue	35	85	35	90	90
TOTAL REVENUES	\$10,938	\$11,810	\$11,076	\$12,234	\$11,142
OTHER FINANCING SOURCES					
Other Revenues	\$355	\$117	\$569	\$117	\$110
Loan Transfer from Internal Fund	0	0	0	2,000	0
TOTAL OTHER FINANCING SOURCES	\$355	\$117	\$784	\$2,117	\$110
EXPENSES					
Employment Expenses	\$2,195	\$2,030	\$1,964	\$2,137	\$2,121
Contract Work/Special Projects	55	226	16	210	210
Utilities	83	72	74	75	86
Operating Fees	6,662	7,020	6,451	7,231	6,074
Chemicals	101	170	170	175	175
Professional Fees and Services	33	150	144	148	173
Biosolids Recycling	12	25	25	25	25
Materials & Supplies	53	108	109	107	107
Other Expenses	93	598	488	530	562
TOTAL EXPENSES	\$9,288	\$10,401	\$9,441	\$10,639	\$9,534
CAPITAL PROGRAM					
CSDLAC 4Rs SRF Loan	\$658	\$738	\$673	\$738	\$689
Capital Expansion/Construction	2,356	1,218	551	350	1,040
TOTAL CAPITAL PROGRAM	\$3,015	\$1,956	\$1,224	\$1,088	\$1,729
DEBT SERVICE					
Financial Expenses	(\$8)	\$2	\$2	\$2	\$1
Interest	473	385	449	376	425
Principal	150	159	159	168	159
TOTAL DEBT SERVICE	\$615	\$545	\$609	\$546	\$584
TRANSFERS IN (OUT)					
Capital Contribution	(\$37)	(\$56)	(\$55)	(\$19)	(\$85)
Property Tax Transfer	0	194	130	134	134
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$37)	\$139	\$75	\$115	\$50
FUND BALANCE					
Net Income (Loss)	(\$1,662)	(\$836)	\$661	\$2,194	(\$545)
Beginning Fund Balance July 01	\$6,163	\$4,502	\$4,502	\$2,900	\$5,162
ENDING FUND BALANCE AT JUNE 30	\$4,502	\$3,666	\$5,162	\$5,094	\$4,617
RESERVE BALANCE SUMMARY					
Operating Contingency	\$2,295	\$1,547	\$3,001	\$1,066	\$1,153
Capital Construction	939	835	904	1,388	904
CSDLAC Prepayment	658	738	673	738	689
Debt Service	609	546	584	1,902	1,871
ENDING BALANCE AT JUNE 30	\$4,502	\$3,666	\$5,162	\$5,094	\$4,617

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEAR 2016/17 BUDGET UPDATE
 RC FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/15	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
Contract Cost reimbursement	\$12	\$0	\$0	\$0	\$0
Interest Revenue	94	365	128	545	135
TOTAL REVENUES	\$105	\$365	\$128	\$545	\$135
OTHER FINANCING SOURCES					
Property Tax - Debt and Capital	\$26,414	\$26,752	\$28,212	\$27,554	\$29,058
Regional System Connection Fees	15,074	22,647	22,647	26,161	17,136
State Loans	0	2,888	0	0	2,888
Grants	50	0	0	0	0
Other Revenues	0	6	1	6	6
TOTAL OTHER FINANCING SOURCES	\$41,538	\$52,292	\$50,860	\$53,721	\$49,088
EXPENSES					
Employment Expenses	\$3,230	\$3,535	\$3,437	\$3,171	\$4,021
Contract Work/Special Projects	1,007	908	307	750	2,950
Operating Fees	233	240	240	247	247
Professional Fees and Services	312	321	345	299	399
Other Expenses	1,457	1,605	1,310	1,790	1,899
TOTAL EXPENSES	\$6,239	\$6,609	\$5,638	\$6,258	\$9,516
CAPITAL PROGRAM					
IERCA investment	\$0	\$0	\$0	\$500	\$500
Work In Progress	4,318	14,015	9,580	14,845	19,504
TOTAL CAPITAL PROGRAM	\$4,318	\$14,015	\$9,580	\$15,345	\$20,004
DEBT SERVICE					
Financial Expenses	\$207	\$381	\$45	\$248	\$233
Interest	6,204	6,043	5,775	6,125	5,991
Principal	23,083	7,078	7,074	7,279	7,274
Short Term Inter-Fund Loan	10,500	0	0	0	0
TOTAL DEBT SERVICE	\$39,994	\$13,502	\$12,894	\$13,652	\$13,499
TRANSFERS IN (OUT)					
Capital Contribution	(\$1,023)	(\$1,608)	(\$1,520)	\$1,014	(\$1,943)
Debt Service	(350)	(1,925)	(1,925)	(1,964)	(1,937)
Operation support	0	(6,000)	0	0	0
Capital - Connection Fees Allocation	0	(4,318)	(4,780)	(4,600)	(4,600)
TOTAL INTERFUND TRANSFERS IN (OUT)	(1,373)	(13,852)	(8,224)	(5,550)	(8,480)
FUND BALANCE					
Net Income (Loss)	(\$10,282)	\$4,680	\$14,652	\$13,461	(\$2,276)
Beginning Fund Balance July 01	65,455	55,174	55,174	53,321	69,825
ENDING FUND BALANCE AT JUNE 30	\$55,174	\$59,853	\$69,825	\$66,782	\$67,549
RESERVE BALANCE SUMMARY					
Capital Construction	\$32	\$441	\$13,765	\$1,724	\$16,667
CCRA Capital Construction	41,023	43,824	40,472	45,913	32,608
Debt Service	0	15,588	15,588	16,144	15,273
Sinking Fund	0	0	0	0	3,000
ENDING BALANCE AT JUNE 30	\$55,174	\$59,853	\$69,825	\$66,782	\$67,549

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

	2014/2015	2015/16	2015/16	2016/17	2016/17
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
User Charges	\$46,965	\$49,696	\$50,921	\$55,023	\$56,381
Cost Reimbursement JPA	3,423	3,350	3,240	3,526	3,526
Contract Cost Reimbursement	123	531	531	93	93
Interest Revenue	195	154	154	150	182
TOTAL REVENUES	\$50,706	\$53,731	\$54,846	\$58,792	\$60,182
OTHER FINANCING SOURCES					
Property Tax Revenues	\$9,140	\$9,054	\$9,549	\$9,326	\$9,549
State Loans	0	948	0	7,657	7,657
Grants	332	3,525	525	3,525	3,525
Other Revenues	763	738	738	757	757
TOTAL OTHER FINANCING SOURCES	\$10,235	\$14,265	\$10,812	\$21,264	\$21,487
EXPENSES					
Employment Expenses	\$24,338	\$27,887	\$26,973	\$29,348	\$29,552
Contract Work/Special Projects	1,053	12,065	3,354	4,110	7,640
Utilities	6,398	7,331	6,595	7,687	7,690
Operating Fees	1,819	2,283	1,847	2,339	1,915
Chemicals	4,092	4,471	4,328	4,349	4,499
Professional Fees and Services	2,979	3,640	2,922	2,721	2,812
Office and Administrative expenses	20	406	206	406	406
Biosolids Recycling	3,755	4,233	4,223	4,188	4,354
Materials & Supplies	1,621	2,096	2,113	2,020	2,028
Other Expenses	741	5,652	4,623	4,857	5,149
TOTAL EXPENSES	\$46,815	\$70,064	\$57,183	\$62,025	\$66,046
CAPITAL PROGRAM					
Capital Construction & Expansion (WIP)	9,336	\$12,588	\$8,899	\$11,794	\$19,281
TOTAL CAPITAL PROGRAM	\$9,336	\$12,588	\$8,899	\$11,794	\$19,281
DEBT SERVICE					
Financial Expenses	(\$5)	\$2	\$0	\$2	\$0
Interest	159	214	214	214	214
Short Term Inter-Fund Loan	0	0	0	0	3,200
TOTAL DEBT SERVICE	\$154	\$216	\$214	\$216	\$3,415
TRANSFERS IN (OUT)					
Capital Contribution	\$1,274	\$82	\$1,727	(\$1,545)	\$1,025
Operation support	0	6,000	0	0	0
Capital - Connection Fees Allocation	0	3,440	4,249	4,111	4,111
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,274	\$9,522	\$5,976	\$2,566	\$5,136
FUND BALANCE					
Net Income (Loss)	\$5,909	(\$5,350)	\$5,337	\$8,589	(\$1,936)
Beginning Fund Balance July 01	\$36,306	\$42,215	\$42,215	\$32,053	\$47,553
ENDING FUND BALANCE AT JUNE 30	\$42,215	\$36,865	\$47,553	\$40,642	\$45,617
RESERVE BALANCE SUMMARY					
Operating Contingency	\$15,605	\$19,238	\$17,628	\$18,500	\$19,840
Rehabilitation/Replacement (R&R)	26,395	17,412	29,710	20,830	8,677
Debt Service	216	216	216	1,312	1,312
Sinking Fund	0	0	0	0	15,788
ENDING BALANCE AT JUNE 30	\$42,215	\$36,865	\$47,553	\$40,642	\$45,617

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEAR 2016/17 BUDGET UPDATE
 RW FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/16	2015/16	2016/17	2016/17
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
User Charges					
Property Tax - O&M					
Cost Reimbursement from JPA	\$595	\$742	\$486	\$773	\$915
Contract Cost reimbursement	0	50	0	0	60
Interest Revenue	13	10	10	10	10
TOTAL REVENUES	\$608	\$802	\$496	\$783	\$985
OTHER FINANCING SOURCES					
Capital Contract Reimbursement	\$604	\$1,487	\$1,506	\$4,701	\$4,539
Other Revenues	23	0	34	0	0
TOTAL OTHER FINANCING SOURCES	\$697	\$1,487	\$1,540	\$4,761	\$4,599
EXPENSES					
Employment Expenses	\$398	\$650	\$628	\$684	\$679
Contract Work/Special Projects	0	140	0	0	120
Utilities	112	122	122	122	104
Operating Fees	4	7	7	5	7
Professional Fees and Services	183	647	643	593	687
Office and Administrative expenses	8	16	16	16	16
Expense Allocation	0	76	62	61	65
Materials & Supplies	67	86	86	83	86
TOTAL EXPENSES	\$772	\$1,742	\$1,563	\$1,564	\$1,762
CAPITAL PROGRAM					
CSDLAC 4Rs	\$0	\$0	\$0	\$0	\$0
Capital Expansion/Construction	\$758	\$1,816	\$1,521	\$4,735	\$4,620
TOTAL CAPITAL PROGRAM	\$758	\$1,816	\$1,521	\$4,735	\$4,620
DEBT SERVICE					
Financial Expenses	\$86	\$145	\$212	\$78	\$92
Interest	7	143	30	273	205
Principal	607	632	632	647	647
TOTAL DEBT SERVICE	\$700	\$920	\$874	\$999	\$945
TRANSFERS IN (OUT)					
Capital Contribution	\$338	\$315	\$251	\$440	\$457
Debt Service	350	460	460	499	472
Operation support	400	466	466	791	506
Property Tax Transfer	0	62	62	96	96
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,088	\$1,302	\$1,239	\$1,826	\$1,531
FUND BALANCE					
Net Income (Loss)	\$162	(\$887)	(\$684)	\$73	(\$211)
Beginning Fund Balance July 01	\$3,413	\$3,575	\$3,575	\$2,743	\$2,890
ENDING FUND BALANCE AT JUNE 30	\$3,575	\$2,687	\$2,890	\$2,816	\$2,679
RESERVE BALANCE SUMMARY					
Operating Contingency	\$2,614	\$1,688	\$1,891	\$1,798	\$587
Capital Construction	500	500	500	500	1,056
Debt Service	460	499	499	518	1,036
ENDING BALANCE AT JUNE 30	\$3,575	\$2,687	\$2,890	\$2,816	\$2,679

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2016/17 BUDGET UPDATE
WC FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2014/2015 ACTUAL	2015/2016 AMENDED BUDGET	2015/2016 PROJECTED ACTUAL	2016/2017 ADOPTED BUDGET	2016/2017 AMENDED BUDGET
REVENUES					
Contract Cost reimbursement	\$480	\$5	\$0	\$0	\$0
Interest Revenue	0	192	77	216	84
Water Sales	12,047	14,022	14,022	17,814	17,814
TOTAL REVENUES	\$12,527	\$14,219	\$14,099	\$18,030	\$17,898
OTHER FINANCING SOURCES					
Property Tax - Debt/Capital	\$2,064	\$2,058	\$2,170	\$2,120	\$2,170
Connection Fees	0	683	614	4,475	2,932
State Loans	22,714	11,367	5,002	15,985	6,749
Grants	4,901	4,417	4,161	2,125	6,265
Capital Contract Reimbursement	110	1,444	127	718	1,136
Other Revenues	32	0	14	0	0
Loan Transfer from Internal Fund	10,500	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$40,321	\$19,969	\$12,089	\$25,422	\$19,252
EXPENSES					
Employment Expenses	\$4,080	\$3,300	\$3,462	\$3,419	\$3,653
Contract Work/Special Projects	343	2,332	1,178	2,225	3,289
Utilities	2,033	2,877	2,231	3,010	3,026
Operating Fees	159	216	215	152	352
Professional Fees and Services	737	704	692	654	683
Materials & Supplies	114	183	168	169	159
Other Expenses	197	1,356	1,119	1,283	1,357
TOTAL EXPENSES	\$7,662	\$10,968	\$9,065	\$10,911	\$12,519
CAPITAL PROGRAM					
Work In Progress	\$35,295	\$19,898	\$9,949	\$18,630	\$11,899
TOTAL CAPITAL PROGRAM	\$35,295	\$19,898	\$9,949	\$18,630	\$11,899
DEBT SERVICE					
Financial Expenses	(\$31)	\$2	(\$36)	\$2	\$1
Interest	2,773	2,816	2,816	2,822	2,803
Principal	2,815	3,412	3,962	4,433	3,919
Short Term Inter-Fund Loan	0	0	0	2,000	0
TOTAL DEBT SERVICE	\$5,557	\$6,230	\$6,742	\$9,257	\$6,722
TRANSFERS IN (OUT)					
Capital Contribution	(\$1,649)	(\$370)	(\$2,034)	(\$459)	(\$1,941)
Debt Service	0	1,465	1,465	1,465	1,465
Operation support	(400)	(466)	(466)	(791)	(506)
One Water	0	(130)	(130)	(378)	(378)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$2,049)	\$499	(\$1,165)	(\$164)	(\$1,361)
FUND BALANCE					
Net Income (Loss)	\$2,285	(\$2,409)	(\$733)	\$4,490	\$4,649
Beginning Fund Balance July 01	10,351	12,636	12,636	14,391	11,903
ENDING BALANCE AT JUNE 30	\$12,636	\$10,227	\$11,903	\$18,881	\$16,552
RESERVE BALANCE SUMMARY					
Operating Contingency	\$2,554	\$3,656	\$3,022	\$3,637	\$4,173
Water Connection	0	0	0	0	1,088
Capital Construction	5,217	813	3,123	2,751	5,025
Rehabilitation/Replacement (R&R)	100	500	500	3,000	0
Debt Service	4,765	5,258	5,258	9,493	6,266
ENDING BALANCE AT JUNE 30	\$12,636	\$10,227	\$11,903	\$18,881	\$16,552

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

	2014/15	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	AMENDED BUDGET
REVENUES					
User Charges	\$5,690	\$5,620	\$5,620	\$9,498	\$4,443
Contract Cost reimbursement	138	1,867	1,867	1,500	1,465
Interest Revenue	12	14	14	31	8
Water Sales	34,147	34,659	26,514	42,062	28,671
TOTAL REVENUES	\$39,987	\$42,160	\$34,015	\$53,091	\$34,587
OTHER FINANCING SOURCES					
Property Tax - Debt and Capital	\$1,500	\$1,500	\$4,253	\$1,500	\$1,956
Grants	\$565	\$1,000	\$0	\$2,000	\$865
Loan Transfer from Internal Fund	4,308	2,000	0	0	3,200
TOTAL OTHER FINANCING SOURCES	\$6,373	\$4,500	\$4,253	\$3,500	\$6,021
EXPENSES					
Employment Expenses	\$949	\$1,750	\$1,750	\$1,842	\$1,828
Contract Work/Special Projects	2,200	11,138	3,959	8,372	7,707
Operating Fees	3,715	3,562	3,562	3,669	3,185
Professional Fees and Services	239	157	278	157	157
Office and Administrative expenses	50	60	60	60	60
MWD Water Purchases	34,147	34,659	29,460	42,062	31,856
Other Expenses	69	406	329	338	347
TOTAL EXPENSES	\$41,369	\$51,733	\$39,397	\$56,501	\$45,140
DEBT SERVICE					
Inter-Fund Loan	\$0	\$32	\$0	\$32	\$16
TOTAL DEBT SERVICE	\$0	\$32	\$0	\$32	\$16
TRANSFERS IN (OUT)					
One Water	\$0	\$41	\$41	\$269	\$269
Property Tax Transfer	0	0	0	0	2,000
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$41	\$41	\$269	\$2,269
FUND BALANCE					
Net Income (Loss)	\$4,991	(\$5,063)	(\$1,088)	\$328	(\$2,280)
Beginning Fund Balance July 01	\$916	\$5,906	\$5,906	\$1,572	\$4,818
ENDING FUND BALANCE AT JUNE 30	\$5,906	\$844	\$4,818	\$1,899	\$2,539
RESERVE BALANCE SUMMARY					
Operating Contingency	\$5,906	\$844	\$4,818	\$1,899	\$2,539
ENDING BALANCE AT JUNE 30	\$5,906	\$844	\$4,818	\$1,899	\$2,539



FY 2016/17 Budget Amendments

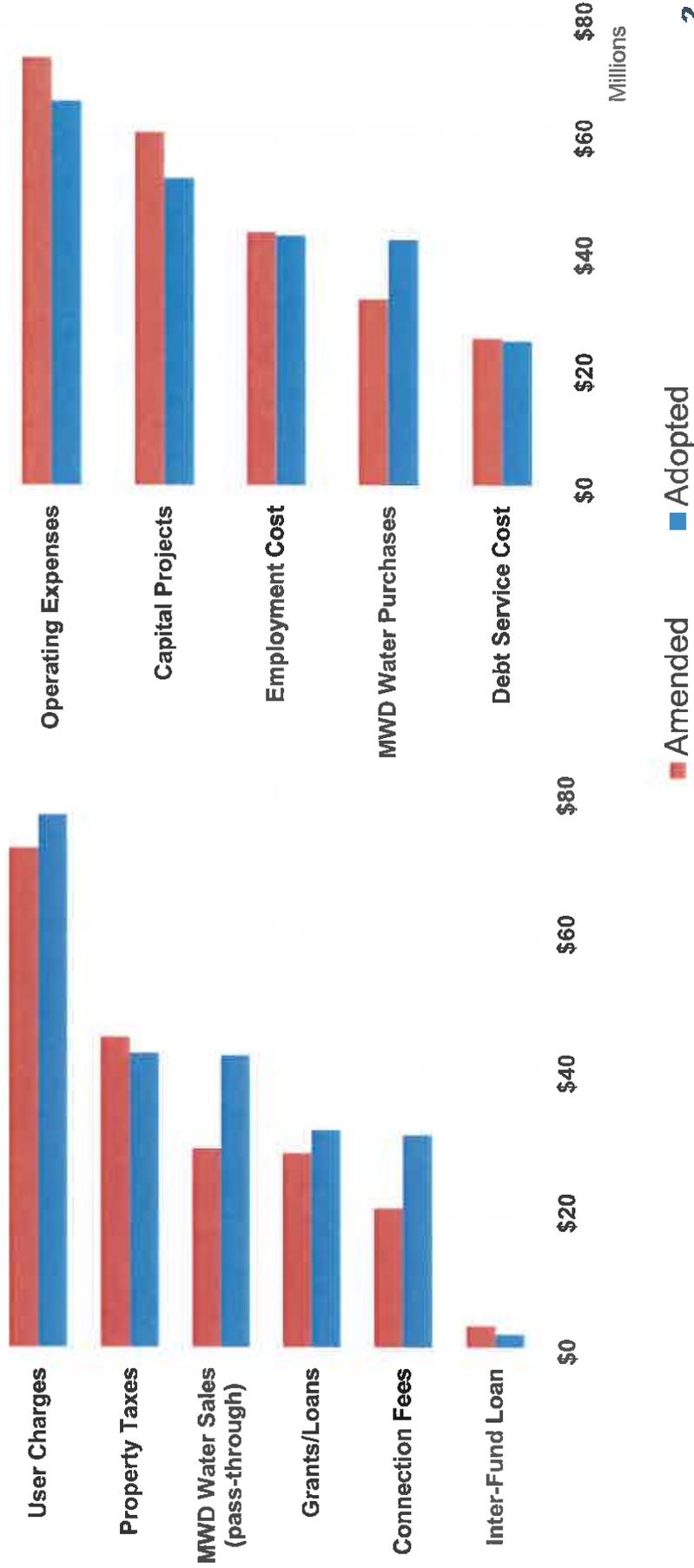


**June 2016
Board Meeting**

Proposed Amendments to FY 2016/17 Budget



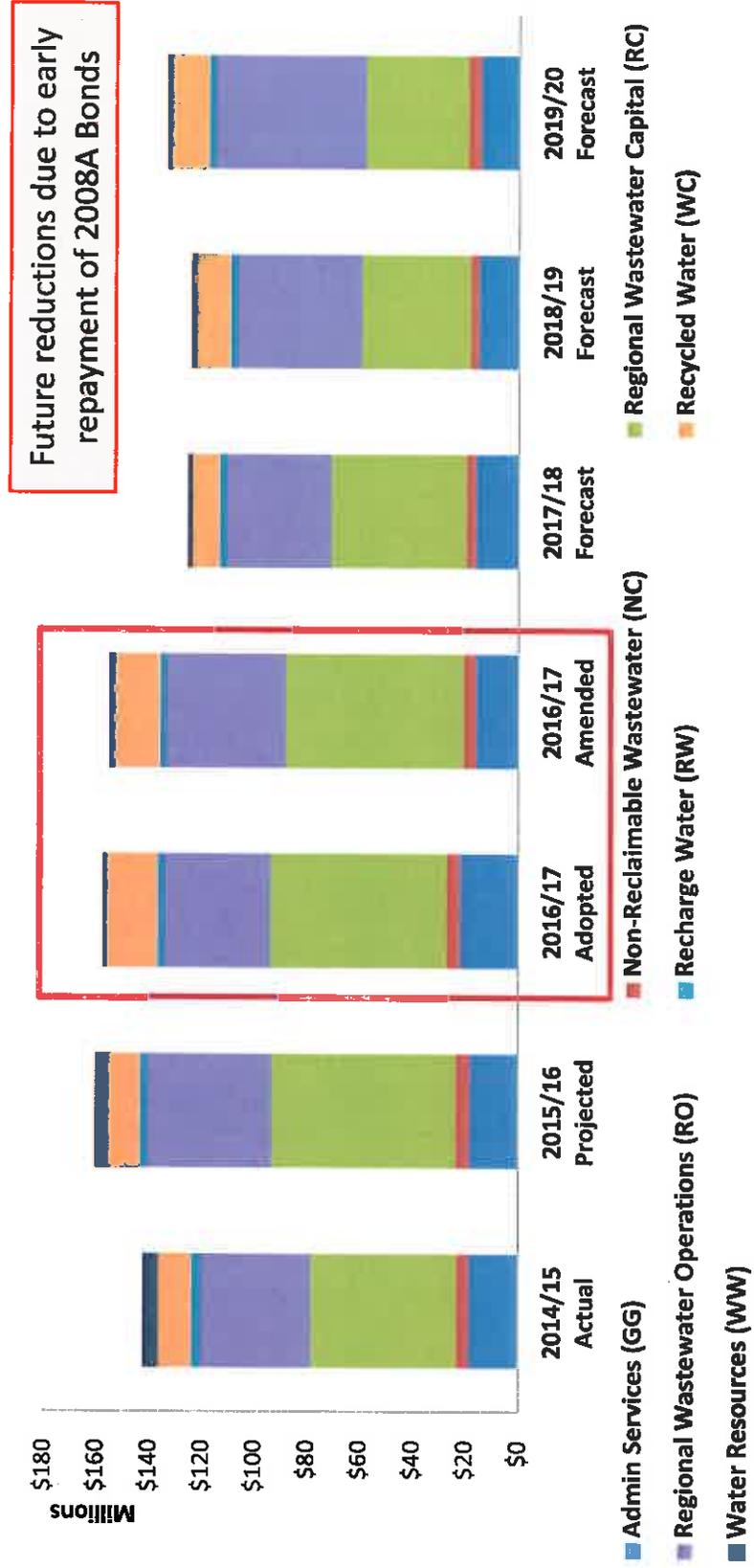
- ❖ \$28.9M reduction in total revenues and other funding sources
- ❖ \$6.3M increase in total expenses and other uses of funds



Total Fund Balance - Amended (All Funds)



- ❖ \$2.5 million decrease in FY 2016/17 to \$155 million
- ❖ 2008A Bonds callable in November 2017



Non-Reclaimable Wastewater (NC) Fund Proposed “Pass-Through” Rates



North System ¹				South System ²			
	FY 2015/16 Adopted	FY 2016/17 Proposed	% Change		FY 2015/16 Adopted	FY 2016/17 Proposed	% Change
Flow/mg	\$948.00	\$915.00	(4%)	Capacity/cu	\$351.17	\$368.76	5%
COD/klb	\$210.00	\$180.00	(15%)	Flow/mg	\$817.00	\$858.00	5%
TSS/klb	\$433.00	\$436.00	1%	BOD/klb	\$301.00	\$307.00	2%
Peak/mg	\$360.00	\$348.00	(4%)	TSS/klb	\$420.00	\$429.00	3%
CU Purchase	\$5,150	\$4,172	(19%)				
CU Lease	\$257.50	\$208.60	(19%)				

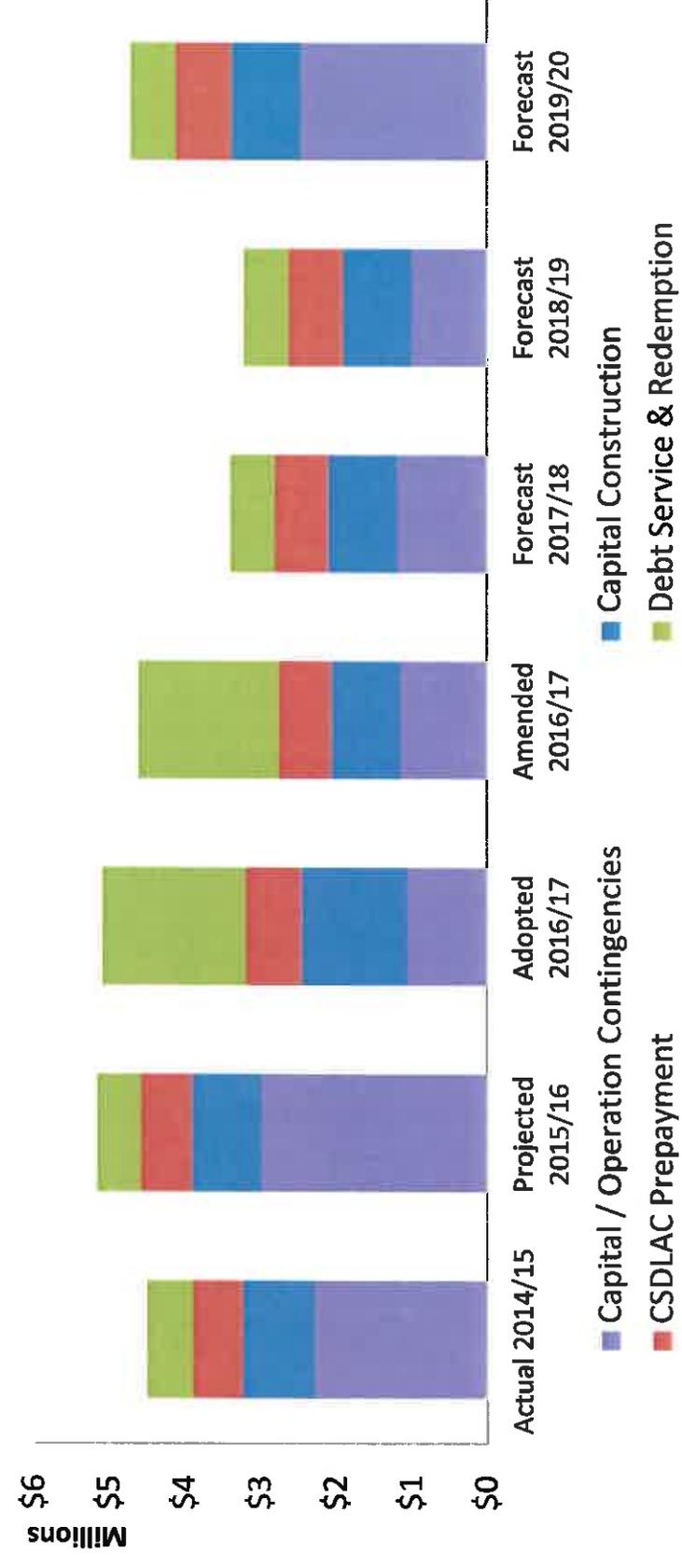
Notes 1: Cost recovery through capacity charges, \$26.54 per capacity units for FY 2016/17

2: Cost recovery through a 50% surcharge on volumetric/capacity/strength charges for non-recycled water users

NC Fund Sources & Uses of Funds and Fund Balance



❖ Deferral of inter-fund loan repayment from Recycled Water fund from 2016/17 to 2019/20



Water Resources (WW) Fund Proposed Water Rates



- ❖ Use property taxes to support RTS fees shortfall during the 7 year implementation, and regional water resources initiatives not supported with proposed water rates.
- ❖ Forgive the \$4.3M loan due to GG fund
- ❖ Effective date of October 1, 2016 to accommodate water agencies Proposition 218

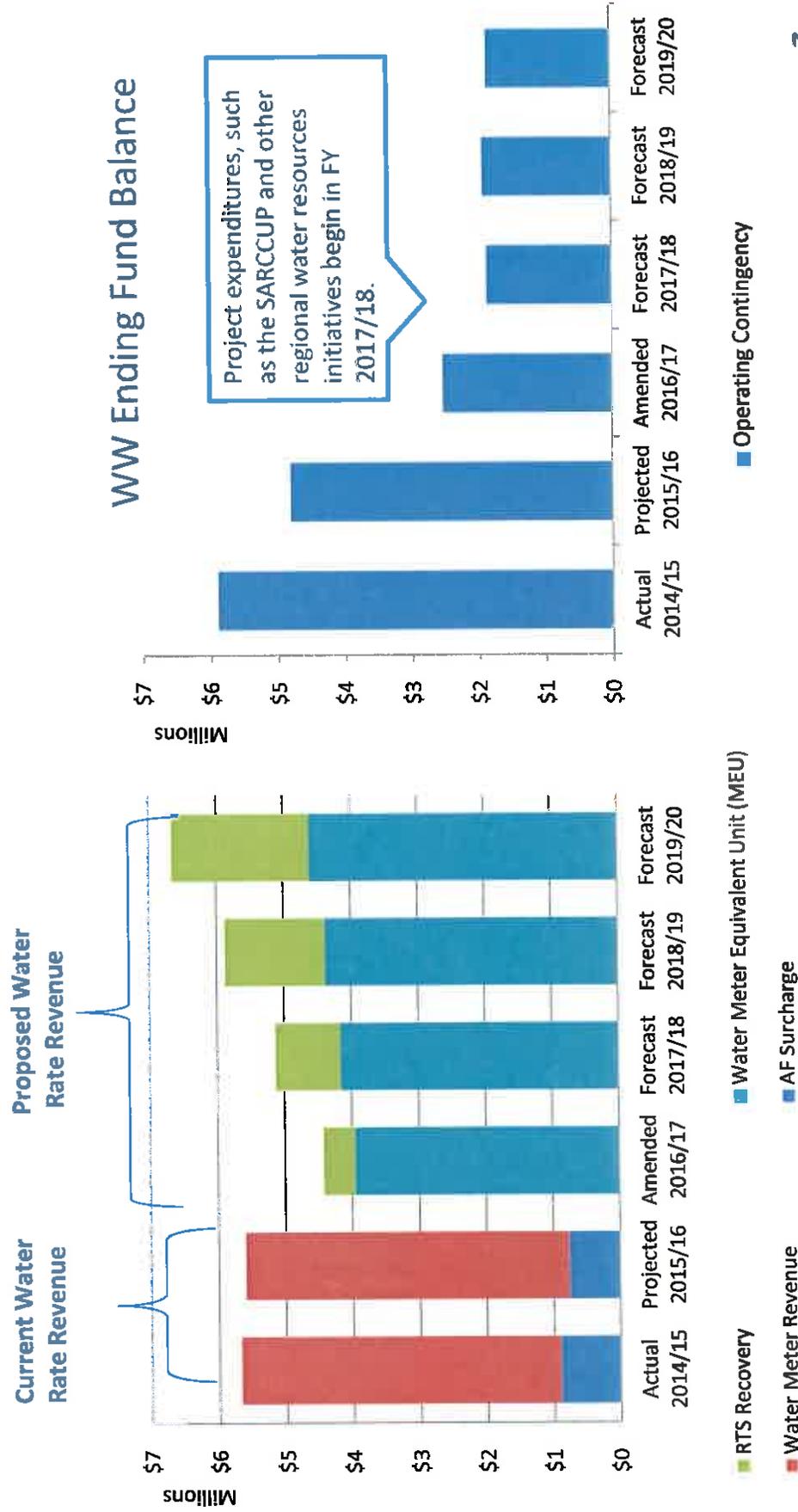
	FY 2015/16 Current	FY 2016/17 Amended	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
AF Surcharge	\$15.0	*\$15.00	n/a	n/a	n/a	n/a	n/a	n/a
RTS Ten Year Rolling Average	n/a	15% ~\$7.82	30% ~\$16.02	45%	60%	75%	90%	100%
Water Meter Rate/Account	\$2.105	*\$2.105	n/a	n/a	n/a	n/a	n/a	n/a
MEU	n/a	\$0.90	\$0.95	\$0.99	\$1.04	Adjustments based on CPI		

** Only effective through September 30, 2016.*

Reduced Revenues & Fund Balance (WW Fund) from Proposed Water Rates



❖ Total revenue cut by \$2 million over the next fiscal years



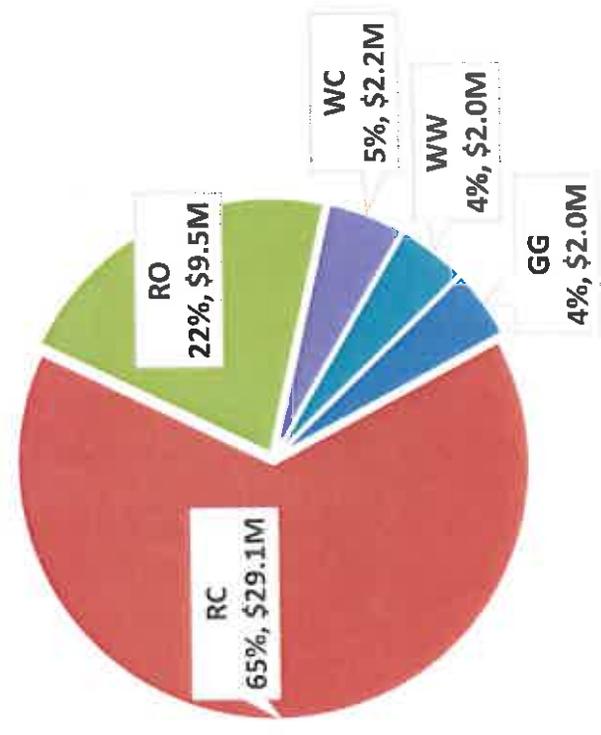
Continue Investment of Property Taxes



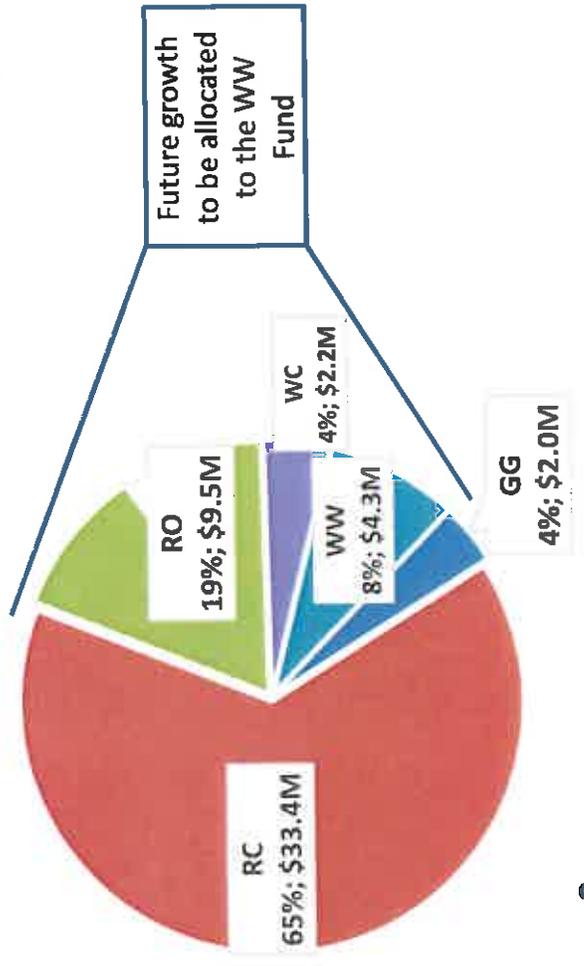
- ❖ No change in the 65% allocated to the RC fund.
- ❖ Future growth for the 35% will be assigned to the WW:

 - ✓ Support regional projects not supported by the proposed rates.

FY 2016/17 Property Tax Allocation
\$44.7 Million



FY 2022/23 Property Tax Allocation
\$51.4 Million



Recommendations



- ❖ Approve the amendments to the FY 2016/17 adopted budget for all Agency's funds;
- ❖ Approve the NC fund Rate Resolution Nos. 2016-6-1 to 2016-6-3;
- ❖ **Approve the RO fund Rate Resolution No. 2016-6-4**
- ❖ Approve the WW fund Rate Resolution Nos. 2016-6-7 and 2016-6-15;
- ❖ Approve Rate Resolution No. 2016-6-5 for Laboratory Fees, 2016-6-6 for Equipment Rental, and 2016-6-9 for the Fontana Extra-Territorial Charge;
- ❖ Approve an inter-fund loan from the RO fund to the WW fund for a not-to-exceed amount of \$3.2 million in FY 2016/17 to support purchase of supplemental water supplies;
- ❖ Approve the forgiveness of the inter-fund loan from the GG fund to the WW fund in the amount of \$4.3 million in FY 2015/16; and
- ❖ Approve the allocation of property tax receipts in excess of \$13.7 million from the Regional RO, WC, and GG funds to the WW fund beginning in FY 2016/17, and maintain allocation of 65% of property tax receipts to the RC fund.

RESOLUTION NO. 2016-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR 2016/17.

WHEREAS, it is necessary to establish initial and monthly capacity charges, volumetric flow charges, CIP charges, trucked wastewater delivery charges and excessive strength charges;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s Brine Line;

WHEREAS, one Agency Capacity Unit (CU) is defined as an equalized discharge at the flow rate of 15 gallons per minute (GPM);

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 96, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2016:

Section 1 That the Initial Capacity Charge for the purchase of Agency Capacity Rights shall be set at \$215,000.00 per CU.

Section 2 That the monthly charges for discharge to the Brine Line are as follows:

(A) CAPACITY CHARGES:

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$368.76 per CU.

The monthly Capital Improvements Program (CIP) charge for Brine Line is \$90.00 per CU per month.

(B) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$858.00 per million gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$85.80 per CU per month.

(C) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the Brine Line, via pipeline or hauled by truck, for excessive Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$307.00 per 1,000 pounds (dry weight)
TSS	\$429.00 per 1,000 pounds (dry weight)

Strength Charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) AGENCY ADMINISTRATIVE CHARGES

Agency Administrative Charges of 50% shall be added to the charges of Section 2(A), 2(B), and 2(C).

(E) RECYCLED WATER USAGE CREDIT FOR BRINE LINE

This program is for recycled water (RW) users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the RW credit in effect at the time of connection to the RW system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2015/16 RW direct sale rate, and shall decline at 5% intervals per year through FY 2023/24.

For Fiscal Year 2016/17, the RW Usage Credit is \$356.02 per million gallons of RW used.

(F) Other Charges

IEUA will pass on any other charges from SAWPA invoiced to the Agency to dischargers to the Brine Line, such as, but not limited to, flow and strength

imbalance charges, permit, inspection, analytical fees, etc.

Section 3 For trucked discharges to the Brine Line, the wastewater discharge rate shall be based on the applicable tiered schedule as established by the higher concentration value for BOD or TSS. The Brine Line Tiered Rate Schedule for Trucks is shown in Table 1.

Table 1 – Brine Line Tiered Rate Schedule for Trucks

Tiered Schedule	BOD or TSS Concentration	Total Volumetric Charge Up to 8,000 gallon	Incremental Charge above 8,000 gallons, \$ per one (1) gallon	BOD Charges	TSS Charges
Brine	Less than 100 mg/L	\$259.46	\$0.011		
Tier 1 (Non-Brine)	100 to 999 mg/L	\$284.46	\$0.016		
Tier 2 (Non-Brine)	1,000 to 2,499 mg/L	\$369.46	\$0.033		
Tier 3 (Non-Brine)	2,500 mg/L and higher	\$217.96	\$0.0027	\$0.695 per pound of BOD	\$0.662 per pound of TSS
	<i>Tier 3 minimum charge shall be no less than the charge calculated using Tier 2 rate</i>				

Section 4 That Application fees for a Capacity Right Agreement shall be: \$ 200.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Brine Line shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$3,780.00
with Combined Waste Stream Formula, add	\$918.00
with Production Based Standards, add	\$486.00
with Multiple Categories, add	\$1,836.00
Non-Categorical, Significant Industrial User	\$2,754.00
Non-Categorical, Non-Significant Industrial User	\$2,268.00

Permit Renewal Fees:

Categorical Industrial User	\$2,808.00
with Combined Waste Stream Formula, add	\$486.00
with Production Based Standards, add	\$270.00
with Multiple Categories, add	\$918.00
Non-Categorical, Significant Industrial User	\$702.00
Non-Categorical, Non-Significant Industrial User	\$486.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the Brine Line shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$2,376.00
with Combined Waste Stream Formula, add	\$918.00
with Production Based Standards, add	\$486.00
with Multiple Categories, add	\$1,836.00
Non-Categorical, Significant Industrial User	\$1,404.00
Non-Categorical, Non-Significant Industrial User	\$918.00

Permit Renewal Fees:

Categorical Industrial User	\$1,944.00
with Combined Waste Stream Formula, add	\$486.00
with Production Based Standards, add	\$270.00
with Multiple Categories, add	\$918.00
Non-Categorical, Significant Industrial User	\$702.00
Non-Categorical, Non-Significant Industrial User	\$486.00

Section 7 That initial Wastewater Hauler Permit application and Permit Renewal fees for the Brine Line shall be:

Initial Permit Application for Wastewater Hauler	\$216.00
Permit Renewal for Wastewater Hauler	\$108.00

Brine Line Liquid Waste Hauler Permit Application and Permit Renewal are processed and administered by Santa Ana Watershed Project Authority (SAWPA).

Section 8 That Permit Revision or Facility Expansion fees shall be: \$1,404.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: maintenance, monitoring, change of discharge limits, addition of control equipment, etc.

Section 9 That Permit Addendum fees shall be: \$702.00

That for change of business name with no process changes shall be: \$216.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 10 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12 That all provisions of the Brine Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, the Resolution No. 2015-6-4 pertaining to the South NRWS is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-1 as adopted at
a regular Board meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2016-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR 2016/17

WHEREAS, NRWS *Wastewater Disposal Agreement No. 4830* (Agreement) has been adopted between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate User with Non Reclaimable Wastewater System Capacity Unit (NRWSCU), in order to collect such charges;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Solids Discrepancy at East End (*SD_{EE}*) monitoring facility determined by the *Fractional Solids Discrepancy (FSD_i)* formula;

WHEREAS, it is necessary to establish application fees for processing applications for NRWSCU Allocations and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s NRWS;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2016

Section 1 That the acquisition of wastewater discharge right shall be as follows:

(A) NRWSCU ACQUISITION RATES

1. A NRWSCU for the NRWS is determined by the following formula:

$$NRWSCU = \left(0.6513 \times \frac{Flow_{gpd}}{260} \right) + \left(0.1325 \times \frac{COD_{ppd}}{1.22} \right) + \left(0.2162 \times \frac{TSS_{ppd}}{0.59} \right)$$

Where:

gpd = gallons per day

ppd = pounds per day

2. The minimum number of NRWSCU shall be 25 NRWSCU.
3. The **purchase rate** for the right to discharge one (1) NRWSCU shall be as established by CSDLAC or \$4,172.00 per NRWSCU.
4. The optional **annual lease rate** for the right to discharge one (1) NRWSCU shall be 5% per year of the purchase rate, i.e. \$208.60 per NRWSCU per each year.

The above charges shall be paid in full upon the execution of the NRWSCU purchase or lease.

Section 2 That the monthly charges for discharge to the NRWS are:

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is \$915.00 per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be \$348.00 per million gallons of volumetric discharge.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the NRWS. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$180.00 per 1,000 pounds (dry weight)
TSS	\$436.00 per 1,000 pounds (dry weight)

Strength charges for the NRWS discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) Solids DISCREPANCY Charge for NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

$$SDC_i = (FSD_i) \times (TSD_{EE}) \times (TSS \text{ rate})$$

Individual industry's FSD_i for the NRWS is determined by the FSD_i formula to allocate the individual industry's solids contribution to the total solids discrepancy, based on their contribution to the overall loading of Alkalinity, Biological Oxygen Demand (BOD), Dissolved Calcium, and Flow.

$$FSD_i = 0.144 \times \left[\frac{Alk_i}{Alk_T} \right] + 0.519 \times \left[\frac{BOD_i}{BOD_T} \right] + 0.096 \times \left[\frac{Ca_i}{Ca_T} \right] + 0.241 \times \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

FSD_i = Fractional Solids Discrepancy for individual discharger (i)

Alk_i = Individual dissolved alkalinity loading to the NRWS for discharger (i)

Alk_T = Combined dissolved alkalinity loading from all dischargers to the NRWS

BOD_i = Individual BOD_5 loading to the NRWS for discharger (i)

BOD_T = Combined BOD_5 loading from all dischargers to the NRWS

Ca_i = Individual dissolved calcium loading to the NRWS for discharger (i)

Ca_T = Combine dissolved calcium loading from all dischargers to the NRWS

$Flow_i$ = Individual flow contribution to the NRWS from discharger (i)

$Flow_T$ = Combined flow from all dischargers to the NRWS

(E) AGENCY O&M Charge

The Agency's O&M charge shall be \$19.13 per NRWSCU per month.

(F) AGENCY CIP CHARGE

The Agency's capital improvement program charge shall be \$7.41 per NRWSCU per month.

(G) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding

is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the RW system.

For Fiscal Year 2016/17, the Recycled Water Usage Credit is \$356.02 per million gallons of recycled water used.

Section 3 OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the NRWS, such as, but not limited to, capacity, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 4 That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$ 200.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$3,780.00
with Combined Waste Stream Formula, add	\$918.00
with Production Based Standards, add	\$486.00
with Multiple Categories, add	\$1,836.00
Non-Categorical, Significant Industrial User	\$2,754.00
Non-Categorical, Non-Significant Industrial User	\$2,268.00

Permit Renewal Fees:

Categorical Industrial User	\$2,808.00
with Combined Waste Stream Formula, add	\$486.00
with Production Based Standards, add	\$270.00
with Multiple Categories, add	\$918.00
Non-Categorical, Significant Industrial User	\$702.00
Non-Categorical, Non-Significant Industrial User	\$486.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$1,404.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: maintenance, monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7 That Permit Addendum fees shall be: \$702.00

That for change of business name with no process changes shall be: \$216.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10 That all provisions of the Non-Reclaimable Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 11 That upon the effective date of this Resolution, the Resolution No. 2015-6-6 pertaining to the NRWS is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016

Terry Catlin
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency* ,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-2 as adopted at
a regular Board meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2016-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR 2016/17

WHEREAS, *Etiwanda Wastewater Line Disposal Agreement* (Agreement) was entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate industries with Etiwanda Wastewater Line Capacity Unit (EWLCU), in order to collect such charges;

WHEREAS, one EWLCU for the EWL is defined as an equalized discharge not to exceed a flow rate of 15 gallons per minute;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Agency's EWL;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2016

Section 1 That the acquisition of capacity rights shall be as follows:

(A) CAPACITY RIGHT ACQUISITION RATE

That the purchase rate for the right to discharge one (1) EWLCU for the EWL shall be \$215,000.00 per an equalized flow rate not to exceed 15 gallons per minute. This charge shall be paid in full upon the execution of the Capacity Right Agreement.

Section 2 That the monthly charges for discharge to the EWL are as follows:

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the CSDLAC, the monthly Capacity Charge is \$0.00 per EWLCU.

The monthly Capital Improvements Program (CIP) charge for EWL is \$90.00 per month per EWLCU.

(B) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$1,068.46 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less is \$106.85 per EWLCU per month.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the EWL. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$180.00 per 1,000 pounds (dry weight)
TSS	\$436.00 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) AGENCY CIP AND O&M CHARGES

Agency CIP and O&M Charges of 50% shall be added to the charges of Section 2(A), 2(B), and 2(C).

(E) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the RW system.

For Fiscal Year 2016/17, the Recycled Water Usage Credit is \$356.02 per million gallons of recycled water used.

Section 3 OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the EWL, such as, but not limited to, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 4 That Application fees for a EWL Capacity Right Agreement shall be: \$ 200.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the EWL sewer system shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$3,780.00
with Combined Waste Stream Formula, add	\$918.00
with Production Based Standards, add	\$486.00
with Multiple Categories, add	\$1,836.00
Non-Categorical, Significant Industrial User	\$2,754.00
Non-Categorical, Non-Significant Industrial User	\$2,268.00

Permit Renewal Fees:

Categorical Industrial User	\$2,808.00
with Combined Waste Stream Formula, add	\$486.00
with Production Based Standards, add	\$270.00
with Multiple Categories, add	\$918.00
Non-Categorical, Significant Industrial User	\$702.00
Non-Categorical, Non-Significant Industrial User	\$486.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$1,404.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7 That Permit Addendum fees shall be: \$702.00

That for change of business name with no process changes shall be: \$216.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10 That all provisions of the Etiwanda Wastewater Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 11 That upon the effective date of this Resolution, the Resolution No. 2015-6-7 pertaining to the EWL is hereby rescinded in its entirety.

* * *

ADOPTED this 15th day of June, 2016

Terry Catlin
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-3 as adopted at
a regular Board meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2016-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2016/2017.

WHEREAS, it is necessary to establish service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and wastewater haulers permitted by IEUA, and service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency (Agency)'s Regional Wastewater System;

WHEREAS, it is necessary to establish application fees for processing and issuing of wastewater discharge permits to industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System;

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 97, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2016:

Section 1 That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follow:

Initial Permit Application Fee	\$216.00
Permit Renewal Fee	\$108.00

Section 2 That wastewater volumetric fee for domestic and industrial wastewater hauler is as follow:

For each load up to 2,000 gallons	\$ 69.45
Loads in excess of 2,000 gallons	\$ 0.035 per one (1) gallon

Section 3 That a rate schedule effective July 1, 2016, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Biochemical Oxygen Demand (BOD) in excess of 379 mg/L	\$ 324.61 per 1,000 lb (dry weight)
Suspended Solids (SS) in excess of 365 mg/L	\$ 348.45 per 1,000 lb (dry weight)

Section 4 A Non-Compliance fee of \$100.00 will be assessed to reinstate elapsed or expired insurance requirements.

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

**Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):**

Categorical Industrial User	\$3,780.00
with Combined Waste Stream Formula, add	\$918.00
with Production Based Standards, add	\$486.00
with Multiple Categories, add	\$1,836.00
Non-Categorical, Significant Industrial User	\$2,754.00
Non-Categorical, Non-Significant Industrial User	\$2,268.00

Permit Renewal Fees:

Categorical Industrial User	\$2,808.00
with Combined Waste Stream Formula, add	\$486.00
with Production Based Standards, add	\$270.00
with Multiple Categories, add	\$918.00
Non-Categorical, Significant Industrial User	\$702.00
Non-Categorical, Non-Significant Industrial User	\$486.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$2,376.00
with Combined Waste Stream Formula, add	\$918.00
with Production Based Standards, add	\$486.00
with Multiple Categories, add	\$1,836.00
Non-Categorical, Significant Industrial User	\$1,404.00
Non-Categorical, Non-Significant Industrial User	\$918.00

Permit Renewal Fees:

Categorical Industrial User	\$1,944.00
with Combined Waste Stream Formula, add	\$486.00

with Production Based Standards, add	\$270.00
with Multiple Categories, add	\$918.00
Non-Categorical, Significant Industrial User	\$702.00
Non-Categorical, Non-Significant Industrial User	\$486.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,404.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That Permit Addendum fees shall be: \$702.00

That for change of business name or ownership only with no process changes shall be: \$216.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 That IEUA will pass on to wastewater permit holder any other charges, such as, but not limited to, excessive strength, laboratory analysis, inspection activities, etc.

Section 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12 That all provisions of the Regional Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, Resolution No. 2015-6-5 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-4, was adopted at a Board
Meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2016-6-5

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY
ANALYSES FOR FISCAL YEAR 2016/17**

WHEREAS, The Agency occasionally enters into agreements with other local governmental agencies to perform laboratory analyses; and

WHEREAS, the most efficient and practical method of charging for this work is through the establishment of a price for each analysis.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, that, effective July 1, 2016, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto.

Upon the effective date of this Resolution, Resolution No. 2015-5-11 is hereby rescinded in its entirety.

Resolution No. 2016-5-5
Laboratory Fees
Page 2 of 4

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency* ,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-5, was adopted at
a regular meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

Exhibit 1

**INLAND EMPIRE UTILITIES AGENCY
 LABORATORY PRICES - FY 2016/17**

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$14.80
Ammonia as Nitrogen	EPA 350.1	\$14.80
Anion Sum	SM 1050	\$2.20
BOD, Soluble	SM 5210	\$43.70
BOD, Total	SM 5210	\$38.30
Bromide	EPA 300.0	\$11.00
Cation Sum	SM 1050	\$2.20
Chloride	EPA 300.0	\$9.00
Chlorine Residual	SM 4500-Cl G	\$16.40
COD	SM 5220D	\$32.80
Color	SM 2120B	\$5.00
Conductivity	SM 2510	\$8.80
Corrosivity	SM 2330B	\$40.50
<i>If Alkalinity, Ca, EC, or pH are requested on the sample, Corrosivity cost is reduced by their respective prices.</i>		
Cyanide, Total	ASTM D7284	\$29.50
Cyanide, Free	ASTM D7237	\$27.40
Dissolved Organic Carbon	SM 5310B	\$39.30
Dissolved Organic Carbon	SM 5310C	\$32.80
Dissolved Oxygen	EPA 360.1	\$12.10
Fluoride	EPA 300.0	\$9.30
Fluoride	SM 4500-F C	\$16.40
Hardness, Total (Calculation)	EPA 200.7	\$21.20
<i>Calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$18.10
Mercury	EPA 245.2	\$39.30
Metals Digestion (liquid)		\$16.40
Metals Digestion (solid)		\$43.60
Metals by ICP	EPA 200.7	\$9.80
Metals by ICP/MS	EPA 200.8	\$9.80
Nitrate as Nitrogen	EPA 300.0	\$9.00
Nitrite as Nitrogen	EPA 300.0	\$9.00
Nitrogen, Organic	Various	\$71.00
Oil & Grease, Polar (FOG)	EPA1664B	\$62.30
Oil & Grease, Non-polar	EPA1664B	\$32.80
Oil & Grease, Total	EPA1664B	\$29.50
pH	SM 4500-H+ B	\$5.00
Phosphorus, Ortho	EPA 300.0	\$9.00
Phosphorus, Total	EPA 200.7	\$10.00

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$9.90
Sulfate	EPA 300.0	\$9.00
Sulfide, Dissolved	SM 4500-S D	\$21.90
Sulfide, Total	SM 4500-S D	\$18.10
Surfactants (MBAS)	SM 5540C	\$49.00
TDS	SM 2540C	\$14.80
TDS, Fixed/Volatile	SM 2540E	\$21.90
TKN	EPA 351.2	\$59.00
TOC	SM 5310B	\$32.80
TOC	SM 5310C	\$24.60
Total Solids	SM 2540B	\$11.00
TSS	SM 2540D	\$14.80
Turbidity	EPA 180.1	\$8.80
Uranium pCi/L	EPA 200.8	\$27.30
Volatile Solids	SM 2540E	\$16.40
Volatile Suspended Solids	SM 2540E	\$21.90

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Chronic	EPA 1002	\$1,081.50
Coliform, Fecal	SM 9221E	\$24.60
Coliform, Total (10 Tube)	SM 9221B	\$21.90
Coliform, Total (15 Tube)	SM 9221B	\$24.60
Heterotrophic Plate Count	SM 9215B	\$19.70

Organic Chemistry		
Test	Method	Price
Acrolein & Acrylonitrile	EPA 624	\$147.40
MTBE	EPA 524.2	\$122.80
Pesticides	EPA 608	\$240.20
Pesticides w/ PCBs	EPA 608	\$305.70
PCBs	EPA 608	\$240.20
Semi-Volatiles (Short list DW)	EPA 525	\$322.10
Semi-Volatiles (Acid Extractables)	EPA 625	\$245.70
Semi-Volatiles (Base/Neutrals)	EPA 625	\$245.70
Semi-Volatiles (BNA)	EPA 625	\$354.90
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$147.40
Thiobencarb	EPA 525	\$294.70
Volatiles, DW	EPA 524.2	\$147.40
Volatiles, WW	EPA 624	\$163.80

RESOLUTION NO. 2016-6-6

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR
FISCAL YEAR 2016/2017.**

WHEREAS, the Board of Directors of Inland Empire Utilities Agency* is required by Agency Ordinance No. 28, Section 3, to establish, from time to time, rates for rental of maintenance and construction equipment.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, pursuant to Ordinance No. 28, that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2016.

Upon the effective date of this Resolution, Resolution No. 2015-5-12 is hereby rescinded in its entirety.

Resolution No. 2016-6-6
Equipment Rental
Page 2 of 4

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-6 was adopted at a regular
meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

EXHIBIT 1

**INLAND EMPIRE UTILITIES AGENCY*
MAINTENANCE EQUIPMENT RENTAL RATES
FISCAL YEAR 2016/17**

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	88.21
With two operators	per hour portal-to-portal	150.82
Jetter Vactor		
With one operator	per hour portal-to-portal	80.78
With two operators	per hour portal-to-portal	143.38
Camera Van		
With one operator	per hour portal-to-portal	68.09
With two operators	per hour portal-to-portal	130.70
Gap Vactor Truck		
With one operator	per hour portal-to-portal	97.39
With two operators	per hour portal-to-portal	160.00
Safety Van		
With one operator	per hour portal-to-portal	66.88
With two operators	per hour portal-to-portal	126.56
Water Truck		
With one operator	per hour portal-to-portal	71.13
With two operators	per hour portal-to-portal	133.74

RESOLUTION NO. 2016-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING METER EQUIVALENT UNIT (MEU) AND THE READINESS-TO-SERVE (RTS) TEN YEAR ROLLING AVERAGE (TYRA) RATES

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency (IEUA) establishes, from time to time, rates to support the readiness-to-serve charges from Metropolitan Water District of Southern California (MWD), program costs incurred for the regional water resources program.

WHEREAS, the Board of Directors of IEUA shall establish an annual Readiness to serve (RTS) charge, based on a Ten Year Rolling Average (TYRA) MWD methodology, that the Agency will pass through to Local Agency a rate to yield revenues sufficient to support the RTS charges imposed by MWD.

WHEREAS, the Board of Directors shall establish an annual Meter Equivalent Unit (MEU) charge rate to yield revenues sufficient to recover the regional water resources program costs.

WHEREAS, IEUA shall bill the Local Agency for all water delivered through the service connection, and the Local Agency shall pay IEUA for all water delivered at the rate or rates as established by resolution.

WHEREAS, modification of this policy may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS that the following to be effective on:

Section 1. That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA), an extended phase-in period of a seven (7) year rate shall be charged to the Local Agency with a 15% of total RTS charge imposed by MWD, effective October 1, 2016, and an incremental increase of 15% in following fiscal years until 100% of MWD RTS charge is reached.

- a. October 1, 2016 through June 30, 2017 of Fiscal Year 2016/17, the RTS TYRA charge shall be 15% of the MWD RTS charge
- b. July 1, 2017 for Fiscal Year 2017/18, the RTS TYRA charge shall be 30% of the MWD RTS charge.
- c. July 1, 2018 for Fiscal Year 2018/19 the RTS TYRA charge shall be 45% of the MWD RTS charge.
- d. July 1, 2019, for Fiscal Year 2019/20 the RTS TYRA charge shall be 60% of the MWD RTS charge.
- e. July 1, 2020 for Fiscal Year 2020/21 the RTS TYRA charge shall be 75% of the MWD RTS charge.
- f. July 1, 2021, for Fiscal Year 2021/22 the RTS TYRA charge shall be 90% of the MWD RTS charge.
- g. July 1, 2022, for Fiscal Year 2022/23 the RTS TYRA charge shall be 100% of the MWD RTS charge.

Section 2. That the Meter Equivalent Unit (MEU) rate, an extended phase-in period of a four (4) year rate shall be charged to the Local Agency effective October 1, 2016:

- a. July 1, 2016 for the first three months, July through September, of Fiscal Year 2016/17, that the rate for each active retail water meter shall be \$2.105 per meter per month.
- b. October 1, 2016 for Fiscal Year 2016/17, that the rate for each active retail water meter shall be \$0.90 per MEU per month.
- b. July 1, 2017 for Fiscal Year 2017/18, that the rate for each active retail water meter shall be \$0.95 per MEU per month.
- c. July 1, 2018 for Fiscal Year 2018/19, that the rate for each active retail water meter shall be \$0.99 per MEU per month.

- d. July 1, 2019 for Fiscal Year 2019/20, that the rate for each active retail water meter shall be \$1.04 per meter equivalent unit per month.

Section 3. That upon the effective date of this Resolution, Resolution No. 2015-6-8 and Resolution No. 2015-6-9 are hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-7, was adopted at a regular
meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2016-6-9

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR 2016/17

WHEREAS, it is necessary to establish an extra-territorial monthly sewer service charge for system user whose property served is located outside the boundaries of Improvement District "C" of the Inland Empire Utilities Agency (the Agency); and

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the Agency before July 1 and will be set at the amount of certain sewer taxes per EDU being received from the taxable area within Improvement District "C"; and

WHEREAS, these taxes are to be the Improvement District "C" portion of taxes plus the portion of the Agency's General Taxes applied each year to the Regional Wastewater Systems and the General Administrative expenditures for the Regional Wastewater Systems; and

WHEREAS, modification to this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2016:

Section 1. That the monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2015/16 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2015/16 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the monthly sewer service charge should be set at a rate of \$14.25 per month per Equivalent Dwelling Unit (EDU).

Section 3. That upon the effective date of this Resolution, Resolution No. 2015-5-7 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-9 was adopted at a Board
Meeting on June 15, 2016, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2016/17
 CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE**

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance (RO) Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2015/16. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2015/16 Agency Assessed Value -	= \$	93,452,923,694
FY 2015/16 Projected number of EDU's within Agency =		272,790 EDU per month
<i>\$93,452,923,694 divided by 272,790</i>	= \$	342,582

Annual tax obligation is calculated by:

<i>\$342,582 multiply by 0.000499</i>	= \$	170.95 per year
<i>(adjusted Agency tax rate)</i>	= \$	14.25 per month

RESOLUTION NO. 2016-6-15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES.

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency* (Agency) establishes, from time to time, rates for water sold or delivered by direct connections to Metropolitan Water District facilities;

WHEREAS, the Board of Directors of the Agency establishes rates for delivery of imported water supplies; and

WHEREAS, the Board of Directors has determined that the levy of a per acre-foot surcharge that is required to maintain sufficient appropriated reserves and to provide for the program support and operational costs associated with the delivery of imported water supplies and water resource development and planning activities; and

WHEREAS, the Board of Directors has also determined that the Agency, by written request, could levy a supplemental per acre foot surcharge for delivered imported water to fund the cost for the Water Conservation Program which includes the Conservation and Drought Charges; and

WHEREAS, modification of this policy may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** the following to be effective July 1, 2016, and January 1, 2017:

Section 1. That the rates of sales of imported water shall consist of the base rate charged by Metropolitan for each class of water plus a surcharge of fifteen dollars (\$15) per acre foot, of which ten dollars (\$10) is used by the IEUA on imported water deliveries to offset program support, operation, maintenance, incentive, depreciation expenses, and debt service incurred by the IEUA, four dollars (\$4) is used to support a regional water conservation program, and one dollar (\$1) for drought programs needed to meet the reduced water supply made available to the region. The surcharge of \$15.00 per acre foot applies to different classes of water will be effective July 1, 2016 through September 30, 2016, for the first three months of Fiscal Year 2016/17. The rates, by class of water, including the surcharge, are as follows:

- (a) **FOR TIER 1 FULL SERVICE UNTREATED WATER – i.e., domestic and municipal purposes:**

07/1/2016 – 09/30/2016 (\$594 + \$15)	\$609.00 per acre foot
10/1/2016 – 12/31/2016 (\$594)	\$594.00 per acre foot
01/1/2017 – 12/31/2017 (\$666)	\$666.00 per acre foot

- (b) FOR TIER 2 FULL SERVICE UNTREATED WATER – i.e., domestic and municipal purposes:

07/1/2016 – 09/30/2016 (\$728 + \$15)	\$743.00 per acre foot
10/1/2016 – 12/31/2016 (\$728)	\$728.00 per acre foot
01/1/2017 – 12/31/2017 (\$760)	\$760.00 per acre foot

- (c) FOR GROUND WATER STORAGE PROGRAM

REPLENISHMENT WATER UNTREATED – This rate is available contingent upon the requirements of Metropolitan's Administrative Code, and includes water delivered for groundwater replenishment and storage, by direct or in-lieu methods.

7/1/2016 – 12/31/2016 (NO RATE AVAILABLE)
1/1/2017 – 12/31/2017 (NO RATE AVAILABLE)

- (d) METROPOLITAN WATER SUPPLY ALLOCATION PLAN (WSAP) PENALTY RATES – Reduced imported water allocations caused by the adoption of a WSAP will reduce a member agencies Tier 1 allocation pursuant to Resolution 2014-12-1. Penalty rates will be applied in accordance to Metropolitans WSAP to IEUA and its member agencies if IEUA exceeds its imported water allocation from MWD and is invoiced by MWD for WSAP penalty rates, during FY 2016/17. Any such penalty rates shall be “passed through” to the appropriate agency that caused the imposition of a penalty rate by MWD.

Section 2. That IEUA will impose any Metropolitan rates and charges, applicable to each service connection, if invoiced by Metropolitan to IEUA during FY 2016/17.

Section 3. That additional charges will also be levied during FY 2016/17 in the form of a capacity meter charge of \$5.00 per diameter inch of meter per month through 09/30/2016.

Section 4. That the Metropolitan levied Capacity Charge (\$/cfs) shall be as follows:

07/1/2016 – 12/31/2016	\$10,900 per cubic foot per second (cfs)
01/1/2017 – 12/31/2017	\$ 8,000 per cubic foot per second (cfs)

Section 5. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full service industrial connection beginning 7/1/2016 through 6/30/2017.

Section 6. That upon the effective date of this Resolution, Resolution No. 2015-5-8 is hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.

Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-15, was adopted at a regular
meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**ACTION
ITEM**

2C

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (06/08/16)

From:  Joseph Grindstaff
General Manager

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

Warren T. Green 
Manager of Contracts and Facilities Services

Subject: Contract Approval for Compressed Gas, Propane and Related Supplies

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve a seven-year competitively-let contract (No. 46000002112) to Airgas USA, LLC of Ontario, California, through June 30, 2022, for Agency-wide compressed gases, propane and related supplies; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

Compressed gases and related supplies are used throughout the Agency for various testing and analysis, calibration of equipment, and welding. Propane is primarily used at RP-1 for the flare. The Agency's current competitively-let contract with Airgas is due to expire on June 30, 2016. Proposals for a seven-year contract were sent to 500 registered contractors through the Planet Bids Solicitation system. Eleven contractors viewed the solicitation document and two contractors, Airgas USA, LLC (Airgas) and Air Liquide, submitted a proposal.

While both bidders submitted low pricing on certain items, the overall lowest bidder was Airgas by approximately \$1,709 annually for compressed gas. Air Liquide opted not to submit a bid on the propane requirements. Both Airgas and Air Liquide submitted the following exception/comment to the Agency Solicitation on Cylinder Rentals. *See chart below.*

Compressed Gas, Propane and Related Supplies

June 15, 2016

Page 2

<i>Airgas West USA, LLC</i>	<i>Air Liquide</i>
<ul style="list-style-type: none">• Cylinder fee: \$0.15 per day• Liquid containers Fee: \$1.20 per day	<ul style="list-style-type: none">• Single High Pressure Cylinder fee: \$0.22 per daily rental per cylinder• 6 Pack High Pressure Cylinder Rental fee: \$1.78 per daily rental per pack• Rental of LIQ Cylinders Fee: \$2.05 per daily rental for 160 or 180 Liter, and \$2.15 daily for the 230 Liter• Hazmat Fee: \$12.00 per trip

Pricing is firm-fixed for the first two years and adjusts with consumer price index (CPI) for the remaining years. The current spend to date in FY 2015/16 is \$112,596, which includes \$64,000 in equipment purchases. The average annual spend on consumables is around \$50,000. As with most product and service contracts, the proposed contract affords the Agency the right to terminate the contract at any time for convenience or cause.

During the past seven years, Airgas has provided the Agency with above average service, and has worked with staff in providing the specialty gases required to perform critical testing of the Continuous Emission Monitoring System equipment.

The utilization of a competitively-let contract with Airgas is consistent with the Agency's Business Goal of *Fiscal Responsibility* to sustainable cost containment.

PRIOR BOARD ACTION

On April 16, 2008, the Board approved a five-year competitively-let contract with Airgas.

IMPACT ON BUDGET

Procurement of compressed gases, propane and related supplies are budgeted by each department under Industrial Gases 512440 account and primarily in the Administrative Services (GG) 10200 and Regional Operations and Maintenance (RO) 10800 funds.



**CONTRACT NUMBER: 4600002112
FOR
COMPRESSED GASES, PROPANE AND RELATED SUPPLIES**

THIS CONTRACT (Contract), is made and entered into this _____ day of _____, 2016, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as Agency), and Airgas USA, LLC, of Ontario, California (hereinafter referred to as Supplier), for the supply of compressed gases, propane and related supplies.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below:

Project Manager: Torres Waters-Leiva
Procurement Specialist 1
Address: 6075 Kimball Avenue, Building A
Chino, California 91708
Telephone: (909) 993-1600, Extension 1777
Facsimile: (909) 993-1987
Email: tleiva@ieua.org

2. **SUPPLIER ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Supplier Representative: Bob Strasser
Outside Sales: Ontario, Chino
Address: 1936 Grove Avenue
Ontario, CA 91761
Telephone: 951-830-6521
Facsimile: 909-923-8060
Email: bob.strasser@airgas.com

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

1. Amendments to Contract Number 4600002112
2. Contract Number 4600002112 General Terms and Conditions.
3. Agency's Request for Proposal No. RFP-TWL-16-001
4. Supplier's Proposal, dated March 30, 2016

4. **SCOPE OF WORK AND SERVICES:** Supplier's services and responsibilities shall be in accordance with Agency's Request for Proposal No. RFP-TWL-16-001 and Supplier's Proposal dated March 30, 2016, and supplemental price list which are incorporated herein and made a part hereof by this reference.
5. **TERM:** The initial term of this Contract shall be two years with firm-fixed pricing. The successful Bidder shall agree to allow the Agency, at the Agency's sole discretion, to extend this Contract, in twelve (12) month increments, for an additional period not-to-exceed 60 months, for a total Contract term of seven (7) years. In the event the Agency desires to exercise any or all of the Contract extension options provided for in this Section, the Agency shall provide at least 30 calendar day's written notice to the Supplier, prior to the expiration of the original Contract term or any extension thereof.
6. **PRICE ADJUSTMENTS:** In the event the Agency exercises any of the Contract extensions provided for in Section 5 above, pricing for said extension shall be calculated as follows:

Commencing on July 1, 2018 and continuing on each July 1st thereafter, those prices provided for in Attachment A of this Contract shall be adjusted plus or minus by a sum equal to the percentage change in the Consumer Price Index (CPI) for All Urban Consumers, in the Los Angeles-Anaheim-Riverside, California index area as provided for in this Section. The bases for computing the adjustment to those prices provided for in Attachment A of this Contract shall be the percentage change for the twelve month period from March to March, starting with the period of March 2017 to March 2018, and continuing every twelve months thereafter. Despite any changes in the CPI for any given twelve month adjustment period, adjustments to those prices as provided for in Attachment A of this Contract shall not increase or decrease more than 5 percent during any single twelve month adjustment period.

In the event the CPI is changed so that the base period differs from 1967=100, then the index applied as provided for above shall be corrected in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, or their successor. If the CPI is discontinued or revised, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained if the CPI had not been discontinued or revised.

7. **PAYMENT, INVOICING AND COMPENSATION:** The Agency shall pay Supplier's properly executed invoice(s) within thirty (30) days following receipt of the invoice. Payment will be withheld for any product or service which does not meet Agency requirements, until such product or service is replaced or revised, the invoice resubmitted and accepted by the Project Manager.

All invoices shall be formulated consistent with the prices proposed within the Supplier's accepted proposal, dated March 30, 2016. Supplier's invoices shall be submitted as follows:

Inland Empire Utilities Agency
Attention: Accounts Payable Department
P.O. Box 9020
Chino Hills, CA 91709

Or invoices may be submitted electronically to: APGroup@ieua.org

8. **INSURANCE**: During the term of this Contract, the Supplier shall maintain at its sole expense, the following insurance.

A. **Minimum Scope of Insurance**:

1. **General Liability**: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 00 01 10 01 covering Commercial General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice.
2. **Automobile Liability**: \$1,000,000, combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."
3. **Workers' Compensation and Employers Liability**: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

B. **Deductibles and Self-Insured Retention**: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Supplier shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. **Other Insurance Provisions**: The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**

- a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements CG2010 1185 as respects: liability arising out of activities performed by or on behalf of the Supplier, products and completed operations of the Supplier, premises owned, occupied or used by the Supplier, or automobiles owned, leased, hired or borrowed by the Supplier. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85 form, then it is necessary to issue Form CG 2037 10 01 in addition to the 10 93 or 03 97 Forms.
- b. The Supplier's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Supplier's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - d. The Supplier's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. The Supplier may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
2. **Workers' Compensation and Employers Liability Coverage:** The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Supplier for the Agency.
3. **All Coverages:** Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.
- D. **Acceptability of Insurers:** Insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California.
- E. **Verification of Coverage:** Supplier shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. **Submittal of Certificates:** Supplier shall submit all required certificates and endorsements to the following:

Risk Specialist
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

9. **LEGAL RELATIONS AND RESPONSIBILITIES**

- A. **Status of Supplier:** The Supplier is retained as an Independent Supplier only, for the sole purpose of supplying required product and is not an employee of the Agency.
- B. **Observing Laws and Ordinances:** The Supplier or any Subcontractor shall keep itself fully informed of all existing and/or pending state and federal laws and all county and city ordinances and regulations which in any manner affect the supply of any product, conduct of any services or tasks performed under this Contract, and of all such orders and

decrees of bodies and tribunals having any jurisdiction or authority over the same. The Supplier or any Subcontractor shall at all times observe and comply with all such existing laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Supplier or its employees.

- C. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Agency Contract Administrator.
- D. **Equal Opportunity and Unlawful Discrimination:** During the performance of this Contract, the Supplier shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction will be thoroughly investigated by the Agency.
- E. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- F. **Disputes:**
1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Supplier shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
 2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Supplier shall comply, pursuant to the Agency Project Manager instructions. If the Supplier is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Supplier to file a written protest within

seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Supplier's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Supplier is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Supplier to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Supplier are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Supplier are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Supplier a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Supplier shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.
 - d. Joinder in Mediation/Arbitration: The Agency may join the Supplier in mediation or arbitration commenced by a Supplier on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Supplier.
10. **INDEMNIFICATION:** Supplier shall indemnify the Agency, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Supplier, its directors, employees, agents and assigns, in the performance of work under this contract.
11. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts & Facilities Services
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Supplier: Robert Strasser, Sales Representative
Airgas USA LLC
1936 Grove Avenue
Ontario, CA 91761

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

12. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Supplier, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Supplier under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.
13. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Supplier of any requests for disclosure of any documents pertaining to this work.

In the event of litigation concerning disclosure of information Supplier considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Supplier has marked "Confidential," "Proprietary," or "Trade Secret," Supplier shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

14. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Suppliers' records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after termination of the Contract. The Supplier shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
15. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Supplier as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Supplier.

16. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.
17. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Supplier. In the event of such termination, the Agency shall pay Supplier for all authorized and Supplier-invoiced services up to the date of such termination.
18. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
19. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Supplier.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

AIRGAS USA, LLC:

P. Joseph Grindstaff
General Manager

Date

Mark Lehner
Area Vice President

Date

**ACTION
ITEM**

2D



Date: June 15, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (6/08/16)
Finance, Legal, and Administration Committee (6/08/16)

From: P. Joseph Grindstaff *WJG*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *SJS*
Manager of Engineering

Subject: Pump Efficiency Improvements Proposal Rejection

RECOMMENDATION

It is recommended that the Board of Directors reject the April 12, 2016, proposals for the construction of the Agency-Wide Pump Efficiency Improvements, Project No. EN16070.

BACKGROUND

As part of the Agency-Wide Energy Efficiency Study Project, IEUA staff has been working with The Energy Network (TEN) and the Water Infrastructure and System Efficiency (WISE) Program to identify opportunities to reduce total electricity usage and costs. Pumping facilities are one of the main elements that consume a substantial amount of power during operations. Agency staff worked with Southern California Edison (SCE) to conduct several pump performance tests at all sites. The tests found that a total of eleven (11) pumps; three (3) wastewater and eight (8) recycled water are in need of repairs or replacement.

On March 22, 2016, the Agency solicited cost proposals (RFP-RW-16-006) from five (5) pre-qualified contractors to provide overhaul services and/or replacement of the above-referenced pumps. On April 12, 2016, the Agency received two (2) cost proposals; one of which was deemed non-responsive for failure to complete the bid forms and the other was slightly higher than the Engineer's Estimate. Due to the limited number of responses and the elevated price, staff recommends the rejection of the proposals received.

The following is the anticipated schedule moving forward:

Project Milestone	Date
Rejection of Proposals	June 15, 2016
Construction Contract Award (based on re-advertising)	August 17, 2016
Construction Completion	April 2017

The rejection of the proposals for the Agency-Wide Pump Efficiency Improvements Project is consistent with the *Agency's Business Goal of Business Practices* by applying ethical, fiscally responsible, and environmentally sustainable principles to all aspects of business and organizational conduct.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

PJG:CB:SS:aa

**ACTION
ITEM**

2E



Date: June 15, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, & Biosolids Management Committee (06/08/16)
Finance, Legal & Administration Committee (06/08/16)

From: *for* P. Joseph Grindstaff *WJG*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *SJS*
Manager of Engineering

Subject: RP-2 Microturbine Proposal Rejection

RECOMMENDATION

It is recommended that the Board of Directors reject the November 17, 2015, proposal from Regatta Solutions to design and build a microturbine at Regional Plant No. 2.

BACKGROUND

Since 1990, the Inland Empire Utilities Agency (IEUA) has produced renewable energy at Regional Plant No. 2 (RP-2) by fueling a cogeneration engine with digester gas. Due to forthcoming emissions limits imposed by South Coast Air Quality Management District (SCAQMD) Rule 1110.2, the engine will not be able to operate in compliance beyond December 2017. In anticipation of the engine shutdown, IEUA evaluated alternative technologies that could comply with environmental regulations while beneficially and cost effectively utilizing the digester gas produced on site.

The impact of RP-2's future decommissioning was heavily considered when evaluating the various alternatives. Initial analysis indicated that replacing the engine with a digester gas-fueled microturbine was the most cost effective option. Research on the microturbine and initial engineering estimates indicated that the technology could achieve a return on investment (ROI) within the remaining life of RP-2. On October 20, 2015, IEUA issued RFP-RW-15-083 for the Installation of a Microturbine Power Plant at RP-2. Regatta Solutions was the only vendor to respond to the RFP, with a proposed installation cost of \$3,112,450.

RP-2 Microturbine Proposal Rejection

June 15, 2016

Page 2 of 2

The November 2015 proposal from Regatta included equipment purchase and installation costs that were approximately 20 percent higher than the engineering estimate and O&M costs that were approximately 30 percent higher than the engineering estimate. The main source of the increases were additional design considerations to improve portability following RP-2 decommissioning and added assurances in the digester gas cleaning system. With these increased costs, the microturbine installation no longer appeared capable of achieving an ROI within the remaining life of the facility. Staff entered into negotiations with Regatta Solutions to determine if the costs could be reduced.

In April 2016, Regatta Solutions presented a new project assessment with revised costs and incentives. Staff conducted further economic analyses using the updated cost information and determined that the microturbine was still not the best option for digester gas utilization at RP-2.

Staff is requesting the Board of Directors to reject the proposal received in response to RFP-RW-15-083 for Consulting Engineering Services for the Installation of a Microturbine Power Plant at Regional Plant No. 2. The rejection of the proposal for the design-build of a microturbine at Regional Plant No. 2 is consistent with the *Agency's Business Goal of Business Practices* by applying ethical, fiscally responsible, and environmentally sustainable principles to all aspects of business and organizational conduct.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

PJG:CB:SS:jp

**ACTION
ITEM**

2F

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (06/08/16)
Finance, Legal, and Administration Committee (06/08/16)

From:  P. Joseph Grindstaff
General Manager 

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone 
Manager of Engineering

Subject: CBWM Master Agreement Second Amendment to Task Order No. 1

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the second amendment to Task Order No. 1 of the Master Agreement with Chino Basin Watermaster as part of the Recharge Master Plan Update Yield Enhancement Projects, Project No. RW15003; and
2. Authorize the General Manager, subject to non-substantive changes, to execute the amendment.

BACKGROUND

In 2013, an amendment to the 2010 Recharge Master Plan Update (RMPU) was approved by Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (CBWM). This 2013 amended RMPU listed potential projects that would increase stormwater and recycled water recharge to the Chino Basin Groundwater System. In August 2014, a Master Agreement was executed to define the roles and responsibilities in managing and funding the implementation of the RMPU yield enhancement projects. This was followed by the approval of Task Order No. 1 (TO1) under the Master Agreement to implement and budget the design of nine (9) RMPU projects. In April 2015, IEUA and CBWM approved an amendment to TO1 primarily to authorize the budget and scope for the inclusion of a new recharge project called East Declez Basin on an

adjacent parcel to the Declez Basin. The new project proposed the purchase of 85 acres to develop a new recharge basin with the potential stormwater benefit of 913 acre-feet per year (AFY) for groundwater recharge. The proposed new amendment to TO1 is to remove the East Declez project from the design scope and budget.

In February 2016, the East Declez feasibility report was completed. The report found the site to have a limited subsurface storage and a recharge. On April 14, CBWM's Appropriative Pool determined to cancel the East Declez project.

This second amendment to Task Order No.1 shall exclude all scope and budget that is associated with the East Declez project with the exception of all expenses associated with the feasibility study and preliminary environmental review.

IEUA and CBWM's individual total share on the amended total budget is \$250,250 and \$3,689,250, respectively.

The CBWM Master Agreement Second Amendment to Task Order No. 1 is consistent with the IEUA business goal of *Water Reliability* by promoting a reliable and efficient groundwater recharge system.

PRIOR BOARD ACTION

On April 15, 2015, the Board of Directors approved the first Amendment to the Recharge Master Plan Task Order No. 1 with Watermaster.

On August 20, 2014, the Board of Directors approved the Task Order No. 1 under the 2014 Master Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster.

On July 16, 2014, the Board of Directors approved the Master Cost Sharing Agreement (Master Agreement) between Inland Empire Utilities Agency and Chino Basin Watermaster.

IMPACT ON BUDGET

This amendment will reduce the projected budget within the approved Ten Year Capital Improvement Projects by \$3.6 million for the design/planning efforts (soft cost) and \$19.8 million for construction (hard cost) for Project Nos. RW15003 and EN18007, respectively, which are budgeted under the Recharge Water (RW) Fund.

Attachments:

1. CBWM master Agreement Second Amendment to Task Order No. 1

PJG:CB:SJS:JS:ji

IEUA/CBWM Master Agreement
2nd Amendment to Task Order No. 1
Project No. RW15003.01
June 2016

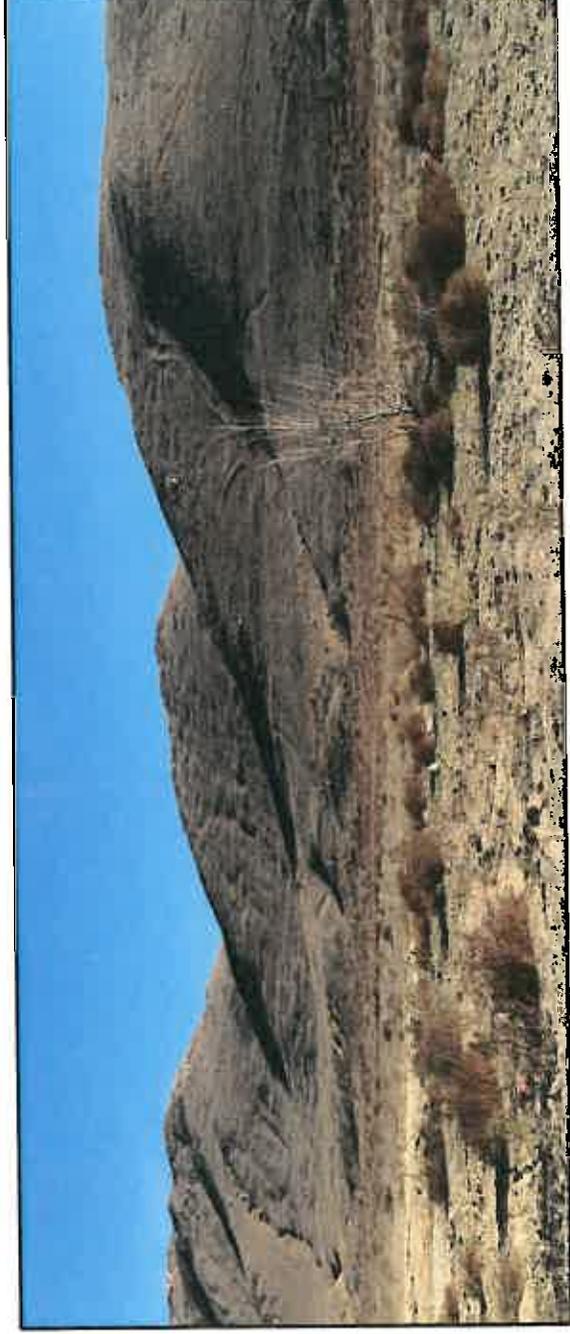


Joel Ignacio, P.E.
Senior Engineer



Project Request

- Amend Task Order No. 1 under the Master Agreement with Chino Basin Watermaster to reflect Watermaster's recent decisions on the East Declez Project



85 acres of new property east of Declez Basin

Project Background

Jan. 2015

CBWM & IEUA

Identified 85-acres east of Declez Basin as a potential new recharge basin

Apr. 2015

CBWM & IEUA

Executed amendment to Task Order 1 to allow further evaluation on East Declez

Jun. 2015

IEUA

Establish a letter of intent with the property owner to begin discussions on purchasing the site

Jul. 2015

IEUA

Contracted consulting services with Thomas Harder & Co. to prepare the feasibility study and report

Nov. 2015

IEUA

Entered into agreement to establish the terms purchasing the property \$50K refundable deposit

Feb. 2016

IEUA

Completed the East Declez Feasibility Study and Report

- Presented Feasibility Report
- Recharge Investigation and Projects Committee - February 18, 2016
- Watermaster's Pool Members - March 10, 2016
- IEUA's Board of Director's committees - April 13, 2016

Amendment Overview

- On April 7, 2016, CBWM decided to cancel the ~~East Declez Project~~
- Remove East Declez Scope and Budget
- Include all cost on Feasibility and Preliminary Environmental Review
- Concurrently, CBWM is processing the same amendment for approval in June
 - \$250,250 is IEUA's total share
 - \$3,689,250 CBWM's total share



Aerial of Declez Basin (Facing South East)



Recommendation

Approve the second Amendment to Task Order No. 1 of the Master Agreement with Chino Basin Watermaster as part of the Recharge Master Plan Update Yield Enhancement Projects, Project No. RW15003 and authorize the General Manager to execute the amendment.

The CBWM Master Agreement 2nd Amendment to Task Order No. 1 is consistent with **IEUA's Business Goal of Water Reliability** by promoting a reliable and efficient groundwater recharge system.



SECOND AMENDMENT
to
TASK ORDER NO. 1
2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS
PLANNING, PERMITTING AND DESIGN
under the
MASTER AGREEMENT REGARDING THE
MANAGEMENT OF COLLABORATIVE RECHARGE PROJECTS
between
INLAND EMPIRE UTILITIES AGENCY
and
CHINO BASIN WATERMASTER

This Second Amendment to Task Order No. 1 is made and entered into as of the ____ day of June, 2016 by and between the Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (Watermaster) (each a "Party" and collectively, the "Parties").

RECITALS

A. Task Order No. 1 for the 2013 RMPU Amendment Yield Enhancement Projects Planning, Permitting and Design (the "Task Order") was approved by IEUA on August 20, 2014, and by Watermaster on August 28, 2014.

B. The First Amendment to Task Order No. 1 was approved by IEUA and Watermaster on April 1, 2015. Task Order No. 1 was amended to reflect the inclusion of a new project, the East Declez Project, within the Recharge Master Plan list of projects and the removal of Sierra Basin and Lower San Sevaine which are no longer viable RMPU project. The Sierra Basin was no longer an option due to the City of Fontana's desire to use the land for other purposes, while Lower San Sevaine is no longer an option due to the land where the project was to be located was sold to a home developer.

C. Following a review of the feasibility study for the East Declez project, at the April 14, 2016 Appropriative Pool Meeting, it was decided that the East Declez project would not be further developed. A total of \$114,000 of funds from Task Order No. 1 was used for the development of the feasibility study.

D. IEUA and Watermaster wish to amend Task Order No. 1 to reflect these changes on the listed RMPU projects which are considered for design, decrease the total projected design cost, and to adjust the reimbursement schedule under which Watermaster provides its share of the costs to IEUA.

NOW THEREFORE IT IS AGREED TO AMEND THE TASK ORDER AS FOLLOWS:

1. Section 2 of the Task Order titled SCOPE shall be amended to read:

The activities to be undertaken pursuant to this Task Order include preliminary design, proof-of-concept analyses, completion of the CEQA process, permitting, and final design for the following 2013 RMPU Amendment Yield Enhancement Projects, as those projects are further described in the 2013 RMPU Amendment:

ID	Basin Projects
18a	CSI Storm Water Basin
23a	2013 RMPU Proposed Wineville PS to Jurupa, Expanded Jurupa PS to RP3 Basin, and 2013 Proposed RP3 Improvements
27 ¹	Declez Basin
-	East Declez Basin - <i>Feasibility Study only</i>
11	Victoria Basin
14	Turner Basin
15a	Ely Basin
2	Montclair Basins

¹ Declez Basin project (ID 27) was incorrectly omitted in the first Amendment to Task Order #1. There is no impact to overall cost

Under this task order the following is an estimated scheduled and projected cost break down for each phase of work:

Phases	Start	Finish	Projected Cost
Project Development	07/01/14	04/15/15	\$27,000
Preliminary Design	04/16/15	08/26/16	\$838,000
Environmental	02/19/15	11/16/16	\$336,00
Design	08/29/16	12/29/17	\$2,638,500
Permits	08/29/16	12/29/17	\$100,000
		Total	\$3,939,500

2. Section 5 of the Task Order titled BUDGET AND COST ALLOCATION shall be amended to read:

The budget for the activities to be undertaken pursuant to this Task Order is three million nine hundred thirty-nine thousand five hundred dollars (\$3,939,500) unless the scope of work is changed and an increase is authorized by the Parties ("Budget"). The Parties agree that these costs are shared consistent with the methodology described in Peace II Agreement Section 8.1(b), and that IEUA's share of the costs is based on a 50% allocation of the

costs of those portions of the project for which there is a recycled water component. The Budget includes IEUA capital, administrative, and overhead expenses associated with IEUA's provision of the services described in Section 3, above. The fiscal year budget allocation is as follows:

Design - RMPU YE Design	Fiscal Year 2014/15	Fiscal Year 2015/16	Fiscal Year 2016/17	Fiscal Year 2017/18	Total
Watermaster		\$619,750	\$2,000,000	\$1,069,500	\$3,689,250
IEUA	\$14,183	\$236,067	-	-	\$250,250
Total	14,183	\$855,817	\$2,000,000	\$1,069,500	\$3,939,500

3. Section 6 of the Task Order titled TOTAL BUDGETED COST shall be amended to read:

The Parties agree to pay their respective portion of the total costs, and the parties shall not be required to pay more than \$3,939,500 ("Total Budgeted Cost").

4. Section 7 of the Task Order titled MAXIMUM COSTS TO WATERMASTER shall be amended to read:

The costs to be required of Watermaster under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$3,689,250.

ALL OTHER PROVISIONS SHALL REMAIN UNCHANGED.

IN WITNESS WHEREOF, the parties hereby have caused this Amendment to be entered into as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

Joseph Grindstaff
General Manager

CHINO BASIN WATERMASTER:

Peter Kavounas
General Manager

**ACTION
ITEM**

2G

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (6/8/16)
Finance, Legal & Administration Committee (6/8/16)

From: P. Joseph Grindstaff 
General Manager

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Professional Services Contract Award for Sewer Fee Evaluation

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the professional services contract award for the Sewer Fee Evaluation to Carollo Engineers, Inc. for the not-to-exceed amount of \$376,586; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

The Inland Empire Utilities Agency (IEUA) and the Regional Contracting Agencies (Contracting Agencies) are currently governed by the Regional Sewage Service Contract (the Contract). As part of the Contract, the calculation for the determination of Equivalent Dwelling Unit (EDU) connection fees is defined in the section referred to as "Exhibit J". Exhibit J was first adopted with the Contract amendment in 1984 with subsequent amendments occurring in 1994, 2005 and 2013.

During the initial adoption of Exhibit J, the flows for one EDU were set at 270 gallons per day and Biochemical Oxygen Demand (BOD) and Suspended Solids (SS) concentrations at 230 mg/L and 220 mg/L, respectively. Over time, with the advent of water conservation efforts and water efficient fixtures, it has been generally accepted that wastewater flows have declined since the EDU was initially defined in Exhibit J and is no longer representative. Additionally, the Contracting Agencies and IEUA have found the fixture counting process and the classification of the business categories established by Exhibit J to be a labor intensive and subjective process.

Although Exhibit J was updated in 2013, the recent IEUA Internal Audit review of the Contracting Agencies EDU fee collection process found there are still inconsistencies and varying interpretation and application particularly for the commercial category types. This has resulted in varying degrees of discrepancies in connection fee assessment.

The Contracting Agencies also assess and collect recurring monthly sewer fees from the residential, commercial and industrial users. The only information provided to IEUA from the Contracting Agencies is total EDUs. The Contracting Agencies currently determine total non-residential EDUs through two different methods. The first method bases the monthly non-residential EDUs on the number of EDUs calculated via Exhibit J. The second method calculates the non-residential EDUs from actual water meter readings. These two methods create inconsistencies in how the monthly sewer fees are assessed.

A request for proposal (RFP) was issued on March 16, 2016 seeking the professional services of a consultant to complete a sewer fee evaluation for the Agency's service area. The evaluation will include an analysis of the following:

- EDU calculation
- Other agency business models
- Public service facilities
- Leasing of capacity
- Fee collection process
- Revenue impacts
- Transition plan

On April 21, 2016, IEUA received two responses to the RFP from Carollo Engineers, Inc. (Carollo) and Raftelis Financial Consultants, Inc. A selection panel consisting of representatives from the Cucamonga Valley Water District, the City of Fontana and IEUA reviewed the two proposals. Carollo was selected as the preferred consultant based on their understanding of the scope of work, the project team qualifications, previous similar project experience, and their ability to meet the project schedule. The projected cost of the sewer fee evaluation is \$376,586. The sewer fee evaluation is scheduled to be completed by January 2017. It is expected that the data collected through this evaluation will be critical to the updates currently being considered for the Regional Contract.

The sewer fee evaluation aligns with the Agency's business goals of *Fiscal Responsibility and Business Practices* by maintaining service rates and fees that fully support the costs of service for key Agency programs and providing regional benefit in an equitable manner within the Agency's service area.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The award of the professional services contract for the Sewer Fee Evaluation for the IEUA service area, for the not-to-exceed amount of \$376,586 is within the total project budget of Project No. PL16016 in the Regional Wastewater Capital Improvement (RC) Fund. The current total project budget for FY 2015/16 is \$50,000 and \$350,000 for FY 2016/17.

Attachment: Contract No. 4600002109, Carollo Engineers, Inc.

Sewer Fee Evaluation



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Craig Proctor

IEUA Board of Directors Meeting
June 2016

Project Background

- “Exhibit J” of Regional Contract
- Inconsistencies in “Exhibit J” interpretation (2015 Audit)
 - Fixture units
 - Sewage factors
 - Commercial category types
 - Industrial users
- Need to reevaluate process

Project Goals

- **New Method to Calculate Equivalent Dwelling Unit (EDU)**
- **Revenue collection methodologies**
 - Sewer use factor survey
 - Functional cost allocation
 - Fee collection process
 - Revenue impacts and transition plan
- **Public service facilities**
- **Sewer capacity lease**
- **Ease of data collection**

Consultant Proposals/Selection

- Request for Proposal (RFP) posted on March 16, 2016
- Two responses to the RFP received on April 21, 2016
 - Carollo Engineering (Carollo)
 - Raftelis Financial Consultants, Inc.
- Selection Panel with members from CWWD, City of Fontana & IEUA unanimously selected Carollo's proposal

Project Cost and Schedule

- Projected cost of sewer fee evaluation is \$248,506.

Project Milestone	Date
Receipt of Professional Services Proposals	April 2016
Proposal Selection	May 2016
Feasibility Contract Award	June 2016
Feasibility Study Completion	January 2017

Recommendation

Staff recommends the Board of Directors approve the professional services contract award for the Sewer Fee Evaluation to Carollo Engineers for the not-to-exceed amount of \$376,586 and authorize the General Manager to execute the contract.

The sewer fee evaluation aligns with the **Agency's Business Goals of Fiscal Responsibility and Business Practices** by maintaining service rates and fees that fully support the costs of service for key Agency programs and providing regional benefit in an equitable manner within the Agency's service area.



CONTRACT NUMBER: 4600002109
FOR
CONSULTING ENGINEERING SERVICES FOR
EVALUATION OF CALCULATION AND COLLECTION OF
SEWER FEES METHODOLOGY FOR THE IEUA SERVICE AREA

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2016, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and Carollo Engineers, Inc. with offices located in Walnut Creek, California (hereinafter referred to as "Consultant") for Consulting Engineering Services required for an evaluation of the calculation and collection of sewer fees methodology for the IEUA service area.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Craig Proctor, Pretreatment and Source Control Supervisor
Address: 6075 Kimball Avenue, Building "A"
Chino, California 91708-9174
Telephone: (909) 993-1645
Email: cproctor@ieua.org
Facsimile: (909) 993-1983

CONSULTANT ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Consultant: Toby Weissert, Project Manager
Address: 3150 Bristol Street, Suite 500
Costa Mesa, CA 92626
Telephone: (714) 593-5128
Email: TWeissert@carollo.com
Facsimile: (714) 593-5101

2. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
 - A. Amendments to Contract 4600002109.
 - B. Contract Number 4600002109, General Terms and Conditions.
 - C. Consultant's revised proposal, which is attached hereto, incorporated herein and made a part hereof as **Exhibit A**.
 - D. Agency's Request for Proposals RFP-RW-16-007 and all germane Addenda and correspondence, incorporated herein by this reference.
3. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include and be in accordance with tasks identified in Consultant's revised Scope of Work, which is attached hereto, incorporated herein and made a part hereof as **Exhibit A**.
4. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate on June 30, 2017 unless agreed to by both parties, reduced to writing, and amended to this Contract.
5. **COMPENSATION:** The Agency shall pay Consultant's properly-executed invoices, subsequent to approval by the Project Manager, within thirty (30) calendar days following receipt of the invoice. Consultant's invoice must be submitted according to milestones achieved by Consultant and accepted by the Agency's Project Manager, and shall include a breakdown by tasks completed, the current monthly amount due, and the cumulative amount invoiced to date against this contract. Payment will be withheld for any service which does not meet the requirements of this Contract or has proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager. Consultant shall not be paid more than eighty (80) percent of the contract price for less than 80 percent of the milestones achieved during the course of this contract.

All invoices shall be submitted electronically with all required back-up to apgroup@jeua.org. Consultant shall be provided with and utilize the Agency's standard Excel-based Consulting Services Invoice Template (**Exhibit B**), attached hereto and made a part thereof, for the submittal of each invoice. Invoicing shall not be submitted in advance of, or shall not be dated earlier than, the actual date of submittal.

As compensation for work performed under this Contract, Agency shall pay Consultant a **NOT-TO-EXCEED maximum of \$376,586.00** in accordance with Consultant's fee schedule, attached hereto, referenced herein, and made a part hereof as **Exhibit C**.

Payment shall be made according to the milestones achieved by Consultant and accepted by the Agency's Project Manager.

6. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Consultant shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Consultant is unable to accelerate the Work, Consultant

shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

7. **GRANT FUNDED PROJECTS:** This is not a grant-funded project.

8. **FITNESS FOR DUTY:**

A. **Fitness:** Consultant and its Subcontractor personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. **Compliance:** Consultant shall advise all Consultant and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

9. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.

A. **Minimum Scope of Insurance:**

1. **General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required single occurrence limit.
2. **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."
3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

4. Professional Liability Insurance in the amount of \$1,000,000 per occurrence.

B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

- a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
- b. The Consultant's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance

shall not provide any less coverage than that provided by the first or primary policy.

2. **Workers' Compensation and Employers Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Consultant for the Agency.

3. **All Coverages**

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by mail has been given to the Agency.

- D. **Acceptability of Insurers:** All insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California.
- E. **Verification of Coverage:** Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. **Submittal of Certificates:** Consultant shall submit all required certificates and endorsements to the following:

Attn. Ms. Angela Witte, Risk Specialist
c/o Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709-0902

10. **LEGAL RELATIONS AND RESPONSIBILITIES**

- A. **Professional Responsibility:** The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. **Status of Consultant:** The Consultant is retained as an independent Consultant only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

- C. **Observing Laws and Ordinances:** The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers and employees against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.
- D. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- E. **Hours of Labor:** The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.
- F. **Travel and Subsistence Pay:** The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- G. **Liens:** Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- I. **Equal Opportunity and Unlawful Discrimination:** During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed

or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction shall be thoroughly investigated by the Agency.

- J. **Non-Conforming Work and Warranty:** Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Consultant's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the Project Manager and Consultant shall be resolved in accordance with the provisions of this Contract.

The total amount of all claims the Agency may have against the Consultant under this Contract or arising from the performance or non-performance of the Work under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the lesser of the fees or \$500,000. As the Agency's sole and exclusive remedy under this Contract any claim, demand or suit shall be directed and/or asserted only against the Consultant and not against any of the Consultant's employees, officers or directors.

The Consultant's liability with respect to any claims arising out of this Contract shall be absolutely limited to direct damages arising out of the Work and the Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the Agency, including but not limited to, claims for loss of use, loss of profits and loss of markets.

- K. **Disputes:**

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Consultant's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Consultant is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Arbitrator.

 - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. **Joinder in Mediation/Arbitration:** The Agency may join the Consultant in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Consultant.
11. **INDEMNIFICATION:** Consultant shall indemnify the Agency, its directors, employees and assigns, and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract. Notwithstanding the foregoing, to the extent that this Contract includes design professional services under Civil Code Section 2782.8, as may be amended from time to time, such duties of Consultant to defend and to indemnify Agency shall only be to the full extent permitted by Civil Code Section 2782.8. Notwithstanding the foregoing, for any claim alleging Consultant's negligent performance of professional services, Consultant's obligations regarding the Agency's defense under this paragraph include only the reimbursement of the Agency's reasonable defense costs incurred to the extent of Consultant's negligence as expressly determined by a final judgment, arbitration, award, order, settlement, or other final resolution. Consultant shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, or loss of anticipated profits. Additionally, Consultant shall not be responsible for acts and decisions of third parties, including governmental agencies, other than Consultant's subconsultants, that impact project completion and/or success.
12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data ("Work Product") prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract upon full payment of all monies owed to the Consultant. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.
13. **TITLE AND RISK OF LOSS:**
- A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project.
- B. **Material:** Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or

fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

- C. **Disposition:** Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

14. **PROPRIETARY RIGHTS:**

- A. **Rights and Ownership:** Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:

Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.

If Proprietary Rights conceived, developed, or reduced to practice by Consultant prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Consultant shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

If the Work or Documentation includes the Proprietary Rights of others, Consultant shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

- B. **No Additional Compensation:** Nothing Set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

15. **INFRINGEMENT:** Consultant represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Consultant shall indemnify and hold harmless Agency, its officers, directors, employees, successors, assigns, and servants free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its reasonable efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement.

16. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Mr. Warren T. Green
Manager of Contracts and Facilities Services
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Consultant: Mr. Robert S. Grantham
Vice President
Carollo Engineers, Inc.
3150 Bristol Street, Suite 500
Costa Mesa, CA 92626

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

18. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts

to notify Consultant of any requests for disclosure of any documents pertaining to Consultant. In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Consultant's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
20. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Consultant.
21. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
22. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant invoiced services up to the date of such termination.
23. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
24. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Consultant.
25. **AGENCY-PROVIDED INFORMATION AND SERVICES:** The Agency shall furnish Consultant available studies, reports and other data pertinent to Consultant's services; obtain or authorize Consultant to obtain or provide additional reports and data as required; furnish to Consultant services of others required for the performance of Consultant's services hereunder, all subject to Agency's prior approval, and Consultant shall be entitled to use and rely upon all such information and services provided by the Agency or others in performing Consultant's services under this Agreement.

26. **ESTIMATES AND PROJECTIONS:** Consultant has no control over the cost of labor, materials, equipment or services furnished by others, over the incoming water quality and/or quantity, or over the way the Agency's plant and/or associated processes are operated and/or maintained. Data and cost projections are based on Consultant's opinion based on experience and judgment. Consultant cannot and does not guarantee that actual base unit quantities realized and/or costs will not vary from the data and cost projections prepared by Consultant and Consultant does not and will be not liable to and/or indemnify the Agency and/or any third party related to any inconsistencies between Consultant's data and/or cost projections and actual base unit quantities and/or associated energy cost savings realized by the Agency and/or any third party in the future. However, nothing herein shall relieve Consultant from liability for its failure to perform the work to the standard of skill and care expected of a consultant under the same or similar circumstances.
27. **THIRD PARTIES:** The services to be performed by Consultant are intended solely for the benefit of the Agency. No person or entity not a signatory to this Agreement shall be entitled to rely on Consultant's performance of its services hereunder, and no right to assert a claim against Consultant by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of Consultant's services hereunder.

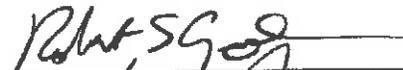
IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:
(A Municipal Water District)

CAROLLO ENGINEERS, INC.:

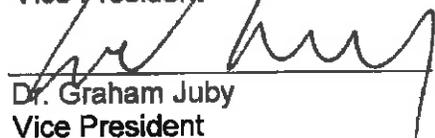
P. Joseph Grindstaff
General Manager

(Date)



Robert S. Grantham
Vice President

5/23/16
(Date)



Dr. Graham Juby
Vice President

5/24/16
(Date)

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Exhibit A

SCOPE OF WORK

BACKGROUND

IEUA is seeking the services of a consultant to evaluate the Agency's methodology for calculation and collection of sewer connection fees. This evaluation will include a review of the current Exhibit J and monthly sewer billing procedures by the Contracting Agencies. As part of this study, Carollo will conduct a review of other wastewater agencies business models for calculating and collecting sewer connection fees and monthly sewer billing. Based on this review and by accounting for IEUA's unique attributes, Carollo will provide several alternatives including the advantages and disadvantages of each alternative and recommendations for a new business model that will streamline and improve the work process that will work for both IEUA and the Contracting Agencies.

SCOPE OF WORK

The scope of work outlines our approach for undertaking the Sewer Use Fee evaluation. As IEUA recently adopted a five-year rate plan, this scope of work doesn't not include the recalculation of said charges, rather the feasibility and operational impacts of redefining an EDU. The scope consists of the following tasks:

Task 0. Data Collection and Review

Carollo will work with IEUA to gather data required to perform the study. In order to streamline the data collection and review process, Carollo will provide IEUA with a detailed data request prior to the project kick-off meeting, and provide an amended data request as needed following the meeting.

Task 1. Method to Calculate Sewer Connection Fees

Carollo will evaluate the formula and the sewage factors currently used to determine the equivalent dwelling units (EDU) as defined in Exhibit J of the Regional Contract. The current methodology assumes an EDU is equal to the discharge from a single-family residential connection and uses fixture count and sewage factors for commercial business categories. An EDU is assumed to total 270 gallons per day of sewer discharges.

Carollo will review the existing methodology and propose a less subjective and labor intensive method of calculation of sewer EDUs and associated fees. For each feasible alternative, Carollo will discuss the advantages, disadvantages, potential costs shifts between customer classes, and any associated revenue risk. Carollo will also evaluate the feasibility of using and future availability of data necessary to update the EDUs over time. Data could likely be used from San Bernardino County records, such as land use codes, building square footage, business category type, water usage, or other data. Carollo will also consider the compatibility of the proposed approach with IEUA's GIS so that data that is utilized for the development of the EDU can be integrated into IEUA's current GIS to allow for validation and audit.

Task 2. Revenue Collection Methodologies

Carollo will evaluate the current method being used to collect connection fees and monthly sewer charges, evaluate how other wastewater agencies collect these fees and their business models, and provide alternatives and considerations for IEUA. It is critical that any recommended program provides both transparency and auditability of the billing process.

2.1. Sewer Use Factor Survey

Carollo will perform a survey of other wastewater utilities to review the basis of their EDU calculations. We will use a combination of available online data and personal communication to gather current information for a representative sample of California agencies similar to IEUA. Up to eight (8) agencies will be incorporated into the survey.

2.2. Functional Cost Allocation

Changing the underlying EDU basis will not only impact connection fee collections, but could potentially impact rate revenues as the number of EDU changes due to modifications to the flow and loading assumptions. Consequently, Carollo will update the sewer rate functional allocations.

As part of the recently completed sewer connection fee study, Carollo developed a functional cost allocation, which assigned capital costs to three functional categories - flow; biochemical oxygen demand (BOD), and suspended solids (SS). Because customers discharge differing levels of flow and loadings into the wastewater system, this is a critical step to equitably recovering costs from system users.

The current monthly wastewater rates have an assumed allocation of 37% to flow, 31% to BOD, and 32% to SS. Because IEUA's costs have changed over time and in order to continue to comply with Proposition 218, it is important to review and update this allocation. Carollo will develop a line-item allocation of IEUA's five year financial forecast, building on the recent capital allocation performed as part of the connection fee study. Because of our intimate knowledge of the Agency's system and operations, this allocation will be grounded in sound engineering principles rather than relying on industry standards that may or may not apply to IEUA.

2.3. EDU Update

Based on a review of potential EDU calculation methodologies and the update to the functional allocation, Carollo will calculate new EDUs for the top two (2) alternative methods chosen in concert with IEUA staff. Because this update is highly dependent upon available data, Carollo will work with IEUA staff to help assist collecting information from Contracting Agencies and supporting agencies as necessary.

Carollo will review the water demand patterns for commercial discharges within up to three (3) of the Contracting Agencies. By evaluating water demands, Carollo can provide a more accurate understanding of the IEUA's commercial customer profiles, which will help to develop sewer discharge assumptions that better align with sewer discharge demands. This review will be for a sampled set of customers chosen in collaboration with IEUA staff and will represent low, medium, and high flow discharges.

2.4. Revenue Risk and Impacts

Whenever changing the underlying EDU basis or calculations, there could be a potential change in monthly sewer charge revenues and shifts of costs between customer classes. Specifically related to IEUA, the Agency might experience shifts between Contract Agencies. For each proposed methodology, Carollo will evaluate the potential revenue impacts to the extent that IEUA can provide the necessary data.

The sewer connection fee was updated in 2015. The charge is based on flow, BOD, and TSS and accounts for buildout needs based on the current EDU calculations. Carollo will evaluate how the change in the EDU might alter the total number of EDUs into the system and how it could impact the total revenues to be collected from the sewer connection fees.

DELIVERABLE:

Report chapter that delineates the basis of the new functional allocation, the survey of similar wastewater agencies, the potential approaches to calculating EDUs, and the recommended EDU calculation methodology and revenue impacts.

2.5. Connection Fee Collection Process

Sewer connection fees are currently collected by each Contracting Agency and remitted to IEUA. This process has resulted in some inconsistencies in EDU calculations between agencies and uncertainty of the revenues that will be collected. As a result, IEUA is considering taking over this process on behalf of the Contracting Agencies.

Carollo will review the current process for collecting connection fees and evaluate alternative approach that might be feasible, including having IEUA serve as the collection agency. As part of this review, Carollo will meet with each of the Contracting Agencies to review their collection policies and procedures, as well as how the information is shared between internal divisions and external agencies. While IEUA will be aware of a new development that must tap into a collection main, IEUA might not be aware of a change in use for an existing property that would otherwise change the EDU count and could trigger an incremental connection fee. By better understanding each agency's process and internal information systems, such as the use of Track-It development services software, Carollo will be able to recommend a process that more efficiently and effectively tracks developments.

Finally, Carollo will examine the process that governmental buildings are approved in order to develop a process that allows IEUA to appropriately collect fees from public service facilities as allowed under Government Code §54999, as described in the scope below.

DELIVERABLE:

Report chapter that defines the current connection fee collection procedures and challenges, defines feasible collection alternatives, including the advantages and disadvantages of each alternative, a planning-level cost estimate to implement these programs, and implementation considerations and next steps.

2.6. Monthly Sewer Fees Collection Process

Carollo will evaluate collection alternatives for monthly sewer fees through the County Property Tax Roll. Several regional agencies, such as the Orange County Sanitation District and the Los Angeles County Sanitation District, recover user fees on the annual tax assessment. This approach has two main advantages - provides a secure revenue source, as non-payments become a lien against the property; and it can reduce administrative costs and burdens. However, this approach can create a financial burden on some ratepayers that have difficulty paying large semi-annual payments.

Carollo will create a billing methodology survey, defining the advantages and disadvantage of different billing approaches, including direct monthly billing and collection through the annual tax assessment. The advantages and disadvantages will consider internal and external costs, customer acceptance, and administrative requirements.

DELIVERABLE:

Report chapter that outlines available billing alternatives, including the advantages and disadvantages of each alternative, a planning-level cost estimate to implement these programs, and implementation considerations and next steps.

2.7 Implementation Impact & Transition

While this study will produce a redefined EDU based on updated metrics for consistency, transparency, and auditability, the true revenue impact and cost shifts will not be fully known until all customers are transitioned. Where the above tasks provide IEUA with the necessary foundation to evaluate and assess the potential EDU changes (based on sample data), customer shifts and revenue impacts may necessitate further evaluation when applied in full to all customers and Contract Agencies.

For budgeting purposes, this task is optional as the selected methodologies may not necessitate the effort or as this could be performed by IEUA. However, if requested, Carollo would analyze customer data from across the IEUA service area and link the data with the new metrics. By doing so, the analysis would provide IEUA with a full understanding of the potential shifts. Additionally, Carollo will work with IEUA to develop a Transition Plan for implementing the proposed changes to the EDU methodology.

DELIVERABLE:

Report chapter that outlines revenue shifts throughout the IEUA service area, implementation considerations, and transition options to mitigate administrative or Contract Agency impacts.

Task 3. Public Service Facilities

Currently not all public service facilities are charged sewer rates and connection fees. This practice is not applied uniformly by all member agencies. This results in lost revenues and potentially creates a conflict under Proposition 218. Under California Government Code §54999, agencies may impose or increase an existing impact fee on public entities "after [an] agreement has been reached between the two agencies through negotiations entered into by" the District

and the public entity on whom the fee is being imposed. In compliance with this statutory requirement and IEUA's own equity requirements, fees imposed on public entities are "determined on the basis of the same objective criteria and methodology applicable to comparable nonpublic users, based on customer classes established in consideration of service characteristics, demand patterns, and other relevant factors."

Carollo will evaluate the exclusion of Public Service Facilities from the charge for connection fees and monthly sewer charges, the financial impact if these charges are apportioned to other customers of the Regional System, and compliance to regulatory or statutes, such as Propositions 26 and 218. Carollo will meet with IEUA staff and legal counsel to discuss the implications and considerations of CGC §54999. Carollo will also discuss the approaches developed and applied for other peer agencies, such as the Sacramento Regional County Sanitation District. Finally, Carollo will also discuss a transition plan, assuming IEUA wishes to modify the current program. This transition plan will determine the cost impact on this customer class as IEUA can provide the necessary customer data to support this analysis.

DELIVERABLE:

Report chapter that outlines considerations for imposing connection fees and sewer charges on public service facilities in order to recover a proportional share of system costs. The chapter will reference statutory guidelines, such as CGC §54999. Finally, if IEUA wishes to modify its current practice, the chapter will outline a preliminary transition plan and the cost impacts to these customers as a class.

Task 4. Leasing of Capacity

IEUA and its regional partners would like to encourage continued growth to the region's industrial base. This expansion supports the economic prosperity of the region, as well as directly and indirectly helps to spread wastewater system costs, thus providing a positive impact to IEUA's customers. As it has always been IEUA's policy to equitably distribute and recover costs to its customers, any industrial program must align with legal standards (Prop 218 and 26; Government Codes §66013 and §54999).

Due to the magnitude of the upfront cost for large dischargers, connection fees could ostensibly be cost prohibitive and/or deter the relocation or expansion of industrial customers. However, in accordance with Government Code §66013, IEUA must proportionally recover costs from all users, and therefore must impose a connection fee. Because these industrial customers are a unique class of wastewater user, IEUA has some latitude in how it imposes the fee. More specifically, IEUA could lease capacity to industrial customers, rather than charge them an upfront connection fee. A similar approach could be used for large commercial customers, such as restaurants.

Carollo will explore leasing options that could be made available to industrial and commercial customers and the potential revenue risk. This leasing option will consider approaches used by other agencies such as the Orange County and Napa Sanitation District. As these agencies have done, it is critical to evaluate commercial and industrial customers independently, as they

each place a unique burden on the IEUA system that does differ from each other, as well as residential customers.

DELIVERABLE:

Report chapter that defines how industrial customers are a unique class and could therefore be provided a capacity lease, the calculation of a proposed capacity lease rate, and considerations for implementing such a program.

Task 5. Draft and Final Report

Carollo will provide to IEUA a draft and final report that summarizes the findings and the proposed sewer use fees. IEUA comments on the draft report will be incorporated and a final report will be prepared. The report will provide IEUA with the necessary information to support the recommended changes and create a sound administrative record.

DELIVERABLE:

Carollo will provide IEUA with an electronic copy and ten (10) hard copies of the draft report for review. We will provide IEUA with both electronic and ten (10) hard copies of the final report and an electronic copy of any developed Microsoft® Excel model will be provided.

Task 6. Meetings and Presentations

Carollo believes that regular communications are essential for delivery of a successful project that meets IEUA's objectives. We will meet with IEUA to discuss the project, verify data, and discuss the draft report. Key anticipated meetings include the following:

- **Kick-off Meeting.** Prior to the design of the project, Carollo will review necessary documents and shall attend an informal meeting to receive the Agency's input. It is anticipated that the Carollo's core project team will be in attendance. The Agency's project manager will provide a presentation of the scope and a schedule for the project.
- **Bi-weekly Meetings.** A bi-weekly meeting will be conducted between the Agency project manager and Carollo's project manager to review the status of action items and deliverables. The meeting will be conducted by telephone conference.
- **Monthly Meetings.** Once a month, a bi-weekly meeting will be replaced by a monthly meeting. Carollo's project manager will lead the meeting and provide updates on the progress of the feasibility study, milestones achieved, any decisions required to maintain the progress of the project, and any potential issues that may affect the project schedule. Carollo's core project team and Agency's core project team may be in attendance, as needed. The meeting shall be conducted onsite at the Agency's Headquarters Building. In addition, to facilitate acceptance of the study results, stakeholders can be invited to these meetings to help with the development process.
- **Board Presentation.** Preparation for and attendance at one Board presentation is included in the scope of work.

Each of these meetings will result in a critical project milestone in that key decisions will be made and results finalized based on the outcome of these meetings.

Exhibit B



**INLAND EMPIRE UTILITIES AGENCY
CONSULTING SERVICES INVOICE**

Company: ABC Company	Pay Est. No.:	Contract Date:	Invoice Date: 10/16/2015
Address:	Contract No.: 40-XXXX	IEUA Project Manager:	This Period: From: 9/1/2015 To: 9/30/2015
Phone No.:		Jamal Zugndi	Invoice No./Consult Ref: XXXXXX
Proj. Name & No.: RF-7 Improvements Project, EN15xxx			

ORIGINAL CONTRACT:

PO No.	SAP Line Item No.	WBS Element No.	Item Description	Original Contr. Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
45-xxxxx	1	EN15xxx.00.F.DN50	50% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	2	EN15xxx.00.F.DN85	85% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	3	EN15xxx.00.F.DFLP	Final Design	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	4	EN15xxx.00.G.CNSW.00.AJ	Constr Support Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
Subtotal Original Contract				\$0.00		\$0.00		\$0.00		\$0.00

CONTRACT AMENDMENTS:

PO No.	SAP Line Item No.	WBS Element No.	Amendment Description	Amended Contract Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
Subtotal Contr. Amendme				\$0.00		\$0.00		\$0.00		\$0.00
Total Cont. with Amendme				\$0.00		\$0.00		\$0.00		\$0.00

PAYMENT SUMMARY FOR THIS PERIOD:

	From: 9/1/2015	To: 9/30/2015
Amount Earned Original Contract	\$0.00	
Amount Earned Amendments	\$0.00	
Back Charges	\$0.00	
Amount Due This Period	\$0.00	

PRIOR PAYMENT SUMMARY:

	From:	To:
Amount Earned Orig Contract	\$0.00	
Amount Earned Amendments	\$0.00	
Back Charges	\$0.00	
Prior Payments	\$0.00	

TOTAL PAYMENT SUMMARY:

Total Contract	
Total Original Contract	\$0.00
Total Contract Amendments	\$0.00
Total Payments to Date	\$0.00
Back Charges	\$0.00
Payment this period	\$0.00
Balance of Contract	\$0.00

CONTRACT SCHEDULE SUMMARY:

Contract Start Date:	10/9/2014
Contract Duration:	365
Contract Completion Date:	10/9/2015
Authorized Time Extension:	0
Revised Completion Date:	10/9/2015

PROJECT COMPLETION SUMMARY:

Contract Time Expired:	102%
Contract Work Complete:	#DIV/0!

Consultant Approval:

Title: _____ Signature: _____ Date: _____

Inland Empire Utilities Agency Approvals:

Proj. Engineer: _____ Date: _____ Exec Mgr. / Assistant GM: _____ Date: _____
 Deputy Manager: _____ Date: _____ General Manager: _____ Date: _____
 Dept. Manager: _____ Date: _____

Exhibit C

Inland Empire Utilities Agency - Sewer Fee Study

Tasks	Carollo Engineers						Labor Cost	PECE	Expenses	Total
	Robert Graham	Toby Weissett	Lead Analyst	Analyst	Support & Central Staff					
Task 0: Data Collection	1	2	7	8			\$2,387	\$128	\$0	\$2,515
Rate structure review, rate survey, and evaluation of alternatives										
Task 1: EDU Calculation	16	24	100	80			\$47,640	\$2,808	\$0	\$50,448
Evaluate and recommend updated EDU calculations and impacts on IELIA revenues										
Task 2: Collection Methodology	107	121	250	176			\$152,030	\$8,307	\$1,900	\$162,237
Present multiple collection methodologies and associated transition plans										
- Sewer Factor Survey	1	1	0	32						
- Functional Allotment	4	24	20	0						
- EDU Update	12	12	40	0						
- Revenue Risk and Impacts	4	4	32	24					\$1,200	
- Connection Fee Collection Process	24	24	40	40						
- Monthly Sewer Fees Collection Process	40	40	64	40						
- Implementation Impact & Transition	32	16	100	80					\$700	
Task 3: Public Service Facilities	20	36	48	16	8		\$22,724	\$1,263	\$0	\$23,987
Review authority to impose rates and fees on public facilities										
Task 4: Leasing of Capacity	20	36	48	16	8		\$22,724	\$1,263	\$0	\$23,987
Develop industrial and commercial lease options										
Task 5: Draft and Final Report	24	40	100	32	24		\$44,896	\$2,574		\$47,470
Develop draft and final study report										
Task 6: Meetings & Presentations	64	68	90	34			\$58,194	\$2,948	\$4,800	\$65,942
Prep and meeting time associated with the identified tasks										
- Kick-Off Meeting	6	6	10	10					\$600	
- Bi-Weekly Conference Calls	12	12	16	8						
- Monthly Meetings	36	36	48	12					\$3,600	
- Board Presentation	10	10	16	4					\$600	
Total	379	404	1,006	530	40		\$350,595	\$19,791	\$8,600	\$376,586

Estimated Schedule

Task	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Task 0: Data Collection								
Task 1: EDU Calculation								
Task 2: Collection Methodology								
Task 3: Public Service Facilities								
Task 4: Leasing of Capacity								
Task 5: Draft and Final Report								
Task 6: Meetings & Presentations								

	Draft Report
	Final Report
	Kick-off Meeting
	Meetings/Presentations

**ACTION
ITEM**

2H

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (6/8/16)
Finance, Legal & Administration Committee (6/8/16)

From: P. Joseph Grindstaff *CB*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee *SL*
Manager of Planning and Environmental Resources

Subject: Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the June 2016 SARCCUP Memorandum of Understanding (MOU);
2. Approve Project Agreement 23 (PA23) between SAWPA and the five SAWPA member agencies for SARCCUP governance;
3. Approve the professional services contract award to Tom Dodson & Associates (TDA) to conduct a SARCCUP CEQA evaluation for the not-to-exceed amount of \$340,397;
4. Approve the CEQA Cost Sharing Agreement; and
5. Authorize the General Manager to execute the following documents:
 - a. June 2016 SARCCUP MOU
 - b. PA23
 - c. Professional Services Contract Award to TDA
 - d. CEQA Cost Sharing Agreement

BACKGROUND

SARCCUP is the result of collaboration between the Santa Ana Watershed Project Authority (SAWPA) member agencies (Parties) to identify large-scale water supply reliability and water

use efficiency projects that could benefit the Santa Ana River Watershed. SARCCUP will initially include development of new infrastructure and incorporation of existing infrastructure to create 60,000 acre-feet per year of wet year put and dry year take capacities for 180,000 acre-feet of groundwater storage in the San Bernardino Area Basins, the San Jacinto Basin, the Chino Basin, and the Elsinore Basin. SARCCUP conservation elements include development of 10,439 acre-feet per year of increased supply by removing *Arundo donax*, an invasive plant species, from the Santa Ana River, restoration of Santa Ana Sucker fish habitat; and implementation of economics based water conservation measures.

The parties began collaboration in 2014 when they created the Santa Ana River Watermaster Action Team through an MOU to explore identification of projects with watershed-wide benefits, which became SARCCUP, a regional conservation and conjunctive use program. In May 2015, the Parties' 2014 MOU was amended to establish foundational principles for SARCCUP. In June 2015, the Parties submitted a grant application to the State Department of Water Resources (DWR) through SAWPA for the SARCCUP project elements. SAWPA was awarded \$55 million in grants for the SARCCUP project by DWR. The estimated costs of SARCCUP Phase 1 projects total \$100 million and will be funded by the \$55 million grant funding and \$45 million shared equally by the five SAWPA member agencies.

The implementation of SARCCUP water banking elements requires unprecedented cooperation by the Parties and other agencies. The level of cooperation requires developing several agreements including those for program financing, governance, operations, storage, exchange, management, and for working with water suppliers such as local retailers and regional water wholesale agencies. The Parties have prepared the 2016 SARCCUP MOU for Program Implementation restating their desired cooperation, describing the phase 1 SARCCUP facilities, and identifying needed agreements. Each party is seeking adoption of the MOU by their Board of Directors in June 2016 prior to SAWPA and DWR finalizing the SARCCUP grant award contract in July 2016.

The governance of SARCCUP will be through project agreements made under the joint powers authority of SAWPA. The SARCCUP water conservation elements are being implemented through the governance of the existing Project Agreement 22 (PA22). The water banking elements are to be implemented through the governance established by a new agreement, Project Agreement 23 (PA23). PA23 covenants establish the covered project facilities, an operations committee, accounting needs, unanimous budget approval, an open term duration, ownership of facilities, financial responsibilities, indemnification of SAWPA, and requirements of withdrawal. PA23 must be signed by all SARCCUP Parties including SAWPA. Each party is seeking adoption of PA23 by their Board of Directors in June 2016 prior to SAWPA and DWR finalizing the SARCCUP grant contract in July 2016.

The Parties identified IEUA as the agency to lead the California Environmental Quality Act review for SARCCUP. IEUA has competitively-bid on-call master contracts with TDA and Environmental Science Associates (ESA) for environmental reviews. The Parties, being pleased with past TDA and ESA work, all agreed that TDA and ESA should be selected to begin CEQA such that the evaluation can begin forthwith and for the Parties to meet the aggressive

construction schedule. The proposed contract with the TDA/ESA team identifies the appropriate environmental needs for all SARCCUP components under CEQA. IEUA will act as the Lead Agency under CEQA with the remaining Parties to act as Responsible Agencies. TDA/ESA prepared a cost estimate of \$340,397. The 2016 MOU for Program Implementation identifies that the CEQA cost will be shared equally amongst the Parties. A CEQA cost-sharing agreement has been prepared.

The SARCCUP MOU for Program Implementation, PA23, and CEQA work are consistent with the Agency's Business Goal of increasing *Water Reliability* by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On May 20, 2015, the IEUA Board of Directors approved an amendment to the May 2014 Santa Ana River Watermaster Action Team MOU. The amendment supported continued collaboration towards the identified projects now known as SARCCUP and the newly stated foundational principles of SARCCUP.

On May 21, 2014, the IEUA Board of Directors approved an MOU for the Santa Ana River Watermaster Action Team in support of IEUA collaboration with the SAWPA member agencies to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana River Watershed; and to collaborate to cost share projects and to secure Proposition 84 or other funding for implementation of identified projects.

IMPACT ON BUDGET

The award of the professional services contract for the SARCCUP CEQA, for the not-to-exceed amount of \$340,397 is within the total project budget of Project No. WR16024 in the Water Resources (WW) Fund. The SARCCUP total project budget for FY2015/16 is \$2,000,000. The CEQA evaluation will be equally cost shared by the five SARCCUP member agencies and thus the IEUA share will be \$68,079.

Attachments:

1. SARCCUP Memorandum of Understanding for Program Implementation
2. Project Agreement 23
3. Contract 460002107 with Tom Dodson & Associates for SARCCUP CEQA
4. CEQA Cost Share Agreement

Santa Ana River Conservation and Conjunctive Use (SARCCUP) 2016 Program Authorizations



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Andy Campbell

IEUA Board of Directors Meeting
June 2016

SARCCUP* Collaboration

- May 2014 MOU created Santa Ana River Watermaster Action Team
- May 2015 MOU amendment established SARCCUP
- December 2015:
 - \$100 million SARCCUP Prop 84 grant application
 - \$55 million in grant funding is awarded
- Local cost share: \$45 million shared equally by SARCCUP agencies

* SARCCUP: Santa Ana River Conservation and Conjunctive Use Program

MOU for Program Implementation

- SARCCUP requires multiple agreements
- MOU restates Parties' cooperation, describes facilities, & identifies agreements:
 - financing, governance, operations, storage, exchange, & management
- MOU needed prior to SAWPA-DWR grant contract in July 2016

SARCCUP Governance Agreement

- Existing Project Agreement (PA22) governs water conservation
- Project Agreement 23 (PA23) governs:
 - water banking elements
 - operations committee, open term duration, budget approval, and financial responsibilities
- PA23 needed prior to SAWPA-DWR grant contract in July 2016

SARCCUP CEQA

- IEUA identified as lead agency for CEQA review
- IEUA's master environmental contract: TDA and ESA
- Parties unanimously agreed to use TDA & ESA
- New CEQA contract with TDA/ESA: \$340,397
- CEQA cost shared equally amongst SARCCUP agencies: \$68,000

Recommendation

It is recommended that the Board of Directors

- Approve the June 2016 SARCCUP Memorandum of Understanding (MOU);
- Approve Project Agreement 23 (PA23) between SAWPA and the five SAWPA member agencies for SARCCUP governance;
- Approve the professional services contract award to Tom Dodson & Associates (TDA) to conduct a SARCCUP CEQA evaluation for the not-to-exceed amount of \$340,397;
- Approve the CEQA Cost Sharing Agreement; and
- Authorize the General Manger to execute the following documents:

- * June 2016 SARCCUP MOU
- * PA23
- * Professional services contract award to TDA
- * CEQA Cost Sharing Agreement

The plan is consistent with the Agency's Business Goal of Water Reliability by promoting water use efficiency and education to enhance water supplies within the region; and meeting the region's need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.

ATTACHMENT 1:

SARCCUP Memorandum of Understanding for Program Implementation

**Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
Memorandum of Understanding for Program Implementation**

This Memorandum of Understanding ("MOU") is executed as of June ____, 2016 ("Effective Date"), by and among, Eastern Municipal Water District (Eastern MWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (SBVMWD), and Western Municipal Water District (Western MWD), collectively referred to herein as "Parties" and individually as "Party".

I. Recitals / Objectives

1. The purpose of the MOU is to describe the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) objectives, benefits, facilities descriptions, and to define future agreements that will be required for project implementation and operation, and grant administration.
2. In 2014, the Parties entered into a memorandum of understanding ("2014 MOU") to collaborate in the exploration, analysis and implementation of one or more projects concerning large-scale, regional water supply reliability projects that would provide benefits to the entire watershed. Further, the Parties agreed to work together and take such action to secure grants or other necessary funding, including applying for Santa Ana Watershed Project Authority's (SAWPA) One Water One Watershed (OWOW) Proposition 84 2015 Integrated Regional Water Management (IRWM) funding in October 2015, to help pay for the projects and programs selected by the Parties, known collectively as the SARCCUP program. In May 2015, the Parties executed Amendment 1 to the 2014 MOU. The 2014 MOU, along with Amendment 1, are attached as Exhibit A.
3. Pursuant to the 2014 MOU, the Parties have worked collaboratively to develop a regional conjunctive use program. SARCCUP is a multi-agency, watershed-scale program that will initially create 180,000 acre-feet (AF) of storage capacity that would provide up to 60,000 AF per year (AFY) of water during dry years (dry year yield) for up to 3 years; develop 10,439 AFY of increased supply by removing arundo, an invasive plant species, from the Santa Ana River, restore Santa Ana Sucker fish habitat; and implement additional water conservation measures. SARCCUP will collectively provide up to 70,439 AFY of new local dry-year water supply that would supplement, and perhaps replace, imported water supplies during a drought.
4. The SARCCUP program provides multiple, regional benefits to the Santa Ana River Watershed:
 - a. Develops a large-scale, conjunctive-use project that utilizes unused storage space in the watershed's groundwater basins allowing the banking of wet-year supplies for use in dry years, facilitating the augmentation of

drought and emergency water supplies, and supplementing, or perhaps reducing, the demand for imported water during droughts.

- b. Restores habitat for the Santa Ana Sucker, a threatened species and recovers water being consumed by arundo, an invasive plant species. Creation of 18,250 linear feet of new habitat will significantly improve conditions for the Santa Ana Sucker fish along the Santa Ana River. SARCCUP also includes removal of 640 acres of *Arundo donax* and restoration of 41 acres of habitat with native species.
 - c. Implements water use efficiency measures to lower water demands in the watershed. The Water Use Efficiency (WUE) element includes extending the OWOW Proposition 84 2014 Drought Round WUE program for technical support for conservation programs and public outreach. The Parties will also be contracting with SAWPA to support the implementation of conservation-based rates by water agencies that currently do not have conservation-based rates and providing outreach guidance in drought tolerant landscaping maintenance through the services of Orange County Coastkeeper and other entities.
5. Eastern MWD, IEUA, and Western MWD are Metropolitan Water District of Southern California (MWDSC) member participating agencies.
 6. OCWD is a participating agency that receives imported water from MWDSC through the Municipal Water District of Orange County (MWDOC). MWDOC is a member of the MWDSC.
 7. SBVMWD is a participating agency that, like MWDSC, is a State Water Contractor.
 8. The SARCCUP groundwater storage and recovery facilities are located in the service areas of Eastern MWD, IEUA, SBVMWD and Western MWD.
 9. An "extraordinary supply", as defined by MWDSC, is: "...extraordinary increases in local supplies in times of shortage above the base period, including such efforts as purchasing water transfers or overproducing groundwater yield." In addition, MWDSC adopted five principles for determining extraordinary supply status:
 - a. No negative impacts to other member agencies
 - b. Provides supply in addition to existing regional supplies
 - c. Specifically designed program or supply action
 - d. Intended for consumptive use in a MWDSC water supply allocation
 - e. Fully documented resource management actions

10. The purpose of SARCCUP is to supplement, or perhaps replace, imported water from the Bay-Delta available during dry years by initially creating 180,000 AF of local groundwater storage by banking surplus imported water during wet years in any of the Chino, Elsinore, San Bernardino, and San Jacinto Groundwater Basins ("storage locations") for future recovery to serve operational needs and provide supplies during droughts or emergencies.
11. The Parties will be collaborative, equal partners in the storage capacity created by all of the SARCCUP facilities, including the ability to store and recover water. The SARCCUP bank augments the supply of dry-year yield during droughts or during natural or man-made interruptions of imported water supplies. Water can be conveyed throughout the watershed via hard piping, exchanges and/or in-lieu use. The SARCCUP facilities are described herein. A schematic reflecting all of the regional water facilities, including those defined as SARCCUP, is included as Exhibit B.
12. In early 2016, SAWPA was formally notified that it had been awarded \$64,268,000 by the California Department of Water Resources for its OWOW Proposition 84 2015 IRWM grant proposal, which includes SARCCUP. From this grant award to SAWPA, \$55 million was designated by OWOW governance for SARCCUP implementation. The SARCCUP Prop 84 grant award includes the development of a Watershed-Scale Master Plan that includes the proposed SARCCUP facilities, and identifies additional facilities that could be included in future phases of the program. The goal of the Master Plan is to identify facilities needed to take advantage of approximately 1.0 million acre-feet (MAF) of total available groundwater storage capacity within the watershed for use in capturing available excess supplies during wet years and enhancing available local supplies during droughts and emergencies. Facilities identified for future phases of SARCCUP could be targets for future grant opportunities.
13. In January 2016, SBVMWD entered into a contract, on behalf of the Parties, with the firm CH2M to develop a decision-support model (Exhibit B) as part of the Master Plan process and work is ongoing under that contract as of the date of this MOU. The Parties have agreed to reimburse their one-fifth share of the total cost to SBVMWD. The overarching goals for the model effort is to simulate the anticipated operations of the proposed SARCCUP facilities, quantify the benefits, quantify the costs and identify future phases of SARCCUP.
14. IEUA has entered into a contract with Tom Dodson & Associates, on behalf of the Parties, to identify the appropriate environmental compliance document for all SARCCUP components under the California Environmental Quality Act (CEQA). IEUA will act as the "Lead Agency" under CEQA, with the remaining Parties to act as "Responsible Agencies". The Parties have agreed to reimburse their one-fifth share of the total cost to IEUA. Project-level CEQA

documents can either be completed by the local agency performing the project construction, or if far enough along in design, the project-level analysis can be included in a comprehensive document for agency project approval.

15. Multiple agreements are required between the Parties and other project stakeholders to allow for SARCCUP development, implementation, operation, and grant administration. This MOU defines those agreements, and a graphic demonstrating the relationships between all agreements can be found in Exhibit C. The relationships between the grant administration agreements are shown in Exhibit D.

II. SARCCUP Conjunctive-Use Facilities Descriptions

1. **Sources of water:** Water purchased for storage in the SARCCUP facilities would include water purchased by the Parties collectively and individually, as well as transfers between the Parties. Sources of water for storage under the SARCCUP program include, but are not limited to:
 - a. Imported water purchased from MWDSC;
 - b. Extraordinary supply water purchased on the market and wheeled to the storage locations; and
 - c. State Water Project (SWP) water purchased from SBVMWD and wheeled to the storage locations.
2. **Chino Basin Facilities:** SARCCUP facilities within the Chino Basin will create new storage capacity of 96,000 AF. Recharge and dry year yield will average 32,000 AFY for three years. Facilities include:
 - a. Construction of the Baseline Feeder Extension, which includes about 6.5 miles of 48-inch pipeline and connections along the pipeline to feed water to existing recharge facilities and water agencies;
 - b. Rehabilitation of up to three existing groundwater production wells and adding pumping and distribution appurtenances;
 - c. Improvements for imported water diversion capacity from flood control channels to existing recharge basins and facilities at the Montclair and Jurupa basins;
 - d. Construction of a dual-use turnout on the existing Devil Canyon-Azusa Pipeline to allow for recharge and for takes by the Water Facilities Authority.

3. **Elsinore Basin Facilities:** SARCCUP facilities within the Elsinore Basin will create new storage capacity of 4,500 AF. Recharge and dry year yield will average 1,500 AFY for three years. Facilities include:
 - a. Construction of two new dual-purpose injection wells with pipelines and appurtenances.
4. **San Bernardino Basin Area Facilities:** SARCCUP facilities within the San Bernardino Basin Area will create new storage capacity of 60,000 AF. Recharge and dry year yield will average 20,000 AFY for three years. Facilities include:
 - a. Construction of five new groundwater production wells, transmission pipeline and appurtenances;
 - b. Expansion of the capacity in the Redlands Pump Station by 60 cfs through the addition of three new pumps with a capacity of 20 cfs each.
5. **San Jacinto Basin Facilities:** SARCCUP facilities within the San Jacinto Basin will create new storage capacity of 19,500 AF. Recharge and dry year yield will average 6,500 AFY for three years. Facilities include:
 - a. Development of a new 39-acre recharge site, known as the Mountain Avenue West site:
 - i. Site grading to form the recharge basins;
 - ii. Installation of pipeline laterals, flow control valves, and metering facilities;
 - iii. Monitoring well installations.
 - b. Use of an existing raw water pipeline to deliver imported water for recharge to the Mountain Avenue West site;
 - c. Development of three new groundwater production wells for recovery of the banked water, including vertical turbine pumps and motors, distribution pipelines, and appurtenances.

III. Key Agreements to be Developed for SARCCUP

1. Agreements between the Parties

- a. **Coordinated Operating, Storage, Exchange and Management Agreement**

- i. Defines a management structure, known as the "Operating Committee", that includes participants from all of the Parties and MWDOC, and will oversee project operations and finance decisions;
- ii. Defines how the Parties will share equitably in the storage accounts, operate and maintain the facilities, recharge imported water, extract/exchange banked water and keep an accounting of the storage accounts;
- iii. Defines operations planning and reporting requirements;
- iv. Sets term for 30 years upon execution, with option for renewal in 10-year increments.

b. Funding Agreement

- i. Defines costs associated with operations and maintenance of the SARCCUP conjunctive use facilities and establishes procedures to develop an operating budget on an annual basis;
- ii. Identifies "postage stamp" rate for recharge within any SARCCUP bank;
- iii. Identifies "postage stamp" rate for extraction from any SARCCUP bank;
- iv. Identifies how and when postage stamp rates are adjusted;
- v. Identifies management, accounting and reporting of funds and process for reconciling accounts each year.
- vi. Identifies the cost for the Parties to utilize SARCCUP facilities when they are not needed by SARCCUP.

2. Agreement between the Parties and Santa Ana Watershed Project Authority (SAWPA)

a. Project Agreement 23, or "PA23"

- i. Responsible for management of the SARCCUP program and will provide necessary documentation to SAWPA ;
- ii. There is no set term for the agreement.

3. Agreement between the Parties, MWDOC, and MWDSC

a. MWDSC Demonstration Project Agreement

- i. Defines how MWDSC's system would be used to facilitate exchanges between the Parties;
- ii. Defines method of calling Party taking MWDSC supply in-lieu of that Party producing groundwater;
- iii. Terms of this agreement will not conflict with Extraordinary Supply provisions;

- iv. Utilizes the terms of the SBVMWD/MWDSC Agreement to deliver water to the storage facilities of other SARCCUP agencies;
- v. Defines benefits to MWDSC.

4. Additional agreements

- a. Eastern MWD and Hemet-San Jacinto Watermaster**
 - i. Storage Agreement needed to bank 19,500 AF
- b. IEUA and Chino Basin Watermaster (or Watermaster pool members)**
 - i. Storage Agreement needed to bank 96,000 AF
- c. MWDSC and SBVMWD Agreement**

IV. Exhibits

- 1. SARCCUP 2014 MOU and Amendment 1 between the Parties
- 2. Schematic of Regional SARCCUP Facilities
- 3. SARCCUP Agreements Relationship Architecture
- 4. SARCCUP Grant Management Agreements Relationship Architecture

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the effective date.

EASTERN MUNICIPAL WATER DISTRICT

By _____

Name _____

Its _____

INLAND EMPIRE UTILITIES AGENCY

By _____

Name _____

Its _____

ORANGE COUNTY WATER DISTRICT

By _____

Name _____

Its _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By _____

Name _____

Its _____

WESTERN MUNICIPAL WATER DISTRICT

By _____

Name _____

Its _____

Exhibit 1 - 2014 Memorandum of Understanding & Amendment Number 1

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is executed as of May __, 2014 ("Effective Date"), by and among, Inland Empire Utilities Agency ("IEUA"), Orange County Water District ("OCWD"), San Bernardino Valley Municipal Water District ("Valley District"), Western Municipal Water District ("Western"), and Eastern Municipal Water District ("Eastern"). IEUA, OCWD, Valley District, Western and Eastern are collectively referred to herein as "Parties" and individually as "Party."

RECITALS

A. On April 17, 1969, the Superior Court entered a Stipulated Judgment as a result of the case of Orange County Water District v. City of Chino, et al., (Case No. 117628-County of Orange), concerning rights of the water users and other entities in the lower area of the Santa Ana River basin downstream of Prado Dam as against those in the upper area tributary to Prado Dam. The Judgment designates the Parties, excluding Eastern, as responsible for representing the interests of the upper and lower areas and gives such agencies the responsibility to fulfill the obligations set forth in the Stipulated Judgment.

B. Each Party represents a regional water agency that covers the Santa Ana River watershed, and with the exception of Eastern, collectively makes up the Santa Ana River Watermaster created by the Stipulated Judgment.

C. Although Eastern is not a member of the Santa Ana River Watermaster, the Parties collectively desire to investigate and collaborate to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana Watershed, which projects may only be possible through securing grant funding.

D. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, commonly known as Proposition 84, authorized over \$1.5 billion for water supply and water quality projects throughout the state of California. The Proposition 84 funding is allocated to various regions with the Santa Ana region receiving a funding allocation of \$114 million.

E. To date, the state of California has released Proposition 84 funding in two rounds, with \$12 million released in the first round and \$16 million released in the second round.

F. The Santa Ana Watermaster Committee supports the Parties' desire to explore and identify possible watershed-wide projects, and has unofficially named the Parties the "Santa Ana Watermaster Action Team."

G. The Parties desire to collaborate to secure Proposition 84 funding and any other available funding for the identification, evaluation and implementation of certain large-scale water supply reliability projects, including the projects specifically identified in this MOU and any future projects determined by the Parties, all of which will wholly affect and benefit the Santa Ana River Watershed.

H. This MOU may be amended in the future to include other interested stakeholders.

NOW, THEREFORE, in consideration of the matters recited above and the covenants, conditions and promises contained herein, the Parties agree as follows:

OPERATIVE PROVISIONS

1. Purpose. The Parties desire to collaborate in the exploration, analysis and implementation of one or more projects identified in this MOU, and including any future projects and programs identified by the Parties, concerning large-scale water supply reliability projects that will provide benefits to the entire watershed. Further, the Parties will work together and take such action as may be necessary to secure grants or other necessary funding, including Proposition 84 funding, to pay for the projects and programs selected by the Parties.
2. Term. The term of this MOU shall commence on the Effective Date and shall continue until terminated upon the written consent of the Parties. An individual Party may terminate its participation in the MOU at any time without approval of the remaining Parties.
3. Projects. The current proposed watershed-wide projects or programs contemplated by this MOU include the following:
 - a. Habitat Restoration and Arundo Removal. Develops plans and creates habitat for listed species to help offset any "take" associated with water projects and removes arundo, an invasive plant that consumes approximately 4 acre-feet of water per acre.
 - b. Recycled Water Optimization. Upper watershed continues to deliver treated wastewater to the lower watershed via the Santa Ana River in exchange for the lower watershed delivering imported water to the upper watershed.
 - c. Regional Conjunctive Use. Agencies in the watershed participate in and receive reliability benefit from regional projects that increase the storage of local stormwater and imported water primarily in wet years for later extraction, treatment and delivery both directly and through in-lieu exchange primarily during dry years.
 - d. Economic Based Water Use Efficiency Program. Develops a set of innovative, best in class water conservation tools, new and supplemental incentive programs, and water use efficiency rate structure implementation support that can be applied on a regional basis to help achieve water conservation targets established by the State of California.
4. Future Projects. In addition to the projects and programs identified in Section 3 above, the Parties will continue, during the term of this MOU, to diligently work together to identify, examine and implement additional watershed-wide projects and programs, all of which will be subject to this MOU. The implementation of any project or program, and the associated terms and obligations, will be determined and may be memorialized in a separate written agreement executed by the Parties.
5. Contracting Party. One of Parties will serve as the contracting Party for each of the projects and programs contemplated by this MOU. The Parties hereby agree that whichever agency is designated as the contracting Party for the project or program has the authority and power to bind the Santa Ana River Watermaster Action Team. The Contracting Party will also provide necessary administrative support for the various projects and programs contemplated and/or implemented by the Parties. The Parties agree that the Contracting Party shall have no liability of any kind for acts performed or taken as the contracting party in furtherance of the purpose of this MOU. Selection of the Contracting Party will be done by general consensus and will be ratified by an action of the Contracting Party's Board of Directors.

6. Obligations of the Parties. Each Party agrees to cooperate in the fulfillment of the purpose of this MOU and to act in good faith at all times. The Parties will be responsible for cost sharing, in such amounts as determined by the Parties, of any costs or fees incurred in connection with the projects or programs. The Parties will make every effort to collaborate to identify possible projects and programs that satisfy the intent of this Agreement and further agree to enter into additional agreements and execute documents reasonably necessary to carry out the intent of this MOU.

7. General.

a. Notices. Any written communication required or permitted to be given hereunder will be deemed received upon personal delivery or forty-eight (48) hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended as follows:

If to IEUA: Inland Empire Utilities Agency
6075 Kimball Ave.
Chino, CA 91708
Attn: Joe Grindstaff, General Manager

If to OCWD: Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708
Attn: Michael R. Markus, General Manager

If to Valley District: San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, California 92408
Attn: Douglas D. Headrick, General Manager

If to Western: Western Municipal Water District
14205 Meridian Parkway
Riverside, CA 92518
Attn: John V. Rossi, General Manager

If to Eastern: Eastern Municipal Water District
2270 Trumble Road
Perris, CA 92570
Attn: Paul D. Jones II, P.E., General Manager

b. Entire Agreement. This MOU contains the entire agreement between the Parties with respect to the matters herein provided and may only be amended by a subsequent written amendment executed by all the Parties.

c. Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute a single agreement.

d. **Signing Authority.** Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By: 
Name: Joe Brindstaff
Its: General Manager

Orange County Water District

By: _____
Name: Shawn Dewane
Its: President, Board of Directors

San Bernardino Valley Municipal Water District

By: _____
Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: _____
Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District

By: _____
Name: Paul D. Jones II, P.E.
Its: General Manager

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By: _____
Name: _____
Its: _____

Orange County Water District

By: *Shawn Dewane*
Name: Shawn Dewane
Its: President

APPROVED AS TO FORM

By: *[Signature]*
General Counsel for
Orange County Water District

By: *[Signature]*
Name: Michael R. Markus
Its: General Manager

San Bernardino Valley Municipal Water District

By: _____
Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: _____
Name: _____
Its: _____

Eastern Municipal Water District

By: _____
Paul D. Jones II, P.E.
Its: General Manager

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Name: Joe Grindstaff
Its: General Manager

Orange County Water District

By: _____
Name: Shawn Dewane
Its: President, Board of Directors

San Bernardino Valley Municipal Water District

By: Douglas D. Headrick
Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: _____
Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District

By: _____
Name: Paul D. Jones II, P.E.
Its: General Manager

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San Bernardino Valley Municipal Water District

By: _____
Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: _____
Name: John V. Rossi
Its: General Manager

Eastern Municipal Water District

By: _____
Name: Paul D. Jones II, P.E.
Its: General Manager

- d. Signing Authority. Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of the Effective Date.

Inland Empire Utilities Agency

By: _____
Name: _____
Its: _____

Orange County Water District

By: _____
Name: _____
Its: _____

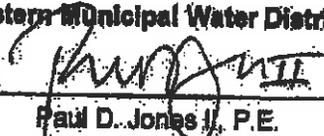
San Bernardino Valley Municipal Water District

By: _____
Name: Douglas D. Headrick
Its: General Manager

Western Municipal Water District

By: _____
Name: _____
Its: _____

Eastern Municipal Water District

By: 
Name: Paul D. Jones, P.E.
Its: General Manager

AMENDMENT NUMBER 1

This amendment to the May 2014 Memorandum of Understanding ("MOU") to collaborate to identify possible large-scale water supply reliability and water use efficiency projects that could benefit the entire Santa Ana Watershed is executed as of _____, 2015 ("Effective Date"), by and among, Inland Empire Utilities Agency ("IEUA"), Orange County Water District ("OCWD"), San Bernardino Valley Municipal Water District ("Valley District"), Western Municipal Water District ("Western"), and Eastern Municipal Water District ("Eastern"). IEUA, OCWD, Valley District, Western and Eastern are collectively referred to herein as "Parties" and individually as "Party."

RECITALS

- A. On April 17, 1969, the Superior Court entered a Stipulated Judgment as a result of the case of *Orange County Water District v. City of Chino, et al.*, (Case No. 117628-County of Orange), concerning rights of the water users and other entities in the lower area of the Santa Ana River basin downstream of Prado Dam as against those in the upper area tributary to Prado Dam. The Judgment designates the Parties, excluding Eastern, as responsible for representing the interests of the upper and lower areas and gives such agencies the responsibility to fulfill the obligations set forth in the Stipulated Judgment.
- B. Each Party represents a regional water agency that covers the Santa Ana River watershed, and with the exception of Eastern, collectively makes up the Santa Ana River Watermaster created by the Stipulated Judgment.
- C. Although Eastern is not a member of the Santa Ana River Watermaster, the Parties collectively desire to participate in large-scale water supply reliability and water use efficiency projects/programs that benefit the entire Santa Ana Watershed, which projects may only be possible through securing grant funding. The combination of such projects and water resources management programs comprise a Santa Ana River Conjunctive Use Program (SARCUP).
- D. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, commonly known as Proposition 84, authorized over \$1.5 billion for water supply and water quality projects throughout the State of California. The Proposition 84 funding is allocated to various regions with the Santa Ana region receiving a funding allocation of \$114 million.
- E. To date, the state of California has released Proposition 84 funding in two rounds, with \$12 million released in the first round and \$16 million released in the second round. A third round is expected in 2015.
- F. The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), approved by California voters in November 2014, authorizes \$7.12 billion in general obligation bonds for state water supply infrastructure projects, such as public water system improvements, surface and groundwater storage, drinking water protection, water recycling and advanced water treatment technology, water supply management and conveyance, wastewater treatment, drought relief, emergency water supplies, and ecosystem and watershed protection and restoration.

Specific spending proposals in Proposition 1 include:

- \$520 million to improve water quality for “beneficial use,” for reducing and preventing drinking water contaminants, disadvantaged communities, and the State Water Pollution Control Revolving Fund Small Community Grant Fund.
- \$1.495 billion for competitive grants for multi-benefit ecosystem and watershed protection and restoration projects.
- \$810 million for expenditures on, and competitive grants and loans to, integrated regional water management plan projects.

\$63 million has been allocated to the Santa Ana Region

- \$2.7 billion for water storage projects, dams and reservoirs.
- \$725 million for water recycling and advanced water treatment technology projects.
- \$900 million for competitive grants and loans for projects to prevent or clean up the contamination of groundwater that serves as a source of drinking water.
- \$395 million for statewide flood management projects and activities.

These monies are expected to be distributed to worthy projects in the next few years.

G. The Santa Ana Watermaster Committee supports the Parties' desire to explore and identify possible watershed-wide projects, and has unofficially named the Parties the "Santa Ana Watermaster Action Team" (Action Team).

H. The Action desires to develop dry-year yield that could meet 10 to 15% of their demands during drought periods.

I. The Parties desire to collaborate to secure Proposition 84 and 1 funding and any other available funding for the identification, evaluation and implementation of certain SARCUP projects and any future projects determined by the Parties, all of which will wholly affect and benefit the Santa Ana River Watershed per the Foundational Principles attached as Exhibit A.

J. This MOU may be amended in the future to include other interested public agencies, non-profit organizations and other stakeholders.

Now, THEREFORE, in consideration of the matters recited above and the covenants, conditions and promises contained herein, the Parties agree as follows:

OPERATIVE PROVISIONS

1. Purpose. The Parties desire to collaborate in the implementation of SARCUP including any future projects identified by the Parties, concerning large-scale water supply reliability projects that will provide benefits to the entire watershed. Further, the Parties will work together and take such action as may be necessary to secure grants or other necessary funding, including Propositions 84 and 1 funding, to pay for the SARCUP projects selected by the Parties.

2. Term. The term of this MOU shall commence on the Effective Date and shall continue until terminated upon the written consent of the Parties. An individual Party may terminate its participation in the MOU at anytime without approval of the remaining Parties.

3. Projects. The current proposed SARCUP contemplated by this MOU includes the following:

a. **Habitat Restoration and *Arundo* Removal.** Develops plans and creates habitat for listed species to help offset any "take" associated with water projects and removes *Arundo*, an invasive plant that consumes approximately 4 acre-feet of water per acre.

b. **Regional Conjunctive Use.** Regional conjunctive use is an integrated water resources management strategy that optimizes all sources of water in a coordinated surface and groundwater storage program including water use efficiency best practices in order to maximize the drought reliability of water supplies for the whole Santa Ana River watershed and better manage emergency outages from imported supplies. Agencies in the watershed participate in and receive reliability benefit from regional projects that increase the storage of local stormwater and imported water primarily in wet years for later extraction, treatment and delivery both directly and through in-lieu exchange primarily during dry years.

c. **Economic Based Water Use Efficiency Program.** Develops a set of innovative, best-in-class water conservation tools, new and supplemental incentive programs, and water use efficiency rate structure implementation support that can be applied on a regional basis to help achieve water conservation targets established by the State of California.

4. **Future Projects.** In addition to the SARCUP projects identified in Section 3 above, the Parties will continue, during the term of this MOU, to diligently work together to identify, examine and implement additional SARCUP projects, all of which will be subject to this MOU. The implementation of any SARCUP project, and the associated terms and obligations, will be determined and may be memorialized in a separate written agreement executed by participating Parties.

5. **Contracting Party.** One of Parties will serve as the contracting Party for each of the SARCUP projects contemplated by this MOU. The Parties hereby agree that whichever agency is designated as the contracting Party for the SARCUP project has the authority and power to bind the Santa Ana River Watermaster Action Team within the authority previously established by the Team. The designated Party shall not bind the Team in excess of the previously established authority without prior approval of the Team. The Contracting Party will also provide necessary administrative support for the various SARCUP projects contemplated and/or implemented by the Parties. The Parties agree that the Contracting Party shall have no liability of any kind for acts performed or taken as the contracting party in furtherance of the purpose of this MOU. Selection of the Contracting Party will be done by general consensus and will be ratified by an action of the Contracting Party's Board of Directors.

6. **Obligations of the Parties.** Each Party agrees to cooperate in the fulfillment of the purpose of this MOU and to act in good faith at all times. Exhibit A contains the Foundational Principles of the collaboration. The Parties will be responsible for cost sharing, in such amounts as determined by the Parties, of any costs or fees incurred in connection with the SARCUP projects. The Parties will make every effort to collaborate to identify possible projects that satisfy the intent of this Agreement and further agree to enter into additional agreements and execute documents reasonably necessary to carry out the intent of this MOU.

7. **General.**

a. **Notices.** Any written communication required or permitted to be given hereunder

will be deemed received upon personal delivery or forty-eight (48) hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended as follows:

If to IEUA: Inland Empire Utilities Agency
6075 Kimball Ave.
Chino, CA 91708
Attn: Joe Grindstaff, General Manager

If to OCWD: Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708
Attn: Michael R. Markus, General Manager

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3 80 East Vanderbilt Way
San Bernardino, California 92408
Attn: Douglas D. Headrick, General Manager

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14205 Meridian Parkway
Riverside, CA 92518
Attn: John V. Rossi, General Manager

If to Eastern: Eastern Municipal Water District
2270 Trumble Road
Perris, CA 92570
Attn: Paul D. Jones II, P.E., General Manager

b. Entire Agreement. This MOU contains the entire agreement between the Parties with respect to the matters herein provided and may only be amended by a subsequent written amendment executed by all the Parties.

c. Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute a single agreement.

d. Signing Authority. Each of the Parties represent that the persons signing this MOU have the appropriate authority to execute this MOU and bind the respective Party to the terms contained herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have agreed to execute this MOU as of

Inland Empire Utilities Agency

By: _____

Name: Joe Grindstaff

Its: General Manager

Orange County Water District

By: _____

Name: Shawn Dewane

Its: President, Board of Directors

**San Bernardino Valley Municipal
Water
District**

By: _____

Name: Douglas D. Headrick

Its: General Manager

Western Municipal Water District

By: _____

Name: John V. Rossi

Its: General Manager

Eastern Municipal Water District

By: _____

Name: Paul D. Jones II, P.E.

Its: General Manager

EXHIBIT "A"

Santa Ana River Conjunctive-Use Program (SARCUP)

Foundational Principles

The goals of the SARCUP are to maximize the development and use of local and imported water supplies and to conjunctively manage these local water supplies such that the aggregate yield and water supply reliability generated by the SARCUP is greater than the independent management of these resources. Local supplies include surface water, groundwater, and recycled water originating in the Watershed. Imported supplies include State Water Project (SWP), Colorado River Aqueduct (CRA) water and other supplies that can be imported into the Watershed through SWP, CRA and other facilities. When the total of local and imported supplies exceed demand the surplus supplies will be stored in Watershed groundwater basins, groundwater basins outside the Watershed and potentially surface storage facilities. The basic principles required to build the SARCUP are listed below.

1. **Maximize the Development and Use of Local and Imported Supplies.** Local water supplies will be developed to their maximum potential limited by water rights agreements and permits issued by the State Board. The Parties will maximize their take of imported water by taking as much imported water as is available to them.
2. **Collaborative Management of Unused Storage Space in the Watershed.** Unused storage space in a groundwater basin consists of the volume of unsaturated sediments that is not needed to regulate normal sources of recharge to achieve the current yields of a basin. The maximum unused storage space in the Watershed is about 1,000,000 af and is distributed as follows:
 - Chino Basin – 500,000 af¹
 - Elsinore and Riverside Basins – 60,000 af
 - Orange County Basin – 100,000 af
 - San Bernardino Basin Area (SSBA) – 40,000 af
 - San Jacinto Basin – 300,000 af
3. **There are many projects that can be used to exploit this unused storage to improve water supply reliability and reduce demand on imported-water sources during drought and other periods of reduced local and imported water supplies.** Some of the lower cost and simpler drought/emergency water supply projects are currently known and can be implemented rapidly while the more expensive and complex projects need information to flesh out and time to

¹ IEUA and the Chino Basin and Watermaster have an existing 150,000 storage program included in the 500,000 af space.

develop Implementation agreements. A watershed-scale conjunctive-use architecture is proposed herein to facilitate the implementation of the lower cost and simpler projects in the context of the regional need for conjunctive use projects that improve drought/emergency water supply, and to assure that regional benefit of watershed-scale conjunctive-use projects. The Parties propose to:

- Work together to develop and implement conjunctive-use projects that improve water supply reliability by increasing drought/emergency water supply. Such projects will include water conservation measures and habitat improvement activities (e.g. *Arundo* removal) that improve watershed water reliability.
- Facilitate cooperative use of the unused storage space in the watershed's groundwater basins by identifying storage blocks that will be sequentially developed to increase wet-year storage and dry-year yield for the watershed.

○

- The Parties agree that the first group of projects will be recharge and extraction facilities that will enable storage of wet-year supplies and provide the listed dry-year yield, as follows:

Basin	Total Storage (AF)	Dry-Year Yield (AFY for 3 years)
Chino	100,000	33,300
SBBA	60,000	20,000
San Jacinto	19,500	6,500
Elsinore	4,500	1,500
TOTAL	184,000	61,300

- The first group of projects will primarily rely on exchange agreements and existing regional conveyance facilities to put water into storage and produce water from storage and convey it to Parties when a dry-year call is made.
- The Parties would conduct planning investigation that result in a watershed-scale conjunctive-use program master plan that would lead to the implementation of conjunctive-use programs with successive storage blocks of unused storage.

4. **The Parties will work collaboratively to secure funding for the projects.** The Parties will work together to secure grant, and other, funding for the projects. The Parties are presently working on a Proposition 84, Round 3 grant application for \$60 million that requires \$45 million of local matching funds.
5. **The Parties share equitably for the benefits of the SARCUP.** The benefits and costs of the SARCUP will be allocated based on each Party's relative financial

participation. Each of the agencies agree to provide an equal share of the \$45 million of matching funds, or \$9 million, so that each agency shares equally in the benefits.

6. **Non-compete for grant funding.** A Party(s) that opts out of participating in a new local water supply development project, imported water supply project and or conjunctive-use project will not compete for grant funding from the Proposition 84 funding source and other grant funding sources that the participating Parties are pursuing.
7. **The Parties will not compete for the imported water that can be obtained for the purposes of the SARCUP.** Imported water sources include SWP and CRA water acquired from Metropolitan Water District of Southern California (Metropolitan), SWP water acquired by SBVMWD, Sacramento Valley water acquired by a Party or the Parties and conveyed to the watershed through the SWP, and water produced by future ocean desalinization² projects. The Parties will pool their resources, based on their level of participation, to acquire and convey imported water being sought by the SARCUP participants to the watershed for the SARCUP projects.
8. **Recovery of water from storage.** In the initial development of the SARCUP, the Parties that overlie basins with stored SARCUP water would reduce their take of imported water during stored water recovery periods. Imported water deliveries will be reprogrammed from Parties that have direct access to water in storage to Parties that do not have direct access to the SARCUP stored water. This will require exchange agreements that involve the Parties and Metropolitan and others.

In the subsequent expansion of the SARCUP, the Parties may seek to add regional conveyance facilities consistent with the SARCUP master plan.

9. **Continue Expansion of the SARCUP.** The Parties will continue to: refine the SARCUP over time adapting to changes in the water supply environment and economic conditions; implement subsequent phases of the SARCUP; and collaborate on the acquisition of grant funding.

² Ocean desalinization is characterized herein as imported water as it originates outside what is conventionally referred to as the Santa Ana Watershed.

Exhibit 2 – Schematic of Regional SARCCUP Facilities

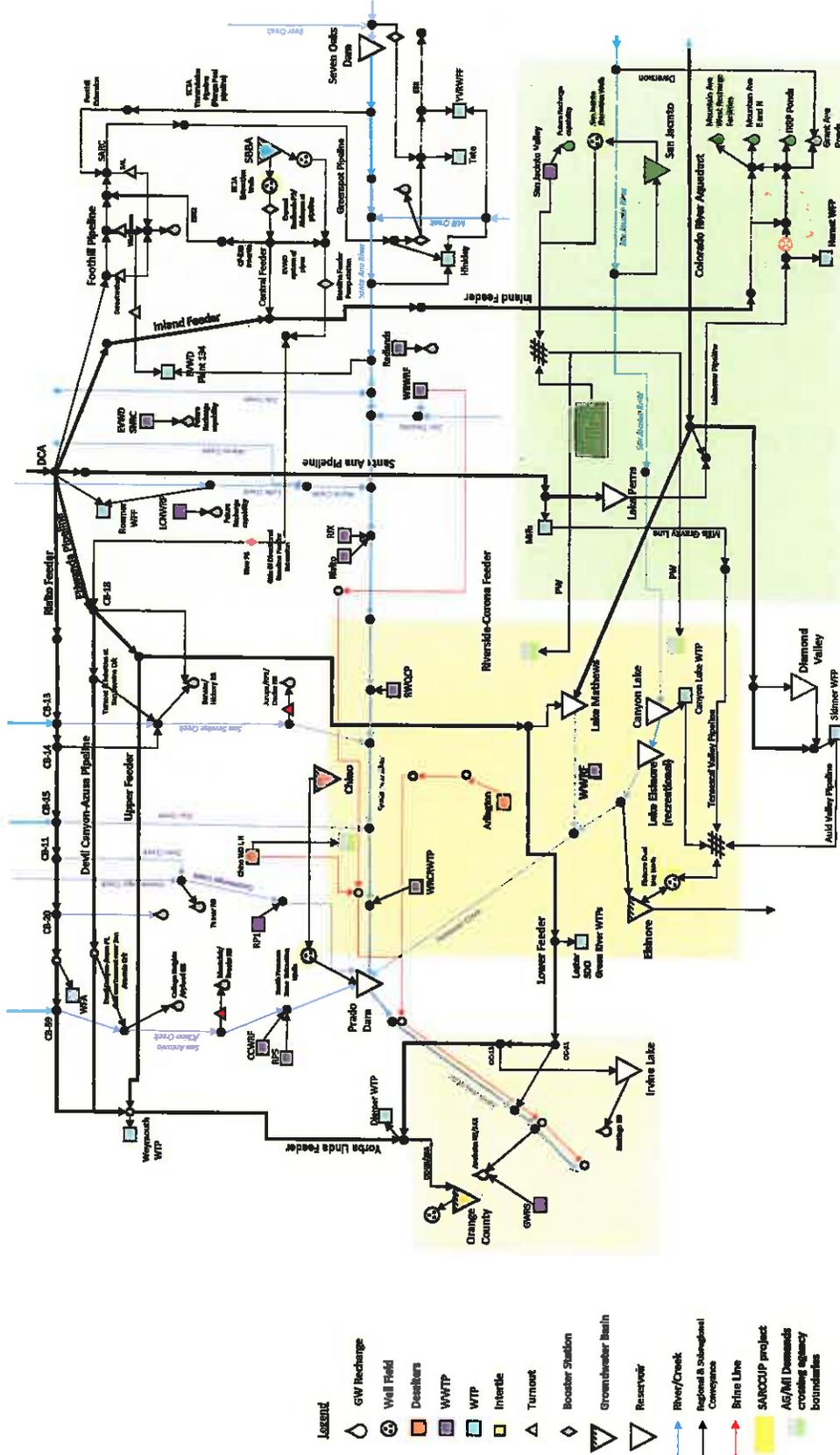


Exhibit 3 – SARCCUP Agreements Relationship Architecture

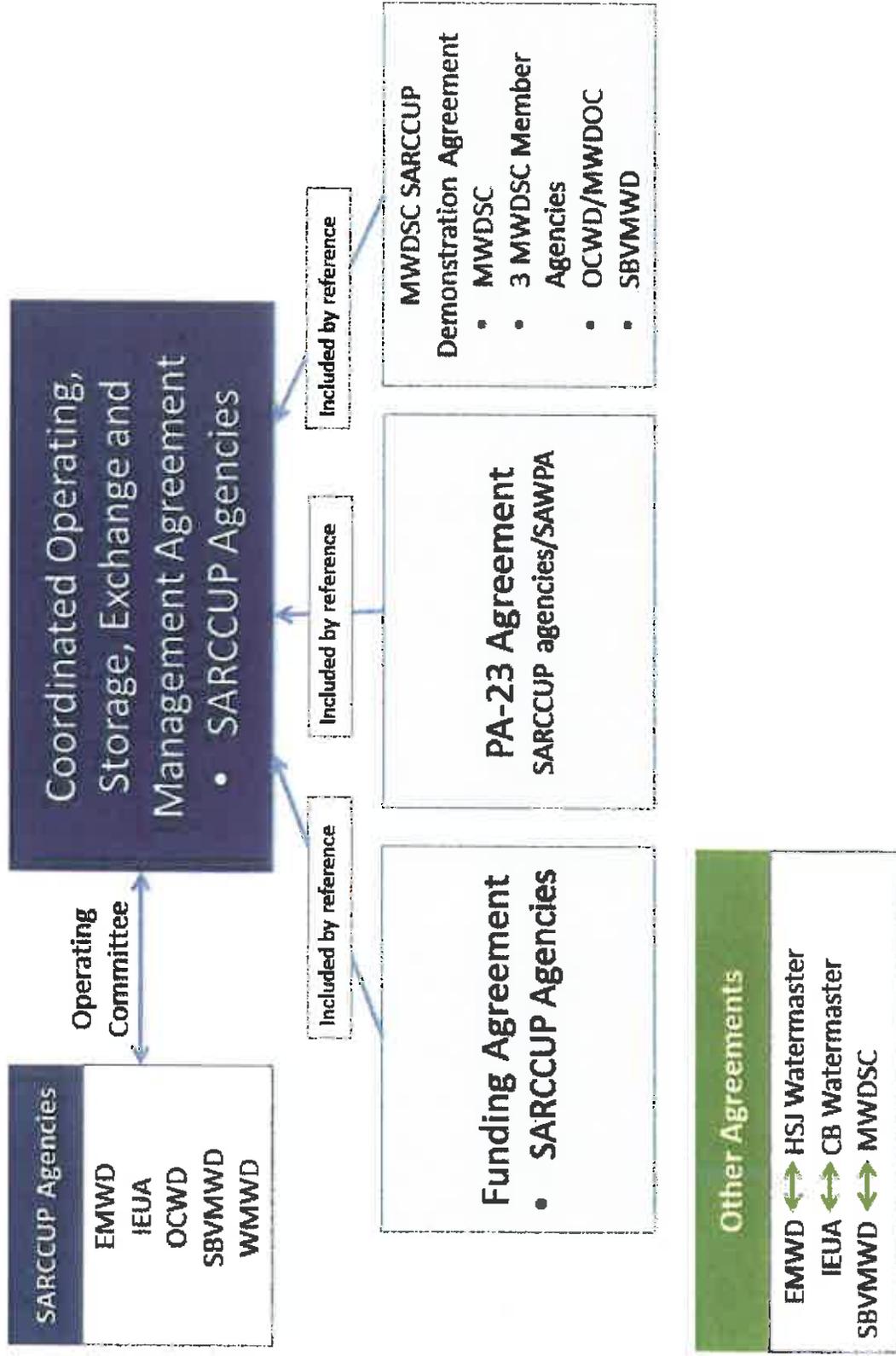
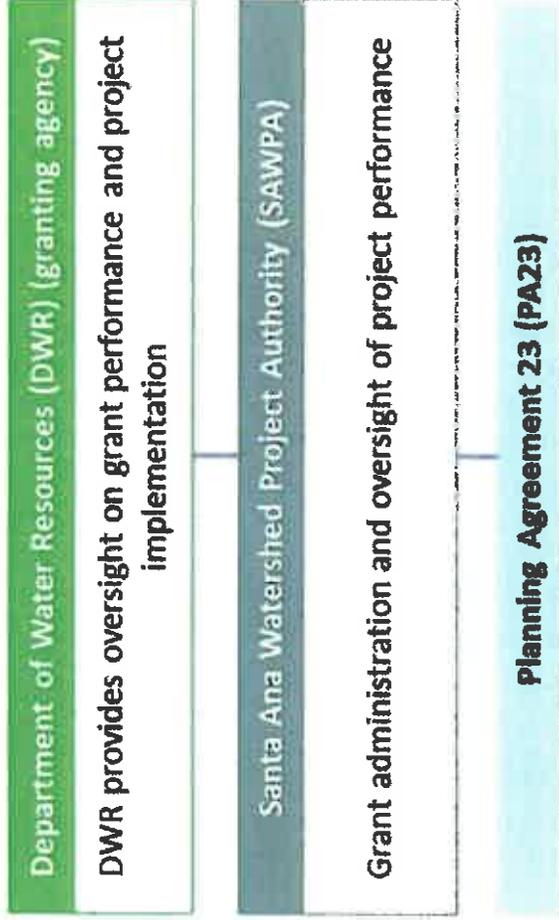


Exhibit 4 – SARCCUP Grant Management Agreements Relationship Architecture



Responsible for management of the SARCCUP program and will provide necessary documentation to SAWPA



ATTACHMENT 2:

Project Agreement 23

SANTA ANA WATERSHED PROJECT AUTHORITY

PROJECT AGREEMENT 23

SANTA ANA RIVER CONSERVATION & CONJUNCTIVE USE PROGRAM PROJECT COMMITTEE

THIS AGREEMENT is made on _____, 2016, by and between the **SANTA ANA WATERSHED PROJECT AUTHORITY ("SAWPA")**, a joint powers agency created pursuant to Government Code Section 6500 et seq., and the following Member Agencies of SAWPA, referred to hereinafter as Project Agreement 23 ("PA23") Committee Members: **EASTERN MUNICIPAL WATER DISTRICT ("EASTERN"); INLAND EMPIRE UTILITIES AGENCY ("IEUA"); ORANGE COUNTY WATER DISTRICT ("OCWD"); SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ("VALLEY"); and WESTERN MUNICIPAL WATER DISTRICT ("WESTERN").**

RECITALS

- A. The PA23 Committee Members are all special districts with broad authority over water resources, including powers to develop, protect, and enhance water supply and reliability within the region.
- B. The PA23 Committee Members are all the members that make up SAWPA, a joint powers authority formed by the SAWPA Joint Powers Agreement, in 1975.
- C. The SAWPA Joint Powers Agreement, as amended, provides for SAWPA's exercise of the shared powers of the Member Agencies, including through the formation of Project Committees for specific purposes.
- D. Through the Department of Water Resources (DWR) Regional Acceptance Process, SAWPA was supported by the agencies in the watershed to be the agency given the responsibility to administer the grant funds made available to the watershed for Integrated Regional Water Management and was approved by DWR. SAWPA developed and administers the Integrated Regional Water Resources Management Plan (IRWMP) process for the Santa Ana Region (the One Water One Watershed Plan), including administering grant funds as the State of California makes those grant funds available.
- E. SAWPA and the Member Agencies previously executed Project Agreement 22 (PA22) for the purpose of collaboratively implementing water use efficiency improvements throughout the Santa Ana River watershed. The PA22 Committee is implementing programs for that purpose, including the use of grant funds from the 2014 Proposition 84 Drought Round. PA22 empowers the PA22 Committee Members to implement further water use efficiency improvement activities using other funds as they become available.
- F. The Santa Ana River watershed comprises a number of groundwater basins, which represent a significant resource in terms of potential water storage and subsequent dry year supply. The PA23 Members desire to improve the resiliency of the entire region by implementing a program that operates the groundwater basins conjunctively with other available imported sources of

supply to optimize the use of available basin storage and their dry year yield values across the watershed.

- G. The SAWPA Member Agencies developed the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) as a regional program of planning, infrastructure, management and operations to improve utilization of groundwater basins conjunctively with imported water to create additional dry year yield benefits. SARCCUP Phase 1 includes the following program elements: master plan, water use efficiency, *Arundo Donax* removal, Santa Ana Sucker habitat creation, and a conjunctive use program (water banking). SARCCUP includes ecosystem improvement measures and water use efficiency measures. The water use efficiency measures are to be administered by the existing PA22.
- H. DWR called for grant applications for the remaining Proposition 84 IRWMP grant funds in 2015. SAWPA applied for and was awarded an IRWMP implementation grant in that round for \$64.3 million, including \$55.0 million for SARCCUP. The estimated total cost of SARCCUP is slightly more than \$100 million. SAWPA will receive \$3.2 million of the total grant funds to administer the 2015 Round of Proposition 84 grants, including SARCCUP and two other projects. Future phases of SARCCUP may be implemented using other funds that may be made available.
- I. The parties hereto desire to enter into an agreement with each other and SAWPA in accordance with Section 18 of the SAWPA Joint Powers Agreement to implement and administer SARCCUP, as described herein (excluding the water use efficiency elements, which are to be administered through PA22), and any related projects implemented by the PA23 Committee Members consistent with its purpose

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the PA23 Committee Members and SAWPA, it is agreed that:

1. The PA23 Committee is hereby established for the purpose of improving utilization of groundwater basins for the benefit and improved resiliency of the entire Santa Ana River watershed through conjunctive use with available sources of supply. The scope of this Project Agreement includes implementing SARCCUP, as that project is described in the Proposition 84 2015 Round grant application and DWR grant agreement, except the water use efficiency element of SARCCUP which shall be administered through PA22.
2. Implementation of SARCCUP is anticipated to require one or more agreements with Committee Members and with entities who are not parties to this Project Agreement. The PA23 Committee will determine, for each such agreement, whether the PA23 Committee, the individual PA23 Committee Members, SAWPA, or certain individual agencies are the necessary party or parties.
3. Facilities constructed for the purposes of this Project Agreement may be owned by SAWPA, individual PA23 Committee Members or local retail water providers within the service territories of one or more PA23 Committee Members. The PA23 Committee will approve one or more operating agreements that specify how infrastructure funded through this Project Agreement

(including with Proposition 84 grant funds) will be operated to ensure the anticipated regional benefits.

4. This Project Agreement has no set term. PA23 shall remain active as long as at least two PA23 Committee Members remain parties hereto. The PA23 Committee will implement measures funded pursuant to the Proposition 84 grant description above, will ensure compliance with the schedule requirements of the grant, and may implement other measures consistent with the purpose described in Section 1 above.
5. The PA23 Committee will be operated as a distinct account within SAWPA's accounting system for the administration by SAWPA of Proposition 84 grant funds for SARCCUP and for any other funds that may be made available to the PA23 Committee for actions within the Committee's purpose. The parties will use accounting standards that are compliant with State of California grant requirements.
6. In addition to and separate from the PA23 Committee, SAWPA will continue its role of administering the IRWMP program for the region, including executing and implementing grant agreements with the State. Proposition 84 allows for funds to be available from grants for grant administration, which will be used by SAWPA for that purpose. SAWPA services in support of the PA23 Committee shall be accounted for as project costs. Funds available to SAWPA for services in support of the PA23 Committee shall be approved in accordance with the budgeting process described in Section 10 below.
7. PA23 Committee Members will appoint representatives to the Committee per Section 18 of the SAWPA Joint Powers Agreement. It is the intention of the parties hereto that the PA23 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement. All budget and operating decisions of the PA23 Committee will be made by unanimous consent of the PA23 Committee Members. All expenditures with the designations and limitations of the approved PA23 budget and all decisions implementing an approved operating plan shall be made on the authorization of a majority of the PA23 Committee.
8. The PA23 Committee will have, without further ratification by the PA23 Committee Members' or SAWPA, such authority as may be necessary to implement the provisions of this Project Agreement so long as expenditures are within the PA23 budget.
9. The PA23 Committee may establish advisory or non-voting Committee Members or advisory sub-committees who represent other agencies or stakeholders in or near the region to assist the Committee in effecting its purpose. The number and designation of such advisory participants will be reported to the SAWPA Commission.
10. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for the PA23 Committee that shall address the sources and uses of funds and the respective financial obligations and functions of the PA23 Committee Members, including the matching funds included in any grant agreements. The budget shall include the planned use of any Proposition 84 grant funds available to SARCCUP after the grant administration cost is allocated to SAWPA, and shall include costs for SAWPA support of the PA23 Committee. If any PA23 Committee Member fails or refuses to approve any PA23 budget, said budget shall be returned to the PA23

Committee for restudy and revision. In the event a budget acceptable to all of the members is not obtained prior to the start of the fiscal year, the PA23 Committee may continue to operate at the level of expenditure authorized by the last approved PA23 budget and the members shall be obligated to fund such operations. The parties hereto acknowledge that SAWPA grant administration costs will be reviewed and periodically approved by the SAWPA Commission. The PA23 budget will be approved by the PA23 Committee and shall be included in the SAWPA budget for approval by the SAWPA member agencies' governing boards per the SAWPA Joint Powers Agreement. SAWPA shall provide a quarterly report to the PA23 Committee of actual expenses relative to the approved budget.

11. A semi-annual report of PA23 Committee implementation of SARCCUP will be provided to the OWOW Steering Committee and the SAWPA Commission.
12. The PA23 Committee Members shall be financially responsible for all liabilities and expenses, including administrative, consultant and legal expenses incurred in connection with PA23 activities, and to the extent necessary shall reimburse SAWPA for any and all such costs and expenses that are incurred on behalf of the PA23 Committee to the extent not otherwise covered by PA23 revenues or funds, or SAWPA's liability insurance. Unless otherwise specified, PA23 Committee Members shall have an equal share in such financial obligation.
13. Individual agency indemnification of the other PA23 Member Agencies for activities related to SARCCUP will be addressed in future agreements. The PA23 Committee Members will indemnify and hold harmless SAWPA and any SAWPA member agency not then participating as a member of the PA23 Committee from any and all financial liability, including claims or disputes, arising from or in connection with project-related contracts or actions, to the extent such liability is not fully covered by PA23 revenues or funds, or SAWPA's liability insurance.
14. PA23 Committee Members may withdraw from this Project Agreement at any time upon not less than 60 days written notice to the other members. Obligations of the withdrawing agency, including any liabilities related to any grant agreement or other financing commitment associated with PA23, will be determined according to the PA23 budget then in effect or by the PA23 Committee.
15. No right, duty, or obligation of whatever kind or nature created herein will be assigned by any party to this Project Agreement without the prior written consent of SAWPA.
16. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.
17. Each signatory hereto warrants that the execution of this Project Agreement represents the approval of that Agency's board of directors of this Agreement.

IN WITNESS WHEREOF, the signatories hereto have executed this Project Agreement to be effective as of the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

By _____

Its _____

EASTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

INLAND EMPIRE UTILITIES AGENCY

By _____

Its _____

ORANGE COUNTY WATER DISTRICT

By _____

Its _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By _____

Its _____

WESTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

ATTACHMENT 3:

Contract 460002107 with Tom
Dodson & Associates for
SARCCUP CEQA



CONTRACT NUMBER: 4600002107

FOR

**SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP)
PROGRAM ENVIRONMENTAL IMPACT REPORT (PEIR)**

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2016, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "IEUA" and "Agency"), Tom Dodson & Associates, Inc. with offices located in San Bernardino, California (hereinafter referred to as "Consultant") and Environmental Science Associates Corporation (ESA), with offices located in Los Angeles, California (hereinafter referred to as "Subconsultant"), to provide joint consulting environmental services for the preparation of a Program Environmental Impact Report (PEIR).

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Andy Campbell, PG, CHg, Deputy Manager of Planning & Environmental Resources
Address: 6075 Kimball Avenue, Building "A"
Chino, California 91708-9174
Telephone: (909) 993-1907
Email: acampbell@ieua.org
Facsimile: (909) 993-1983

2. **CONSULTANT ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Consultant: Tom Dodson and Associates
Project Manager: Tom Dodson, President
Address: 2150 N. Arrowhead Avenue
San Bernardino, California 92405
Telephone: (909) 882-3612
Email: tda@tdaenv.com
Facsimile: (909) 882-7015

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

- A. Amendments to Contract 4600002107.
 - B. Contract Number 4600002107, General Terms and Conditions.
 - C. Agency's Request for Proposal and all germane correspondence, incorporated herein by this reference.
 - D. Consultant's proposal dated May 10, 2016 which is attached hereto, incorporated herein and made a part hereof by this reference as **Exhibit A**.
4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include and be in accordance with tasks identified in Consultant's Proposal, which is attached hereto, incorporated herein and made a part hereof by this reference as **Exhibit A**.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate on June 30, 2017, unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. **COMPENSATION:** The Agency shall pay Consultant's properly-executed invoices, subsequent to approval by the Project Manager, within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract or has proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager.

As compensation for work performed under this Contract, Agency shall pay Consultant the **NOT-TO-EXCEED** maximum of **\$340,397.20** in accordance with the fee schedule contained in Consultant's Proposal, which is attached hereto, incorporated herein and made a part hereof by this reference as **Exhibit A**.

7. **PAYMENT:** Consultant's invoice must be submitted according to the nine (9) tasks outlined in **Exhibit A**, achieved by Consultant, and accepted by the Agency's Project Manager, and shall include a breakdown by items completed, all associated labor categories provided, labor hours supplied and associated hourly rates, dates worked, the current monthly amount due, and the cumulative amount invoiced to-date against this Contract, using the Agency's standard Excel-based invoicing template **Exhibit B**. Invoice shall not be submitted in advance and shall not be dated earlier than the actual date of submittal. All invoices shall be submitted electronically with all required back-up to apgroup@ieua.org. Payment shall be made according to the nine (9) tasks outlined in **Exhibit A**, achieved by Consultant, and accepted by the Agency's Project Manager.
8. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Consultant shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.
9. **KEY PERSONNEL:** Consultant shall enlist the key personnel as depicted in Consultant's Proposal, which is attached hereto, incorporated herein and made a part hereof by this reference as **Exhibit A**. Any material changes in key personnel shall be reported in writing to the Agency's Project

Manager. For purposes of the Work, joint consulting environmental services include substantial participation of Subconsultant Environmental Science Associates Corporation (ESA).

10. **FITNESS FOR DUTY:**

A. **Fitness:** Consultant and its Subconsultant personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. **Compliance:** Consultant shall advise all Consultant and Subconsultant personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subconsultants. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

C. **Grant-Funded Projects:** This is a grant-funded (e.g., Proposition 84) project. The Consultant shall be responsible to comply with all grant requirements related to the project as outlined in Exhibit C, attached hereto and made a part hereof. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records, and Compliance Review. Federal funding of any portion of this project will have separate, additional reporting accountability on the use of funds.

1. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.

A. **Minimum Scope of Insurance:**

1. **General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required single occurrence limit.
2. **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."
3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

4. Professional Liability Insurance in the amount of \$1,000,000 per occurrence.
- B. **Deductibles and Self-Insured Retention**: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. **Other Insurance Provisions**: The policies are to contain, or be endorsed to contain, the following provisions:
1. **General Liability and Automobile Liability Coverage**
 - a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
 - b. The Consultant's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
 2. **Workers' Compensation and Employers Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Consultant for the Agency.
 3. **All Coverages**

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in

coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

- D. **Acceptability of Insurers:** All insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California.
- E. **Verification of Coverage:** Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all Subconsultants prior to commencing work or allowing any Subconsultants to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. **Submittal of Certificates:** Consultant shall submit all required certificates and endorsements to the following:

Attn. Ms. Angela Witte, Risk Specialist
c/o Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

11. LEGAL RELATIONS AND RESPONSIBILITIES

- A. **Professional Responsibility:** The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. **Status of Consultant:** The Consultant is retained as an independent Consultant only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. **Observing Laws and Ordinances:** The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers and employees against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.
- D. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- E. **Hours of Labor:** The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Consultant or by any Subconsultants for each calendar day during which

such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.

- F. **Travel and Subsistence Pay:** The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- G. **Liens:** Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- I. **Equal Opportunity and Unlawful Discrimination:** During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction shall be thoroughly investigated by the Agency.
- J. **Non-Conforming Work and Warranty:** Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Consultant's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or

Documentation cannot be reached without modification to the Contract, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the Project Manager and Consultant shall be resolved in accordance with the provisions of this Contract.

The total amount of all claims the Agency may have against the Consultant under this Contract or arising from the performance or non-performance of the Work under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the lesser of the fees or \$500,000. As the Agency's sole and exclusive remedy under this Contract any claim, demand or suit shall be directed and/or asserted only against the Consultant and not against any of the Consultant's employees, officers or directors.

The Consultant's liability with respect to any claims arising out of this Contract shall be absolutely limited to direct damages arising out of the Work and the Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the Agency, including but not limited to, claims for loss of use, loss of profits and loss of markets.

K. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Consultant's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Consultant is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Arbitrator.
 - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.
4. Joinder in Mediation/Arbitration: The Agency may join the Consultant in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Consultant.
12. **INDEMNIFICATION:** Consultant shall indemnify the Agency, its directors, employees and assigns, and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.
13. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data ("Work Product") prepared by the Consultant and/or the Consultant's Subconsultants pertaining to this Contract upon full payment of all monies owed to the Consultant. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

14. TITLE AND RISK OF LOSS:

A. Documentation: Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project.

B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

C. Disposition: Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

15. PROPRIETARY RIGHTS:

A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:

Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.

If Proprietary Rights conceived, developed, or reduced to practice by Consultant prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Consultant shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

If the Work or Documentation includes the Proprietary Rights of others, Consultant shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

16. **INFRINGEMENT:** Consultant represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Consultant shall indemnify and hold harmless Agency, its officers, directors, employees, successors, assigns, and servants free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its reasonable efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement.

17. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Mr. Warren T. Green
Manager of Contracts and Facilities Services
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Consultant: Mr. Tom Dodson
Principal, Tom Dodson and Associates
2150 N. Arrowhead Avenue
San Bernardino, CA 92405

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

19. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency

is required to defend an action arising out of a Public Records Act request for any of the information Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

- 20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Consultant's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
- 21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Consultant.
- 22. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
- 23. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination.
- 24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
- 25. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Consultant.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

TOM DODSON & ASSOCIATES, INC.:

P. Joseph Grindstaff
General Manager

(Date)



Tom Dodson
Principal

5/19/16
(Date)

ENVIRONMENTAL SCIENCE ASSOCIATES:



Tom Barnes
Director, Southern California Water

5-19-16
(Date)

Exhibit A

TOM DODSON & ASSOCIATES
2150 N. ARROWHEAD AVENUE
SAN BERNARDINO, CA 92405
TEL (909) 882-3612 • FAX (909) 882-7015
E-MAIL tda@tdaenv.com



May 10, 2016

Mr. Andy Campbell
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Dear Andy:

Tom Barnes (ESA Water) and I deeply appreciated the opportunity to submit the attached proposal to prepare a program environmental document for the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). Tom Dodson & Associate (TDA) and ESA Water propose to compile a program environmental impact report (PEIR) to address a number of conservation and conjunctive use projects throughout the Santa Ana River Basin. The purpose of this document will be to identify potential environmental impacts and recommended mitigation measures to reduce potentially significant impacts to a less than significant level. The attached proposal outlines the detailed work plan we intend to implement in order to provide a Final SARCCUP PEIR within approximately 12 months. We look forward to meeting with Inland Empire Utilities Agency (IEUA) and the other regional water agencies with the goal of compiling a comprehensive PEIR that will facilitate ultimate development of each of the program elements. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Tom Dodson".

Tom Dodson
Attachment

cc: Chris Berch
Tom Barnes

I. INTRODUCTION

In 2016 Tom Dodson & Associates (TDA) and ESA Water (ESA) were selected to provide environmental compliance support for Inland Empire Utilities Agency, Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District and Western Municipal Water District (Agencies). The Agencies have requested that we submit a proposal to prepare the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Environmental Impact Report (PEIR) This PEIR would serve as the baseline environmental document for the watershed-scale project that consists of three project elements:

- 1) Habitat improvements including the removal of Arundo (giant reed) and restoration of habitat suitable for the Santa Ana Sucker.
- 2) Water-use efficiency programs including turf removal.
- 3) Groundwater banking throughout the Santa Ana River watershed.

The PEIR will provide a baseline environmental document to comply with the California Environmental Quality Act (CEQA) and support future site-specific projects as they are funded and implemented by each Agency.

TDA and ESA jointly propose to compile this documentation for IEUA with ESA providing the majority of environmental support to compile the PEIR. We will jointly prepare and process the new PEIR with IEUA and coordinate the content of the document with the other Responsible Agencies to ensure that it will meet their CEQA requirements. The proposed scope of work follows.

II. SCOPE OF WORK

Our team will provide support to carry out the following steps to comply with CEQA requirements: prepare a project description; oversee research and preparation of technical studies and impact analyses; prepare a screencheck (administrative review draft) program PEIR; prepare and circulate a draft PEIR including developing all transmittal documents and a broad distribution list; prepare responses to comments submitted on the draft PEIR; compile a Final PEIR for certification; prepare a notice of determination; ensure that all CEQA procedural requirements are fulfilled; and attend meetings with the Agency as required.

Task 1: Compile the Project Description

We will prepare a draft project description that compiles all the projects within the program to be implemented by each of the Responsible Agencies. The draft project description will be submitted to IEUA and each of the other Responsible Agencies for review and comment. A final project description will be compiled and used for three purposes: first, to compile and distribute a Notice of Preparation of an EIR to the general public, interested parties and stakeholders; second, the project description will be used to assist in establishing the scope of issues and areas of particular interest for the compilation of the environmental baseline information; and third, to initiate AB 52 consultation with Native American tribes.

Once the Project Description is compiled we will integrate it into a Notice of Preparation (NOP) document that is used to announce a project to the public. A draft NOP will be completed; submitted to IEUA for review and comment; and we will finalize the NOP for public distribution.

The NOP establishes the date of the PEIR environmental baseline and the objective is to have this as early in the process as possible.

We will facilitate up to 3 public scoping meetings to receive comments on the scope of the DPEIR. We will prepare a presentation and conduct the meetings.

Task 2: Conduct Research and Compile Baseline Environmental Setting Data

The team will prepare the existing environmental setting for each of the issues topics included in Appendix G of the CEQA Guidelines.

1. **Aesthetic Resources:** To characterize aesthetic issues, we will utilize the General Plans of the affected cities and the counties to describe the aesthetic resources (scenic vistas, scenic resources, and light and glare) within the project area. No special studies or investigations are proposed for the aesthetic issues. All environmental setting information in this section will be based upon existing data sources, except for those locations where specific near-term capital improvements are proposed. It is recognized that there may not be a few locations where near-term new facilities are proposed, but it is our goal to incorporate sufficient data into the PEIR that such facilities can be comprehensively addressed. For these locations site specific evaluations of aesthetic resource values will be compiled.
2. **Agricultural Resources:** To establish the agricultural baseline information, we will utilize the General Plans of the affected cities and counties; data from the Soil Conservation Service's soil surveys for San Bernardino and Riverside Counties; data from the State Department of Conservation; and data from the other published documents that address agricultural resource issues in the Chino Basin. No special studies or investigations are proposed for agricultural resource issues. All environmental setting information in this section will be based upon existing data sources, except for those locations where specific near-term capital improvements are proposed. For these locations site specific evaluations of agricultural resources will be compiled.
3. **Air Quality:** Air quality data will be compiled from detailed information available through the South Coast Air Quality Management District (SCAQMD) for the existing setting. In the project description we will define anticipated programmatic construction and operational scenarios to be used for emission forecasts. Air emissions calculations will be conducted using the CalEEMod emissions model to assess emissions of typical construction activities such as pipeline installation, tank construction, and treatment plant construction projects. Assumptions for these construction activities will be compiled. The assumptions will be focused on near-term project types. This analysis will include a comparison of annual emissions with a State Implementation Plan (SIP) evaluation. We will incorporate data from the nearest monitoring station as is required by SCAQMD's CEQA Air Quality Handbook. An air quality technical report will be prepared that will provide the baseline emission calculations to be used in the future with specific projects before the State Water Resources Control Board or other agencies.
4. **Biological Resources:** To establish the biological resources baseline information, we will utilize the Department of Fish and Game's Natural Diversity Data Base for San Bernardino and Riverside Counties; and data from the other published documents that address biological resource issues in the Chino Basin. Only targeted special field studies or investigations are proposed for biological resource issues. All environmental setting

information in this section will be based upon existing data sources, except for those locations where specific near-term capital improvements are proposed. For these locations site specific biological resource evaluations will be compiled.

5. **Cultural Resources:** To establish the cultural resources baseline information. We will utilize data from the State Historic Preservation Office and the archaeological information centers for San Bernardino and Riverside Counties; and data from the other published documents that address cultural resource issues in the region. The new cultural resources section in the Initial Study Environmental Checklist Form will be utilized, and we will contact local Native American representative to obtain information regarding Tribal Cultural Resources. All environmental setting information in this section will be based upon existing data sources, except for those locations where specific near-term capital improvements are proposed. For these locations site specific records checks and, if necessary, cultural resource field surveys will be compiled.
6. **Geology and Soils:** To establish the geology and soils baseline information, we will utilize data from the State Geologist's Office and the County geologists for San Bernardino and Riverside Counties; data from the soil surveys for the two counties; and data from the other published documents that address geological resource issues in the region. No special studies or investigations are proposed for geology and soil issues. Paleontological resource issues will be addressed now be addressed in this section of the Initial Study. All environmental setting information in this section will be based upon existing data sources, except for those locations where specific near-term capital improvements are proposed. For these locations site specific geology and soil resource field surveys will be compiled, if necessary.
7. **Greenhouse Gas/Climate Change:** In conjunction with the air quality forecast, we will generate the data to address greenhouse gas (GHG) emissions from future activities and we will also quantify the efforts by Responsible Agencies to generate energy to offset demand from the energy grids. We will evaluate the GHG issues in the context of the Southern California Association of Government's (SCAG) Regional Sustainability plans and the SCAQMD's preliminary thresholds of significance. In the project description we will define anticipated programmatic construction and operational scenarios to be used for emission forecasts.
8. **Hazards and Hazardous Materials:** Information on hazards and hazardous materials will be obtained data bases for known sites within the region. All environmental setting information in this section will be based upon existing data sources.
9. **Hydrology and Water Quality:** The data for hydrology will be obtained from regional documents on surface and groundwater hydrology and water quality. To compile all of the required information for the hydrology and water quality issues, we do not anticipate any special studies or investigations. All environmental setting information in this section will be based upon existing data sources.
10. **Land Use and Planning:** The land use data will be compiled from detailed information available through the General Plans of the affected jurisdictions within the region. No specific field studies or investigations will be required.

11. **Mineral Resources:** To establish the mineral resources baseline information, we will utilize data from the State Division of Mines and Geology. No special studies or investigations are proposed for mineral resource issues.
12. **Noise:** The noise data will be compiled from detailed information available through the General Plans of the affected jurisdictions within the Chino Basin and special noise studies contained in other documents within the project area. No specific field studies or investigations will be required.
13. **Population and Housing:** Regional population and housing data will be compiled from detailed information available through the General Plans of the affected jurisdictions within the affected region and SCAG data sources. Data from the State Department of Finance will also be utilized. Growth inducement will be addressed in this document, so we will utilize the regional planning documents, such as SCAG's growth projections and *Growth Management Plan*, to establish the baseline for discussing this issue. No specific field studies or investigations will be required.
14. **Public Services:** Public service data will be compiled from detailed information available through the General Plans of the affected jurisdictions within the Chino Basin and contacts with respective public service entities (such as school districts) as deemed appropriate. No specific field studies or investigations will be required.
15. **Recreation:** Recreation resource data will be compiled from detailed information available through the General Plans and master recreation plans of the affected jurisdictions within the region and contacts with respective recreation providers (such as County Regional Parks), as deemed appropriate. No specific field studies or investigations will be required.
16. **Transportation/Traffic:** Transportation/traffic data will be compiled from detailed information available local Cities, Counties, and from Caltrans. We will also utilize regional planning documents, such as SCAG's *Regional Mobility Plan*, to establish the baseline for discussing this issue. No specific field studies or investigations will be required.
17. **Utilities and Service Systems:** Utilities and service system data will be compiled from detailed information available through the General Plans of the affected jurisdictions within the region. No specific field studies or investigations will be required.

Tom Dodson and Tom Barnes will oversee preparation of all the sections discussing the existing environment and will final edit all of the final text for this section of the PEIR. The site-specific work will be covered by the cost estimate attached to this proposal. We anticipate taking a lead role in coordinating the Responsible Agency review times for the PEIR sections as they are prepared. This will include establishing a review schedule and coordinating to maintain the schedule.

Task 3: Prepare the Environmental Impact Evaluation

We will utilize the data from the project description to forecast potential environmental impacts from implementing the program, including constructing, installing and operating the proposed programs and facilities. The impact forecast will be as specific as possible for the proposed projects and affected environment. Mitigation measures will be identified, as appropriate, for each environmental issue with potentially significant impacts. The impact analysis format used for this project is as follows: introduction (to the issues); environmental setting, including legal or

regulatory requirements; project impacts; mitigation measures; cumulative impacts; and unavoidable adverse environmental impact (including any impacts caused by implementing mitigation measures). To the extent feasible, potential environmental effects will be quantified; however, we anticipate that some impact forecasts will be qualitative, such as discussions of aesthetic issues.

Tom Dodson and Tom Barnes will oversee and edit all of the final text for this section of the document.

Task 4: Prepare All Remaining EIR Sections

The CEQA mandated sections (Alternatives, Growth Inducement, and a Summary of Irreversible Environmental Impacts) will be provided under this subtask. The series of alternatives that will be evaluated in this document will be defined as part of the project description. We will prepare a comparative alternative evaluation as outlined in the State CEQA Guidelines, Section 15126 (d). A mitigation monitoring plan will be developed under this task and it can be included in the Draft PEIR if IEUA wants it included. The end product of these subtasks is the Screencheck Draft PEIR for review by the IEUA and Responsible Agencies. It will be submitted to IEUA and Responsible Agencies for review, comment, and approval in accordance with the schedule outlined below.

Task 5: Print and Distribute the Draft PEIR

We will meet with IEUA to collect all comments on the Screencheck draft PEIR (DPEIR). These comments will be responded to and a DPEIR for public distribution will be compiled and published for distribution. We anticipate broad distribution of the DPEIR and we anticipate supplying about 100 copies of the DPEIR for distribution and will arrange to have copies delivered to the State Clearinghouse and all parties on distribution. We anticipate publishing a second volume of technical appendices that will be available upon with the electronic copies and only a few hard copies of the DPEIR and technical Studies. At the end of this task, the DPEIR will be distributed for the 45-day public review and comment period.

We will facilitate up to three (3) public meetings to receive comments on the DPEIR. We will prepare a presentation and conduct the meetings.

Task 6: Prepare Responses to Comments and Final Program EIR

Following completion of the 45-day review period (note that we will meet with the IEUA upon request to discuss any comment letter that arrives before the end of the review period), we will meet with the IEUA to review proposed responses to all comments received on the DPEIR. Once general agreement on the content of responses is obtained, they will be prepared and a draft set of responses to comment will be delivered to IEUA for final review and comment. We anticipate the responses to comments will be completed within 30 days of the close of the public comment period, barring the need to develop original data. If major new issues are raised that were previously not addressed in the DPEIR and that IEUA concludes must be addressed in the Final PEIR, we will perform additional analyses based on mutual agreement on the scope of work and a modified fee.

The end product of this effort will be a Final PEIR (FPEIR) available for certification. Sufficient copies will be published to distribute the FPEIR to all parties that comment and to provide copies for IEUA's internal use and hearings. We will assist with the distribution of these

documents. These responses to comments will be prepared in a separate volume, unless IEUA requests that a combined FPEIR document be prepared for distribution.

Task 7: Prepare Notice of Determination

Following the hearing where the Final EIR is considered for certification, we will provide and file a Notice of Determination (NOD) for IEUA. The NOD will be filed with the San Bernardino and Riverside County Clerks, and with the State Clearinghouse. The fee for this task includes the approximate \$3,000 filing fee for the Department of Fish and Wildlife.

Task 8: Public Meetings/Hearings and Participation

We will attend up to three public scoping meetings and three DPEIR public meetings. This assumes two persons at each meeting/hearing and four hours per hearing. All meetings with IEUA are included in the previous tasks.

Task 9: Prepare Findings of Fact and Statement of Overriding Consideration

We will prepare findings and statement documents for IEUA. Other Responsible Agencies may prepare their Findings based on the IEUA Findings. Or they may prepare separate Findings.

**Attachment A
Pricing Proposal Template
ESA Non-Labor Expenses**

Reimbursable Costs	\$	-
Project Supplies	\$	1,500
Printing/Reproduction	\$	250
Document and Map Reproductions (CD + Digital photography)	\$	750
Postage and Deliveries	\$	750
Mileage	\$	2,500
Vehicle Rental	\$	3,200
Lodging	\$	-
Airfare	\$	-
Other Travel Related	\$	-

Subtotal Reimbursable Costs	\$	8,950
15% Fee on Reimbursable Expenses	\$	1,343
Total Reimbursable Costs	\$	10,293

ESA Equipment Usage

General Equipment:	\$	-
Company Vehicle Usage	\$	-
HP Printer	\$	-
Computer Time (GIS)	\$	-
Trimble GPS	\$	-
Tablet GPS	\$	-
Level level	\$	-
Garmin GPS or equivalent	\$	-
Laptop Computers	\$	-
LCD Projector	\$	-
Electrofisher	\$	-
Sample Pump	\$	-
Surveying Kit	\$	-
Total Station Set	\$	-
Field Trips	\$	-
Digital Plotter	\$	-
Camera/Video/Cam Phone	\$	-
Miscellaneous Small Equipment	\$	-
Selling Walk/Coiling Pipe (3 inch diameter)	\$	-
Hydrology Data Collection, Water Current, Level and Wave Measurement Equipment:	\$	-
Culvert Flow Meter	\$	-
Logging Rain Gauge	\$	-
Marsh-Muller Hand-Held Current Meter	\$	-
Logging Water Level Logging-Stepless Steel Pressure Transducer	\$	-
Logging Water Level-Transit Pressure Transducer	\$	-
Logging Barometric Pressure Logger	\$	-
Well Probe	\$	-
Bottom-Mounted Tripod / Mounting	\$	-
Water Quality Equipment:	\$	-
Logging Turbidity/Water Level Recorder	\$	-
Logging Temperature Probe	\$	-
Hach Hand-Held Turbidity/Reconducting Conductivity Meter w/DataLogger	\$	-
Refractometer	\$	-
YSI Hand-Held Salinity Meter	\$	-
Hand-Held Conductivity/Dissolved Oxygen Probe	\$	-
Sedimentation / Geotechnical Equipment:	\$	-
Pneum. Corer	\$	-
80lb High-Smith Bedload Sampler with Bridge Crane	\$	-
Suspended Sediment Sampler with Bridge Crane	\$	-
Vibracore	\$	-
Shear Strength Vane	\$	-
Auger (Pneum core @ 8' reach)	\$	-
Boat:	\$	-
14 foot Aluminum Boat with 15 HP Outboard Motor	\$	-
Single or Double Person Canoe	\$	-
17' Boston Whaler w/ 90 HP Outboard	\$	-

Total Equipment Usage Costs	\$	-
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Exhibit B



**INLAND EMPIRE UTILITIES AGENCY
CONSULTING SERVICES INVOICE**

Company: ABC Company	Pay Est. No.:	Contract Date:	Invoice Date: 10/16/2015
Address:	Contract No.: 40-XXXX	IEUA Project Manager: Jamal Zughbi	Title Period: From: 9/1/2015 To: 9/30/2015
Phone No.:			Invoice No./Consult Ref: XXXXXX
Proj. Name & No.: KP-1 Improvements Project, EN15XXX			

ORIGINAL CONTRACT:

PO No.	SAP Line Item No.	WBS Element No.	Item Description	Original Contr. Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
45-XXXXX	1	EN15xxx.00.F.DN50	50% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	2	EN15xxx.00.F.DN85	85% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	3	EN15xxx.00.F.DFLP	Final Design	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	4	EN15xxx.00.G.CNSW.00.A	Constr Support Services		#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
Subtotal Original Contract				\$0.00		\$0.00		\$0.00		\$0.00

CONTRACT AMENDMENTS:

PO No.	SAP Line Item No.	WBS Element No.	Amendment Description	Amended Contract Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
Subtotal Contr. Amendment				\$0.00		\$0.00		\$0.00		\$0.00
Total Cont. with Amendment				\$0.00		\$0.00		\$0.00		\$0.00

PAYMENT SUMMARY FOR THIS PERIOD:

	From: 9/1/2015
	To: 9/30/2015
Amount Earned Original Contract	\$0.00
Amount Earned Amendments	\$0.00
Back Charges	\$0.00
Amount Due This Period	\$0.00

PRIOR PAYMENT SUMMARY:

	From:
	To:
Amount Earned Orig Contract	\$0.00
Amount Earned Amendments	\$0.00
Back Charges	\$0.00
Prior Payments	\$0.00

TOTAL PAYMENT SUMMARY:

	Total Contract
Total Original Contract	\$0.00
Total Contract Amendments	\$0.00
Total Payments to Date	\$0.00
Back Charges	\$0.00
Payment this period	\$0.00
Balance of Contract	\$0.00

CONTRACT SCHEDULE SUMMARY:

Contract Start Date:	10/9/2014
Contract Duration:	365
Contract Completion Date:	10/9/2015
Authorized Time Extension:	0
Revised Completion Date:	10/9/2015

PROJECT COMPLETION SUMMARY:

Contract Time Expired:	102%
Contract Work Complete:	#DIV/0!

Consultant Approval:

Title: _____ Signature: _____ Date: _____

Inland Empire Utilities Agency Approvals:

Proj. Engineer: _____ Date: _____ Exec Mgr. / Assistant GM: _____ Date: _____
 Deputy Manager: _____ Date: _____ General Manager: _____ Date: _____
 Dept. Manager: _____ Date: _____

Exhibit C

Grant Requirements

The SARCCUP (Project) may be funded by a Department of Water Resources/Santa Ana Watershed Project Authority Prop 84 Integrated Regional Water Management Grant. IEUA has not yet received a grant contract for this project.

Such Agreements have regulatory requirements that the Inland Empire Utilities Agency will be required to include in all contracts for work related to the performance of these Agreements. Although IEUA does not yet have a contract, the consultants and contractors must assist IEUA in meeting the federal and state requirements that apply to the scope stated in their contracts. If a grant agreement is received before this agreement is complete that includes additional requirements, the IEUA may need to revise this contract to include the new requirements.

In this document, IEUA is referred to as a Sub-Grantee. If a subcontractor or sub-consultant is hired, the grant requirements language must be included in the subcontractor or sub-consultant's contract in its entirety.

The follow attachments provide more details about the specific requirements and must be included in all contracts for this Project:

- 1. Signage on Construction Site and Written Document Requirements**
- 2. Integrated Regional Water Management Grant Requirements for Contractors and Consultants**

Signage.

The Recipient shall place a sign at least four feet tall by eight feet wide made of 3/4 inch thick exterior grade plywood or other approved material in a prominent location on the Project site. The sign shall include the following color logos (available from the division) and the following disclosure statement:

"Funding for this project has been provided in full or in part under the Disaster Preparedness and Flood Prevention Bond Act of 2006, administered by State of California, Department of Water Resources through an agreement with the Santa Ana Watershed Project Authority and the One Water, One Watershed Plan"

The Project sign may include another agency's required promotional information so long as the logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.



Written Documents, Reports or Brochures

Before printing/submitting reports consultant or contractors must check with the IEUA Grants Officer to verify the following language is required when the report is finalized:

The Recipient shall include the following disclosure statement and logos in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

Funding for this project has been provided in full or in part through an agreement with the Department of Water Resources through the Santa Ana Water Project Authority One Water One Watershed Plan. The contents of this document do not necessarily reflect the views and policies of the Department of Water Resources or the Santa Ana Water Project Authority nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code § 7550, 40 CFR § 31.20.)



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT



SARCCUP
SANTA ANA WATER PROJECT AUTHORITY
Integrated Regional Water Management Grant Requirements
For Contractors and Consultants

Contract Template between SAWPA and Sub-Grantee

Section 10: COMPLIANCE WITH LAWS AND REGULATIONS (Pg. 5)

The Sub-grantee agrees that it shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, regulations and guidelines. The Sub-grantee shall comply with, implement, and fulfill all environmental mitigation measures applicable to the project, and which may otherwise be required by this Contract and the IRWMP Grant Agreement, the California Environmental Quality Act ("CEQA"), and the State CEQA Guidelines.

Section 16 RECORDS AND REPORTS (Pg.7)

(B) The Sub-Grantee shall require all Project contractors and subcontractors to maintain books, records, and other material relative to the Project in accordance with generally accepted accounting standards, and to require that such contractors and subcontractors retain such books, records and other material for a minimum of five (5) years after Project completion. The Sub-Grantee shall require that such books, records, and another material shall be subject, at all reasonable times, to inspection, copying, and audit by SAWPA, DWR or its authorized representatives.

Section 24: ARBITRATION (Pg. 11)

Any dispute which may arise under this Contract by and between the SAWPA and the Sub-Grantee, including the Sub-Grantee's subcontractors, laborers, and suppliers, shall be submitted to binding arbitration. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the Parties stipulate in writing to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation.

Section 25: COST AN ATTORNEY FEES (Pg. 11)

In the event of arbitration or litigation between the parties here arising from this Contract, it is agreed that the prevailing party shall entitled to recover reasonable costs and attorney fees.

Section 29: INDEMNIFICATION (Pg. 11)

(A) The Sub-Grantee shall defend, indemnify and hold harmless SAWPA and DWR and their directors, commissioners, officers, agents, and assigns and (collectively the Indemnified Parties), against any and all losses, claims and damages or liabilities, joint or several, including attorney's

fees and expenses incurred with or arising from this Contract, and the transactions, funding and construction activities contemplated by this Contract. Sub-Grantee shall reimburse Indemnified Parties for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or related to this Contract, and the transactions, funding and construction activities contemplated by this Contract. Sub-Grantee shall indemnify and save the Indemnified Parties harmless from and against any claims, losses, damages, attorney's fees and expenses arising from any and all contracts, contractors, subcontractors, suppliers, laborers, and any other person, entity furnishing or supplying such services, materials, or supplies in connection with Sub-Grantee's Project funded, in part, by this Contract. Sub-Grantee shall indemnify and save Indemnified Parties harmless from any and all claims, losses, damages, and attorney's fees, obligations under this Contract, or any act of negligence by the Sub-Grantee or any of its agents, contractors, subcontractors, servants, employees, or licensees concerning the subject matter of this Contract or Project. Sub-Grantee shall indemnify and hold the Indemnified Parties harmless from and all claims, losses, damages, attorney's fees and expenses arising out of the completion of the Project or the authorization of payment of Project Costs to or by the Sub-Grantee. No indemnification is required under this section for claims, losses or damages arising out of the sole and exclusive misconduct or negligence under this Contract by SAWPA.

(B) The Sub-Grantee understands and agrees that it has compiled and will comply with the CEQA and the State CEQA Guidelines for the project which is the subject matter of this Grant Funding Contract. Sub-Grantees understands and agrees that it is ultimately and solely responsible, as the lead agency, for compliance with CEQA and any mitigation measures required for the Project. The Sub-Grantee hereby agrees to indemnify, defend and hold harmless SAWPA and the DWR from any and all claims or actions related to this Project that may be made by any third party or public agency alleging, among other things, violations of CEQA or the State CEQA Guidelines.

(C) In addition to complying with the insurance requirements contained in the IRWMP Grant Agreement, including Section 23 of Exhibit D.23) of that Agreement, the Sub-Grantee shall ensure that adequate insurance coverage is provided by Sub-Grantee and/or its contractors and subcontractors on the Project funded, in part by this Contract. Such insurance shall include adequate coverage for comprehensive commercial general liability, property insurance. Including all builders' risk insurance. Such insurance coverage shall, at a minimum, insure against injuries to third parties, damage to property owned by third parties, physical damage to the Project and all related facilities, theft of building materials and supplies intended for the Project, delays in Project completion, delays in Project Completion due to strikes and governmental actions, liquidated damages, employee injuries and work related illnesses, design errors resulting in increased project costs, environmental damage caused by construction activities related to the Project, and nonperformance by the contractors and subcontractors. Such insurance coverage shall be provided by admitted insurance companies authorized to do business in the State of California, and with a minimum "Best's Insurance Guide" rating of "A: VII".

Section 30: PROJECT AND INFORMATION ACCESS (Pg. 12)

The Sub-Grantee agrees to ensure that SAWPA, DWR, or any authorized representative thereof, shall have reasonable access to the Project site at all reasonable times during Project construction, and thereafter for the useful life of the Project.

18 LABOR COMPLIANCE (Pg. 19)

Grantee agrees to comply with all applicable California Labor Code requirements and Standard Conditions (see D.28).

Grantee must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code section 1771.5 for projects funded by:

- a) Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; PRC sections 75075 et seq. or
- b) Any other funding source requiring an LCP.

At the State's request, Grantee must promptly submit written evidence of Grantee's compliance with the LCP requirements.

STANDARD CONDITIONS (Contract Exhibit D Pg. 124)

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- a) **Separate Accounting of Funding Disbursements and Interest Records:** Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- b) **Fiscal Management Systems and Accounting Standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Grant Agreement.
- c) **Disposition of Money Disbursed:** All money disbursed pursuant to this Grant Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

d) **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2) ACKNOWLEDGEMENT OF CREDIT: Grantee shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project(s) or using any data and/or information developed under this Grant Agreement. During construction of (each/the) project, Grantee shall install a sign at a prominent location, which shall include a statement that the project is financed under the Disaster Preparedness and Flood Prevention Bond Act of 2006, administered by State of California, Department of Water Resources. Grantee shall notify State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

D.3) AIR OR WATER POLLUTION VIOLATION: Under State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

D.5) AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.7) AUDITS

Pursuant to Government Code Section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three years after final payment under this Grant Agreement with respect to all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later.

D.10) CEQA: Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.).

D.11) CHILD SUPPORT COMPLIANCE ACT: For any Grant Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:

a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

D.13) COMPETITIVE BIDDING AND PROCUREMENTS: Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State under this Grant Agreement.

D.15) CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.

a) Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

d) Employees and Consultants to the Grantee: Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

D.18) DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Grant Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:

a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a)(1).

b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:

- i) The dangers of drug abuse in the workplace,
- ii) Grantee's policy of maintaining a drug-free workplace,
- iii) Any available counseling, rehabilitation, and employee assistance programs, and
- iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

c) Provide, as required by Government Code Sections 8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Grant Agreement:

- i) Will receive a copy of Grantee's drug-free policy statement, and
- ii) Will agree to abide by terms of Grantee's condition of employment, contract or subcontract.

D.22) GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

D.23) INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project(s) and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for this Project and any breach of this Agreement. Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.

D.24) INDEPENDENT CAPACITY: Grantee, and the agents and employees of Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.

D.25) INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.

D.26) INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with State.

D.28) LABOR CODE COMPLIANCE: The Grantee will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

D.30) NONDISCRIMINATION: During the performance of this Grant Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.

D.31) NO DISCRIMINATION AGAINST DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the Grantee certifies by signing this Grant Agreement, under penalty of perjury under the laws of State of California that Grantee is in compliance with Public Contract Code section 10295.3.

D.38) RIGHTS IN DATA: Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Cal. Gov't Code §6250 *et seq.* Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

D.41) SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both, and Grantee may be subject to debarment if the State determines that:

a) Grantee, its contractors, or subcontractors have made a false certification, or

b) Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.

D.46) THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.

D.47) TIMELINESS: Time is of the essence in this Grant Agreement.

D.50) WORKERS' COMPENSATION: Grantee affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Grant Agreement and will make its contractors and subcontractors aware of this provision.

ATTACHMENT 4:

CEQA Cost Share Agreement

June _____, 2016

Paul Jones
Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

John Rossi
Western Municipal Water District
16400 El Prado Road
Chino, CA 91708

Mike Markus
Orange County Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

Doug Headrick
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Re: **Cost Sharing Letter Agreement
Santa Ana River Conservation & Conjunctive Use Program (SARCCUP)
Program Environmental Impact Report**

This Cost Sharing Letter Agreement (Agreement) sets forth the understanding among the undersigned parties regarding the sharing of costs for consultant support services for SARCCUP. Inland Empire Utilities Agency (IEUA) has engaged Tom Dodson & Associate (TDA) for development of a Program Environmental Impact Report (PEIR) for SARCCUP implementation. The Scope of Services which is the subject of this Agreement is set forth in Exhibit A (Scope).

IEUA and the undersigned parties (collectively referred to as Parties and individually as Party) hereby agree to equally share the cost of the consultant support services pursuant to the provisions set forth below.

1. Scope of Services

TDA (Consultant) and its consultant Environmental Science Associates (ESA) will prepare a PEIR for SARCCUP as required to identify potential significant impacts and recommend mitigation measures to reduce potentially significant impacts to a less than significant level. The Scope is further described in **Exhibit A** attached hereto and incorporated herein by reference.

2. Cost Sharing

(a) Cost of Services

IEUA has entered into, or intends to enter into, an agreement with TDA (Consultant Agreement) for performance of the Scope with a **not-to-exceed cost of \$340,397** (Compensation).

(b) Cost Sharing Among the Undersigned Parties

The Parties hereto each agree to be responsible for reimbursement of the payments made under the Contract with TDA (Consultant) not to exceed one fifth of the total cost or \$68,079.40 per party as follows:

(i) Upon receipt by IEUA of each written statement from Consultant regarding the amount due and owing for the applicable time period (Progress Payment), IEUA shall be responsible for payment to Consultant for the amount due and owing.

(ii) The Parties shall be responsible for payment of an equal share of the amount due and owing under each Progress Payment to be billed by IEUA to each Party, quarterly. None of the Parties shall be responsible for payment of any amounts in excess of its share as set forth herein, without the prior written consent of the Party being requested to pay such additional amount.

(iii) IEUA shall provide a copy of the Progress Payment to each Party along with a cover letter setting forth the calculation of the share due and owing by each Party. Within thirty (30) days of the date of said cover letter (Invoice), each Party shall submit payment to IEUA for its share as set forth in this Agreement.

3. Effective Date and Term

This Agreement shall be effective on the date of full execution of this Agreement by all of the Parties (Effective Date). The term of this Agreement shall be from the Effective Date to the date of completion of performance of the Scope under the Consultant Contract pursuant to the schedule and deadlines set forth in Exhibit A and other schedules and deadlines as may be determined by the Parties and Consultant. The Parties may elect to extend the term with prior written consent of the Parties.

4. General Provisions

(a) Indemnification

Each Party (Indemnitors) hereby agrees to defend, indemnify and hold free and harmless the other Parties (Indemnitees) from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, arising from or connected with Indemnitors' activities under this Agreement.

(b) Notices

Correspondence to be given to any Party may be sent by first-class mail, addressed and delivered as set forth below in the signature blocks for each Party.

(c) Representation of Authority

Each Party represents to the other that it has the authority to enter into this Agreement and that the individual signing this Agreement on behalf of their respective Party has the authority to execute this Agreement and to bind their respective Party to the terms and conditions of this Agreement.

(d) Counterparts

This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(e) Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(f) Cooperation. The Parties acknowledge that they are entering into an arrangement in which the cooperation of all of the Parties will be required, including the execution of necessary further documents. The Parties agree to cooperate in good faith with each other and review and submit timely documents for the benefit of SARCCUP.

BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT

INLAND EMPIRE UTILITY AGENCY

By: _____
Joe Grindstaff, General Manager

Dated: _____

P.O Box 9020
Chino Hills, CA 91709

WESTERN MUNICIPAL WATER DISTRICT

By: _____
John V. Rossi, General Manager

Dated: _____

14205 Meridian Parkway
Riverside, CA 92518

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Paul Jones, General Manager

Dated: _____

P.O. Box 8300
Perris, CA 92572-8300

ORANGE COUNTY WATER DISTRICT

By: _____
Mike Markus, General Manager

Dated: _____

P.O. Box 8300
Fountain Valley, CA 92728-8300

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Doug Headrick, General Manager

Dated: _____

380 East Vanderbilt Way
San Bernardino, CA 92408

**ACTION
ITEM**

21

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (6/08/16)
Finance, Legal, and Administration Committee (6/08/16)

From: *for* P. Joseph Grindstaff 
General Manager

Submitted by: Randy Lee *RL*
Executive Manager of Operations/Assistant General Manager

Matthew Melendrez *RL for MM*
Deputy Manager of Operations

Subject: Contract Award to Polydyne Inc. for Flosperse 30S

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Contract No. 4600002106 to Polydyne Inc., establishing a two-year contract for the supply of Flosperse 30S with options for three additional one-year extensions, for a potential total contract term of five years; and
2. Authorize the General Manager to execute the contract with the three potential contract extensions.

BACKGROUND

Sewage treatment generally involves solids and liquid treatments processes. At the Agency's water recycling plants, liquid stream goes through biological, filtration, and disinfection treatments to achieve the required Title 22 standard before it is distributed for beneficial reuse. Solids stream goes through thickening, digestion, dewatering, and finally transported to the Inland Empire Regional Composting Facility (IERCF) for composting. During the sludge dewatering process, a very hard mineral called struvite can form and coat the inside of sludge lines and dewatering equipment, reducing equipment capacity and causing failures. This is a common problem encountered in the wastewater industry. Struvite formation is a complex chemical reaction dependent on pH, temperature, pressure, and constituents such as magnesium, ammonium, and phosphate which are abundant in sludge. This issue is found at Regional Water Recycling Plant

Contract Award to Polydyne Inc. for Flosperse 30S

June 15, 2016

Page 2 of 3

No. 1 (RP-1), but not at Regional Water Recycling Plant No. 2 (RP-2). Without treatment, RP-1 experiences substantial struvite build-up. Agency Operations and Maintenance staff have been challenged by struvite formation on sludge dewatering equipment for many years. In 2010, RP-1 started experimenting with the addition of an anti-struvite chemical, which has provided significant benefits in the form of reduced struvite deposits in the dewatering process equipment, fewer disruptions to dewatering operations, and the need for less frequent equipment cleaning.

The current anti-struvite chemical supply contract with Polydyne Inc. will expire on June 30, 2016. On March 28, 2016, a formal Request for Proposal was issued through the PlanetBids online solicitation system to 19 potential bidders. Suppliers were asked to sample RP-1 centrate to perform jar tests and then provide a recommended chemical dose with their proposed price. The bid closed on April 11, 2016 and four suppliers provided proposals:

Supplier	Cost per Year
Univar	\$30,378
Jayne Products	\$44,602
Polydyne Inc.	\$65,456
Thatcher Company	\$105,714

Staff from the Technical Services Department then performed in-house jar tests using the Supplier's recommended dose to determine the best performing product. The results were based on the testing of three constituents; magnesium, phosphorous and total solids. The table below summarizes the results of the testing. Higher numbers indicate better performance.

Supplier	Product	Retained Magnesium	Inhibited Total Solids	Retained Phosphorus
Polydyne Inc.	Flosperse 30S	63%	24%	100%
Thatcher Company	Compliance STR	31%	11%	84%
Univar USA	Carus Struvout	3%	4%	62%
Jayne Products	Struvite Dispersant JS 9310	4%	5%	25%

The results of the jar testing indicated that the product Flosperse 30S, provided by Polydyne Inc., was the superior performer with respect to all three constituents tested. The other three products produced unacceptable results during the jar testing. Polydyne Inc. has been the supplier of anti-struvite chemical for IEUA since 2010 and the performance of their chemical has been acceptable.

Therefore, staff recommends that the Board approve the issuance of a two-year contract to Polydyne Inc. with options for three additional one-year extensions, for a potential total contract

Contract Award to Polydyne Inc. for Flosperse 30S

June 15, 2016

Page 3 of 3

term of five years. Currently, IEUA is paying \$0.919 per pound to Polydyne Inc. for the same Flosperse 30S product. The proposed price of \$0.875 represents a 5% decrease.

Awarding the contract to Polydyne Inc. for Flosperse 30S is in line with the IEUA Business Goal of Wastewater Management to maintain capacity within systems and facilities to meet essential service demands.

PRIOR BOARD ACTION

On June 16, 2010, the Board of Directors awarded a five-year contract to Polydyne, Inc.

On May 20, 2015, the Board of Directors approved an amendment extending the contract for a one-year term.

IMPACT ON BUDGET

If approved, the anticipated chemical expenditures will be funded from the Fiscal Year 2016/17 Regional Wastewater Operations and Maintenance (RO) Flosperse budget.

Contract Award to Polydyne Inc. for Flosperse 30S June 2016

Matthew Melendrez
Deputy Manager of Operations
Randy Lee
Executive Manager of Operations/AGM

Struvite

- * Struvite is a phosphate mineral containing several constituents commonly found in wastewater.



Struvite Formation

* Struvite deposits restrict and plug flow in pipelines, valves, pumps, etc.



Pump Impeller



Struvite Control With Flosperse 30S

- * Flosperse 30S is used at RP-1 to control struvite deposits in dewatering processes
- * Flosperse greatly mitigates struvite deposits
- * There have been no struvite related failures since dosing Flosperse



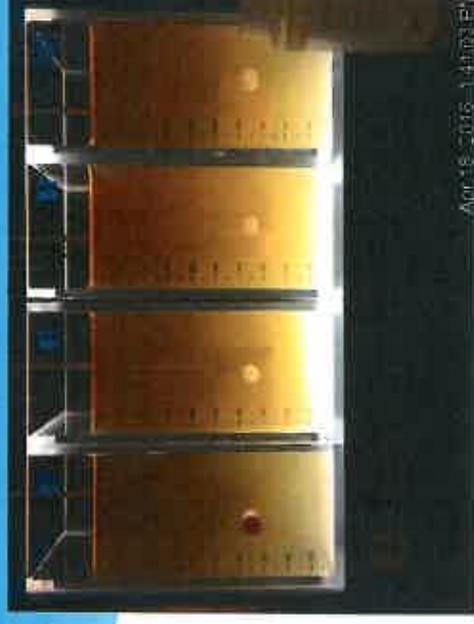
Chemical Trial RFP

- * Staff issued an RFP for Anti-Struvite Chemical and received four proposals

Supplier	Cost per Year
Univar	\$30,378
Jayne Products	\$44,602
Polydyne Inc.	\$65,456
Thatcher Company	\$105,714

Jar Testing

* Technical Services staff performed jar testing to determine effectiveness of proposed chemicals



Supplier	Product	Retained Magnesium	Inhibited Total Solids	Retained Phosphorus
Polydyne Inc.	Flospense 30S	63%	24%	100%
Thatcher Company	Compliance STR	31%	11%	84%
Univar USA	Carus Struvout	3%	4%	62%
Jayne Products	Struvite Dispersant JS 9310	4%	5%	25%

* Higher number indicates more favorable result

Recommendation

* Staff recommends Board approval of a new two-year contract with options for three additional years with Polydyne, Inc. for Flosperse 30S

- * \$0.875/pound including tax and delivery
- * Approximately 5% decrease from current price of \$0.919/pound



Supports the Agency's business goal of Wastewater Management to maintain capacity within systems and facilities to meet essential service demands.



**CONTRACT NUMBER: 460002106
FOR
SUPPLY OF FLOSPERSE 30S**

This CONTRACT (Contract), is made and entered into this _____ day of _____, 2016, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as Agency) and Polydyne Inc. of Riceboro, Georgia (hereinafter referred to as Supplier) for supply and delivery of Floperse 30S anti-struvite chemical.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

A. **CONTRACT ADMINISTRATOR:** All general direction related to this Contract shall come from the designated Contract Administrator. Details of the Agency's assignment are as follows:

Contract Administrator: Roger Hughbanks
Location: 6075 Kimball Ave., Building A
Chino, CA 91710
Telephone: (909) 993-1679
Email: rhughbanks@ieua.org

B. **SUPPLIER ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the below-listed Supplier Representative:

Supplier Representative: Brent Swanson
Address: 1 Chemical Plant Road
Riceboro, GA 31323
Telephone: (661) 803-2466
E-mail: PolyBidDpt@snfhc.com

C. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the general terms and conditions, addenda, attachment(s), or other contractual documents, the governing order of precedence shall be as follows:

1. Amendment(s) to Contract No. 460002106
2. Contract No. 460002106
3. Agency's Request for Proposal No. RFP-RH-16-030
4. Supplier's Proposal dated April 7, 2016

D. **SCOPE OF WORK:** Supplier product, services, and responsibilities shall include and be in accordance with the following:

PRODUCT REQUIREMENTS: The anti-struvite chemical supplied in conjunction with this Contract will be used by the Inland Empire Utilities Agency (IEUA) within its' dewatering facility centrate discharge system located at the Agency's Regional Water Recycling Plants in Chino and Ontario, California.

The anti-struvite chemical delivered by the Supplier must not contain solidified masses and must be in 100 percent solution when mixed. Anti-struvite chemical not meeting this requirement can cause clogging of the Agency's anti-struvite chemical feed system and will be rejected back to the Supplier at the Supplier's expense.

The selected Supplier shall provide detailed instructions as to the proper procedures for feeding the anti-struvite chemical for use in the Agency's dewatering facility centrate discharge system process and shall also provide any necessary assistance, including conveyance of theory and control philosophy, for setting up the feeding systems. In addition, the Supplier shall provide any specialized equipment necessary to feed the anti-struvite chemical into the dewatering facility centrate discharge system process; such equipment will not include the mixing/feeding units.

Throughout the entire Contract term, the Supplier shall provide anti-struvite chemical identical to the product supplied during performance testing conducted by the Agency. The anti-struvite chemical will be routinely monitored for the following:

1. Density (lbs/gal)
2. Percent Total Solids
3. Percent Volatile Solids
4. Percent Active Solids

The supplied anti-struvite chemical shall be utilized to inhibit the formation of struvite within the dewatering facility centrate discharge system. The chemical shall be applied at the Supplier's recommended dosage into the dewatering facility centrate sump and into the individual centrifuge centrate discharge points. Agency staff will monitor parameters related to struvite formation as described below:

1. The raw centrate and chemically treated centrate (i.e., centrate dosed with anti-struvite chemical and/or NaOH) will be analyzed for magnesium, phosphorous, and total solids to determine whether the components of struvite are remaining in solution (i.e., not removed from the centrate through struvite formation).
2. pH, TSS, and COD may be measured periodically.
3. Centrate pumping performance, as compared to original pump curves
4. Discharge centrate header performance, by historical flow meter and pressure trends

A reduction of the centrate pump and/or the discharge piping is prohibited at any time during the application of the supplier's anti-struvite chemical. In addition, concentrations of magnesium and/or phosphorous in the treated centrate must stay in solution within the entire length of discharge piping and not precipitate in the form of struvite at any time during the application of the supplier's anti-struvite chemical.

Solution of anti-struvite chemical shall be delivered in 275 gallon tote bins. The Supplier shall supply and install any specialized fittings and equipment necessary to transfer the anti-struvite chemical from the bins to the mixing/feeding units.

Should the Supplier be unable to deliver the requested quantity of anti-struvite chemical consistent with the requirements specified herein, the Agency may purchase anti-struvite chemical on the open market. If the cost of the anti-struvite chemical purchased to replace the successful bidder's product results in increased operating costs, the successful bidder shall be responsible for the Agency's added costs.

The Agency will pay for the actual number of pounds delivered in the tote bins. Packing Slips shall convey the loaded gross weight, empty tare weight and net anti-struvite chemical weight delivered. Pounds invoiced will be the net pounds of anti-struvite chemical delivered (i.e., loaded gross weight minus the empty tare weight). The total weight of the anti-struvite chemical delivered shown on the packing slip shall be identical to the amount invoiced.

A certified laboratory analysis indicating the percent of total solids, percent of volatile solids and percent of active solids must be provided by the Supplier with each delivery. The laboratory analysis must accompany the delivery notice (packing slip). The laboratory analysis must indicate any product that is delivered containing less percent of dry solids than has been specified. Periodic quality control tests will be performed by the Agency on the delivered product to ensure that Contract specifications are maintained and reported quality is accurate. Continued discrepancies of delivered product will result in back charges to the Supplier for all resultant extra costs incurred by the Agency and may result in contract termination.

All anti-struvite chemical delivered in conjunction with this contract shall comply in all respects with federal, state, and local regulations in effect at the time of delivery.

ESTIMATED QUANTITIES: It is envisioned that the selected Supplier shall provide all anti-struvite chemical to be used by the Agency's Regional Water Recycling Plants No. 1 and No. 2 dewatering facility centrate discharge systems during the term of the Contract. The Agency's annual anti-struvite chemical usage will be based on historical data and Supplier's chemical information as detailed below:

1. Anti-Struvite chemical will be applied at the Supplier's recommended dosage.
2. RP-1's average daily centrate flow of 330,000 gallons per day (calendar year 2015).
3. Percent Active Solids of anti-struvite chemical as provided by the Supplier
4. Density of anti-struvite chemical as provided by the Supplier

However, the Agency shall not be obligated to purchase any specific minimum nor maximum quantities and reserves the right to purchase either more or less product, based on the facility's Solids Loading Rate and the effectiveness/efficiency of the selected anti-struvite chemical product, at the agreed upon firm-fixed unit price established by the Contract.

SHIPPING INSTRUCTIONS: Shipments shall be made within three calendar days subsequent to the Supplier's receipt of either a verbal or written shipping order from the Agency. Orders will be placed on an as-needed basis to suit the Agency's requirements throughout the Contract period. Deliveries shall be made between the hours of 7:00 a.m. and 1:00 p.m., Monday through Friday only.

DELIVERY LOCATIONS: Anti-struvite chemical shall be delivered to the following locations, as designated at the time of order placement:

Inland Empire Utilities Agency
Regional Plant No. 1
2662 E. Walnut Avenue
Ontario, CA 91761

Inland Empire Utilities Agency
Regional Plant No. 2
16400 El Prado Road
Chino, CA 91708

The Agency reserves the right to add any additional delivery destinations, within its' designated service area, as may subsequently be required. Any added location(s) shall receive the same product, service, pricing, etc. as required by the Contract.

LOADING AND UNLOADING: Upon arrival, the delivery person will report to the Agency facility's clerk; upon notification, an Agency operator will observe and approve all loading and unloading of shipments. The Supplier shall allow a reasonable period of time (up to one hour) between notification

to the clerk and approval by Agency operators to unload shipment. Procedures for loading and unloading of all shipments shall comply with Cal-OSHA and AWWA Standards. Loading and unloading of all shipments will not commence without an Agency Operator present. The Supplier's delivery equipment must be fully compatible with Agency facilities and equipment. Deliveries shall be executed without any spillage of material. Any spilled material, however minor, shall immediately be contained and properly removed by the Supplier. Any damage or disfigurement to Agency property caused by a spill, or the loading process, shall be corrected by the Supplier immediately, at the Supplier's expense.

The Supplier shall be responsible for the pick-up of "empty" totes at the request of the Agency; the collection of totes will be at no additional expense to the Agency. "Empty" totes may contain a residual amount of anti-struvite chemical; the Agency shall not be held accountable for completely cleaning and emptying the anti-struvite chemical totes prior to Supplier pick-up. The Agency shall not be responsible for damage to totes sustained during delivery or pick-up process.

PRODUCT SAMPLE: The Agency may require, on an as needed basis, that a sample of the product delivered be collected by Agency personnel prior to unloading. The amount of sample required will be approximately half a pint. Supplier's tote must accommodate the collection of the sample without causing spilling or splashing of product.

TERMINATION: The Agency may reject delivery or terminate the Contract, if: the quality of the delivered anti-struvite chemical does not meet Contract specifications; the quality of the delivered product deteriorates; the delivered product is different from the product that was tested during the trial testing period; or the performance of the delivered product is significantly different from the performance of the product during the trial testing period. In the event delivered product is rejected for failure to meet Contract specifications, it shall be the sole responsibility of the Supplier to immediately remove said product and provide acceptable replacement product at the sole expense of the Supplier. In that event, the Supplier shall, at the Supplier's expense, support the Agency's operation through provision of temporary facilities. Temporary facilities shall include installed anti-struvite chemical storage tanks, pumps, piping, and miscellaneous appurtenances. Further, all costs for removal, replacement, and temporary facilities for such replacement product shall be the responsibility of the Supplier. The Agency may terminate the Contract should two or more deliveries be rejected in a one year period.

EMERGENCY TELEPHONE NUMBER: The Supplier shall provide a telephone number(s) where a representative of the Supplier may be contacted 24 hours a day, seven days a week in the event of an emergency.

SAFETY DATA SHEETS: The Supplier shall provide two copies of the selected product's Safety Data Sheet (SDS) to the Agency's Contract Administrator upon execution of any Contract entered into, and upon any update or revision to the SDS document. Also, the SDS shall be made available for the Agency to copy at the time of each delivery.

SAFETY TRAINING: The successful bidder shall provide training in the safe and proper handling procedures of their product and emergency kits, if so requested by the Agency. If requested, training shall be provided up to twice per calendar year. This training shall be provided at the Agency's Regional Plants, as required. The training shall be provided at no additional expense to the Agency.

- E. TERM OF CONTRACT AND OPTIONS:** The term of this Contract shall run from the date of its bilateral execution through June 30, 2018 or as mutually agreed to between the Supplier and Agency in any written extension to the Contract. Additionally, the Supplier shall agree to allow the Agency, at the Agency's sole discretion, to extend this Contract, in twelve month increments, for an additional period not-to-exceed 36 months; resulting in the potential for a total Contract term of five years. In the event the Agency desires to exercise any or all of the Contract extension options provided for in this Section, the Agency shall provide written notice to the Supplier, prior to the expiration of the original Contract term or any extension thereof.

- F. **PRICE ADJUSTMENTS:** In the event the Agency exercises any of the Contract extensions provided for in Section E above, pricing for said extension shall be calculated as follows:

Commencing on July 1, 2018 and continuing on each July 1st thereafter, those prices provided for in Section G of this Contract shall be adjusted plus or minus by a sum equal to the percentage change in the Consumer Price Index (CPI) for All Urban Consumers, in the Los Angeles-Riverside-Orange County(s), California index area as provided for in this section. The basis for computing the adjustment to those prices provided for in Section G of this Contract shall be the percentage change for the twelve month period from March to March, starting with the period of March 2017 to March 2018, and continuing every twelve months thereafter.

In the event the CPI is changed so that the base period differs from 1967=100, then the index applied as provided for above shall be corrected in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, or their successor. If the CPI is discontinued or revised, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained if the CPI had not been discontinued or revised.

- G. **PAYMENT, COMPENSATION and INVOICING:** The Agency shall pay Supplier's properly executed invoice(s) within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any product which does not meet or the requirements of this Contract until such product is replaced and accepted by the Agency.

As compensation for all satisfactory product provided under this Contract, the Agency shall pay the Supplier, on a fixed unit price basis, in accordance with the price schedule shown below.

PRODUCT PRICE/POUND (delivered)	\$ 0.810
SALES TAX @ 8.00	\$ 0.065
TOTAL NET PRICE/POUND (delivered)	\$ 0.875

Contractor's invoices shall be submitted as follows:

Inland Empire Utilities Agency
Attention: Accounts Payable Department
P.O. Box 9020
Chino Hills, CA 91709

OR invoices may be submitted electronically via:

APGroup@ieua.org

H. **FITNESS FOR DUTY:**

1. **Fitness:** Supplier and its Subcontract personnel on Agency property:
 - a. shall report for work in a manner fit to do their job;
 - b. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the work is not affected thereby); and
 - c. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.
2. **Inspection:** Searches by Agency authorized personnel may be made of lockers, storage areas, vehicles, persons or personal effects on Agency-owned, or leased property at various times without prior announcement. Such facility inspections may be conducted using

detection dog teams to search work areas and other common areas in order to detect evidence of unlawful drug use or the presence of pyrotechnics, explosives, firearms, weapons, or facsimiles thereof, alcoholic beverages and illegal drugs ("Prohibited Items"). Prohibited Items must not be brought onto, or kept on, Agency property.

3. **Compliance:** Supplier shall advise all supplier and subcontractor personnel and associated third parties of the requirements of the Contract ("Fitness for Duty Requirements") before they enter on Agency property and shall immediately remove from Agency property any employee determined to be in violation of these requirements. Supplier shall impose these requirements on its Subcontractors. The Agency may cancel the Contract if Supplier violates these Fitness for Duty Requirements.
- I. **REQUIRED INSURANCE:** During the term of this Contract, the Supplier shall maintain at the Supplier's sole expense, the following insurance.
1. **Minimum Scope of Insurance**
 - a. **General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, with a \$2,000,000 general aggregate. Coverage shall be at least as broad as Insurance Services Office form number CG 00 01 10 01 covering Comprehensive General Liability.
 - b. **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01 covering Automobile Liability, including "any auto".
 - c. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.
 2. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Supplier shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
 3. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:
 - a. **General Liability and Automobile Liability:**
 - (1) The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsement GL 20 11 07 66, CG 20 10 11 85, and/or CA 20 01 (Ed. 01 78) as respects: liability arising out of activities performed by or on behalf of the Supplier, products and completed operations of the Supplier, premises owned, occupied or used by the Supplier, or automobiles owned, leased, hired or borrowed by the Supplier. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
 - (2) The Supplier's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Supplier's insurance and shall not contribute with it.

- (3) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- (4) The Supplier's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (5) The Supplier may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

b. **Workers' Compensation and Employers Liability Coverage:**

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Supplier for the Agency.

c. **All Coverages:**

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days or ten days in the event of nonpayment, prior written notice has been given to the Agency.

- 4. **Acceptability of Insurers:** Insurance is to be placed with Insurers with a Best's rating of no less than A:VII, and who are admitted Insurers in the State of California.
- 5. **Verification of Coverage:** The Supplier shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all Subcontractor(s) prior to commencing work or allowing any Subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All insurance certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.
- 6. **Submittal of Certificates:** The Supplier shall submit all required insurance certificates and endorsements to the following:

Roger Hughbanks (or via e-mail to: rhughbanks@ieua.org)
 Inland Empire Utilities Agency
 P.O. Box 9020
 Chino Hills, California 91709

J. **LEGAL RELATIONS AND RESPONSIBILITIES:**

- 1. **Status Of Supplier:** The Supplier is retained as an independent Supplier only, for the sole purpose of providing product as described herein, and not an employee of the Agency.
- 2. **Observing Laws And Ordinances:** The Supplier or any Subcontractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the supply of any product, conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Supplier or any Subcontractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the

Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Supplier or its employees.

3. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
4. **Indemnification:** Contractor shall indemnify the Agency, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to:
 - A. The negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.
 - B. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, or every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Consultant;
 - C. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respects to the failure, neglect, or refusal of Consultant to faithfully perform the work and all of the Consultant's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.
5. **Conflict Of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
6. **Equal Opportunity:** During the performance of this contract the Agency, the Supplier and any Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status, national origin, or physical handicap.
7. **Disputes:**
 - a. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Supplier shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.
 - b. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Supplier shall comply, pursuant to the Agency Project Manager instructions. If the Supplier is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Supplier to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Supplier's written protests to the Chief Executive Officer/General Manager (CEO/GM), together with a copy of the Agency Project Manager's written decision,

for his or her consideration within seven (7) calendar days after receipt of said protest(s). The CEO/GM shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Supplier is not satisfied with any such resolution by the CEO/GM, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the CEO/GM's decision.

c. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

(1) The Demand for Arbitration shall include a list of five names of persons acceptable to the Supplier to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Supplier are acceptable and, if so, such person will be designated as Arbitrator.

(2) In the event that none of the names submitted by Supplier are acceptable to the Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Supplier a list of five names of persons acceptable to the Agency for appointment as Arbitrator. The Supplier shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

(3) If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

d. **Joinder in Mediation/Arbitration:** The Agency may join the Supplier in mediation or arbitration commenced by a Supplier on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Supplier.

8. **Workers' Legal Status:** For Performance under this Contract, Supplier shall only utilize employees that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

K. **INFRINGEMENT:** Supplier represents and warrants that Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violation of any Proprietary Rights of any person.

Supplier shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorneys' fees and expenses arising out of any claim that use of the Work or Documentation, to replace or modify the Work and Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Supplier shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such

claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

- L. **TAXES, FEES, AND CHARGES:** The Supplier, and any of its Subcontractors, shall pay all sales, consumer, use and other similar taxes, and pay all charges and fees required to be paid by the Supplier, or any of its Subcontractors, in accordance with state, county, and local laws and ordinances.
- M. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren Green
Manager of Contracts/Procurement & Facilities Services
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Supplier: Boyd Stanley
Business Director
Polydyne Inc.
P.O. Box 279
Riceboro, GA 31323

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

- N. **INTEGRATION:** The Contract Documents represent the entire agreement between the Agency and the Supplier as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Supplier. (Government Code Section 4154)
- O. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
- P. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Supplier, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Supplier under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Contract Administrator and/or Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Contract Administrator and/or Agency shall be null, void, and of no legal effect whatsoever.
- R. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, acts of nature, etc.
- S. **TERMINATION:** The Agency reserves the right to suspend, cancel, or terminate this Contract at any time upon ten calendar days written notice to the Supplier. In the event of such termination, the Agency shall pay Supplier for all authorized and Supplier-invoiced product, approved by the Contract Administrator, up to the date of such termination. (Government Code Section 4154)
- T. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

U. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until a fully executed Contract has been completed by all responsible parties and a Notice to Proceed has been issued by the Agency.

AS WITNESS HEREOF, the parties hereto have caused this Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY, POLYDYNE Inc.:
A Municipal Water District:

P. Joseph Grindstaff
General Manager

Date



Mark Schlag
Vice President

5/12/16
Date

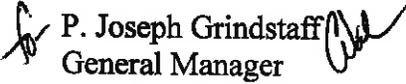
**ACTION
ITEM**

2J

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (6/8/16)
Finance, Legal, and Administration Committee (6/8/16)

From:  P. Joseph Grindstaff
General Manager

Submitted by: Randy Lee 
Executive Manager of Operations/Assistant General Manager

Matthew Melendrez 
Deputy Manager of Operations

Subject: Purchase of Dewatering Polymer Blending Units

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the single source procurement of new polymer blending units and start up services for Regional Water Recycling Plant No. 1 (RP-1) from Velocity Dynamics, LLC for a not-to-exceed amount of \$172,000 (including tax and delivery); and
2. Authorize the General Manager to execute the purchase.

BACKGROUND

The RP-1 Dewatering Facility Expansion project was commissioned in 2013. The goal of the project was to replace the aging belt presses, produce dryer biosolids, and provide dewatering capacity, flexibility, and redundancy for the ultimate build-out. The contractor for the project installed four Siemens M-Series polymer blending units as required by the project specifications. These polymer blending units are designed to work with the dewatering centrifuges to produce dewatered biosolids and clear centrate. During startup, several issues related to the neat and diluted polymer solution pipe sizing and pressure losses were identified and fixed to meet the original design intent. The Siemens units worked effectively after the pressure loss issues were addressed and the project was accepted by the Board on September 18, 2013.

Purchase of Dewatering Polymer Blending Units

June 15, 2016

Page 2

During continued operation, all four Siemens polymer blending units experienced mechanical failures of the three-way water flow regulating valve, prohibiting the ability to automatically control the polymer blending system.

After contacting the local representative for Siemens, IEUA staff became aware that Siemens had sold its assets, inventory, and associated trademarks of the M-Series polymer blending units to Underground Solutions, Inc. (UGSI). After contacting UGSI, it became apparent that UGSI was not prepared to support the Siemens units installed at RP-1 and instead proposed the replacement of all four units with other UGSI products. The failure of the three-way valves became an unsupported manufacturer defect that reduced process efficiencies and had limited to no maintainability.

Agency staff performed industry-wide research and determined that three manufacturers could meet the original design requirements and physical footprint of the polymer blending units, which included Velocity Dynamics, UGSI, and Prominent. After performing site visits to other facilities and obtaining information from each manufacturer, it was determined that the Velocity Dynamics' Velodyne unit was the best choice for this application for the following reasons:

- 1) The unit is designed with a unique neat polymer check valve which allows for easy maintenance.
- 2) The polymer mixing chamber can continue to function even if the mixer motor fails.
- 3) Velocity Dynamics is an established manufacturer of polymer blending systems with readily available support and spare parts.
- 4) Velocity Dynamics units have a proven performance history with other wastewater agencies.

One unit was purchased from Velocity Dynamics and installed for testing purposes. The testing was successful in meeting the requirements of the dewatering process. Therefore, the Agency would like to standardize upon this unit for future purchases.

On April 13, 2016, the Agency requested pricing from JBI Water (the local representative for Velocity Dynamics) and received a quote of \$51,185 per unit and manufacturer onsite support/assistance during startup for \$5,030. The replacement of the remaining three units and startup is expected not-to-exceed \$172,000 (including tax and delivery). Of the total cost, the Agency will pay for one unit and startup services using funds available in Fiscal Year (FY) 2015/16. The remaining two units will be funded using budget in FY 2016/17, upon receipt of all project deliverables.

Replacing the failed polymer blending units is in line with the IEUA Business Goal of Wastewater Management to maintain capacity within systems and facilities to meet essential service demands.

Purchase of Dewatering Polymer Blending Units
June 15, 2016
Page 3

PRIOR BOARD ACTION

On September 18, 2013, the Board of Directors accepted the work performed by SSC Construction, Inc. under the construction contract for the RP-1 Dewatering Facility Expansion, Project No. EN06015.

IMPACT ON BUDGET

The cost of the RP-1 Polymer Blending Units, for the not-to-exceed amount of \$172,000 is within the Regional Wastewater Operations and Maintenance Fund, with \$60,686 budgeted under Project EP16002 for FY 2015/16 and \$111,314 budgeted under EP17002 for FY 2016/17.

Purchase of Dewatering Polymer Blending Units

June 2016

Matthew Melendrez
Deputy Manager of Operations
Randy Lee
Executive Manager of Operations/AGM

Background

- * Originally installed Siemens M-Series Polymer Blending Units (PBU)
- * Proprietary 3-way valves failed
- * Siemens no longer supports M-Series
 - * Sold all rights to Underground Solutions, Inc. (UGSI)
- * UGSI was unable to propose solution to repair PBUs



Alternatives

- * Temporary field modifications
- * Complete PBU replacement
 - * Market research indicated three manufacturers met PBU required capacity
- * Velodyne unit selected
 - * Best value to the Agency
 - * Successful field testing



Recommendation

Approve the purchase of three Velodyne polymer blending units and startup services from Velocity Dynamics, LLC for the not-to-exceed amount of \$172,000 over FY 2015/16 and FY 2016/17.

Supports the Agency's business goal of Wastewater Management to maintain capacity within systems and facilities to meet essential service demands.



Questions?

**INFORMATION
ITEM**

3A

Date: June 15, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (06/08/16)

From:  P. Joseph Grindstaff
General Manager

Submitted by:  Christina Valencia
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Subject: FY 2015/16 Third Quarter Budget Variance, Performance Goals Updates,
and Budget Transfers

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 the third quarter ending March 31, 2016, includes various analyses in the following attachments:

- Exhibit A provides a comparison of actual revenues and expenses against the current FY 2015/16 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 the FY 2015/16 adopted budget.
- Exhibit C-1 presents a summary of Operations and Maintenance (O&M) budget transfers approved by management during the third quarter.
- Exhibit C-2 presents a summary of the GM contingency account activity.
- Exhibit D lists Board approved budget amendments and management approved budget transfers for capital and O&M projects.
- Exhibit E provides a FY 2015/16 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 through the end of the third quarter of FY 2015/16 of \$125.5 million, or 58.7% of the amended budget (Exhibit A detail). The following section highlights key variances:

- **Recycled Water Sales** – Recycled water sales at the end of third quarter were \$8.0 million. Direct sales were \$4.2 million at 14,286 acre feet (AF) and groundwater recharge sales were \$3.8 million at 9,249 AF. Total year-to-date deliveries of 23,535 AF compared to the 35,150 AF projected for the fiscal year account for the variance. A wetter winter season caused a slight slowdown resulting in sales of 67.3% of budget through the end of the third quarter compared to 51.4% at the end of the second quarter. Wet seasons impact deliveries due to reduced demand for recycled water, and limit the recharge deliveries to groundwater basins.
- **MWD Imported Water Sales** – Total MWD pass-through imported water sales were \$12.2 million for 20,790 AF or 41.3% of 50,000 AF budgeted for the fiscal year. Based on the volume year-to-date, the amended budget was reduced from \$41.4 million to \$29.5 million.
- **Property Taxes** – Tax receipts at the end of the third quarter were \$27.7 million or 67.3% of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) were \$17.9 million and “pass-through” incremental RDA taxes received were \$9.8 million. Taxes received from the county are estimated to be 12% higher than taxes received through March of last year.
- **Grants & Loans** – Total receipts of \$2.6 million or 10.7% of the amended budget were received through the end of third quarter. The amended budget is comprised of \$8.9 million of grants and \$15.2 million of SRF loan proceeds. Grants and loans receipts are cyclical in nature due to the capital projects spending trend and the multi-year funding for large projects.
- **Other Revenues** – Total other revenues were \$1.5 million, or 17.5% of the amended budget, and include cost reimbursable projects that are still in the early design phase, lease revenue, and energy rebates.

TOTAL EXPENSES AND USES OF FUNDS

The Agency’s total expenses and uses of funds through the third quarter were \$111.1 million, or 49.6% of the amended budget.

The amended budget includes \$15.6 million of encumbrances and commitments carried forward from FY 2014/15: \$8.3 million for capital projects, and \$7.3 million of operating (O&M) expenses, including O&M and reimbursable projects. At the end of the second quarter, unspent carry forward was \$7,186,071, of which \$6,779,109 was extended and \$406,962 was returned, in accordance

with Agency Policy A-81. The increase in the amended budget due to encumbrances was offset by a \$12 million decrease in the amended budget of MWD Water Purchases, which was also reflected in the revenue category of MWD Water Sales.

Key expense variance highlights are:

- **Professional Fees & Services** – Total expenses were \$4.2 million, or 39.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that are anticipated to be executed in the fourth quarter for treatment process improvements, asset management, research and studies for Planning & Environmental Compliance Department, financial services related to the 2008B Bond Variable Bond letter of credit renewal, and software maintenance.
- **Chemicals** – Chemicals through the third quarter were \$2.9 million, or 62.4% of the amended budget. Favorable variance was due in large part to price decreases for chemicals including sodium hypochlorite, ferric chloride, and sodium bisulfite that were achieved during the re-bidding process this year. Sodium hypochlorite's actual price per unit is \$0.55 per gallon compared to the budgeted cost of \$0.587 per gallon. Ferric chloride's lower actual cost is \$0.18 per pound compared to budget cost of \$0.276 per pound. Chemical usage is generally under budget in the Operations Division due to bypassed sewer flows causing a reduction in the amount of raw waste water in need of treatment due to the rehabilitation of critical aeration equipment.
- **Utilities** – Expenses in this category were \$6.7 million or 62.5% of the amended budget.
 - Electricity shows a slightly unfavorable variance due to the peak rate of \$0.137/kWh incurred between July and September. The peak was slightly offset by the current average rate of imported electricity of \$0.113/kWh, which is lower than the budgeted rate of \$0.125/kWh. Mid-year usage was measured at 50,227,911 kWh, or 72% of annual agency average of 70,000,000 kWh.
 - Natural gas spending was favorable due to a lower gas rate averaging \$0.42/therm compared to the budgeted rate of \$0.80/therm. Average usage was measured at 590,000 therms, or 49% of annual agency average of 1,200,000 therms.
 - Fuel cell is producing electricity lower than the expected output, offsetting the unfavorable variance in electricity.
 - Solar energy is slightly lower than the budgeted amount for the third quarter. Electricity generated from solar power is directly related to the amount of sunlight experienced during the year.
- **MWD Imported Water Purchases** – Total MWD pass-through imported water purchases were \$12.2 million for 20,790 AF or 41.3% of 50,000 AF budgeted for the fiscal year. Based on the volume year-to-date, the amended budget was reduced from \$41.4 million to \$29.5 million. The MWD imported water pass-through sales revenue were reduced respectively.

- **O&M and Reimbursable Projects** – O&M and reimbursable project costs were \$4.9 million, or 17% of the amended budget. The TCE Plume Cleanup project budgeted for this fiscal year at \$9.0 million, or 31% of the category’s amended budget, has been delayed due to ongoing settlement negotiations. Project management with Michael Baker International has been initiated, but design and construction will not begin until ongoing discussions and terms are completed, per IEUA’s agreement with CDA.
- **Capital Projects**–Total capital project expenditures were \$18.7 million or 36.5% of the amended budget of \$51.4 million. The amended budget includes a net of \$8.0 million carry forward from prior fiscal year. Regional Wastewater projects account for approximately 59% of total capital project costs through the third quarter, and 32% were related to Recycled Water projects. As of March 31, 2016, there have been twenty-seven (27) projects identified as eligible for closure since the start of the fiscal year.

Table 1 below identifies projects with project budget over \$500,000 which are not projected to be expended in the current fiscal year. These projects account for approximately \$18.3 million, or 36% of the amended budget. Spending levels are largely driven by changes in project scope and schedule, construction bid results, regulatory issues, and available resources associated with such undertakings.

Table 1: Project Budget Not Planned to be Expended in FY 2015/16

Project #	Description	Original Budget	2015/16 Budget	Variance (P Budget - FY Budget)	Reasons/Warnings
EN15044	SBCFCD NRW Easement	267	514,930	514,662	San Bernardino County has not completed the appraisal report reviews.
EN06025	Wineville Ext RW Pipeline Seg A	1,124,173	2,135,354	1,011,181	The project finished under budget.
EN13001	San Sevaire Basin Improvements	443,007	3,500,000	3,056,993	A majority of the expenses are construction related which is scheduled to begin later in the fiscal year. The capital call was reduced to reflect major construction expenses occurring in the following fiscal year.
EN13045	Wineville RW Extension Segment B	1,049,724	2,500,250	856,531	The project is nearly complete and will finish under budget.
EN13048	RP-1 Power System Upgrades	284,375	1,000,000	735,625	An extensive analysis of the RP-1 existing load was required prior to launching the design. The majority of the budget (design and construction) will be consumed in FY16/17.
EN15043	SBCFCD Recycled Water Easement	310	567,298	566,982	San Bernardino County has not completed the appraisal report reviews.
EN13010	SCADA Enterprise System	3,359,327	4,207,500	938,173	Job is progressing with less than anticipated internal costs.
EN10021	Chino Basin Groundwater Supply Wells and Raw Water Pipelines	812,888	9,000,000	8,187,014	The project work has been delayed due to the ongoing settlement negotiations with the Regional Board. CDA has initiated project management with Michael Baker International, but design and construction will not begin until Regional Board settlement is complete, per IEUA's agreement with CDA. The Regional Board was expected to present the proposed settlement to their Board of Directors in January 2016. However, this has not happened therefore the delay has been extended.
EN11031	RP-5 Flow Equalization and Effluent Monitoring	185,265	1,255,204	1,069,938	The project scope was modified to meet Agency operating requirements causing a schedule delay. Contract modifications are complete and the project has restarted.
EN14018	RP-4 Disinfection Facility Improvements	231,162	769,516	528,354	Additional scope to rehab the south side of the existing building to allow utilize of a new office area, add new toilets, and break rooms impacted the completion of the design schedule.
EN10025	RP-1 Expansion PDR	211,587	1,000,000	788,403	Original Budget assumed 50/50 Cost Split between RP-1 & RP-5. Actual cost split is 20/80. Remaining \$850,000 will be transferred to EN18028.
		8,282,201	28,536,118	18,273,917	

Source: ECM Project Status – GM Report, April 2016

- **Debt Service** – Total principal, interest, financial, and inter-fund loan expenses for the third quarter were \$15.6 million or 66.5% of the amended budget. The 2008B Variable Rate Demand Bonds interest rate continues to stay below the budgeted 1% rate, with the actual rate averaging 0.030% year to date, resulting in \$0.4 million in savings.

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

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FUND BALANCES AND RESERVES

The net result through the end of the third quarter indicated an increase of \$14.4 million in total fund balance, resulting in an ending fund balance of \$160.5 million. Change in the level of revenues, the timing of receipts and expenditures, staff's continuous effort to improve and identify opportunities to reduce expenditures, and timing or deferred execution of projects, accounted for the increase in fund balance. Table 2 provides an overview of the third quarter budget variance in revenue, expense, and fund balance.

Table 2: Third Quarter Revenues, Expenses, and Fund Balance (\$Millions)

Operating	FY 2015/16 Amended Budget	Third Quarter Ended 3/31/16	Actual % of Amended Budget
Operating Revenue	\$118.8	\$76.7	64.6%
Operating Expense	\$148.6	\$76.5	51.5%
Operating Net Increase/(Decrease)	(\$29.8)	\$0.2	
Non-Operating			
Non-Operating Revenue	\$95.1	\$48.8	51.3%
Non-Operating Expense	\$75.2	\$34.6	46.0%
Non-Operating Net Increase/(Decrease)	\$19.9	\$14.2	
Consolidated	FY 2015/16 Amended Budget	Third Quarter Ended 3/31/16	Actual % of Amended Budget
Total Sources of Funds	\$213.9	\$125.5	58.7%
Total Uses of Funds	\$223.8	\$111.1	49.6%
Total Net Increase/(Decrease)	(\$9.9)	\$14.4	
Beginning Fund Balance	\$146.1	\$146.1	
Ending Fund Balance	\$136.2	\$160.5	

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 objective indicators are 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 track productivity and to justify current resource allocation, re-allocation and requests for additional staff.

BUDGET TRANSFERS AND AMENDMENTS

O&M budget transfers for this quarter totaled \$35,000 as detailed in Exhibit C-1.

General Manager (GM) Contingency Account budget of \$500,000 included \$400,000 in the Regional Wastewater Operations & Maintenance (RO) Fund and \$100,000 in the Administrative Services (GG) Fund. Through the end of the third quarter, \$238,000 from the RO Fund and \$75,200 from the GG Fund was utilized to support the unexpected and necessary expenses as listed in Exhibit C-2.

Capital and O&M projects budget transfers totaled approximately \$1.8 million, including net changes in total project budget of approximately \$0.2 million approved by management during the third quarter as 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

None.

IMPACT ON BUDGET

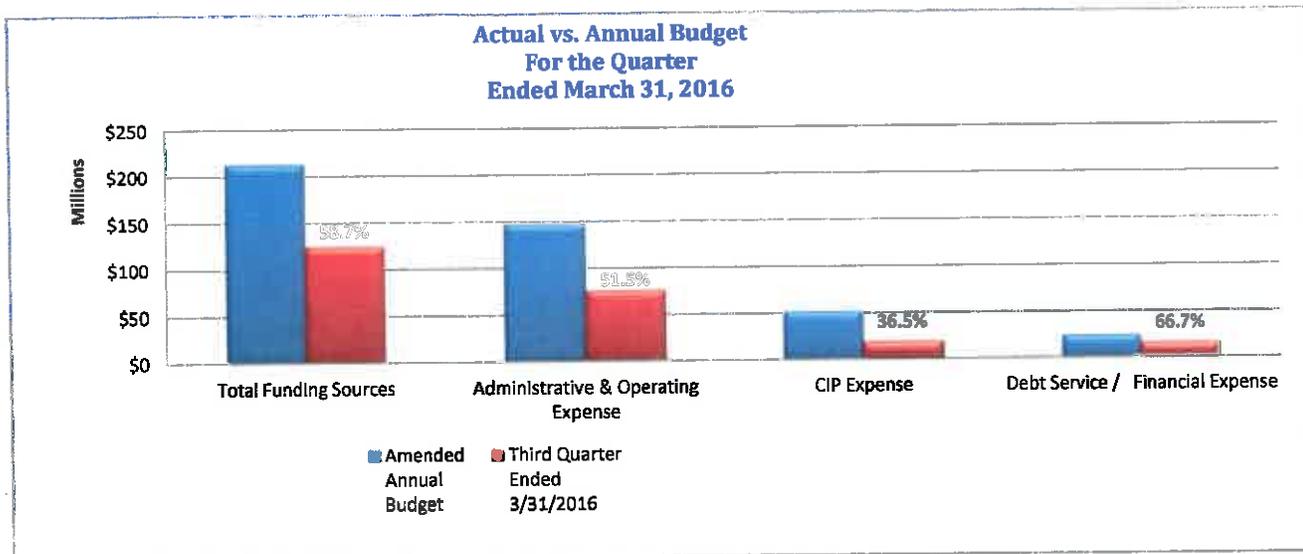
The net increase in total revenues over total expenses in the amount of \$14.4 million resulted in a total estimated fund balance of \$160.5 million, for the third quarter ended March 31, 2016.

I. Actual vs. Budget Summary:

% of the Year
Elapsed: 75%

Third Quarter Ended March 31, 2016

	Adopted Annual Budget	Amended Annual Budget	Thrd Quarter Ended 3/31/2016	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$130,814,725	\$118,833,896	\$76,747,781	(\$42,086,115)	64.6%
Non-Operating (Other Sources of Fund)	91,839,772	95,117,115	48,766,504	(46,350,611)	51.3%
TOTAL FUNDING SOURCES	222,654,497	213,951,011	125,514,285	(88,436,726)	58.7%
Administrative & Operating Expense	(152,929,623)	(148,590,833)	(76,463,996)	72,126,837	51.5%
CIP Expense	(43,886,402)	(51,413,676)	(18,740,796)	32,672,880	36.5%
Debt Service / Financial Expense	(23,802,656)	(23,802,657)	(15,880,952)	7,921,705	66.7%
TOTAL USES OF FUNDS	(220,618,681)	(223,807,166)	(111,085,744)	112,721,422	49.6%
Surplus/(Deficit)	\$2,035,816	(\$9,856,155)	\$14,428,541	\$24,284,696	-146.4%



2. Actual Revenue vs. Budget:

% of the Year
Elapsed: 75%

	Adopted Annual Budget	Amended Annual Budget	Third Quarter Ended 3/31/2016	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$67,040,941	\$67,040,941	\$49,391,791	\$17,649,150	73.7%
Recycled Water Sales	11,942,682	11,942,682	8,033,698	3,908,984	67.3%
MWD Water Sales	41,440,829	29,460,000	12,165,175	17,294,825	41.3%
MWD LPP Rebate	2,079,000	2,079,000	1,657,394	421,606	79.7%
Property Tax - O&M	1,792,530	1,792,530	1,206,616	585,914	67.3%
Cost Reimbursement	5,482,843	5,482,843	4,037,855	1,444,988	73.6%
Interest	1,035,900	1,035,900	255,252	780,648	24.6%
OPERATING REVENUES	130,814,725	118,833,896	76,747,781	42,086,115	64.6%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$39,364,099	\$39,364,099	\$26,497,386	\$12,866,713	67.3%
Connection Fees	23,329,423	23,329,423	18,238,238	5,091,185	78.2%
Grants & Loans	21,257,262	24,144,762	2,578,374	21,566,388	10.7%
Other Revenue	7,888,988	8,278,831	1,452,506	6,826,325	17.5%
NON-OPERATING REVENUES	91,839,772	95,117,115	48,766,504	46,350,611	51.3%
Total Revenues	\$222,654,497	\$213,951,011	\$125,514,285	\$88,436,726	58.7%

User Charges, 73.7% User charges were \$49.4 million, or 73.7% of the Amended Budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$37.4 million, \$7.8 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system; \$3.6 million for water meter service charge to meet our Readiness-to-Serve obligation from MWD and water use efficiency programs; and \$0.6 million for imported potable water surcharge, and other service charges.

Property Tax/ AdValorem, 67.3% The \$27.7 million in property tax receipts included \$17.9 million of general ad-valorem property tax from the San Bernardino County and \$9.8 million in "pass-through" incremental taxes (RDA). Taxes received from the county are estimated to be 12% higher compared to taxes received through March of last year.

Recycled Water Sales, 67.3% Recycled water actual direct and groundwater recharge sales were \$4.2 million (14,286 AF) and \$3.8 million (9,249 AF) respectively, for a combined total \$8.0 million. Total year to date deliveries are 23,535 AF compared to the 35,150 AF projected for the fiscal year. A wetter winter season caused a slight slowdown resulting in sales of 67.3% of budget through the end of the third quarter compared to 51.4% at the end of the second quarter. Wet seasons impact deliveries due to reduced demand for recycled water, and limit the recharge deliveries to groundwater basins.

Interest Income, 24.6% Interest Income is \$0.3 million or 24.6% of the annual budget. The current low interest rate environment accounts for low interest earnings with average sweep and LAIF pooled investments yielding 0.345% compared to the budgeted interest rate of 0.50%.

MWD Water Sales, 41.3% Total MWD pass-through imported water revenue was \$12.2 million or 41.3% of amended budget. The variance is due to the continuous response to drought condition and public outreach efforts aimed at reducing water. A total of 20,790 AF of pass through water was delivered at the end of the third quarter compared to 50,000 AF budgeted for FY 2015/16. The current projection indicates the imported water sales will fall below 50,000 AF. The initial sales projection of \$41.4 million was decreased to approximately \$29.5 million.

MWD LPP Rebates, 79.7%	MWD LPP rebate is budgeted at \$2.1 million or \$154/AF for direct recycled water deliveries up to 17,000 AFY, excluding the initial 3,500 AFY. Total rebate of \$1.7 million or 79.7% of budget, a total of 10,762 AF was applied for at the end of the third quarter.
Connection Fees, 78.2%	Member agencies reported \$18.2 million or 78.2% of the budget. A total of 3,457 new wastewater connections were reported by member agencies through December compared to the budgeted new EDU connections for FY 2015/16 of 4,330.
Grants and Loans, 10.7%	Current grant and loan receipts total \$2.6 million for the third quarter or just 10.7% of the annual budget of \$21.2 million. Grants are budgeted at \$8.9 million for the Regional Recycled Water Distribution System, ground water supply wells and basins, water quality laboratory and drought and water conservation. SRF loan receipts are budgeted at \$15.2 million for Wineville area and other recycled water projects and the new water quality laboratory. Grant and loan revenues are cyclical in nature due to project spending trends and the multi-year funding for large projects.
Cost Reimbursements JPA, 73.6%	Total cost reimbursements were \$4.0 million, or 73.6% of the amended budget. Category actuals include reimbursements of \$2.5 million from the Inland Empire Regional Composting Authority (IERCA), \$1.0 million from Chino Basin Desalter Authority (CDA), and \$0.5 million from Chino Basin Watermaster (CBWM). Total cost reimbursement budget of \$5.5 million includes: \$3.4 million from IERCA, \$1.4 million from CDA, and \$0.7 million from CBWM.
Other Revenues, 17.5%	Total other revenues were \$1.5 million, or 17.5% of the amended budget. Other revenues actuals include \$1.1 million from lease revenue and energy rebates, and \$0.4 million in project reimbursements. The large variance in this category is because the majority of reimbursable projects are still in the early design phase.

3. Actual Operating and Capital Expense vs. Budget:

% of the Year
Elapsed: 75%

	Adopted Annual Budget	Amended Annual Budget	Third Quarter Ended 3/31/2016	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$40,609,906	\$40,609,906	\$30,169,373	\$10,440,533	74.3%
Admin & Operating	112,319,717	107,980,927	46,294,623	\$61,686,304	42.9%
OPERATING EXPENSES	\$152,929,623	\$148,590,833	\$76,463,996	\$72,126,837	51.5%
Non-Operating Expenses:					
Capital	43,886,402	51,413,676	18,740,796	\$32,672,880	36.5%
Debt Service and All Other Expenses	23,802,656	23,802,657	15,880,952	\$7,921,705	66.7%
NON-OPERATING EXPENSES	\$67,689,058	\$75,216,333	\$34,621,748	\$40,594,585	46.0%
Total Expenses	\$220,618,681	\$223,807,166	\$111,085,744	\$112,721,422	49.6%

Employment Expense *Employment, 74.3%*
This category includes both wages and benefits. Employment expenses were \$30.2 million or approximately 74.3% of the Amended Budget. Higher than anticipated vacancy factor of 10% (29 positions) compared to budgeted vacancy rate of 4% (12 positions) provides savings in wages and benefits. These savings were partially offset by the payment of \$4.6 million of pension costs associated with unfunded liabilities and other post-employment benefits.

Administrative & Operating Expense *Office and Administrative, 44.3%*
The favorable variance was due in part to the inclusion of \$186,800 for the GM contingency under this category. In addition, expenses related to conferences and training represent a savings of \$202,000 against the budget but are expected to increase in the fourth quarter when training related courses are available. Office and Administrative expenses related to Earth Day will also be charged in the fourth quarter.

Professional Fees & Services , 39.2%

Variance is attributed to the timing of contracts and services that are anticipated to be executed in the fourth quarter for treatment process improvements, asset management, research and studies for Planning & Environmental Compliance Department, financial services related to the 2008B Bond renewal, and software maintenance. In addition, the Professional Fees & Services category includes \$1 million of favorable variance for legal litigation that may be expended in the coming months.

Materials & Supplies/Leases/Contribution , 65.1%

The favorable variance was primarily due to staff's ongoing effort to monitor operational equipment usage to ensure maximum use from supplies and replacement parts. Due to this effort by staff, operations-related repairs required fewer corrective tasks than were budgeted.

Biosolids Recycling , 64.5%

Residual disposal is under budget due to the optimization of the RP-1 centrifuge and the continuous use of the solar pad at RP-2 to further dry biosolids which helps reduce operating costs. Total tonnage shipped to IERCA was approx. 44,500 tons at \$54 per ton accounted for 69% of the annual projected tonnage of 64,600. Total tonnage hauled was approx. 38,700 tons at \$5.60- \$6.00 per ton which is lower than the budgeted transportation cost of \$7.67 per ton.

Chemicals , 62.4%

Chemicals through the third quarter were \$2.9 million or 62.4% of budget. Favorable variance was due in large part to price decreases for chemicals including sodium hypochlorite, ferric chloride, and sodium bisulfite that were achieved during the re-bidding process this year. Sodium hypochlorite's actual price per unit is \$0.55 per gallon compared to the budgeted cost of \$0.587 per gallon. Ferric chloride's lower actual cost is \$0.18 per pound compared to budget cost of \$0.276 per pound. Chemical usage is generally under budget in the Operations Division due to bypassed sewer flows causing a reduction in the amount of raw waste water in need of treatment due to the rehabilitation of critical aeration equipment. Additionally, favorable variance appeared in the NRW and wastewater systems due to the optimization of the ferric chloride dosing system.

MWD Water Purchases , 41.3%

Total MWD pass-through water purchases were \$12.2 million or 20,790 AF compared to 50,000 AF budgeted. Based on the volume year-to-date, the amended budget was reduced from \$41.4 million to \$29.5 million. The MWD imported water pass-through sales revenue was reduced respectively.

Utilities , 62.5%

Electricity usage resulted in a slightly unfavorable variance due to the peak rate of \$0.137/kWh incurred between July and September. The peak was offset by the current average rate for imported electricity of \$0.113 versus \$0.125/kWh budgeted rate. Usage through the end of the third quarter was measured at 50,227,911 kWh against annual agency average of 70,000,000 kWh.

Natural gas expense is low due to the lower gas rate averaging \$0.42/therm compared to the budgeted rate of \$0.80/therm and lower usage measured at 590,000 therms, or 49% of the annual agency average of 1,200,000 therms.

Fuel Cell is producing electricity lower than the expected output, offsetting the unfavorable variance in electricity.

Solar energy is slightly lower than the budgeted amount for the third quarter. Electricity generated from solar power is directly related to the amount of sunlight experienced during the year.

Special and Reimbursable Projects , 14.9% and 52.2%

The combined special and reimbursable project expenditures were \$4.9 million or 17.0% of the amended budget. The favorable variance is mainly due to the Chino Basin Groundwater Wells and Raw Water Pipeline budgeted at \$9.0 million or 31% of the category's amended budget, of which only \$450,000 has been spent. The project has been delayed due to the ongoing settlement negotiations with the Regional Board. The table below provides a summary of the major projects and current status.

Financial Expenses**Financial Expense , 66.5%**

Total financial expenses were \$15.6 million or 66.5% through the third quarter. Actual costs included \$9.0 million in principal payments and \$6.6 million in interest, interfund loan, and other financial administration fee expense.

Capital Expense

Capital Costs , 36.5%

Capital actual expenditures through the third quarter were \$18.7 million or 36.5% when compared to the amended budget of \$51.4 million. The amended budget includes encumbrances and related budget of \$8.0 million of capital project budget carried forward/reversed from FY 2014/15. Approximately \$18.3 million of Engineering project budgets, or 36% of the amended capital project budget has been identified to not be spent in this fiscal year (see details at the board letter). Variances in spending are largely driven by changes in project scope and schedule, construction bid results, regulatory issues, and external resources associated with such undertakings. Actual costs related to Regional Wastewater projects were \$11.1 million or 59% of actual costs, and \$5.9 million or 32% of the actual costs were related to Recycled Water projects. Listed below is a brief status report for some of the major projects currently under construction.

Summary of major capital and special project expenses and status as of March 31, 2016

Capital Project		Amended FY 2015/16	YTD Expenditure	Budgeted Amount Remaining
EN13016	SCADA Enterprise System The project will convert the existing control and workrooms into new server and control rooms at CCWRF, RP-1, RP-4, and RP-5 to be utilized in the migration of the SCADA system. The server and control rooms will serve the long-term needs of the facility, and will provide Operations and Integrated System Services staff with improved facilities to support the operation and maintenance of the process. The project is currently in construction, progressing with lower than anticipated internal costs.	4,297,500	3,149,534	1,147,966
EN13001	San Sevaline Basin Improvements This project is to increase the recycled water recharge at the San Sevaline Basin locations by providing pipeline interconnections between the basins. The predesign phase of this project was longer than anticipated, so it is projected that budget will not be expended this fiscal year as the construction phase is likely delayed to next fiscal year.	3,500,000	187,076	3,312,924
EN13045	Wineville Extension Recycled Water Pipeline Segment B This project involved the construction of pipeline in the City of Fontana to connect the Wineville Recycled Water Segment A pipeline to the RP-3 and Decler recharge basins. The project has been completed and the remaining budget will not be expended.	2,506,256	1,634,440	871,816
EN15008	Water Quality Laboratory The project covers the construction of a state-of-the-art laboratory to be located behind Headquarters Building B, as well as the expansion of the existing central chiller plant for the laboratory air conditioning system. The design cost for the project has been billed and is included in the year-to-date expenses. The remaining budget will be expended during the construction phase. It is projected that budget consumption will be around 75% of budget by the end of the fourth quarter, with construction picking up in FY 2016/17.	1,700,000	1,177,400	522,600
O&M & Reimbursable Projects				
EN16021	TCE Plume Cleanup The project work has been delayed due to the ongoing settlement negotiations with the Regional Board. CDA has initiated project management with Michael Baker International, but design and construction will not begin until Regional Board settlement is complete, per IEUA's agreement with CDA. The Regional Board has not yet presented the proposed settlement to their Board of Directors, so the delay has been extended beyond the originally anticipated January 2016 timeframe.	9,000,000	458,066	8,541,934
WR15009	CII Rebate Incentives The project provides funding for any Commercial, Industrial, and Institutional (CII) rebates available for customers. The Agency is currently awaiting invoices from MWD upon completion of the turf removal rebate projects for both residential and CII customers.	2,420,483	957,179	1,463,304
WR16024	SAWPA Action SARCUP The Santa Ana River Watershed Action Team Conjunctive Use Project is known as SARCUP. It was created with various other water agencies to utilize funds from SAWPA Prop 84 grants to develop a watershed-scale conjunctive use program. IEUA cost sharing for the SARCCUP project has yet to be initiated. The contracting with DWR is expected to begin in June 2016.	2,000,000	-	2,000,000

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2015/16

CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Third Quarter Ended March 31, 2016

	Adopted FY 2015/16 Annual Budget	Amended FY 2015/16 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$67,040,941	\$67,040,941	\$49,391,791	(\$17,649,150)	73.7%
Recycled Water	11,942,682	11,942,682	8,033,698	(3,908,984)	67.3%
MWD Water Sales	41,440,829	29,460,000	12,165,175	(17,294,825)	41.3%
MWD LPP Rebates	2,079,000	2,079,000	1,657,394	(421,606)	79.7%
Property Tax - O&M	1,792,530	1,792,530	1,206,616	(585,914)	67.3%
Cost Reimbursement from JPA	5,482,843	5,482,843	4,037,855	(1,444,988)	73.6%
Interest Revenue	1,035,900	1,035,900	255,252	(780,648)	24.6%
TOTAL OPERATING REVENUES	\$130,814,725	\$118,833,896	\$76,747,781	(\$42,086,115)	64.6%
<u>NON-OPERATING REVENUES</u>					
Property Tax - Debt, Capital, Reserves	\$39,364,099	\$39,364,099	\$26,497,386	(\$12,866,713)	67.3%
Connection Fees	23,329,423	23,329,423	18,238,238	(5,091,185)	78.2%
Grants	8,942,419	8,942,419	1,733,220	(7,209,199)	19.4%
SRF Loan Receipts	12,314,843	15,202,343	845,154	(14,357,189)	5.6%
Project Reimbursements	4,994,447	5,384,290	384,059	(5,000,231)	7.1%
Other Revenue	2,894,541	2,894,541	1,068,447	(1,826,094)	36.9%
TOTAL NON OPERATING REVENUES	\$91,839,772	\$95,117,115	\$48,766,504	(\$46,350,611)	51.3%
TOTAL REVENUES	\$222,654,497	\$213,951,011	\$125,514,285	(\$88,436,726)	58.7%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$22,448,006	\$22,448,006	\$17,451,347	\$4,996,659	77.7%
Benefits	18,161,900	18,161,900	12,718,026	5,443,874	70.0%
TOTAL EMPLOYMENT EXPENSES	\$40,609,906	\$40,609,906	\$30,169,373	\$10,440,533	74.3%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,281,624	\$1,903,910	\$843,427	\$1,060,483	44.3%
Insurance Expenses	775,500	747,425	518,962	228,463	69.4%
Professional Fees & Services	9,249,989	10,655,732	4,173,878	6,481,854	39.2%
O&M Projects	22,106,625	27,295,163	4,070,185	23,224,978	14.9%
Reimbursable Projects	100,000	1,639,889	856,205	783,684	52.2%
TOTAL ADMINISTRATIVE EXPENSES	\$33,513,738	\$42,242,119	\$10,462,657	\$31,779,462	24.8%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2015/16
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Third Quarter Ended March 31, 2016

	Adopted FY 2015/16 Annual Budget	Amended FY 2015/16 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
OPERATING EXPENSES					
Material & Supplies/Leases	\$2,798,809	\$3,391,704	\$2,209,042	\$1,182,662	65.1%
Biosolids Recycling	4,358,631	4,282,844	2,760,770	1,522,074	64.5%
Chemicals	4,394,574	4,640,551	2,894,364	1,746,187	62.4%
MWD Water Purchases	41,440,829	29,460,000	12,165,175	17,294,825	41.3%
Operating Fees/RTS Fees/Exp. Alloc.	14,663,144	13,206,572	9,084,288	4,122,284	68.8%
Utilities	11,149,992	10,757,137	6,718,327	4,038,810	62.5%
TOTAL OPERATING EXPENSES	\$78,805,979	\$65,738,808	\$35,831,966	\$29,906,842	54.5%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$152,929,623	\$148,590,833	\$76,463,996	\$72,126,837	51.5%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$43,886,402	\$51,413,676	\$18,740,796	\$32,672,880	36.5%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditure	23,462,656	23,462,657	15,596,469	7,866,188	66.5%
OTHER NON OPERATING EXPENSES	340,000	340,000	284,483	55,517	83.7%
TOTAL NON-OPERATING EXPENSES	\$67,689,058	\$75,216,333	\$34,621,748	\$40,594,585	46.0%
TOTAL EXPENSES	\$220,618,681	\$223,807,166	\$111,085,744	\$112,721,422	49.6%
REVENUES IN EXCESS/ (UNDER) EXPENSES	\$2,035,816	(\$9,856,155)	\$14,428,541	(\$24,284,696)	
FUND BALANCE SUMMARY					
Unaudited Beginning Balance, July 01	\$125,635,403	146,104,580	\$146,104,580	\$0	
Surplus/ (Deficit)	2,035,816	(9,856,155)	14,428,541	(24,284,696)	
ENDING BALANCE, June 30	\$127,671,219	\$136,248,425	\$160,533,121	\$24,284,696	

Business Goals & Objectives Status Updates

Department: ALL
 Report Months: January, February, and March - Year: 2016
 3rd Quarter Reporting

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Agency Management													
219	FY 2015/16	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 letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2016	On Schedule	Staff is currently working on the plan and implementation of updating the Board letter processes. This includes a training video for staffs reference.
220	FY 2015/16	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2016	On Schedule	Front desk SOP's have been developed, staff is currently working on the development of Executive Assistant procedures.
221	FY 2015/16	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 Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	May	2016	On Schedule	This project was put on hold due to the lack of full staff in the department.
222	FY 2015/16	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	Ongoing	Review and improve two processes per quarter	April Woodruff	May	2016	On Schedule	Agency Management staff works to continually improve procedures within the department to further streamline processes.
217	FY 2015/16	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 letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2016	On Schedule	Staff is currently working on the plan and implementation of updating the Board letter processes. This includes a training video for staffs reference.
Business Information Services													
177	FY 2015/16	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Determine requirements for new SAP enhancement that improves cost tracking for projects that qualify for multiple grants - Timeline 15/16 reads: Establish baseline date; develop requirements; implement prototype	Ongoing	< 3 systems in use	Kanes Paniyatiwong	April	2016	On Schedule	SAP vendor presented demos on 2/29/2016 showcasing latest tools that can help to improve the Agency's current budgeting process as well as grants management. The team will need review and reassess the needs.
178	FY 2015/16	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality	Ongoing	< 3 systems in use	Kanes Paniyatiwong	April	2016	On Schedule	SAP vendor presented demos on 2/29/2016 showcasing latest tools that can help to improve the Agency's current budgeting process as well as grants management. The team will need review and reassess the needs.
179	FY 2015/16	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Assess challenges with Agency's financial processes; develop RFP for long term modifications	Ongoing	< 3 systems in use	Kanes Paniyatiwong	April	2016	Behind Schedule	SAP Finance Roadmap RFP will not be completed in FY2016 due to challenges with implementing the MOU changes for GU and related trasns.

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
180	FY 2015/16 Quarterly	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	Ongoing	< 3 systems in use	Kanes Paritayatiwong	April	2016	Behind Schedule	No	The priority was adjusted to address the immediate need for the Water Connection Fee database and application for tracking new meter connection fees, which went live on 1/1/2016. There have been a number of changes to improve the process and database quality. The NRW project will resume in late FY2016.
248	FY 2015/16 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	Meet the set KPI	Actuals <= quarterly average of the contracted amounts	Kanes Paritayatiwong	April	2016	On Schedule		Support cost for this quarter was \$7,674. Note that \$3,000 was for last quarter due to vendor forgetting to submit the bills for November and December.
249	FY 2015/16 Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	Ongoing by June 2016	100% of enhancements released plus or minus two calendar weeks from scheduled release date	Kanes Paritayatiwong	April	2016	On Schedule		Completed part 1 of 2 for automating the IERCF Invoices preparation; completed the enhancement to reduce the intercompany bill processing time from 3 days to hours; completed the mandatory payroll upgrade; completed the optimization for P-card reconciliation process; completed the Water Connection Fee database and application and post go-live enhancements.
251	FY 2015/16 Monthly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP.	Ongoing	BIS to lead the Business Continuity / Disaster Recovery Subcommittee	Kanes Paritayatiwong	April	2016	On Schedule		Working with ISS managing SAP offsite backup (RFP, testing). Coordinated server security updates and cyber security testing/evaluation.
252	FY 2015/16 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	Final report by July 2015	Issue final report to be used for software solution requirements	Kanes Paritayatiwong	April	2016	On Schedule		The final report by consultant. (ThirdWave) was provided in late 2015. During Q3, the team completed the ECMS vendor evaluation and contract negotiation. The implementation has now begun.
253	FY 2015/16 Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Determine requirements for new SAP enhancement that improves cost tracking for projects that qualify for multiple grants	Establish baseline data; develop requirements; implement prototype.	>= 10% reduction in process time for grants analyst after implementation	Kanes Paritayatiwong	April	2016	On Schedule		Please see item #177.
254	FY 2015/16 Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Evaluate potential improvements to budgeting process, if appropriate through enhancing SAP functionality.	Assess potential solutions; determine change impact; obtain go/no-go decision to implement.	>= 10% reduction in budgeting cycle days for O&M and capital budgets.	Kanes Paritayatiwong	April	2016	On Schedule		Please see item #178.
255	FY 2015/16 Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Assess challenges with Agency's financial processes; develop RFP for long term modifications.	Assess processes; develop requirements; develop change impact and proposal.	35% reduction in finance staff; 25% increase in report performance	Kanes Paritayatiwong	April	2016	Behind Schedule		Due to priority with GU MCOU changes and related challenges with retros, the team was not able to allocate time for this task.
Contracts and Facilities Services													
172	FY 2015/16 Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	May	2016	On Schedule	No	PlantBids has been implemented and staff trained.
172	FY 2015/16 Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	May	2016	On Schedule	No	Planet Bids fully implemented. Cost savings realized through competitive solicitations. This is an ongoing process.
173	FY 2015/16 Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Conduct Agency training on department processes that are in line with the Agency's MVV	Ongoing		Warren Green	May	2016	On Schedule	No	Staff conducted Active Shooter training with a number of departments and discussed the Agency's security program.

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
174 FY 2015/16	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	May	2016	On Schedule	No	Staff continues to process purchase requisitions into either PO's or contracts in support of meeting outstanding customer service goals and the customer's timeline. We will continue to review the processes in support of having effective and efficient procurement services.
174 FY 2015/16	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	May	2016	On Schedule	No	Approximately 95 percent of purchase orders issued during the first nine months of FY 2015/2016 were processed within CAP's service level objectives lead-time.
175 FY 2015/16	Quarterly	Finance and Administration	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Identify and participate in organizations that advance the Agency MV and key initiatives	Ongoing		Warren Green	May	2016	On Schedule	No	Staff prepares the necessary Board letters and presentations as necessary. We continue to prepare the Business Goals project for October 2016.
176 FY 2015/16	Quarterly	Finance and Administration	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible.	Ensure all current and future landscaping, as well as new facilities, are in cooperation with current LEFD and water-efficiency programs and advancements	complete by June 2016	Increase educational signage for Agency facilities where accessible by the public by 15%.	Warren Green	May	2016	On Schedule	No	Signage for landscape conversion projects have been posted at all Agency regional plant locations to provide the public with awareness that sites at the facilities are irrigated with non-potable recycled water and converting to drought tolerant landscapes.
113 FY 2015/16	Quarterly	Finance and Administration	F	Complete a performance assessment of the Platinum LEED rated Headquarters and develop a plan to ensure performance, as appropriate, to the platinum standard	Evaluate the current standards for LEED qualifications and develop a plan for the Agency's HQ to maintain the ranking.	June-2018	Cross reference existing qualifications against new standards.	Warren Green	May	2016	On Schedule	No	
242 FY 2015/16	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	May	2016	On Schedule		The records management group is currently understaffed, but moving forward to complete the inventory by October 2016.
246 FY 2015/16	Monthly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide exceptional and responsive customer service.	Continuous	Increase facilities services response time for support services by 15%.	Warren Green	May	2016	On Schedule		Facilities Services staff has been working diligently to complete all requests received from internal customers and has received appreciation from those customers for the timeliness and appreciation for staff efforts. To date a total of 299 support tickets have been completed.
247 FY 2015/16	Quarterly	Finance and Administration	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Identify educational opportunities for environmentally friendly facilities and landscapes	Ongoing	Increase educational signage by 10% for Agency facilities that are accessible by the public.	Lucie Diaz	May	2016	On Schedule		Educational Signage for the Agency Headquarter Campus and Regional Plant No. 5 will be installed by the end of the fiscal year.
Engineering													
214 FY 2015/16	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 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	In-House Design Engineer = 10%	Shaun Stone	May	2016	On Schedule		15.69% of 51 Projects are in house design

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
215	FY 2015/16 Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase services in lieu of in-house engineering consultant design projects to complete more designs in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Fiscal Year Capital Spending = 90%	Shaun Stone	May	2016	On Schedule		FY Budget = \$53m; Projected spending = \$23M Overall projection = 43%
216	FY 2015/16 Quarterly	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.	Ongoing	10x/year > 90%	Shaun Stone	May	2016	On Schedule		Conducted 4 Lessons Learned; IERCF Conveyor; Value Engineering, Wineville Segment B; CCMRF- SCADA; Chino Creek Invert - Outside Agency Coordination & Planning
External Affairs													
223	FY 2015/16 Quarterly	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 staff activities including: creating collateral materials, employee newsletter, and posting to the IEUA website. Increase public recognition of Agency brand	By June 2016 and ongoing	Continue to update printed materials, newsletters, and website with current content	Kathryn Besser	March	2016	On Schedule		Website content is kept current, newsletters are sent out quarterly and brochures are updated on a rotating schedule.
224	FY 2015/16 Monthly	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	By June 2016 and ongoing	Review the website for accuracy on a continual basis	Kathryn Besser	March	2016	On Schedule		Staff continues to make updates to the website and works closely with web consultant to ensure site's usability.
225	FY 2015/16 Quarterly	Agency Management	C	Meet annually with affiliated agencies and elected representatives	Maintain strong relationships with local stakeholders and city and county elected representatives in our region.	By June 2016	Meet with all member agencies in FY 2015/16; host facility tours and presentations for elected officials. Host quarterly Leadership Breakfasts, meet with 60% of service area school principals and superintendents	Kathryn Besser	March	2016	On Schedule		This continues to be done by all agency management and staff, ensuring open lines of communication. Q3 Leadership Breakfast was held in March.
226	FY 2015/16 Quarterly	Agency Management	C	Meet annually with the region's congressional and state delegations to advance key legislation	Maintain strong relationships with elected officials here and in DC/Sacramento	Travel to Sacramento and Washington D.C. in FY2015/16	Attend Lobby Days in Sacramento and Washington D.C. Host facility tours and presentations for officials and/or staff Host quarterly Leadership Breakfasts.	Kathryn Besser	March	2016	On Schedule		Attended DC and Sacramento legislative conferences, meeting with every member of delegation. Working closely with State Sen. Leyva, who is carrying legislation on behalf of IEUA.
227	FY 2015/16 Monthly	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.	By June 2016	Attend one association/organization on meeting a month	Kathryn Besser	March	2016	On Schedule		This continues to be done and is on schedule.

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
228	FY 2015/16 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 water independence and conservation	By June 2016 and ongoing	Form a Drought Task Force with member agencies. Continue marketing campaigns and social media outreach. Present to associations or community organizations quarterly	Kathryn Besser	March	2016	On Schedule		Drought Task Force continues to meet bi-monthly, social media awareness campaign has increased with usage of IEUA's YouTube channel and new video content; ad buys continue to focus on changing water wasting habits.
229	FY 2015/16 Quarterly	Agency Management	D	Complete water softener ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Remaining cities to pass ordinance by end of FY 2015/16	Kathryn Besser	March	2016	On Schedule		The three remaining cities have not passed the ordinance; quarterly visits to "big box" stores in service area have shown that the major retailers continue to adhere to IEUA's ordinance and no longer sell water softeners that use salt.
230	FY 2015/16 Monthly	Agency Management	F	Develop a communication plan to promote being a good neighbor	Communicate the Agency-wide goals, services, and functions to our entire service area, including all community members, businesses, and stakeholders.	By June 2016 and ongoing	FY 2015/16 will continue to increase number of events attended in order to reach the entire service area	Kathryn Besser	March	2016	On Schedule		IEUA 65th anniversary history book was sent to all business, community and government stakeholders, as well as schools and libraries, to help get the word out about IEUA's important role and major accomplishments in the region.
166	FY 2015/16 Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Cultivate positive relationships with local and regional media	Ongoing	Present to 6 associations /groups	Kathy Besser	March	2016	On Schedule	No	Working with cities, member agencies and other stakeholders on drought media strategies and on legislation.
167	FY 2015/16 Quarterly	Agency Management	D	13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop, support, promote, and participate in water education programs	Ongoing		Kathy Besser	March	2016	On Schedule	No	Led tours and in-person demonstrations to school children on the importance of water conservation; increased drought campaign via social media and movie theater ads to increase reach.
168	FY 2015/16 Quarterly	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support legislation to reduce drugs in waterways through take back programs	Completed by FY 16/17		Kathy Besser	March	2016	On Schedule	No	No activity in Q3, but Q4 is "Drug Take Back Week" and we are working with local agencies to support initiative and spread the word.
Finance and Accounting													
52	FY 2015/16 Quarterly	Finance and Administration	A	Annually, review and update the Agency's reserve policy to ensure sufficient funding to meet operating, capital, debt service, obligations, unforeseen events, and comply with legally mandated requirements	Reserve levels will be evaluated as part of the budgetary setting process using the financial model to ensure all short term and long term initiatives are supported	June 30, 2015	Annually	Javier Chagoyan -	May	2016	On Schedule	No	Updating financial policies for debt management and reserve, in reference to GFOA best practice on policies. Included comments and recommendations from Internal Audit. On track for final presentation and Board adoption in May 2016.
184	FY 2015/16 Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Ongoing		Tina Cheng	May	2016	On Schedule	No	Continue to monitor the Agency's rating
185	FY 2015/16 Quarterly	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing		Tina Cheng	May	2016	On Schedule	No	Continue to be consistent with the Agency business goals of utilizing the low interest rate SRF loans and grants to support major capital projects
186	FY 2015/16 Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing		Tina Cheng	May	2016	On Schedule	No	Attended all scheduled safety training sessions.

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes	
257	FY 2015/16 Quarterly	Finance and Administration	A	Adopt rates that fully meet cost of services for key Agency programs; Non-Recyclable Wastewater (NRW) System by July 2016; Water Resources by July 2020.	Adopt rates that fully meet cost of services for key Agency programs; Non-Recyclable Wastewater (NRW) System by July 2016; Water Resources by July 2020.	Complete by June 2016	Adopt rates that meet cost of service.	Javier Chagoyen-Laz	May	2016	On Schedule		Collaborating with Planning in the development and restructuring of water rates that would help the Agency achieve cost recovery as well as be able to maintain financial feasibility for both the Agency and the member agencies	
258	FY 2015/16 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.	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review program fund allocations and adjust if necessary to meet program needs.	Tina Cheng	May	2016	On Schedule		Continue to monitor property tax receipts which indicates favorable growth in FY 15/16 and projected to continue in FY 16/17. Included discussion on use of property tax receipts in the draft water rates	
259	FY 2015/16 Annual	Finance and Administration	A	Fully fund the Other Post Employment Benefit (OPEB) unfunded accrued liability by July 2019	Fully fund the Other Post Employment Benefit (OPEB) unfunded accrued liability by July 2019	Annual funding by June 2016	Annual contributions until reaching fully funded status.	Javier Chagoyen-Laz	May	2016	2016	On Schedule		Contribution towards retirement unfunded accrued liabilities (UAL) and other post employment benefits (OPEB) projected in FY 2015/16.
260	FY 2015/16 Annual	Finance and Administration	A	Fully fund this pension unfunded accrued liability by July 2024	Fully fund this pension unfunded accrued liability by July 2024	Annual funding by June 2016	Annual contributions until reaching fully funded status.	Javier Chagoyen-Laz	May	2016	2016	On Schedule		Projected to contribute in June 2016.
261	FY 2015/16 Semi-Annual	Finance and Administration	A	Integrate projects identified in the long range financial planning documents, such as the Urban Water Management Plan, and Integrated Resources Plan	Work with pertinent departments in identifying projects from various master plan and integrated into the respective program budget	Complete by June 2016	Additional projects identified are to be included in the FY 2016/17 updated budget document.	Tina Cheng	May	2016	2016	On Schedule		Updating TYCIP and related funding sources in various fund budget.
Grants														
181	FY 2015/16 Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal	Ongoing		Jason Gu	May	2016	2016	On Schedule	No	Recommended multiple State and Federal Grant and SRF loan opportunities that align with the Agency mission and financial goal. Several applications and pre-applications were submitted.
182	FY 2015/16 Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversify revenue	Ongoing		Jason Gu	May	2016	2016	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board, USBR, and WaterReuse. Opportunities through the CEC's Electric Program Investment Change (EPIC) Program and through the DOE (Department of Energy) are being reviewed for potential grants.
183	FY 2015/16 Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding	Ongoing		Jason Gu	May	2016	2016	On Schedule	No	Collaborated with IEUA's Engineering/Construction Management Department and Planning Department, member agencies, and other local cities and districts to match projects and pursue funding through identified opportunities.
Human Resources														
187	FY 2015/16 Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Assist in the development of the cross-training program by providing guidance, coordination, and administrative skills in the program design, course content development, marketing and evaluation with various stakeholders and subject matter experts	Ongoing June 2015????	Survey and employee feedback/ Number of on-site visits, lunch and learns and other educational sessions held	Shameen Bhojani	May	2016	2016	Behind Schedule	No	Meet with the new Executive Manager of Operations in June 2016 to determine the priorities and timeline for this project

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
188	FY 2015/16 Quarterly	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	Draft a new consolidated Personnel Rules and Regulations	Ongoing	Track the average number of weeks it takes to complete the recruitment process from beginning to end	Shameen Bhojani	March	2016	On Schedule	No	Average number of weeks is 6 weeks.
282	FY 2015/16 Semi-Annual	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining positive work relationships.	Ongoing	Survey and employee feedback	Shameen Bhojani	March	2016	Behind Schedule		Options for training are currently being reviewed. Training is anticipated to be scheduled in the Fall.
283	FY 2015/16 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 benefits to increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.	Ongoing	Number of onsite visits, lunch and other educational sessions held	Shameen Bhojani	March	2016	On Schedule		ICMA 457 on site visit (1/16), New Hire Tour 3/1. HR staff traveled to Agency locations Nacio Travelling Bar. RP1 2/17, HQ 2/24, IERCF 3/2 and RP2 3/16
284	FY 2015/16 Quarterly	Finance and Administration	B	Develop and implement plan to mentor and prepare the next generation of Agency leaders by July 2017	Develop a process to identify potential leaders within the Agency; utilize the Leadership Academy and other training opportunities to enhance existing talent.	Leadership Academy January - June 2016	Number of employees participants in the Academy and other training programs. Percentage of internal promotions	Shameen Bhojani	March	2016	On Schedule		There are currently 5 managers enrolled in the Leadership Academy.
285	FY 2015/16 Semi-Annual	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Create and distribute an employee satisfaction survey	Employee Climate Survey by June 2016	Conduct an Employee Climate Survey after Class and Comp Study implementation	Shameen Bhojani	March	2016	Behind Schedule		Climate survey was postponed due to class and comp study.
286	FY 2015/16 Quarterly	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Identify strategies to increase employee morale and promote employee retention.	Ongoing	Surveys and employee feedback/Retention of employees	Shameen Bhojani	March	2016	On Schedule		Successfully met with the Supervisors Unit on 3/24/16 to discuss the Engineering reorganization which resulted in the creation of a new Project Manager series which will give promotional opportunities to staff in the Engineering Department. Also exploring low cost employee reward options through external vendors such as wishlist, a company that focuses on "experiences" as gifts/rewards.
287	FY 2015/16 Semi-Annual	Finance and Administration	B	Implement the Agency-wide Classification and Compensation Study.	Finalize the Agency-wide Classification and Compensation Study to develop a fair, consistent and competitive compensation program.	Complete by June 2016	Successfully ratify and implement the new structure for remaining represented units.	Shameen Bhojani	March	2016	On Schedule		General Unit class and comp has been completed.
288	FY 2015/16 Annual	Finance and Administration	B	Review and update the STAR Award program to more effectively recognize outstanding performance	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award	Review and recommendation by June 2016	Updated Agency Policy A-78.	Shameen Bhojani	March	2016	On Schedule		Policy is currently under review.

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
289 FY 2015/16	Quarterly	Finance and Administration	B	Achieve a Cal Star Award Identification from OSHA by June 2016	Research requirements needed to obtain the award/certification by OSHA, work with Maintenance and Operations to develop a plan that ensures commendable safety and risk management practices.	Schedule meetings with Operations and Maintenance to review requirements and develop an action plan by June 2016	Prepare applications (submittals) by November 2016.	Sharmeen Bhojani	March	2016	On Schedule		Additional information is needed to determine whether our facilities will be able to meet OSHA's Cal-Star Award expectations individually or if it must be an Agency-wide collective effort. With the majority of our locations in the process of expansion/upgrades and contractor companies on-site, in addition to our own staff, oversight and implementation will be much more difficult. OSHA has been contacted and a response is pending.
33 FY 2015/16	Quarterly	Finance and Administration	B	Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, thereby streamlining individual Unit MOUs by July 2016	Draft a new consolidated Personnel Rules and Regulations	July-2016	Prepare a first draft for review by April 2016	Sharmeen Bhojani	March	2016	Behind Schedule	No	This was put on hold due to the class and comp study implementation. An outline of proposed changes for the Consolidated Personnel Rules can be completed by September 2016.

Internal Audit

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
218	FY 2015/16 Annual	Agency Management	B	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 focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations	"Ongoing and through approved audits as approved through the Annual Audit Plan	"Completed audits. Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2015	On Schedule		On Schedule and On-going. Promoting a strong control environment is embedded in the mission and the purpose of internal auditing. As a service to management and the Board, Internal Audit completes audits to promote strong controls, and make recommendations to comply with required policies and procedures, to make processes more efficient and effective and to ensure controls exist. The audits are planned through the proposed Annual Audit Plan that is approved by the Board. To-date, IA has completed the Regional Contract Review, including the reviews of each of the 7-member agencies and the comparable agencies audit. IA has also completed follow-up reviews and other operational audits to improve operations.
					Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed								
					Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive								
					Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations								

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
231	FY 2015/16 Monthly	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 containment	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 approved through the Annual Audit Plan. Comments and discussions during Audit Committees Meetings and exit meeting	Teresa Velarde	May	2016	On Schedule		This objective is achieved with the performance and completion of each operational audit that Internal Audit completes where recommendations are provided and communicated to those that can implement the recommendations. Each audit project provides opportunities to improve processes, contain costs, consider methods to complete work in a more effective and efficient manner. By completing operational audits, this objective is realized each and every time. The items revealed through the audit are discussed in detailed during the regularly scheduled Audit Committee meetings as well as prior to the AC meeting with management and line supervisors. Recommendations are provided to 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.
232	FY 2015/16 Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with 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. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2016	On Schedule		Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with the Regional Contract Audit Task Force. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract. Various meetings, discussions and presentations were provided by IAD. IAD continues to stay involved with some discussions of moving forward with the recommendations provided. IA stands ready to assist in any way possible and requested.

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Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
233	FY 2015/16 Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trend	Annually and on-going complete training and professional development training and participation	A minimum of sixteen hours of continuous professional development annually. Participation in a professional association	Teresa Velarde	May	2016	On Schedule		Training and professional development is mandatory for professional internal auditors and required by the IIA guidelines which the IAD Charter is created based upon. All auditors attend at minimum of 8 continuing professional hours of training and development in the specialty of internal auditing, along with additional in-house, Agency-specific training. Additionally, to enhance the quality of the audits and demonstrate our commitment to the profession of internal auditing, all three auditors in the department are preparing for the certification. All three plan to complete the certification requirements by December 2016. All three auditors already have a higher professional designation and regularly attend continuous professional development to stay abreast of best practices. All three auditors have passed parts 1 and 2 of the examination and only part 3 is pending and scheduled for completion by December 2016.
234	FY 2015/16 Monthly	Agency Management	B	Develop a plan to conduct a feedback study to measure employee satisfaction	Perform a survey of auditor/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. Discussions during regularly scheduled Audit Committee Meetings	Teresa Velarde	May	2016	On Schedule		Completed during and after each audit. Either via email, paper or discussion. It is more frequent that an evaluation is done through discussions with the auditee, management, and the Audit Committee.

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Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
235	FY 2015/16 Monthly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations. Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive. Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations	Ongoing and through approved audits as approved through the Annual Audit Plan	Completed audits. Comments and stakeholder discussions during Executive Management Meetings, Audit Committee Meetings and ext meetings	Teresa Velarde	May	2016	On Schedule		The Internal Audit Department must complete projects proposed through the Board-approved Annual Audit Plan and any amendments if any. IAD completes are projects proposed and assigned and provides recommendations for the improvement of Agency processes and procedures. Any changes to the plans are communicated to the Audit Committee and the Board.

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
236	FY 2015/16 Monthly	Agency Management	B	Prepare and Implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management	Teresa Velarde	May	2016	On Schedule		The Internal Audit Department documented IA SOP-008 Business Continuity and Disaster Recovery in 2013 and is reviewed for any needed updates, annually, as required by the Charter. This SOP requires that IA assist any critical mission of the Agency first, before continuing with audit assignments, when and in the event of an emergency/disaster. Additionally, the Manager has recently attended FEMA training and is assigned the Communications Liaison. Other members of the IAD are on the Safety Committee and also are responsible for ensuring the department completes all required Safety Tailgate topics. The IAD is proactive when it comes to disaster/emergency preparedness and response ready.
237	FY 2015/16 Annual	Agency Management	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Comply with all required IELJA safety and regulatory trainings for required department personnel	Annually as assigned by Safety personnel	Safety Tailgate Tracker	Teresa Velarde	May	2016	On Schedule		Completed and ongoing. Each year IA completes all required safety trainings as required by the Agency.
238	FY 2015/16 Semi-Annual	Agency Management	B	Develop and implement a plan to monitor and prepare the next generation of Agency leaders by July 2017	Achieve the Certified Internal Auditor Designation by two auditors	One by December 2015	Certification	Teresa Velarde	May	2016	On Schedule		All three auditors in the department are preparing for the certification. The only globally accepted certification for the profession of Internal Auditing. All three plan to complete the certification requirements by December 2016. All three auditors already have a higher professional designation and regularly attend continuous professional development to stay abreast of best practices. All three auditors have passed parts 1 and 2 of the examination and only part 3 is pending and scheduled for completion by December 2016.
239	FY 2015/16 Semi-Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Conduct Control Self-Assessment of the Internal Audit Department	On-going	Certification	Teresa Velarde	May	2016	On Schedule		As required by the IAD Charter, each year, we review the charters, the department SOPs and the Annual Audit Plan and make the necessary adjustments according to best practices, new/requested project and other factors. The IAD is continuously self-evaluating. A comprehensive self-evaluation is planned for the end of 2016. Once all three auditors have attained the certification of Certified Internal Auditor, a peer review of the IAD will be planned and completed for the purpose of evaluating the internal auditing activity and make the necessary adjustments/changes based on any recommendations provided.
240	FY 2015/16 Semi-Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Peer-review of the Internal Audit Department functions	Work on Preparation	Peer-review certification or approval	Teresa Velarde	May	2016	On Schedule		Once all three auditors have attained the certification of Certified Internal Auditor, a peer review of the IAD will be planned and completed for the purpose of evaluating the internal auditing activity and make the necessary adjustments/changes based on any recommendations provided.

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
241 FY 2015/16	Monthly	Agency Management	C	Leverage private/public partnership opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	May	2016	On Schedule		This is achieved through every audit project as it becomes an opportunity to promote friendly, helpful customer service, build the business networks and provide any assistance or information necessary. This is achieved both internally with Internal Agency staff, externally, with employees in outlying locations and non-Agency employees that are business professional peers and contacts.
241 FY 2015/16	Monthly	Agency Management	C	Leverage private/public partnership opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	May	2016	On Schedule		This is achieved through every audit project as it becomes an opportunity to promote friendly, helpful customer service, build the business networks and provide any assistance or information necessary. This is achieved both internally with Internal Agency staff, externally, with employees in outlying locations and non-Agency employees that are business professional peers and contacts.
169 FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Achieve the Certified Internal Auditor Designation by two auditors - One by Dec. 2015, one by Dec. 2016	One completed by December 2015, One completed by December 2016	A minimum of eight hours of continuous professional development, annually.	Teresa Velarde	May	2016	On Schedule	No	All three auditors in the department are working to achieve the certification of Certified Internal Auditors. The certification requires passing a rigorous 3-part examination, among other professional requirements. All three Department auditors have completed and passed two of the three parts and two auditors plan to complete full designation by December 2016. All three auditors comply with attending to the required hours for continuing professional education.
170 FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Conduct control self-assessment of the internal audit dept.	Complete by December 2016	A minimum of eight hours of continuous professional development, annually.	Kathy Besser	May	2016	On Schedule	No	As required by the IAD Charter, each year, auditors review the two charters, the department SOP's and the Annual Audit Plan and make the necessary adjustments according to best practices, new/requested project and other factors. The IAD is continuously self-evaluating its performance and services through end-of-audit evaluations/surveys, discussions with management, auditees and the Audit Committee. A comprehensive self-evaluation is planned for the end of 2016.
171 FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Peer-review of the internal Audit dept functions	Complete by December 2016	A minimum of eight hours of continuous professional development, annually.	Kathy Besser	May	2016	On Schedule	No	A peer-review will be scheduled once at least one auditor is certified as a Certified Internal Auditor. This will be performed by a separate organization and a report will be provided with recommendations. This process will serve to evaluate the function and provide any feedback to ensure continuous improvement. This peer review activity is common and recommended among the industry of Internal Auditing and serves as a continuous improvement tool as well as a checks and balances on IA.

Exhibit B

Laboratory

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
187	FY 2015/16	Quarterly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Complete a Review/Update of the Laboratory Chemical Hygiene Plan annually. (CHIP)	Complete by December 2015		Nel Groenewald	May	2016	On Schedule	No	CHP has been reviewed
300	FY 2015/16	Quarterly	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory	December 2015	Support Engineering during design phase by participation in design review.	Nel Groenewald	May	2016	On Schedule		Process continues through construction of new lab
301	FY 2015/16	Annual	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis	December 2015	Annually obtain 100% acceptable results on PE samples	Nel Groenewald	May	2016	On Schedule		Currently analyzing PE samples, ELAP site visit should occur by Sept. 2016
302	FY 2015/16	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety talkgate meeting requirement	December 2015	Hold bi-weekly safety meetings	Nel Groenewald	May	2016	On Schedule		Ongoing
303	FY 2015/16	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements	December 2015	Ongoing review of approved test methods	Nel Groenewald	May	2016	On Schedule		Review is complete for 2015 and ongoing in 2016

Maintenance

306	FY 2015/16	Quarterly	Operations	B	Establish a cross training program across departments and divisions to enhance understanding of Agency programs	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2016	Hold one training session each quarter	Randy Lee	May	2016	On Schedule		Individual training requirements have been identified and employee review meetings have been scheduled for 5/19/16 and 5/23/16. CBM training contracts are in place. Arc flash training is being attended by Maintenance, IERCF, and Operations staff. Remaining training will occur next fiscal year
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Operations

304	FY 2015/16	Quarterly	Operations	B	Review and revise the Emergency Preparedness Plan by July 2017	Support Human Resources in the development of an Emergency Preparedness Plan for the Operations Department.	As needed	Attend quarterly meetings and provided requested support within requested timeline.	Chandar Letulle/Matt	May	2016	On Schedule		Operations staff have attended required meetings. An RP-1 specific plan has been developed.
306	FY 2015/16	Quarterly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Support the development and implementation of the Energy Management Plan to ensure 100% use of digester gas	By June 2016 Ongoing	Meet 100% of established implementation goals; on-going	Chandar Letulle, Matt	May	2016	On Schedule		Operations has met all implementation goals.
307	FY 2015/16	Monthly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Maximize use of biosolids by sending 90% of organics to IERCF	By June 2016 Ongoing	Send 90% of organics to IERCF; on-going	Randy Lee	May	2016	On Schedule		All Agency biosolids have been sent to the IERCF, processed into compost and sold into landscape and agricultural markets.
188	FY 2015/16	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Measure baseline usage of potable and recycled water usage.	Ongoing through June 2016		Matt Melentrez and	May	2016	On Schedule	No	Potable water usage data is collected and monitored for all sites. Recycled water usage data is collected and monitored at RP-5, CCWRF, and RP-2. Projects are identified and scheduled to add meters at RP-1 and RP-4.
189	FY 2015/16	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain peak demand management readiness	Ongoing through June 2016		Bill Leever	April	2016	On Schedule	No	This goal will be combined into the Peak Demand Management Strategy. It will include pump station readiness, weekly peak demand management meetings.

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
200	FY 2015/16 Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain pump station readiness	Ongoing through June 2016		Bill Leever	April	2016	On Schedule	No	This goal will be combined into the Peak Demand Management Strategy. It will include pump station readiness, and weekly peak demand management meetings.
201	FY 2015/16 Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Continue weekly Peak Demand Management meetings with key operations staff for start of 2016 Peak Demand season.	Ongoing through June 2016		Bill Leever	April	2016	On Schedule	No	RW demand is beginning to increase as weather warms and summer growing season ramps up. Meetings have been held with staff and the cities of Ontario and Chino to discuss demand management strategies. Currently the cities will integrate with the largest ag RW users to mitigate RW demand issues.
202	FY 2015/16 Quarterly	Operations	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Prepare and submit to CDPH start-up reports for new basin as delivery mechanisms are completed	Completed by June 2016 and Ongoing		Bill Leever	April	2016	On Schedule	No	There are currently no additional basins that are scheduled for RW use and no plans for new SUPs.
203	FY 2015/16 Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Ensure all treatment standards are met to maximize availability of recycled water.	Completed by June 2016 and Ongoing		Matt Melendrez and	May	2016	On Schedule	No	According to Compliance's Incident Report Summary all facilities are meeting or exceeding standards.
204	FY 2015/16 Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Identify projects necessary to reduce potable and promote recycled water usage	Completed by June 2016 and Ongoing		Matt Melendrez and	May	2016	On Schedule	No	Project has been identified to switch the San Bernardino Lift Station packing water system from potable to recycled water. Working with Engineering and Planning Departments to schedule this project once recycled water service is established in the area.
205	FY 2015/16 Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Develop recycled and groundwater recharge SCADA improvements that implement storage and delivery strategies by working with the DCS department	Completed by June 2016		Bill Leever	April	2016	On Schedule	No	The RW/GWR department has several improvement related work orders in to DCS to more efficiently manage RW/GWR activities, including 1) developing code to auto-report monthly RW deliveries, 2) improving SCADA screens to more accurately reflect critical basin structure elevations, and 3) refining code to increase RW deliveries and decrease discharge to creeks.
206	FY 2015/16 Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Bill Leever	April	2016	On Schedule	No	Victoria Basin and RP3 Basin are scheduled for infiltration restoration during 3Q16.
207	FY 2015/16 Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop written RW storage and delivery strategies to meet department forecasts of diurnally variable RW supplies and seasonally variable RW demands	Completed by June 2016	Written strategies and forecasts to be developed by RW and GWR staff	Bill Leever	April	2016	On Schedule	No	Continuing to work with both Ops and Planning staff to develop written RW storage and delivery strategies.
79	FY 2015/16 Quarterly	Operations	D	Optimize IELA's use of potable and recycled water by July 2016	Measure baseline usage of potable and recycle water at all Agency facilities.	FY 2015/16	One facility per quarter	Matt Melendrez	May	2016	On Schedule	No	Potable water usage data is collected and monitored for all sites. Recycled water usage data is collected and monitored at RP-5, CCWRF, and RP-2. Projects are identified and scheduled to add meters at RP-1 and RP-4.
Planning and Environmental Compliance													
89	FY 2015/16 Quarterly	Engineering, Planning and Science	I	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvie Lee	May	2016	On Schedule	No	IRP Phase 1 to be adopted at June Board Meeting

Exhibit B

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
88	FY 2015/16 Quarterly	Engineering and Science	Identify and protect the best recharge land sites in the service region by June 2016	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvia Lee	May	2016	On Schedule	No	The East Declar property was actively pursued by IEUA on behalf of CBWM. CBWM parties did not want the project to move forward, and as a result project was cancelled. Will work on other opportunities as they arise
189	FY 2015/16 Quarterly	Engineering and Science	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2016	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2016	Develop consensus on the language for revision of the Regional Sewerage Contract. Update to meet current practices and needs.	To be Completed by January 2016		Sylvia Lee	May	2016	Behind Schedule	No	Regional Contract discussions on the recycled water amendment is the first priority, with anticipated scheduled completion of June 2016. The remainder of the contract amendment schedule has been delayed to Spring 2017.
190	FY 2015/16 Quarterly	Engineering and Science	Continue to apply Lean management principles to streamline current business processes and eliminate waste and redundancies	Continue to apply Lean management principles to streamline current business processes and eliminate waste and redundancies	Apply LEAN management principles to streamline current practices and develop long-term strategy for permitting of the O&M activities of recharge basins	To be Completed by June 2017		Sylvia Lee	May	2016	On Schedule	No	Submitted permit application to the US Army Corps of Engineers on 3/28/2016.
191	FY 2015/16 Quarterly	Engineering and Science	Continue to apply Lean management principles to streamline current business processes and eliminate waste and redundancies	Continue to apply Lean management principles to streamline current business processes and eliminate waste and redundancies	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents	To be Completed by June 2017		Sylvia Lee	May	2016	On Schedule	No	Consultant preparing the draft Programmatic Environmental Impact Report for the Agency's planning initiatives. Adoption expected fall 2016.
192	FY 2015/16 Annual	Engineering and Science	Identify and protect the best recharge land sites in the service region by June 2016	Identify and protect the best recharge land sites in the service region by June 2016	Strategically pursue projects to maximize funding/grant opportunities	To be Completed by June 2016	Meet the schedule as defined by the IRP	Sylvia Lee	May	2016	On Schedule	No	The department is taking initiative to prepare the strategic grant plan to maximize and actively seek funding opportunities. Plan is expected to be completed by July 2016.
193	FY 2015/16 Quarterly	Engineering and Science	Identify and protect the best recharge land sites in the service region by June 2016	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Meet the schedule as defined by the IRP	Sylvia Lee	May	2016	On Schedule	No	IRP completed and going to Board for adoption in June 2016
194	FY 2015/16 Quarterly	Engineering and Science	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop and implement the RWPDMMP to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	To be completed by June 2016	Develop the plans	Sylvia Lee	May	2016	On Schedule	No	Agency has been working with member agencies on an ongoing basis to seek, educate and help convert customers to recycled water
194	FY 2015/16 Quarterly	Engineering and Science	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop and implement the RWPDMMP to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	To be completed by June 2016	Develop the plans	Sylvia Lee	May	2016	On Schedule	No	RW Injection Pilot demonstration project - convening an expert panel, and issued an RFP to hire a hydrogeologist to start an initial investigation.
195	FY 2015/16 Quarterly	Engineering and Science	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water in to Chino Basin	Through June 2016 and Ongoing	Develop the plans	Sylvia Lee	May	2016	On Schedule	No	RFP for RW Injection Demonstration Project hydrogeologic design services issued and proposals were received in April.
198	FY 2015/16 Quarterly	Engineering and Science	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	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	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvia Lee	May	2016	Behind Schedule	No	The drought projects will be discussed in the IRP Phase 2. IRP Phase 2 discussions are expected to begin in Summer 2016

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
270	FY 2015/16 Monthly	Engineering, Planning and Science	A	Advocates for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	May	2016	On Schedule		Department is working a strategic grant plan expected to be completed by July 2016. The Agency has actively pursued grant opportunities for Ag water use efficiency and drought planning.
271	FY 2015/16 Monthly	Engineering, Planning and Science	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	May	2016	On Schedule		Agency has been working with Ontario on RW Projects that were submitted to the SMRCB for Prop. 1 funding. Agency also collaborated with JCSJ, MYWD and Pomona on RW Projects.
272	FY 2015/16 Monthly	Engineering, Planning and Science	A	Advocates for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversity revenue.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	May	2016	On Schedule		Agency applied for Ag water use efficiency, drought planning, and septic sewer analysis. Agency received funding for septic sewer analysis.
277	FY 2015/16 Quarterly	Engineering, Planning and Science	A	Integrate projects identified in the long range financial planning documents, such as the Urban Water Management Plan, and the Integrated Resources Plan	Integrate projects identified in the various planning documents into the TYCIP (Biennial).	42430	Provide the Biennial TYCIP by March 2016.	Sylvie Lee	May	2016	On Schedule		TYCIP was adopted at May 2016 Board Meeting
279	FY 2015/16 Quarterly	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regions	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents	Continuous	Maintain the schedules as established in the regulations, policies and planning documents	Sylvie Lee	May	2016	On Schedule		On going. Its considered in each of the planning initiatives for the department.
280	FY 2015/16 Monthly	Engineering, Planning and Science	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Provide monthly/quarterly/annual updates as needed.	Sylvie Lee	May	2016	On Schedule		Updated have been provided on planning issues through the quarter
281	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Complete update of the Water Efficiency Business Plan, the Integrated Resources Plan, and the Urban Water Management Plan	Complete update of the WUE, and UWMP	WUE: Nov 2015	Completion and adoption of WUE and UWMP	Sylvie Lee	May	2016	On Schedule		The WUEJRP and UWMP will be presented to the Board for adoption in June 2016.
281	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Complete update of the Water Efficiency Business Plan, the Integrated Resources Plan, and the Urban Water Management Plan	Complete update of the WUE, and UWMP	WUE: Nov 2015	Completion and adoption of WUE and UWMP	Sylvie Lee	April	2016	On Schedule		WUE Business Plan was completed in March 2016. Plan adoption is scheduled for June 15, 2016.
281	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Complete update of the Water Efficiency Business Plan, the Integrated Resources Plan, and the Urban Water Management Plan	Complete update of the WUE, and UWMP	WUE: Nov 2015	Completion and adoption of WUE and UWMP	Sylvie Lee	April	2016	On Schedule		Urban Water Management Plan Draft was completed in April. Board Adoption is scheduled for June 15, 2016.
283	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Advocates for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	May	2016	On Schedule		A Storm Water Resources Plan was prepared and submitted to SAWPA OWOW in March, but due to a lack of quorum could not be adopted. The plan was updated and will be submitted for OWOW adoption in May, 2016
283	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Advocates for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	May	2016	On Schedule		Developed an outline for Low Impact Development planning document. Will further the document in FY16/17.

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
283	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture.	Sylvie Lee	May	2016	On Schedule		Prepared a Storm Water Resources Plan and submitted to SAWPA OWOW for adoption.
284	FY 2015/16 Semi-Annual	Engineering, Planning and Science	D	Optimize IEUA's use of potable and recycled water by July 2016	Optimize IEUA's use of potable and recycled water by completion of the recommended updates of the Recycled Water Program Strategy (RWPS).	June 2016 Ongoing	Adopt the RWPS	Sylvie Lee	May	2016	On Schedule		Projects are being implemented on schedule with the RWPS
285	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Identify and evaluate supplemental water supplies for the region	Identify and evaluate supplemental water supplies for the region through completion of the Integrated Resources Plan (IRP).	January 2016	Adopt the IRP by January 2016	Sylvie Lee	May	2016	On Schedule		IRP completed and going to Board for adoption in June 2016
286	FY 2015/16 Annual	Engineering, Planning and Science	D	Achieve 20,000 acres feet of recycled water recharge in Dry Years by June 2019	Implement the planning and permitting schedule of the Recharge Master Plan Update.	June 2020	Meet the schedules as defined by the RMPU	Sylvie Lee	May	2016	On Schedule		Agency staff met with RIPComm meeting at CBWM to present status of budget, preliminary design, and other issues such as alternative projects.
287	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Strategically pursue projects to maximize funding/grant opportunities	Annual	Participate with SAWPA and other Regional Agencies in developing potential project lists.	Sylvie Lee	May	2016	On Schedule		East Declez site was evaluated by IEUA for inclusion in RMPU projects, but was not selected by the Appropriate Pool.
288	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Identify and evaluate new opportunities for water reliability	Sylvie Lee	May	2016	On Schedule		East Declez site was evaluated by IEUA for inclusion in RMPU projects, but was not selected by the Appropriate Pool.
288	FY 2015/16 Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Identify and evaluate new opportunities for water reliability	Sylvie Lee	May	2016	On Schedule		The Agency has been actively working on SARCCUP with SAWPA and four other SAWPA member agencies for long term water resource planning.
289	FY 2015/16 Annual	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop and implement the Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	Continuous	Continuous dialogue with member agencies and through customers as needed to connect new customers and support demand management initiatives.	Sylvie Lee	May	2016	On Schedule		member agency demand management meeting was held in April 2016 to discuss the need for coordinated demand management for recycled water on large users
291	FY 2015/16 Monthly	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 regional contracting agencies to review and maintain accurate building activity reports	Continuous	Provide monthly updates on the status of the connections in the region	Sylvie Lee	May	2016	On Schedule		Continue to work with RCAs to review and maintain accurate building activity reports.
295	FY 2015/16 Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Periodicals needed monitoring performed	Sylvie Lee	May	2016	On Schedule		Perform quarterly odor survey at all facilities.
296	FY 2015/16 Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Provide support as needed	Sylvie Lee	May	2016	On Schedule		Perform odor monitoring, as needed to assist Operations, External Affairs during complaints investigation and mitigation.
297	FY 2015/16 Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advice letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP.	Sylvie Lee	May	2016	On Schedule		This has been ongoing, and several initiatives were completed during the third quarter including RW general order, emergency regulations for drinking water, and organics initiative.

Exhibit B

Goal FY ID Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
298	FY 2015/16 Quarterly	Engineering, Planning and Science	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Update IEBL Ordinance and Enforcement Response Plan.	March 2016	Adopt the IEBL Ordinance by March 2016	Sylvie Lee	May	2016	Behind Schedule		IEBL Ordinance will be completed following SAWPA Ordinance adoption in September.
299	FY 2015/16 Annual	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MSHCP by June 2017	Sylvie Lee	May	2016	On Schedule		Agency submitted its project details to the MSHCP, which included selected recharge master plan projects and GWR O&M activities.
Technical Services													
308	FY 2015/16 Quarterly	Operations	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFY of recycled water use by June 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycles water screens at RP-1 and RP-5	Jeff Noelle	April	2016	On Schedule	No	A long-term procedure for cleaning continues to be developed. The feasibility of strainer gates at RP-5 CCB is under investigation.
310	FY 2015/16 Annual	Operations	C	Review and update the Asset Management Plan	Update the AMP	February 2017	Complete and distribute AMP	Jeff Noelle	April	2016	On Schedule		The FY 16/17 AMP will be complete by June 2016. The project list from the TYCJP update is now available to be integrated into the AMP.

Inland Empire Utilities Agency
Inter-Departmental/Division Transfers FY 2015/2016
Budget Transfer

Fund	Date	O & M Transfer From	Category	Amt Transfer Out	O & M Transfer To	Category	Amount Transfer In	Description	QTR
10200	3/31/16	511120	Emp. Training	\$5,000	512110	Supplies General	\$5,000	Transfer needed to make funds available to pay for Hach invoices.	3
10200	3/31/16	521080	Other Cont. Services	\$10,000	512110	Supplies General	\$10,000	Transfer needed to make funds available to pay for Hach invoices.	3
10800	3/29/16	521080	Other Cont. Services	\$20,000	521080	Other Contract Services	\$20,000	Transfer to cover the costs of the Magnolia Channel O&M permit application filing.	3
			Total O&M Transfers Out	\$35,000		Total O&M Transfers In	\$35,000		

Inland Empire Utilities Agency
 FY 2015/16 GM Contingency Account Activity (10200-112100-100000-519010)

Date	Description	Account/Project No.	Requestor	GM Contingency Budget	Transfers	Balance
7/1/2015	FY 2015/16 Adopted budget			\$400,000		\$400,000
3/3/2016	Budget transfer to cover legal litigation projection in Water Resources fund	RO Fund 10800-112100-501000-519010	J. Chagoyen-Lazaro		\$105,000	\$295,000
3/3/2016	Budget transfer to cover general legal projection in Water Resources fund	RO Fund 10700-112100-110000-520230	J. Chagoyen-Lazaro		\$16,000	\$279,000
3/3/2016	Budget transfer to cover general legal projection in Recycled Water fund	RO Fund 10700-112100-110000-520210	J. Chagoyen-Lazaro		\$67,000	\$212,000
3/3/2016	Budget transfer to cover general legal projection in Regional Capital fund	RO Fund 10600-112100-130000-520210	J. Chagoyen-Lazaro		\$50,000	\$162,000
	RO Fund GM Contingency			\$400,000	\$238,000	\$162,000
7/1/2015	FY 2015/16 Adopted budget			\$100,000		\$100,000
7/6/2015	Budget transfer to cover fees for hiring temporary help within Agency Mgmt Dept	GG Fund 10200-112100-100000-519010	A. Woodruff		\$30,000	\$70,000
1/1/2016	Budget transfer to hire consultant for proposed consolidation of CBWCD	GG Fund 10200-112100-100000-521080	K. Besser		\$40,000	\$30,000
3/24/2016	Budget transfer to purchase computer hardware for CAFS department	GG Fund IS16015	K. Baxter		\$1,500	\$28,500
3/23/2016	Budget transfer to purchase a laptop for new hire in Engineering department	GG Fund IS16015	S. Stone		\$2,200	\$26,300
3/31/16	Budget transfer to purchase a computer for new hire in Records Management	GG Fund IS16015	W. Green		\$1,500	\$24,800
	GG Fund GM Contingency			\$100,000	\$75,200	\$24,800

GM CONTINGENCY GRAND TOTAL				\$500,000	\$313,200	\$186,800
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cc: Joe Grandstaff, Christina Valencia

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2015/16

Capital or Spend Proj	Request Date	Total Proj Budget Change (U/M)?	Annual Proj Budget Change (U/M)?	New Proj Y/N	Project Number	Project Title	Adjusted Total Project Budget	Change 2015/16 Project Budget	Current Total Project Budget	Part of Transfer In / Out	New To Budget	FY 2015's Annual Project Budget	Annual Proj Budget Change	New Annual Project Budget	Project Transferred To/From	Justification
10000	Capital	1/12/16	Yes	Yes	EN16012	CFO Enhancements	\$175,000	\$0	\$175,000	(\$84,000)	\$91,000	\$175,000	(\$84,000)	\$91,000	EN16068	Transfer from EN16012 to create new project EN16068 for the design and construction of the EDU/MOU Payment Office in Headquarters Building B and the relocation of the reproduction center.
	Capital			Yes	EN16068	EDU Payment and Window Office	\$0	\$0	\$0	\$84,000	\$84,000	\$0	\$84,000	\$84,000	(EN16012)	
	Capital	1/21/16	Yes	Yes	IS15002	Document/Records Management Analysis	\$101,600	\$0	\$101,600	(\$2,500)	\$99,100	\$95,256	(\$2,500)	\$92,756	IS16023	Transfer from IS15002 to create new project IS16023, to fund the purchase and replacement of the colored printer that was transferred from the External Affairs's common area to HQ/HS group.
	Capital			Yes	IS16023	Workstation Replacement	\$0	\$0	\$0	\$2,500	\$2,500	\$0	\$2,500	\$2,500	(IS15002)	
	Capital	1/25/16	Yes	No	IS15002	Document/Records Management Analysis	\$101,600	(\$2,500)	\$99,100	(\$2,800)	\$96,300	\$92,756	(\$2,800)	\$29,956	IS16023	Transfer from IS15002 to IS16023 to fund the purchase of a new laser printer for the Operations Manager that was not included in the current FY budget.
	Capital			Yes	IS16023	Workstation Replacement	\$0	\$2,500	\$2,500	\$2,800	\$5,300	\$2,500	\$2,800	\$5,300	(IS16023)	
	Capital	2/9/16	Yes	No	IS16008	ASA Firewall Replacement	\$93,680	\$0	\$93,680	(\$10,000)	\$23,680	\$93,680	(\$10,000)	\$23,680	IS16015	Transfer from IS16008 and IS16009 to IS16015 to provide additional funding for the replacement of workstations including the Operations department's thin clients and add Pcs as well as other workstations that are over four years old.
	Capital			Yes	IS16009	Switch Replacement	\$55,680	\$0	\$55,680	(\$10,000)	\$45,680	\$55,680	(\$10,000)	\$45,680	IS16015	
	Capital			Yes	IS16015	Workstation Replacement	\$118,000	\$2,400	\$120,400	\$20,000	\$140,400	\$120,400	\$20,000	\$140,400	(IS16008 / IS16009)	
	Capital	3/23/16	Yes	No	IS16021	SAP Roadmap & Strategy	\$300,000	\$0	\$300,000	(\$280,000)	\$20,000	\$300,000	(\$280,000)	\$20,000	IS15003	Transfer from IS16021 to IS15003 to allow for consulting services, purchase of hardware, and fund internal labor and a backfill position related to the Document/Records Management project.
	Capital			Yes	IS15003	Document / Records Management	\$400,000	\$0	\$400,000	\$280,000	\$680,000	\$350,000	\$280,000	\$630,000	(IS16021)	
	Capital	3/24/16	Yes	No	IS16015	Workstation Replacement	\$118,000	\$22,400	\$140,400	\$1,500	\$141,900	\$140,400	\$1,500	\$141,900	(GM Contingency)	Transfer from the GM Contingency to IS16015 to fund the purchase of computer hardware for the new hire in the Contracts & Facilities Services department.
	Capital	3/23/16	Yes	No	IS16015	Workstation Replacement	\$118,000	\$23,900	\$141,900	\$2,200	\$144,100	\$141,900	\$2,200	\$144,100	(GM Contingency)	Transfer from the GM Contingency to IS16015 to fund the purchase of a laptop for a newly hired limited term Senior Engineer in the Engineering department.
	Capital	3/31/16	Yes	No	IS16015	Workstation Replacement	\$118,000	\$26,100	\$144,100	\$1,500	\$145,600	\$144,100	\$1,500	\$145,600	(GM Contingency)	Transfer from the GM Contingency to IS16015 to fund the purchase of a computer for the new hire in Records Management.
	Capital			Yes	IS16015	Workstation Replacement	\$118,000	\$26,100	\$144,100	\$1,500	\$145,600	\$144,100	\$1,500	\$145,600	(GM Contingency)	
	Capital	1/13/16	Yes	No	EN16126	RP-1 HECO Means Interconnecting	\$900,000	(\$310,000)	\$590,000	(\$100,000)	\$490,000	\$490,000	(\$100,000)	\$390,000	EN08023	Transfer from EN16126 to EN08023 address the discovery of unforeseen mechanical improvements during construction and complete the project within the originally scheduled time. The transferred funds will address the budget change orders with the contractor and allow staff to continue to monitor progress.
	Capital			Yes	EN08023	RP-1 Asset Replacement	\$5,855,896	\$110,000	\$5,965,896	\$100,000	\$6,065,896	\$1,110,000	\$100,000	\$1,210,000	(EN16126)	
	Capital	2/4/16	Yes	Yes	IS16019	RP-1 Filter PLC Upgrade	\$150,000	\$0	\$150,000	(\$97,500)	\$52,500	\$97,500	(\$97,500)	\$0	EN13016	Transfer from IS16019 to EN13016 because the RP-1 filter upgrade will be absorbed by the SCADA Enterprise System project and the task will be completed by the Engineering department.
	Capital			Yes	EN13016	SCADA Enterprise System	\$10,309,546	\$0	\$10,309,546	\$97,500	\$10,407,046	\$4,200,000	\$97,500	\$4,297,500	(IS16019)	
	Capital			Yes	EN13016	Agency-Wide HVAC Improvements Pkg No 3	\$1,200,000	\$0	\$1,200,000	(\$20,000)	\$1,180,000	\$1,008,250	(\$20,000)	\$988,250	EN13056	Transfer from EN13016 to EN13056 for the construction phase of the RP-4 MCC Room roof Access Subproject EN13056.01.
	Capital	1/12/16	Yes	No	EN13056	Agency-Wide HVAC Improvements Pkg No 2	\$1,096,500	\$0	\$1,096,500	\$20,000	\$1,116,500	\$70,556	\$20,000	\$90,556	(EN13032)	
	Capital	3/10/16	Yes	Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	Transfer from EN12020 to allow for reclassification of expenses related to project EN16071 to the appropriate project.
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200,000)	\$277,508	\$477,508	(\$200,000)	\$277,508	EN16071	
	Capital			Yes	EN16071	San Bernardino Avenue Gravity Sewer	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(EN12020)	
	Capital			Yes	EN12020	Chino Creek Invert Repair	\$477,508	\$0	\$477,508	(\$200						

Inland Empire Utilities Agency
Changes In Total Project Budgets: Inter-Departmental/Division Transfers FY 2015/16

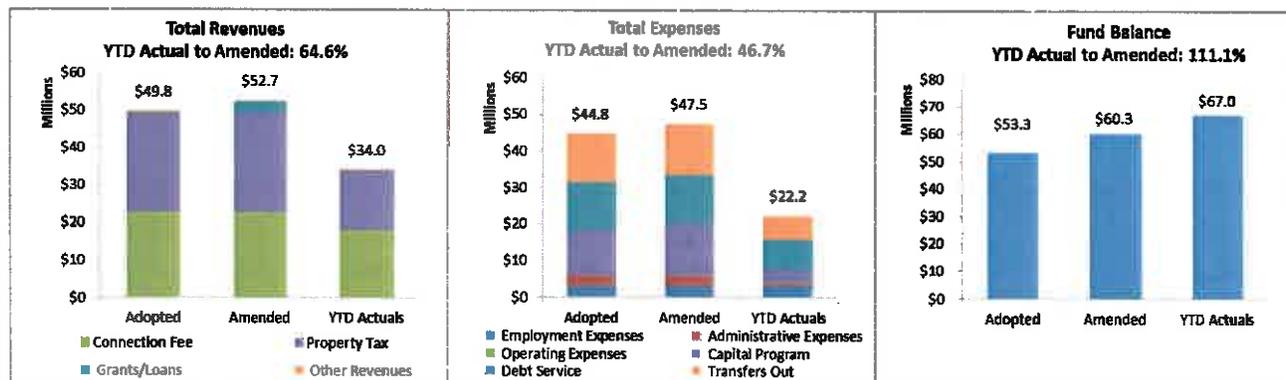
Fund	Comptrol Spec Proj?	Request Date	Annual Proj Budget Change Y/N	New Proj Y/N	Project Number	Project Title	Adopted Total Project Budget	Current Total Project Budget	Am't of Transfer In / Out	New TP Budget	FY 2015/16 Annual Project Budget	Amount Proj Budget Change	New annual Project Budget	Project Transferred To/From	Justification	
10000	O&M Proj	3/1/16	Yes	Yes	PA15008	Major Asset Repair/Replace	\$532,109	\$532,109	(\$36,200)	\$495,909	\$60,000	(\$36,200)	\$49,802	O&M 519120	Transfer from PA15008 to O&M, 519120, Inventory - Obsolete/Scrap to support obsolete inventory that is no longer required to stock.	
Subtotal Administrative (SO)							\$532,109	\$532,109		\$495,909	\$60,000	(\$36,200)	\$49,802			
10700	O&M Proj	2/24/16	Yes	Yes	WR16019	Water Use Efficiency Tools	\$600,000	\$450,000	(\$100,000)	\$150,000	\$450,000	(\$100,000)	\$150,000	WR16027	Transfer from WR16019 to create new project, WR16027, to expand the "Residential Landscape Retrofit Program" to offer educational training, landscape surveys, and controller upgrades to weather-based systems to homeowners.	
			Yes	Yes	WR16027	Residential Controller Upgrade Program	\$0	\$0	\$500,000	\$300,000	\$0	\$300,000	\$300,000	(WR16019)		
Subtotal Wwear Resources (WW)							\$600,000	\$450,000		\$450,000	\$450,000		\$450,000			
10800	O&M Proj	2/10/16	Yes	Yes	PA15006	Aeration System Rehabilitation	\$2,200,000	\$2,200,000	\$365,000	\$3,565,000	\$235,825	\$365,000	\$600,625	(O&M: 545230)	Transfer from O&M category, Ref Call Power, to PA15006 to support the repair of aerotolith tanks at RP-4.	
O&M Proj	2/17/16	Yes	Yes	Yes	CP16008	CCWRP Lawn Conversion Improvement	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$200,000	(RC Reserve)	Board approved amendment to fund the landscape services contract with Eco Tech Services, Inc. for the CCWRP lawn conversion.	
Subtotal Regional Operations (RO)							\$2,200,000	\$2,200,000		\$2,765,000	\$235,825		\$235,825			
10900	O&M Proj	3/21/16	Yes	Yes	EN16018	RC Emergency O&M Projects Fund	\$600,000	\$600,000	(\$50,000)	\$550,000	\$600,000	(\$50,000)	\$550,000	PL16015	Transfer from EN16018 to create new project, PL16015, to address a feasibility study to develop a plan of implementation for the conversion of septic users in the area to the local agency sewer system.	
			Yes	Yes	PL16015	Sewer Service Feasibility Study	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	(EN16018)		
O&M Proj	3/21/16	Yes	Yes	Yes	EN16018	RC Emergency O&M Projects Fund	\$600,000	\$550,000	(\$50,000)	\$500,000	\$550,000	(\$50,000)	\$500,000	PL16016	Transfer from EN16018 to create new project, PL16016, to evaluate the methodology for calculation of sewer connection fees as part of the regional contract revision.	
			Yes	Yes	PL16016	Sewer Use Fee Evaluation	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	(EN16018)		
Subtotal Regional Capital (RC)							\$1,200,000	\$1,150,000		\$1,150,000	\$1,150,000		\$1,150,000			
O&M Total Project Budget							Adopted	\$4,532,109			\$4,840,939			\$4,840,939		
O&M Total Project Budget							Amended							\$2,444,631		

Total Capital and O&M Project Transfers	\$1,819,300
TPS Change - Capital	(\$270,000)
TPS Change - O&M Project	\$229,800
Net Change - TPS	\$209,800

Financial Overview of Agency's Programs FY 2015/16 Third Quarter ended March 31, 2016 Total Revenues, Expenses, and Fund Balance

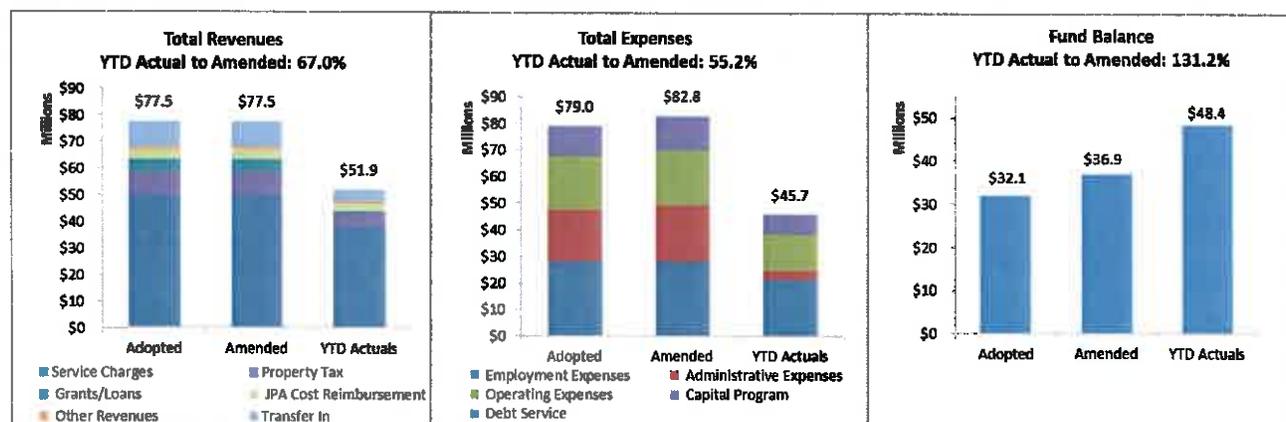
Regional Wastewater Capital Improvement (RC) Fund

The fund balance indicated an increase of \$6.7 million compared to the amended budget due to lower than anticipated capital spending and debt service payments.



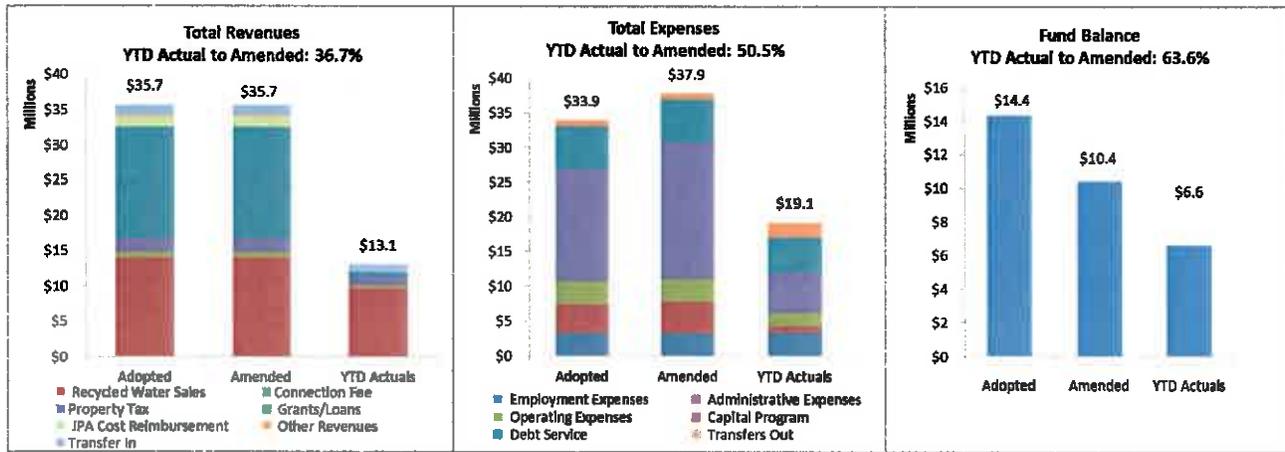
Regional Wastewater Operations and Maintenance (RO) Fund

The fund balance increase of \$11.5 million compared to the amended budget due to the delayed execution of O&M and capital replacement and rehabilitation projects.



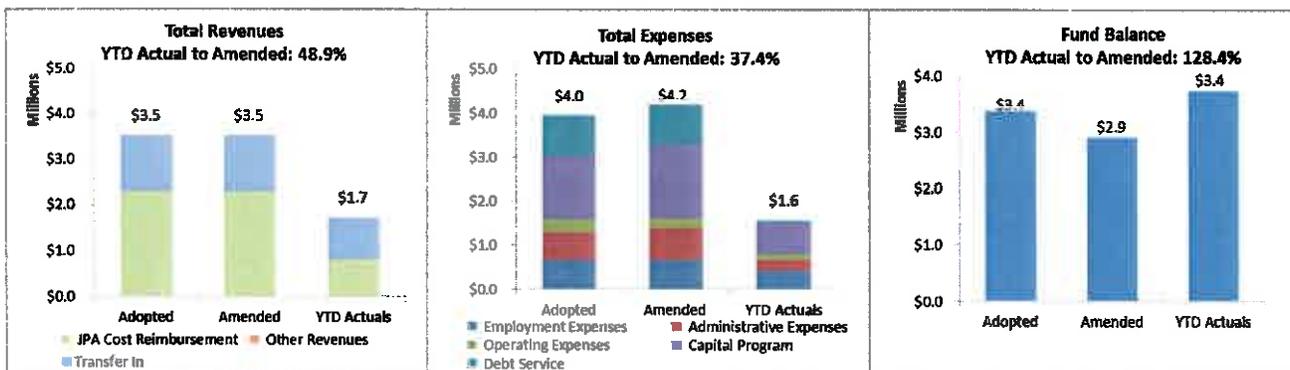
Recycled Water (WC) Fund

The fund balance indicated a decrease of \$3.8 million compared to the amended budget due to low grants and loan receipts linked to the timing and level of capital spending.



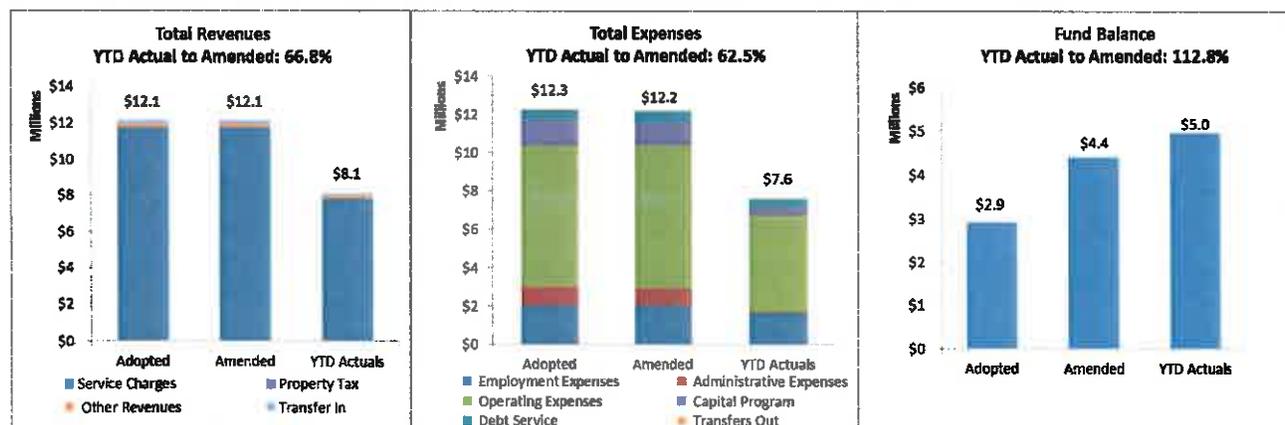
Recharge Water (RW) Fund

The fund balance shows a slight increase of \$0.8 million compared to the amended budget due to delays in capital project execution.



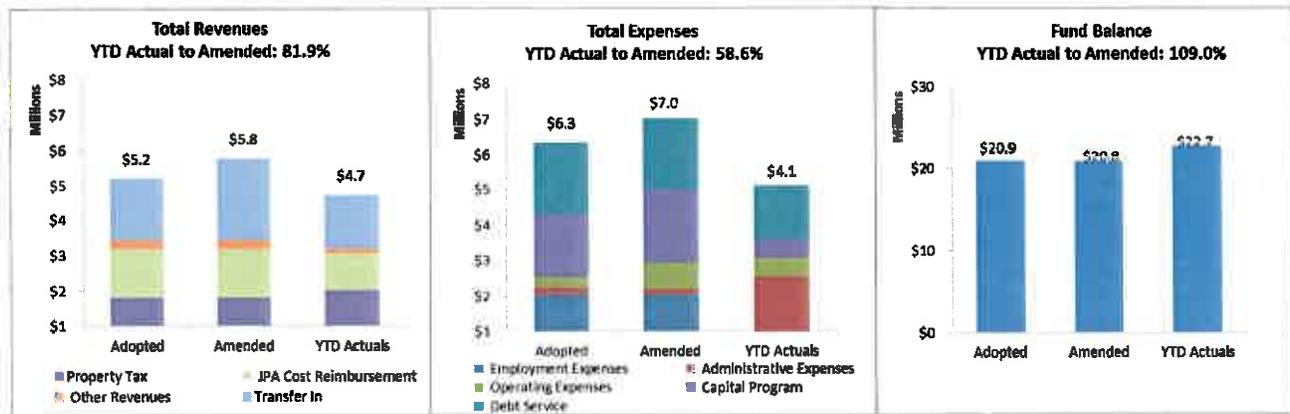
Non-Reclaimable Wastewater (NRW) Fund

The fund balance indicated a slight increase of \$0.5 million compared to the amended budget due to delay of capital expenses.



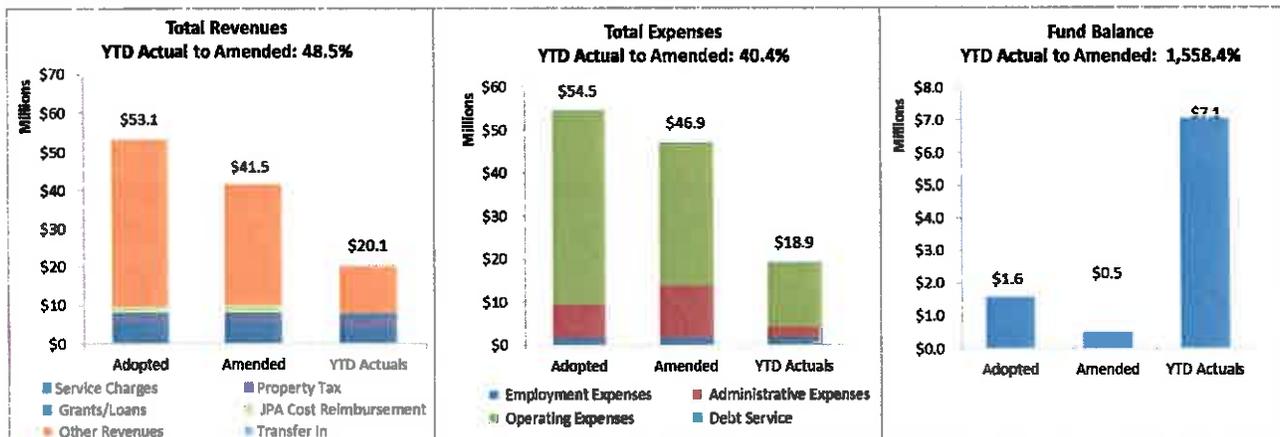
Administrative Services (GG) Fund

The fund balance indicated an increase of \$1.9 million compared to the amended budget due to lower than budgeted spending in professional fees & services and capital projects, and higher than anticipated property tax receipts.



Water Resources (WW) Fund

The fund balance indicates an increase of \$6.6 million compared to the amended budget due to higher than anticipated property tax receipts, coupled with lower spending on special projects.





FY 2015/16
Budget Variance Report
3rd Quarter ended March 31, 2016

Board of Directors

June 15, 2016

Sources of Funds Highlights

Actuals compared to Amended Budget

Good News:

- ❖ **Wastewater Connection Fees:** \$18.2M, 78.2%
 - 3,457 new EDU connections vs. 4,330 budgeted new EDU
- ❖ **Recycled Water Sales:** \$8.0M, 67.3%
 - 23,535 AF actual year to date vs. 35,150 AFY budgeted
- ❖ **Property Taxes:** \$27.7M, 67.3%
 - 12% growth year-to-date vs. 4% budgeted growth

Not so Good News:

- ❖ **Water Sales:** \$12.2M, 41.3%
 - 20,790 AF vs. 50,000 AF budgeted
- ❖ **Grants & Loans:** \$2.6M, 10.7%
 - Due to delayed execution of related projects



Uses of Funds Highlights

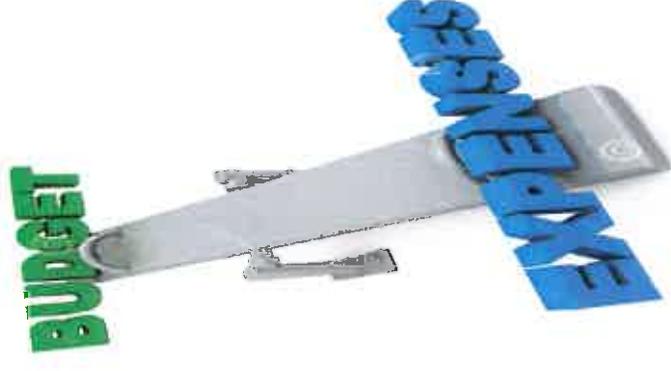
Actuals compared to Amended Budget

Good News:

- ❖ **Utilities:** \$6.7M, 62.5%
 - Natural gas rate \$0.42/therm vs. \$0.80/therm budgeted
- ❖ **Debt Service:** \$15.6M, 66.5%
 - 2008B Variable Bond rate 0.03% average vs. 1.0% budgeted

Not so Good News:

- ❖ **Capital Projects:** \$18.7M, 36.5%
 - Delayed spending due to changes in project scope and schedule



Updates

❖ Project Closure

- 27 capital projects, or 20% of active capital projects, identified as eligible for closure since July 2015

❖ Total Project Budget Change

- \$1.8M of Total Project Budget transferred between projects in the third quarter
- 25 projects with average of \$72,000 Total Project Budget change this quarter
- Net increase in Total Project Budget is \$208,800



FY 2015/16 Q3 Consolidated Fund Balance

Operating	FY 2015/16 Amended Budget	Third Quarter Ended 3/31/16	Actual % of Amended Budget
Operating Revenue	\$118.8	\$76.7	64.6 %
Operating Expense	148.6	76.5	51.5%
Operating Net Increase/(Decrease)	(\$29.8)	\$0.2	
Non- Operating			
Non-Operating Revenue	\$95.1	\$48.8	51.3%
Non-Operating Expense	75.2	34.6	46.0%
Non-Operating Net Increase/(Decrease)	\$19.9	\$14.2	
Consolidated			
Total Sources of Funds	\$213.9	\$125.5	58.7%
Total Uses of Funds	223.8	111.1	49.6%
Total Net Increase/(Decrease)	(9.9)	14.4	
Beginning Fund Balance	146.1	146.1	
Ending Fund Balance	\$136.2	\$160.5	

Questions?

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

INFORMATION

ITEM

3B



Date: June 15, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (6/8/16)
Finance, Legal & Administration Committee (6/8/16)

From: P. Joseph Grindstaff *CB*
General Manager

Submitted by: Chris Berch *CB*
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee *SL*
Manager of Planning and Environmental Resources

Subject: Recycled Water Resolutions

RECOMMENDATION

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

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, particularly since 2011. This resulted in the region working together to develop Recycled Water (RW) Policy Principles to address the changes since the inception of the program.

The Recycled Water (RW) Policy Principles that were approved by the Regional Committees in January and March 2016, and as adopted by the Board in March 2016, were developed in response to inequities identified by several Contracting Agencies regarding the use of the recycled water in excess of their respective base entitlement. The Regional Contract was proposed to be amended through a public hearing with the IEUA Board on June 15, 2016 to address the RW Policy

Recycled Water Resolutions

June 15, 2016

Page 2 of 2

Principles. The proposed contract amendment language was developed over the last six months based on feedback from the Contracting Agencies. While meaningful discussion has taken place during workshops with the Regional Technical Committee members and IEUA, the Contracting Agencies are in fundamental disagreement on the contract amendment language. Contracting Agencies also have differing opinions on Section 30 of the Regional Contract that outlines the process for which the Board approves Regional Contract amendments. As a result, the public hearing scheduled for June 15, 2016 to amend the Regional Contract was cancelled.

In order to move forward as a region and for consideration for the implementation of core components of the RW Policy Principles, staff is recommending the Board adopt Resolution No. 2016-6-16 and Resolution No. 2016-6-17 which addresses the following:

- Provides the basis for the amount of recycled water use that the City of Chino will be grandfathered for the next several years
- Sets the definition for surcharge rate for use over base entitlement
- Establishes a surcharge rate for use in excess of entitlement

The proposed Resolutions are consistent with the *Agency's Business Goal* of increasing *Water Reliability* by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On March 16, 2016, the Board adopted the Recycled Water Policy Principles and directed staff to develop Regional Contract amendments.

IMPACT ON BUDGET

There will be no direct impact on the IEUA budget as a result of the proposed Resolutions.

Attachments:

1. Resolution No. 2016-6-16
2. Resolution No. 2016-6-17
3. Notice to Rescind Resolution No. 2016-4-4

RESOLUTION NO. 2016-6-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SURCHARGE RATES FOR RECYCLED WATER USE ABOVE ENTITLEMENT FOR FISCAL YEAR 2016/17

WHEREAS, The Regional Advisory Committees have reviewed and recommended service rates for Fiscal Year 2016/17:

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby **RESOLVE, DETERMINE, AND ORDER** as follows:

Section 1. That effective July 1, 2016, the surcharge rate for purchase of replacement water by IEUA will be set by the difference between the purchase and delivery cost of the replacement water and IEUA recycled water recharge rate for the fiscal year. Fiscal Year 2016/17 rates are as follows for the various categories:

1. Imported water from Metropolitan Water District rate per IEUA Rate Resolution 2016-6-7 and 2016-6-15 less recycled water groundwater recharge rate of \$470 per acre foot.
2. Chino Basin Groundwater purchase rate less recycled water recharge rate of \$470 per acre foot.

ADOPTED this 15th day of June, 2016.

President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-16, was adopted at
a regular meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Secretary/Treasurer

* A Municipal Water District

RESOLUTION NO. 2016-6-17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING REGULATIONS FOR THE PURCHASE OF RECYCLED WATER ABOVE BASE ENTITLEMENT FOR CONTRACTING AGENCIES

WHEREAS, the IEUA Board of Directors has adopted Ordinance No. 69, regulating the availability and use of recycled water from the Regional Recycled Water Distribution System; and

WHEREAS, Section 16 A. 2 of the Chino Basin Regional Sewage Service Contract establishes each Contracting Agency's Base Entitlement to recycled water; and

WHEREAS, IEUA and the Contracting Agency's have determined that the purchase of recycled water in excess of a Contracting Agency's Base Entitlement, delivered through the IEUA regional recycled water system, requires the establishment of policies and principles to promote the equitable allocation of recycled water within the IEUA service area; and

WHEREAS, in furtherance thereof, on January 28, 2016 and March 3, 2016 respectively, the Regional Technical and Policy Committees approved the Recycled Water Policy Principles, and on March 16, 2016 the IEUA Board of Directors adopted the Recycled Water Policy Principles; and

WHEREAS, the Recycled Water Policy Principles serve as a guideline to the establishment of these regulations governing the purchase of recycled water in excess of a Contracting Agency's Base Entitlement, delivered through the IEUA regional recycled water system.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Definitions

Base Entitlement – Shall mean the total base supply of effluent which is subject to the right of first purchase from IEUA by the Contracting Agencies receiving sewerage service at any regional treatment plant, said portion being in the proportion that the quantity of sewage delivered into the regional sewerage system by the Contracting Agency bears to the total quantity of sewage delivered into the regional sewerage system by all Contracting Agencies, less normal processing losses resulting from the treatment of sewage.

Contracting Agency – Shall mean any sewage collection agency located, in whole or part, within the boundaries of IEUA which has entered into a service contract with IEUA.

Section 2. That effective July 1, 2016, the use of recycled water above a Contracting Agency's Base Entitlement will require the Contracting Agency to provide replacement water.

1. Any Contracting Agency exceeding entitlement shall provide replacement water by one of the following means:
 - i. Stored water in the Chino Groundwater Basin,
 - ii. Acquisition of another contracting agency's unused entitlement, or
 - iii. Payment of a surcharge rate to IEUA per Section 3. below.
2. The annual amount of replacement water will be calculated as a reconciliation on the annual usage and the entitlement once a year, within 90 days following the end of the fiscal year.
3. Replacement water will be purchased by IEUA within 12 months following the Contracting Agency's payment of the surcharge rate.

Section 3. Effective July 1, 2016, the surcharge rate for the purchase of replacement water by IEUA will be calculated by IEUA based on the difference between the IEUA recycled water rate for the fiscal year and the purchase and delivery cost of the replacement water as set forth in the rate resolution by the IEUA Board.

Section 4. That effective July 1, 2016 through June 30, 2023, the City of Chino has temporary annual Base Entitlement based on Fiscal Year 2014/15 annual usage for its associated Fiscal Year 2014/15 customers of 8,324 acre-feet. The groundwater recharge allocation for Chino will be curtailed during the temporary period if the use of recycled water exceeds its base entitlement.

ADOPTED this 15th day of June, 2016.

President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-17, was adopted at
a regular meeting on June 15, 2016, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Secretary/Treasurer

* A Municipal Water District



Date: May 24, 2016
To: Regional Policy Committee
From: Inland Empire Utilities Agency
Subject: Rescinding Notice of Intent to Amend Regional Contract

On April 6, 2016, The Inland Empire Utilities Agency Board of Directors adopted Resolution No. 2016-4-4, declaring its intent to amend the Regional Contract, per Section 30B of the Regional Sewage Service Contract.

This memorandum shall serve as a notification that the prior notice of intent to amend the Regional Contract is being rescinded. The public hearing scheduled for June 15, 2016, at 10 a.m. in the Inland Empire Utilities Agency Board Room at 6075 Kimball Avenue, Building A, Chino, California has been cancelled.

**INFORMATION
ITEM**

3C

Date: June 16, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (06/08/16)

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: Treasurer's Report of Financial Affairs

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the month ended April 30, 2016, is an informational item for the Board of Director's review.

BACKGROUND

The Treasurer's Report of Financial Affairs for the month ended April 30, 2016, is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3).

Total cash, investments, and restricted deposits of \$175,303,346 reflects an increase of \$8,429,681 compared to the total reported for March 2016. The increase was primarily due to property tax receipts.

The average days of cash on hand for the month ended April 30, 2016, increased from 235 days to 258 days. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency's cash flow. New connection fees collected and held by member agencies is excluded from the days of cash on hand calculation.

The Agency's investment portfolio average rate of return in April 2016 was 0.803%, a slight decrease of 0.014% compared to the average yield of 0.817% reported in March 2016. The decrease can be attributed to called securities with high yield earnings rate.

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Attachment: April 2016 Treasurer's Report of Financial Affairs

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended April 30, 2016



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on June 17, 2015.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 April 30, 2016

	April	March
Cash, Bank Deposits, and Bank Investment Accounts	\$1,785,384	\$2,234,594
Investments		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$15,848,315	\$12,227,621
Local Agency Investment Fund (LAIF)	30,508,647	36,397,078
CalTrust	15,987,062	10,057,625
California Asset Management Program (CAMP)	5,001,674	2,000,719
Certificates of Deposit	3,874,000	3,874,000
Medium Term Notes	8,099,730	6,101,325
U.S. Treasury Notes	999,887	999,873
U.S. Government Sponsored Entities	26,974,634	27,974,066
Total Investments	\$107,293,949	\$99,632,307
Total Cash and Investments Available to the Agency	\$109,079,333	\$101,866,901
Restricted Deposits		
Debt Service Accounts	\$2,544,729	\$2,544,729
CCRA Deposits Held by Member Agencies	56,502,181	55,361,666
OPEB (CERBT) Account	7,147,027	7,070,337
Escrow Deposits	30,076	30,032
Total Restricted Deposits	\$66,224,013	\$65,006,764
Total Cash, Investments, and Restricted Deposits	\$175,303,346	\$166,873,665

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 April 30, 2016

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Offset by CBB Sweep Balance)	\$169,738
CBB Workers' Compensation Account	80,605
Bank of America (BoFA) Payroll Account	54,376
BoFA Payroll Taxes Account	378,273
Subtotal Demand Deposits	\$682,992

Other Cash and Bank Accounts

Petty Cash	\$2,250
Subtotal Other Cash	\$2,250

Bank of the West Money Market Account

\$51,816

US Bank Pre-Investment Money Market Account

\$1,048,326

Total Cash and Bank Accounts

\$1,785,384

Investments

CBB Repurchase (Sweep) Investments

Federal Home Loan	\$15,848,315
Subtotal CBB Repurchase (Sweep)	\$15,848,315

Local Agency Investment Fund (LAIF)

LAIF Non-Restricted Fund	\$30,498,772
LAIF Insurance Sinking Fund	9,875
Subtotal Local Agency Investment Fund	\$30,508,647

CalTrust

Short Term	\$10,057,625
Medium Term	5,929,437
Subtotal CalTrust	\$15,987,062

California Asset Management Program (CAMP)

Pool	\$5,001,674
Subtotal CAMP	\$5,001,674

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 April 30, 2016

Investments Continued

Certificates of Deposit

Brokered Certificates of Deposit
 Subtotal Certificates of Deposit

\$3,874,000
\$3,874,000

Medium Term Notes

John Deere Capital Corp.
 Toyota Motor Credit Corp.
 JP Morgan Chase & Co.
 Johnson & Johnson
 Microsoft
 Subtotal Medium Term Notes

\$1,001,204
 2,000,000
 999,282
 2,024,979
 2,074,265
\$8,099,730

U.S. Treasury Notes

Treasury Note
 Subtotal U.S. Treasury Notes

\$999,887
\$999,887

U.S. Government Sponsored Entities

Fannie Mae Bank
 Freddie Mac Bank
 Federal Farm Credit Bank
 Federal Home Loan Bank
 Subtotal U.S. Government Sponsored Entities

\$7,999,539
 2,000,856
 6,000,000
 10,974,239
\$26,974,634

Total Investments

\$107,293,949

Restricted Deposits

Debt Service Reserves

08B Debt Service Accounts
 10A Debt Service Accounts
 Subtotal Debt Service Reserves

\$2,544,719
 10
\$2,544,729

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 April 30, 2016

CCRA Deposits Held by Member Agencies

City of Chino	\$12,999,389
Cucamonga Valley Water District	12,557,959
City of Fontana	9,432,247
City of Montclair	2,557,181
City of Ontario	10,017,905
City of Chino Hills	5,379,456
City of Upland	3,558,044
Subtotal CCRA Deposits Held by Member Agencies	\$56,502,181

CalPERS

OPEB (CERBT) Account	\$7,147,027
Subtotal CalPERS Accounts	\$7,147,027

Escrow Deposits

Genesis Construction	\$30,076
Subtotal Escrow Deposits	\$30,076

Total Restricted Deposits

\$66,224,013

Total Cash, Investments, and Restricted Deposits as of April 30, 2016

\$175,303,346

Total Cash, Investments, and Restricted Deposits as of 4/30/16
 Less: Total Cash, Investments, and Restricted Deposits as of 3/31/16

\$175,303,346
 166,873,665

Total Monthly Increase (Decrease)

\$8,429,681

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2016

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	April Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Cash, Bank Deposits, and Bank Investment Accounts													
Citizens Business Bank (CBB)													
Demand Account*					\$169,738	\$169,738	N/A	N/A	\$169,738		N/A	N/A	\$169,738
Workers' Compensation Account					80,605	80,605	N/A	N/A	80,605		N/A	N/A	80,605
Subtotal CBB Accounts					\$250,343	\$250,343			\$250,343				\$250,343
Bank of America (BoFA)													
Payroll Checking					\$54,376	\$54,376	N/A	N/A	\$54,376		N/A	N/A	\$54,376
Payroll Tax Checking					378,273	378,273	N/A	N/A	378,273		N/A	N/A	378,273
Subtotal B of A Accounts					\$432,649	\$432,649			\$432,649				\$432,649
Bank of the West													
Money Market Plus - Business Account					\$51,816	\$51,816	N/A	N/A	\$51,816	0.18%	0.18%	N/A	\$51,816
Subtotal Bank of the West Account					\$51,816	\$51,816			\$51,816				\$51,816
US Bank (USB)													
Federated Automated MMA					\$1,048,326	\$1,048,326	N/A	N/A	\$1,048,326	0.01%	0.01%	N/A	\$1,048,326
Subtotal USB Account					\$1,048,326	\$1,048,326			\$1,048,326				\$1,048,326
Petty Cash					\$2,250	\$2,250	N/A	N/A	\$2,250		N/A	N/A	\$2,250
Total Cash, Bank Deposits and Bank Investment Accounts					\$1,785,384	\$1,785,384			\$1,785,384				\$1,785,384
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
Investments													
CBB Daily Repurchase (Sweep) Accounts													
Federal Home Loan					\$15,848,315	\$15,848,315	N/A	N/A	\$15,848,315	0.30%	0.30%	N/A	\$15,848,315
Subtotal CBB Repurchase Accounts					\$15,848,315	\$15,848,315			\$15,848,315				\$15,848,315
LAIF Accounts													
Non-Restricted Funds					\$30,498,772	\$30,498,772	N/A	N/A	\$30,498,772	0.506%	0.506%	N/A	\$30,498,772
LAIF Sinking Fund					9,875	9,875	N/A	N/A	9,875	0.506%	0.506%	N/A	9,875
Subtotal LAIF Accounts					\$30,508,647	\$30,508,647			\$30,508,647				\$30,508,647
CALTRUST Accounts													
Short-Term					\$10,057,625	\$10,057,625	N/A	N/A	\$10,057,625	0.71%	0.71%	N/A	\$10,057,625
Medium-Term					5,929,437	5,929,437	N/A	N/A	5,929,437	0.99%	0.99%	N/A	5,929,437
Subtotal CalTrust Accounts					\$15,987,062	\$15,987,062			\$15,987,062	0.814%	0.814%		\$15,987,062
CAMP Accounts													
Short-Term					\$5,001,674	\$5,001,674	N/A	N/A	\$5,001,674	0.48%	0.48%	N/A	\$5,001,674
Subtotal CAMP Accounts					\$5,001,674	\$5,001,674			\$5,001,674				\$5,001,674

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2016

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	Apr'l Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Investments (continued)													
Brokered Certificates of Deposit (CDs)													
Ally Bank	N/A				\$245,000	\$245,000	551		\$245,000	0.80%	0.80%	01/17/17	\$245,132
Capital One National Association	N/A				240,000	240,000	552		240,000	0.80%	0.80%	01/17/17	240,130
Compass Bank	N/A				245,000	245,000	552		245,000	0.85%	0.85%	01/17/17	245,132
Comenity Capital Bank	N/A				240,000	240,000	731		240,000	1.15%	1.15%	07/13/17	240,478
Discover Bank	N/A				240,000	240,000	552		240,000	1.15%	1.15%	07/17/17	240,439
Medallion Bank	N/A				240,000	240,000	733		240,000	1.20%	1.20%	07/17/17	240,439
Sallie Mae Bank	N/A				248,000	248,000	743		248,000	1.15%	1.15%	11/06/17	248,858
Key Bank National Association	N/A				248,000	248,000	732		248,000	1.10%	1.10%	11/13/17	248,875
Capital One Bank	N/A				240,000	240,000	916		240,000	1.35%	1.35%	01/16/18	241,262
Goldman Sachs Bank USA	N/A				240,000	240,000	916		240,000	1.40%	1.40%	01/16/18	241,464
BMW Bank of North America	N/A				240,000	240,000	915		240,000	1.40%	1.40%	01/17/18	241,462
American Express Bank	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	241,541
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	241,541
HSBC Bank USA, NA Step	N/A				244,000	244,000	1827		244,000	1.25%	1.25%	07/29/20	244,886
JPM Chase NA Step	N/A				244,000	244,000	1827		244,000	1.25%	1.25%	07/31/20	244,456
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	245,856
Subtotal Brokered CDs					\$3,874,000	\$3,874,000		\$0	\$3,874,000		1.426%		\$3,891,951

US Treasury Note					\$1,000,000	\$999,463	1092	15	\$999,887	0.63%	0.64%	12/15/16	\$1,000,630
US Treasury Note	N/A	AAA			\$1,000,000	\$999,463	1092	15	\$999,887	0.63%	0.64%	12/15/16	\$1,000,630
Subtotal US Treasuries					\$1,000,000	\$999,463		15	\$999,887		0.64%		\$1,000,630

U.S. Government Sponsored Entities													
Federal Home Loan Bank	N/A	AAA			\$2,000,000	\$2,000,000	355		\$2,000,000	0.38%	0.38%	06/20/16	\$2,000,200
Freddie Mac Bond	AA+	AAA			2,000,000	2,001,500	722	(64)	2,000,856	0.85%	0.81%	06/16/17	2,000,700
Federal Home Loan Bank	AA+	AAA			2,000,000	2,000,000	1,100		2,000,000	1.20%	1.20%	06/29/18	2,000,160
Fannie Mae Bond	AA+	AAA			2,000,000	2,000,000	1,097		2,000,000	1.20%	1.20%	11/28/18	2,003,200
Fannie Mae Bond	AA+	AAA			2,000,000	2,000,000	1,459		2,000,000	1.63%	1.63%	12/28/18	2,011,640
Federal Farm Credit Bank	AA+	AAA			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,997,630
Federal Home Loan Bank	AA+	AAA			3,000,000	3,000,000	1,186		3,000,000	1.50%	1.50%	04/26/19	3,008,520
Fannie Mae Bond	AA+	AAA			4,000,000	3,999,400	1,456	12	3,999,539	1.50%	1.50%	05/24/19	4,002,120
Federal Farm Credit Bank	AA+	AAA			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	2,030,540
Freddie Mac Bond	AA+	AAA			3,000,000	2,974,928	1,359	598	2,975,099	1.25%	1.50%	10/02/19	3,014,940
Federal Home Loan Bank	AA+	AAA			1,000,000	999,140	1,461	21	999,140	1.40%	1.43%	10/08/19	1,000,000
Federal Farm Credit Bank	AA+	AAA			1,000,000	1,000,000	1,461		1,000,000	1.42%	1.42%	10/21/19	1,000,570
Subtotal U.S. Gov't Sponsored Entities					\$27,000,000	\$26,972,828		\$567	\$26,974,634		1.288%		\$27,070,220

(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2016

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	April Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Medium Term Notes													
John Deere Capital Corp	A	A2			\$1,000,000	\$1,004,000	1,754	(68)	\$1,001,204	1.20%	1.11%	10/10/17	\$1,002,960
Toyota Motor Credit Corp	AA-	AA3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	2,000,820
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	29	999,282	1.63%	1.66%	05/15/18	1,002,080
Johnson & Johnson	AAA	AAA			2,000,000	2,027,480	1,044	(790)	2,024,979	1.65%	1.16%	12/05/18	2,034,380
Microsoft	AAA	AAA			2,050,000	2,076,691	1,045	(766)	2,074,265	1.63%	1.16%	12/06/18	2,090,057
Subtotal Medium Term Notes					\$8,050,000	\$8,107,171		(\$1,595)	\$8,099,730		1.20%		\$8,130,297
Total Investments					\$107,269,698	\$107,299,160			\$107,293,949				\$97,381,171
<i>(Source of Investment Market Value: US Bank)</i>													
Restricted Deposits													
Debt Service and Arbitrage Accounts													
08B Debt Service Accounts					\$2,544,719	\$2,544,719	N/A	N/A	\$2,544,719		0.00%		\$2,544,719
10A Debt Service Accounts					10	10	N/A	N/A	10		0.00%		10
Total Debt Service Accounts					\$2,544,729	\$2,544,729			\$2,544,729				\$2,544,729
CCRA Deposits Held by Member Agencies													
City of Chino					\$12,999,389	\$12,999,389	N/A	N/A	\$12,999,389		N/A	N/A	\$12,999,389
Cucamonga Valley Water District					12,557,959	12,557,959	N/A	N/A	12,557,959		N/A	N/A	12,557,959
City of Fontana					9,432,247	9,432,247	N/A	N/A	9,432,247		N/A	N/A	9,432,247
City of Montclair					2,557,181	2,557,181	N/A	N/A	2,557,181		N/A	N/A	2,557,181
City of Ontario					10,017,905	10,017,905	N/A	N/A	10,017,905		N/A	N/A	10,017,905
City of Chino Hills					5,379,456	5,379,456	N/A	N/A	5,379,456		N/A	N/A	5,379,456
City of Upland					3,558,044	3,558,044	N/A	N/A	3,558,044		N/A	N/A	3,558,044
Subtotal CCRA Deposits Held by Member Agencies					\$56,502,181	\$56,502,181			\$56,502,181				\$56,502,181
<i>(Reported total as of March 31, 2016)</i>													
CalPERS Deposits													
OPEB (CERBT) Account					\$7,000,000	\$7,000,000	N/A	N/A	\$7,147,027		N/A	N/A	\$7,147,027
Subtotal CalPERS Deposits					\$7,000,000	\$7,000,000			\$7,147,027				\$7,147,027
Escrow Deposits													
Genesis Construction Escrow					\$30,076	\$30,076	N/A	N/A	\$30,076		N/A	N/A	\$30,076
Subtotal Escrow Deposits					\$30,076	\$30,076			\$30,076				\$30,076
Total Restricted Deposits					\$66,076,986	\$66,076,986			\$66,224,013				\$66,224,013
Total Cash, Investments, and Restricted Deposits as of April 30, 2016					\$175,132,068	\$175,161,530			\$175,308,346				\$165,390,568

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 April 30, 2016

April Purchases

No.	Date	Transaction	Investment Security	Par Amount Purchased	Investment Yield
1	4/25/2016	Purchase	Toyota Motor Credit Corp.	\$ 2,000,000	1.10%
Total Purchases				\$ 2,000,000	

April Investment Maturities, Calls & Sales

No.	Date	Transaction	Investment Security	Par Amount Matured/Sold	Investment Yield to Maturity
1	4/29/2016	Full Call	Federal Home Loan Mortgage	\$ 1,000,000	1.000%
Total Maturities, Calls & Sales				\$ 1,000,000	

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2016

Directed Investment Category	Amount Invested	Yield
CBB Repurchase (Sweep)	\$15,848,315	0.300%
LAIIF	30,508,647	0.506%
CalTrust	15,987,062	0.814%
CAMP	5,001,674	0.480%
Medium Term Notes	8,099,730	1.201%
US Treasury Notes	999,887	0.640%
U.S. Government Sponsored Entities	26,974,634	1.288%
	\$103,419,949	0.780%
Bank Deposit and Investment Accounts		
Various Banks - Brokered Certificates of Deposit	\$3,874,000	1.426%
Bank of the West Money Market Account	51,816	0.180%
	\$3,925,816	1.410%

Total Investment Portfolio

Investment Portfolio Rate of Return

\$107,345,765
0.803%

Restricted/Transitory/Other Demand Accounts

Restricted/Transitory/Other Demand Accounts	Amount Invested	Yield
GCRA Deposits Held by Member Agencies	\$56,502,181	N/A
CalPERS OPEB (CERBT) Account	7,147,027	N/A
US Bank - 2008B Debt Service Accounts	2,544,719	0.000%
Citizens Business Bank - Demand Account	169,738	N/A
US Bank - 2010A Debt Service Accounts	10	0.000%
US Bank - Pre-Investment Money Market Account	1,048,326	0.010%
Citizens Business Bank - Workers' Compensation Account	80,605	N/A
Other Accounts*	434,899	N/A
	\$67,927,505	0.003%

Total Agency Directed Deposits

\$175,273,270

* Note: Bank of America Payroll Deposits used as compensating balances for bank services.

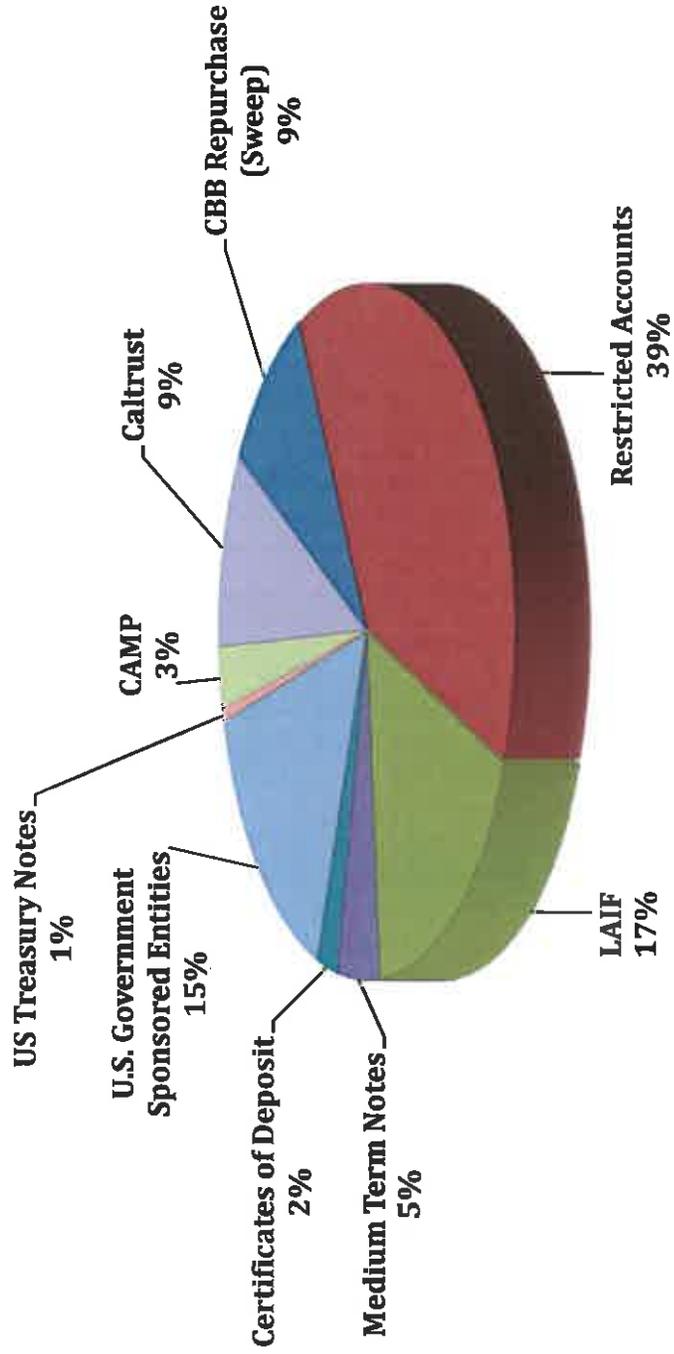
Inland Empire Utilities Agency

Treasurer's Report of Financial Affairs

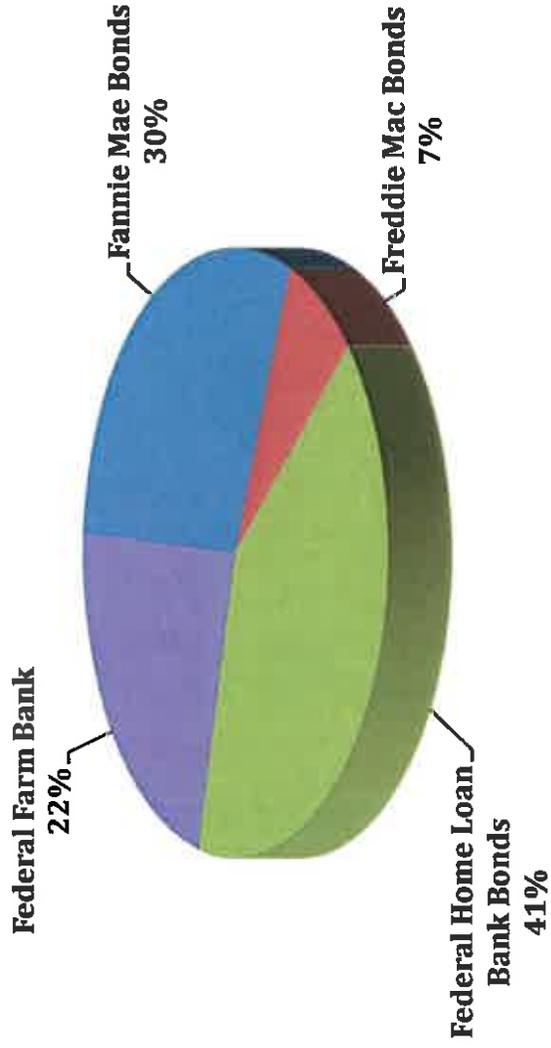
For the Month Ended April 30, 2016

Agency Investment Portfolio (net of escrow deposits)

\$175,273,270



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended April 30, 2016
U.S. Government Sponsored Entities Portfolio
\$26,974,634



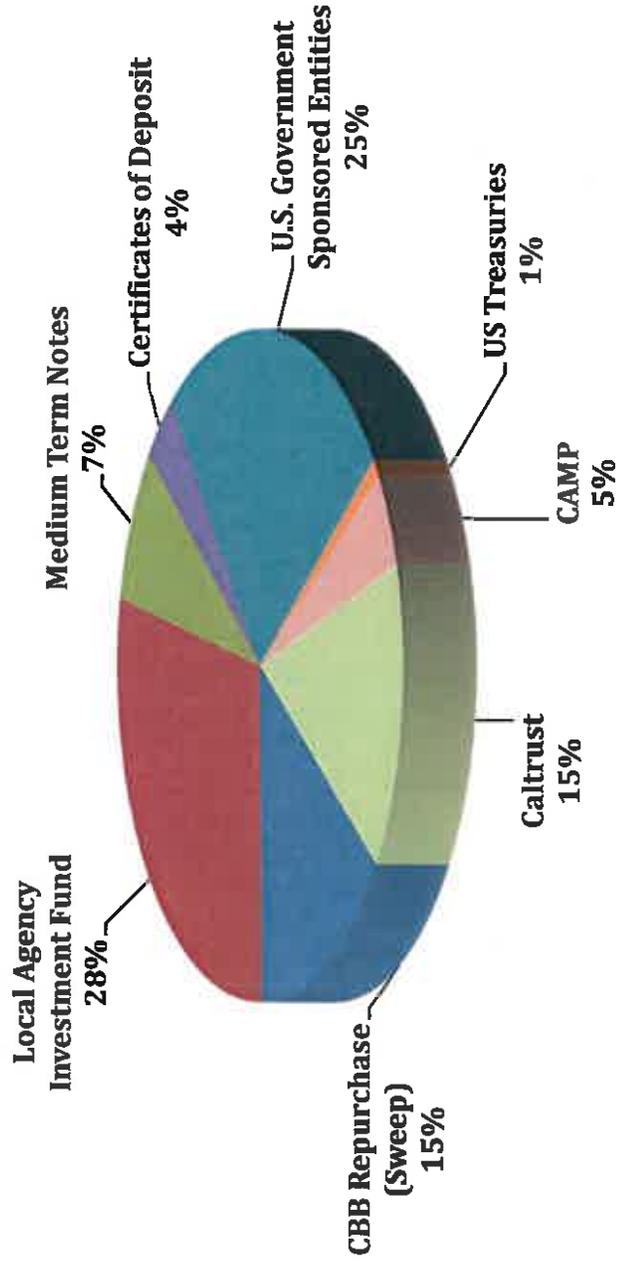
Inland Empire Utilities Agency

Treasurer's Report of Financial Affairs

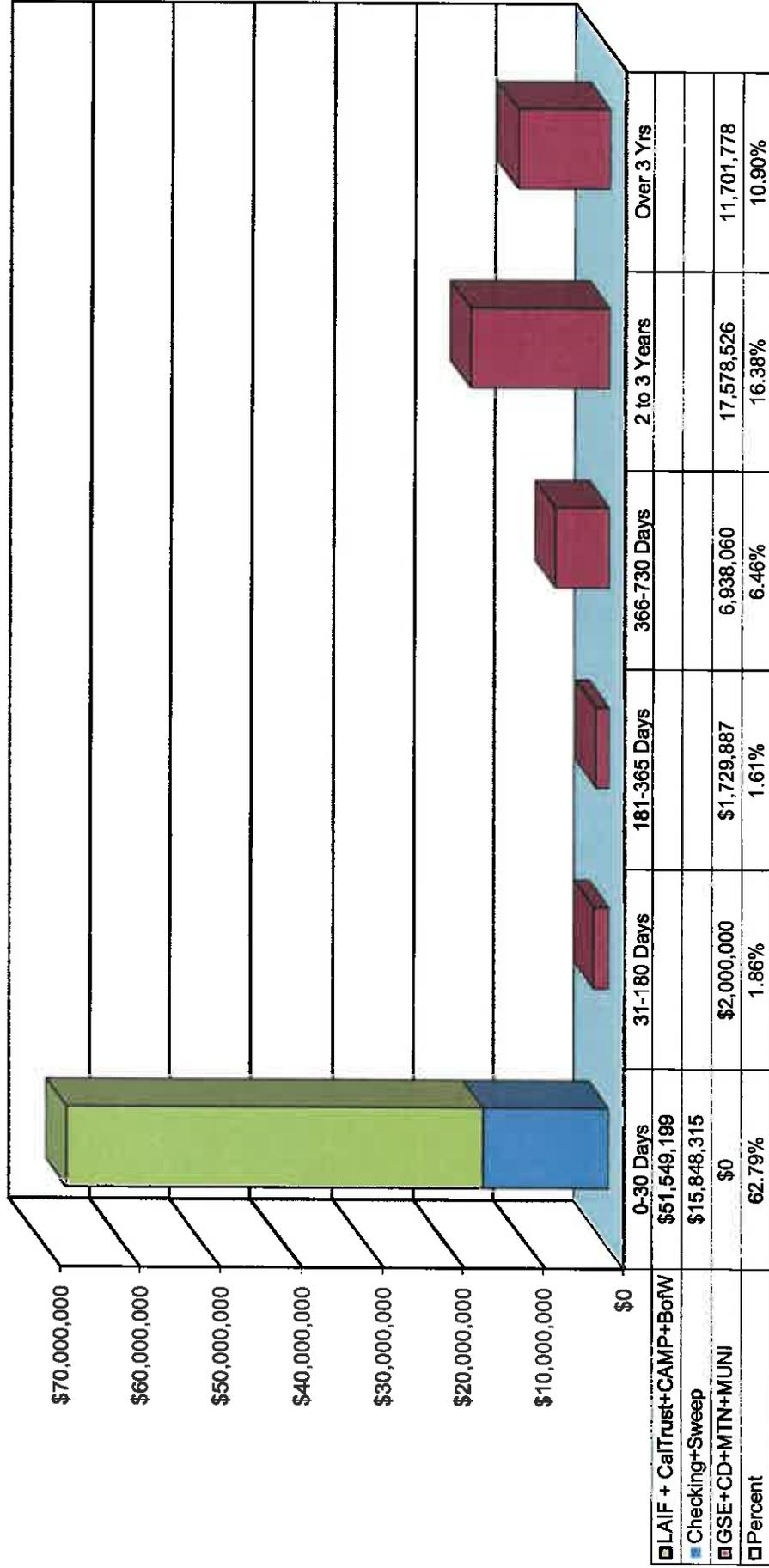
For the Month Ended April 30, 2016

Unrestricted Agency Investment Portfolio

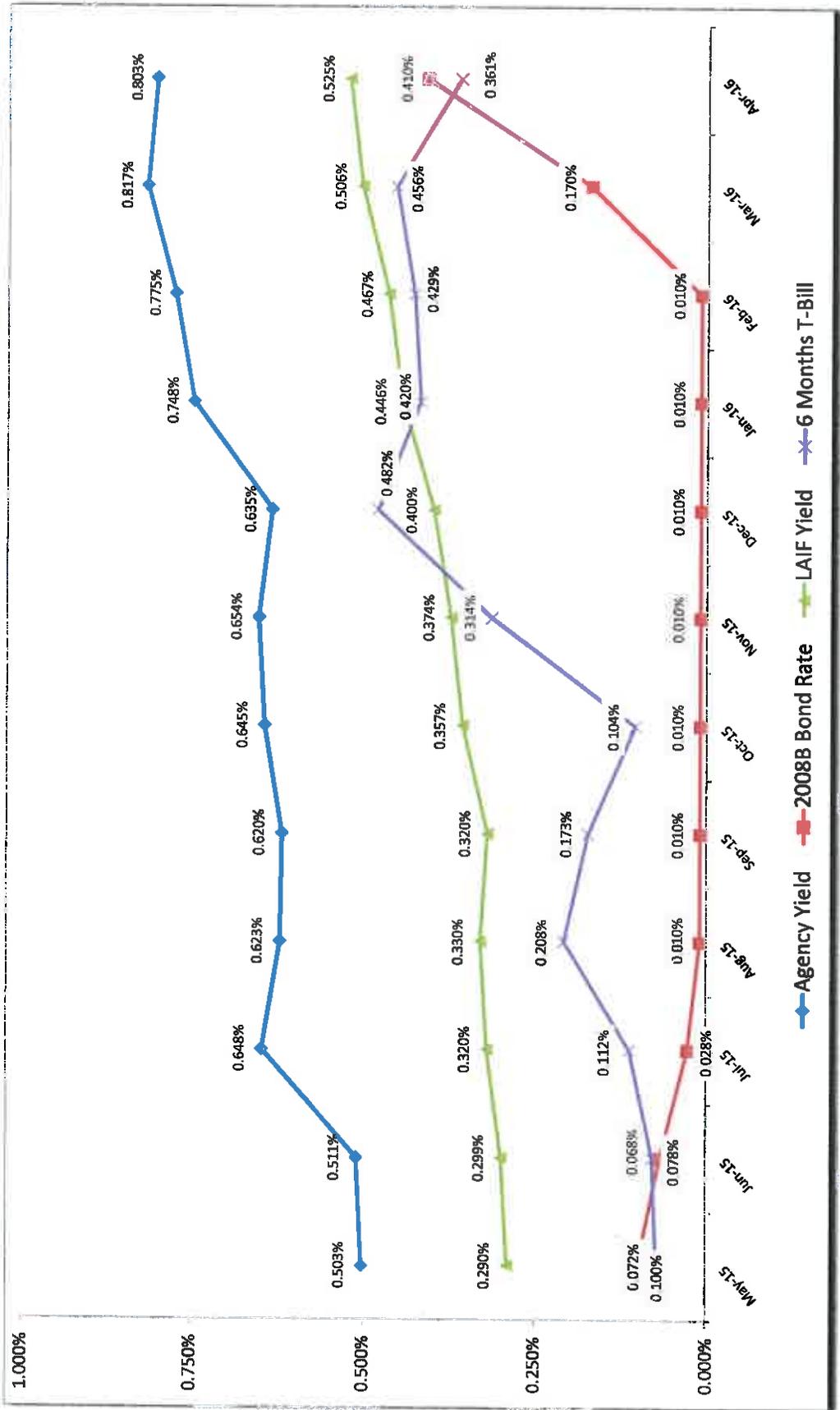
\$107,293,949



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 For the Month Ended April 30, 2016
Agency Investment Portfolio Maturity Distribution
\$107,345,765



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
Agency Investment Portfolio Yield Comparison





Treasurer's Report of Financial Affairs for April 30, 2016

**June 2016
Board Meeting**

Report of Financial Affairs

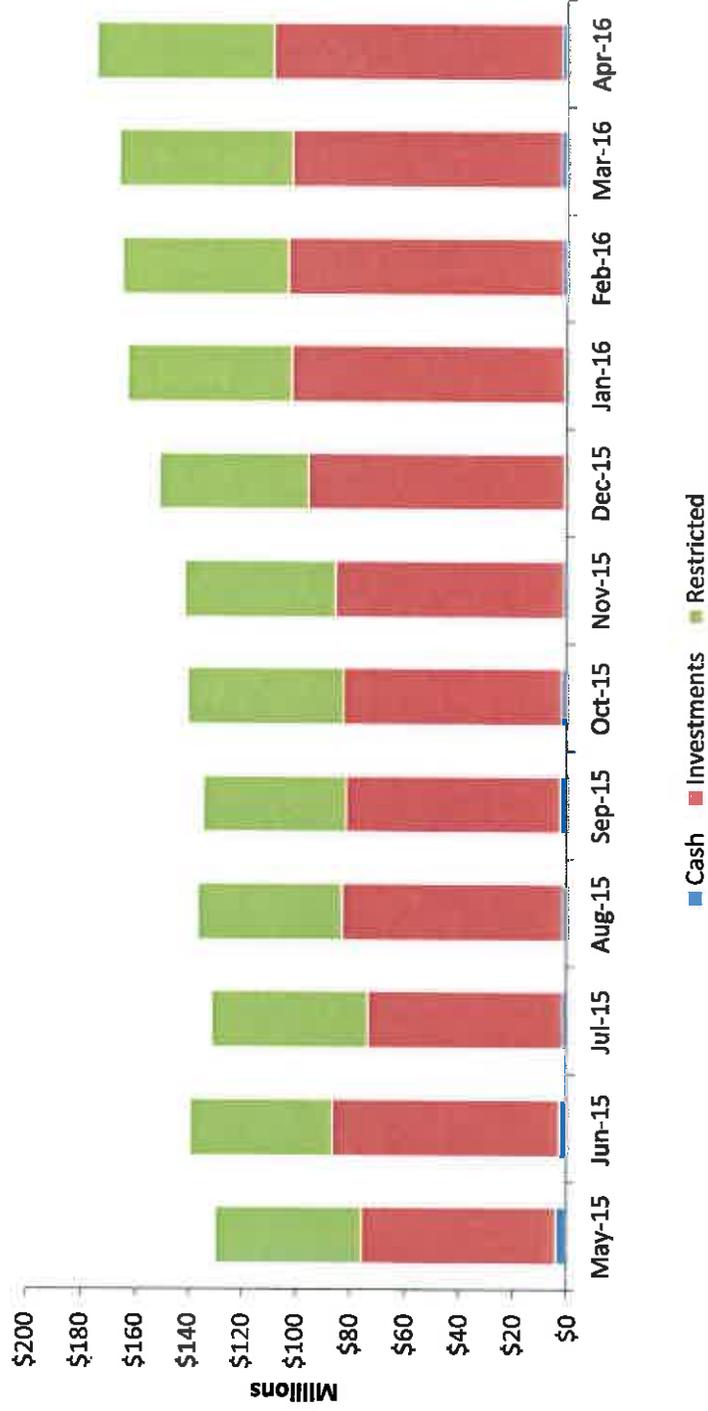
Liquidity

Description	April 2016 (\$ million)	March 2016 (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$175.3	\$166.9	\$8.4
Total Investment Portfolio	\$107.3	\$99.6	\$7.7
Investment Portfolio Yield	0.803%	0.817%	(0.014%)
Weighted Average Duration (years)	0.94	1.03	(0.09)
Average Cash on Hand (days)	258	235	23

Portfolio

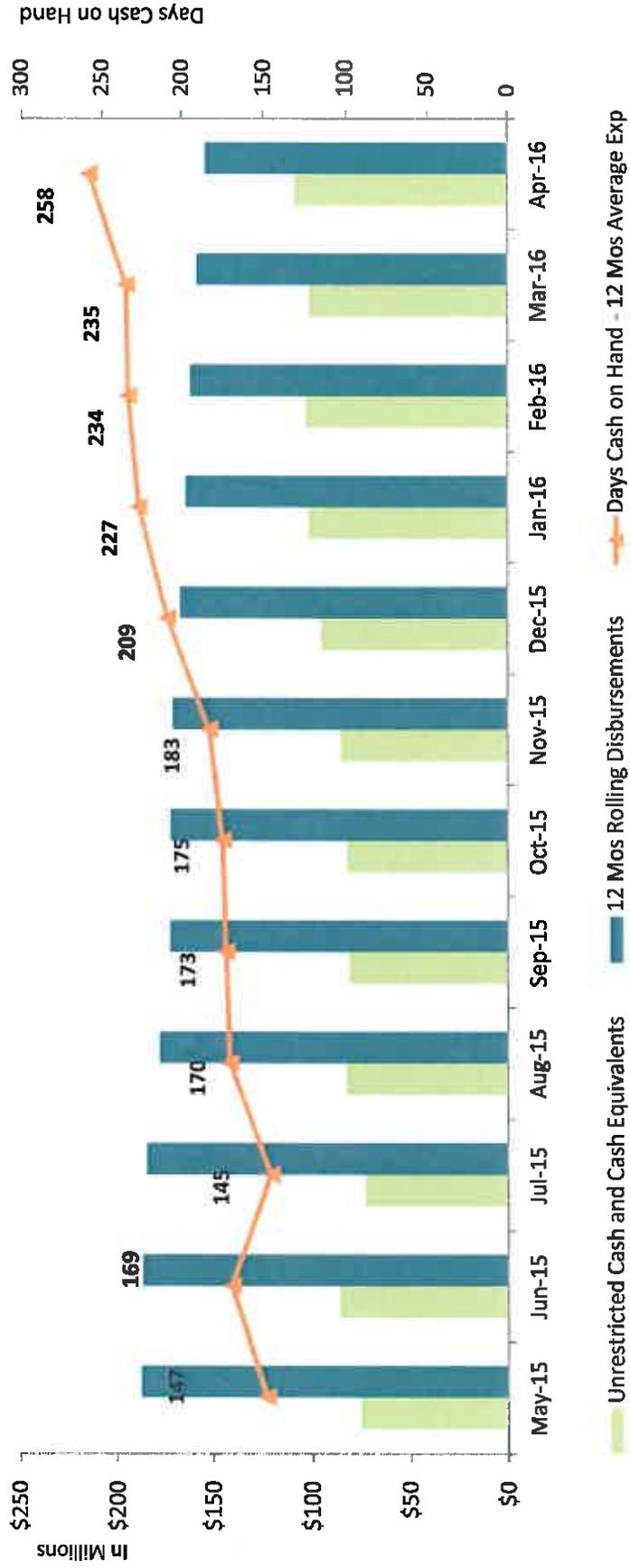
Term	Description	Allowable Threshold (\$ million)	Investment Value (\$ million)	Yield	Current Portfolio %
Short Term, Under 1 Year:	LAIF	\$65	\$30.5	0.51%	28%
	CalTrust	\$20	\$16.0	0.69%	15%
	Citizens Business – Sweep	40%	\$15.8	0.30%	15%
	CAMP	\$20	\$5.0	0.50%	5%
	Brokered CDs	30%	\$0.7	0.82%	0.5%
	US Treasury Note	n/a	\$1.0	0.64%	1%
	US Government Securities	n/a	\$2.0	0.38%	2%
1 to 3 Years:	Brokered CDs	30%	\$2.4	1.33%	2%
	US Government Securities	n/a	\$14.0	1.20%	13%
	Medium Term Notes	10%	\$8.1	1.24%	8%
Over 3 Years:	Brokered CDs	30%	\$0.8	2.36%	0.5%
	US Government Securities	n/a	\$11.0	1.48%	10%

Cash, Investments and Restricted Deposits

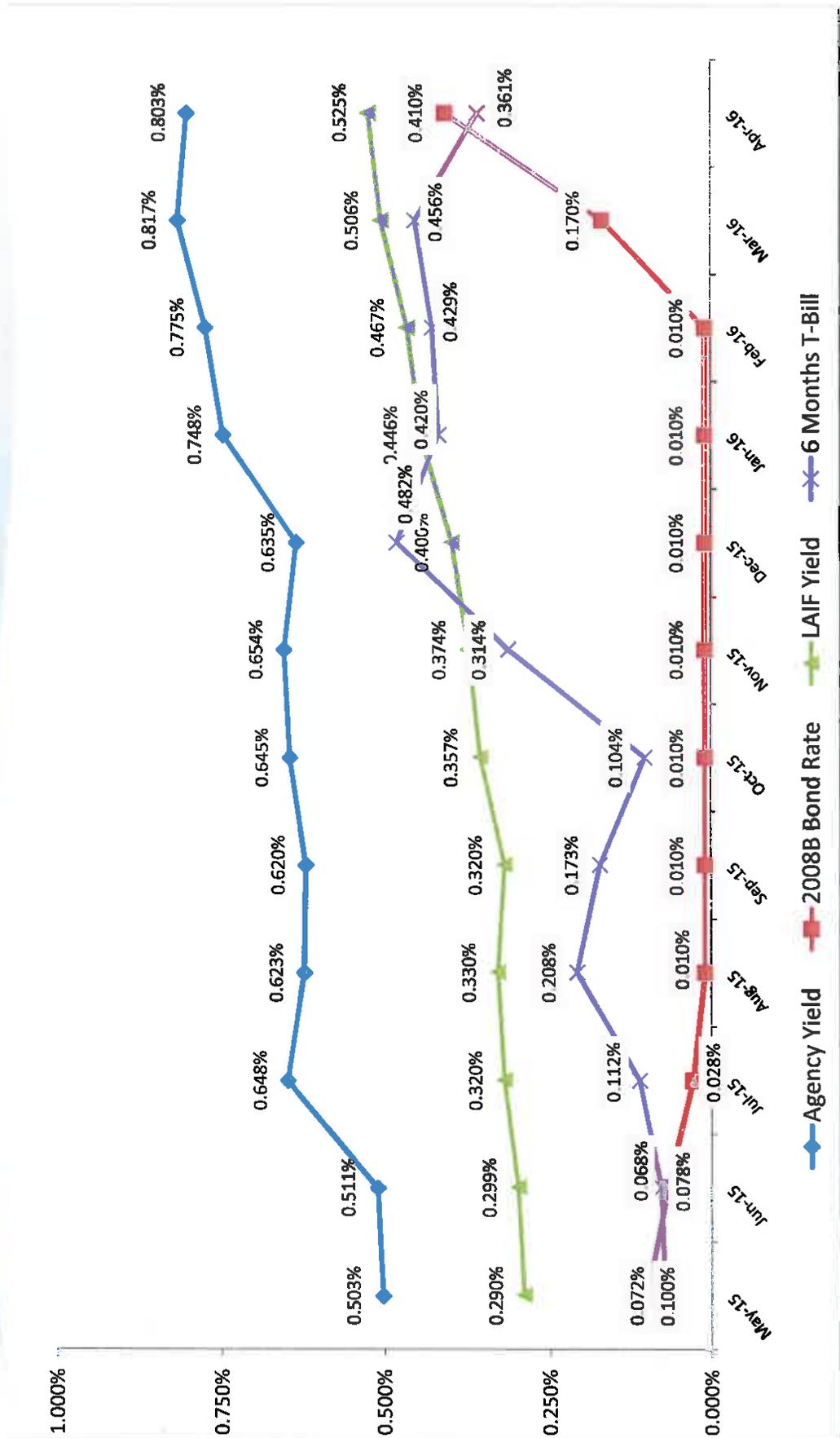


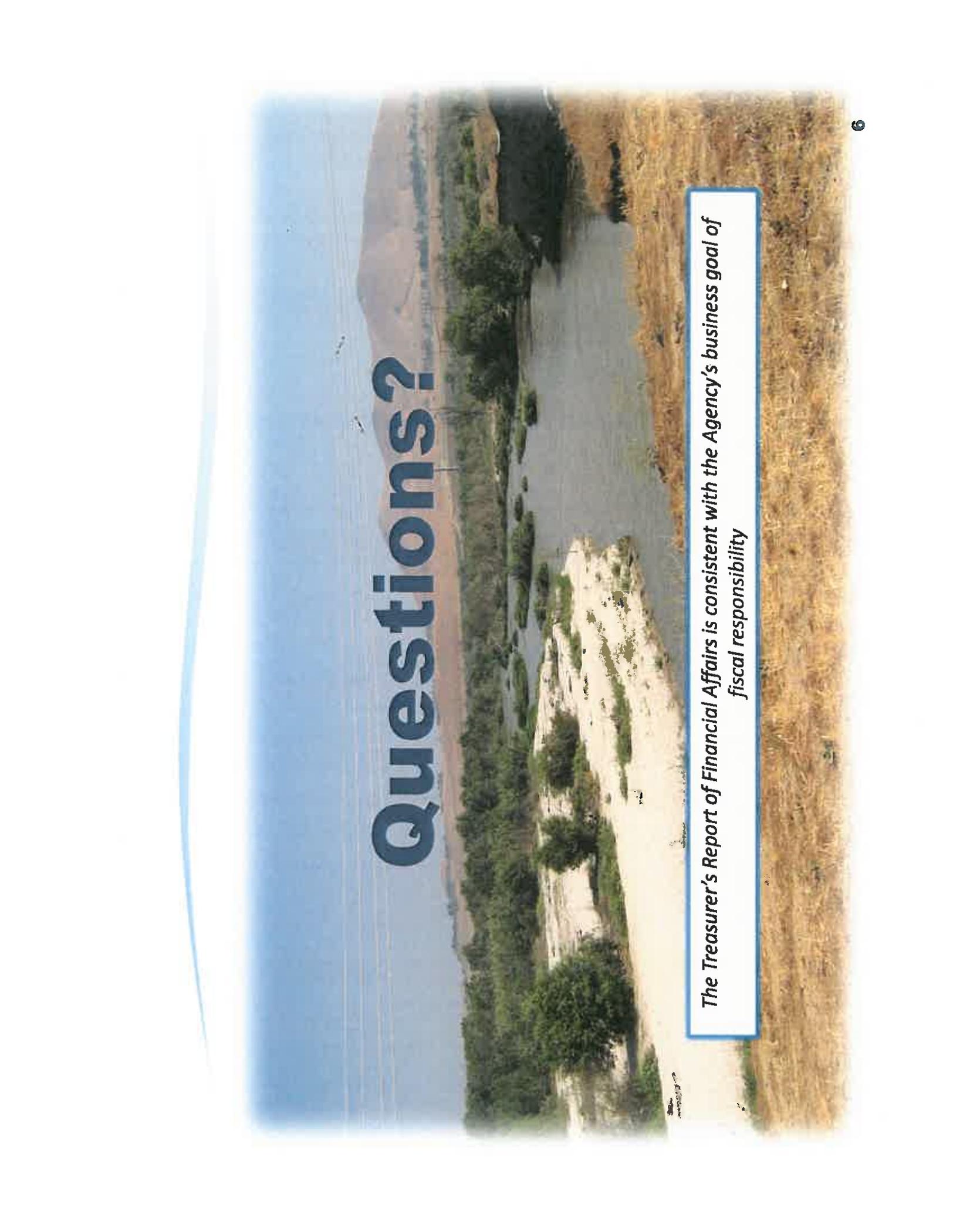
Day Cash on Hand 12 Months Rolling Average

Days Cash on Hand - 12 Mos Rolling



Month End Portfolio Yield Comparison





Questions?

*The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of
fiscal responsibility*