

NOTICE OF MEETING

OF THE
REGIONAL SEWERAGE PROGRAM
POLICY COMMITTEE

OF THE



WILL BE HELD ON
THURSDAY, NOVEMBER 3, 2016
4:30 P.M.
BOARD ROOM
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A
CHINO, CA 91710



Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, November 3, 2016
4:30 p.m.

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91710

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

Additions to the Agenda

- 1. Technical Committee Report (Oral)**
- 2. Action Item**
 - A. Approval of the September 1, 2016 Meeting Minutes
- 3. Informational Items**
 - A. Ten-Year Growth Forecast and Building Activity Report
 - B. RP-1/RP-5 Pre-Design Report Update
 - C. Regional Contract Update/Renewal
 - D. IEUA Business Goals Update
 - E. Sewer and Recycled Water Service to Unincorporated County Area
- 4. Receive and File**
 - A. Building Activity Update
 - B. Recycled Water Distribution – Operations Summary
 - C. Annual Water Use Report
 - D. Fiscal Year 2015/16 Budget Variance
- 5. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – December 1, 2016

Regional Sewerage Program Policy Committee Meeting Agenda

November 3, 2016

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6. Adjournment

DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Monday, November 3, 2016.


Laura Mantilla

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF SEPTEMBER 1, 2016 MEETING

CALL TO ORDER

A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, September 1, 2016, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Chairman Sandoval, City of Fontana, called the meeting to order at 4:30 p.m.

ATTENDANCE

Committee Members:

Earl Elrod	City of Chino
Peter Rogers	City of Chino Hills
Jesse Sandoval	City of Fontana
Jim Bowman	City of Ontario
Debbie Stone	City of Upland
Kathy Tiegs	Cucamonga Valley Water District
Terry Catlin	Inland Empire Utilities Agency

Absent Committee Members:

Paul Eaton	City of Montclair
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Others Present:

John Bosler	Cucamonga Valley Water District
Scott Burton	City of Ontario
Katie Gienger	City of Ontario
Jesus Plasencia	City of Chino
P. Joseph Grindstaff	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency

Others Present (continued):

Kathy Besser	Inland Empire Utilities Agency
Joshua Aguilar	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency

PLEDGE OF ALLEGIANCE

Committee Member Jim Bowman led those present in the pledge of allegiance to the flag. A quorum was present.

PUBLIC COMMENTS

There were no public comments.

1. TECHNICAL COMMITTEE REPORT

Chris Berch/IEUA reported that at the Technical Committee meeting on August 25, 2016, the Technical Committee unanimously approved the construction award for RP-1 mixed liquor return pumps and aeration basin panel repairs. The Technical Committee also discussed the Regional Contract, which will be discussed as an informational item today.

2. ACTION ITEMS**A. Approval of Minutes of June 2, 2016 Regional Policy Committee Meeting**

Motion: By Earl Elrod/City of Chino and seconded by Peter Rogers/City of Chino Hills to approve the minutes of the June 2, 2016 Regional Policy Committee Meeting.

Motion carried: Unanimously.

B. Construction Contract Award for RP-1 Mixed Liquor Return Pumps and Aeration Basin Panel Repairs

Shaun Stone/IEUA gave a presentation on the RP-1 mixed liquor return pumps and aeration basin panels project. He stated that RP-1 is nearing its capacity of nitrogen removal at the current flow rates and the need to improve nitrogen removal efficiencies in the secondary system. IEUA's groundwater discharge permit allows 5 mg/L of total Nitrogen at the lysimeters at the basin and IEUA's NPDES Permit allows 8 mg/L of total Inorganic Nitrogen. Mr. Stone stated that the second part of the project is the replacement of the aeration panels and that it is a routine maintenance project that occurs every 3 to 5 years as the panel performance degrades.

On July 14, 2016 IEUA requested bids from four prequalified contractors. On August 16th, IEUA received four bids, of which J.F. Shea Construction Inc. was the lowest responsive bidder. The construction project cost is \$4.9 million for the mixed liquor return pump and \$1.7 million for the aeration basin panel repairs for a total lump sum of \$6.6 million. The project will be completed in January 2018.

Staff is recommending the Committee to authorize the Agency to award the contract to the lowest responsive bidder, J.F. Shea Construction Inc.

Motion: By Jim Bowman/City of Ontario and seconded by Earl Elrod/City of Chino to make recommendation to the IEUA Board of Directors to award the construction contract for the RP-1 Mixed Liquor Return Pumps and Aeration Basin Panel Repairs to J.F. Shea Construction Inc.

Motion carried: Unanimously.

1. INFORMATIONAL ITEMS

A. Regional Contract (Oral Update)

Mr. Berch reminded the Committee that the Regional Contract is coming to the end of life in 2023 and there have been discussions on wanting to make updates to the contract. Mr. Berch indicated that if IEUA is going to do some large capital projects, IEUA wants to make sure that the contract adds through the duration of the debt IEUA would incur to do some of these projects. IEUA continues to work with the Technical Committee to refine what the process will be to renew this contract.

The Technical Committee will be meeting next week independent of IEUA staff to gather ideas on an approach and have a workshop the week after. IEUA would like to have a process and schedule that all can commit to by the next Policy Committee meeting. Mr. Berch stated that IEUA anticipates to be in a position around this time next year, to be setting up debt of about \$200 to \$300 million and stated that we need to make sure we have long term stability as a region.

B. Salinity Update

Sylvie Lee/IEUA gave an overview on salinity management. She reviewed the treatment process on salinity management and stated that about 15 years ago IEUA made some commitments to the Regional Water Quality Control Board and the State Water Resources Control Board for us to be able to use recycled water and groundwater recharge. Ms. Lee indicated that part of those commitments were: the Chino Basin Desalters; self-generating water softener use ordinance; brine line discharge requirements for high TDS industrial users; chemical use optimization in the WWTP and securing high quality supplemental water.

Ms. Lee stated that the local water supply TDS is affected by State Water Project (SWP) TDS. She indicated that the effluent recycled water TDS cannot exceed 550 mg/L and that IEUA service area has trended upward in trends of TDS. In 2016, the State Water Project (SWP) levels of TDS was 370 (mg/L) and 285 for IEUA water supply (local +SWP). The current effluent TDS is slightly over 500 and during the drought periods TDS could go up as high as 535. This has made us look at scenarios as what could be expected in 5, 10, and 15 years.

If IEUA exceeds the limit of 550 mg/L, it could result in mandatory penalties/notice of violation; prohibition on use of recycled water for groundwater recharge; cease and desist order from RWQCB and requirements for additional TDS management. IEUA will need to put planning initiatives in place to try to control salts in the region. Ms. Lee stated that some of the options could be that we move forward with other opportunities when it is available such as shift to

lower salt concentration groundwater or bring in extra water when it is available to put into the ground. This also ties in with some of the SARCUP projects or doing additional storm water projects. The final option would be to do advance treatment of recycled water by putting in membranes similar to the desalters.

Mr. Berch added that if IEUA and Member Agencies do not deal with the salt management, it could drive up some significant capital expenditures for the Chino Basin. IEUA is trying to come up with strategies on how to get low TDS water from the Bay Delta. Joseph Grindstaff stated that we are working with the RWQCB to have the limit changed and discharge higher levels. The RWQCB recommended changing the averaging period by going to a 10-year change, but it requires a change in the basin plan.

2. RECEIVE AND FILE

A. Building Activity Report (YTD)

The Building Activity Report (YTD) was received and filed by the Committee.

B. Recycled Water Distribution – Operations Summary

The Recycled Water Distribution Operations Summary was received and filed by the Committee.

C. Semi-Annual Recycled Water Update

The Semi-Annual Recycled Water Update was received and filed by the Committee.

3. OTHER BUSINESS

A. IEUA General Manager's Update

- President Catlin commended Committee Member Jim Bowman for his stupendous service and leadership to the Regional Sewerage Program Policy Committee as chairperson for the last two years and awarded him with a plaque.
- Mr. Grindstaff informed the Committee that Paul Hoefer was appointed to the IEUA Board. He is up for election for the short term in November. Director Hoefer has been on the Chino Basin Water Master Board for 20 years and also served on the Chino Basin Water Conservation District.
- Mr. Grindstaff stated that IEUA was requested by LAFCO to proceed with the process of consolidation and IEUA submitted a resolution request on whether or not to consolidate. LAFCO scheduled a staff hearing with CBWCD to ask for their opinions about the matter and LAFCO will make their decision in four to six months.
- Mr. Grindstaff announced that Legislature passed a bill on organic food waste diversion. The language in the bill indicates that food waste has to be diverted from land fields. IEUA already takes some food waste at RP-5 and processes that through the old dairy digesters, then it is converted to compost after that. Legislature approved regulations requiring that 75% of all commercial food waste be recycled by 2025. This will be a requirement of all cities and counties. The Governor's Office and Cal Recycle have been asking that wastewater agencies consider using digesters to handle food waste. IEUA has been looking into that; however, IEUA cannot use wastewater treatment customers' money to pay for waste hauler cost. The bill will give grants to wastewater agencies so they could do this and increased the cap on the amount of grants. IEUA has been meeting

with staff members and Member Agencies to make sure this issue is addressed. If IEUA facilities can be used and funding is available for that, IEUA wants to provide that service, it will be less costly for our members.

- Mr. Grindstaff stated that IEUA passed the water softener ordinance and have been enforcing that by going out to the big stores to make sure they are not selling the salt regenerating water softeners. There are two or three cities that have not passed their own ordinances and IEUA wants to ask all Member Agencies to pass an ordinance. This is a small incremental step to reduce salt in the water and to put off potentially having to spend money on reverse osmosis desalination.

B. **Committee Member Requested Agenda Items for Next Meeting**

None.

C. **Committee Member Comments**

None.

D. **Next Meeting – October 6, 2016**

4. **ADJOURNMENT – Meeting was adjourned at 5:05 p.m.**

Transcribed by:

Laura Mantilla
Executive Assistant, IEUA

**INFORMATION
ITEM**

3A

FY15/16 Building Activity Summary

Ten-Year Growth Survey



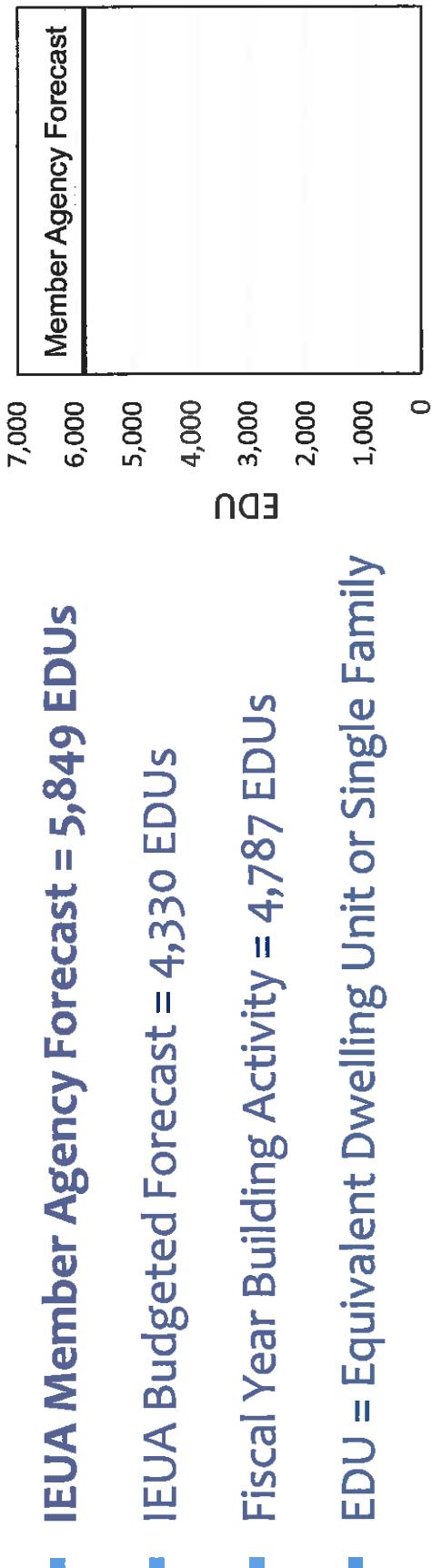
Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT



Pietro Cambiaso

Regional Committees
October/November 2016

Summary: FY15/16 Building Activity



- IEUA Member Agency Forecast = 5,849 EDUs
- IEUA Budgeted Forecast = 4,330 EDUs
- Fiscal Year Building Activity = 4,787 EDUs
- EDU = Equivalent Dwelling Unit or Single Family

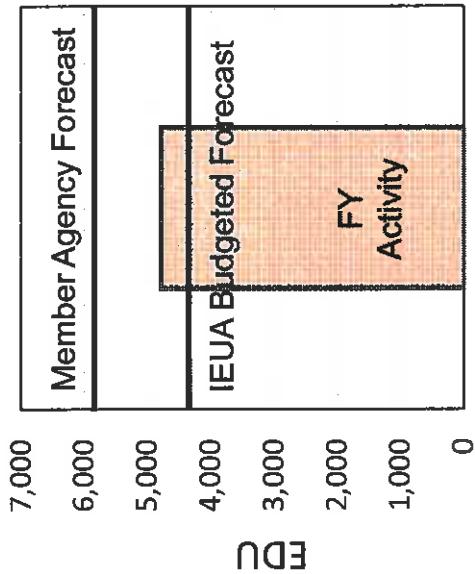
Regional Committees
October / November 2016

2 of 8

Summary: FY15/16 Building Activity

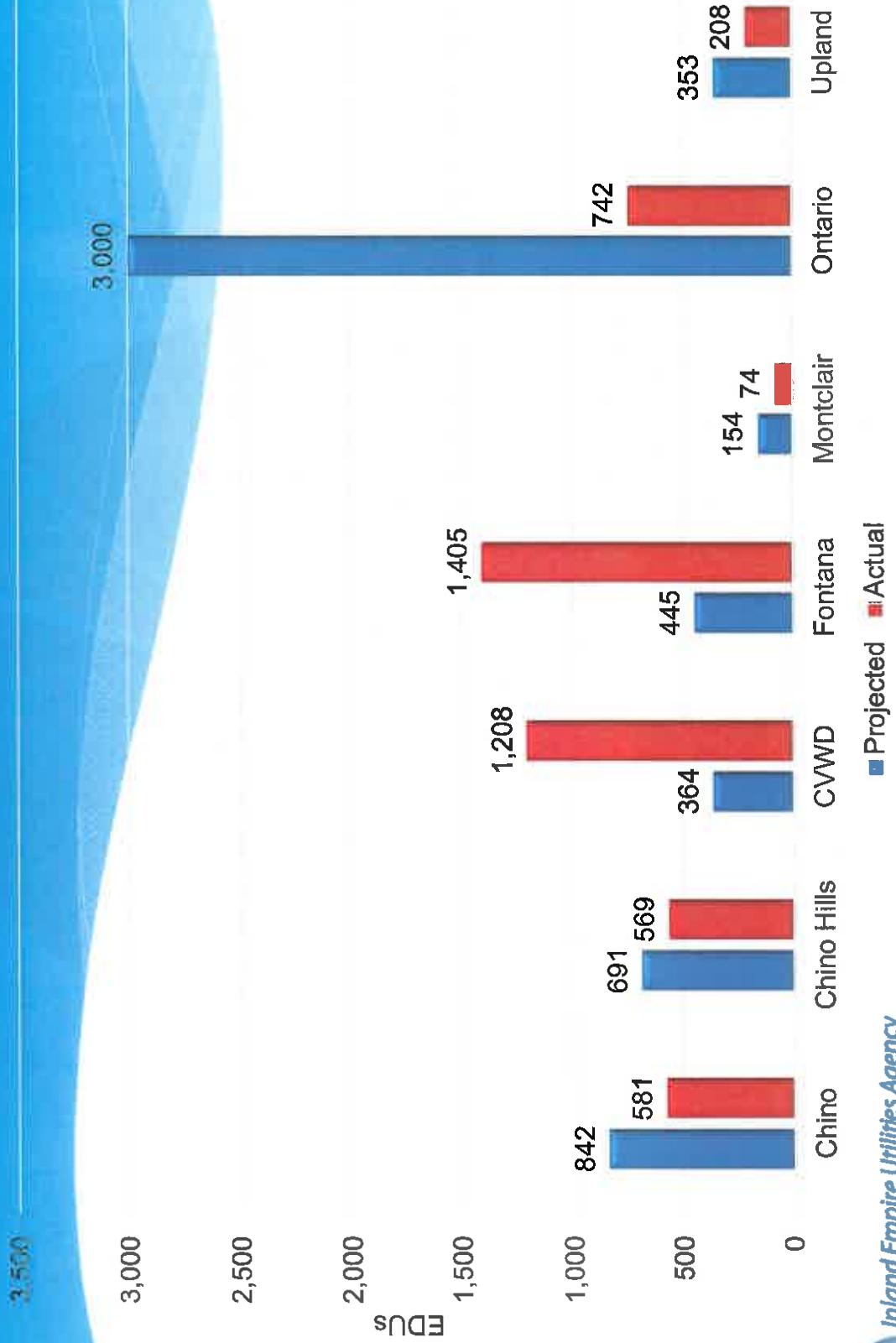


Summary: FY15/16 Building Activity



- IEUA Member Agency Forecast = 5,849 EDUs
- IEUA Budgeted Forecast = 4,330 EDUs
- **Fiscal Year Building Activity = 4,787 EDUs**
- EDU = Equivalent Dwelling Unit or Single Family

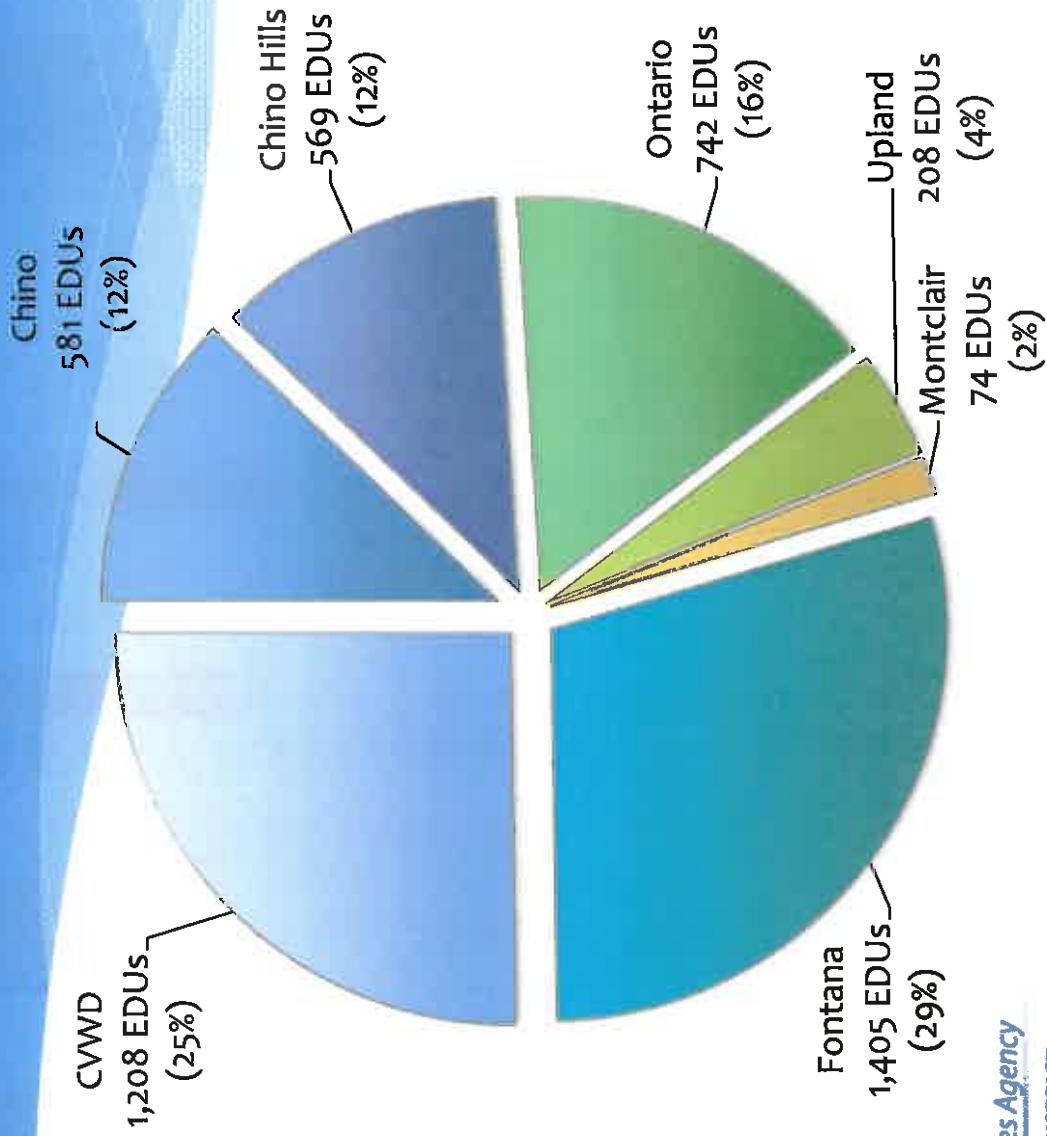
FY15/16 Distribution of Growth



Partial EDU rounded to the nearest whole number.

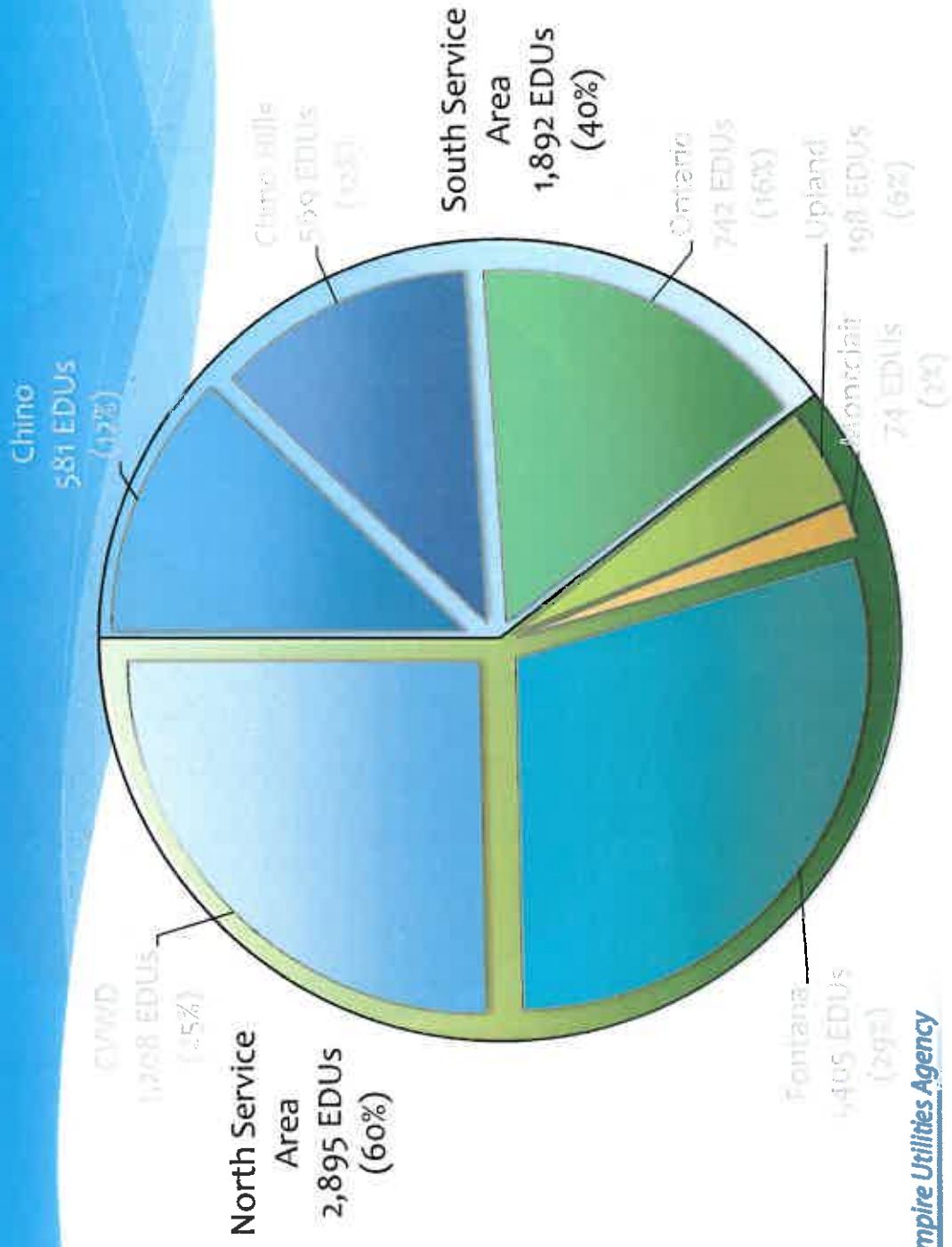
FY15/16 Building Activity

4,787 EDUs Resulted in \$21.8M in CCRRA Funding



FY15/16 Building Activity

4,787 EDUs Resulted in \$21.8M in CCRA Funding

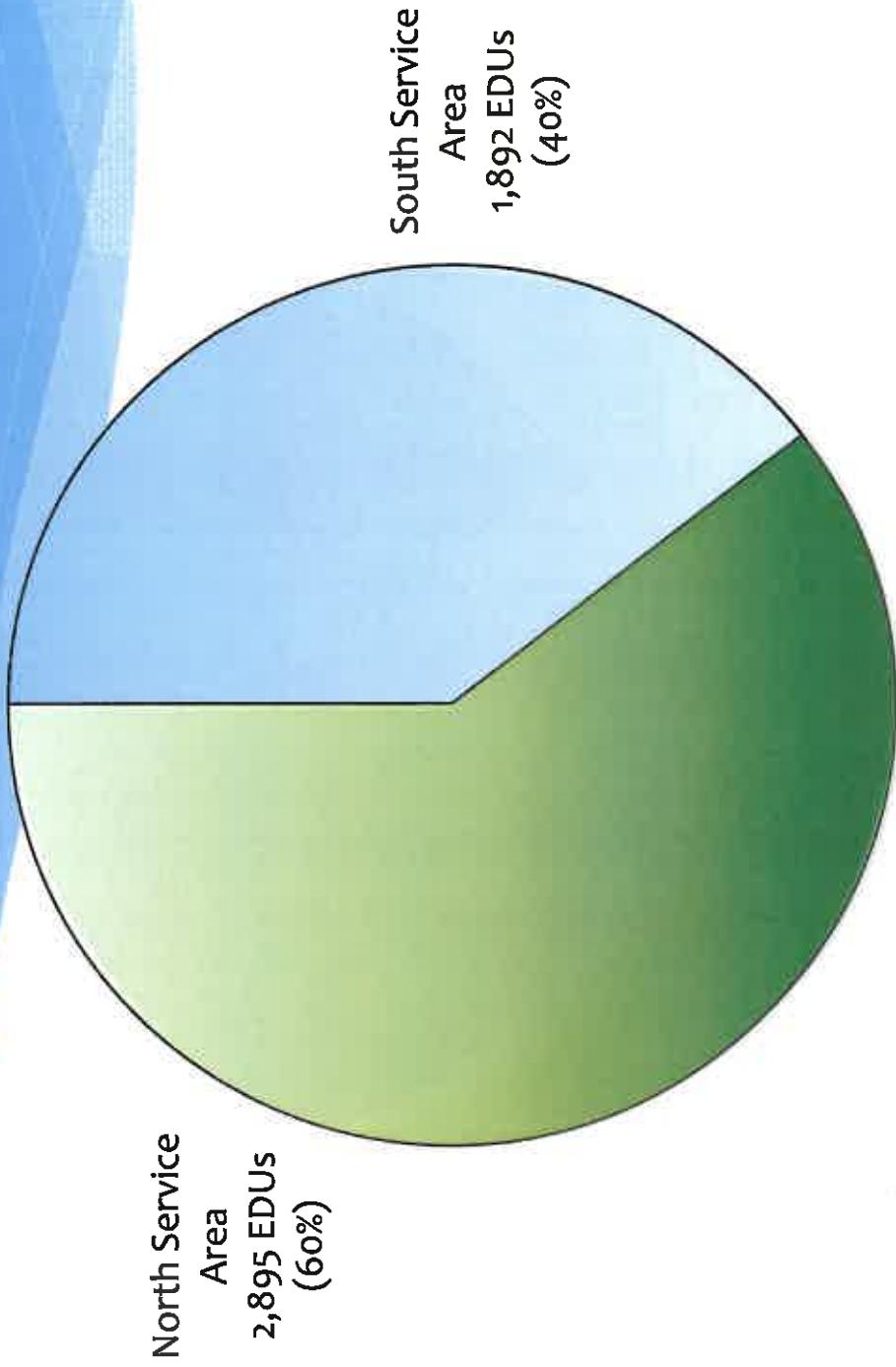


4 of 8

Partial EDU rounded to the nearest whole number.

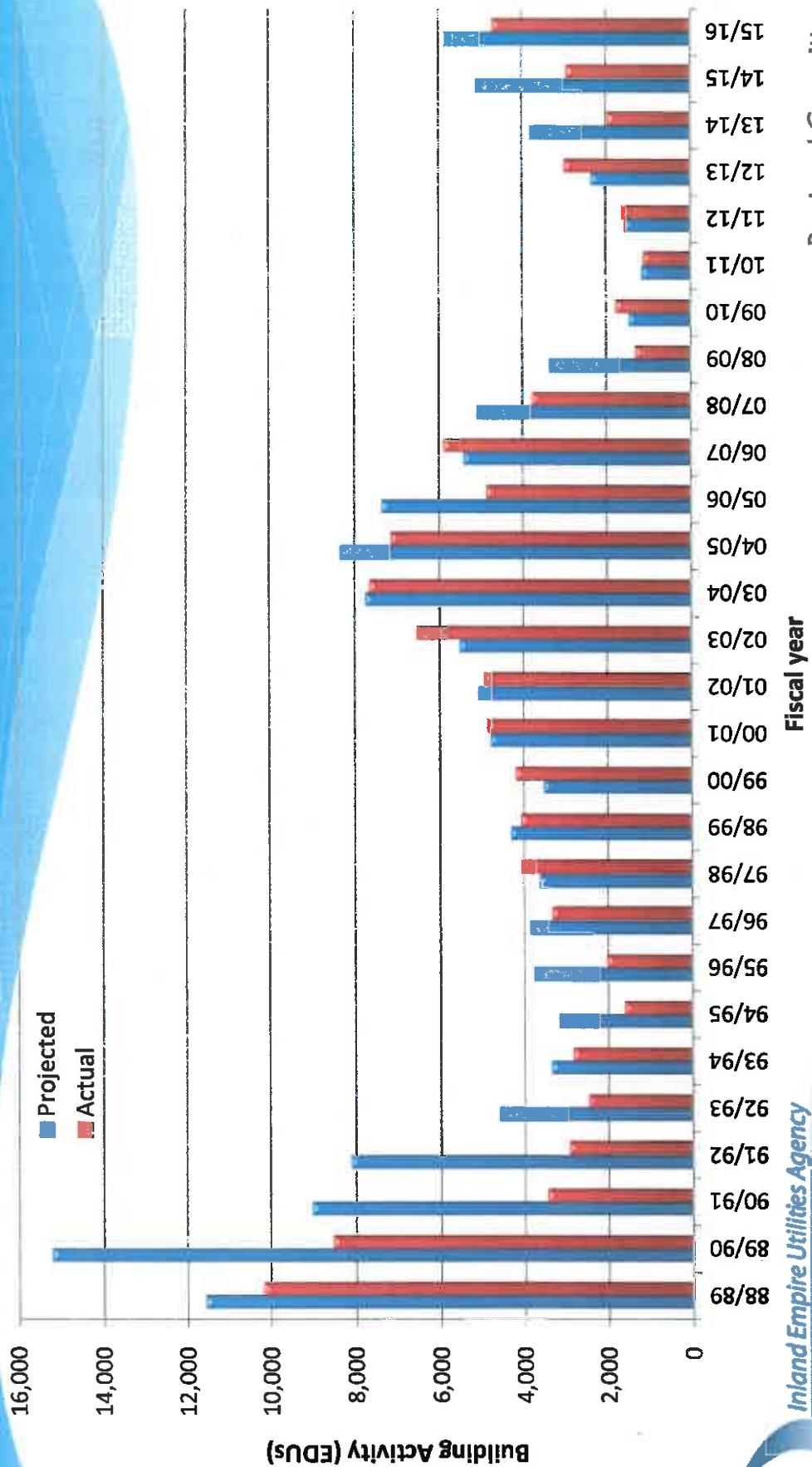
FY15/16 Building Activity

4,787 EDUs Resulted in \$21.8M in CCRRA Funding



4 of 8

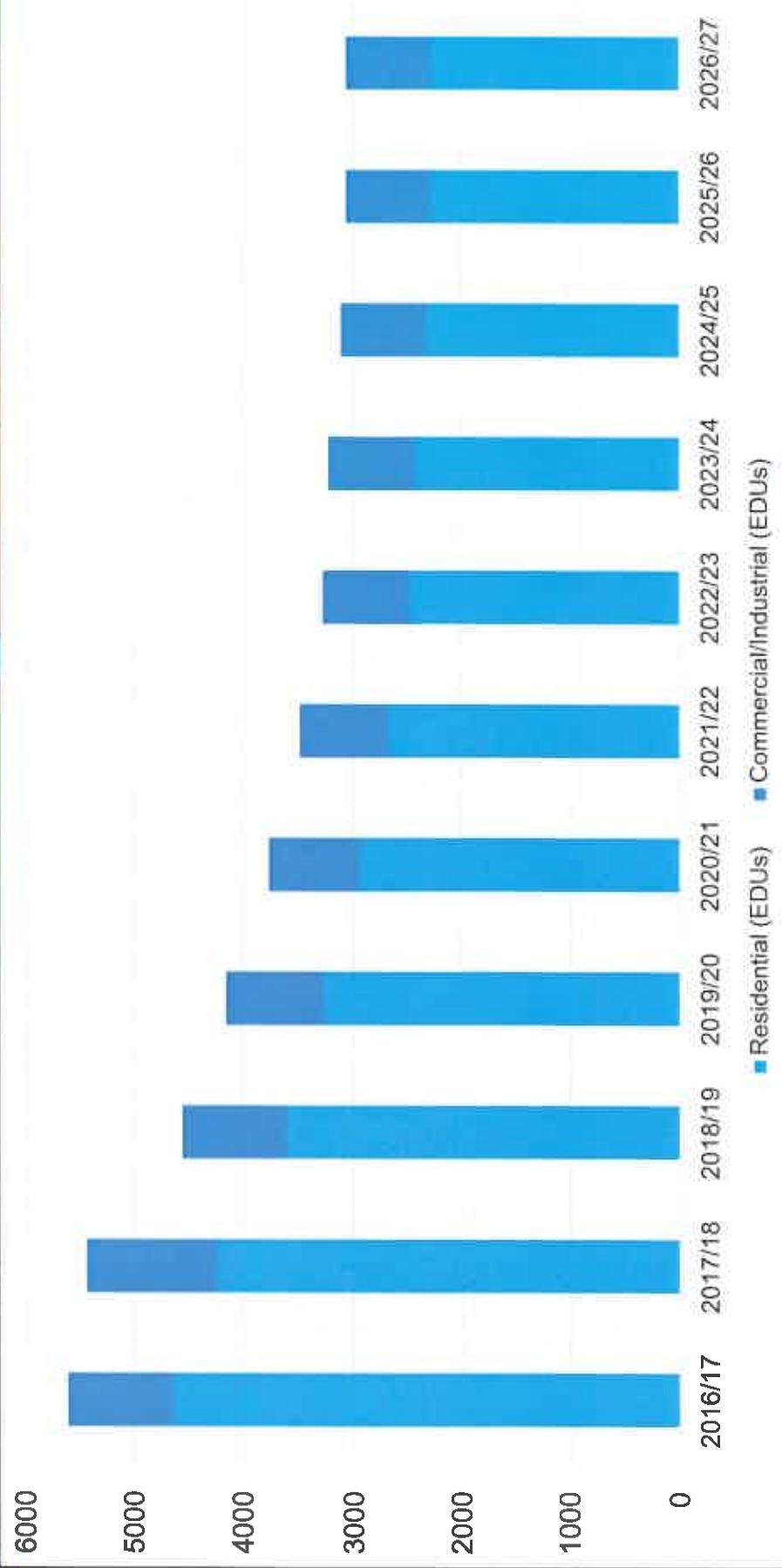
Building Activity Projected vs. Actual



FY16/17 EDU Projection

Contracting Agency	Residential (EDUs)	Commercial Industrial (EDUs)	Total (EDUs)
Chino	550	60	610
Chino Hills	1166	70	1236
CWWD	250	114	364
Fontana	770	156	926
Montclair	165	24	189
Ontario	1500	550	2050
Upland	226	11	237
Projected Totals	4627	985	5612

EDU Growth Forecast



7 of 8

Projections based on FY15/16 projections

**10-Year EDU
Growth
Forecast**
36,474 EDUs

CVWD*
3,550 EDUs

Upland
1,103 EDUs

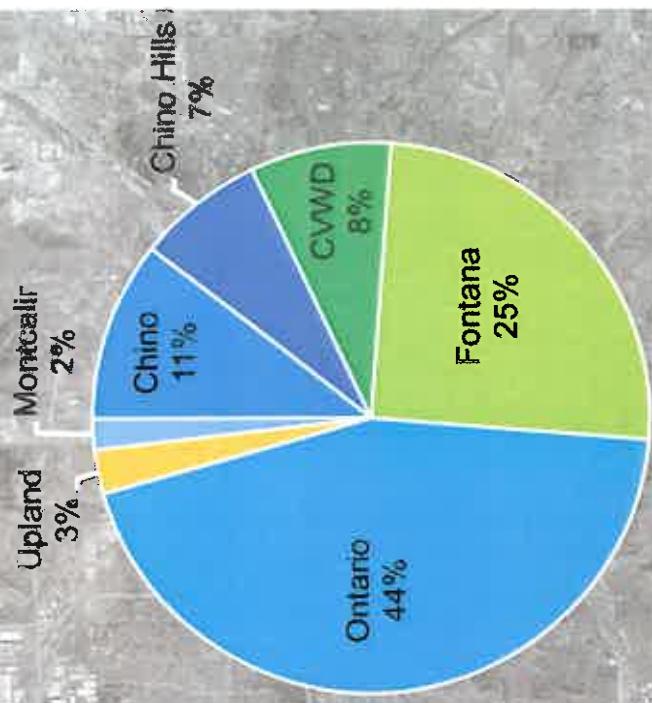
Fontana
4,442 EDUs

Montclair
783 EDUs

Ontario
18,950 EDUs

Chino
4,511 EDUs

Chino Hills
3,135 EDUs



**INFORMATION
ITEM**

3B

RP-1 & RP-5 Expansion Preliminary Design Report Update

October/November 2016



Inland Empire Utilities Agency
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Shaun Stone, P.E.
Manager of Engineering

Jason Marseilles, P.E.
Senior Engineer

AGENDA

- RP-5 Liquids Site Plan
- RP-5 Solids Site Plan
- Organics Diversion

2





RP-5 Liquids Site Plan

- Influent Pump Station Expansion
- Headworks & Fine Screening
- Primary Treatment
- Existing Aeration System Upgrades
- Membrane Bio-Reactor System
- UV Disinfection
- Odor Control

RP-5 Liquids Project Cost

Major Systems	Cost
Influent Pump Station	\$8.3M
Headworks, Grit, & Fine Screening	\$11.7M
Primary Clarifiers	\$9.6M
Existing Secondary Upgrades	\$7.5M
Membrane Bio-Reactor	\$54.6M
UV Disinfection	\$16.1M
Odor Control	\$9.9M
Off-Spec Flow & Emergency Storage	\$5.3M
Estimated Construction Cost ¹	\$123.0M
Design & Project Management (30%) ²	\$37.0M
Estimated Project Cost	\$160.0M

¹ Includes direct cost, general conditions, overhead & profit, sales tax, and 30% contingency
² Includes design, project management, construction management, inspection, environmental services, and legal

4



San Luis Obispo Water Resource Recovery Facility
Headworks Screening System

RP-5 Solids Site Plan

(Phase I Biosolids Treatment)

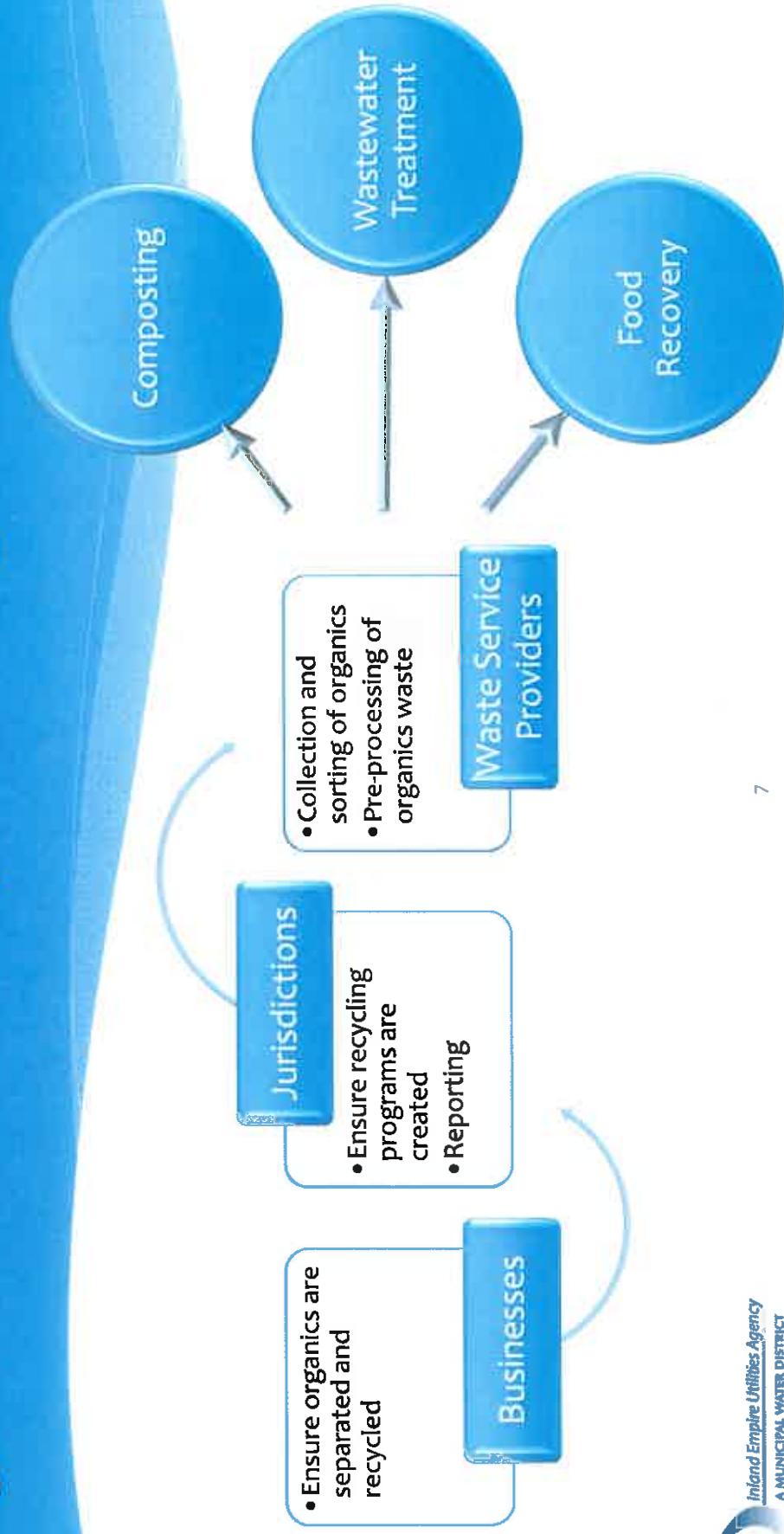
- Solids Thickening
- Phased Digestion
- Digested Sludge Storage
- Dewatering & Biosolids Storage
- Gas Storage, Conditioning, & Flaring



RP-5 Solids Project Cost Phase I vs Ultimate Biosolids Treatment

Component	Phase I System Size	Phase I Cost	Additional Equipment for Ultimate Capacity	Incremental Cost	Ultimate Cost
Thickening	5 Thickeners	\$8.7M	1 Thickener	\$0.7M	\$9.4M
Digestion	2 Acid & 4 Methane	\$44.9M	1 Acid & 1 Methane	\$9.0M	\$53.9M
Sludge Storage	1 Digester	\$7.4M	—	—	\$7.4M
Dewatering & Biosolids Storage	4 Centrifuges 2 Storage Silos	\$44.1M	1 Centrifuge	\$4.5M	\$48.6M
Odor Control	Pipeline to Liquids	\$1.9M	—	—	\$1.9M
Centrate Treatment	EQ Tanks & Pumps	\$1.4M	—	—	\$1.4M
Gas Storage, Conditioning, & Flare	H2S/Siloxane Treatment & Waste Gas Flares	\$5.1M	—	—	\$5.1M
	Estimated Construction Cost*	\$113.5M	—	\$14.2M	\$127.7M
	Design & Project Management (30%)	\$34.1M	—	\$4.2M	\$38.3M
	Estimated Project Cost	\$147.6M	—	\$18.4M	\$166.0M

Organics Diversion Requires a Regional Solution



**INFORMATION
ITEM**

3D

I EUA Business Goals

Update 2016



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT



Business Goals Background

- Levels of Service (LOS) development and approval
- Included IEUA Board of Directors and staff

2011

- LOS expansion into broader business goals to include additional areas beyond operational function; areas included water reliability, fiscal accountability and employee well-being
- IEUA Business Goals development and approval
- In collaboration with IEUA Board of Directors, Technical and Policy Committee, Water Managers, and staff

2013

- IEUA Management Workshops
- IEUA Board Workshops
- Review and discussion of proposed changes
- Business Goal Focus

2016

Business Goals

Obtain feedback from
the Directors

- Elements they would like to see included, emphasized, removed

• Consolidation of the Objective and Commitment Statements

Review updates to the
Business Goals

- Areas of business that support the accomplishment of these goals

Information on
Agency Actions and
Initiatives

How these goals drive
the Agency

- Strategic Plan Updates
- Work Plan Updates
- Budget
- Department Goals
- Performance Evaluations

Business Goal Focus

4



Fiscal Responsibility

Goal: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long term needs, while providing the best value for our customers.

OBJECTIVES

■ FUNDING & APPROPRIATIONS

IEUA will fund operations and capital investments by maintaining reasonable service rates and fees that fully support the costs of service.

■ BUDGET PLANNING

IEUA will plan for multi-year budgets and rate requirements in support of maintaining fiscal stability for IEUA and the member agencies.

■ RESERVES

IEUA will maintain fund reserves, which can withstand significant changes to the economy and funding sources.

■ CREDIT WORTHINESS

IEUA will improve its credit rating, with the goal of reinstating the AAA rating, to reduce IEUA's future borrowing costs.

Fiscal Responsibility

IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long term needs, while providing the best value for our customers

Funding & Appropriations

- Adopt multi-year rates to meet cost of service
- Leverage low interest SRF loans
- Secure grants for IEUA and on behalf of local partners
- Leverage Public/Private Partnerships

Budget Planning

- Adopt Biennial O&M budgets
- Annually update and adopt a Ten Year Capital Improvement Plan
- Apply a 10 year rolling average for trends and analysis
- Adhere to competitive purchasing-solicitation practices

Reserves

- Fiscal Ordinance provides a system for financial administration and budgetary control
- Reserve Policy establishes minimum and target levels for each reserve category
- Debt Management Policy guides the use of debt financing and refunding/defeasance of outstanding debt

Credit Worthiness

- Debt Coverage Ratio (DCR) – maintain at a level that supports high quality credit rating
- Comply with debt covenants and regulatory requirements
- Funding of employee retirement and other long term obligations
- Commitment to long term strategic planning

Work Environment

Goal: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

OBJECTIVES

■ MISSION, VISION & VALUES

IEUA will adopt Business Goals and Objectives that support and advance the Agency's Mission, Vision and Values, ensuring the highest standard of conduct throughout the Agency by promoting values of leadership, integrity, collaboration, open communication, accountability, and respect for each other.

■ AGENCY CULTURE

IEUA will foster a collaborative work environment that values communication, innovation and work-life balance, adheres to the Agency's policies and procedures, and respects all aspects of diversity.

■ TRAINING

IEUA will maintain a highly skilled workforce to meet current and anticipated Agency and industry needs by facilitating and providing opportunities for staff to further their professional development.

■ STAFF SAFETY

IEUA will promote and ensure a safe and healthy work environment, exceeding industry best practices in support of achieving the CalOSHA Star Voluntary Protection Program (CAL/VPP) certification.



Work Environment

Goal: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Mission, Vision, Values

- Uphold the Agency's Mission, Vision and Values
- Demonstrate the highest standard of leadership by the Board and management
- Adhere to Agency-wide policies and procedures
- Implement MOUs with bargaining units
- Promote cross department/division collaboration and Board workshops
- Implement strategic planning principles

Agency Culture

- Build teamwork and collaboration
- Support STAR Employee Award program
- Promote employee appreciation events
- Implement flexible schedules

Training

- Support certification programs
- Promote use of Employee Tuition Reimbursement Program
- Provide leadership development training and workshops
- Support Agency-wide training programs

Staff Safety

- Promote a Safety Award Program
- Maintain an Injury Illness Prevention Plan (IIPP)
- Conduct routine facility safety inspections
- Facilitate numerous safety and training programs, such as:
 - Lock-Out/Tag-Out, Global Harmonization, Heat Injury/Illness, Confined Space Entry & Rescue, etc.

Business Practices

Goal: IEUA will be ethical, cost-effective, and apply environmentally sustainable regional planning principles in all aspects of business and public service.

OBJECTIVES

■ EFFICIENCY & EFFECTIVENESS

IEUA will apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.

■ CUSTOMER SERVICE

IEUA will provide outstanding service that supports our member agencies and region in a cost effective, efficient and reliable manner.

■ EXTERNAL AFFAIRS & GOVERNMENT RELATIONS

IEUA will support effective public outreach and education, and advocate for the development of policies, legislation and regulations that benefit the region.

Business Practices

Goal: IEUA will be ethical, cost-effective, and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Efficiency & Effectiveness

- Leverage us of a integrated financial and operation systems
- Apply LEAN management principles and cost containments strategies
- Use of Public/Private Partnerships
- Advance use of GIS technology
- Support Mutual Aid agreements

Customer Service

- Maximize Agency education programs
- Maximize Agency outreach programs
- Ensure-recycled water supply reliability
- Identify and secure grants for member agencies
- Implement best industry business practices

External Affairs and Government Relations

- Provide legislative and regulatory outreach
- Promote public education and outreach:
 - Garden in Every School Program®
 - Earth Day Events
 - Chino Creek Wetlands & Educational Park Tours

Water Reliability

Goal: IEUA is committed to providing a reliable and cost-effective water supply; and promoting sustainable water use throughout the region.

OBJECTIVES

■ WATER USE EFFICIENCY

IEUA will promote water conservation, education and incentive programs to assist the region.

■ WATER SUPPLIES

IEUA will support the region with the development of reliable, resilient and sustainable water supplies from diverse sources.

■ RECYCLED WATER

IEUA will maximize the use of recycled water to enhance regional water reliability.

■ GROUNDWATER RECHARGE

IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships and development.



Water Reliability

Goal: IEUA is committed to providing a reliable and cost-effective water supply; and promoting sustainable water use throughout the region.

Water Use Efficiency

- Promote Water Use Efficiency Plan (WUEP)
- Urban Water Management Plan (UWMP)
- Landscape Retrofit Program
- Water conservation programs
- Support sustainable water rates within the service area

Water Supplies

- Integrated Water Resources Plan (IRP)
- New storage programs
- Secure additional water supply sources
- Santa Ana River Conservation & Conjunctive Use Project (SARCCUP)
- Regional salt management

Recycled Water

- Recycled Water Program Strategy (RWPS)
 - Expansion and interconnection of external recycled water sources
 - Maximize recharge of recycled water

Groundwater Recharge

- Recharge Master Plan Update (RMPU) implementation
 - Continued operation and leadership of Groundwater Recharge Program
- Support and enhance partnerships within the region on groundwater recharge
 - Four party agreement

Wastewater Management

Goal: IEUA is committed to meeting regional demands in an environmentally responsible and cost effective manner.

OBJECTIVES

■ WATER QUALITY

IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the environment, and meet anticipated regulatory requirements.

■ ASSET MANAGEMENT

IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

■ ORGANICS MANAGEMENT

IEUA will manage organics to meet regulatory compliance standards in a fiscally prudent and environmentally sustainable manner.

■ ENERGY MANAGEMENT

IEUA will effectively manage energy resources including renewable energy initiatives and programs to achieve statewide environmental and renewable energy goals, and stabilize future costs.



Wastewater Management

Goal: IEUA is committed to meeting regional demands in an environmentally responsible and cost effective manner.

Water Quality	Asset Mgmt.	Organics Mgmt.	Energy Mgmt.
<ul style="list-style-type: none">• Wastewater (NPDES) and Recycled Water (Title-22) Compliance requirements• Water softener removal programs• Salinity management programs• Nitrogen/total dissolved solids• Groundwater and Santa Ana River objectives• Emerging constituents of concern	<ul style="list-style-type: none">• Asset Management Plan• Robust centralized maintenance management system• Predictive/preventive vs. corrective maintenance• Condition-based monitoring• Planned rehabilitation and replacement capital program	<ul style="list-style-type: none">• Nation's largest indoor composting facility (IERCA)• Public/Private Partnerships• Support local agency landfill diversion objectives• Support State landfill diversion and greenhouse gas reduction goals	<ul style="list-style-type: none">• Energy Management Plan• Public/Private Partnerships• Power Purchase Agreements• Maximize beneficial use of Biogas

Environmental Stewardship

Goal: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

OBJECTIVES

■ REGULATORY COMPLIANCE

IEUA will comply with all federal, state, local and environmental laws and regulations.

■ GOOD NEIGHBOR POLICY

IEUA will foster positive relationships within the region, and develop and implement projects that minimize impacts to the community and environment.

■ ENVIRONMENTAL RESPONSIBILITY

IEUA will provide regional leadership to implement environmentally sustainable business practices and promote the preservation of the region's cultural and ecological heritage.

■ REGIONAL HABITAT MANAGEMENT

IEUA will promote the preservation of regional habitat and implement the development and use of appropriate mitigation measures on all projects.



Environmental Stewardship

Goal: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Regulatory Compliance

- Regional Water Quality Control Board permits
- AQMD permits
- Compliance with various Resource Agency permitting
- Robust and proactive laboratory analysis

Good Neighbor Policy

- Maintain an odor monitoring program
- Midge Fly management study
- Ensure capital improvements designed to meet "No Nuisance" standards
- Early capital project coordination to minimize community impacts

Environmental Responsibility

- SARCCUP
 - Implement California Green Building Standards and LEED Standards in new buildings construction and O&M
 - Conduct regular proactive energy audits
 - Integration of legacy culture and habitat into planning and capital programs

Regional Habitat Mgmt.

- California Environmental Quality Act (CEQA)
 - Upper Santa Ana River Habitat Conservation Plan
 - Prado habitat protection
- Cooperative coordination with local resource agencies
- Environmental Impact Reports (EIR)

Next Steps – Feedback and Adoption

October 2016

Regional Technical Committee –
Written feedback
by 11/2 for
consideration to
Policy Committee

November 2016

Regional Policy Committee – 11/3

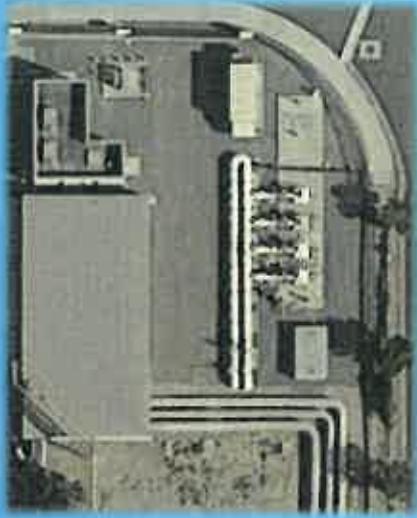
December 2016

IEUA Board
Meeting – 12/21
Recommendation
for adoption

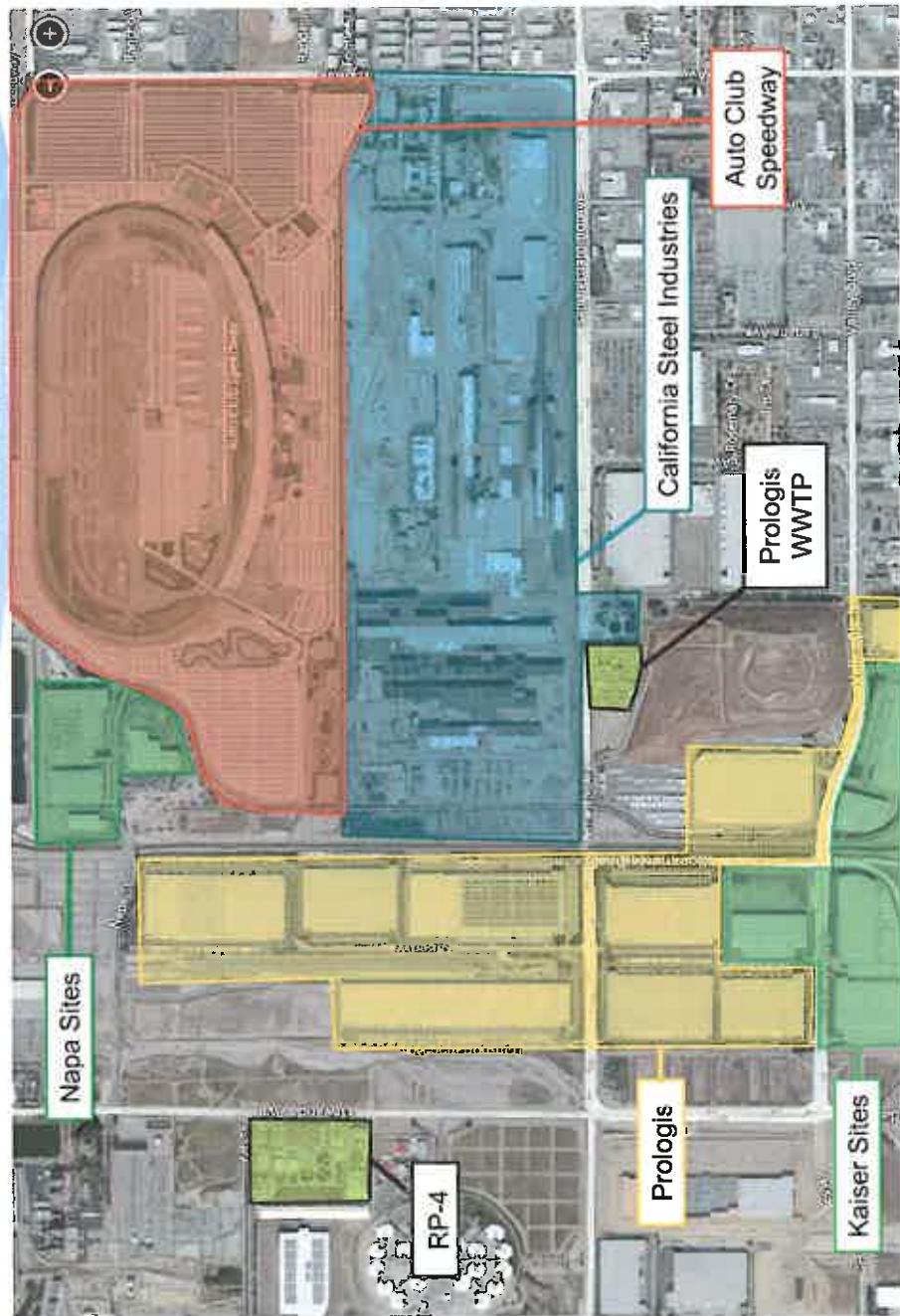
**INFORMATION
ITEM**

3E

Sewer and Recycled Water Service to Unincorporated Area of San Bernardino County



Project Area



Location



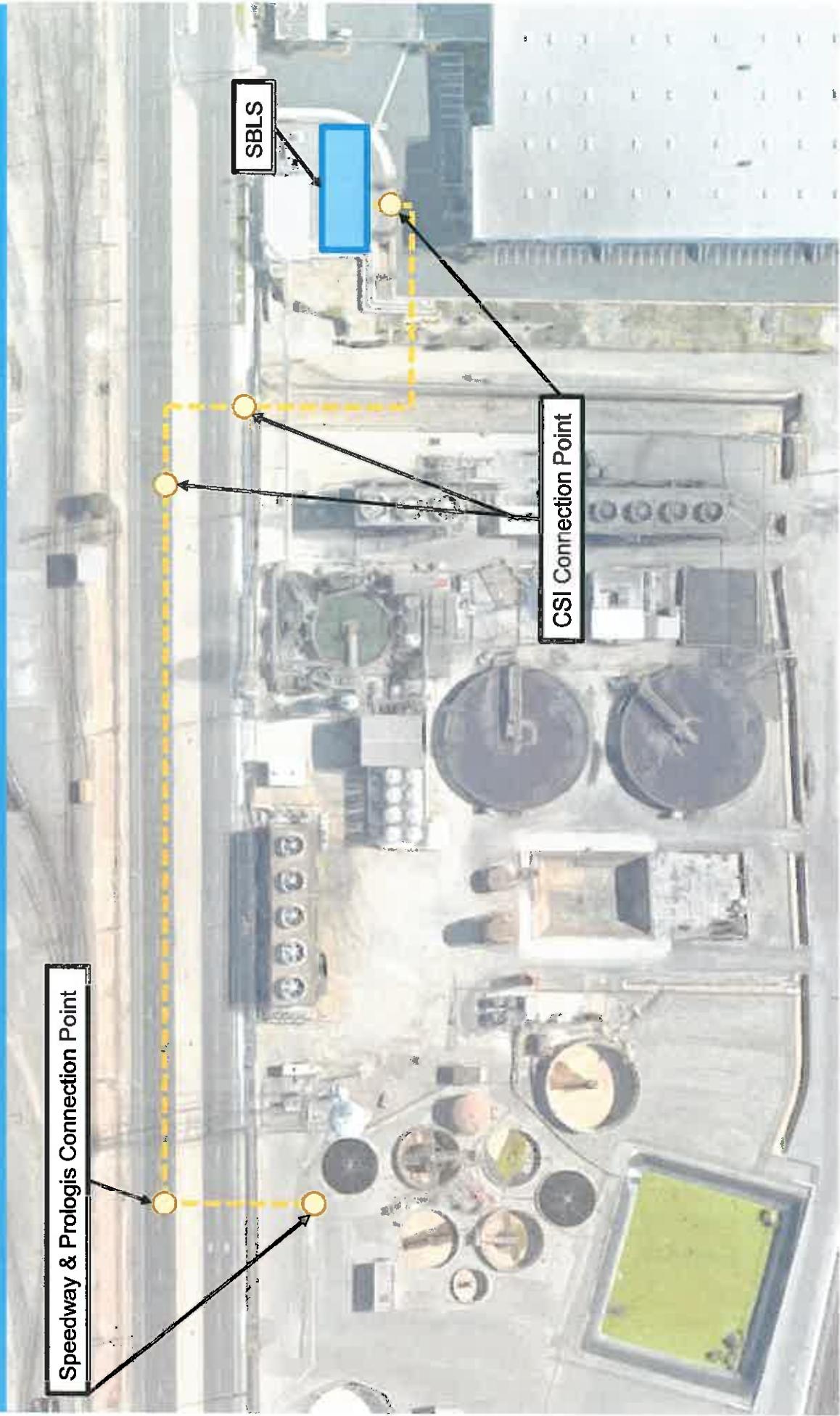
Project Goals and Regional Benefits

- Address Legacy Sewer/RW Issues in Unincorporated Area by Connecting CSI, Speedway, Prologis, Napa, Kaiser to:
 - IEUA Sewerage System
 - Reliable, Cost Effective Wastewater Service
 - IEUA Recycled Water System
 - Increase RW Sale
 - Reduced Groundwater Pumping (Enhance MZ-3)
 - Potential Groundwater Recharge

Temporary Wastewater Service



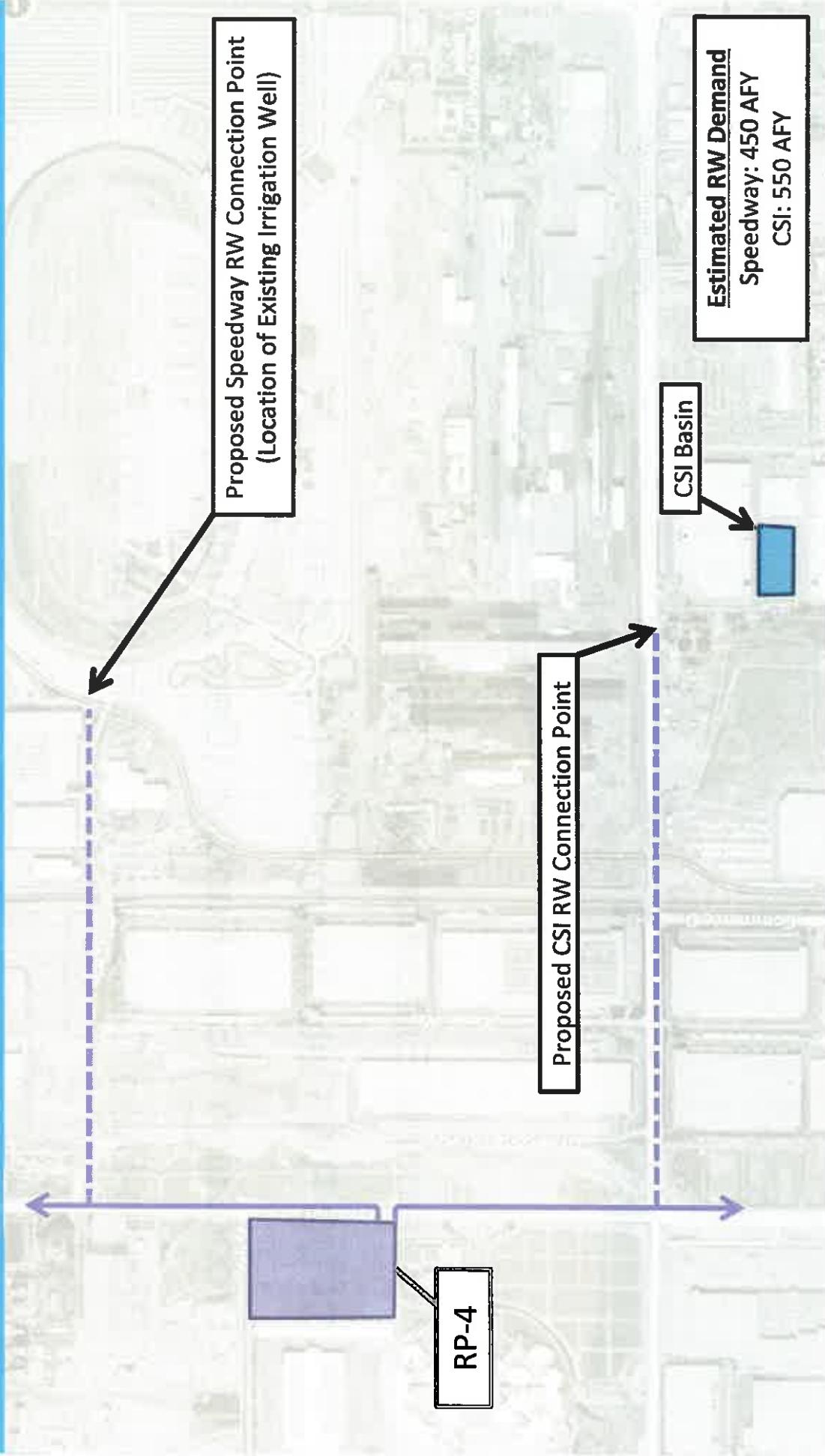
Proposed Wastewater Service



Wastewater Service Project Milestones

- Agreements Execution (Nov. 2015)
- Temporary Sewer System Connection (Jan. 2016)
- Complete Sewer System Design (Jul. 2016)
- Complete Sewer System Construction (Feb. 2017)

Proposed Recycled Water Service



Recycled Water Project Milestones

- Agreements Execution (Nov. 2015)
- CPUC RW Rate Approval of (Apr. 2016)
- Proposition 1 SRF Funding (Dec. 2016)
- Design-Build Construction Award (Feb. 2017)

Recycled Water Project Terms

- IEUA
 - RW/Sewer system design and construction
 - RW/Sewer system ownership, operation and maintenance
 - Potential use of CSI basin for groundwater recharge
- CSI/Speedway
 - Capital costs and connection fees
 - RW system ownership, operation and maintenance (on private property)
- Fontana Water Company
 - CPUC approval
 - Retail RW service provider
- City of Fontana
 - Cooperate in support of the project (sewer and recycled water)
 - Retail sewer service provider (billing)

**RECEIVE AND
FILE**

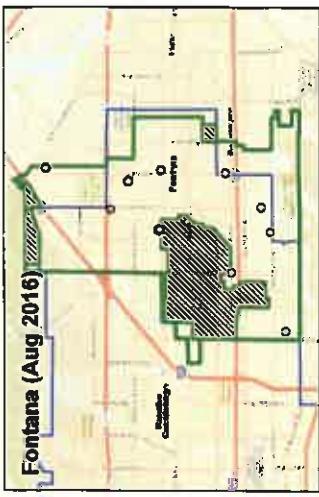
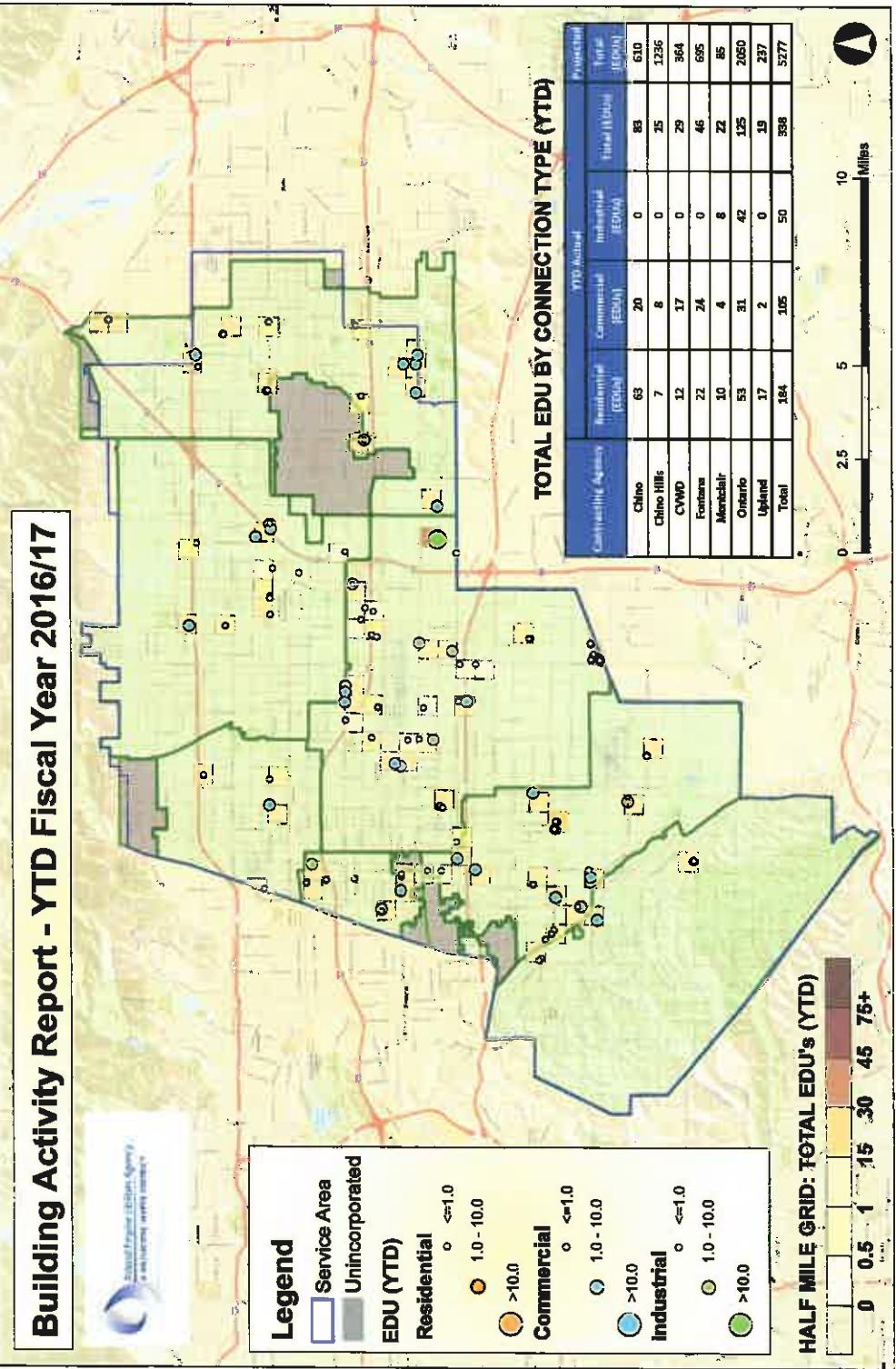
4A

Building Activity Report - YTD Fiscal Year 2016/17



Legend

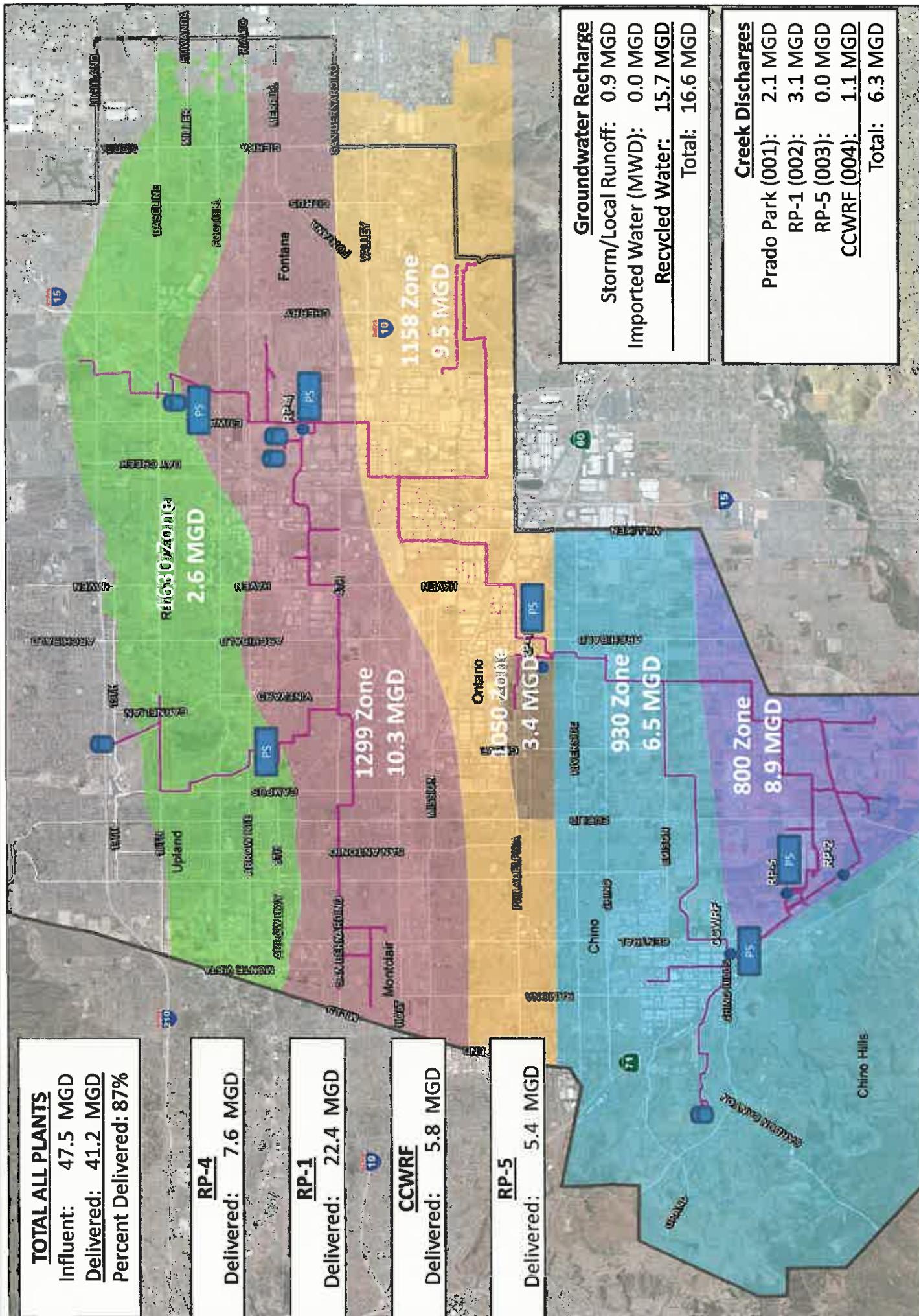
	Service Area Unincorporated EDU (YTD)	Residential	Commercial	
	EDU (YTD)	<=1.0	1.0 - 10.0	>10.0
Residential	○	○	○	○
Industrial	○	○	○	○
Commercial	○	○	○	○



**RECEIVE AND
FILE**

4B

IUEA RECYCLED WATER DISTRIBUTION – SEPTEMBER 2016

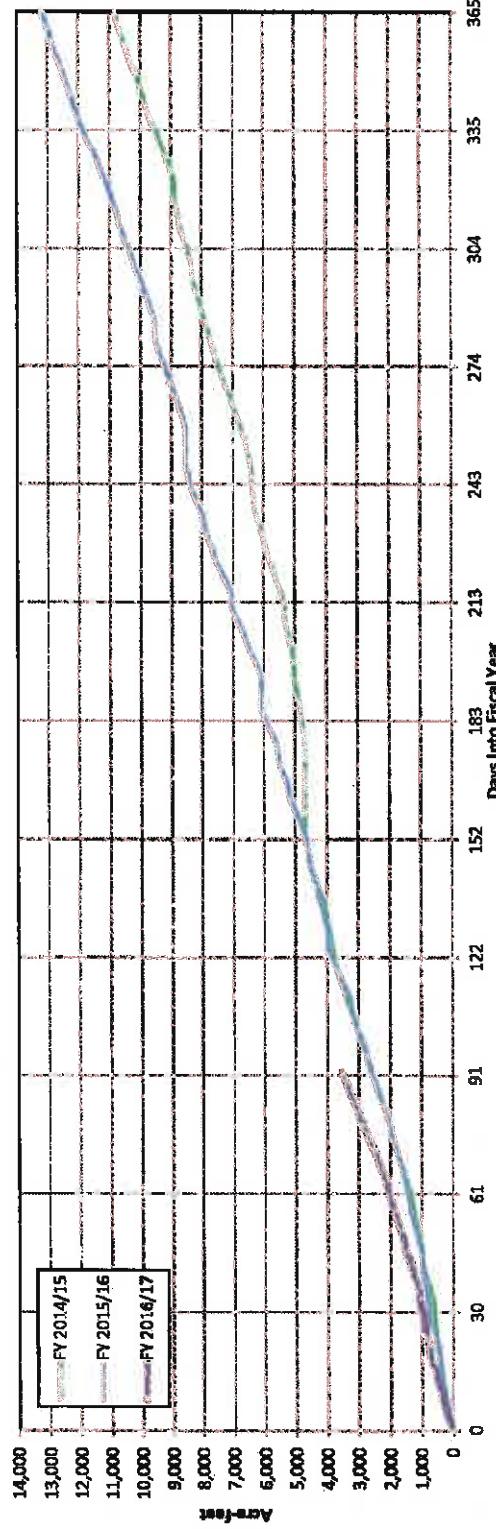
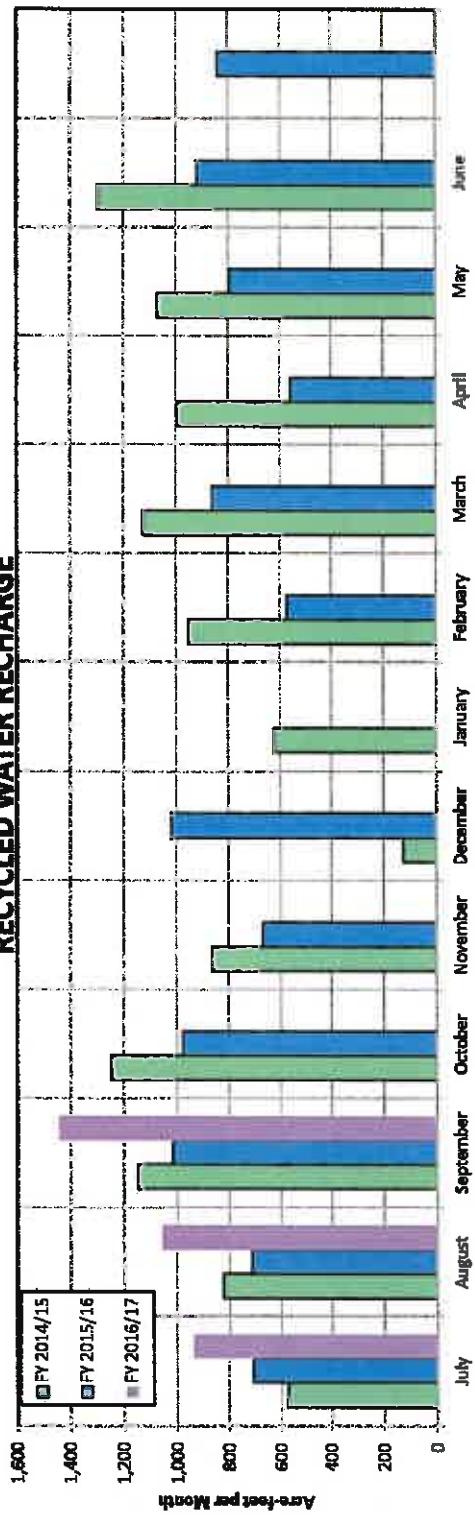


Deliveries are draft until reported as final.

Recycled Water Recharge Actuals / Plan - September 2016 (Acre-Foot)

Basin	9/1-9/9	9/10-9/16	9/17-9/23	9/24-9/30	Month Actual	Month Plan	FY To Date Actual
Ely	27.4	51.2	60.7	92.2	231.5	150	434
Banana	49.3	34.6	8.5	4.9	97.4	100	329
Hickory	9.4	0.0	1.9	16.0	28.4	150	78
Turner 1 & 2	30.1	9.8	0.0	0.0	39.9	150	177
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0	0	—
8th Street	65.5	44.9	72.6	64.8	217.9	0	775
Brooks	3.3	41.6	45.7	54.3	144.9	200	145
RP3	148.7	167.7	144.9	89.3	560.6	250	939
Declez	51.6	0.0	0.0	0.0	51.6	0	514
Victoria	0.0	5.3	26.8	21.0	53.1	100	53
San Senvane	0.0	0.0	0.0	0.0	0.0	0	0
Total	385.4	355.2	361.2	344.7	1,466.3	1100	3,444 2,580 AF, Previous FY End of Month Actual

RECYCLED WATER RECHARGE



**RECEIVE AND
FILE**

4C



Date: November 3, 2016

To: Regional Policy Committee

From: Inland Empire Utilities Agency

Subject: Annual Water Use Report



RECOMMENDATION

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

BACKGROUND

The item will be presented as an informational item at the IEUA Board of Directors meeting on November 16, 2016, and will go through the Public, Legislative Affairs, and Water Resources Committee on November 9, 2016.



Date: November 16, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager

Chris Berch
Executive Manager of Engineering/Assistant General Manager

Submitted by: Sylvie Lee
Manager of Planning & Environmental Resources

Subject: Annual Water Use Report

RECOMMENDATION

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

BACKGROUND

Each year the Inland Empire Utilities Agency (IEUA) compiles water use data from each of its retail agencies to track overall water demands and sources of supply in the Annual Water Use Report. Data includes monthly water use (by member agency and by source of supply), a five-year history of water use, and retail agency water usage as a percentage of the total water used in the service area. Total regional usage for FY15/16 was 168,799 AFY, which is a 25% decrease from FY13/14 usage, consistent with Governor Brown's mandatory use restrictions and is the lowest water use for the region since 1995. IEUA anticipates a continuing trend of declining usage in response to the continuing drought in California, long-term state efficiency goals, and more efficient development patterns as a result of changes in the plumbing code, higher density developments with less landscaping, and compliance with the existing model landscape ordinance requirements set forth in AB1881.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

FY 15/16 Annual Water Use

October 2016

Elizabeth Hurst

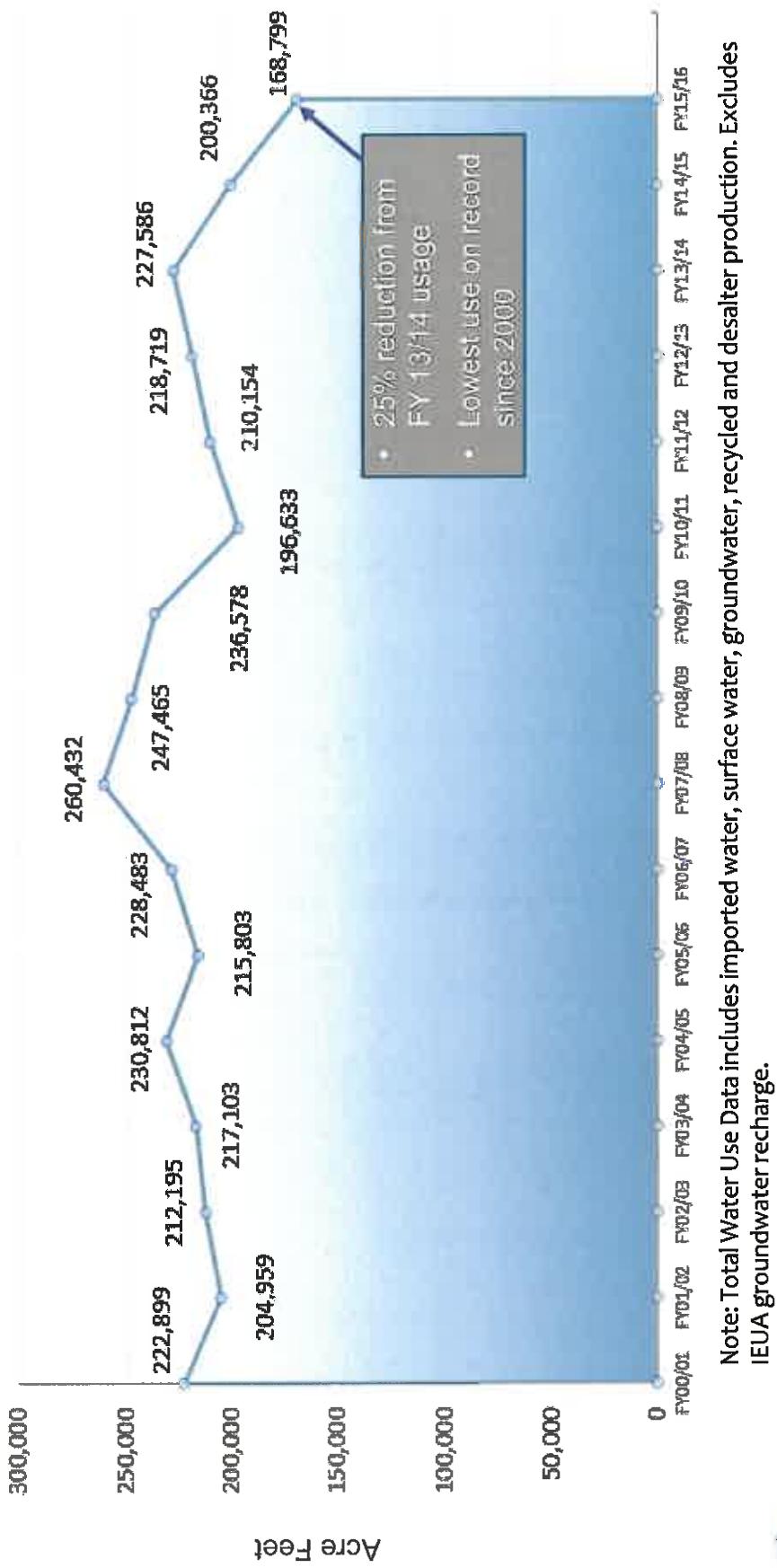
Regional Committees
October/November 2016

A MUNICIPAL WATER DISTRICT

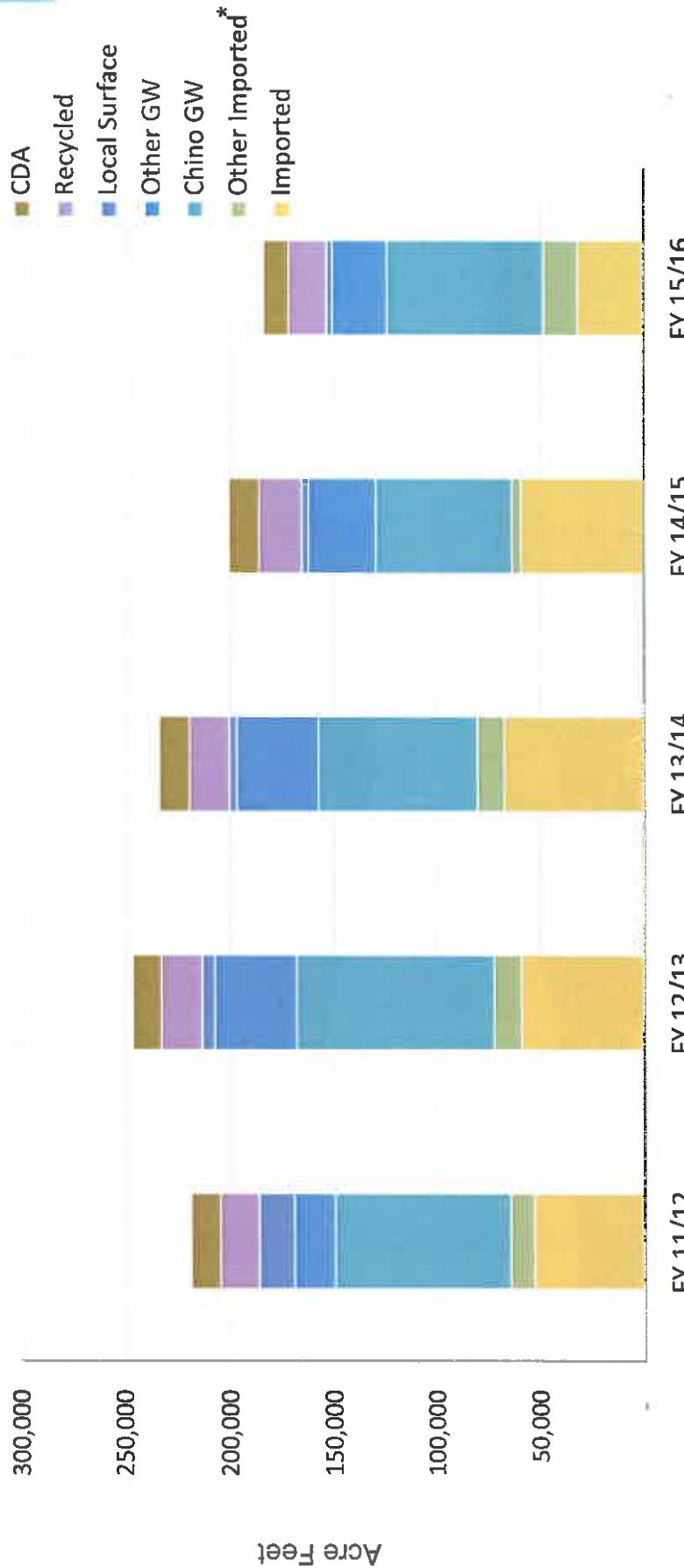
Inland Empire Utilities Agency



Regional Water Use Trend



Regional Water Use Trend By Source

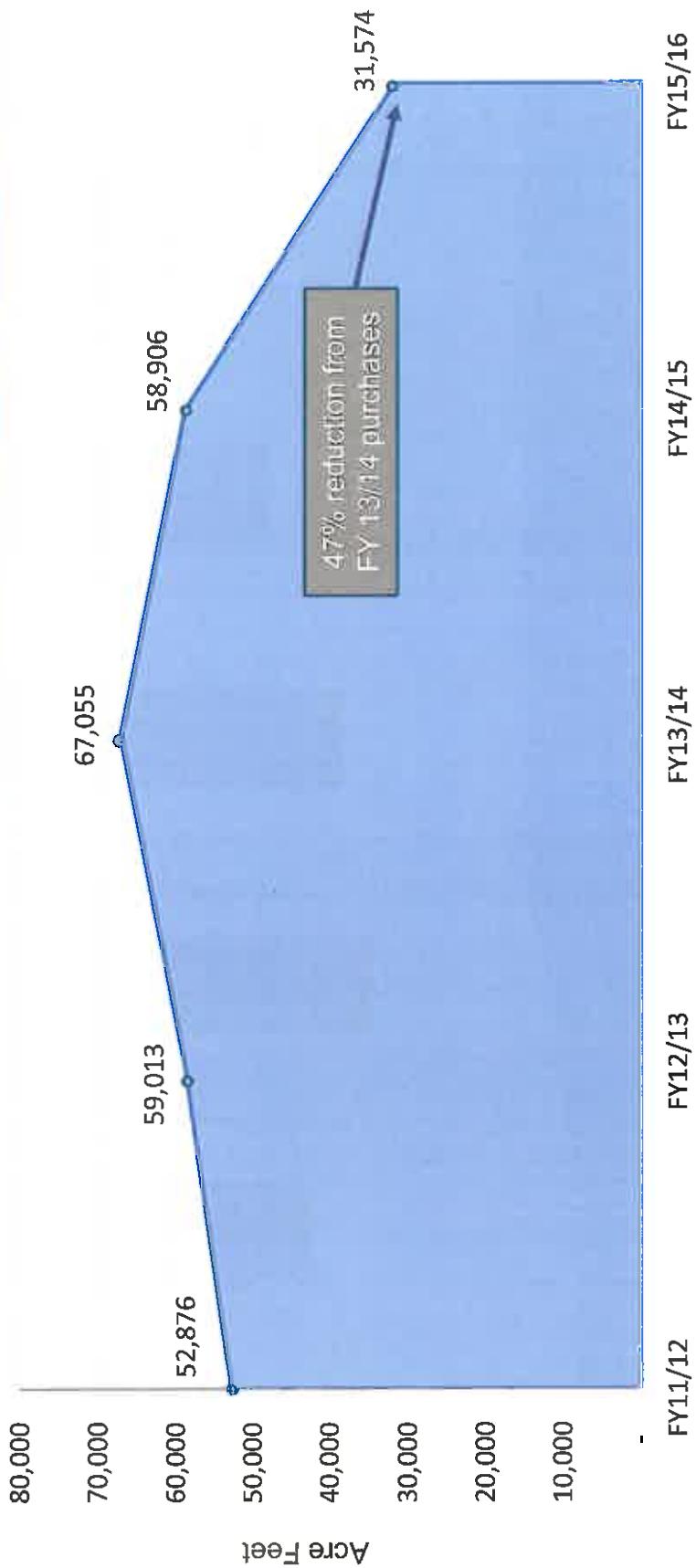


*Water purchased from other companies (such as SAWCo or WECwC) that do not get their water from MWD.

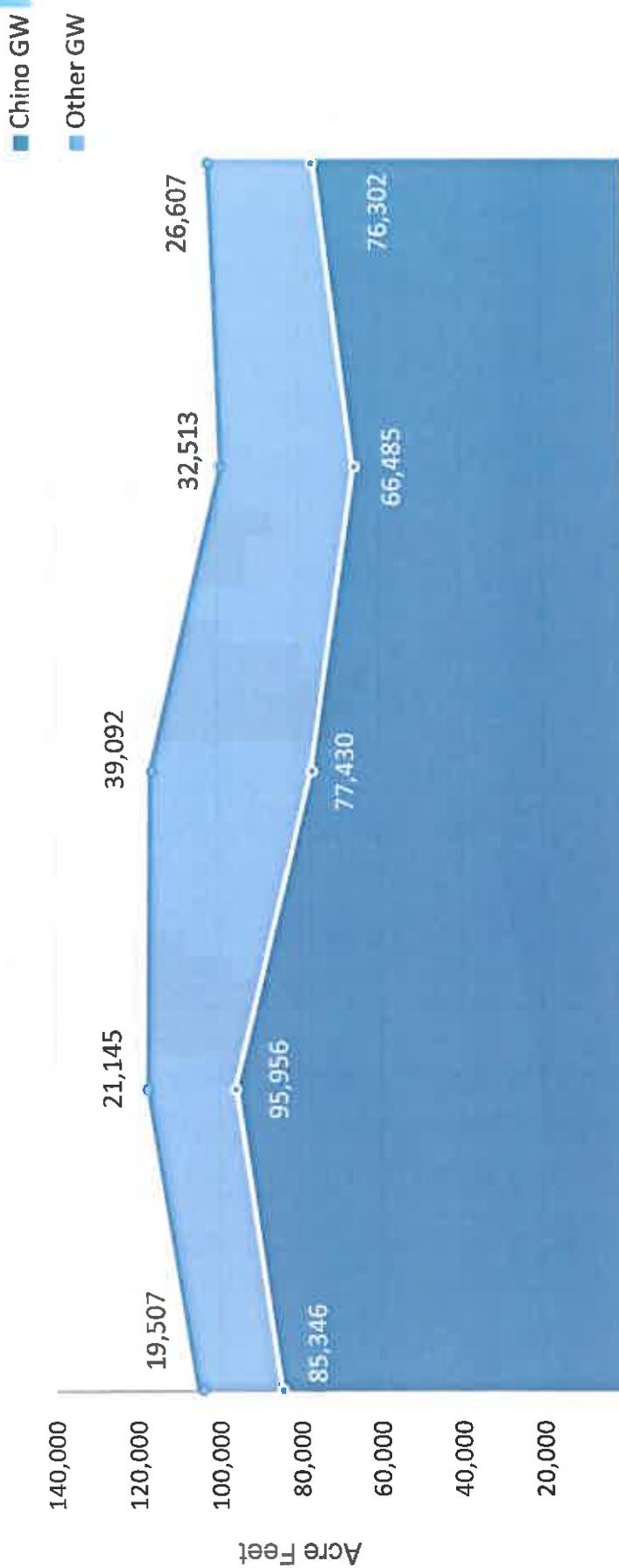
Regional Committees
October/November 2016

3 of 6

Regional MWD Imported Water Use Trend



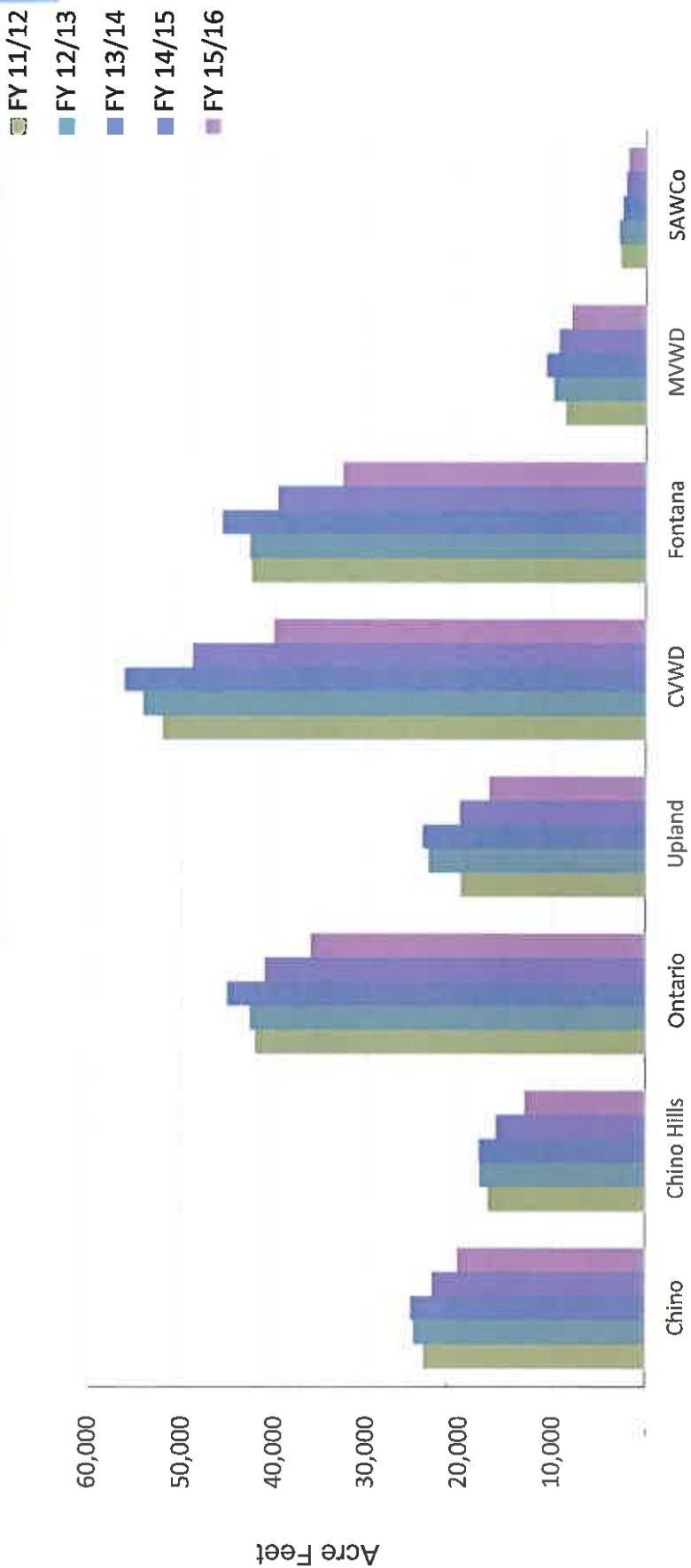
Regional Chino Basin Groundwater Use Trend



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

FY11/12 FY12/13 FY13/14 FY14/15 FY15/16

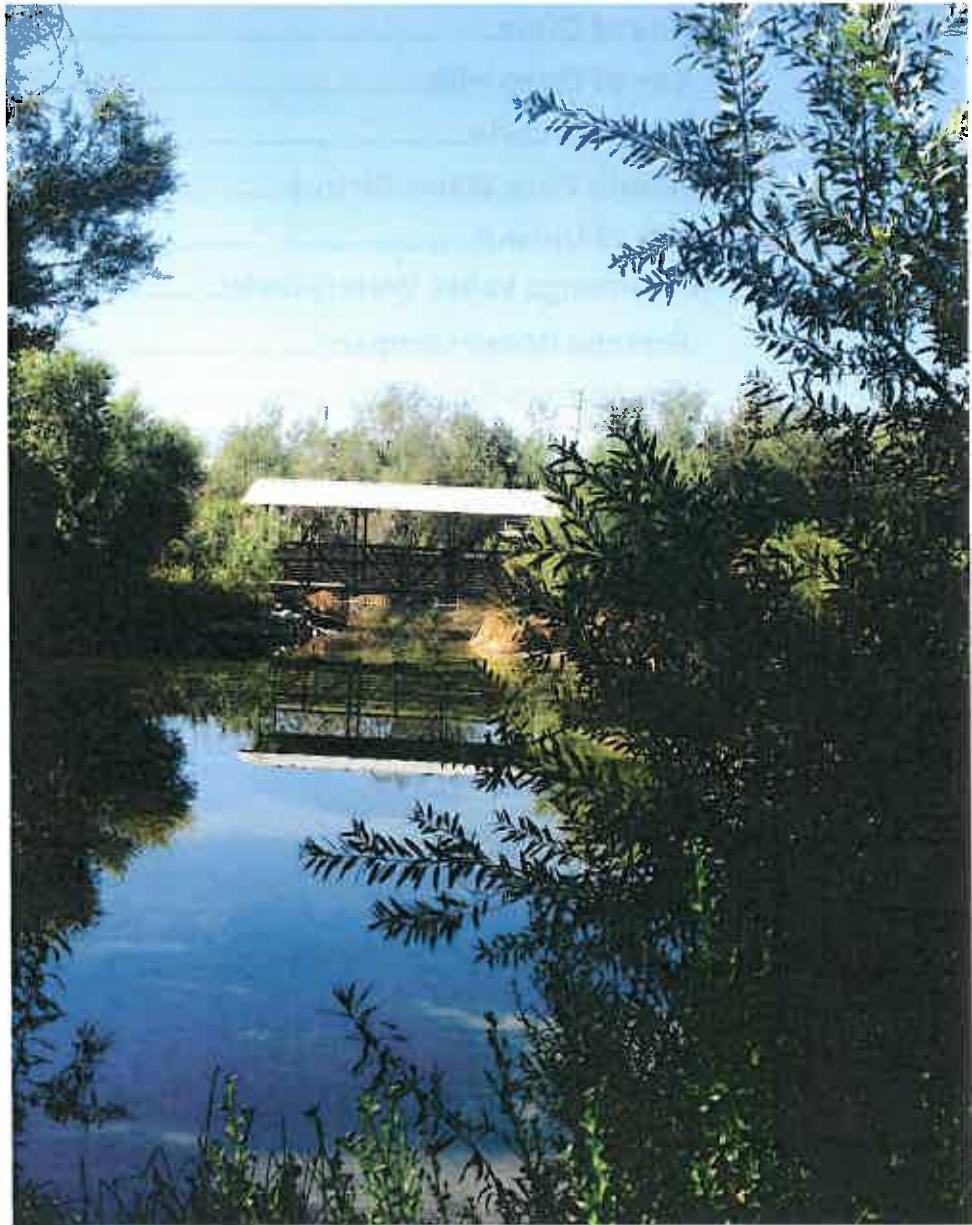
Regional 5-Year Historical Water Use



*MVWD wholesale deliveries included in Chino Hills data
**historically, SAWCo wholesale deliveries included in Upland data

2016

IEUA FY 2015-2016 Annual Water Use Report: Retail Agency Water Use and Five Year History



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

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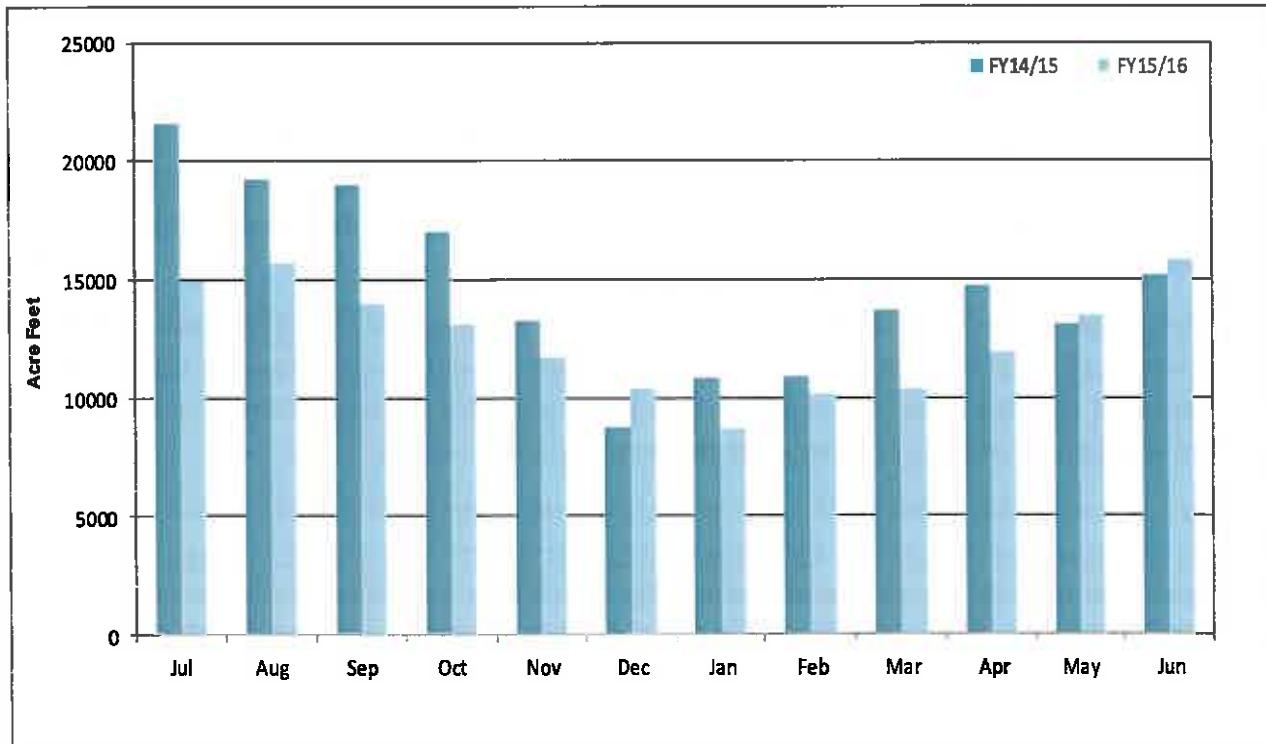
Preface

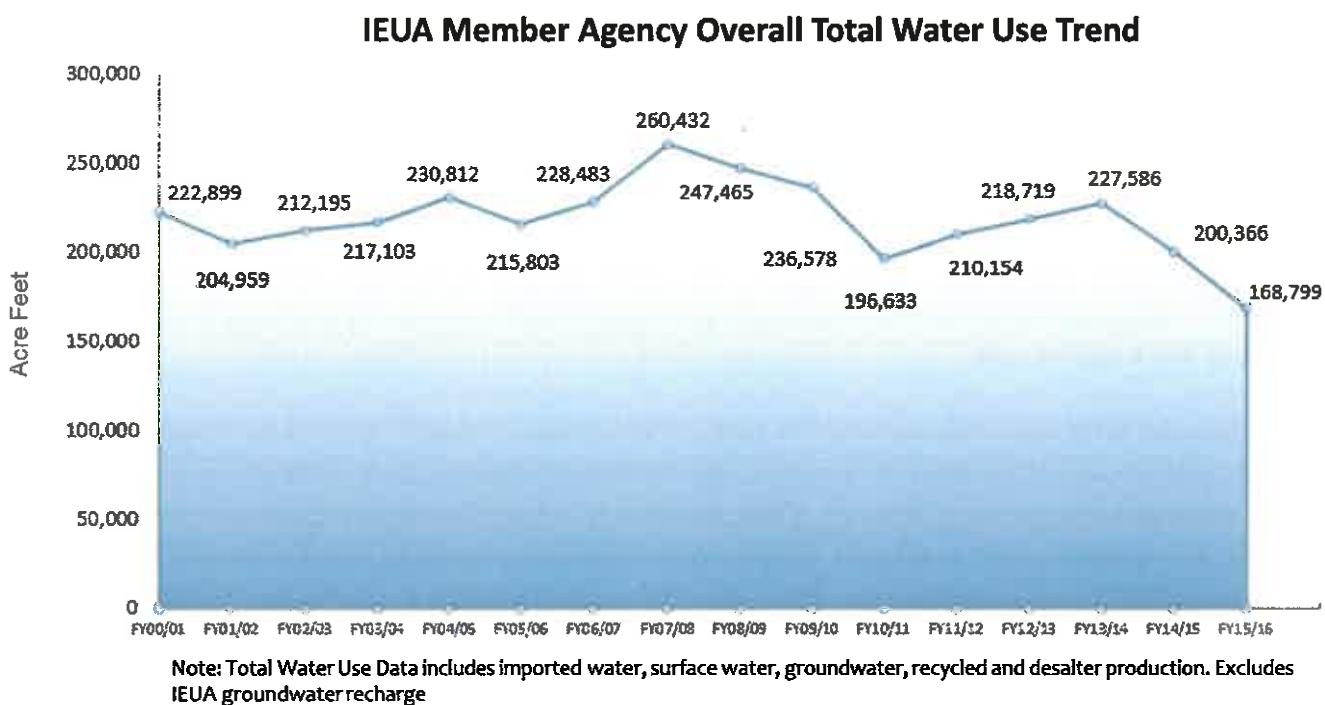
FY 2015-16 Water Use Summary Report

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

Although Southern California remains in a state of “exceptional drought”, conditions improved enough in the northern half of the state for Governor Brown to end mandatory water restrictions in May 2016, and return authority to local agencies. Three hundred and forty-three water agencies (or 84% of the largest 411 agencies in the state) gave themselves a conservation target of zero for the rest of the year. Also in May, Governor Brown released an executive order that calls for long-term improvements to local drought preparation across the state and directs the State Water Resources Control Board to develop emergency water restrictions should the drought continue. The list includes permanent monthly water use reporting, new urban water use targets, reducing system leaks, eliminating wasteful practices, strengthening urban drought contingency plans, and improving agricultural water management plans. IEUA is monitoring State meetings on implementation of the executive order, and has developed a brief PowerPoint for the State Water Board and Department of Water Resources discussions which walk through implications and options (See Appendix D).

Regional Monthly Total Water Usage FY 15/16 Comparison to FY14/15





The regional water use for FY 15/16 was 168,799 AFY, the lowest water use for the region since 1995.

Overall water consumption within the IEUA's service area decreased 15.8% (31,566 AF) from FY 2014/15. Chino Desalter Authority (CDA) production decreased by 2,603 AF and direct use recycled water decreased by 2,177 AF.

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

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

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

- IEUA and its member agencies have finalized the 2015 IRP. The plan is available on the IEUA website. The IRP outlines an overall strategy for developing water supplies and meeting projected demands within the IEUA service area in a cost-effective manner. The plan developed an updated demand model based on new regional development trends of high density, efficient indoor devic-

es, and low water use outdoor plants per state legislation. Conceptual projects from the IRP will be incorporated into the IEUA Regional Programmatic Environmental Impact Report to ensure that projects are grant eligible. Project details and an implementation schedule will be developed as part of the IRP Phase II, which will begin in fall 2016.

- In June, IEUA's Board of Directors adopted the 2015 Urban Water Management Plan.
- The 2015 Water Use Efficiency Business report will be presented to the IEUA Board in October.
- IEUA completed the 2015 Recycled Water Program Strategy, which will further implement the Recycled Water Business Plan to expand its connected demand and maximize recycled water deliveries for both direct use and groundwater recharge. In FY 2015/16 member agency direct recycled water use was 18,335 AF.
- IEUA launched a Pilot Home Pressure Regulation Program in June which will reach out to 500 residential sites and correct high pressure problems by either making adjustments or installing a new regulator.
- IEUA is working with the Agricultural Pool to identify appropriate farm sites for water efficiency upgrades. This will help maintain a sustainable Chino Basin groundwater supply.
- IEUA and its member agencies are working towards completing the Phase III expansion of the Chino Desalters, which will increase capacity from 24,600 AFY to 40,000 AFY. In FY 2015/16, IEUA agency's share of the production was 11,883 AF.
- IEUA and its member agencies continue to implement the water use efficiency programs outlined in the long term Regional Water Use Efficiency Business Plan completed in September 2010. This document serves as the blueprint for the Agency's existing regional programs while providing the guidance for developing new cost-effective initiatives. The plan is also being updated as part of the IRP process. Future conservation targets are anticipated to be much more aggressive as a result of the IRP. In FY 2015/16, the regional water use efficiency programs increased savings by approximately 80% from FY14/15 reaching a record high of approximately 1,858 AF, and an estimated lifetime savings of 21,470 AF.

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

SECTION 1

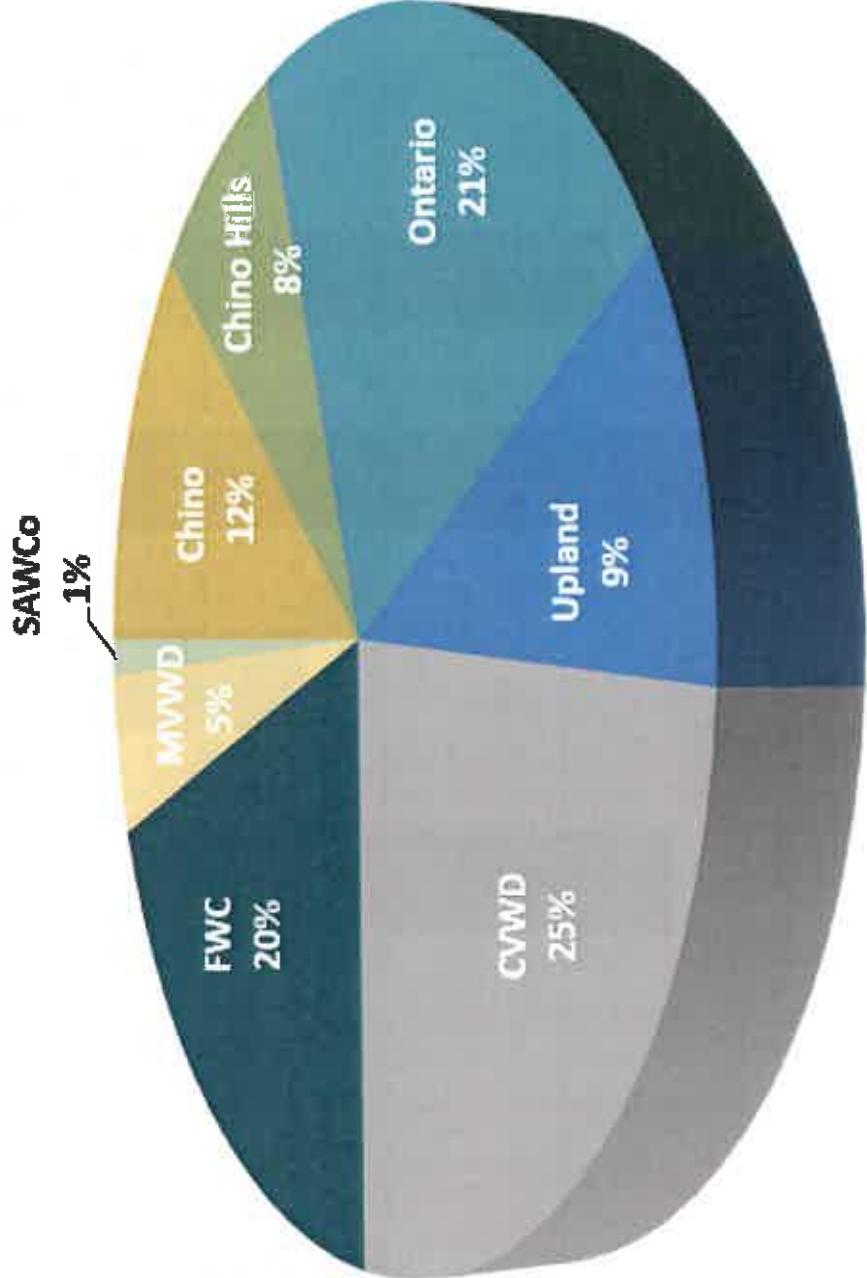
Total Water Resources Data from FY 15/16

Total IEUA Service Area Water Use For FY 15/16

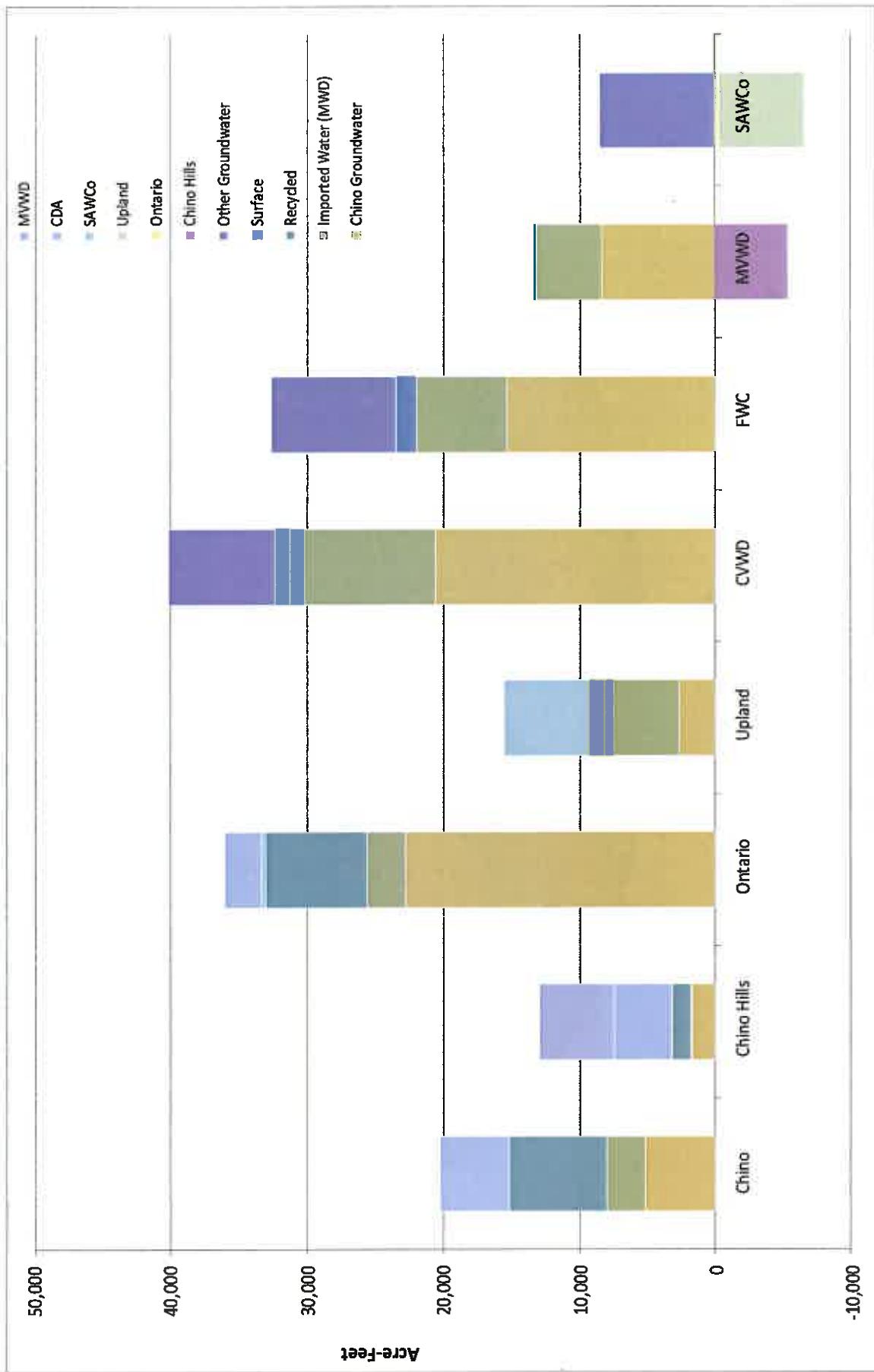
Total IEUA Service Area Water Use by Retail Agency for FY 15-16 (AFY)										
	CHINO HILLS	ONTARIO	UPLAND	CWWD	FWC	MVWD	SAWCo	TOTAL		
Purchases from IEUA	Imported Water (MVWD)	2,843	110	2,755	4,890	9,712	6,613	4,799	0	31,722
	Recycled (Direct Use)	7,217	1,410	7,566	719	1,146	0	278	0	18,336
	Subtotal	10,060	1,520	10,321	5,669	10,857	6,613	5,078	0	50,058
	Chino Groundwater	5,104	1,630	22,755	2,601	20,524	15,317	8,371	0	76,302
Production	Other Groundwater	0	0	0	1,054	7,783	9,253	0	8,517	26,607
	Local Surface Water	0	0	0	0	1,002	1,497	0	0	2,499
	Subtotal	5,104	1,630	22,755	3,655	29,309	26,067	8,371	8,517	105,408
Purchases from Other Agencies	CDA	5,000	4,201	2,682	0	0	0	0	0	11,883
	MVWD	0	5,642	0	0	0	0	0	0	5,642
	SAWCo Water	0	0	338	6,297	0	0	0	0	6,635
	West End	0	0	0	1,246	0	0	0	0	1,246
	Subtotal	5,000	9,843	3,020	7,543	0	0	0	0	25,406
Sales to Other Agencies	Chino Hills	0	0	0	0	0	0	-5,437	0	-5,437
	Ontario	0	0	0	0	0	0	0	-338	-338
	Upland	0	0	0	0	0	0	0	-6,297	-6,297
	Subtotal	0	0	0	0	0	0	-5,437	-6,635	-12,072
Total		20,163	12,993	36,096	16,807	40,166	32,681	8,012	1,882	168,799

Note: an additional 541 AF of RW was used for IEUA purposes, an additional 13,222 AF of RW was used for recharge, and additional 536 AF of RW was sold to San Bernardino County. All RW numbers in this report based off IEUA operations data.

Total IEUA Service Area Water Use For FY 15/16



Total IEUA Service Area Water Use For FY 15/16

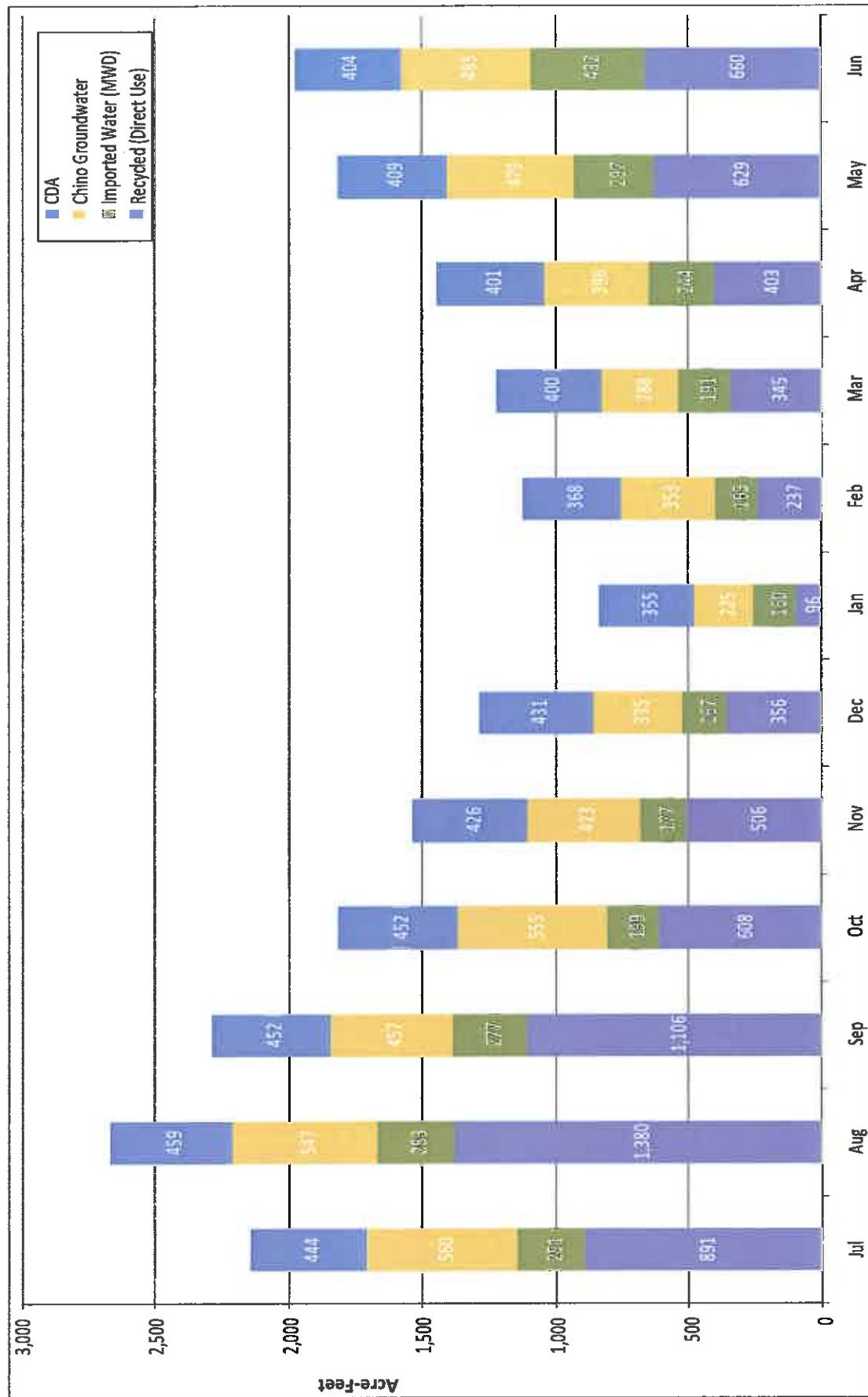


SECTION 2

Retail Water Use Data from FY 15/16 by Agency

City of Chino

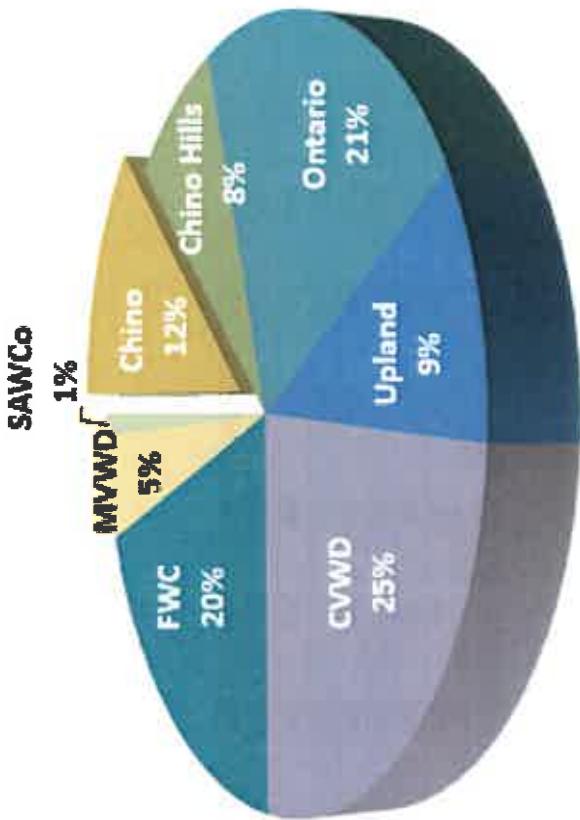
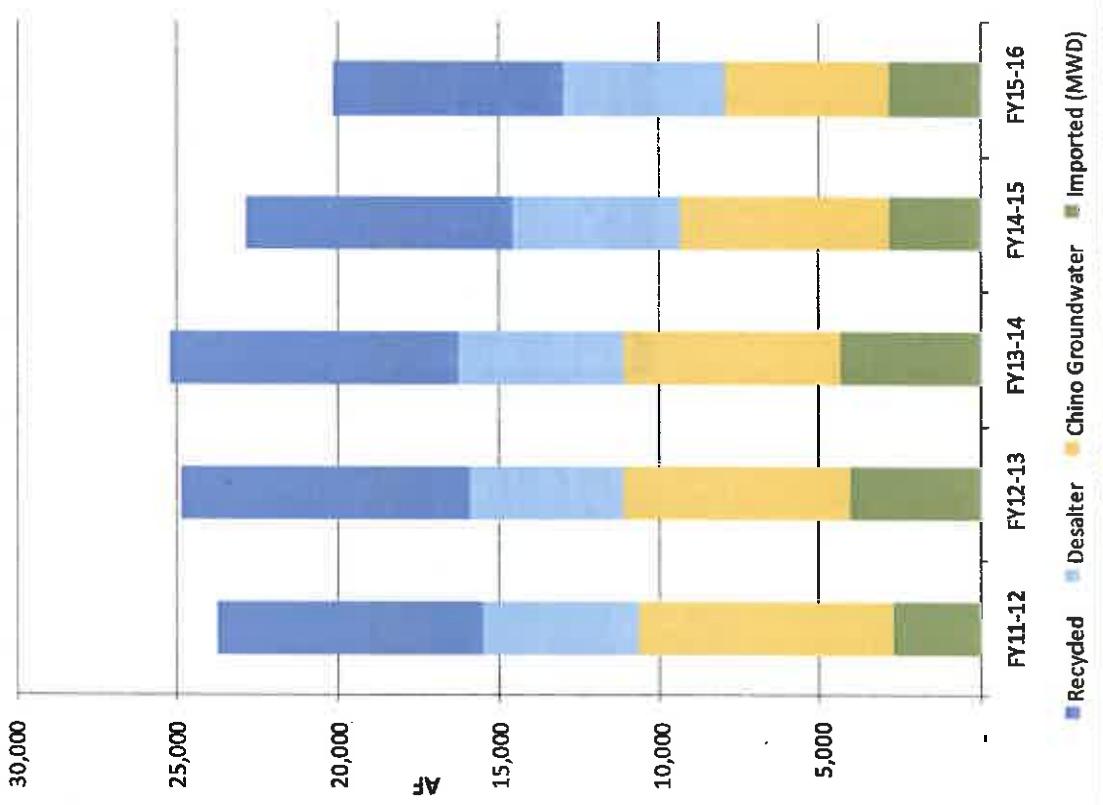
FY 2015/16 Monthly Water Usage



City of Chino

FY 2015/16 Water Use Report

5 - Year Water Production Trends Chino



In FY 2015/16, The City of Chino used 12% (20,163 AF) of 168,799 AF used in the IEUA service area.

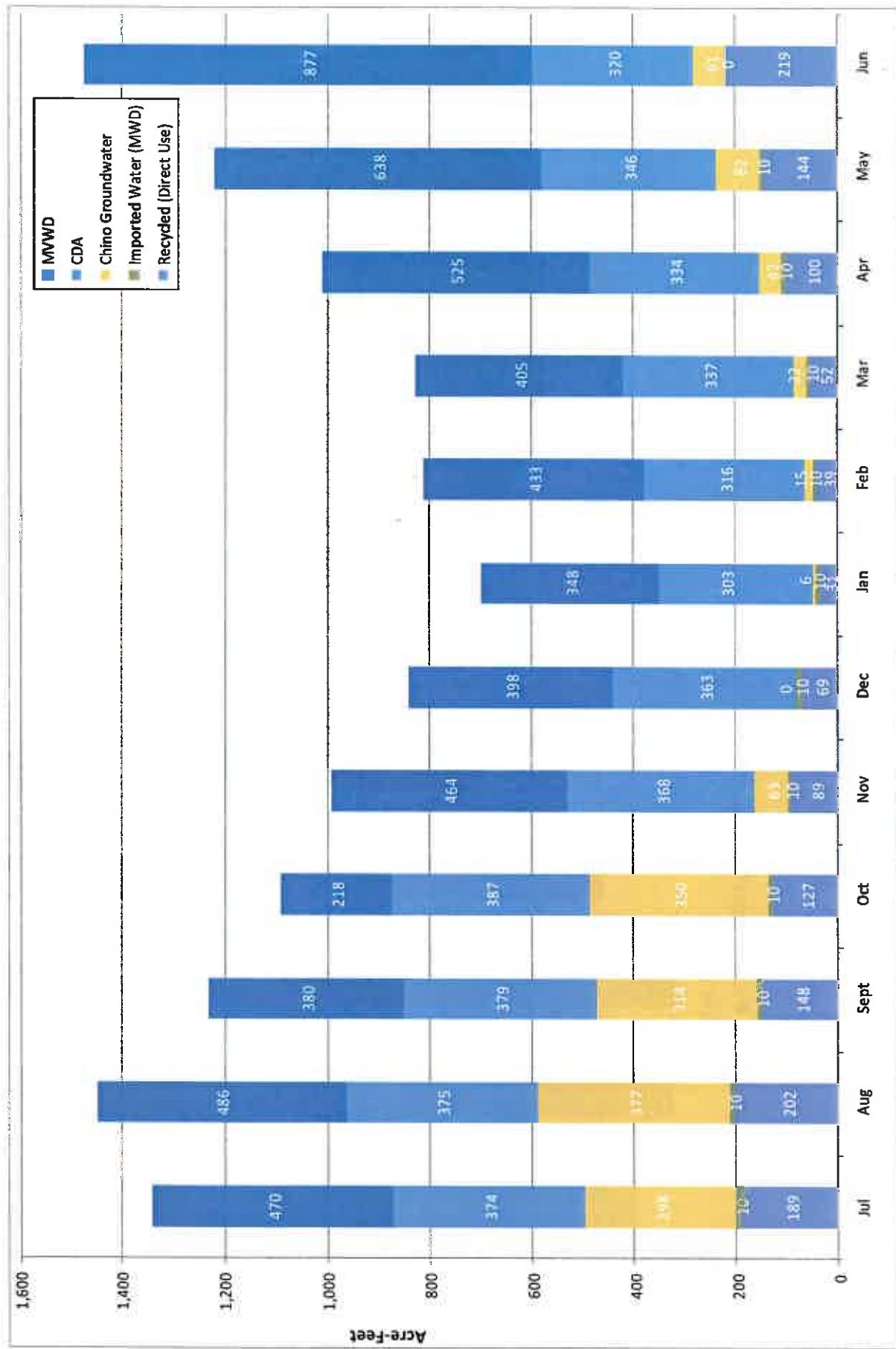
City of Chino

FY 2015/16 Monthly Water Usage

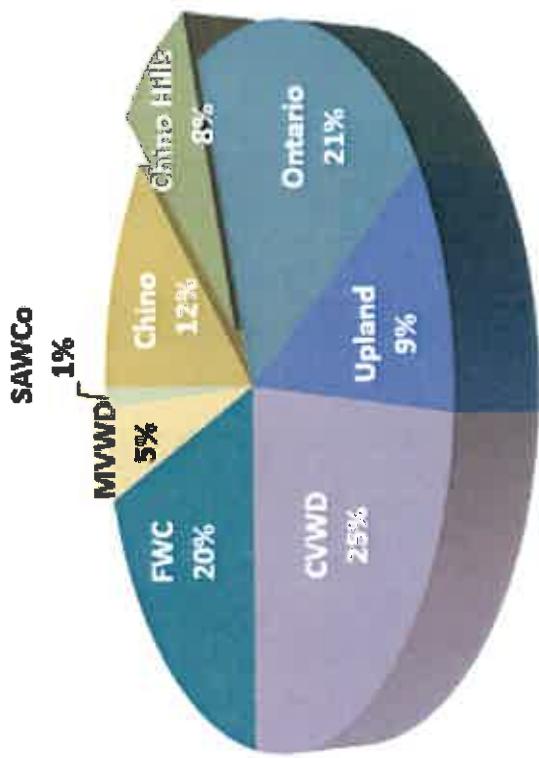
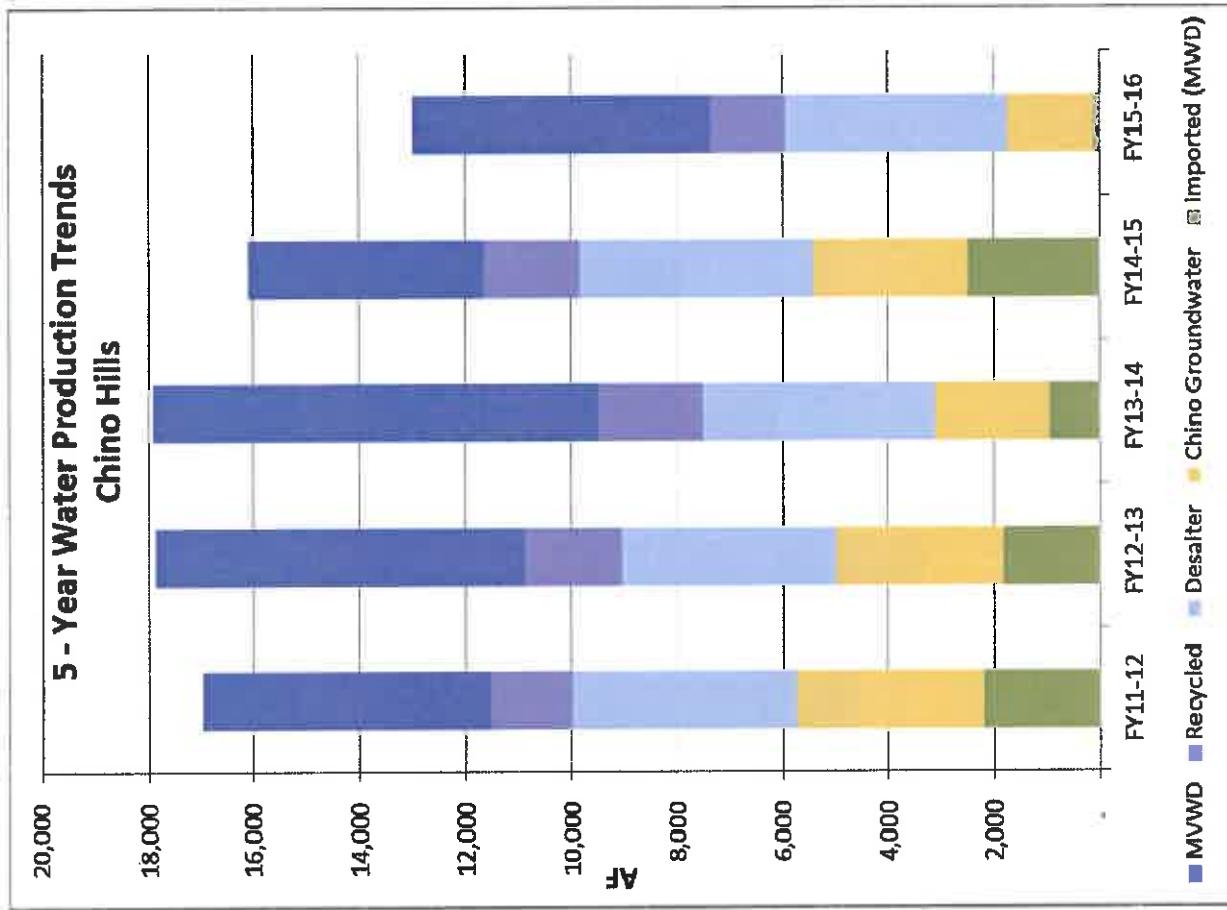
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Purchases from IEUA	891	1,360	1,106	606	508	356	98	237	345	403	623	660	7,217
Imported Water (MWD)	251	283	277	199	177	167	160	165	191	244	297	432	2,843
Subtotal	1,142	1,683	1,383	807	684	523	256	402	536	647	926	1,092	10,060
Purchased	Chino Groundwater	547	457	555	423	335	225	353	225	353	288	396	485
Subtotal	560	547	457	555	423	335	225	353	225	353	288	396	5,104
CDW	444	459	452	452	428	431	355	368	400	401	409	404	5,000
Subtotal	444	459	452	452	428	431	355	368	400	401	409	404	5,000
Total	2,146	2,869	2,283	1,814	1,532	1,290	836	1,123	1,224	1,443	1,813	1,980	20,163

City of Chino Hills

FY 2015/16 Monthly Water Usage



City of Chino Hills FY 2015/16 Water Use Report



In FY 2015/16, The City of Chino Hills used 8% (12,993 AF) of 168,799 AF used in the IEUA service area.

City of Chino Hills

FY 2015/16 Monthly Water Usage

Table 1: Total City of Chino Hills Water Usage by Month, for FY 2015/16 (M) - Chino Hills													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Purchases from IEIA	189	202	148	127	89	69	31	39	52	100	144	219	1,410
Recycled (Direct use)													
Imported Water (MWD)	10	10	10	10	10	10	10	10	10	10	10	0	110
Subtotal	199	212	158	137	99	79	41	49	62	110	154	219	1,520
Production													
Chino Groundwater	298	377	314	350	63	0	6	15	22	42	82	61	1,630
Subtotal	298	377	314	350	63	0	6	15	22	42	82	61	1,630
Purchase from other agencies													
CDA	374	375	379	387	368	363	303	316	337	334	346	320	4,201
MWWD	470	488	380	216	464	398	348	493	405	525	638	877	5,642
Subtotal	844	860	759	805	832	761	652	749	742	659	984	1,197	9,843
Total	1,341	1,449	1,231	1,093	994	840	699	812	826	1,011	1,220	1,477	12,993

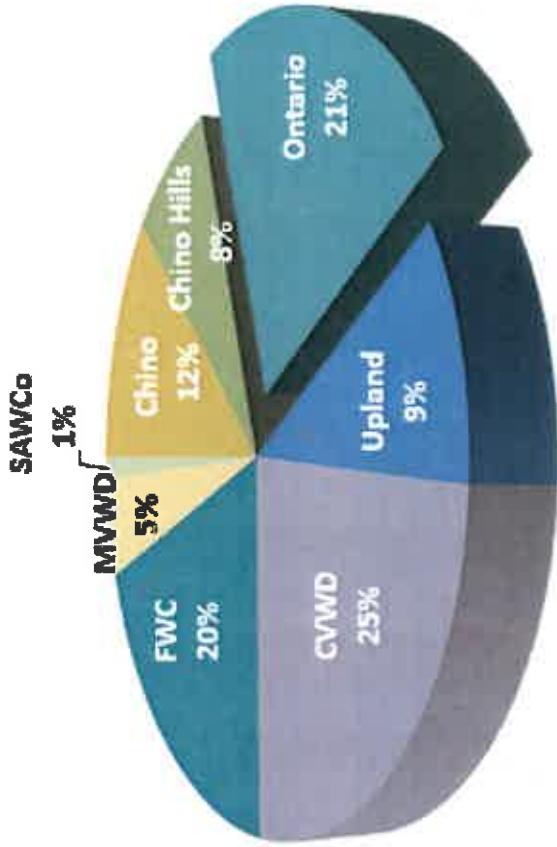
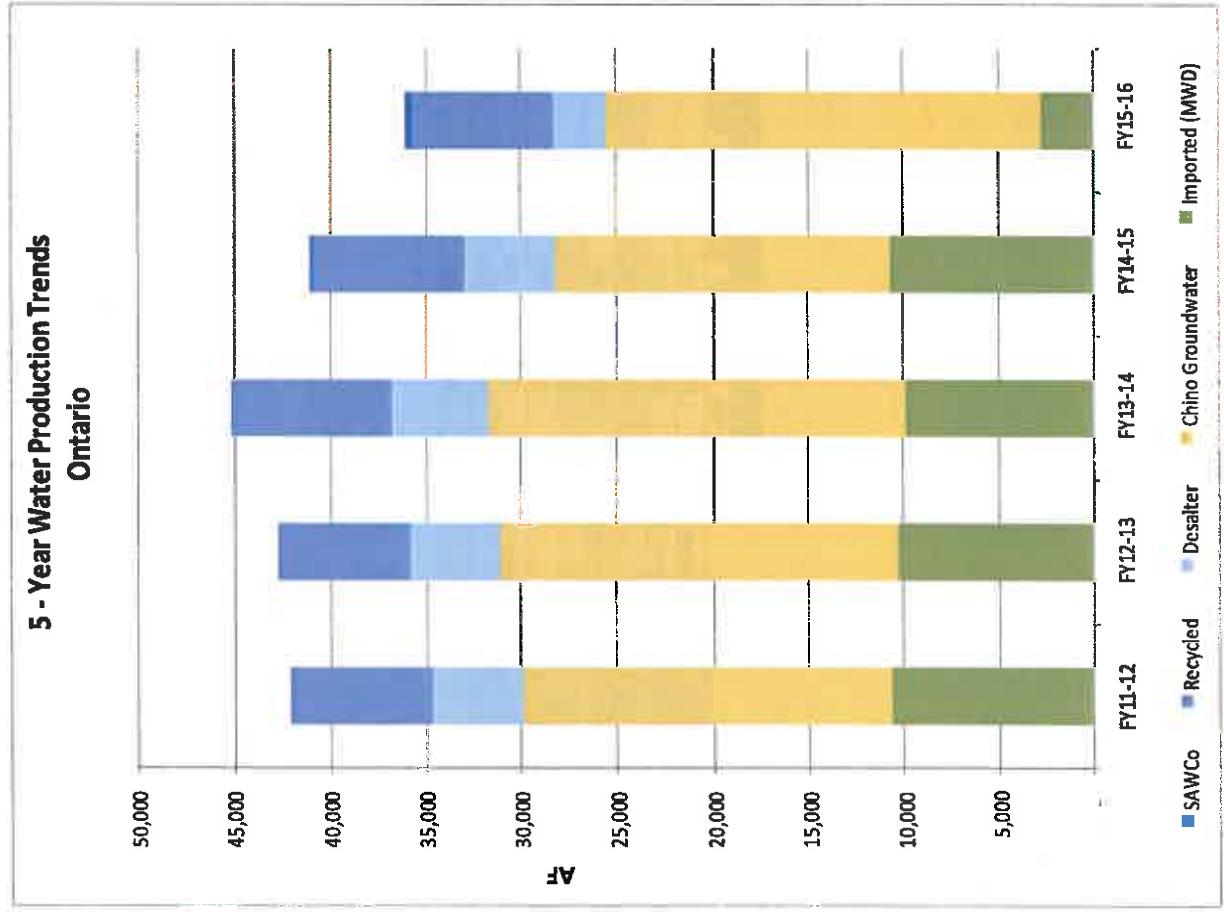
City of Ontario

FY 2015/16 Monthly Water Usage



City of Ontario

FY 2015/16 Water Use Report



In FY 2015/16, The City of Ontario used 21% (36,096 AF) of 168,799 AF used in the IEUA service area.

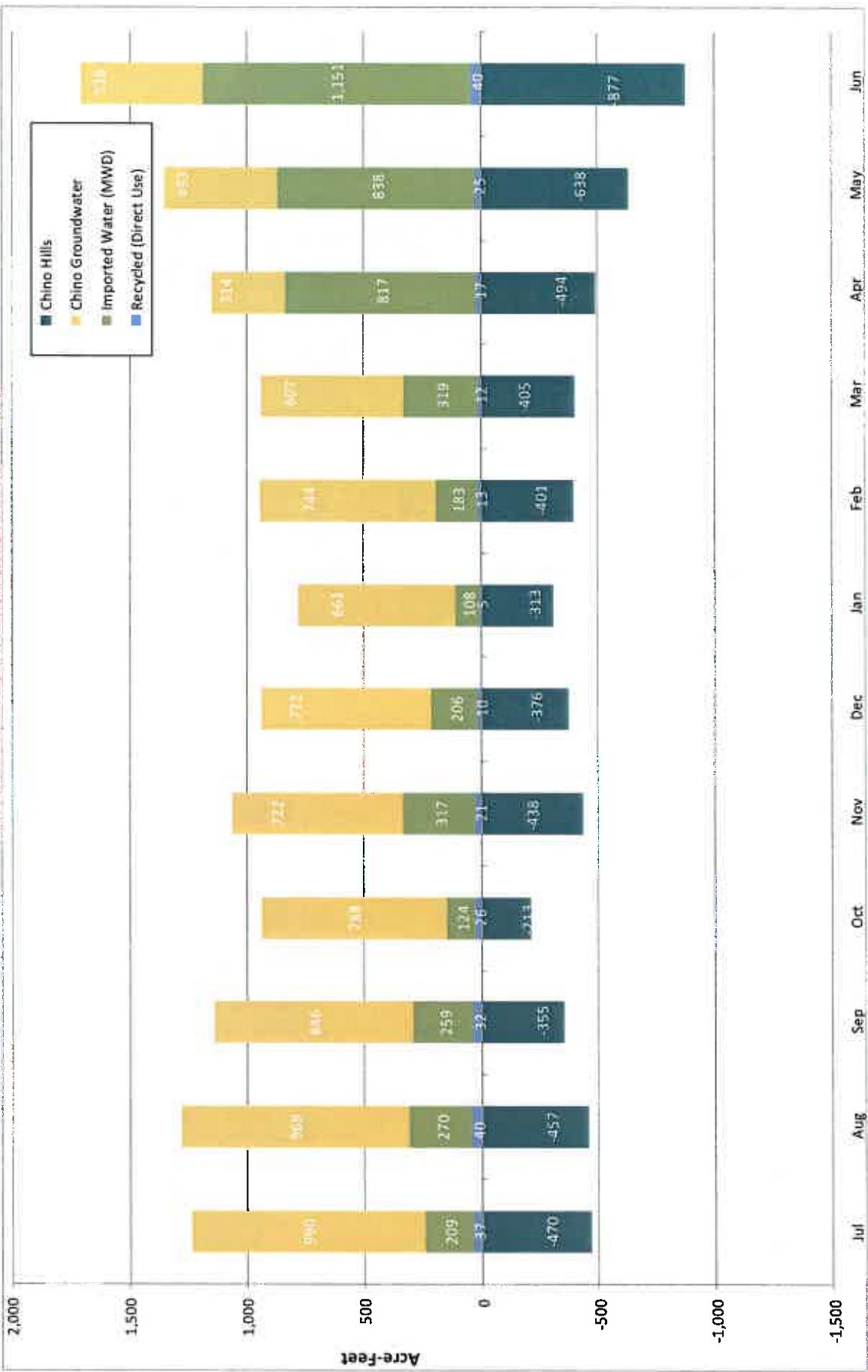
City of Ontario

FY 2015/16 Monthly Water Usage

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Purchases from IEUA													
Recycled (Direct use)	1,030	934	928	540	647	410	380	232	433	538	703	789	7,588
Imported Water (MWD)	257	315	229	263	221	201	165	160	231	225	252	236	2,755
Subtotal													
Production													
Coho Groundwater	2,224	2,367	2,138	1,988	1,756	1,541	1,328	1,546	1,593	1,785	2,038	2,443	22,755
Subtotal													
Purchase from other agencies													
CDA	242	256	259	256	240	237	188	147	198	263	188	211	2,682
SAWCo Water	86	39	40	33	36	38	36	31	0	0	0	0	339
Subtotal													
Total	3,839	3,911	3,662	3,060	2,899	2,427	2,098	2,116	2,453	2,812	3,181	3,578	36,097

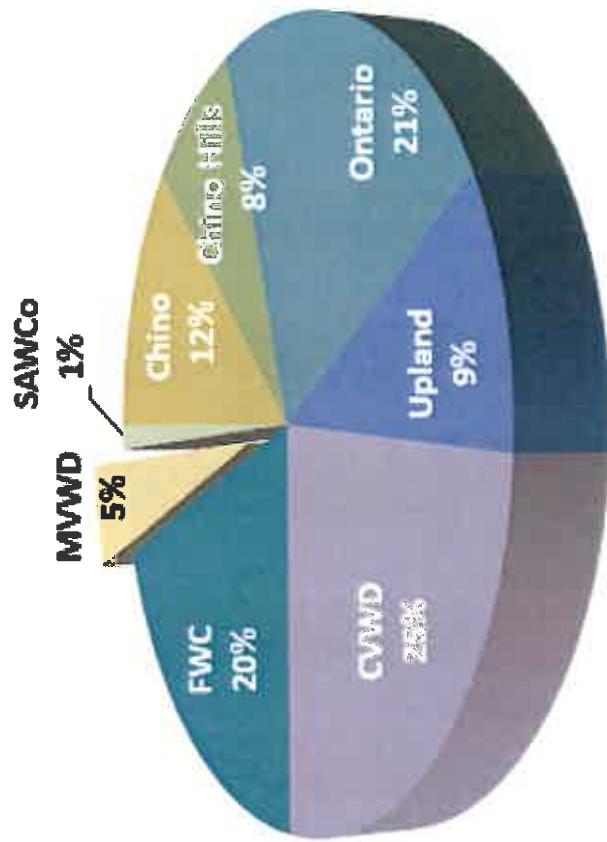
Monte Vista Water District

FY 2015/16 Monthly Water Usage

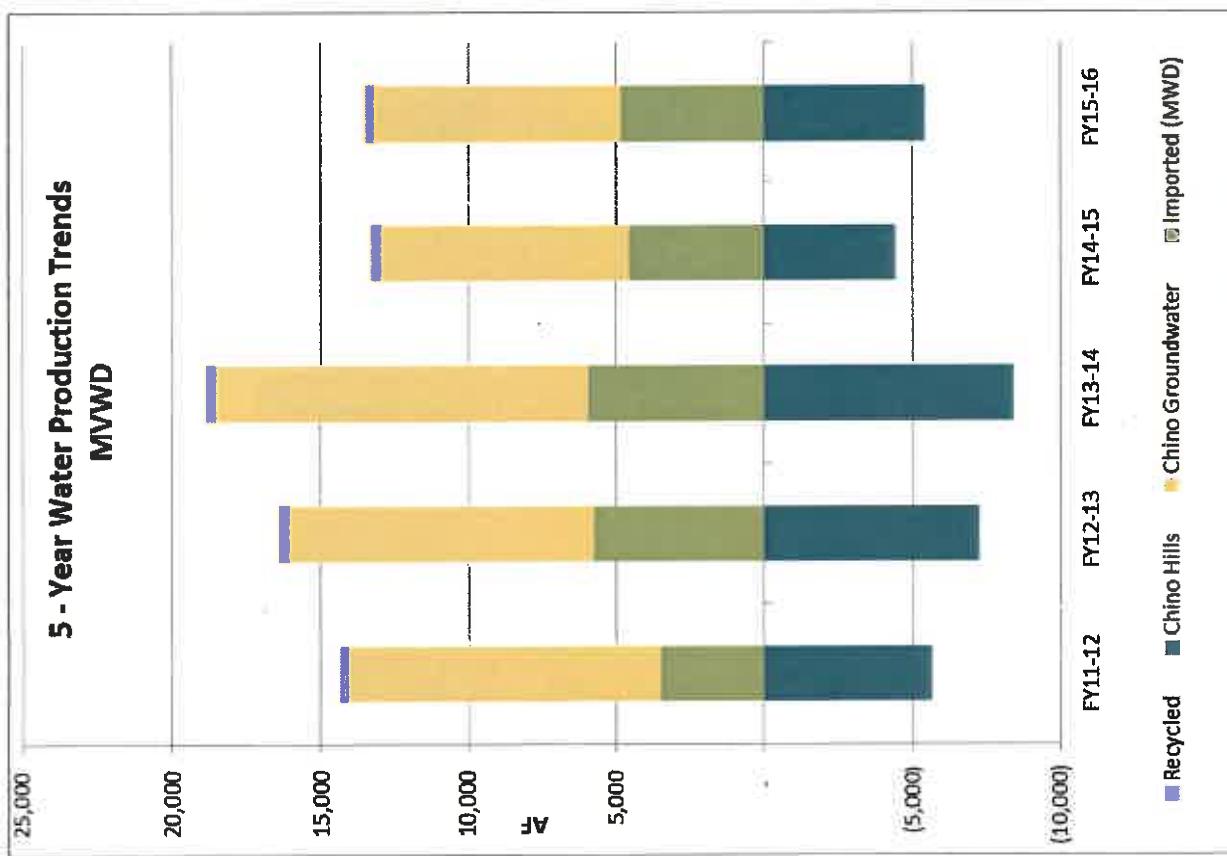


Monte Vista Water District

FY 2015/16 Water Use Report



In FY 2015/16, Monte Vista Water District used 5% (8,012 AF) of 168,799 AF used in the IEUA service area.



Legend: Recycled (Dark Blue), Chino Hills (Light Blue), Chino Groundwater (Yellow), Imported (MWD) (Green)

Monte Vista Water District

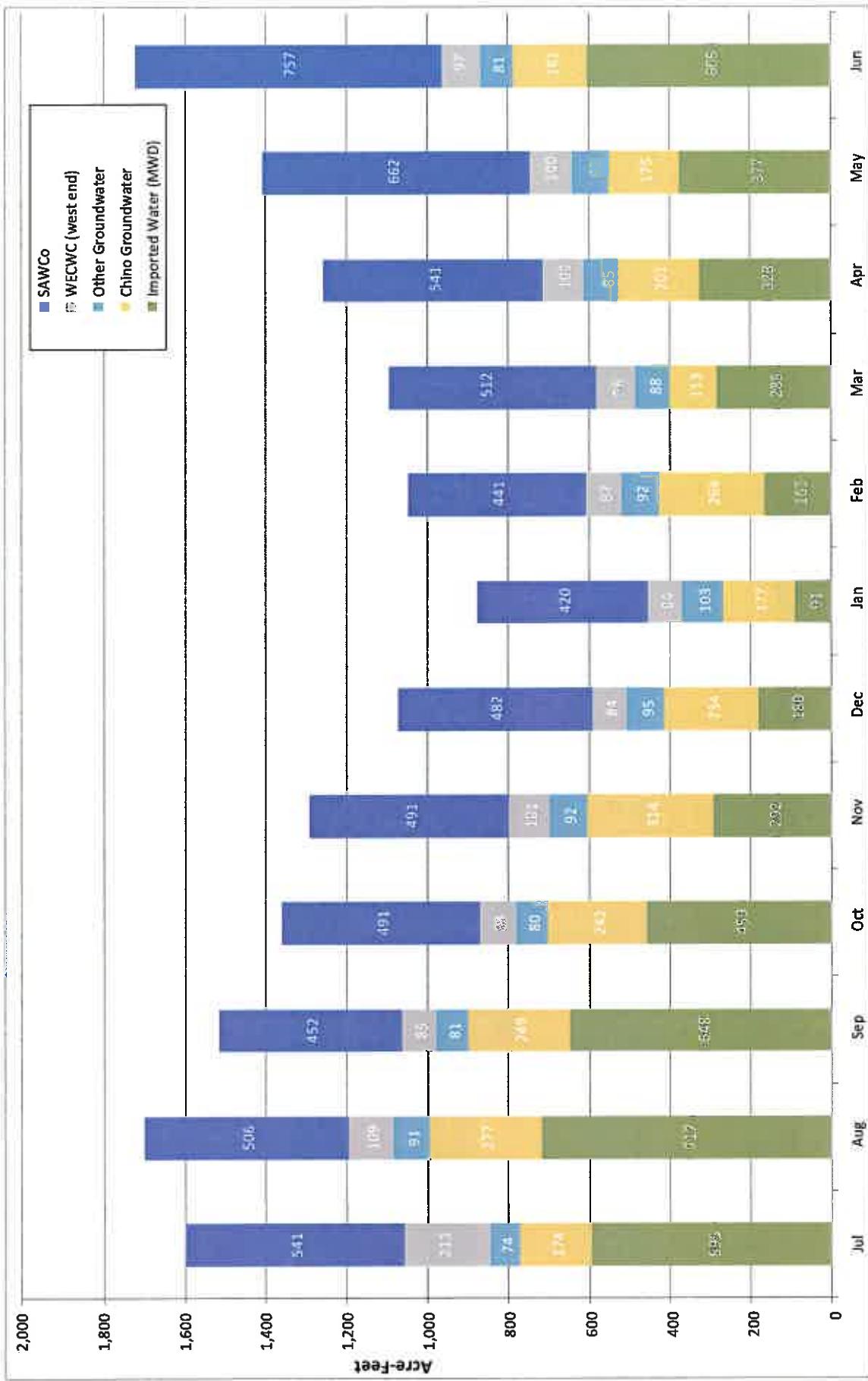
FY 2015/16 Monthly Water Usage

Table 1 IEUA Service Area Water Use by Agency for FY 15-16 (AF) MWD

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Purchases from IEUA	37	40	32	26	21	10	5	13	12	17	25	40	278
Recycled (Direct use)	209	270	259	124	317	208	108	183	319	817	838	1,151	4,789
Imported Water (MWD)	246	310	291	150	338	216	113	198	331	834	882	1,191	5,078
Subtotal	980	989	849	788	722	722	681	744	607	314	493	516	8,371
Production	980	989	849	788	722	722	681	744	607	314	493	516	8,371
Subtotal	-457	-457	-355	-213	-498	-376	-313	-401	-405	-494	-638	-877	-5,437
Sales to other agencies	-470	-470	-355	-213	-438	-376	-313	-401	-405	-494	-638	-877	-5,437
Subtotal	766	822	781	725	622	563	462	533	654	717	829	8,012	
Total													

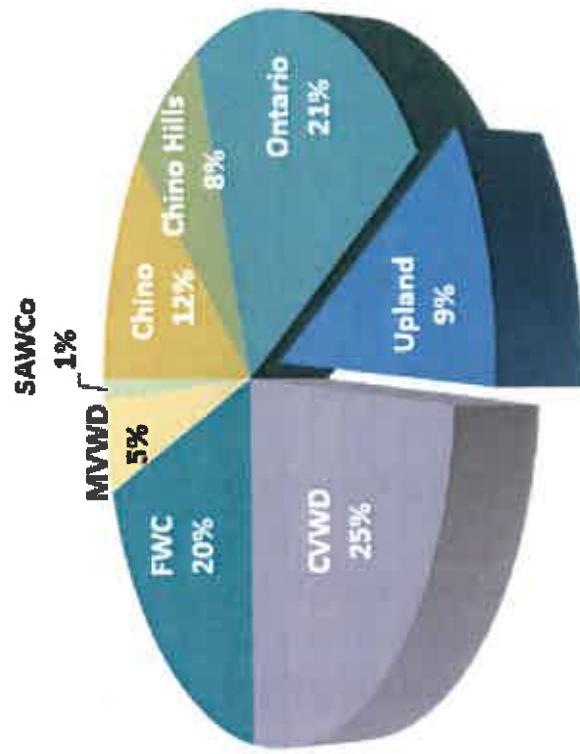
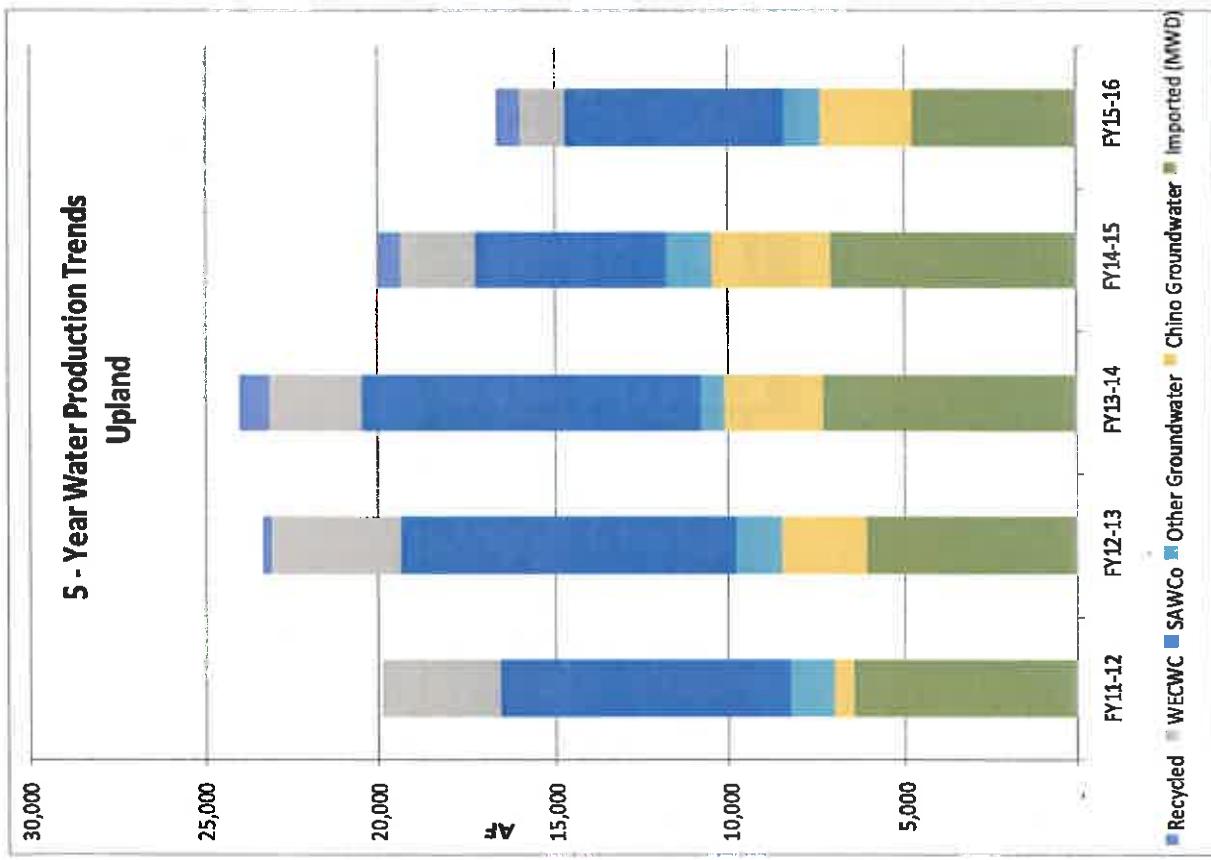
City of Upland

FY 2015/16 Monthly Water Usage



City of Upland

FY 2015/16 Water Use Report



In FY 2015/16, The City of Upland used 9% (16,806 AF) of 168,799 AF used in the IEUA service area.

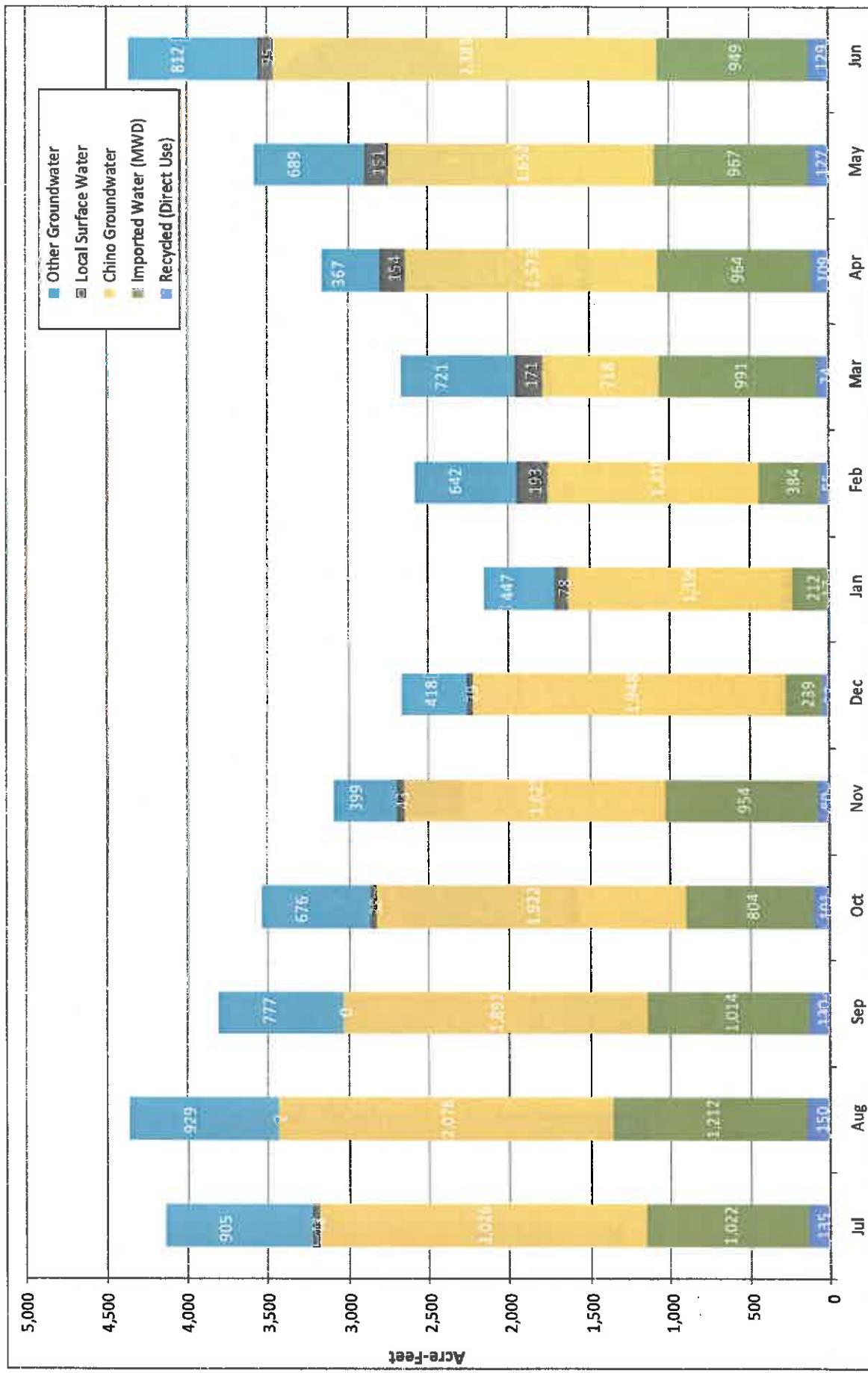
City of Upland

FY 2015/16 Monthly Water Usage

Total City of Upland Water Use by Agency for FY15-16 (A) - Updated													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Recycled (Direct use)	92	97	82	58	37	15	37	34	57	59	69	719	
Imported Water (MWD)	585	717	643	453	232	180	91	165	285	328	377	605	4,742
Imported Water* (RAW)	0	0	0	0	0	0	23	64	24	7	23	8	148
Subtotal	687	814	730	540	350	217	129	288	344	391	459	681	5,809
Chino Groundwater	174	277	249	242	314	234	177	264	113	201	175	181	2,601
Other Groundwater	74	91	81	80	92	95	103	92	88	85	92	81	1,054
Subtotal	248	368	330	322	406	329	280	358	201	286	267	262	3,655
SAWCo Water	541	452	491	491	482	420	441	512	541	682	757	6,297	
West End	213	109	85	85	101	84	84	87	96	101	100	97	1,246
Subtotal	753	615	537	579	592	566	505	528	609	642	763	854	7,543
Total	1,689	1,798	1,597	1,442	1,348	1,112	914	1,153	1,150	1,319	1,488	1,798	16,807

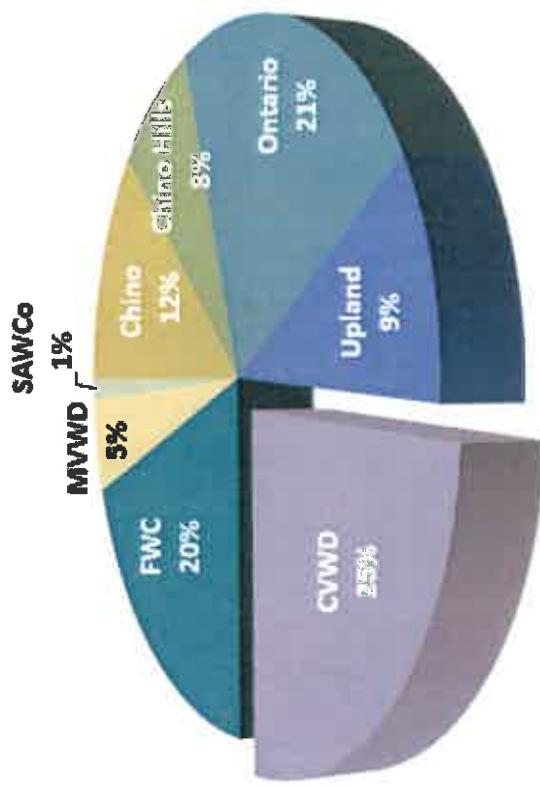
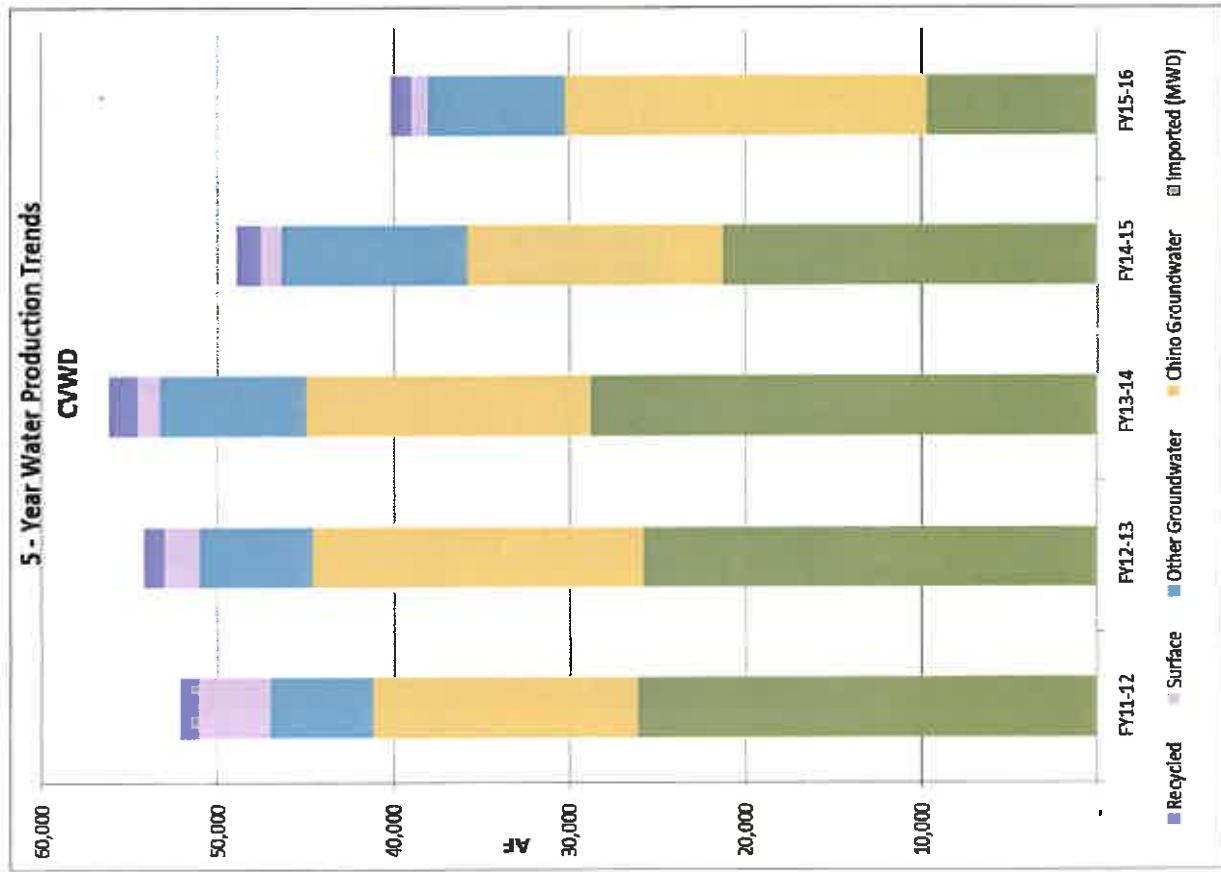
*Purchased from WFA

Cucamonga Valley Water District FY 2015/16 Monthly Water Usage



Cucamonga Valley Water District

FY 2015/16 Water Report



In FY 2015/16, Cucamonga Valley Water District used 25%
(40,166 AF) of 168,799 AF used in the IEUA service area.

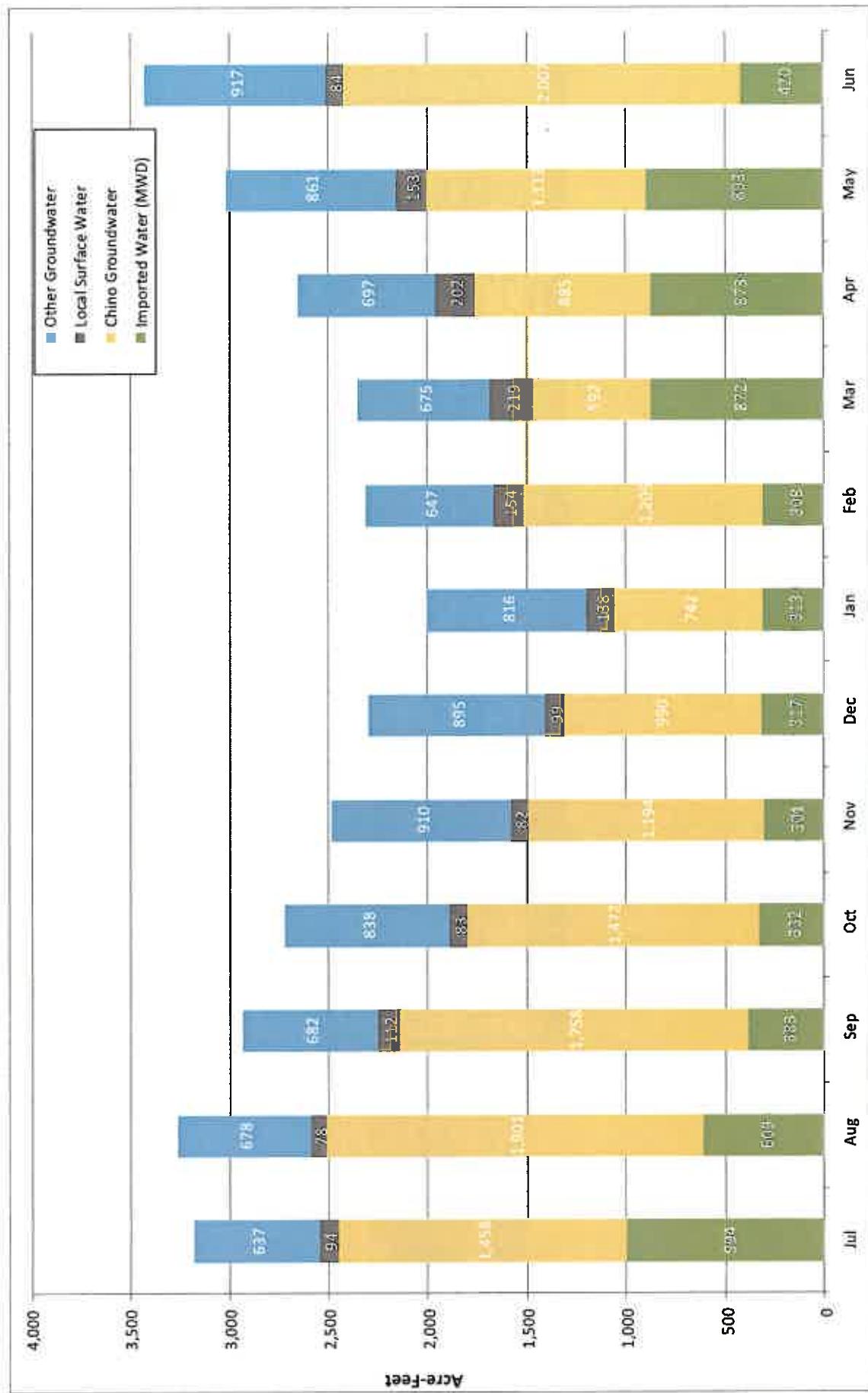
Cucamonga Valley Water District

FY 2015/16 Monthly Water Usage

Table 1 IEUA Service Area Water Use by Agency for FY 15/16 [as of 6/30/2016]

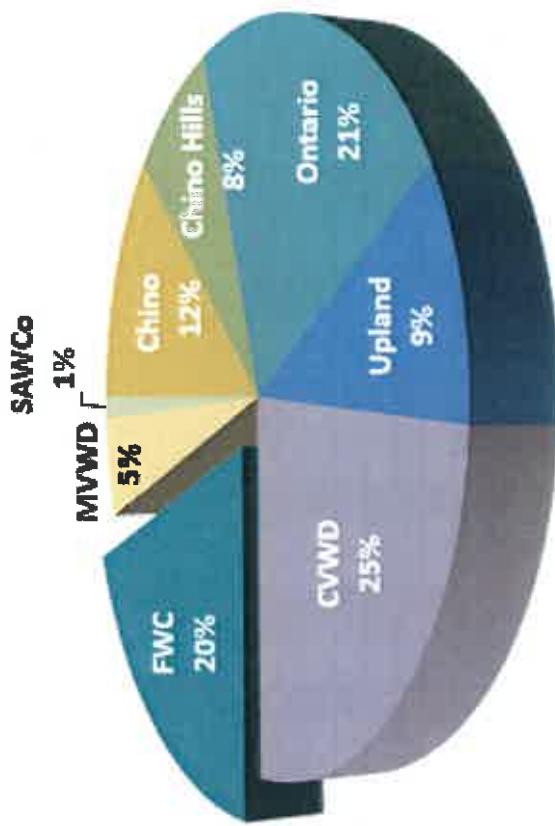
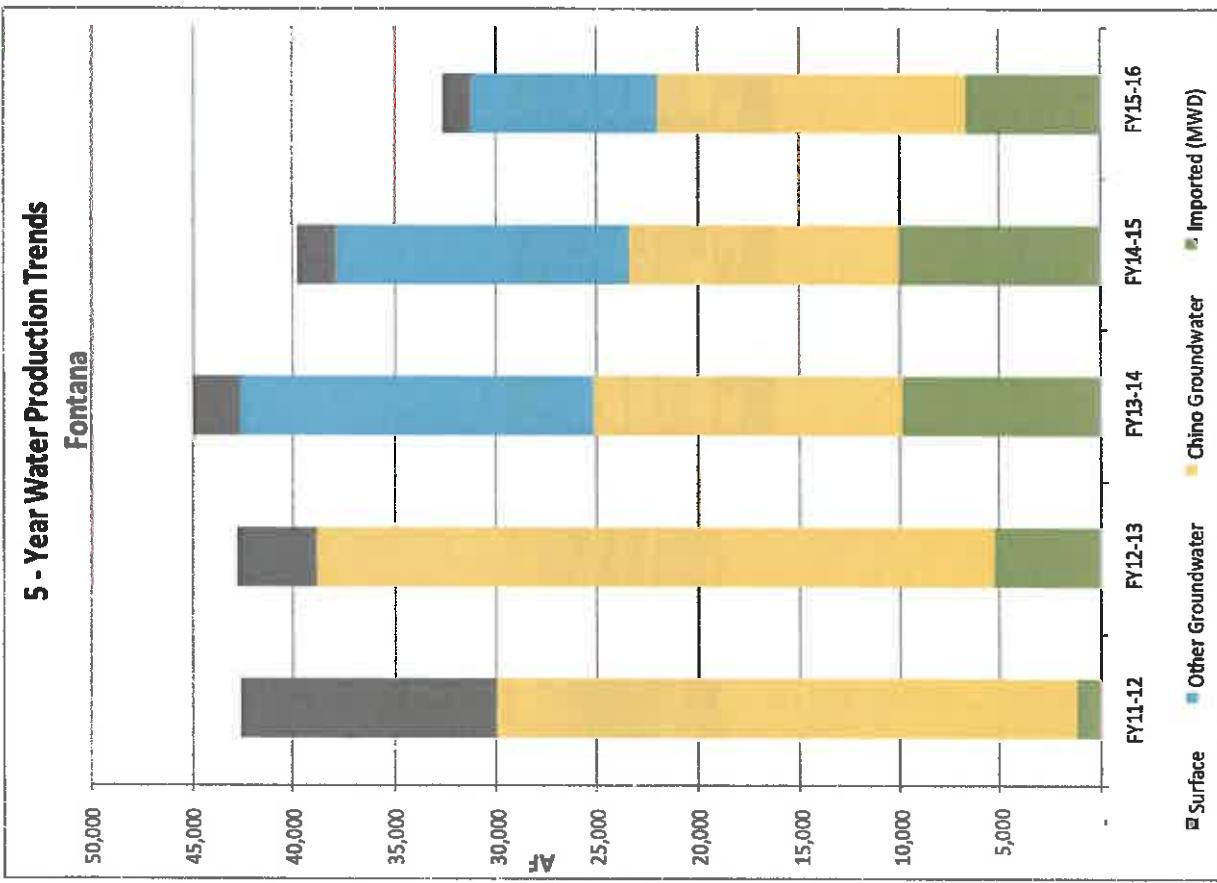
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Purchases from IEUA													
Recycled (Direct use)	135	150	130	101	80	38	17	55	74	109	127	129	1,146
Imported Water (MWD)	1,022	1,212	1,014	804	954	239	212	384	891	964	987	949	9,712
Subtotal	1,157	1,362	1,144	905	1,034	277	229	439	1,065	1,073	1,095	1,078	10,857
Production													
Chino Groundwater	2,026	2,076	1,991	1,922	1,625	1,948	1,388	1,310	718	1,573	1,652	2,383	20,524
Local Surface Water	48	2	0	38	43	29	78	193	171	154	151	95	1,001
Other Groundwater	905	929	777	676	399	419	447	642	721	367	689	812	7,783
Subtotal	2,973	3,007	2,968	2,636	2,067	2,395	1,924	2,145	1,610	2,084	2,493	3,280	28,308
Total	4,136	4,369	3,812	3,541	3,100	2,872	2,153	2,594	2,675	3,167	3,588	4,368	40,166

Fontana Water Company FY 2015/16 Monthly Water Usage



Fontana Water Company

FY 2015/16 Water Use Report



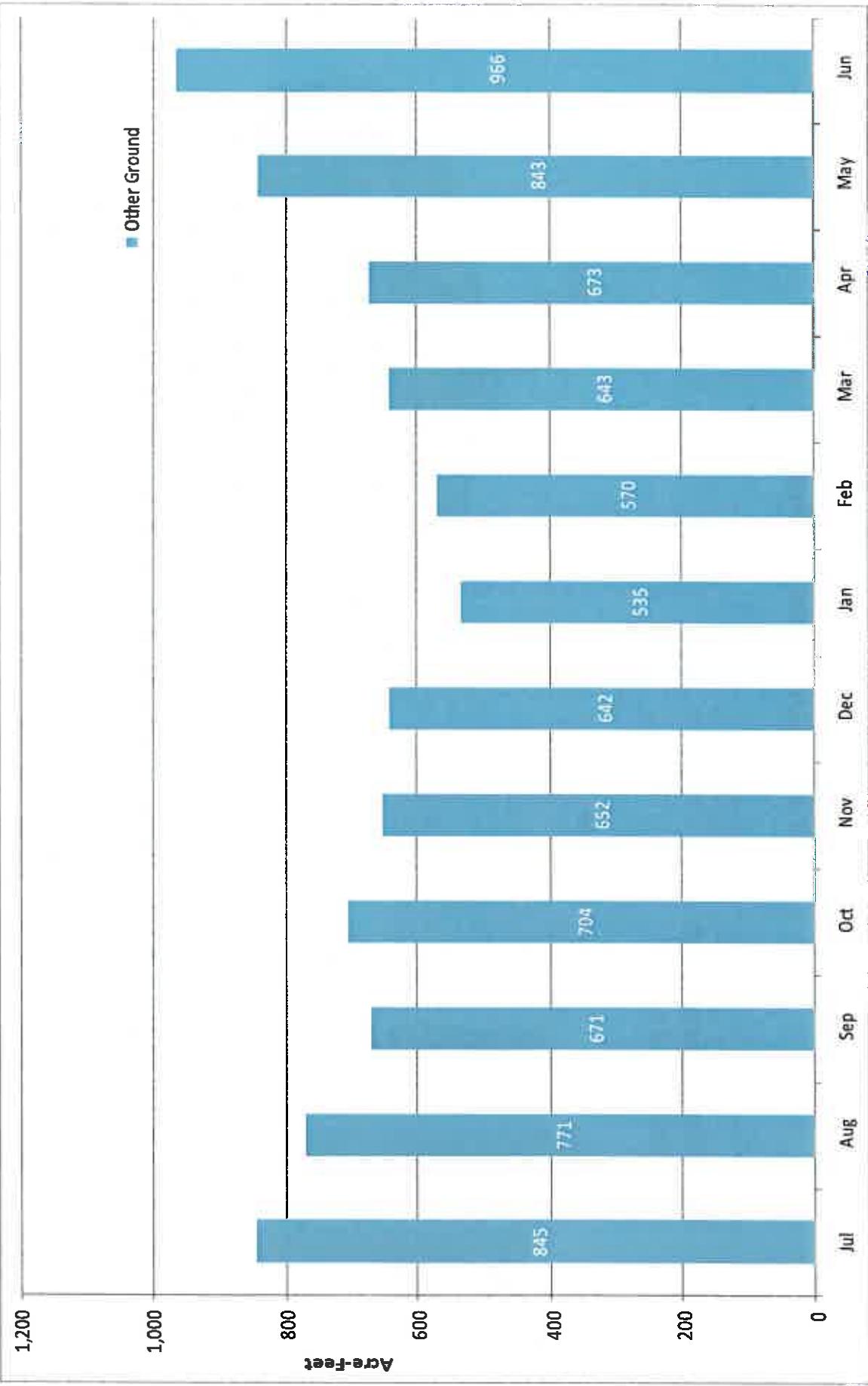
In FY 2015/16, The Fontana Water Company used 20% (32,680 AF) of 168,799 AF used in the IEUA service area.

Fontana Water Company

FY 2015/16 Monthly Water Usage

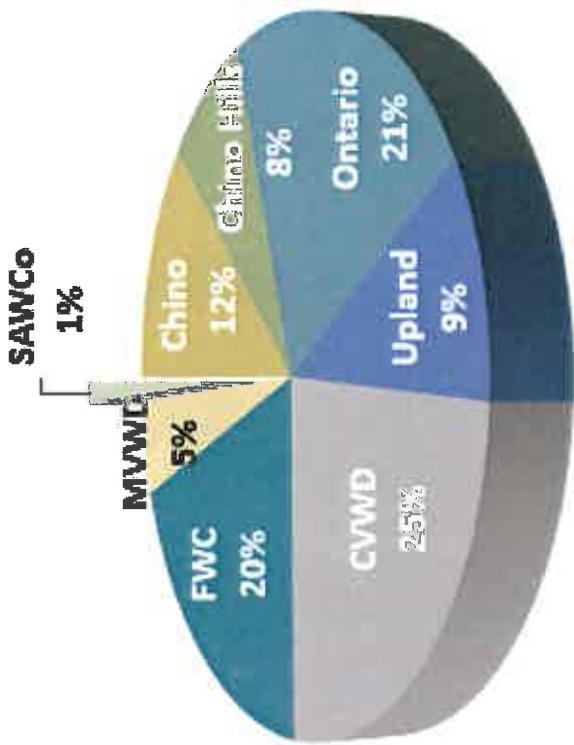
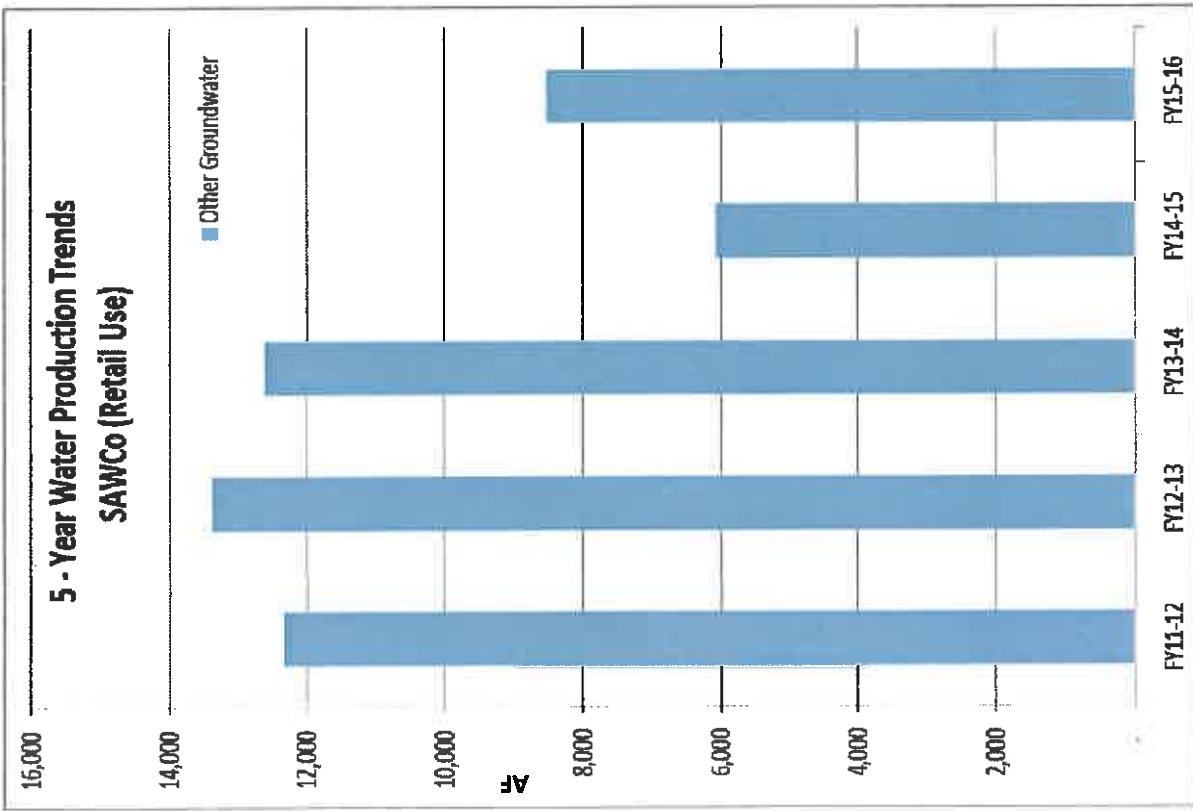
Table 1. IELA Service Area Water Use by Agency for FY 15-16 (as of 7/16) - FANC													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Purchases from IEUA													
Imported Water (MMWD)	934	609	393	332	301	317	313	308	308	872	873	883	420
Subtotal	934	609	393	332	301	317	313	308	308	872	873	893	420
China Groundwater	1,458	1,801	1,738	1,472	1,194	890	742	1,205	592	885	1,112	2,007	6,613
Local Surface Water	94	78	112	83	82	99	138	154	219	202	153	84	1,497
Other Groundwater	637	678	682	839	910	885	816	647	675	687	861	917	9,253
Subtotal	2,189	2,657	2,552	2,394	2,186	1,984	2,005	1,696	1,486	1,784	2,127	3,007	26,067
Total	3,183	3,266	2,835	2,726	2,487	2,301	2,010	2,313	2,358	2,657	3,020	3,427	32,681

San Antonio Water Company FY 2015/16 Monthly Water Usage



San Antonio Water Company

FY 2015/16 Water Use Report



In FY 2015/16, The San Antonio Water Company used 1% (1,881 AF) of 168,799 AF used in the IEUA service area.

San Antonio Water Company

FY 2015/16 Monthly Water Usage

Table 1: TEUA Service Area Water Use by Agency for FY15-16 (AF) - SAWCO

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Production	845	771	671	704	652	642	535	570	643	673	843	966	8,517
Other Groundwater													
Subtotal	845	771	671	704	652	642	535	570	643	673	843	966	8,517
Sales to Other Agencies	-86	-39	-40	-33	-38	-38	-38	-31	0	0	0	0	-338
Ontario Upland	-541	-506	-452	-491	-482	-420	-441	-512	-541	-682	-757	-757	-6,297
Subtotal	-827	-545	-492	-524	-527	-520	-457	-472	-512	-541	-682	-757	-6,835
Total	218	226	180	181	126	123	78	98	131	132	180	209	1,882

APPENDIX A

Five year Historical Data Summary

Total IEUA Service Area Water Use by Retail Agency for FY 15-16 (AFY)							
FY 15-16	CHINO	CHINO HILLS	ONTARIO	UPLAND	CWWD	FWC	MVWD
Purchases from IEUA	2,843	110	2,755	4,890	9,712	6,613	4,799
Imported Water (MWD)							0
Recycled (Direct Use)	7,217	1,410	7,566	719	1,146	0	278
Subtotal	10,060	1,520	10,321	5,609	10,857	6,613	5,078
Production							0
Chino Groundwater	5,104	1,630	22,755	2,601	20,524	15,317	8,371
Other Groundwater	0	0	0	1,054	7,783	9,253	0
Local Surface Water	0	0	0	0	1,002	1,497	0
Subtotal	5,104	1,630	22,755	3,655	29,309	26,067	8,371
Purchases from Other Agencies							
CDA	5,000	4,201	2,682	0	0	0	0
MVWD	0	5,642	0	0	0	0	0
SAWCo Water	0	0	338	6,297	0	0	0
West End	0	0	0	1,246	0	0	0
Subtotal	5,000	9,843	3,020	7,543	0	0	0
Sales to Other Agencies							
Chino Hills	0	0	0	0	0	-5,437	0
Ontario	0	0	0	0	0	0	-338
Upland	0	0	0	0	0	0	-6,297
Subtotal	0	0	0	0	0	-5,437	-6,635
Total	20,163	12,993	36,096	16,807	40,166	32,681	8,012
							1,882
							168,799

Total IEUA Service Area Water Use by Retail Agency for FY 14-15 (AFY)										
FY 14-15	CHINO	CHINO HILLS	ONTARIO	UPLAND	CWWD	FWC	MVWD	SAWCo	TOTAL	
Purchases from IEUA	Imported Water (MWD)	2,830	2,494	10,703	7,047	21,306	9,994	4,530	0	58,905
	Recycled (Direct Use)	8,324	1,827	8,018	636	1,400	0	308	0	20,513
	Subtotal	11,154	4,321	18,721	7,684	22,705	9,994	4,838	0	79,418
	Chino Groundwater	6,497	2,904	17,426	3,416	14,490	13,344	8,407	0	66,485
Production	Other Groundwater	0	0	0	1,291	10,631	14,500	0	6,091	32,513
	Local Surface Water	0	0	0	0	1,076	1,969	0	0	3,044
	Subtotal	6,497	2,904	17,426	4,708	26,196	29,813	8,407	6,091	102,042
Purchases from Other Agencies	CDA	5,232	4,426	4,827	0	0	0	0	0	14,485
	MVWD	0	4,436	0	0	0	0	0	0	4,436
	SAWCo Water	0	0	172	5,461	0	0	612	0	6,246
	West End	0	0	0	2,139	0	0	0	0	2,139
Sales to Other Agencies	Subtotal	5,232	8,862	5,000	7,601	0	0	612	0	27,306
	Chino Hills	0	0	0	0	0	0	-4,439	0	-4,439
	MVWD	0	0	0	0	0	0	-612	-612	-612
	Ontario	0	0	0	0	0	0	-172	-172	-172
	Upland	0	0	0	0	0	0	-3,177	-3,177	-3,177
	Subtotal	0	0	0	0	0	0	-4,439	-3,961	-8,400
	Total	22,884	16,037	41,147	19,992	48,902	39,807	9,419	2,129	200,366

Total IEUA Service Area Water Use by Retail Agency for FY 13-14 (AFY)									
FY 13-14	CHINO	CHINO HILLS	ONTARIO	UPLAND	CWWD	FWC	MVWD	SAWCo	TOTAL
Imported Water (MWD)	4,342	962	9,904	7,265	28,825	9,792	5,965	0	67,055
Recycled (Direct Use)	8,916	2,002	8,428	869	1,652	0	339	0	22,205
Subtotal	13,258	2,964	18,332	8,134	30,477	9,792	6,304	0	89,261
Chino Groundwater	6,725	2,138	21,723	2,822	16,122	15,378	12,522	0	77,430
Other Groundwater	0	0	0	704	8,324	17,454	0	12,610	39,092
Local Surface Water	0	0	0	0	1,254	2,405	0	0	3,658
Subtotal	6,725	2,138	21,723	3,526	25,700	35,236	12,522	12,610	120,180
CDA	5,198	4,396	5,141	0	0	0	0	0	14,735
CWWD	0	0	0	0	0	0	757	0	757
Purchases from Other Agencies									
MVWD	0	8,427	0	0	0	0	0	0	8,427
SAWCo Water	0	0	0	9,662	0	0	400	0	10,063
West End	0	0	0	2,653	0	0	0	0	2,653
Subtotal	5,198	12,824	5,141	12,316	0	757	400	0	36,636
Chino Hills	0	0	0	0	0	0	-8,428	0	-8,428
MVWD	0	0	0	0	0	0	0	-400	-400
Upland	0	0	0	0	0	0	0	-9,662	-9,662
Subtotal	0	0	0	0	0	0	-8,428	-10,063	-18,490
Total	25,181	17,926	45,196	23,975	56,177	45,785	10,798	2,547	227,586

Total IEUA Service Area Water Use by Retail Agency for FY 12-13 (AFY)									
FY 12-13	CHINO	CHINO HILLS	ONTARIO	UPLAND	CWWD	FWC	MVWD	SAWCo	TOTAL
Purchases from IEUA									
Imported Water (MWD)	4,085	1,822	10,244	6,067	25,845	5,215	5,737	0	59,013
Recycled (Direct Use)	8,957	1,890	6,894	264	1,231	0	327	0	19,562
Subtotal	13,042	3,711	17,138	6,331	27,075	5,215	6,063	0	78,575
Production									
Chino Groundwater	7,022	3,134	20,801	2,358	18,740	33,576	10,325	0	95,956
Other Groundwater	0	0	0	1,349	6,420	0	0	0	13,376
Local Surface Water	0	0	0	0	1,921	4,059	0	0	5,980
Subtotal	7,022	3,134	20,801	3,707	27,081	37,635	10,325	13,376	123,081
Purchases from Other Agencies									
CDA	4,805	4,075	4,792	0	0	0	0	0	13,671
MVWD	0	6,949	0	0	0	0	0	0	6,949
SAWCo Water	0	0	0	9,594	0	0	841	0	10,435
West End	0	0	0	3,692	0	0	0	0	3,692
Subtotal	4,805	11,024	4,792	13,286	0	0	841	0	34,747
Sales to Other Agencies									
Chino Hills	0	0	0	0	0	0	-7,249	0	-7,249
MVWD	0	0	0	0	0	0	0	-841	-841
Upland	0	0	0	0	0	0	0	-9,594	-9,594
Subtotal	0	0	0	0	0	0	-7,249	-10,435	-17,684
Total	24,868	17,869	42,731	23,324	54,157	42,850	9,980	2,941	218,719

Total IEUA Service Area Water Use by Retail Agency for FY 11-12 (AFY)									
FY 11-12	CHINO	CHINO HILLS	ONTARIO	UPLAND	CWWD	FWC	MVWD	SAWCo	TOTAL
Purchases from IEUA									
Imported Water (MVWD)	2,743	2,173	10,661	6,446	26,144	1,202	3,506	0	52,876
Recycled (Direct Use)	8,274	1,567	7,493	0	1,019	0	288	0	18,641
Subtotal	11,018	3,740	18,154	6,446	27,163	1,202	3,793	0	71,517
Production									
Chino Groundwater	7,856	3,566	19,164	526	14,949	28,748	10,538	0	85,346
Other Groundwater	0	0	0	1,246	5,933	0	0	0	19,507
Local Surface Water	0	0	0	0	4,070	12,674	0	0	16,744
Subtotal	7,856	3,566	19,164	1,772	24,952	41,421	10,538	12,328	121,597
Purchases from Other Agencies									
CDA	4,887	4,236	4,838	0	0	0	0	0	13,961
MVWD	0	5,416	0	0	0	0	0	0	5,416
SAWCo Water	0	0	0	8,309	0	0	1,277	0	9,586
West End	0	0	0	3,324	0	0	0	0	3,324
Subtotal	4,887	9,652	4,838	11,633	0	0	1,277	0	32,287
Sales to Other Agencies									
Chino Hills	0	0	0	0	0	0	-5,661	0	-5,661
MVWD	0	0	0	0	0	0	0	-1,277	-1,277
Upland	0	0	0	0	0	0	0	-8,309	-8,309
Subtotal	0	0	0	0	0	0	-5,661	-9,586	-15,247
Total	23,761	16,959	42,156	19,851	52,115	42,624	9,947	2,742	210,154

APPENDIX B

Definitions

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

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

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

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

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

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

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

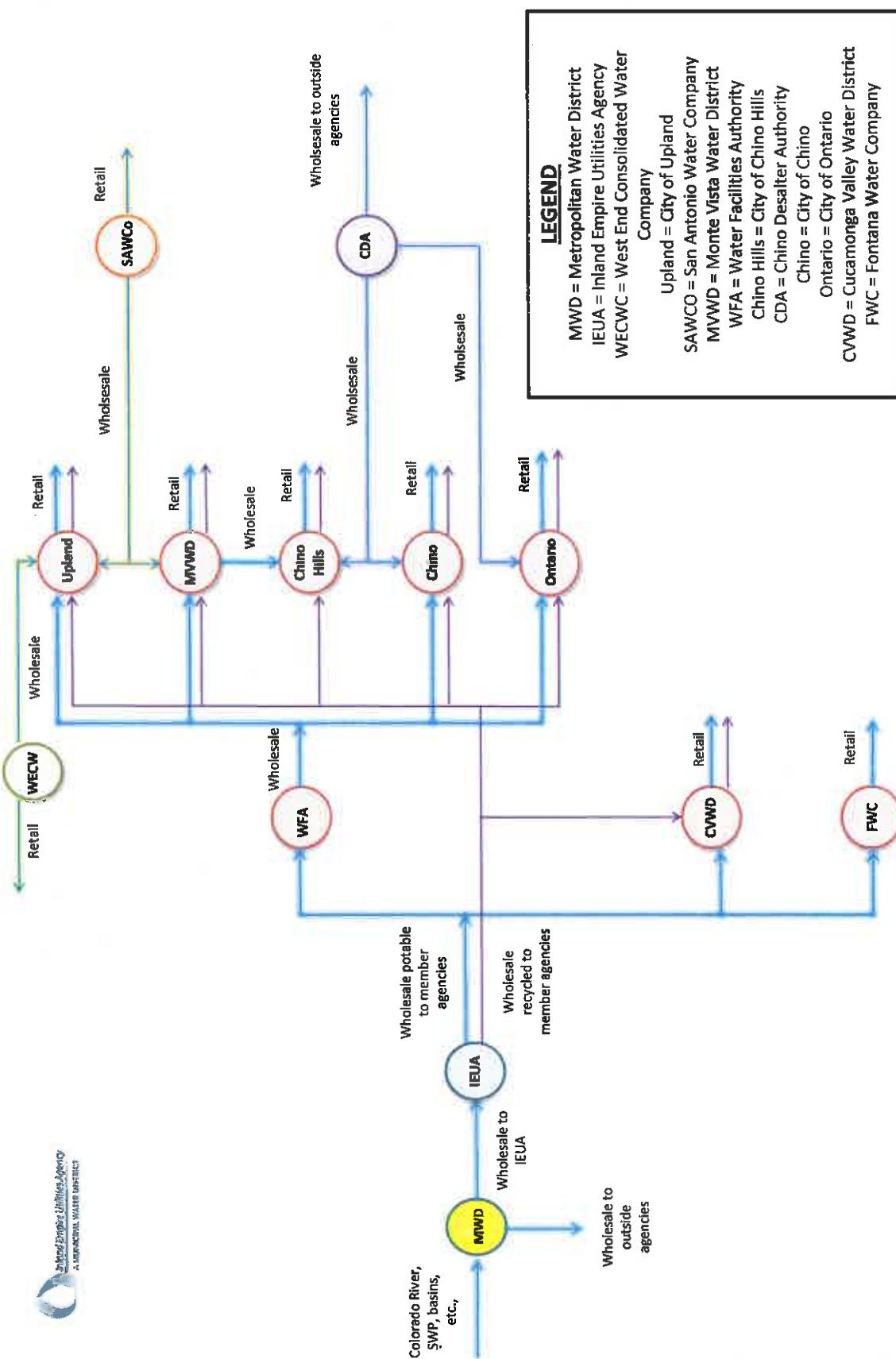
WVWD – West Valley Water District

Production – Amount of water Agencies produce from their groundwater, surface water, or other water supplies that they have rights or jurisdiction over.

Use – Amount of water used within a member agency's jurisdiction, as reported by them to IEUA.

APPENDIX C

Member Agency Organizational Chart



APPENDIX D

Powerpoint Presentations for Governor's Executive Order

Technical and Procedural Aspects of Implementing the EO Efficiency Standards

1. Residential Overview
 - Indoor Implementation Protocol
 - Outdoor Implementation Protocol
2. CII and Water Loss Overview
 - Technical Issues

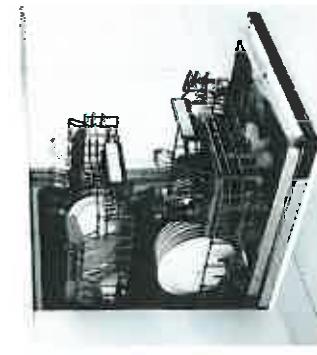
Data for Residential Efficiency Formula

- Collect necessary data:
 - Agency by Agency Single Family Residential landscape area (Aggregated)
 - Shape files for each agency
 - Statewide aerial imagery
 - Averaged/weighted ET per service area
 - Aggregated residential / irrigation efficiency target by agency

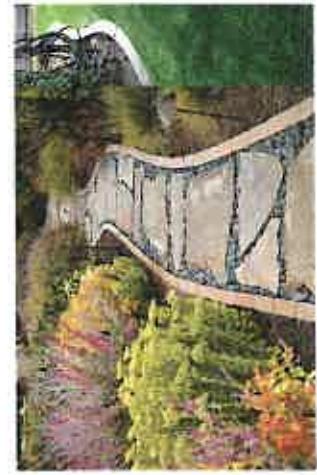
Water Efficiency Formula

$$\text{(# of Residents) (gpcd)} + \text{(ET) (Landscape Area) (ET Factor)}$$

indoor



outdoor



(# of Residents) (gpcd) + (ET) (Landscape Area) (Plant Factor)

Outdoor

Indoor Variables

- 1) Population or people per household

1. Population or People per Household

DWR Population Tool

- Many utilities used this tool to complete their 2015 UWMP

Urban Water Management Tools

The UWMP Tool allows urban water suppliers to electronically submit their Urban Water Management Plans (UWMPs) to DWR.

Launch UWMP Tool

Timeline: Completed as part of UWMP
Cost: Moderate (depends on nature of growth)

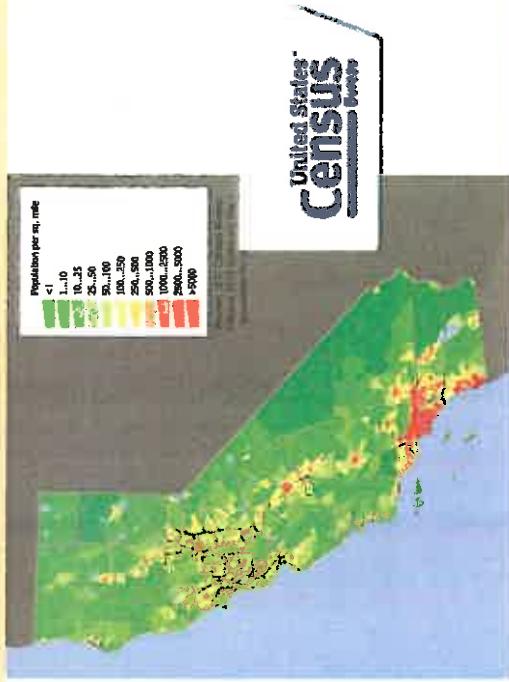
Issues: Growth in a service area

Solutions: Flexibility to update, utilizing a variance process for all agencies to DWR

1. Population or People per Household

Census + Meter Data

- Agency provides population data and/or DWR utilizes Census data.
- Verifying large households can also be done by checking meter reads for actual use



Timeline: Completed as part of UWMP

Cost: Completed as part of UWMP

Accuracy: moderate (depends on alignment of census block and utility boundaries)

Issues: Home by home occupancy is not necessary. Aggregated population within the district is sufficient for calculating an agency efficiency target.

Solutions: Use best available population data either inside the agency, from local sources or Census data. Utilize a "variance" or adjustment process for consistent updates for growth to calculate accurate agency target levels.

$$\text{# of Residents) (gpcd)} + \text{(ET) (Landscape Area) (Plant Factor)}$$

+ 

indoor

outdoor

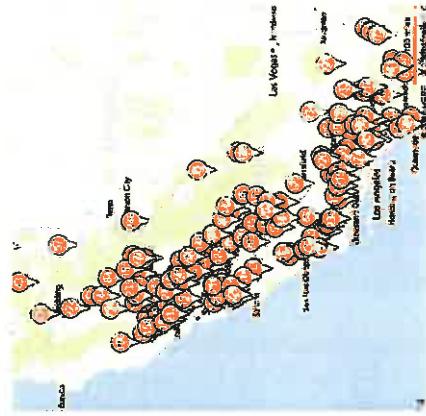
Outdoor Variables

- 1) ET
- 2) Landscape Area
- 3) Commercial, Industrial, Institutional

Outdoor

1. ET—CIMIS

- Free on CIMIS website
- Coverage challenges in certain urban areas
- How to address multiple micro-climate service areas will be key



Timeline: Currently available

Cost: free

Accuracy: Low (>85%)

Varies per station location and microclimates

Issues: Proximity of the station to the agency service area; where customers and water use is within the service area; reliability of weather station reporting data; developing “average” ET for agencies with multiple micro-climates

Solutions: Specific to agencies, including using an agreed-to CIMIS station, using Spatial CIMIS, installing an ET station within the service area, utilizing a private sector vendor to produce local, averaged/weighted ET for the service area.

Outdoor

1. ET—*Spatial CIMIS*

- The ability to collect estimated ET for a time-period on a zip code basis
- A product of DWR



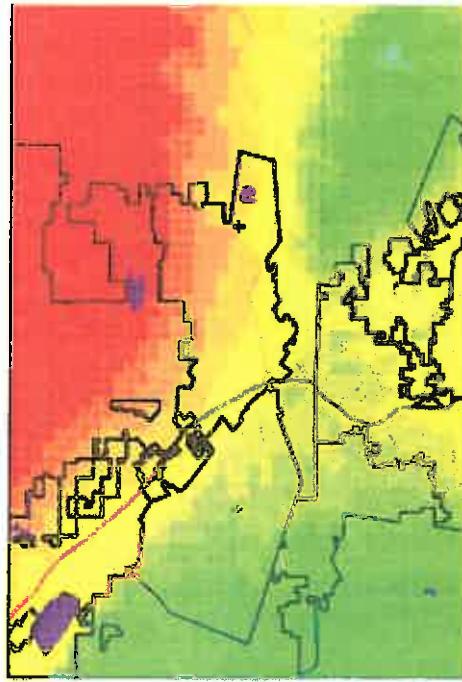
Timeline: Currently available (interfaces with web interface)	Cost: free	Accuracy: Low (>35%) Varies per station location and microclimates
Issues: Availability of Spatial CIMIS for a given zip code. Ability to "average" ET in a large service area or in a service area with different microclimates across zip codes.		

Solutions: Agencies work directly with DWR. Agencies work with private vendors to develop an appropriate ET for reporting.

Outdoor

1. ET—Private Vendors

- HydroPoint Data Systems
- Omni Earth/Weather Analytics
- Western Weather Network
- Others



Timeline: 6-9 months

Cost: \$2-3M

Accuracy: Medium (85-95%)

Issues: Ability to accurately calculate a single ET value for each reporting period. Opportunity for individual vendors to use private sector ET data for a varied service area.

Solutions: Work with vendors to test the efficacy of this approach as a solution.

Outdoor

2. Land Cover Measurement---Challenges across methods

- Age of development
 - Wide variation in data quality and accessibility across county assessors
- Edge case land uses
 - Horse paddocks, Urban farming, etc.
- Drought impact on vegetation color
 - Normally irrigated areas may have gone brown during drought
- Proposed solutions
 - Start with initial conservative measurements as a starting point
 - Use variance process and iteratively refine data

Outdoor

2. Land Cover Measurement—NAIP Imagery Analysis

- National Agriculture Inventory Program (NAIP)
- Free imagery
- Updated every 2 years
- Available via the California Data Collaborative (Claremont Graduate University)



Timeline: 6 months

Cost: \$1M

Accuracy: Moderate (85-95%)

Issues: Lower resolution imagery with moderate to high accuracy depending upon the service area characteristics; free imagery every 2 years for updating land cover. Recognition of shadow and/or irrigable areas, particularly in wild-land interface areas.

Solutions: Sample ground truthing or hand GIS measurement.

Outdoor

2. Land Cover Measurement—Fully Automated Imagery

- Computerized calculation w/
learning over time (from new
imagery)

- Example Vendors
 - Omni Earth Inc.
 - SRI



Timeline: 6 months

Cost: \$2-3 M

Accuracy: Moderate (85-95%)

Issues: Recognition of shadow and/or irrigable areas, particularly in wild-land interface areas; common to any aerial imagery source.

Solutions: Sample ground truthing or hand GIS measurement

Outdoor

2. Land Cover Measurement—Automated + Manual Analysis

- Computerized calculation combined with hand and visual sample verification

- Example Vendor:
Eagle Aerial Inc.



Timeline: 12 months

Cost: \$3-5M

Accuracy: High (>95%)

ISSUES: While this method is highly accurate, the timing of serial imagery flights, shadow areas, tree canopy and parcel data alignment (common to any methods) are consistent issues with aerial imagery.

Solutions:

Outdoor

2. Land Cover Measurement—Hand Measure

- Physical measurements on site for each parcel involved



Timeline: 24+ Months

Cost: \$5+ M

Accuracy: Medium (85-95%)

Issues: Labor intensive; Parcel boundaries may not align with on the ground property

Solutions: Use only for edge cases. Allow agency provided data to update imagery under a variance program.

Outdoor

3. Commercial, Industrial, Institutional- Aggregated



- Use selected land cover measurement technique to total CII regardless of parcel/ water supply source

Timeline: Comparable to land cover measurement method used

Cost: Bundled in landscape measurement approach

Accuracy: Comparable to land cover measurement method used

Issues: Disentangling recycled water from portable water landscape areas is challenging on an aggregate basis.

Solutions: Diving to the meter level, using a formula to estimate landscape area for recycled water CII versus potable water CII.
Customer driven landscape sf method.

Outdoor

3. Commercial, Industrial, Institutional- by meter

- Input metered data by agency into CaDC to breakout indoor versus outdoor and recycled water versus potable.



Implementation: 5 years

Cost: \$2-3 M

Accuracy: Dependent on method- potentially over 95%

Issues: Most accurate method to breakdown CII usage to achieve specific policy goals by water source. Some agencies do not breakout indoor versus outdoor CII.

Solutions: Develop process to transition all CI to indoor versus outdoor metering with state assistance.

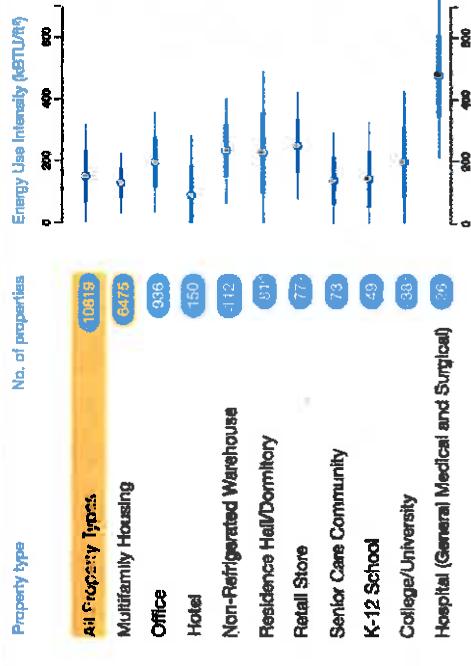
Other Efficiency Standards Issues

- 1) Commercial, Industrial, Institutional
- 2) Water Loss

Other Efficiency Standards Issues

1. Benchmarking commercial, industrial, and institutional

- Examples for improvement in energy star score and water / energy efficiency benchmarking in NYC



Timeline: TBD

Accuracy: High

Cost: Proprietary datasets to scale
algorithms statewide

Issues: Warehouses, offices and restaurants have very different water use requires and thus there is a need to categorize CII customers at a finer grain. Opportunity to learn from energy benchmarking

Solutions: partnership with NYU CUSP to benchmark water efficiency for more granular customer categories.

Other Efficiency Standards Issues

2. Water loss

- Opportunity for analytics to support utility managers in achieving leak loss detection



Timeline: TBD

Cost: TBD

Accuracy: depends on approach

Issues: large variation in metering and data management practices across California 411 major urban retailers and other water systems.

Solutions: one example of the value of integrating meter level water use and flow data across districts.

Conclusion and key takeaways

- Governor's EO data requirements are achievable
- Data requirements are best fulfilled through an **phased approach**
- **Variance process** for agency data is integral for buy-in and building accuracy
- Integrated public/private expertise and **partnership** option available through CaDC

Executive Order Water Efficiency

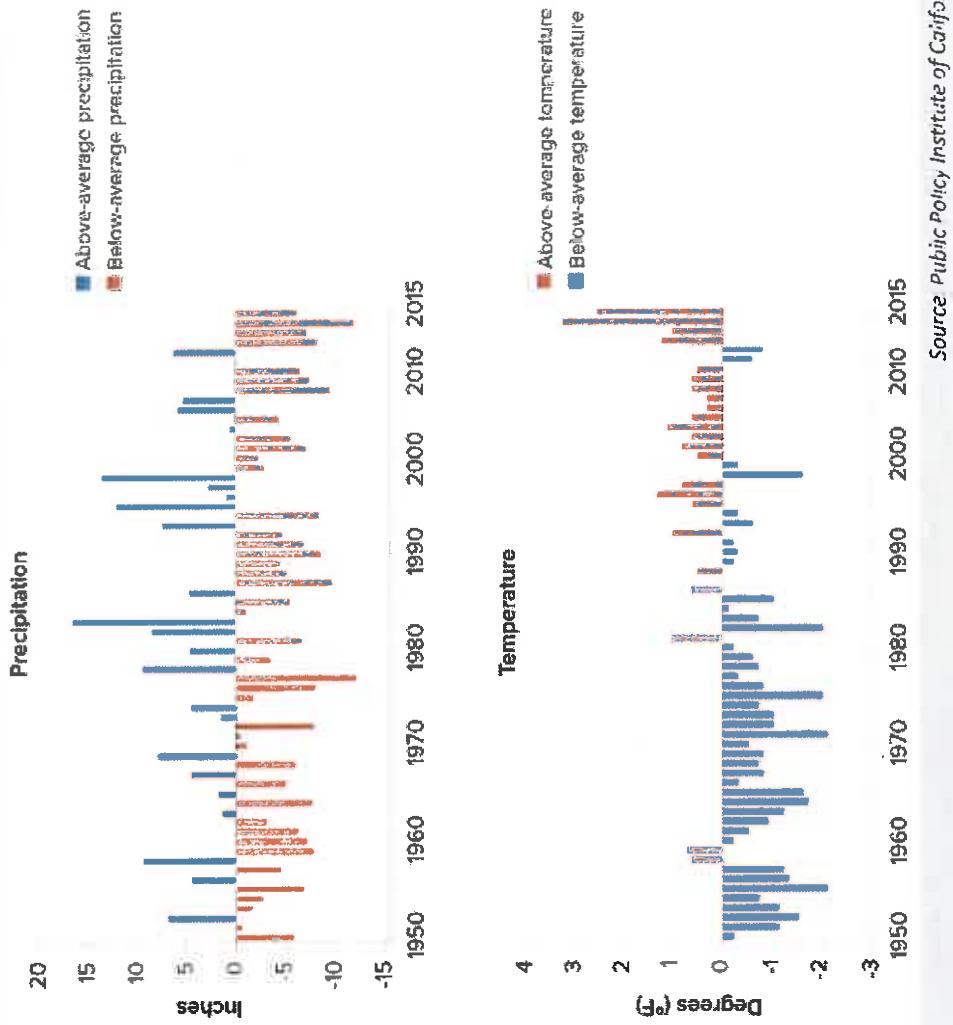
Efficiency Formula Detail

Outline

- Executive Order Context
- Existing Legislation Related to the Executive Order
- Breakdown of the Efficiency Formula and Framework

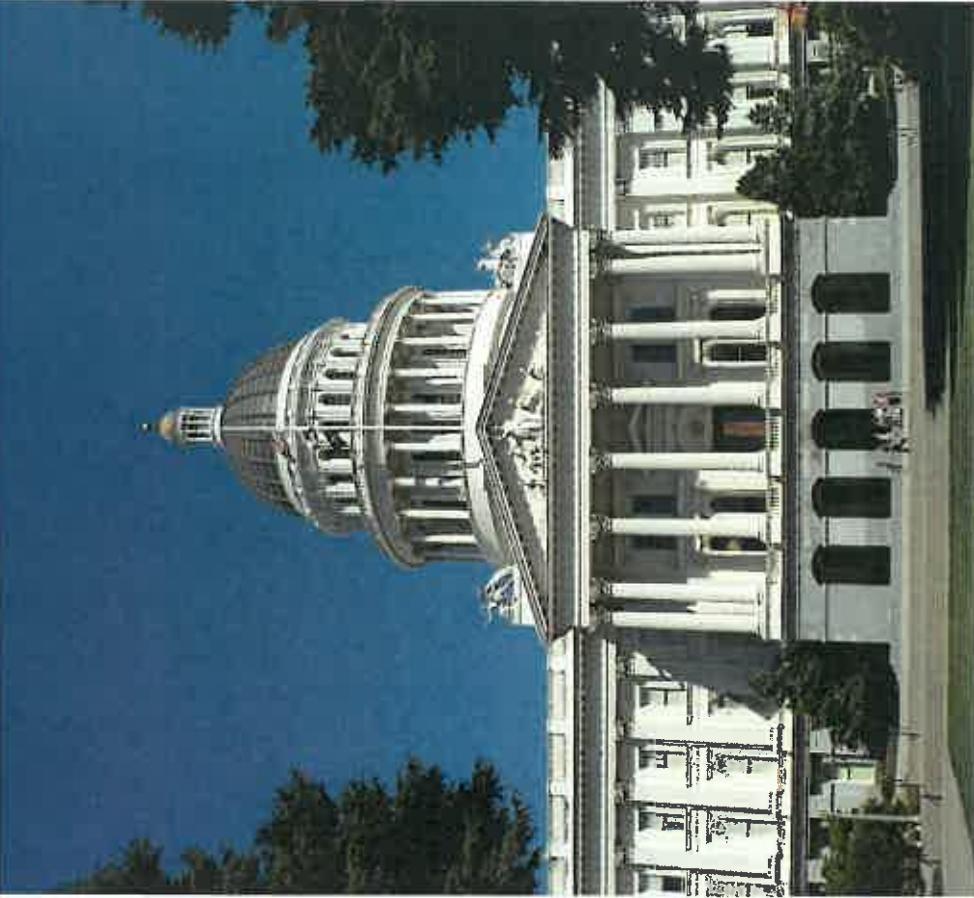
Drivers for Water Efficiency

- Precipitation is decreasing while temperatures are increasing across the State
- Drought conditions may become the “new normal”
- Future water supplies are uncertain
- Population growth
- Environmental health



Source: Public Policy Institute of California

Existing Legislation Links to the Executive Order



- State Constitution Article 10, Section 2
“...the waste and unreasonable use of water be prohibited”
- AB 1881 – Model Water Efficient Landscape Ordinance (MWELO, 2006)
Established efficient landscape allocation formula
- SBX7-7 – 20% Reduction by 2020 (2009)
Established indoor and outdoor efficiency targets
- Executive Order B-37-16: Making Conservation a Way of Life (May, 2016)
“These new water use targets shall build upon the existing state law requirements that the state achieve a 20% reduction in urban water usage by 2020.”
- California Water Action Plan, 2016
“Conservation must become a way of life”

Executive Order Requirements

- Meet efficiency standards
- Equitable across the state
- Customized to each agency

“These water use targets shall be *customized to the unique conditions of each water agency*, shall generate more statewide water conservation than existing requirements, and shall strengthen standards for:

- a. Indoor residential per capita water use SBX7-7d (# of residents) (55 gpcd)
- b. Outdoor irrigation, in a manner that incorporates landscape area, local climate and new satellite imagery data; MWELO (ET) (landscape area) (ETAF)
- c. Commercial, Industrial, and Institutional water use, and
- d. Water Loss through leaks



Key Definitions

(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)

Senate Bill No. 7

CHAPTER 4

[Approved by Governor November 10, 2009. Filed with
Secretary of State November 10, 2009.]

“ Per capita water use is a valid measure of a water provider’s efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.

10608.4. It is the intent of the Legislature, by the enactment of this part, to do all of the following:

- Require all water suppliers to increase the efficiency of use of this essential resource.”

What is efficiency?

Definition: to eliminate waste/ optimize use

What is conservation?

Definition: to use less

Executive Order Formula

(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)

EXECUTIVE ORDER 8-37-16 MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE USE WATER MORE WISELY

- The Department of Water Resources (Department) shall work with the Water Board to develop new water use targets as part of a permanent framework for urban water agencies. These new water use targets shall build upon the existing state law requirements that the state achieve a 20% reduction in urban water usage by 2020. (Senate Bill No. 7 (7th Extraordinary Session, 2009-2010).) These water use targets shall be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements, and shall be based on strengthened standards for:
 - Indoor residential per capita water use; ([55 gpcd; SBX7-7](#))
 - Outdoor irrigation, in a manner that incorporates landscape area, local climate, and new satellite imagery data; ([AB 1881/MWELLO](#))
 - Commercial, industrial, and institutional water use; and ([SBX7-7](#))
 - Water lost through leaks.

Application of the Formula:

- Applied to every agency statewide
- Every agency has an customized target
- Agency characteristics and past performance are recognized
- Target changes with weather and growth

Applying an Efficiency Formula

(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)

$$\text{Efficiency Target (one month)} = (4) (55 \text{ gpcd}) + (7" \text{ ET}) (3,000 \text{ sf}) (.80) = 14 \text{ ccf (10,472 gal.)}$$

- 4 homes
- Same lot size
- Same number of residents per household
- Same weather (ET)



Measuring Efficiency

(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)

Use % Target Gallons saved ↓ / wasted ↑

- 12 CCF (85%↓) (1,496 gallons ↓)
- 25 CCF (78%↑) (8,228 gallons ↑)
- 39 CCF (178%↑) (18,700 gallons ↑)
- 26 CCF (85%↑) (8,976 gallons ↑)



Customized Targets for Statewide Efficiency

EXECUTIVE ORDER 8-37-16 MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE

- The Department of Water Resources (Department) shall work with the Water Board to develop new water use targets as part of a permanent framework for urban water agencies. These new water use targets shall build upon the existing state law requirements that the state achieve a 20% reduction in urban water usage by 2020. (Senate Bill No. 7 (7th Extraordinary Session, 2009-2010).) **These water use targets shall be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements, and shall be based on strengthened standards for:**

- Indoor residential per capita water use;
- Outdoor irrigation, in a manner that incorporates landscape area, local climate, and new satellite imagery data;

What is “customized”?

Customer level data across agency service areas:



- Land cover

- Weather (aka ET)

- Population



Indoor Efficiency Formula Variables

(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)

Where:

Indoor Efficiency Target (SBX7-7):

- Relative to agencies across the state
- Impartial to family size
- Comes from existing legislation (SBX7-7)
- Reflects customer reality (# of residents and a mix of plumbing new/old plumbing fixtures)

✓# of Residents: number of residents

✓55 gpcd: Current indoor efficiency factor

Outdoor Efficiency Formula Variables

$$(\# \text{ of } \text{Residents})^{.55} \text{ Ecd) } + (\text{ET}) \text{ (Landscape Area) (.80)}$$

Outdoor Efficiency Target (MWETO):

- ET: reflects the actual ET averaged across the individual agency service area (**DWR, MWETO, Ex. Order**)
- **Landscape Area:** includes landscape area for the specific agency (**SBX7-7, MWETO, Ex. Order**)
- **ETAF (Evapotranspiration Adjustment Factor):**
Set by the State to reflect a reasonable water allowance for a landscape (**SBX7-7, MWETO, Ex. Order**)

Current & New MWETO

ET	100%	Plant Water Needs:
Special Landscapes	1.00	Turf (cool season)
Existing Residential	.80	Street Trees
Existing Commercial	.70	Fruit Trees
New Residential	.55	Mediterranean plants
New Commercial	.45	Calif. Native plants



Is Efficiency a Brown Lawn?

No.

✓The turf pictured operates at 80% of local ET as per agency allocations.

Crop coefficients (K_c) for cool-season and warm-season turfgrasses in California¹.

Month	Cool-Season ²	Warm-Season ³
January	0.61	0.61
February	0.64	0.54
March	0.75	0.75
April	1.04	0.72
May	0.95	0.79
June	0.68	0.68
July	0.94	0.71
August	0.86	0.71
September	0.74	0.62
October	0.75	0.54
November	0.69	0.58
December	0.60	0.55
Annual Average	0.80	0.60



Source: UC Cooperative Extension

Is Efficiency One Size Fits All?

No.

The Executive Order states, “water use targets shall be customized to **the unique conditions of each water agency...**”

(# of Residents)	(55 gpcd)	+	(ET)	(Landscape Area)	(ETAF)
Unique to agency	Indoor target		Local Weather	Unique to agency	Outdoor target

✓ All agencies are different and are recognized in the efficiency formula framework.

Is there Local Discretion to Achieve Efficiency?

Yes.

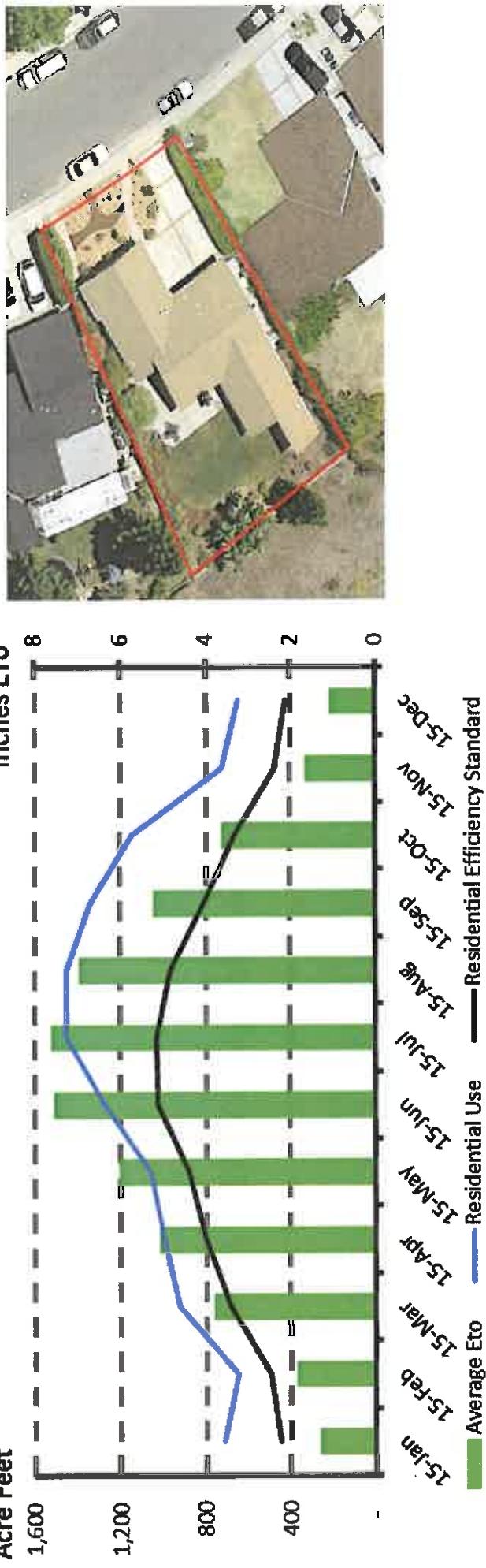
- ✓ The framework for efficiency establishes a **performance standard for reporting water use**
- ✓ Each agency has **complete discretion** of how to achieve the efficiency target
- ✓ **There is no stipulation** within the Executive Order to require agencies to adopt rate structures or any other specific method to meet efficiency targets

Flexibility of the Executive Order Framework

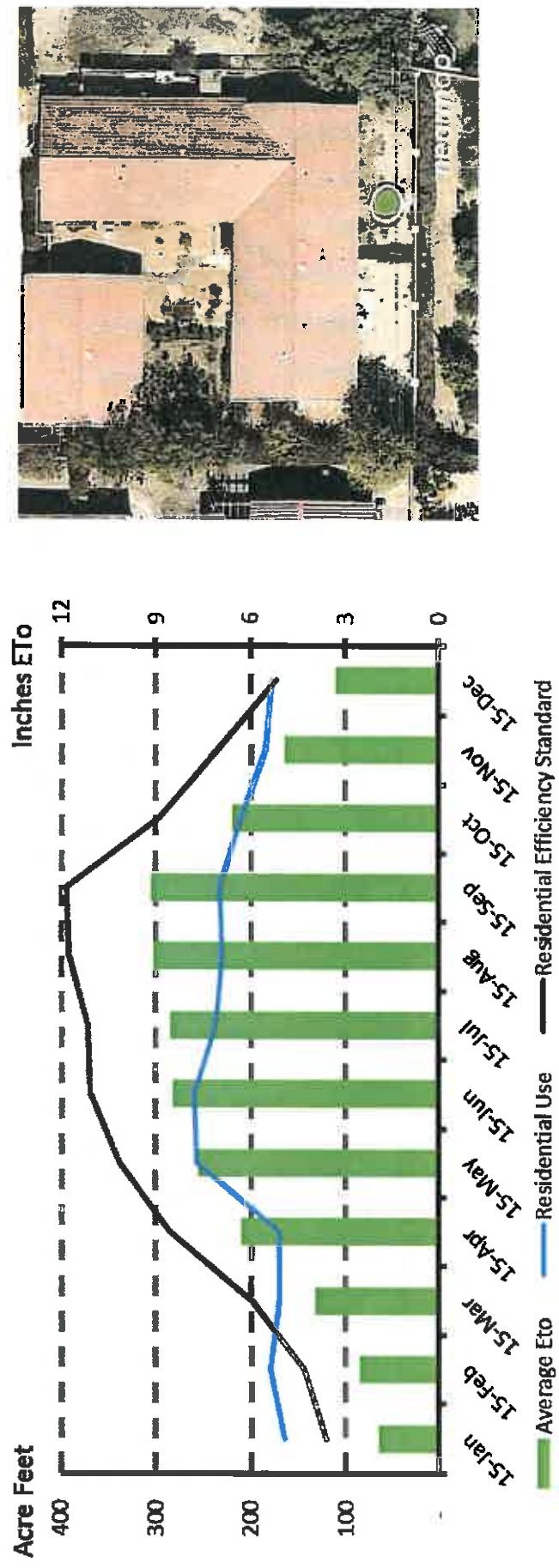
- Population changes or growth can be recognized in the framework
(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)
- Weather changes can be accommodated in the framework
(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)
- Changes in landscape area, such as growth, can be adjusted as growth occurs
(# of Residents) (55 gpcd) + (ET) (Landscape Area) (.80)



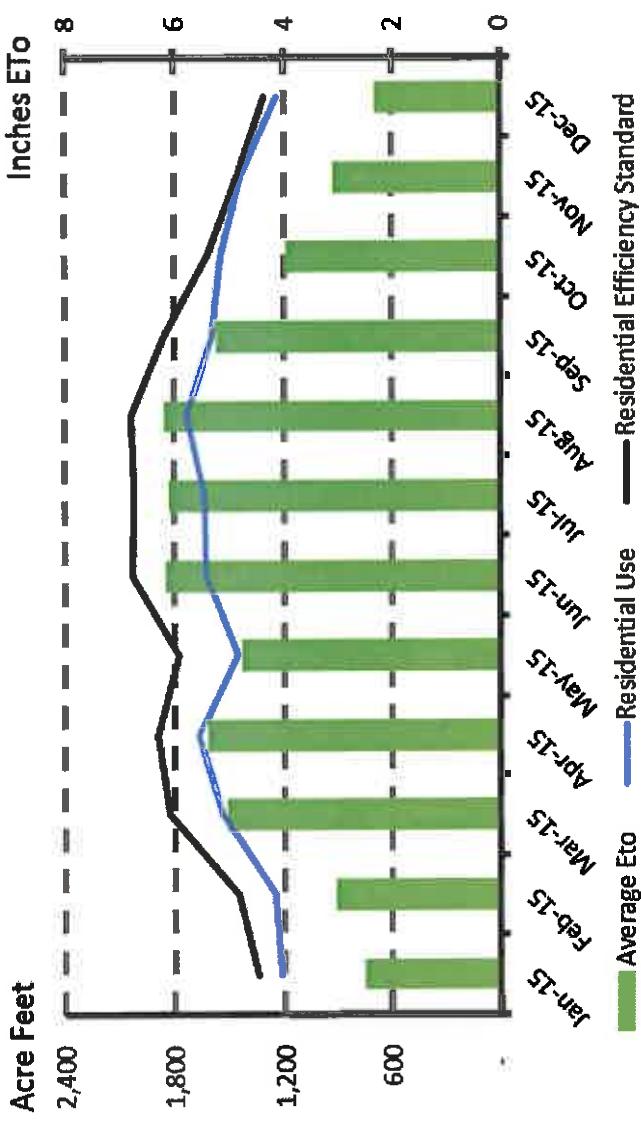
Anytown California #1 – example community in Sacramento hydrologic region



Anytown California #2—sample community in Colorado River Hydrologic Region



Anytown California #3—sample community in South Coast hydrologic region



Summary of Efficiency Formula Breakdown

Measuring efficiency provides a framework that can reduce water waste by:

- Establishing a **standardized efficiency formula** for agencies statewide
- Providing a formula that **customizes efficiency targets with agency characteristics**
- Calculating an efficiency target from the **aggregated land cover (landscape area)**, population and weather data for an agency
- Offering **flexibility** for changes in weather, legislation, growth, etc.
- Utilizing existing efficiency standards in **legislation for equitable application across the state**

**RECEIVE AND
FILE**

4D



Date: November 3, 2016

To: Regional Policy Committee

From: Inland Empire Utilities Agency

Subject: Fourth Quarter Budget Variance Report



RECOMMENDATION

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

BACKGROUND

The item was presented as an informational item at the IEUA Board of Directors meeting on September 21, 2016.



Date: September 21, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (09/14/16)

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 2015/16 Fourth Quarter Budget Variance, Performance Goals Updates, and Budget Transfers

RECOMMENDATION

This was 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 fourth quarter ending June 30, 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) and capital project budget transfers approved by management during the fourth 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, with changes to total project budget.
- Exhibit E provides a FY 2015/16 financial overview of each of the Agency's programs.

Upon conclusion of the annual audit, a supplemental report will be provided to the Board identifying any material changes.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received total revenues and other funding sources through the end of the fourth quarter of FY 2015/16 of \$194.0 million, or 91.9% of the amended budget (Exhibit A detail). The following section highlights key variances:

- ***Connection Fees*** – Total new equivalent dwelling unit (EDU) connections reported were \$25.8 million or 110.8% compared to the budget of \$23.2 million. A total of 4,774 new wastewater connections were reported by member agencies which includes 610 new EDU connections from Prologis, CSI, and California Speedway, compared to the budgeted new EDU connections for FY 2015/16 of 4,330. New connections are primarily from residential, retail stores, restaurants, and industrial facilities developments. The one-time 333 new EDU connections generated from California Speedway will be repaid in the form of Water Rights transfer to IEUA per the agreement for the provision of sewer and recycled water service dated November 24, 2015.
- ***User Charges*** – User charges were \$67.0 million, or 99.9% of the budget. The user charges also include EDU volumetric fees of \$49.6 million actual fees paid by users discharging to the regional wastewater system, \$10.7 million for Non-Reclaimable Wastewater pass-through fees paid by industrial and commercial users connected to the brine line system, \$4.7 million for imported water meter service charges to meet the readiness-to-serve obligation from Metropolitan Water District of Southern California (MWD) and water use efficiency programs, and \$1.9 million for other service charges.
- ***Recycled Water Sales*** – Recycled water sales at the end of fiscal year was \$11.4 million, or 95.4% compared to the budget of \$11.9 million. Direct sales were \$6.0 million or 19,397 acre feet (AF) and groundwater recharge sales were \$5.4 million or 13,222 AF, for total deliveries of 32,619 AF compared to the projected 35,150 AF. The demand for direct sales of recycled water decreased due to lower agricultural use and loss of customers but was partially offset with the increase in groundwater recharge deliveries.
- ***MWD Imported Water Sales*** – Total MWD adjusted imported water sales were \$17.3 million or 63.4% of the budget. A total of 29,441 AF of pass through water was delivered at the end of the fourth quarter compared to 50,000 AF budget. The lower sales can be attributed to the continuous response to drought condition and public outreach efforts aimed at water conservation.
- ***Property Taxes*** – Tax receipts were \$45.6 million or 110.9% of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) were \$29.3 million and “pass-through” incremental taxes received were \$15.2 million. The increase in tax receipts was accounted by incremental taxes of \$2.7 million the city of Ontario and a 5% growth in general ad valorem taxes compared to prior fiscal year receipt.

- **Grants & Loans** – Total receipts of \$14.1 million or 66.4% of the amended budget were received through the end of the fiscal year. Total grant receipts were \$6.2 million or 69.4% of the \$8.9 million budget for the Regional Recycled Water Distribution System, ground water supply wells and basins, water quality laboratory and drought and water conservation. Actual SRF Loan proceeds were \$7.9 million or 64.2% of the \$12.3 million budget for Wineville area project, new water quality laboratory and other recycled water projects. Grants and loans receipts are dependent on projects spending.
- **Other Revenues** – Total other revenues were \$3.5 million, or 57.4% of the amended budget. Actuals include \$1.4 million from lease revenue and energy rebates and \$1.8 million in project reimbursements. Delays in the reimbursable projects from Recycled Water and Water Resources Programs accounted for the lower revenue.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds through the end of the fiscal year were \$148.2 million, or 66.7% of the amended budget. The following section highlights key variances:

- **Employment Expenses** – This category includes both wages and benefits. Employment expenses were \$38.0 million or 93.7% of the amended budget. Higher than anticipated vacancy factor of 9% (26 positions) compared to budgeted vacancy rate of 4% (12 positions) provides savings in wages and benefits.
- **Professional Fees & Services** – Total expenses were \$6.1 million, or 62.0% of the amended budget. The favorable variance can be attributed to timing of planned work or services not executed in the fiscal year, or work started in FY 2015/16 but expected to be completed in the following fiscal year. For example, delays in contract services, such as acquiring on-site professional service due to new requirements from California Environmental Quality Act (CEQA), and deferral of SAP related contract services. As a result, \$1.2 million of the FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.
- **Chemicals** – Total expenses were \$3.9 million, or 83.6% of the amended budget. Favorable variance was due in large part to price decreases from re-bidding of certain chemicals, including sodium hypochlorite, ferric chloride, and sodium. Decrease in chemical use and reduction in plant influent flow enabled operations and maintenance to sustain lower expenditures.

Budget Variance and Performance Goals Updates for the

Fourth Quarter Ending June 30, 2016

September 21, 2016

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- ***Operating Fees*** – Total expenses were \$11.3 million, or 85.5% of the amended budget. Favorable variance in this category was contributed by lower than anticipated strength and imbalance charges (pass through) in the Non Reclaimable Waste (NRW) system. In addition to industries being proactive in treating their water before discharging to the system helped reduced the strength charges.
- ***Utilities*** – Expenses in this category were \$8.8 million or 82.1% of the amended budget.
 - Electricity was slightly higher at \$6.6 million compared to \$6.0 million budget. Low production from fuel cell at RP-1 accounted for the increase in electricity costs. The current average rate for imported electricity of \$0.108 compared to \$0.125/kWh budgeted rate. Total usage through the end of the fiscal year was measured at 58,321,635 kWh.
 - Natural gas expense was low due to the lower rate (averaging \$0.41/therm compared to the budgeted rate of \$0.80/therm) and lower usage measured at 853,251 therms, or 71% of the annual agency average of 1,200,000 therms.
 - Fuel cell was \$1.1 million or 41.5% compared to \$2.6 million budget due to lower production of electricity.
 - Solar energy was slightly lower at 89.0% of the budgeted amount for the end of fiscal year. Electricity generated from solar power has slightly diminished which can be attributed to the age of the solar panels.
- ***MWD Imported Water Purchases*** – Total MWD pass-through imported water purchases were \$18.7 million or 31,714 AF compared to 50,000 AF budgeted. The decline in water purchase can be attributed to the continuous response to drought condition and public outreach efforts aimed at water conservation.
- ***O&M and Reimbursable Projects*** – The combined special and reimbursable project expenditures were \$7.2 million or 25.4% of the amended budget. The favorable variance was 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 \$1.1 million was expended. A total of \$6.5 million of the FY 2015/16 amended budget has been identified to be carried forward to FY 2016/17.
- ***Capital Projects*** – Total capital project expenditures were \$24.5 million or 47.7% compared to the amended budget of \$51.4 million. The amended budget includes encumbrances of \$8.0 million of capital project budget carried forward from FY 2014/15 budget. Lower capital spending is attributed to delays in construction for the SCADA enterprise system, San Sevaine Basin Improvements and RP-1 related projects. A total of \$4.5 million of the FY 2015/16 amended budget has been identified to be carried forward to FY 2016/17.

Budget Variance and Performance Goals Updates for the

Fourth Quarter Ending June 30, 2016

September 21, 2016

Page 5 of 7

As of June 30, 2016, there were an estimated eighty-eight (88) 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 variances of approximately \$19.5 million, or 34.2% 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	FY 15/16 Actuals	FY 15/16 Budget	Variance (FY Budget - FY Forecast)	Reason for Variance
1 EN06025	Wineville Ext RW Pipeline Segment A	1,125,665	2,135,354	1,009,689	The project finished under budget.
2 EN11031	RP-5 Flow Equalization and Effluent Monitoring	180,581	1,265,263	1,074,682	The project scope was modified to meet Agency operating requirements causing a schedule delay. Contract modifications are complete and the project has restarted.
3 EN13001	San Sevaine Basin Improvements	318,956	3,500,000	3,181,044	The majority of the expenses are construction related and will begin during FY 2016/17.
4 EN13016	SCADA Enterprise System	3,476,753	4,297,500	820,747	Job is progressing with less than anticipated Internal costs.
5 EN13018	Montclair Diversion Structure Retrofit	753,954	1,203,874	449,920	The expenditures were delayed to allow the contractor time to procure all materials necessary prior to closing the street to lessen the length of time for the road closure.
6 EN13045	Wineville RW Extension Segment B	1,694,443	2,506,255	811,812	The project completed under budget.
7 EN13048	RP-1 930-Zone RW Pump Station Load Analysis	291,168	1,000,000	708,832	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 FY 2016/17.
8 EN14018	RP-4 Disinfection System Retrofit	264,064	759,516	495,452	Additional scope to rehab the south side of the existing building impacted the completion of the design schedule.
9 EN14047	GWR and RW SCADA Control Upgrades	117,891	816,265	698,374	The planned schedule did not account for a lengthy pre-design effort. This pushed all of the construction cost to FY 2016/17.
10 EN15043	SBCFCD Recycled Water Easement	2,058	567,298	565,240	San Bernardino County has not completed the appraisal report reviews.
11 EN15044	SBCFCD NRW Easement	267	514,929	514,662	San Bernardino County has not completed the appraisal report reviews.
12 EN16021	Chino Basin Groundwater Supply Wells and Raw Water Pipelines	1,089,754	9,000,000	7,910,247	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 cannot begin until Regional Board settlement is complete, per IEUA's agreement with CDA. The Regional Board has delayed the issuance of the Cleanup Order, which has pushed back the project start date. It is anticipated that the Regional Board will issue the Cleanup Order in Q3 of 2016.
13 EN16024	RP-1 Mixed Liquor Return Pumps	567,463	1,000,000	432,537	The project evaluation period was extended based on a review of project expectations and Stakeholder requirements. This reduced the amount of funding required for this year and moved expenditures into FY 2016/17.
14 EN16025	RP-1 Expansion PDR	220,836	1,000,000	779,164	The 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 EN16028.
		10,103,852	29,556,254	19,452,402	

Source: ECM Project Status – GM Report, July 2016

Budget Variance and Performance Goals Updates for the
 Fourth Quarter Ending June 30, 2016
 September 21, 2016
 Page 6 of 7

- **Debt Service** – Total principal, interest, financial, and inter-fund loan expenses were \$20.5 million or 87.3% compared to budget through the end of fiscal year. Actual costs included \$11.5 million in principal payments and \$9.0 million in interest, and other financial administration fee expense. The 2008B Variable Rate Demand Bonds interest rate continues to stay below the budgeted 1% rate, with the actual average rate of 0.12%, resulting in \$0.4 million in savings.

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

FUND BALANCES AND RESERVES

Based on the preliminary unaudited year-end results, fiscal year 2015/16 indicated an increase of \$45.8 in total sources of funds over total uses of funds, resulting in an ending fund balance of \$191.9 million. Timing of expenditures, staff's continuous effort to improve and identify opportunities to reduce expenditures, and deferred execution of projects can be attributed for the increase in fund balance. Table 2 provides an overview of the fiscal year end budget variance in revenue, expense, and fund balance.

Table 2: Fiscal Year End Revenues, Expenses, and Fund Balance (\$Millions)

Operating	FY 2015/16 Amended Budget	Fourth Quarter Ended 6/30/16	Actual % of Amended Budget
Operating Revenue	\$118.8	\$106.9	90.0 %
Operating Expense	\$147.2	\$102.8	69.9%
Operating Net Increase/(Decrease)	(\$28.4)	\$4.1	
Non-Operating			
Non-Operating Revenue	\$92.2	\$87.1	94.4%
Non-Operating Expense	\$75.2	\$45.4	60.4%
Non-Operating Net Increase/(Decrease)	\$17.0	\$41.7	
Consolidated	FY 2015/16 Amended Budget	Fourth Quarter Ended 6/30/16	Actual % of Amended Budget
Total Sources of Funds	\$211.0	\$194.0	91.9%
Total Uses of Funds	\$222.4	\$148.2	66.6%
Total Net Increase/(Decrease)	(\$11.4)	\$45.8	
Beginning Fund Balance	\$146.1	\$146.1	
Ending Fund Balance	\$134.7	\$191.9	

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 also uses 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 the fourth quarter totaled \$384,060 and Capital budget transfer of \$205,000 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 fiscal year, \$238,000 from the RO Fund and \$76,700 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 \$691,150, including net changes in total project budget of approximately \$95,350 approved by management during the fourth quarter as listed in Exhibit D.

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

PRIOR BOARD ACTION

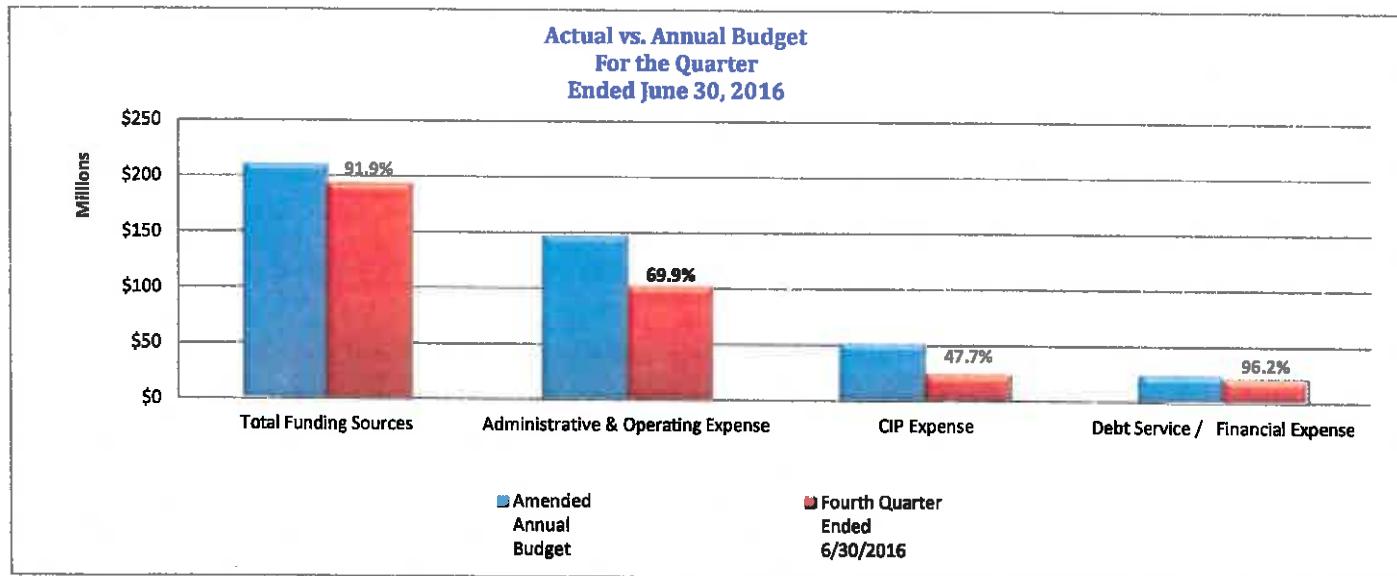
None.

IMPACT ON BUDGET

The net increase in total revenues over total expenses in the amount of \$45.8 million resulted in a total estimated fund balance of \$191.9 million, for the fiscal year ended June 30, 2016.

I. Actual vs. Budget Summary:

Fourth Quarter Ended June 30, 2016					% of the Year Elapsed: 100%
	Adopted Annual Budget	Amended Annual Budget	Fourth Quarter Ended 6/30/2016	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$130,814,725	\$118,833,896	\$106,928,732	(\$11,905,164)	90.0%
Non-Operating (Other Sources of Fund)	91,839,772	92,229,615	87,083,557	(5,146,058)	94.4%
TOTAL FUNDING SOURCES	222,654,497	211,063,511	194,012,289	(17,051,222.58)	91.9%
Administrative & Operating Expense	(152,929,623)	(147,150,528)	(102,812,437)	44,338,091	69.9%
CIP Expense	(43,886,402)	(51,443,821)	(24,519,900)	26,923,921	47.7%
Debt Service / Financial Expense	(23,802,656)	(23,802,656)	(20,907,247)	2,895,409	87.8%
TOTAL USES OF FUNDS	(220,618,681)	(222,397,005)	(148,239,584)	74,157,421	66.7%
Surplus/(Deficit)	\$2,035,816	(\$11,333,494)	\$45,772,705	\$57,106,198	



2. Actual Revenue vs. Budget:

% of the Year
Elapsed: 100%

	Adopted Annual Budget	Amended Annual Budget	Fourth Quarter Ended 6/30/2016	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$67,040,941	\$67,040,941	\$66,997,802	\$43,139	99.9%
Recycled Water Sales	11,942,682	11,942,682	11,389,182	553,500	95.4%
MWD Water Sales	41,440,829	29,460,000	18,653,793	10,806,207	63.4%
MWD LPP Rebate	2,079,000	2,079,000	2,079,000	0	100.0%
Property Tax - O&M	1,792,530	1,792,530	1,987,411	(194,881)	110.9%
Cost Reimbursement	5,482,843	5,482,843	5,258,477	224,366	95.9%
Interest	1,035,900	1,035,900	563,067	472,833	54.4%
OPERATING REVENUES	130,814,725	118,833,896	106,928,732	11,905,164	90.0%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$39,364,099	\$39,364,099	\$43,643,703	(\$4,279,604)	110.9%
Connection Fees	23,329,423	23,329,423	25,843,506	(2,514,083)	110.8%
Grants & Loans	21,257,262	21,257,262	14,115,504	7,141,758	66.4%
Other Revenue	7,888,988	8,278,831	3,480,845	4,797,986	42.0%
NON-OPERATING REVENUES	91,839,772	92,229,615	87,083,558	5,146,057	94.4%
Total Revenues	\$222,654,497	\$211,063,511	\$194,012,289	\$17,051,222	91.9%

User Charges, 99.9% User charges were \$67.0 million, or 99.9% of the Amended Budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$49.6 million, \$10.7 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system; \$4.7 million for water meter service charge to meet our Readiness-to-Serve obligation from MWD and water use efficiency programs; and \$1.9 million for other service charges.

**Property Tax/
AdValorem, 110.9%** Total property tax receipts were \$45.6 million or 110.9% of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) were \$29.3 million and “pass-through” incremental from Regional Development Agency (RDA) taxes received were \$15.2 million. The increase in tax receipts was accounted by the “one-time” incremental property tax receipts of \$2.7 million received in December 2015, as a result of the dissolution of redevelopment agencies and a 5% growth in tax receipts from the county compared to prior fiscal year receipt.

**Recycled Water Sales,
95.4%** Recycled water actual direct and groundwater recharge sales were \$6.0 million (19,397 AF) and \$5.4 million (13,222 AF) respectively, for a combined total \$11.4 million compared to \$11.9 million budgeted. Total year to date deliveries are 32,618 AF compared to the 35,150 AF projected for the fiscal year. The demand of recycled water increased in the drought season as the reliability of the supply of imported water may be uncertain.

Interest Income, 54.4% Interest Income is \$0.6 million or 54.4% of the annual budget. The current low interest rate environment accounts for low interest earnings with average sweep and LAIF pooled investments yielding 0.42% compared to the budgeted interest rate of 0.50%.

MWD Water Sales, 63.4% Total MWD pass-through imported water revenue was \$18.7 million or 63.4% 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 29,441 AF of pass through water was delivered at the end of the fourth quarter compared to 50,000 AF budgeted for FY 2015/16.

MWD LPP Rebates, 100% MWD LPP rebate was 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 \$2.1 million or 100% of budget, a total of 17,000 AF was applied for at the end of the fiscal year.

Connection Fees, 110.8%	Member agencies reported \$25.8 million or 110.8% of the budget. A total of 4,774 new wastewater connections were reported by member agencies which includes 610 new EDU connections from Prologis, CSI, and California Speedway, compared to the budgeted new EDU connections for FY 2015/16 of 4,330.
Grants and Loans, 66.4%	Current grant and loan receipts total \$14.1 million at the end of the fiscal year or 66.4% of the amended budget of \$24.2 million. Total grant receipts were \$6.2 million or 69.4% of the \$8.9 million budget for the Regional Recycled Water Distribution System, ground water supply wells and basins, water quality laboratory and drought and water conservation. Actual SRF Loan proceeds were \$7.9 million or 64.2% of the \$12.3 million budget for Wineville area project, new water quality laboratory and other recycled water projects. Grant and loan revenues are cyclical in nature due to project spending trends and the multi-year funding for large projects.
Cost Reimbursements JPA, 95.9%	Total cost reimbursements were \$5.3 million, or 95.9% of the amended budget. Category actuals include reimbursements of \$3.4 million from the Inland Empire Regional Composting Authority (IERCA), \$1.4 million from Chino Basin Desalter Authority (CDA), and \$0.6 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, 42%	Total other revenues were \$3.5 million, or 57.4% of the amended budget. Actuals include \$1.4 million from lease revenue and energy rebates and \$1.8 million in project reimbursements. Delays in the reimbursable projects from Recycled Water and Water Resources Programs accounted for the lower revenue.

3. Actual Operating and Capital Expense vs. Budget:

	Adopted Annual Budget	Amended Annual Budget	Fourth Quarter Ended 6/30/2016	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$40,609,906	\$40,609,906	\$38,037,089	\$2,572,817	93.7%
Admin & Operating	112,319,717	106,540,622	64,775,348	\$41,765,275	60.8%
OPERATING EXPENSES	\$152,929,623	\$147,150,528	\$102,812,437	\$44,338,092	69.9%
Non-Operating Expenses:					
Capital	43,886,402	51,443,821	24,519,900	\$26,923,921	47.7%
Debt Service and All Other Expenses	23,802,656	23,802,656	20,907,245	\$2,895,410	87.8%
NON-OPERATING EXPENSES	\$67,689,058	\$75,246,477	\$45,427,145	\$29,819,331	60.4%
Total Expenses	\$220,618,681	\$222,397,005	\$148,239,582	\$74,157,423	66.7%

Employment Expense	Employment , 93.7%
	This category includes both wages and benefits. Employment expenses were \$38.0 million or 93.7% of the Amended Budget. Higher than anticipated vacancy factor of 9% (26 positions) compared to budgeted vacancy rate of 4% (12 positions) provides savings in wages and benefits.

Administrative & Operating Expense	Office and Administrative,73.5%
	The favorable variance was due in part to the inclusion of \$185,000 for the GM contingency under this category. In addition, expenses related to conferences, training, and travel related expenses represent a savings of \$200,000 compared to budget as staffs continue to participate in free training and webinar sessions.

Professional Fees & Services , 62%
The favorable variance can be attributed to timing of planned work or services not executed in the fiscal year, or work started in FY 2015/16 but expected to be completed in the following fiscal year. For example, delays in contract services, such as acquiring on-site professional service due to new requirements from California Environmental Quality Act (CEQA), and deferral of SAP related contract services. As a result, \$1.2 million of the FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.

Exhibit A Detail

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2015/16
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fourth Quarter Ended June 30, 2016

	Adopted FY 2015/16	Amended FY 2015/16	Unaudited YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$67,040,941	\$67,040,941	\$66,997,802	(\$43,139)	99.9%
Recycled Water	11,942,682	11,942,682	11,389,182	(553,500)	95.4%
MWD Water Sales	41,440,829	29,460,000	18,653,793	(10,806,207)	63.4%
MWD LPP Rebates	2,079,000	2,079,000	2,079,000	-	100.0%
Property Tax - O&M	1,792,530	1,792,530	1,987,411	194,881	110.9%
Cost Reimbursement from JPA	5,482,843	5,482,843	5,258,477	(224,366)	95.9%
Interest Revenue	1,035,900	1,035,900	563,067	(472,833)	54.4%
TOTAL OPERATING REVENUES	\$130,814,725	\$118,833,896	\$106,928,732	(\$11,905,164)	90.0%
<u>NON-OPERATING REVENUES</u>					
Property Tax - Debt, Capital, Reserves	\$39,364,099	\$39,364,099	\$43,643,703	\$4,279,604	110.9%
Connection Fees	23,329,423	23,329,423	25,843,506	2,514,083	110.8%
Grants	8,942,419	8,942,419	6,208,230	(2,734,189)	69.4%
SRF Loan Receipts	12,314,843	12,314,843	7,907,274	(4,407,569)	64.2%
Project Reimbursements	4,994,447	5,384,290	1,818,003	(3,566,287)	33.8%
Other Revenue	2,894,541	2,894,541	1,662,841	(1,231,700)	57.4%
TOTAL NON OPERATING REVENUES	\$91,839,772	\$92,229,615	\$87,083,557	(\$5,146,058)	94.4%
TOTAL REVENUES	\$222,654,497	\$211,063,511	\$194,012,289	(\$17,051,222)	91.9%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$22,448,006	\$22,448,006	\$24,006,053	(\$1,558,047)	106.9%
Benefits	18,161,900	18,161,900	14,031,036	4,130,864	77.3%
TOTAL EMPLOYMENT EXPENSES	\$40,609,906	\$40,609,906	\$38,037,089	\$2,572,817	93.7%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,281,624	\$1,870,444	\$1,375,450	\$494,994	73.5%
Insurance Expenses	775,500	747,425	673,039	74,386	90.0%
Professional Fees & Services	9,249,989	9,811,913	6,083,477	3,728,436	62.0%
O&M Projects	22,106,625	26,969,627	6,231,551	20,738,076	23.1%
Reimbursable Projects	100,000	1,534,476	962,252	572,223	62.7%
TOTAL ADMINISTRATIVE EXPENSES	\$33,513,738	\$40,933,885	\$15,325,769	\$25,608,116	37.4%

Exhibit A Detail

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2015/16
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fourth Quarter Ended June 30, 2016

	Adopted FY 2015/16	Amended FY 2015/16	Unaudited	YTD % Budget Used
	Annual Budget	Annual Budget	YTD Actual	YTD Variance
OPERATING EXPENSES				
Material & Supplies/Leases	\$2,798,809	\$3,257,341	\$2,928,312	\$329,029 89.9%
Biosolids Recycling	4,358,631	4,204,597	3,797,996	406,601 90.3%
Chemicals	4,394,574	4,715,551	3,942,589	772,962 83.6%
MWD Water Purchases	41,440,829	29,460,000	18,653,793	10,806,207 63.4%
Operating Fees/RTS Fees/Exp. Alloc.	14,663,144	13,206,572	11,289,657	1,916,915 85.5%
Utilities	11,149,992	10,762,677	8,837,232	1,925,445 82.1%
TOTAL OPERATING EXPENSES	\$78,805,979	\$65,606,737	\$49,449,579	\$16,157,159 75.4%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$152,929,623	\$147,150,528	\$102,812,437	\$44,338,092 69.9%
<u>NON-OPERATING EXPENSES</u>				
CAPITAL OUTLAY	\$43,886,402	\$51,443,821	\$24,519,900	\$26,923,921 47.7%
FINANCIAL EXPENSES				
Principal, Interest and Financial Expenditure	23,462,656	23,462,656	20,492,764	2,969,892 87.3%
OTHER NON OPERATING EXPENSES	340,000	340,000	414,483	(74,483) 121.9%
TOTAL NON-OPERATING EXPENSES	\$67,689,058	\$75,246,477	\$45,427,147	\$29,819,330 60.4%
TOTAL EXPENSES	\$220,618,681	\$222,397,005	\$148,239,584	\$74,157,422 66.7%
REVENUES IN EXCESS/ (UNDER) EXPENSES	\$2,035,816	(\$11,333,494)	\$45,772,705	\$57,106,199
FUND BALANCE SUMMARY				
Unaudited Beginning Balance, July 01	\$125,635,403	\$146,104,580	\$146,104,580	\$0
Surplus/ (Deficit)	2,035,816	(11,333,494)	45,772,705	57,106,199
ENDING BALANCE, June 30	\$127,671,219	\$134,771,086	\$191,877,285	\$57,106,199

Business Goals & Objectives Report By Department

Department: All									
Report Month: April, May, June - Year: 2016				Report Month: April, May, June - Year: 2016					
Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month Year
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	August 2016 On Schedule
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	August 2016 On Schedule
221	FY 2016/16	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 Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	August 2016 On Schedule
222	FY 2016/16	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	August 2016 On Schedule
217	FY 2016/16	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	August 2016 On Schedule
Business Information Services									
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	Karen Panayatwong	June 2016 On Schedule
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	Karen Panayatwong	June 2016 On Schedule
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	BS to lead the Business Continuity /Disaster Recovery Subcommittee	Karen Panayatwong	June 2016 On Schedule
The board letter process is expected to be completed in November 2016.									
Four SOPs have been developed and are under review.									
Project is on hold due to not being fully staffed.									
Agency Management staff works to continually improve procedures within the department to further streamline processes.									
The board letter process is expected to be completed in November 2016.									
Support cost for this quarter was \$35,542. The high cost for this quarter is attributed to a special project for the SAP EHP8 upgrade and the assistance with processing the Affordable Care Act report requirements - first time for the Agency.									
Completed a major update to the Engineering Dashboard to include multiple baselines and cost information; completed a pilot project - Shift: Notes - as a potential electronic replacement for Operations Daily Log Books; provided integration and automation for Water Connection Fee database and SAP invoice process									
Working with ISS and Sungard on contract with Sungard to provide near real-time backup of SAP server (every 2 hours). The remote access and testing was conducted successfully. In September, the team will be performing test at Sungard facility in Cypress for off-site testing. This will also provide the team with an opportunity to train as well as identifying any gaps.									

FY 2015/16

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
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	Karen Pantayathwong	June	2016	On Schedule		The project was completed in FY2016.
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	>= 10% reduction in process time for grants analyst after implementation	Karen Pantayathwong	June	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.	>= 10% reduction in budgeting cycle days for O&M and capital budgets.	Karen Pantayathwong	June	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.	35% reduction in spreadsheets used by finance staff; 25% increase in report performance	Karen Pantayathwong	June	2016	Behind Schedule		Due to infinity with identifying and corrections for payroll retros, the team was not able to allocate time for this project in FY2016. BIS and Finance & Accounting will team up to draft the RFP with the goal of engaging consultant in Q2 or Q3 of FY2017.	
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	Karen Pantayathwong	June	2016	Behind Schedule	No	A combination of both Grants department transitioning to a different division and BIS analyst, specialized in grants management in SAP, being occupied with payroll retro analysis and GU MDCU changes, this project was deferred until resources can be available. The project will begin in Q1 of FY2017.
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	< 3 systems in use	Karen Pantayathwong	June	2016	On Schedule		Following a product demo in February 2016, there have been a several conversations to explore the possibility of using spreadsheet-like tool that is integrated to SAP. BIS and Accounting & Finance will team up to work on the SAP Finance roadmap, which will address this needs along with other finance-related needs by all users. The needs assessment RFP will be developed in Q1 and C2, with planned start date of Q3 in FY2017.	

FY 2015/16

Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
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	Assess challenges with Agency's financial processes; develop RFP for long term modifications	Ongoing	< 3 systems in use	Karen Pantayathong	June	2016	Behind Schedule	No	Due to resource constraint with payroll, retro analysis in Q3 and Q4 of FY2016, this project was not started and completed within that fiscal year. BIS and Accounting & Finance will team up to work on the SAP Financial roadmap, which will address the needs along with other finance-related needs by all users. The needs assessment RFP will be developed in Q1 and Q2, with planned start date of Q3 in FY2017.
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	Karen Pantayathong	June	2016	On Schedule	No	Planning Department's availability was limited and focused on other priorities in FY2016. BIS will re-engage this project in FY2017.
173 FY 2015/16	Quarterly	Finance and Administration	F	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 M&V	Ongoing		Warren Green	August	2016	On Schedule	No	Additional training was completed regarding procedures on security alarms and protocols.
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	August	2016	On Schedule	No	Ongoing
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 M&V and key initiatives	Ongoing		Warren Green	August	2016	On Schedule	No	Staff continued to meet with the cooperative purchasing group in support of exploring buying opportunities. The Agency regularly tracked on a number of contracts including Planet Bids.
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 LEED 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	August	2016	On Schedule	No	Signage for landscape conservation 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-2016	Cross reference existing qualifications against new standards.	Warren Green	August	2016	On Schedule	No	The Agency has the consultant's report and is meeting with Maintenance staff in support of reviewing the details associated with LEED Q&M requirements, as well as the processes required to reach and meet the goal.
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		Linda Johnson	August	2016	On Schedule	Will conduct inventory of both paper and electronic records by October 15, 2016	Staff is currently heavily involved in the EDMS project. Inventory of the shared drives, libertynet and SAP have been identified and with liberty and SAP being transferred over as part of the file conversion.

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Goal FY ID	Start Date	Reporting Required	Division	Bus. Goal	Work Plan	Time Line	Note Month	Note Year	Status	Complete	Notes	
243	FY 2015/16	Annual	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	In collaboration with BIS, Implement an email or Electronic Data Interchange (EDI) solution for purchase order transmission to the vendors.	KPI Transmission of purchase orders to vendors via direct email or EDI by January 2017.	Warren Green	August 2016	On Schedule	Purchase Orders issued from online catalogs are created and sent from SAP to email in PDF files. Staff has been testing this process before we go direct EDI with the catalogs. Unfortunately all Agency vendors are capable of supporting the EDI process so we will continue to evaluate.	
244	FY 2015/16	Annual	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	In collaboration with BIS, establish Open Catalog Interface (OCI) catalog for end user.	Add two new OCI vendors, open for use by all staff through the PR process, by June 2017	Warren Green	August 2016	On Schedule	Several OCI catalogs have been added include Office Depot, Grainger, etc. We will continue to evaluate vendor capabilities to support our OCI catalog goal.	
245	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	Run quarterly staff and department service level reports and publish in the General Manager's quarterly report	Warren Green	August 2016	On Schedule	Ongoing
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 sends response time for support services by 15%.	Warren Green	August 2016	On Schedule	Facilities Services staff continued to work 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 561 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.	Linda Diaz	August 2016	On Schedule	The educational signage for Regional Plant No. 5 was completed with coordination of External Affairs and the Operations departments. Install will be done in the new fiscal year.
			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	June 2016	Behind Schedule	FY Budget = \$53m; Projected spending = \$21M Overall projection = 40%.
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	Fiscal Year Capital Spending = 80%	Shaun Stone	June 2016	Behind Schedule	As of 06/30 Eng had 14 projects representing \$21M in budget variance mainly due to delay in construction activities. Increases in scope and projects completing under budget. Please see our June 2016 GM report for detail variances for the 14 projects.
215	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					

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Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month Year	Status	Complete Notes
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	100%year > 90%	Shaun Stone	June 2016	On Schedule	Conducted 31 lessons Learned; RP-1 Primary Clarifier Rehab 2015; RP-4 MCCC Bldg Stairway; Montclair Diversion Structure
158 FY 2015/16	Once Complete	Engineering, Planning and Science	E	Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Upon funding, design and construct test technology lab received	48 months after funding is received	Upon funding 12 months for design and 36 months to construct	Shaun Stone	June 2016	On Schedule	No The consultant contract was awarded in May 2015 and the design was completed 9 months later in February 2016. The construction contract was awarded in May 2016. The construction work is scheduled to be completed in August 2018.
External Affairs											
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 Bassar	August 2016	On Schedule	No Presented to one city council and one professional organization on drought and conservation standards.
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 Bassar	August 2016	On Schedule	No Continued tours and other outreach to children. Increased digital marketing campaign utilizing new marketing logos and new platforms. Started using videos as a means of outreach to Millennials.
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 15/17		Kathy Bassar	August 2016	On Schedule	No Sent out press releases and used digital outreach to spread the word about a drug takeback day offered by local police departments.
223 FY 2015/16	Quarterly	Agency Management	B	Ensure staff understand and uphold 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 newsletters, and pointing to the IEUA website. Increase public recognition of Agency's brand	By June 2016 and ongoing	Continue to update printed materials, newsletters, and website with current content	Kathryn Bassar	August 2016	On Schedule	No Updated website to include a portal specifically for member agencies; added links for state reporting requirements.
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 Bassar	August 2016	On Schedule	No Switched out front page "sliders" on a timely basis to ensure most current information was easiest to access.
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		Kathryn Bassar	August 2016	On Schedule	This continues to occur, with town taking place on a regular basis. Achieved goal of meeting with 80% of principals in service area and hosted three leadership breakfasts.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Time Line	KPI	Note Month	Status Year	Complete Notes
	226 FY 2015/16	Quarterly	Agency Management	C	Meet annually with the region's congressional and state delegations to advance key legislation	Travel to Sacramento and Washington D.C. in FY 2015/16	Attend Lobby Days in Sacramento and Washington D.C., Host facility tours and presentations for officials and/or staff	Kathryn Beeser	August 2016	On Schedule
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	Kathryn Beeser	August 2016	On Schedule
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	Kathryn Beeser	August 2016	On Schedule
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	Kathryn Beeser	August 2016	On Schedule
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	Kathryn Beeser	August 2016	On Schedule

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Finance and Accounting

Goal ID	FY 2015/16 Reporting Required	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 2018; Water Resources by July 2020.	Adopt rates that fully meet cost of services for key Agency programs; Non-Recyclable Wastewater (NRW) System by July 2019; Water Resources by July 2020.	Completes by June 2016	Adopt rates that meet cost of service.	Javier Chagoyen-Lazaro	August	2016	On Schedule	Proposed FY 2016/17 rates and rate resolutions on RTS(TYRA), MELs, NRWS, north and south system, laboratory fees and equipment rentals were adopted in June 2016. Began the participation in the Sewer Service Fees Study conducted by Carollo; provided financial data on Regional capital and O&M revenues and expenditures and related TYCIP information
268	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	August	2016	On Schedule	The updated FY 2016/17 budget amendments included the transfer of property tax from Administrative Service (GS) fund to Water Resources (WW) fund to support water resource initiatives not supported by the water rates, such as SARCJUP and IRP Phase II projects, as well as RTS fees not recovered through the TYRA direct charge (a 7-year implementation period)
269	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-Lazaro	August	2016	On Schedule	Scheduled payment to CalPERS in July to fund the Agency's retirement unfunded liability
270	FY 2015/16 Annual	Finance and Administration	A Fully fund the pension unfunded accrued liability by July 2024	Fully fund the pension unfunded accrued liability by July 2024	Annual funding by June 2016	Annual contributions until reaching fully funded status.	Javier Chagoyen-Lazaro	August	2016	On Schedule	Scheduled payment to CalPERS in July to fund the Agency's retirement unfunded liability
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	August	2016	On Schedule	Updated FY 2016/17 TYCIP and budget amendments on revenues and expenditures in the Agency's business system
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 budget/rates setting process using the financial model to ensure all short term and long term initiatives are supported	June 30, 2015	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Javier Chagoyen-Lazaro	August	2016	On Schedule	Reviewed Reserve Policy adopted by Board on May 18, 2016. Renewed contract with Karmann in updating the financial model which allows various scenarios on Agency's financial resources, expenditures, and impact on reserve level for various programs
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	Ongoing	Tina Cheng	August	2016	On Schedule	No Will continue the review with the financial advisor regarding the strategies for refinancing or retiring the 2008A bonds, which will have positive effect on the Agency's debt coverage ratio and credit rating in the long term.		
185	FY 2015/16 Quarterly	Finance and Administration	A Continue to monitor market opportunities for refinancing, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing	Tina Cheng	August	2016	On Schedule	No Continue to review with the financial advisor in developing the strategies and scenarios in the refinancing/refinement of 2008A bonds		
186	FY 2015/16 Quarterly	Finance and Administration	B Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing	Tina Cheng	August	2016	On Schedule	No Staff attended all required safety training sessions.		

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Goal ID	FY Start Grants	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete Notes	
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	August	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 diversity revenue	Ongoing		Jason Gu	August	2016	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR. Opportunities through the CEC's Electric Program Investment Charge (EPIC) Program and through the DOE (Department of Energy) are continually 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	August	2016	On Schedule	No	Collaborating with Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.
273	FY 2015/16	Semi-Annual	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	Manage congressional grant authorizations for water desalination projects in the Colorado Basin	Ongoing		Jason Gu	August	2016	On Schedule	No	IEUA has received \$20.75 million out of the \$26M Congressional Grant Authorization.
Human Resources														
33	FY 2015/16	Quarterly	Finance and Administration	B	Draft a new consolidated Personnel Rules and Regulations	Draft a new consolidated Personnel Rules and Regulations	July-2016			June	2016	Behind Schedule	No	A draft outline will be prepared in the beginning of the second quarter for FY 16/17.
137	FY 2015/16	Quarterly	Finance and Administration	B	Ensure staff understand 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???		Sharmeen Bhojani	June	2016	Behind Schedule	No	Meet with the new Executive Manager of Operations in the first quarter of FY 16/17 to determine the priorities and timeline for this project
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		Sharmeen Bhojani	June	2016	Behind Schedule	No	Average number of weeks is 12 weeks.
262	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	June	2016	Behind Schedule	No	Training topics for supervisors and managers has been determined for the next FY. Dates have been set for this in house training provided by HR staff for first quarter in FY 16/17.

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Goal FY ID	Reporting Required Division	BUS. Goal	Work Plan	Time Line	KPI	Assigned To	Note Month Year	Status	Complete Notes
263 FY 2015/16 Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Department Goal	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.	Number of onsite visits, lunch and learns, and other educational sessions held	Sharmeen Bhojani June	On Schedule	Retirement workshop was held on June 15th with over 70 employees attending.
264 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	Leadership Academy	January – June 2016	Number of employee participants in the Academy and other training programs, Percentage of internal promotions	Sharmeen Bhojani June	2016 On Schedule	5 managers participated in the 2016 Leadership Academy
265 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	June 2016	Conduct an Employee Climate Survey after Class and Comp Study Implementation	Sharmeen Bhojani June	2016 Behind Schedule	Climate survey was postponed due to class and comp study.
266 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	Survey and employee feedback/Retention of employees	Sharmeen Bhojani June	2016 On Schedule	Completed the implementation of the General Unit's Class and Comp Study retroactively to November 2014 by early June. The majority of the unit received retroactive pay.
267 FY 2015/16 Semi-Annual	Finance and Administration	B	Implement the Agency-wide Classification and Compensation Study.	Finishes 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.	Sharmeen Bhojani June	2016 Behind Schedule	Pursuing unit modification for six employees to ensure proper unit representation based on their job responsibilities. Scheduled to go to the board in the first quarter of FY 16/17.
268 FY 2015/16 Annual	Finance and Administration	B	Review and update the STAR Award program to more effectively recognize outstanding performance	Changes 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-79.	Sharmeen Bhojani June	2016 Behind Schedule	Policy review is deferred to the first quarter of FY 16/17 due to higher priority for other policies which have been identified by labor and agency counsel.
269 FY 2015/16 Quarterly	Finance and Administration	B	Achieve a Cal Star Award certification from OSHA by June 2019	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 submittal(s) by November 2016.	Sharmeen Bhojani June	2016 On Schedule	A meeting has been scheduled with Operations and Maintenance in July to discuss what is required in order to achieve a Cal-STAR Voluntary Protection Program Certification from Cal-OSHA. An Action Log will be provided after the meeting detailing department specific responsibilities. Status meetings will be held periodically. Based on outside information gathered, this is generally a long process with preparation taking 4 / 5 years. Once the Agency is in compliance with the required elements an application will be submitted to Cal-OSHA. Upon application acceptance by Cal-OSHA, a full inspection of all our facilities will be conducted. Results of the inspection will determine our certification status.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Note Month	Note Year	Status	Complete	Notes
Internal Audit	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 Committee Meetings and exit meeting	Teresa Velarde	August	2016	On Schedule	Completed and On-Going. This objective is achieved with the performance and completion of each operational audit. In those audits, IAD makes recommendations to the business units providing 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 audit observations and recommendations are discussed in detailed during the regularly scheduled Audit Committee meetings as well as with management and line supervisors. Recommendations are provided to promote a strong control environment.
	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 Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RICA's internal 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 Committee	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2016	On Schedule	Completed the audits of the 7 member agencies, discussed the results with the contracting agencies, IELAs Planning Department and Executive Management Team, the Audit Committee and the Board as well as with Tech Committee. The Final Report was compiled in October of 2015. Over 20 recommendations were provided to evaluate, change and improve the monthly sewer lifting, 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, and is ready and available to assist as needed and as requested with discretions of moving forward, implementing the recommendations, and helping correct issues. IAD stands ready to assist in any way possible and requested.

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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
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 provide 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 and participation in a professional association	A minimum of sixteen hours of continuous professional development, annually.	Teresa Velarde	August	2016	On Schedule	Completed and On-Going. Training and professional development is mandatory for professional Internal auditors, as a requirement of their job and required by the Institute of Internal Auditors and the IAD Charter. All auditors attend at minimum of 8 continuing professional education hours of training and development in various subjects 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.	
234	FY 2015/16	Monthly	Agency Management	B	Develop a plan to conduct a feedback study to measure employee satisfaction	Perform a survey of auditee/customer satisfaction at the conclusion of each audit project to gather information about auditor involvement, professionalism, knowledge and ability to communicate to gain information on continuous improvement	After each completed audit/project	Feedback from customers. Discussions during regularity scheduled Audit Committee Meetings	Teresa Velarde	August	2016	On Schedule	Completed during and after each audit. Either via email, paper or discussion to evaluate the overall satisfaction with the audit process.	

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	KPI	Time Line	Assigned To	Note Month	Note Year	Status	Complete	Notes
238	FY 2015/16	Monthly	Agency Management	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(s), reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and longer 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	Completed and On-Going. The Internal Audit Department must complete projects proposed through the Board-approved Annual Audit Plan and any amendments if any. IAD completes any projects proposed and assigned and provides recommendations for the improvement of Agency processes and procedures. Any changes to the plan are communicated to the Audit Committee and the Board. In addition to scheduled projects, IA maintains a list of on-going and potential audit projects. The list of potential/proposed audit projects is a list of items that can be evaluated and audited should the risk increase or IA is directed to accelerate the planned and proposed projects.	Completed audits as approved through the Annual Audit Plan	Teresa Velarde	August	2016	On Schedule	Completed and On-Going. The Internal Audit Department must complete projects proposed through the Board-approved Annual Audit Plan and any amendments if any. IAD completes any projects proposed and assigned and provides recommendations for the improvement of Agency processes and procedures. Any changes to the plan are communicated to the Audit Committee and the Board. In addition to scheduled projects, IA maintains a list of on-going and potential audit projects. The list of potential/proposed audit projects is a list of items that can be evaluated and audited should the risk increase or IA is directed to accelerate the planned and proposed projects.	

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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
236 FY 2015/16	Monthly	Agency Management	B	Prepare and Implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Updates 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	August	2016	On Schedule	The Internal Audit Department documented IA SOP-006 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 official 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 any required Safety Tailgate topics. The IAD is proactive when it comes to disaster/emergency preparedness and response ready. Additionally, the Manager of IA recently completed several on-line trainings and attended meetings to discuss the roles and responsibilities expected during a disaster or emergency.
237 FY 2015/16	Annual	Agency Management	B	Promote a safe work environment by administering and monitoring required safety and regulatory training	Comply with all required IEUA safety and regulatory trainings for required department personnel	Annually as assigned by Safety personnel	Safety Tailgate Tracker	Teresa Velarde	August	2016	On Schedule	Completed and ongoing. Each year IA completes all required safety trainings as required by the Agency. In addition to other outfalls and volunteer training.
238 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	Achieve the Certified Internal Auditor Designation by two auditors	One by December 2015	Certification	Teresa Velarde	August	2016	On Schedule	All three auditors in the department are preparing for the certification exam. 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.

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Goal ID	FY Start Date	Reporting Required	Division Agency Management	Bus. Goal	Work Plan	Department Goal	Time Line	KPI Certification	Assigned To	Note Month	Note Year	Status	Complete Notes
239	FY 2015/16	Semi-Annual		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		Teresa Valerio	August	2016	On Schedule	Planned and on schedule. As required by the IAD Charter, each year, we review the IAD Charters, the department SOPs and the Annual Audit Plan and make the necessary adjustments according to best practices, new/requested project and other requirements. 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. Certifications are planned for December 2016. A self-assessment is planned for early 2017 and a peer review for December 2017.
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 Valerio	August	2016	On Schedule	Planned and on schedule. As required by the IAD Charter, each year, we review the IAD Charters, the department SOPs and the Annual Audit Plan and make the necessary adjustments according to best practices, new/requested project and other requirements. 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. Certifications are planned for December 2016. A self-assessment is planned for early 2017 and a peer review for December 2017.
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 auditors, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Valerio	August	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.
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 Valerio	August	2016	On Schedule	No
170	FY 2015/16	Quarterly	Agency Management	E	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.	Teresa Valerio	August	2016	On Schedule	No

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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
Start 171	FY 2015/16	Agency Management	B:	Develop and Implement a plan to mentor and train the next generation of Agency leaders by July 2017	Peer-review of the Internal Audit department functions	Complete by December 2016	A minimum of eight hours of continuous professional development, annually.	Teresa Velarde	August	2016	Behind Schedule	No
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 audit meetings	August	2016	On Schedule	Completed and On-Going. This objective is achieved with the performance and completion of each operational audit. In those audits, IA makes recommendations to the business units providing 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 audit observations and recommendations are discussed in detail during the regularly scheduled Audit Committee meetings as well as with management and line supervisors. Recommendations are provided to promote a strong control environment.
						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	Provide 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"				

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Goal ID	FY Start Date	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete Notes
<u>300</u>	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 Groenveid	August	2016	On Schedule	Design phase complete. Lab staff has communicated to Engineering staff any critical information regarding instrumentation.
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 analyses performed; add certification if justified to reduce cost of contracting out some analysis	December 2015	Annually obtain 100% acceptable results on PE samples	Nel Groenveid	August	2016	On Schedule	Lab had 100% acceptable results on Annual Performance Evaluation samples to maintain laboratory ELAP certification.
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 tailgate meeting requirement!	December 2015	Hold bi-weekly safety meetings	Nel Groenveid	August	2016	On Schedule	Continue to have required safety tailgates to meet safety regulations
303	FY 2015/16	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPI)s 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 Groenveid	August	2016	On Schedule	Lab is reviewing new method and instrument regulations. Is in the process of obtaining certification to perform Coliform analysis using the Collet method in order to obtain results in 24 hours, after the Collet method was approved for Recycled Water in May 2016.
197	FY 2015/16	Quarterly	Engineering, Planning and Science	G	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. (CHP)	Complete by December 2015	Complete by December 2015	Nel Groenveid	August	2016	On Schedule	Annual review is complete and new revision has been issued
142	FY 2015/16	Annual	Operations	H	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Develop a training program for the Operations division	FY 2015/16	Complete training program for Maintenance Department	Nelson Hoy	August	2016	On Schedule	No
308	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 processes and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2016	Hold one training session each quarter	Randy Lee	August	2016	Behind Schedule	This particular division training was put on hold due to the priority of CBM and Class & Comp related maintenance training. The effort to revisit this training will occur in mid-FY16/17.
308	FY 2015/16	Annual	Operations	E	Ensure reliability of Agency assets by annually implementing the Asset management monitoring and assessment program (Asset Management Plan)	Conduct major condition assessments annually.	By June 30, 2016	Complete condition reassessments of RP-5 and CCWRF	Randy Lee	August	2016	On Schedule	Condition assessment of major structures at RP-4 and RP-5 were completed, condition assessments of Preliminary through Secondary Treatment processes at CCWRF are currently being planned through Maintenance, Operations, and Engineering.

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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
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.	Chandler Letulle/Matt Melendrez	July	2016	On Schedule	Operations staff have attended required meetings. An Operations specific plan has been developed and shared with HR/Safety.
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 disaster gas	By June 2016 Ongoing	Meet 100% of established implementation goals; on-going	Chandler Letulle, Matt Melendrez	July	2016	On Schedule	Operations has supported all implementation goals. Due to equipment issues at RP-1 and RP-2 gas utilization is lower than expected.
307 FY 2015/16	Monthly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Maximize use of bio solids by sending 50% of organics to IERCF	By June 2016 Ongoing	Send 50% of organics to Randy Lee IERCF; on-going	Chandler Letulle	July	2016	On Schedule	All Agency biosolids have been sent to the IERCF, processed into compost and sold into landscape and agricultural markets.
79 FY 2015/16	Quarterly	Operations	D	Optimize IEUA'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	July	2016	On Schedule	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.
198 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	Ongoing through June 2016	Chandler Letulle, Matt Melendrez	July	2016	On Schedule	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.
199 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	Ongoing through June 2016	Steve Smith	August	2016	On Schedule	No
199 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	Ongoing through June 2016	Steve Smith	August	2016	On Schedule	This goal was completed and on-going. Weekly internal peak demand meetings are held to discuss strategies to meet customer demands and maximize GWR.
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	Ongoing through June 2016	Steve Smith	August	2016	On Schedule	This goal was met by coordinating weekly peak demand management meetings to discuss pump station readiness and reliability to meet direct use and GWR demands.
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	Ongoing through June 2016	Steve Smith	August	2016	On Schedule	No
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 plant as delivery mechanisms are completed	Ongoing	Completed by June 2016 and Ongoing	Steve Smith	August	2016	On Schedule	Demand Management meetings were held with member Agencies (Chino and Ontario) to discuss strategies to meet GWR goals while maintaining adequate pressure and flow to direct use Ag customers.
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.	Ongoing	Completed by June 2016 and Ongoing	Matt Melendrez	July	2016	On Schedule	According to Compliance's Incident Report Summary all facilities are meeting or exceeding standards.

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Goal FY ID	Reporting Required	Division	Bus. Goal	Work Plan	Time Line	KPI	Note Manif Year	Note Manif July	Status	Complete Notes	
204 FY 2015/16	Quarterly	Operations	D Identify and protect the best recharge land sites in the service region by June 2016	Department Goal Identify projects necessary to recharge SCADA improvements that implement storage and delivery strategies by working with the DCS department	Completed by June 2016 and Ongoing	Completed by June 2016 and Ongoing	Assigned To Matt Melendrez and	On Schedule	No	Projects have been identified to switch processes from potable to recycle water. Operations is working with Maintenance and Engineering to complete these projects. For example San Bernardino Lift Station packing water system.	
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	Completed by June 2016 and Ongoing	Steve Smith	August 2016	On Schedule	No	Several RW/GW/R department work orders were completed that resulted in more efficiency while managing the RW/GW activities. 1) developed code to auto-report monthly RW deliveries (Vanalograph). 2) improved SCADA screens to more accurately reflect critical basin structure elevations, and 3) refined 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 Caliro Basin by June 2016	Maintain basin reachability through basin cleanings	Completed by June 2016 and Ongoing	Completed by June 2016	Steve Smith	August 2016	On Schedule	No	8th Street Basin and Turner Basin 1 cleaning were completed in FY15/16. Contracts were developed for the RP-3 cell 1 and Victoria Basin infiltration restoration. RFP's are being developed for the Juniper Station Clean-up, Turner basin 3 and IR, and Duanez Basin cell 1 clean up.
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	Steve Smith	August 2016	On Schedule	No	Continuing to work with both Ops and Planning staff to develop written RW storage and delivery strategies.
<u>Planning and Environmental Compliance</u>											
189 FY 2015/16	Quarterly	Engineering, Planning and Sciences	A Initiate discussions to review and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	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		Sylvie Lee	August 2016	Behind Schedule	No	Recycled Water Policy Principles approved by Resolutions adopted in June 2016. The remainder of the contract amendments have been delayed. Parties discussing possibility of bringing in facilitator to assist in the contract renegotiation process.
190 FY 2015/16	Quarterly	Engineering, Planning and Sciences	C Continue to apply Lean management principles to streamline current business processes and systems 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		Sylvie Lee	August 2016	On Schedule	No	IEUA and consultant met US Army Corps of Engineers (ACOE) on 6/21/2016 to discuss remainder of the contract amendments has been delayed. Parties discussing possibility of bringing in facilitator to assist in the contract renegotiation process.
191 FY 2015/16	Quarterly	Engineering, Planning and Science	C Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop 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		Sylvie Lee	August 2016	On Schedule	No	Consultant preparing the draft Programmatic planning initiatives Notice of Preemption completed Public Scoping Meeting on 7/12/2016. Adoption expected Winter 2017.
192 FY 2015/16	Annual	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	To be Completed by June 2016		Sylvie Lee	August 2016	On Schedule	No	Project list developed in IRP Phase 1 will be modified in FY16/17 during IRP Phase 2 to include grant-searchable terms and project prioritization.
193 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		Sylvie Lee	August 2016	On Schedule	No	Routine updates being performed on Planning doc

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Goal FY ID	Reporting Required Quarterly	Division	Bus. Unit	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Note Status	Note Complete	Note Notes
Start		Engineering, Planning and Sciences	Goal	D	Develop and Implement the RWMP/DMP 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	Sylvie Lee	August	2016	On Schedule	No	Agency has been continuing to work with member agencies on an ongoing basis to seek, evaluate proposals for contracting with a hydrogeologist to start an initial investigation.
195	FY 2015/16	Quarterly	Engineering, Planning and Sciences	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Through June 2016 and Ongoing	Develop the plans	Sylvie Lee	August	2016	On Schedule	No	RW Injection Pilot demonstration project - Evaluated proposals for contracting with a hydrogeologist to start an initial investigation.
196	FY 2015/16	Quarterly	Engineering, Planning and Sciences	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Continuous	Keep updated project list and coordinate with member agencies	Sylvie Lee	August	2016	On Schedule	No	The drought projects will be discussed in the IRP Phase 2. IRP Phase 2 discussions are expected to begin in Summer 2016
89	FY 2015/16	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	Meet the schedule as defined by the IRP	Sylvie Lee	August	2016	On Schedule	No	IRP Phase 1 complete, pending CEOA per PEIR. Phase 2 to commence in 4th qtr 2016.
270	FY 2015/16	Monthly	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	Ongoing	Recommend potential grant opportunities that align with the Agency mission and financial goal.	Grants Opportunities to Agency departments and member agencies.	Sylvie Lee	August	2016	Behind Schedule	The Department is continuing to work with the Grants Department on the Strategic Plan and should be completed by the third quarter.
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	Ongoing	Collaborate with the Member agencies, JFAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	August	2016	On Schedule	CEOA was adopted for the Ponotara MWIEUA Recycled Water Intertie Project. The Feasibility Study is near completion, and the agencies will be evaluating the next stages of the project.
272	FY 2015/16	Monthly	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	Ongoing	Pursue new grant awards to diversify revenue.	Grants Opportunities to Agency departments and member agencies.	Sylvie Lee	August	2016	On Schedule	Agency received \$200,000 Grant to develop a regional drought contingency plan from USBR.
276	FY 2015/16	Quarterly	Engineering, Planning and Sciences	A	Integrate projects identified in the long term NRWS & IEBL	July 2014-June 2019	NRWS & IEBL - Develop rate methods to fully support cost of service	Collect revenues to be within 5% of actual cost of program.	Sylvie Lee	August	2016	On Schedule	NRWS and IEBL programs are meeting cost of service.

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Goal FY Start ID	Reporting Quarter	Responsible Division	Bus. Goal	Work Plan	Time Line	Assigned To	Note Month Year	Note Year	Status	Complete
			A	Integrate projects identified in the long range financial planning documents, such as the Urban Water Management Plan, and the Integrated Resources Plan	Complete by March 2016	KP1 Adopt the Biennial TYCIP by March 2016.	August 2016	On Schedule	On Schedule	Completed
277	FY 2015/16	Quarterly	Engineering, Planning and Science	C	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Continuous	Attend at regular meetings	Sylvie Lee	August 2016	On Schedule
					Maintain the schedule as established in the regulations, policies and planning documents	Sylvie Lee			On going. Staff is actively attending meetings and workshops.	
278	FY 2015/16	Annual	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regiona	Continuous	Provide monthly/quarterly/annual updates as needed.	Sylvie Lee	August 2016	On Schedule
					Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Sylvie Lee			Updates have been provided on planning issues through the quarter.	
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 regiona	Continuous	Completion and adoption of WUE and UWMP	Sylvie Lee	August 2016	On Schedule
					Complete update of the WUE, and UWMP	Sylvie Lee			Water Use Efficiency Business Plan and the 2015 Regional Urban Water Management Plan (UWMP) were presented to the Board in June for adoption. The UWMP was filed with DWR on June 29th as requirement of the State statute and deadline of July 1, 2016. Both plans were completed in May 2016.	
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	Continuous	Provide monthly/quarterly/annual updates as needed.	Sylvie Lee	August 2016	On Schedule
					Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Sylvie Lee			Water Use Efficiency Business Plan and the 2015 Regional Urban Water Management Plan (UWMP) were presented to the Board in June for adoption. The UWMP was filed with DWR on June 29th as requirement of the State statute and deadline of July 1, 2016. Both plans were completed in May 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	WUE: Nov 2015	Completion and adoption of WUE and UWMP	Sylvie Lee	August 2016	On Schedule
					Complete update of the WUE, and UWMP	Sylvie Lee			Water Use Efficiency Business Plan and the 2015 Regional Urban Water Management Plan (UWMP) were presented to the Board in June for adoption. The UWMP was filed with DWR on June 29th as requirement of the State statute and deadline of July 1, 2016. Both plans were completed in May 2016.	
282	FY 2015/16	Annual	Engineering, Planning and Science	D	Develop new targets and programs to achieve 20 x 2020 requirement through water use efficiency measures, including: Improve rate structures, Integrate water use in billing, expand outdoor water use efficiency, and increase local use of stormwater	Revised and develop annual targets. Complete by August 2016	226 good by 2015	Sylvie Lee	August 2016	On Schedule
					Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	Sylvie Lee			The Regional Water Use Efficiency Business Plan was completed in June 2016. This document serves and the roadmap over the next five years to meet the 20x2020 target. Several new programs were launched in June 2016. A residential Programs Regulation Program and an Education, Survey and controller Upgrade Program consistent with continuing to target residential demand reduction through the service area.	
283	FY 2015/16	Quarterly	Engineering, Planning and Sciences	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	June 2016 Ongoing	Ongoing development of Sylvie Lee programs, plans, and policies to support storm water capture	Sylvie Lee	August 2016	On Schedule
					Optimize IEUA's use of potable and recycled water by July 2016	Adopt the RWPS	Sylvie Lee		RWPS completed. Projects are being implemented on schedule with the RWPS and are included in the TYCIP and IRP project lists.	
284	FY 2015/16	Semi-Annual	Engineering, Planning and Science	D	Identify and evaluate supplemental water supplies for the region	Adopt the IRP by January 2016	Sylvie Lee	August 2016	On Schedule	
					Identify and evaluate supplemental water supplies for the region through completion of the Integrated Resources Plan (IRP).	Adopt the IRP by January 2016	Sylvie Lee		IRP was adopted in June 2016	

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Goal ID	Start Date	Reporting Period	Division	Business Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Note Month	Note Year	Status	Note Month	Note Year	Status	Notes
286	FY 2015/16	Annual	Engineering, Planning and Science	D	Achieve 20,000 acre 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 RRP/PU	Sylvie Lee	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	IEUA staff meet monthly with the RRP/PU at CBWM to discuss and present project design and budget status.	
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	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	East Deciez project has been closed. Other sites and conceptual projects will be discussed during IRP Phase 2.	
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	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	A new MOU of the SARCCUP entities was approved in June 2016. IEUA began the PIR process as the SARCCUP lead. SARCCUP members have met with MWID to develop banking opportunities.	
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	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	Coordination with Member Agencies for RW demand management is ongoing.	
290	FY 2015/16	Annual	Engineering, Planning and Science	E	Update Wastewater Facilities Master Plan to ensure timely expansion of Agency facilities to address anticipated growth	Update annual demand forecast to address anticipated regional growth	October 2015	Update regional wastewater flow forecast annually based on member agency input, and verify with projections provided in the Wastewater Facility Master Plan.	Sylvie Lee	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	Demand forecast was updated as part of the FY16/17 TCVIP per Member Agency EDU forecasts. Additional projections in the WMWIPU were developed based on actual flow monitoring.	
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	June 2016	Provide monthly updates on the status of the connections in the region	Sylvie Lee	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	Continue to work with RCAA to review and maintain accurate building activity reports.	
292	FY 2015/16	Annual	Engineering, Planning and Science	E	Develop comprehensive Energy Management Master Plan	Develop and coordinate an Energy Management Master Plan (EMMP) consistent with IEUA planning documents (B-Annual).	June 2016	Provide annual review of the Agency's progress based on the initiatives included in the EMMP.	Sylvie Lee	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	Energy Management Plan update to the Board scheduled for October 2016.	
293	FY 2015/16	Annual	Engineering, Planning and Science	E	Complete an Agency-wide greenhouse gas emission (GHG) baseline assessment report.	Develop annual GHG emission report.	June 2016	Complete annual emissions report	Sylvie Lee	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	Staff is preparing the 2015 GHG report. Verified emission report to The Climate Registry is due 12/15/2016.	
294	FY 2015/16	Annual	Engineering, Planning and Science	F	Complete odor baseline report.	Conduct odor surveys consistent with the needs of the Agency	August 2015	Provide annual updates of the results of the odor surveys including recommendations for process optimization	Sylvie Lee	On Schedule	2016	On Schedule	Complete	On Schedule	2016	On Schedule	Complete	Odor survey results will be presented during the quarterly Planning and Environmental Resources update.	

FY 2015/16

Goal ID	FY Start Date	Reporting Division	Required Quarterly	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Note Month	Note Year	Status	Complete Notes	
	FY 2015/16	Engineering, Planning and Science	Quarterly	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to promote neighboring businesses or odor performance monitoring.	Continuous	Periodic as needed monitoring performed	August	2016	On Schedule	Perform quarterly odor survey at all facilities.	
298	FY 2015/16	Engineering, Planning and Science	Quarterly	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	August	2016	On Schedule	Perform odor monitoring, as needed to assist Operations, External Affairs during complaints investigation and mitigation.
297	FY 2015/16	Engineering, Planning and Science	Quarterly	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advocacy letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP,	Sylvie Lee	August	2016	On Schedule	Several initiatives were completed during the fourth quarter including RW general order, emergency regulations for drinking water, organics initiative, and comment letter to the California Public Utilities Commission to express support for the Alternate Proposed Decision on Interconnection Cost Containcy.
298	FY 2015/16	Engineering, Planning and Science	Quarterly	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 Ordinances and Enforcement Response Plan.	March 2016	Adopt the IEBL Ordinance by March 2016	Sylvie Lee	August	2016	On Schedule	IEBL Ordinance will be completed upon adoption of SAWPA Ordinance No. 8 in Oct. '16. ERP scheduled for completion in early '17.
299	FY 2015/16	Engineering, Planning and Science	Annual	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-MHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MHCP by June 2017	Sylvie Lee	August	2016	On Schedule	SBVnWD completed hydraulic modeling and is working on biological impacts evaluation with expected completion in Jan. 2017.
310	FY 2015/16	Operations	Annual	C	Review and update the Asset Management Plan	Update the AMP	February 2017	Complete and distribute AMP	Jeff Neelie	August	2016	On Schedule	The FY 15/17 AMP was completed and distributed in July.
208	FY 2015/16	Operations	Quarterly	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 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycle water streams at RF-1 and RP-5	Jeff Neelie	August	2016	On Schedule	No It was determined that strainer gates could not be installed in a cost-effective manner at the RP-5 CCR. Straining equipment will be evaluated as part of the RP-5 RW piping upgrades project.

Exhibit C-1

Inland Empire Utilities Agency
Inter-Departmental/Division Budget Transfer
FY 2015/16 - 4th Quarter

Fund	Date	O & M Transfer From	Category	Amt Transfer Out	O & M Transfer To	Category	Amount Transfer In	Description	QTR
10200	4/7/16	521080	Other Cont. Services	\$10,000	512950	Promotional Items	\$10,000	Transfer to fund purchase of promotional product inventory for the upcoming Earth Day event.	4
10200	4/28/16	520980	Prof. Svcs. - Other	\$10,000	512730	Leases and Rentals	\$10,000	A lease and rental category needed to be created in order for invoices to be charged to the appropriate category. Budget needed to be transferred to that new account.	4
10200	5/9/16	521080	Other Contract Services	\$11,000	521080	Other Contract Services	\$11,000	Transfer to fund new contract with Raffells to update/modify the existing LRPF model.	4
10200	6/2/16	513020	Conference Expense	\$2,700	511230	Travel/ Transportation	\$2,700	Transfer required as more funds were required than was expected for department travel.	4
10200	6/2/16	513030	Contributions/ Sponsorship	\$9,300	511230	Travel/ Transportation	\$9,300	Transfer required as more funds were required than was expected for department travel.	4
10200	6/6/16	511250	Travel/ Lodging	\$1,600	511230	Travel/ Transportation	\$1,600	Transfer to cover travel expenses.	4
10200	6/6/16	514110	Subscriptions/ Publications	\$6,000	511230	Travel/ Transportation	\$6,000	Transfer to cover travel expenses.	4
10200	6/16/16	513020	Conference Expense	\$2,500	521010	Contract Labor	\$2,500	Transfer to cover deficit within fund.	4
10300	6/15/16	555010	Interest Expense	\$11,408	520920	Professional Services - Other	\$11,408	Transfer for service that were not fully covered due to an increase in Midge Fly prevention services and an increase in chemical costs	4
10300	6/15/16	555010	Interest Expense	\$48,592	520920	Professional Services - Other	\$48,592	Transfer for service that were not fully covered due to an increase in Midge Fly prevention services and an increase in chemical costs	4
10500	5/19/16	521410	Computer Maint	\$10,000	545110	Electricity	\$10,000	Transfer to cover slight increase in energy costs for pumping at the Philly Lift Station due to piping pressure issues.	4
10600	5/11/16	521010	Contract Labor	\$15,000	512160	Lab Supplies	\$15,000	Transfer to cover the purchase of high grade solvents and standards for the testing of Priority Pollutants in the Lab	4
10600	6/21/16	521080	Other Contract Services	\$40,000	521220	Lab Svcs - Outside	\$40,000	Transfer for analysis sampling that is required per new regulation requirements.	4
10800	5/4/16	521110	Out Svcs - Lndscp	\$35,000	PK11001	Water Discovery Field Trip & Bus Grant	\$35,000	Transfer required to fund unplanned, Grant-Related programming for the Water Discovery program for the Chino Creek Wetlands and Educational Park to finish out the fiscal year.	4
10800	6/2/16	521080	Other Contract Services	\$1,500	519530	Fines & Penalties	\$1,500	Transfer to cover the expense for the RP-5 NOV settlement agreement to the appropriate account.	4
10800	6/16/16	545370	Water	\$3,460	512170	Materials & Supplies	\$3,460	Transfer to cover expenses that were charged to 10200 and subsequently reclassified to 10800, leaving a shortage of \$3,460.	4
10800	6/21/16	526310	Residuals Disposal	\$38,000	530028	Polymer	\$38,000	Transfer to cover chemical costs	4
10800	6/21/16	526310	Residuals Disposal	\$37,000	530012	Aluminum Sulfate	\$37,000	Transfer to warehouse supply orders that caused the category to be over budget	4
10800	6/21/16	545370	Water	\$1,000	512110	General Supplies	\$1,000		

Exhibit C-1

Inland Empire Utilities Agency
Inter-Departmental/Division Budget Transfer
FY 2015/16 - 4th Quarter

Fund	Date	O & M Transfer From	Category	Amt Transfer Out	O & M Transfer To	Category	Amount Transfer In	Description	QTR
10800	6/27/16	EN14039	Dig, Gas Analysis & RP1 Net Metng	\$65,000	520980	Professional Services - Other	\$65,000	Transfer needed for inspection services related to SIO No. EN-14: RP-5 Battery Storage	4
10900	6/27/16	EN15032	Agency-wide HVAC Improvements	\$25,000	EN13056	RP4 MCC PC5 Roof Access	\$25,000	Transfer needed for the construction phase of the project and for TIP purposes/annual BOD.	4
			Total O&M Transfers Out	\$384,060		Total O&M Transfers In	\$384,060		

Fund	Date	Project	Project Description	Amt Transfer Out	Project	Project Description	Amt Transfer In	Justification	QTR
10900	6/30/16	EN11031	RP5 Flow Eq and EFF Monitor	\$205,000	EN13056	RP4 MCC PC5 Roof Access	\$205,000	Transfer needed to reconcile the FY 15/16 budget overage for EN13056	4
			Total Project Transfers Out	\$205,000		Total Project Transfers In	\$205,000		

Inland Empire Utilities Agency
FY 2015/16 GM Contingency Account Activity (10200-112100-100000-519010)

Exhibit C-2

Date	Description	Account/Project No.	Requestor	GM		
				Contingency Budget	Transfers	Balance
7/1/2015	FY 2015/16 Adopted budget	RO Fund 10800-112100-501000-519010		\$400,000		\$400,000
3/3/2016	Budget transfer to cover legal litigation projection in Water Resources fund	RO Fund 10700-112100-1-10000-520230	J. Chagoyen-Lazaro	\$105,000		\$295,000
3/3/2016	Budget transfer to cover general legal projection in Water Resources fund	RO Fund 10700-112100-1-10000-520210	J. Chagoyen-Lazaro	\$16,000		\$279,000
3/3/2016	Budget transfer to cover general legal projection in Recycled Water fund	RO Fund 10600-112100-130000-520210	J. Chagoyen-Lazaro	\$67,000		\$212,000
3/3/2016	Budget transfer to cover general legal projection in Regional Capital fund	RO Fund 10900-112100-500000-520210	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	GG Fund 10200-112100-10000-519010		\$100,000		\$100,000
7/6/2015	Budget transfer to cover fees for hiring temporary help within Agency Mgmt Dept	GG Fund 10200-112100-10000-521080	A. Woodruff	\$30,000		\$70,000
1/1/2016	Budget transfer to hire consultant for proposed consolidation of CBWCD	GG Fund 10200-113100-10000-520980	K. Besser	\$40,000		\$30,000
3/2/2016	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
3/31/2016	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

cc: Joe Grindstaff, Christine Valencia

Exhibit D

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Budget Transfer FY 2015/16 - 4th Quarter

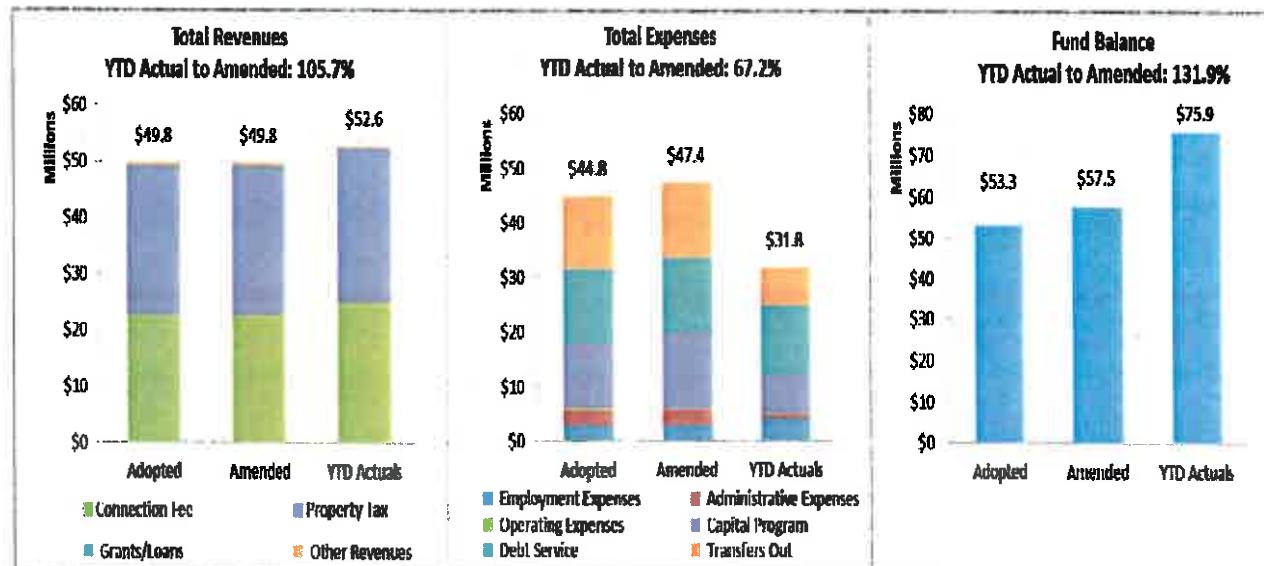
Exhibit D

Changes In Total Project Budgets: Inter-Departmental/Division Budget Transfer FY 2015/16 - 4th Quarter

Financial Overview of Agency's Programs
FY 2015/16 Fiscal Year ended June 30, 2016
Total Revenues, Expenses, and Fund Balance
(Unaudited)

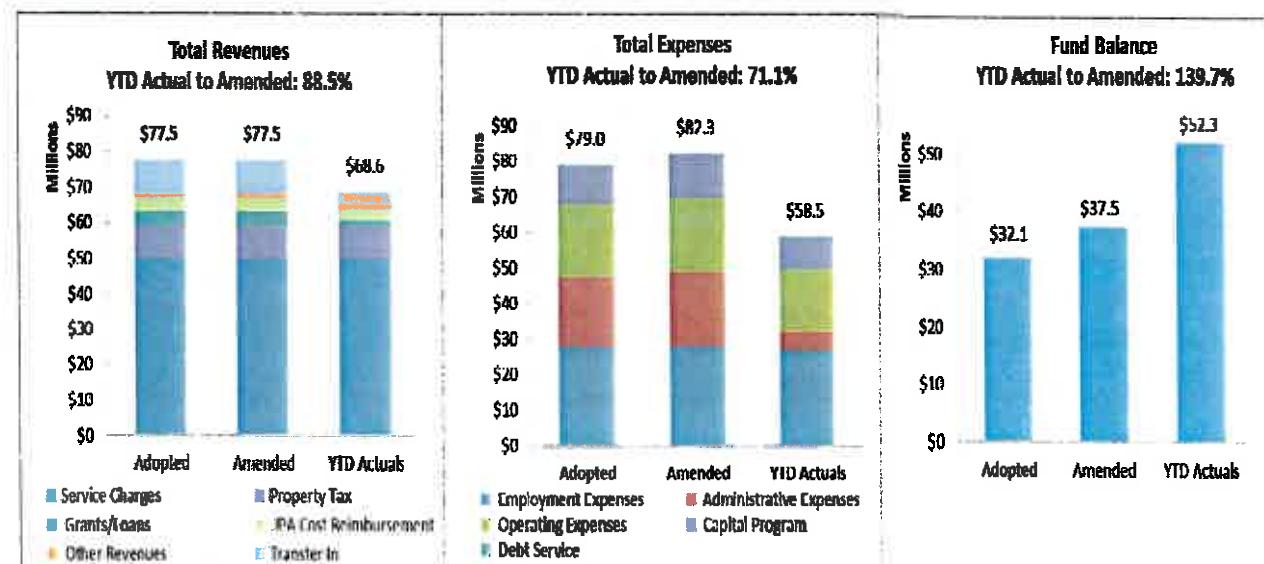
Regional Wastewater Capital Improvement (RC) Fund

The unaudited ending fund balance indicated an increase of \$18.4 million compared to the amended budget primarily due to higher connection fee revenues, increase in property tax receipts, low capital spending and eliminated the \$6 million transfer to the RO fund for supporting the Plume Cleaning project, which will be supported by grants and property tax. A total of \$2.5 million of FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.



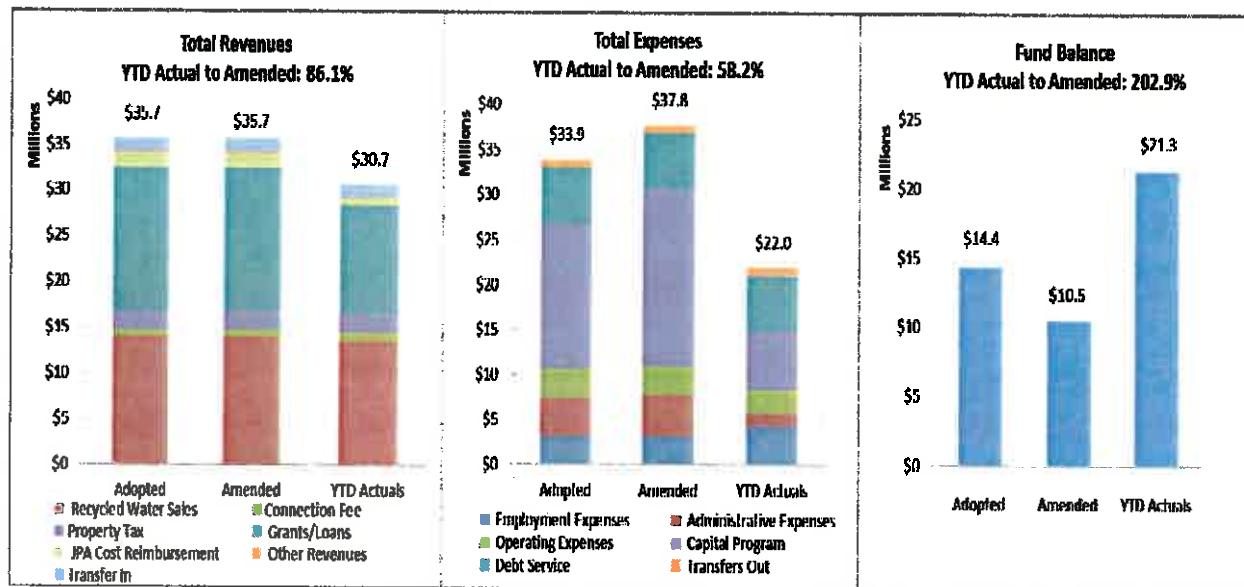
Regional Wastewater Operations and Maintenance (RO) Fund

The unaudited ending fund balance indicated an increase of \$14.8 million compared to the amended budget mainly due to the delayed execution of O&M and capital replacement and rehabilitation projects. A total of \$2.5 million of FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.



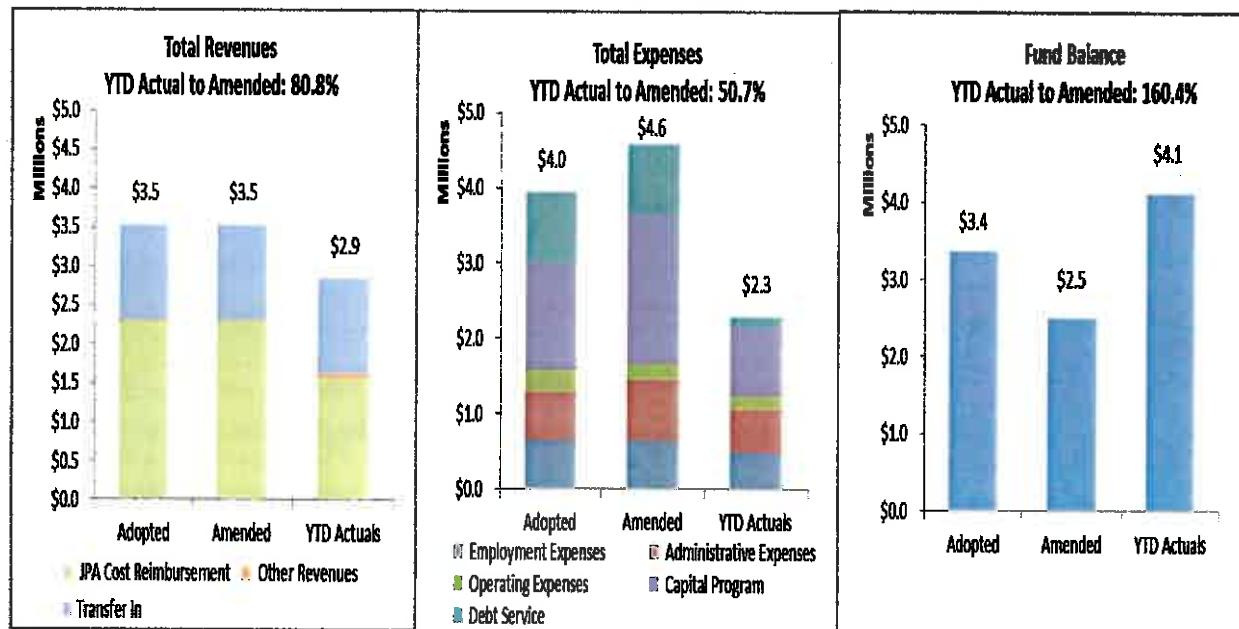
Recycled Water (WC) Fund

The unaudited ending fund balance indicated an increase of \$10.8 million compared to the amended budget primarily due to low administrative expenses and delay in the execution of capital projects. A total of \$2.6 million of FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.



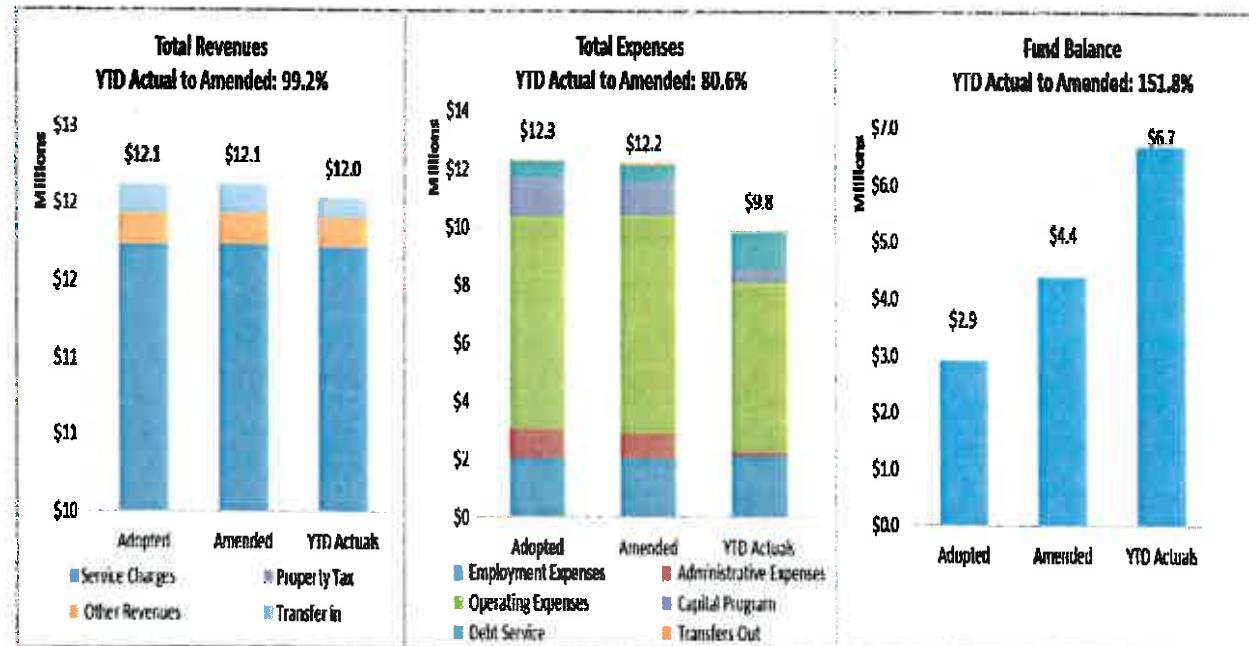
Recharge Water (RW) Fund

The unaudited ending fund balance shows a slight increase of \$1.6 million compared to the amended budget due to timing of operation spending & delays in capital project execution. A total of \$0.8 million of FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.



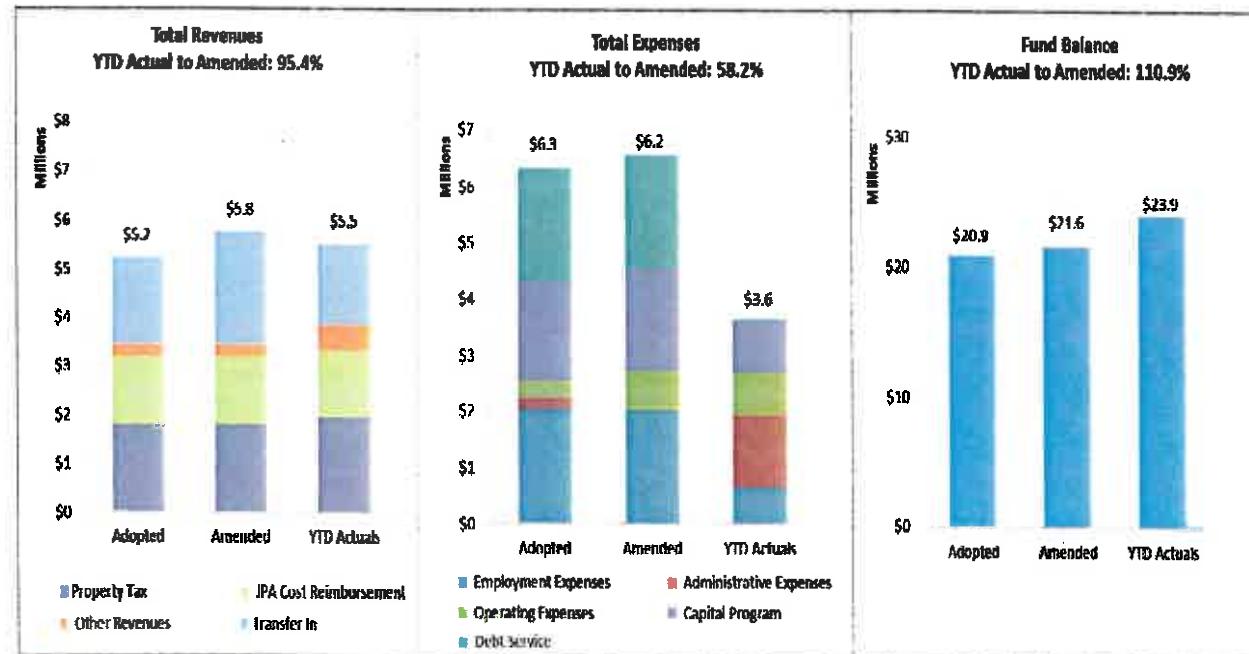
Non-Reclaimable Wastewater (NRW) Fund

The unaudited ending fund balance indicated an increase of \$2.3 million compared to the amended budget due to low administrative expense and delays in capital project execution.



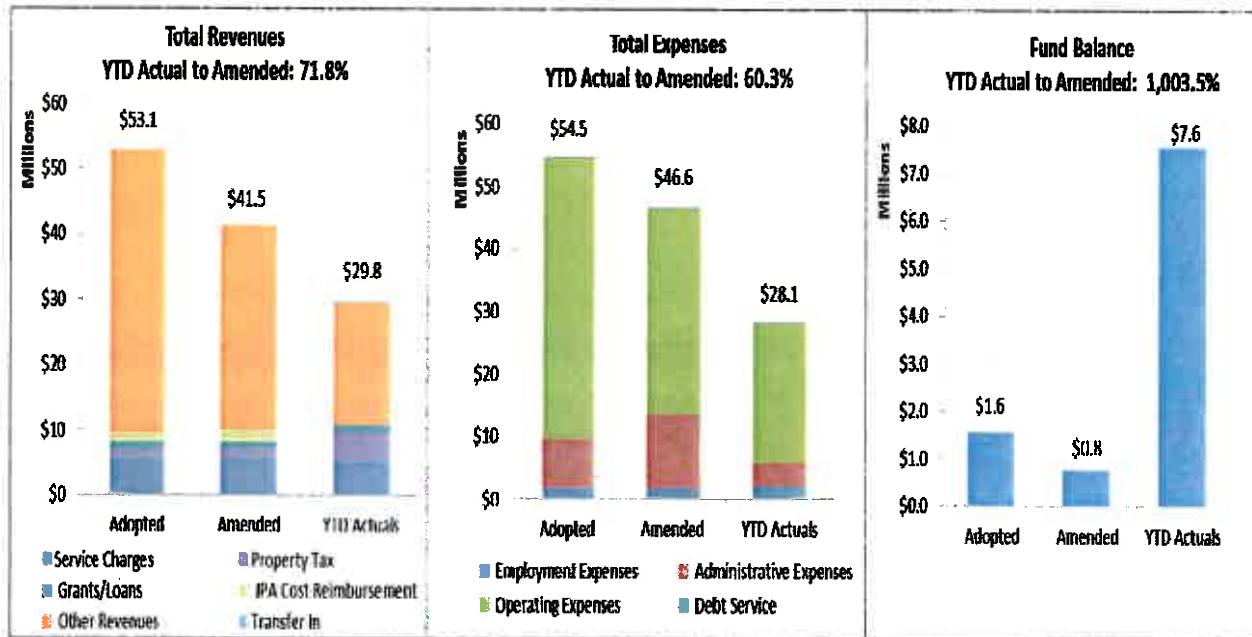
Administrative Services (GG) Fund

The unaudited ending fund balance indicated an increase of \$2.4 million compared to the amended budget due higher than anticipated property tax receipts, deferment of inter-fund loan to WW fund, and lower capital expenditures. A total of \$1.9 million of FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.



Water Resources (WW) Fund

The unaudited ending fund balance indicates an increase of \$6.8 million compared to the amended budget due to addition of the one-time RDA tax receipt of \$2.7 million and lower spending on special projects. A total of \$3.5 million of FY 2015/16 amended budget was identified to be carried forward to FY 2016/17.





FY 2015/16

Budget Variance Report

4th Quarter ended June 30, 2016

**Regional Committees
September 2016**

Sources of Funds Highlights

Actuals compared to Amended Budget

Favorable Variance:

- ❖ **Connection Fees:** \$25.8M, 110.8%
 - Wastewater \$24.8M, Water \$1.0M
 - 4,774 new EDU wastewater connections vs. 4,330 budgeted new EDU
 - 575 new EDU water connections vs. 394 budgeted new EDU
- ❖ **Property Taxes:** \$45.6M, 110.9%
 - Wastewater \$37.3M, Recycled Water \$2.1M
 - 5% growth year-to-date vs. 4% budgeted growth, plus a one-time tax receipt of \$2.7M

Unfavorable Variance:

- ❖ **Recycled Water Sales:** \$11.4M, 95.4%
 - 32,619 AF actual year to date vs. 35,150 AFY budgeted
- ❖ **Grants & Loans:** \$14.1M, 66.4%
 - Recycled Water \$11.8M



Uses of Funds Highlights Actuals compared to Amended Budget

Favorable Variance:

- ❖ **Employment Expenses:** \$38.0M, 93.7%
 - Wastewater \$30.9 M, Recycled Water \$4.3M
 - Higher vacancy factor of 9% (26 positions) compared to budgeted vacancy rate of 4% (12 positions)
- ❖ **Utilities:** \$8.8M, 82.1%
 - Wastewater \$5.8M, Recycled Water \$2.4M
 - Electricity rate \$0.108/kWh vs. \$0.125/kWh budgeted
 - Natural gas rate \$0.41/therm vs. \$0.80/therm budgeted



Uses of Funds Highlights

Actuals compared to Amended Budget

Favorable Variance:

- ❖ **Debt Service:** \$20.5M, 87.3%
 - Wastewater \$13.0M, Recycled Water \$6.2M
 - 2008B Variable Bond rate 0.12% average vs. 1.0% budgeted

- ❖ **Capital Projects:** \$24.5M, 47.7%
 - Wastewater \$15.5M, Recycled Water \$4.3M



4

FY 2015/16 Q4 Consolidated Fund Balance

(Total Revenue and Other Sources of Funds for Wastewater and Recycled Water Funds)

	FY 2015/16 Amended Budget	Fourth Quarter Ended 6/30/16	Actual % of Amended Budget
Operating			
Operating Revenue	\$69.8	\$68.0	97.5%
Operating Expense	\$86.4	\$63.1	73.0%
Operating Net Increase/(Decrease)	(\$16.6)	\$4.9	
Non- Operating			
Non-Operating Revenue	\$82.2	\$83.9	102.0%
Non-Operating Expense	\$66.3	\$49.2	74.2%
Non-Operating Net Increase/(Decrease)	\$15.9	\$34.7	
Consolidated			
Total Sources of Funds	\$152.0	\$151.9	99.9%
Total Uses of Funds	\$152.7	\$112.3	73.5%
Total Net Increase/(Decrease)	(\$0.7)	\$39.6	
Beginning Fund Balance	\$106.3	\$110.0	
Ending Fund Balance	\$105.6	\$149.6	

Questions?

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