

NOTICE OF MEETING

**OF THE
REGIONAL SEWERAGE PROGRAM
TECHNICAL COMMITTEE**

OF THE



WILL BE HELD ON

THURSDAY, JANUARY 26, 2017

3:30 P.M.

**BOARD ROOM
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A
CHINO, CA 91710**



Regional Sewerage Program Technical Committee Meeting

**Thursday, January 26, 2017
3:30 p.m.**

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Call to Order and Roll Call

Additions/Changes to the Agenda

1. Action Items

- A. Approval of the October 27 and December 1, 2016 Meeting Minutes
- B. Approval of City of Fontana's Connection Request

2. Informational Items

- A. Engineering Quarterly Update
- B. Regional Contract Update/Renewal (*Oral*)
- C. Regional Pretreatment Local Limits Update
- D. Payment Process for Wastewater Connection Fees
- E. Sewer Fee Evaluation Update

3. Receive and File

- A. Building Activity Report
- B. Recycled Water Distribution - Operations Summary
- C. EDU Rate Resolution Revising the Established Service Rates
(FY 2015/16 – 2019/20)
- D. Pretreatment Committee Minutes of November 1, 2016

4. Previous Technical Committee Items Requested

- A. Regional Wastewater Funds Sources & Uses Summary Report

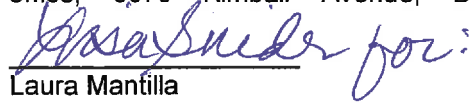
5. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – February 23, 2017

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, January 23, 2017.

for:
Laura Mantilla

**ACTION
ITEM**

1A



Regional Sewerage Program Technical Committee Meeting MINUTES OF OCTOBER 27, 2016 MEETING

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, October 27, 2016, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Hays called the meeting to order at 3:45 p.m.

ATTENDANCE

Committee Members:

Chuck Hays	City of Fontana
Mike Hudson	City of Montclair
Rosemary Hoerning	City of Upland
John Bosler	Cucamonga Valley Water District
Mark Wiley	City of Chino Hills
Jesus Plasencia	City of Chino
Scott Burton	City of Ontario

Others Present:

Nicole deMoet	City of Montclair
Katie Gienger	City of Ontario
Chris Berch	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Martha Davis	Inland Empire Utilities Agency
Warren Green	Inland Empire Utilities Agency
Lisa Morgan-Perales	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency
Peter Soelter	Inland Empire Utilities Agency

ADDITIONS/CHANGES TO THE AGENDA

Chairman Hays asked if there were any changes/additions/deletions to the agenda. Chris Berch requested that Action Item 1B – RP-4 Disinfection Construction Contract Award be pulled from the agenda. He stated that IEUA elected to reject the bid.

1. ACTION ITEMS**A. Approval of the Meeting Minutes of September 29, 2016**

Motion: By Scott Burton/City of Ontario and seconded by Mark Wiley/City of Chino Hills to approve the minutes of the September 29, 2016 Technical Committee meeting.

Motion carried: Unanimously.

B. RP-4 Disinfection Construction Contract Award

This item was pulled per Chris Berch due to rejection of the bid.

C. City of Chino Request for Regional Sewer Connection #37

Motion: By Mark Wiley/City of Chino Hills and seconded by Mike Hudson/City of Montclair to approve the City of Chino request for regional sewer connection #37.

Motion carried: Unanimously.

2. INFORMATIONAL ITEMS**A. Ten-year Growth Forecast and Building Activity Report (PowerPoint)**

This informational item was received and filed by the Committee.

B. RP-1/RP-5 Pre-Design Report Update (PowerPoint)

This informational item was received and filed by the Committee.

C. Regional Contract Update Renewal

Mr. Hays stated that Member Agencies are still reviewing the Regional Contract and working to develop a draft term sheet. The next Special Technical Advisory Committee meeting is scheduled for November 9, 2016 at the Ontario Public Works Office. Ontario will be sending out the meeting notice. Mr. Berch asked if the City of Ontario and the Regional Technical Committee received the response letter from IEUA dated October 20, 2016. Mr. Hays confirmed that the letter was distributed.

D. IEUA Business Goals Update

Warren Green/IEUA gave a presentation on the IEUA business goals. He reviewed the 2011 business goals, which was primarily focused on Levels of Service development and approval. For 2013, IEUA Board of Directors, Technical and Policy Committee, Water Managers and staff went through the process of establishing broader business goals beyond operational function; areas included water reliability, fiscal accountability and employee well-being. In 2016, the Agency had several management and Board workshops. Some of the key changes being proposed were the areas of focus and drivers so that they align with Agency business, revised language on business goals to provide

more concise and higher level of clarity, and combined the objective and commitment statements to eliminate redundancies. Mr. Green then reviewed the following proposed key changes: fiscal responsibility, work environment, business practices, water reliability, wastewater management and environmental stewardship. Mr. Green stated that the business goals will go for consideration to the Policy Committee for feedback, then to the IEUA Board for proposed adoption.

E. Sewer and Recycled Water Service to Unincorporated County Area

Mr. Berch stated that at the last Regional Technical Committee, Mr. Hays requested an update on the sewer and recycled water service to the unincorporated area of San Bernardino County. He stated that about a year ago an agreement was finalized which included the City of Fontana, Fontana Water Company, IEUA, Prologis, CSI and Speedway. He stated the property involved in this is an unincorporated area between Rancho Cucamonga and Fontana. Mr. Berch indicated that IEUA and the parties developed a project that enabled IEUA to take wastewater flows from that area into the IEUA sewerage system and provide recycled water use in that area. In alignment with recycled water use within the 2013 Recharge Master Plan, this area is expected to offset 1,000-acre foot per year (AFY) worth of groundwater pumping.

Mr. Berch explained that on the wastewater side, a temporary system was set up pumping up to the San Bernardino lift station, which pumps all flows up into RP-4. The temporary system is planned to be in service for about a year and is currently in operation now. The temporary system will be replaced with a permanent wastewater pipeline system. The system will be completed in February 2017. Mr. Berch explained the billing process, the connection fees, and the retail sewer side as part of the agreement. Part of that agreement was an option for Speedway to provide groundwater in lieu of paying those connection fees. Sale of groundwater will be credited to the RC Fund to recover all connection fee costs.

Mr. Berch reviewed the proposed recycled water service for CSI and Speedway and stated that the estimated recycled water demand is about 1,000 AFY. Mr. Berch reviewed the following recycled water project milestones: the agreements were executed in November 2015; the California Public Utilities Commission (CPUC) RW Rate was approved in April 2016; IEUA submitted a Prop-1 application and IEUA put out a solicitation for the design-build contractor for the two projects. Mr. Berch then reviewed the project terms. He stated that IEUA's role is the design and construction of the recycled water/sewer systems. IEUA will be the owner of the system and potential use of the CSI basin for groundwater if elected to go forward. CSI and Speedway will pay all the capital cost for the recycled water lines, construction of the sewer pipeline and will be responsible for the operation and maintenance of all infrastructure that goes on their site.

Fontana Water Company will be the retail provider for the recycled water. They will be directly making the connections for CSI and Speedway. The City of Fontana will act as the retail provider for the sewage. As groundwater is accumulated, IEUA would reallocate that back out to member agencies (similar methodology as what is done with groundwater recharge). Currently, there is 225 AFY in that account. The intent is to build it up a slightly so one distribution can be done, but might want to do a test on it to make sure it works as planned.

Mr. Burton asked if the design build would come through the Technical Committee for approval. Mr. Berch stated yes and indicated it is fully 100% reimbursed by the parties. Mr. Burton stated it is not really providing service within the member agencies service boundaries because it is unincorporated and stated member agencies are paying connection fees with water, which is different from the terms in the Regional Contract. Mr. Burton asked if any party can pay their connection fees with water in storage. Mr. Berch responded that a request can be submitted for consideration.

3. RECEIVE AND FILE

A. Draft Regional Policy Committee Agenda

The draft Regional Policy Committee Agenda was received and filed by the Committee.

B. Building Activity Update

The Building Activity Update Report was received and filed by the Committee.

C. Recycled Water Distribution Summary

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

D. Annual Water Use Report

The Annual Water Use Report received and filed by the Committee.

E. Annual Water Use Efficiency Report

The Annual Water Use Efficiency Report received and filed by the Committee.

F. IEUA IDC Tax Documents

The IEUA IDC Tax Documents were received and filed by the Committee.

4. OTHER BUSINESS

A. IEUA General Manager's Update

Mr. Berch gave the following updates on behalf of Joe Grindstaff.

- IEUA met the Regional Water Quality Control Board yesterday regarding salinity concerns with meeting discharge requirements. Mr. Berch indicated IEUA received a favorable response from them about potentially having a longer-term average period. Mr. Berch explained that when there are drought periods, the TDS in the source water goes up, which means wastewater TDS goes up and could trigger IEUA to have to shut down recycle water use.
- Mr. Berch stated that the November Technical Committee meeting falls on Thanksgiving and asked if there are any action items. Mr. Burton indicated he could potentially have one item related to the call for funds from the CCRA accounts. Mr. Burton asked if the capital call for paying off debt is consistent with the Regional Contract or should this be a discretion that the member agencies have the opportunity to weigh-in since the call would take the CCRA accounts close to zero. He asked what the revenue would look like over the next couple of years. Ms. Valencia explained an advance refunding would allow IEUA to leverage a lower interest rate, which will significantly reduce debt service costs. She stated the call has been made and is due in early December. Mr. Burton stated he would be interested in the analysis

that was done to make sure sufficient reserves would be available for operational and capital requirements in the next couple of years. The Committee recommended rescheduling the November 24 meeting for early December – date to be determined.

B. Committee Member Requested Agenda Items for Next Meeting

Mr. Burton requested the call for funds related to the refunding of the 2008A Bonds be presented to the Technical and Policy Committees. Ms. Valencia stated that a written response to Mr. Burton's inquiry regarding the Agency's authority to use CCRA funds to pay down debt and availability of cash reserves over the next two years would be distributed prior to the next meeting.

C. Committee Member Comments

None.

D. Next Meeting – To be Determined

5. ADJOURNMENT – Meeting adjourned at 4:23 p.m.

Transcribed

by:

Laura Mantilla, Executive Assistant



Regional Sewerage Program Special Technical Committee Meeting MINUTES OF DECEMBER 1, 2016 MEETING

CALL TO ORDER

A special meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, December 1, 2016, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Hays called the meeting to order at 2:00 p.m.

ATTENDANCE

Committee Members:

Chuck Hays	City of Fontana
Mike Hudson	City of Montclair
Rosemary Hoerning	City of Upland
John Bosler	Cucamonga Valley Water District
Mark Wiley	City of Chino Hills
Jesus Plasencia	City of Chino
Scott Burton	City of Ontario

Others Present:

Dan Chadwick	City of Fontana
Tony Mata	City of Fontana
Braden Yu	Cucamonga Valley Water District
Katie Gienger	City of Ontario
Daniel Lee	City of Upland
Rob Burns	City of Chino
Joseph Grindstaff	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Kathy Besser	Inland Empire Utilities Agency
Lisa Snider	Inland Empire Utilities Agency
Brian Thomas	PFM

1. INFORMATIONAL ITEMS

A. 2008 Revenue Bond Refunding

Christina Valencia/IEUA gave an overview of the various scenarios on the 2008A Bond Refinancing at the request of the Technical Committee. Ms. Valencia introduced Brian Thomas from PFM, IEUA's financial advisor. She indicated that PFM, Mr. Thomas and his team worked with staff to evaluate the various options. Ms. Valencia explained that, IEUA's financial plan included the early repayment of the \$125 million. IEUA is paying a high interest rate of 5.0% on these bonds. The bonds become callable for the first time on November 2017. The original plan was to pay off the \$125 million over a 5-year period; however, given the low interest rates, staff proceeded to explore other options.

IEUA has available cash reserves held by the member agencies in the respective Capital Construction Reimbursement Accounts (CCRA). Use of these funds will allow IEUA to take advantage of the current low interest rates by paying down high interest rate debt. Ms. Valencia stated that with the economy improving, IEUA has received positive projections from member agencies for continued growth and new development. Over the next three to four years, member agencies anticipate above 5,000 new connections per year, with growth more concentrated in the cities of Ontario and Fontana. Based on the projections, flows are expected to double by 2025. Included in IEUA's 10-year capital improvement plan (TYCIP), are expansion projects to accommodate the expected growth such as, RP-5/RP-2 solids. To be able to finance the expansion projects, IEUA will need to borrow approximately \$300 million in the next 10 years. Capital cost are expected to exceed a billion dollars over the next 20 years.

Joseph Grindstaff explained that construction will start in 2019 for the RP-5 liquid expansion. IEUA has already received an State Revolving Fund (SRF) loan for the pre-design cost. IEUA will apply for an SRF loan between April and June of 2017 to support construction costs. The plan is to lock-in at a low interest rate with the state for \$300 million. Ms. Valencia stated the state is currently paying 3.6% for their General Obligation (GO) bonds. SRF loan rates are set at 50% of the GO rate or 1.8% currently. If the state GO bond rate goes up, the SRF loan rate will be locked-in at whatever it is at the time the loan is awarded. Therefore, IEUA is trying to get this done quickly, to lock- in at the lower interest rate possible.

Ms. Valencia stated that as of June 30, 2016, IEUA has outstanding \$194 million in bonds and \$117 million in SRF loans, totaling \$311 million. IEUA needs to pay down some of that debt now to make room for new borrowings. Ms. Valencia explained that the amortization schedule for the 2008A Bonds was structured to mitigate the impact to debt service costs. As a result, only interest is being paid through 2022. Ms. Valencia stated these bonds were issued at 5.0%, about \$6.2 million a year. Principal payments based on current amortization schedule begin in 2023 and escalate up to \$14 million towards the end of the maturities. Rosemary Hoerning/City of Upland asked if there is a list of the bonds and what they were issued for. Ms. Valencia stated that information will be sent to the Committee.

IEUA plans to use the current amortization schedule as the debt service cost all the way through the maturity of 2039 to estimate the potential savings under each of the scenarios under evaluation. Ms. Valencia then reviewed the four scenarios. She stated IEUA has the cash available to pay down a portion of the debt and issue lower rate interest debt for the remaining amount, and save on the annual debt service costs going forward. In the first scenario – Do Nothing, IEUA will continue to pay interest only of \$6.2 million a year through 2023, then principal payments will begin through the maturity of the bonds in 2039 increasing annual debt service costs to \$14 million. There are no savings realized under this scenario

The second scenario is paying the \$125 million in full over a 5-year plan. Under this scenario, the estimated gross savings is about \$83 million over the life of the bonds (based on 3.0% discount factor). The third scenario is the option IEUA is recommending, which includes doing a partial refinancing of \$75 million at a lower interest and paying down \$50 million, the estimated gross savings is about \$62 million. Mr. Thomas added that at the end of this option the term is 20 years versus 22 years, eliminating the last 2-years from the current amortization schedule. Finally, the fourth scenario is the full refinancing of \$125 million (no cash down) for same duration through 2039 at a lower interest rate. The savings for the fourth scenario is approximately \$23 million; the least savings of all the options. Scott Burton/City of Ontario asked what the assumed interest rate was to refinance. Mr. Thomas stated the assumed true interest cost (TIC) on the loan will be slightly lower than 3.0%.

Ms. Valencia pointed out that using the \$50 million to pay down the 5.0% is a good investment, enough to make up for earnings by member agencies holding the funds now. Mr. Grindstaff stated the resolution being taken to the IEUA Board gives the option to wait and see what the interest rates are, and determine which option provides the greatest savings; refinancing the \$75 million or \$125 million. Mr. Grindstaff explained that IEUA needs to maintain cash reserves in case of an economic downturn. IEUA wants to have the right balance and have considered the risk.

Mr. Burton noted that the Scenarios 3 and 4 have a difference in net present value savings of \$6.5 million. Mr. Burton thinks there is a component of the additional borrowing of \$50 million at a lower rate that consumes into the \$6.5 million. Mr. Grindstaff stated it does not change the net present value that comes out of the actual principal. Mr. Thomas indicated he could run an analysis to include another \$150 million of borrowing and will commence 2023 run that at 30 years, present value at that, to show what the difference is with those two different cash flows. Mr. Burton commented that if IEUA cannot borrow an SRF loan at the lower rate, Ontario does not want to take that risk. Ms. Valencia stated that IEUA will work with PFM on the analysis that Ontario requested.

Tony Mata/City of Fontana asked how the estimated savings would benefit the member agencies. Ms. Valencia responded that by reducing debt and related debt service costs more property taxes would be available to support future capital costs and it may mean connection fees may not need to be raised in the future. Mr. Mata asked whether the due date was 45 days from the date of the letter. Ms. Valencia responded that the due date is December 5th. Ms. Valencia reported that this item is going to the IEUA Board on December 21 and based on that action IEUA plans to close the refinancing at the end of January. Ms. Valencia further stated that IEUA can extend the due date of the capital call to December 21. She committed to send a notification extending the due date. Ms.

Valencia informed the Committee that a special meeting of the Regional Policy Committee was scheduled for December 6.

The meeting adjourned at 3:16 p.m.

Transcribed

by:

Laura Mantilla, Executive Assistant

**ACTION
ITEM**

1B



Date: January 26, 2017

To: Regional Technical Committee

From: Inland Empire Utilities Agency *OK*

Subject: Request by the City of Fontana for Two Regional Connection Points to the Fontana Interceptor Relief Sewer (Fontana Regional Sewer Connection #F-29, Project No. CW17003.06) and to the Etiwanda Trunk Sewer (Fontana Regional Sewer Connection #F-30, Project No. CW17003.07)

RECOMMENDATION

It is recommended that the Regional Technical Committee approve the request by the City of Fontana for two new connection points to the Regional System (Fontana Regional Connection #F-30, Project No. CW17003.07 and Fontana Regional Connection #F-29, Project No. CW17003.06)

BACKGROUND

On October 14, 2016, IEUA received a request from the City of Fontana (Attachment "A-1") for the approval of a connection to the Etiwanda Trunk Sewer. The purpose of the connection is to discharge flows from a proposed industrial development by Pacific Industrial at the former Air Liquide facility east of Etiwanda Avenue, south of the Interstate 10 Freeway. Regional Connection #F-30 will be made through a new manhole on the existing 27-inch Etiwanda Trunk Sewer, which is in an easement west of Etiwanda Avenue, south of the Interstate 10 Freeway (Attachment "A-2"). This connection is required due to a lack of a City of Fontana sewer located in close proximity.

On December 8, 2016, IEUA received a request from the City of Fontana (Attachment "B-1") for the approval of a connection to the Fontana Interceptor Relief Sewer. The purpose of the connection is to collect sewer from a projected tributary area of approximately 160 acres. Regional Connection #F-29 will be made through a new manhole on the existing 30-inch Fontana Interceptor Relief Sewer at the intersection of Jurupa Avenue and Banana Avenue (Attachment "B-2"). This connection is required due to a lack of a City of Fontana sewer located in close proximity.

SUMMARY OF FLOW RATE

Fontana Regional Connection #F-30: Peak Flow Rate = 0.15 MGD or 0.24 cfs

The 27-inch Etiwanda Trunk Sewer is designed to deliver a maximum flow rate of 12.7 MGD to the Regional Water Recycling Plant No. 1. The proposed additional peak flow rate of 0.15 MGD is within the capacity of this sewer.

Fontana Regional Connection #F-29: Peak Flow Rate = 1.28 MGD or 1.98 cfs

The 30-inch Fontana Interceptor Relief Sewer is design to deliver a maximum flow rate of 12.3 MGD to the Regional Water Recycling Plant No. 1. The proposed additional peak flow rate of 1.28 MGD is within the capacity of this sewer.



City of Fontana CALIFORNIA

October 14, 2016

Liza Munoz, Senior Engineer
Inland Empire Utility Agency
6075 Kimball Ave
Chino, CA 91708

**Subject: City of Fontana Regional Connection Request
Pacific Freeway Center
10829 Etiwanda Avenue**

Dear Ms. Munoz,

On behalf of the applicant Pacific Industrial, this letter is a request to connect to a sewer main maintained and serviced by IEUA, located in the City of Ontario southwest of Etiwanda Avenue and the Interstate 10 Overpass (see attached vicinity map). There is currently no available Fontana maintained sewer that can feasibly be reached by this site.

Pacific Freeway Center is a proposed 579,700 sf industrial warehouse on a 24.4 acre site. A sewer analysis was prepared and has been provided for your use. The analysis determined the site would generate a peak flow of 0.24 cfs. The site is proposing to channel the flows using a 6" lateral. There are no other facilities, existing or proposed, tributary to this service point.

If you have any questions or need additional information, please do not hesitate to contact this office.

Keith Tolliver, Assistant Engineer
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335
Ph: (909) 428-8885
Email: ktolliver@fontana.org

Attachment "A-2"
CITY OF FONTANA REGIONAL CONNECTION #F-30



Attachment "B-1"



**City of Fontana
CALIFORNIA**

December 8, 2016

**Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708**

Attention: Liza Munoz, Senior Engineer

**RE: Banana Avenue Storm Drain and Sewer Improvement Project
Request for Construction Permit**

Dear Ms. Munoz:

This letter is to serve as a request for the City of Fontana to establish a new connection to an existing IEUA facility, which is a 30" Fontana Interceptor Relief Sewer located at the intersection of Banana Avenue and Jurupa Avenue, as part of the Banana Avenue Storm Drain and Sewer Improvement Project. The projected tributary area that will be served by the proposed connection is approximately 160 acres with a projected average flow rate of 0.48 MGD and a projected maximum (peak) flow rate of 1.28 MGD. I have attached a vicinity map along with a copy of the Sewer Improvement Plans for your review.

If you should have any additional questions regarding this matter, please contact me at (909) 350-6649.

Sincerely,

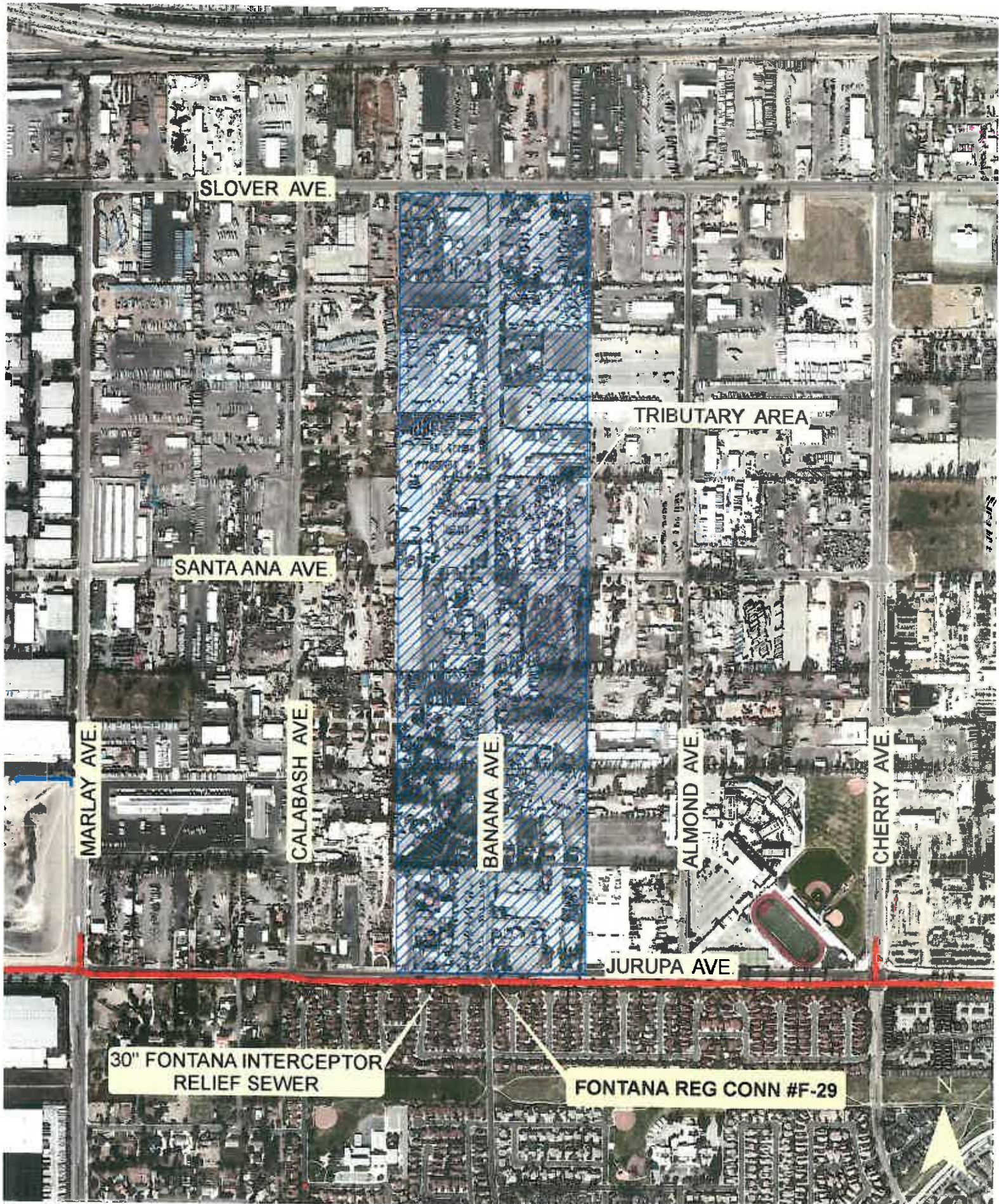
DEPARTMENT OF ENGINEERING

**Christopher Smethurst
Assistant Engineer**

**Cc: Noel Castillo, Engineering Manager
Jeffrey Kim, Senior Civil Engineer
File Section 3.4**

www.fontana.org
333 SIERRA AVENUE FONTANA, CA 92335-0528 (909) 350-7600

Attachment "B-2"
CITY OF FONTANA REGIONAL CONNECTION #F-29



**INFORMATION
ITEM
2A**

Engineering and Construction Management Project Updates

January 2017



EN15008 – Water Quality Laboratory

- Contractor: Kemp Bros. Construction, Inc.
- Current Contract (Construction): \$17 M
- Total Project Budget: \$25 M
- Project Completion: August 2018
- Scope of Work:
 - Construction of new Water Quality Laboratory
 - Central Chiller Plant Expansion
 - Construction of new 25-stall parking lot
- Current Activities:
 - Installing underground vault boxes
 - Preparing for Central Plant hydronic piping tie-in
 - Beginning stages of over excavation activities for lab building pad
 - Solar system design coordination pending



Asphalt Preparation



Trench Backfill and Compaction

EN17067 – Declez Monitoring Well Project

- Engineering Consultant: Thomas Harder & Co.
- Current Contract (Design): \$74 K
- Total Project Budget: \$360 K
- Project Completion: August 2017
- Scope of Work:
 - Meet regulatory requirements to recharge RW at Declez Basin
 - Identify potential site for monitoring well
 - Design and install new well
- Current Activities:
 - Finalize contract documents with consultant
 - Begin design kick-off in early January 2017



Declez Basin and Potential Sites for New Monitoring Well

EN17014.01 – NRWS Sewer Repair

- Engineering Consultant: In-House
- Current Contract (Design): N/A
- Total Project Budget: \$100 K
- Project Completion: December 2016
- Scope of Work:
 - Upgrade sewer lateral on the NRW system
 - Modify and clean the existing IEUA metering structure
- Current Activities:
 - Laid 40 feet of new 8" VCP sewer
 - Constructed a new 48" MH over the top of the existing 8" NRW line in Pacific Ave



Connection Point for New 8-In Sewer Lateral



New Manhole Construction Over the Existing

EN14042 – 1158 Recycled Water Pump Station Upgrade

- Engineering Consultant: TBD
- Current Contract (Design): TBD
- Total Project Budget: \$4 M
- Project Completion: May 2019
- Scope of Work:
 - Increase the RP-1 1158 RW Pump Station capacity
 - Upgrade Surge Protection System
- Current Activities:
 - Finalize the Charter Plan
 - Prepare design consultant solicitation RFP



RP-1 1158 RW PS

EN14018 – RP-4 Disinfection Facility Improvements

- Engineering Consultant: IDS
- Current Contract (Design): \$260 K
- Total Project Budget: \$2.4 M
- Project Completion: February 2018
- Scope of Work:
 - Relocate the chemical disinfection facility
 - New chemical metering pumps and chemical tanks
 - Install new injection pipelines
- Current Activities:
 - Bids due on January 2017



Existing and Old Diaphragm Pump




Corrosion from Bleach Leakage

**INFORMATION
ITEM
2C**

Date: January 26, 2017

To: Regional Technical Committee

From: Inland Empire Utilities Agency 

Subject: Regional Pretreatment Program Local Limits Update

RECOMMENDATION

This is an informational item on the Regional Pretreatment Program Local Limits for the Regional Technical Committee to receive and file.

BACKGROUND

IEUA's Regional Pretreatment Program is designed to protect the regional water recycling plants, personnel, effluent and sludge from pass-through or interference from pollutants discharged by Significant Industrial Users (SIUs). The pretreatment program includes certain required elements, including a system of administering a control mechanism (wastewater discharge permit), legal authority (ordinance), and local limits (permit discharge limits).

Local Limits are site specific discharge limits to regulate SIUs developed per 40 CFR 403.5 (c) and 403.8 (f)(4). SIUs are defined as those businesses subject to federal categorical pretreatment regulations or industries that discharge a volume greater than 25,000 gallons per day or excessive loading defined in specific numeric terms by federal regulations. IEUA's regional pretreatment program is required to regulate SIUs or any industry that has the potential to upset the regional water recycling plants. All other residential, commercial, non-permitted industrial dischargers or pollutant sources are considered background level and uncontrolled sources when developing local limits.

IEUA's current local limits for the regional pretreatment program were adopted in 2006. In 2013, the Regional Water Quality Control Board (RWQCB) required IEUA to reevaluate its local limits based on the results of a Pretreatment Compliance Audit. This requirement was made based on findings that the IEUA had not reevaluated its local limits in several years. Additionally, changes in the NPDES permit limits, groundwater recharge regulations, improvements in the regional pretreatment program, reduction in permitted industries, and enhancement of the treatment processes at the IEUA's regional water recycling plants also justified the need to reevaluate the local limits.

On May 21, 2014, IEUA retained Arcadis U.S. Inc. to provide consulting services to reevaluate and develop logical, technically based and defensible local limits that would be effective, enforceable, and applicable to all SIUs within the IEUA's service area.

The local limits evaluation process involves calculating the pollutant loading that can be received at each of the water recycling plant headworks, without exceeding specified criteria, such as NPDES permit limits, and then allocating the loading among controllable sources (SIUs) and uncontrollable sources (residential, commercial and non-permitted industries).

The development of local limits involves the following steps:

- Identify potential pollutants of concern (POCs)
- Analyze historical wastewater and flow data
- Calculate maximum allowable headworks loadings (MAHLs) for each potential POC
- Perform sensitivity analyses to refine potential POCs
- Calculate allowable SIU loadings and determine allocation strategies for each POC

Based on the screening criteria above, data evaluation, and EPA guidance documents the consultant determined there were 29 potential POCs.

Table 1 summarizes the POCs, current local limits, and proposed local limits after completion of the sensitivity analyses. For those POCs where a local limit is not recommended, pollutant monitoring will be conducted as part of the pretreatment compliance monitoring program.

In April 2015, the draft local limits report was distributed to the Regional Pretreatment Committee members for review and comment. The comments received from the committee members were incorporated into the final report in June 2015.

In August 2015, IEUA submitted its local limits report to the RWQCB. Subsequently, in September 2015, IEUA received its draft NPDES permit from the RWQCB which included new limits for 2,3,7,8-TCDD (Dioxin). As a thorough review of Dioxin was not originally included in the local limits study, IEUA requested the RWQCB delay its review of the local limits report until IEUA could conduct a thorough evaluation for Dioxin including sampling and source identification. IEUA has completed this evaluation and determined that Dioxin will not need to be assigned a local limit. IEUA also incorporated additional treatment plant and industry monitoring data from January 2015 through October 2016 to account for any impact from recent monitoring data on the limits proposed in 2015. The 2016 updates are incorporated in Table 1 below.

Additionally, the RWQCB has raised concerns with IEUA using fixed total dissolved solids (TDS) for compliance determination. It is the opinion of the RWQCB that fixed TDS may underestimate the TDS concentration in discharges from SIUs with organic TDS in their wastewater. As part of the local limits submittal, IEUA will be proposing that the method for determining compliance for TDS at food processing industries be changed to TDS by summation.

IEUA will be submitting the local limits report to the RWQCB in February 2017 as required by 40 CFR 403.18. When the proposed local limits are approved by the RWQCB, staff will recommend IEUA's Board adopt a Notice of Intent to revise the local limits and set a public hearing for adoption of the local limits. Anticipated timeline for adoption is September.

Regional Pretreatment Program Local Limits Update

January 26, 2017

Page 3 of 3

Table 1: Current Local Limits vs. Proposed Local Limits

POCs	Current Limit (mg/L)	2015 Proposed Limit (mg/L)	2017 Proposed Limit (mg/L)	Comments
Cadmium	2.8	--	--	Background, RP-1 influent, and CCWRF influent all non-detect; monitor via IEUA monitoring program
Chromium	60	2.79	2.46	Daily max; Based on CCWRF UCL
Copper	45	2.29	0.37	Daily max; Based on CCWRF UCL
Cyanide (free)	1.2	--	--	Monitor via IEUA monitoring program
Dioxin	--	--	--	Monitor via IEUA monitoring program
Lead	14	1.38	1.21	Daily max; Based on CCWRF CFL (applied to contributory SIUs, Net Shapes and Envision Plastics); set alert level of 0.02 mg/L for other SIUs
Nickel	45	12.5	4.48	Daily max; Based on CCWRF CFL (applied to contributory SIUs, Evolution Fresh, Inland Powder, Jewlland-Freya, Net Shapes, OW Lee, Parco, Schlosser Forge, Sun Badge, and Envision Plastics); set alert level of 0.19 mg/L for other SIUs
Selenium	--	--	--	Monitor via IEUA monitoring program; work with Sun Badge to assess BMPs
Zinc	50	3.74	3.36	Daily max; Based on CCWRF UCL
Bis(2-Ethylhexyl) phthalate	--	--	--	Monitor via IEUA monitoring program
Chloride	--	--	--	Monitor via IEUA monitoring program
Hardness	--	--	--	Monitor via IEUA monitoring program
Manganese	--	--	--	Monitor via IEUA monitoring program
Sodium	--	--	--	Monitor via IEUA monitoring program
Sulfate	--	--	--	Monitor via IEUA monitoring program
TDS	800/550*	800/550*	800/550*	Monthly average and measured as TDS (by summation) ¹

Notes: mg/L = milligrams per liter; * = TDS limits for existing SIUs and new SIUs

1. TDS by summation shall be calculated as follows: $(\text{Alkalinity} \times 0.6) + \text{Na} + \text{K} + \text{Ca} + \text{Mg} + \text{Cl} + \text{SO}_4 + \text{Silica} + (\text{NO}_3\text{-N} \times 4.43) + \text{F}$

Regional Pretreatment Program Local Limits Update



Craig Proctor

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

January 26, 2017
IEUA Regional Sewerage Program
Technical Committee

Why Reevaluate Local Limits

- Pretreatment program required
- Current local limits adopted in 2006
- EPA pretreatment program audit requirement
- Local limits revision needed due to changes in:
 - Pretreatment program
 - NPDES permit regulations
 - Groundwater recharge regulations

Local Limits Objectives

- Protect the regional water recycling plants and beneficial reuse
- Technically based/defensible
- Supplement federal categorical limits & ordinance prohibitions
- Minimize impact on industrial users
- Easy to administer

Local Limits Development Process

- Identified 29 Pollutants of Concern (POC)
- Analyze Data
- Calculate maximum loadings for POC entering treatment plants
- Allowance for safety and growth
- Refine POC & calculate limit for industries

Proposed Local Limits

POCs	Current Limit (mg/L)	Proposed Limit 2015 (mg/L)	Proposed Limit 2017 (mg/L)
Cadmium	2.8	---	---
Chromium	60	2.79	2.46
Copper	45	2.29	0.37
Cyanide (free)	1.2	---	---
Dioxin	---	---	---
Lead	14	1.38	1.21
Nickel	45	12.5	4.48
Zinc	50	3.74	3.36
TDS	800/550*	800/550*	800/550*

*TDS limits for existing and new SIUs. Method will be changed from TDS (fixed) to TDS by summation methodology

Next Steps

- Revised report to RWQCB for comment (February 2017)
- Final Report to Regional Technical Committee (Aug. 2017)
- Public Hearing and Board adoption (Sept. 2017)

**INFORMATION
ITEM
2D**



Date: January 26, 2017

To: Regional Committees

From: Inland Empire Utilities Agency *OK*

Subject: Connection Fees Collection Process

RECOMMENDATION

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

BACKGROUND

The Inland Empire Utilities Agency (IEUA) Regional Sewer System capital improvement projects are funded in part by sewer connection fees paid by local developers to IEUA Contracting Agencies. These fees are collected pursuant to the "Chino Basin Regional Sewage Service Contract," as amended October 19, 1994, (Sections 9 and 9A).

On June 4, 2009, the sewer connection fee collection process was modified to allow Contracting Agencies the option to collect sewer connection fees from at "the time of the issuance of a building permit", to "not later than the issuance of a certificate of occupancy." The modification was in response to a request received from the Building Industry Association of Southern California – Baldy View Chapter which was negatively impacted by the economic downturn. The IEUA Board adopted this modified procedure to be effective July 1, 2009.

The attached administrative policy (Attachment A) was developed to assist IEUA and its Contracting Agencies in the collection, preparation and timing of the sewer connection fees, and the monthly Capital Capacity Reimbursement Reports under the modified procedure.

While some Contracting Agencies are collecting sewer connection fees at the time a certificate of occupancy is issued, others continue to collect these fees when the building permits are issued or at the time a developer pays development impact fees. Recently, IEUA was contacted by a developer requesting to pay their sewer connection fees to a Contracting Agency prior to issuance of a building permit to avoid rate increases.

Given the improvement in economic conditions, it is requested that the Regional Committees reevaluate the existing collection process and consider implementing a standardized approach amongst all the Contracting Agencies. By standardizing the collection process, developers paying

new connection fees within the IEUA service area will be treated equitably regardless of where their new development projects are located. Additionally, it should eliminate requests by some new developers asking member agencies to make exceptions to their existing collection policy for certain projects.

Options to consider is to update the Administrative Policy to; 1) reinstate the collection process to the “time of issuance of a building permit”, or 2) keep the current process of deferring collection to “no later than the issuance of a certificate of occupancy”.

If agreed, a recommendation to formally revise the Administrative Policy can be presented at the next meeting of the Regional Committees for consideration and approval.

ATTACHMENTS

1. Attachment A: Inland Empire Utilities Agency Administrative Policy
For Monthly Capital Capacity Reimbursement Reports



Inland Empire Utilities Agency Administrative Policy
For Monthly Capital Capacity Reimbursement Reports

This document is an administrative policy to assist in the collection, preparation and timing of the sewer connection fees and the monthly Capital Capacity Reimbursement Reports, shared between the Inland Empire Utilities Agency (IEUA) and its member agencies (City of Chino, City of Chino Hills, City of Ontario, City of Montclair, City of Upland, City of Fontana and Cucamonga Valley Water District). This administrative policy was written to help ensure the most efficient and effective way to process the collection of connection fees and preparation of the monthly Reports.

On July 1st, 2009, the IEUA Board of Directors approved a modified procedure for the time of collection of sewer connection fees from "the time of the issuance of a building permit" to "not later than the issuance of a certificate of occupancy" consistent with the June 4th, 2009 unanimous recommendation of the Regional Sewer Policy Committee. This modified procedure is effective July 1, 2009.

This modified procedure allows the regional sewer agencies some discretion in the time of collection of the regional sewer connection fee. However, changing the current time of collection from the time of the issuance of a building permit is optional under this modified procedure.

Below is the modified procedure based on the Chino Basin Regional Sewage Service Contract, Section 9 E. (2) (b) Paragraph 3:

"A Capital Capacity Reimbursement Payment (sewer connection fee) shall be deposited or credited to a Contracting Agency's Capital Capacity Reimbursement Account for such a new connection or change of use at the time not later than the issuance of a certificate of occupancy, whichever is issued earlier, or for changes in the use of existing Commercial Units and Industrial Units, the permit required therefore."

Attachments

- Sections 9 and 9A of the Chino Basin Regional Sewage Service Contract
- Monthly Building Activity Report Guidelines for IEUA and Member Agencies

Chino Basin Regional Sewage Service Contract – Sections 9 and 9A

The IEUA Regional Sewer System capital improvement projects are funded in part by sewer connection fee revenues paid by local developers to IEUA member agencies. These fees are collected pursuant to the "Chino Basin Regional Sewage Service Contract," dated October 19, 1994, as amended. For reference to the timing of the payment of sewer connection fees, Section 9 and Section 9A are below.

Section 9. CAPITAL FINANCING OF REGIONAL SEWERAGE SYSTEM

A. General

The Regional Sewerage System and any improvement or expansion of that system will provide benefits to the entire territory served by that system in that the entire territory will be benefited by the protection of public health, the protection of the quality of water sources, the improvement of water management through integrated use of all sources of water supply, including sewage treatment plant effluent, the improvement of general conditions for individual, residential, commercial and agricultural development and the reduction in costs for the transmission, treatment, and disposal of sewage by the pro rata sharing of all costs incurred by CBMWD in the maintenance and operation of the Regional Sewerage System.

The acquisition, construction, improvement and expansion of the Regional Sewerage System shall be financed with Improvement District "C" real property tax revenues, revenues from sewage service standby or availability charges levied by the Board of Directors of CBMWD, grants and other financial assistance which may be available from any federal, state, local or other source and Supplemental Capital Outlay Funds contributed by the Contracting Agencies.

B. Improvement District "C" – Acquisition from Original Contracting Agencies and Expansion of Regional Sewerage System

CBMWD has heretofore initiated and completed proceedings under the provisions of Part 8 (commencing with Section 72000) of Division 20 of the Water Code for the formation of Improvement District "C" for the purpose of (i) acquiring certain existing sewage facilities for the Regional Sewerage System from some of the Contracting Agencies, (ii) the expansion of that system, and (iii) levying and collecting taxes in said Improvement district for payment of the costs and expenses of the foregoing. The boundaries Improvement District "C" are shown on Exhibit "D" attached hereto and made a part hereof.

C. Acquisition of Sewage Treatment Plants and Interceptor Sewers of Other Sewage Collection Agencies; Annexation to Improvement District "C"

Upon obtaining the written approval of all Contracting Agencies, other than the State of California, CBMWD may acquire all or any part of any existing sewage treatment and disposal plant or interceptor sewers owned by any sewage collection agency and all such property, upon its acquisition, shall become a part of the Regional Sewerage System.

Any agreement by CBMWD for the acquisition of any existing sewage treatment and disposal plant or interceptor sewer, as part of the Regional Sewerage System, shall provide for either the annexation of the are benefited by said existing facilities to Improvement District "C" or sewer service under provisions of Section 12 hereof for the benefited area, and for the designation of the Contracting Agency which shall be responsible for the operation of the Community Sewer System within said area. CBMWD agrees that if it initiates and conducts proceedings for the annexation of such territory to Improvement District "C", the Contracting Agency responsible for the operation of the Community Sewer System therefore shall be liable as a condition of annexation for payment of (i) all costs and expenses incurred by CBMWD incident to such annexation proceedings, including legal and engineering fees, reproduction, publication, mailing, administration any other related costs and expenses, (ii) capital outlay charges and extraordinary capital outlay charges, as provided for in Section 12 hereof, and (iii) Capital Capacity Reimbursement Payments which would have been payable or credited to the Contracting Agency's Capital Capacity Reimbursement Account if the annexed territory had been part of said Improvement district from its formation. The total of such charges and payments shall be adjusted for the present value of the sewage facilities acquired by CBMWD. All such payments received by CBMWD pursuant to the part C shall be credited to the Regional Wastewater Capital Improvement Fund.

D. Improvement District "C" Taxes; Sewage Service Standby or Availability Charges

The primary source of financing the acquisition, improvement and expansion of the Regional Sewerage System shall be CBMWD's share of the property tax revenues allocated each fiscal year by the County Auditor of the County of San Bernardino to CBMWD for Improvement District "C". Upon receipt, CBMWD shall deposit or credit the total amount of such property tax revenues in or to the Regional Wastewater Capital Improvement Fund and all such amounts together with all interest earned thereon shall be available to and utilized by CBMWD solely for the purpose of financing the acquisition, improvement and expansion of the Regional Sewerage System.

The Board of Directors of CBMWD may fix, levy, and collect sewage service standby or availability charges for the purpose of financing the acquisition, improvement and expansion of

the Regional Sewerage System. When collected, such charges shall be deposited in or credited to the Regional Wastewater Capital Improvement Fund and use for the aforesaid purpose. Any ordinance or any amendment of an ordinance imposing such charges shall be adopted by the Board of Directors of CBMWD in the manner provided in section 5 of the Capital Outlay Ordinance, or any amendment thereof, and the applicable provisions of the Municipal Water District Act of 1911, Division 20 of the Water Code. Notwithstanding the preceding provisions of this paragraph, upon receiving written request from a majority of the Contracting Agencies for the levy and collection by CBMWD of such sewage service standby or availability charges, the Board of Directors of CBMWD shall initiate the proceedings necessary for the fixing, levying and collection of such charges; provided that the Board of Directors of CBMWD may, after the public hearing on the fixing, levying and collection of such charges, elect not to fix, levy and collect such charges if it determines in its sole discretion that such an election is in the best interest of the Contracting Agencies and CBMWD.

E. Capital Capacity Reimbursement Account and Capital Capacity Reimbursement Payments

1. General

For the purpose of providing Supplemental Capital Outlay Funds to CBMWD, each Contracting Agency shall establish and maintain throughout the term of this Contract a Capital Capacity Reimbursement Account to which the Contracting Agency shall deposit or credit its Capital Capacity Reimbursement Payments. The amounts so deposited or credited by a Contracting Agency to its said account shall be used by the Contracting Agency only for the purpose of providing Supplemental Capital Outlay Funds to CBMWD; provided that interest earned on such amounts shall not be so restricted and may be used by the Contracting Agency for any lawful purpose. The source of Capital Capacity reimbursement Payments shall be at the discretion of each Contracting Agency.

2. Capital Capacity Reimbursement Payments

Each Contracting Agency shall have deposited or credited to its Capital Capacity Reimbursement Account a Capital Capacity Reimbursement Payment for each connection which has been or will be made to its Community Sewer System or for each change in use of an existing commercial or industrial connection in an amount determined as follows:

(a) Prior to July 1, 1984:

1. \$950 for each newly constructed, Residential Unit which is connected to the Contracting Agency's Community Sewer System after July 1, 1979, not including, however, any such units which are replacements for similar units which were connected to said system.

2. For each newly constructed Commercial Unit or Industrial Unit which is connected to the Contracting Agency's Community Sewer System after January 1, 1980, the amount of such payment shall be \$150 plus \$30 per fixture unit as defined in the Uniform

Plumbing Code and \$0.50 per gallon estimated sewage flow in excess of 3,000 gallons per day up to a maximum of 15,000 gallons per day; provided that for any such unit or use having an estimate sewage flow in excess of 15,000 gallons per day, the amount of the Capital Capacity Reimbursement Payment therefore shall be determined by the Regional Technical Committee and approved by CBMWD.

(b) After the date set forth in paragraph (a) above the amount of the Capital Capacity Reimbursement Payment for each new connection to a Contracting Agency's Community Sewer System and for each change in use of any existing Commercial Unit or Industrial Unit which results in an increase in volume or strength of sewage therefrom shall be determined by computing the number of Equivalent Dwelling Units therefor as provided in Exhibit "J" attached hereto and made a part hereof and applying the then current Capital Capacity Reimbursement Payment as established by the Regional Policy Committee to each such EDU.

Notwithstanding the preceding provisions of this subpart 2, the amount which a Contracting Agency is required to have deposited in or credited to its Capital Capacity Reimbursement account for any such new connection or change of use shall be reduced by payments, if any, made by the Contracting Agency to CBMWD for the new connection or change of use under either of the following agreements: The agreement entitled "Agreement to Increase Capacity of Regional Plant No. 2 of the Chino Basin Municipal Water District", entered into on May 16, 1979, between CBMWD, City of Chino and the County of San Bernardino or the agreement entitled "Agreement for Interim Sewage Treatment Plant between Chino Basin Municipal Water District and the Cities of Upland and Ontario and the Cucamonga County Water District," entered into on January 23, 1979.

A Capital Capacity Reimbursement Payment shall be deposited or credited to a Contracting Agency's Capital Capacity Reimbursement Account for such a new connection or change of use at the time of the issuance of a building permit or a sewer connection permit, whichever is issued earlier, or for changes in the use of existing Commercial Units and Industrial Units, the permit required therefore.

3. Capital Capacity Reimbursement Reports

a) Each Contracting Agency shall report monthly to CBMWD, at such time as CBMWD shall designate, the balance of the funds in its Capital Capacity Reimbursement Account as of the last day of the preceding month. Such monthly reports shall be in writing and shall also contain the number of building permits and sewer permits which were issued in the Contracting Agency's Service Area during the preceding month and estimated volume of sewage flows for all residential, commercial and industrial connections within the Contracting Agency's Service Area for the current month and the cumulative total thereof. Commercial and

Industrial sewer connection permits shall be listed by individual permit with the number of fixture units and expected volume and strength of sewage for each permit.

b) CBMWD shall maintain a summary accounting of the Capital Capacity Reimbursement Account reserves of all Contracting Agencies and shall make written quarterly reports to the Contracting Agencies on or before January 15, April 15, July 15 and October 15 of each fiscal year which shall include: (i) the amounts of the Capital Capacity Reimbursement Account reserves of all Contracting Agencies as of the last day of the second month of the preceding quarter (i.e., November 30, February 28, May 31 and August 31, respectively), (ii) the amount of the Regional Wastewater Capital Improvement Fund reserves as of the last day of the preceding quarter (i.e., the preceding three months), (iii) a summary of all expenditures from said fund during the preceding quarter for each Regional Sewerage System capital improvement project then in progress, (iv) an estimate of the amounts to be expended from said fund for each such project during the quarter then commencing or in progress (the "current quarter"), (v) the estimated amount of Supplemental Capital Outlay Funds, if any, which it will be necessary for the Contracting Agencies to contribute to CBMWD during the current quarter in order to provide a working capital balance in said fund which shall not exceed \$1,000,000 on the last day of the second month of the quarter next succeeding the current quarter (i.e., May 31, August 31, November 30 and February 28, respectively), and (vi) the amount, if any, of the contribution of Supplemental Capital Outlay Funds for each Contracting Agency for the current quarter, determined as provided in subparts 5 and 6 of this part E.

4. Determination of Demand Deficits

Annually at the time of the preparation of each Ten Year Forecast, pursuant to Section 9A hereof, CBMWD shall determine each Contracting Agency's Demand Deficit, if any. The determination of Demand Deficits pursuant to this subpart is for the sole purpose of allocating shortages in Supplemental Capital Outlay Fund payments as provided in subpart 6 of this part E. Except as provided in said subpart 6, such determinations shall not result in the creation of an obligation or indebtedness on the part of any Contracting Agency to CBMWD or other Contracting Agencies.

5. Supplemental Capital Outlay Fund Payments

On July 15, October 15, January 15 and April 15 of any fiscal year CBMWD may require payment by each Contracting Agency from its Capital Capacity Reimbursement Account of Supplemental Capacity Outlay Funds for the planning, design and construction of Regional Sewerage System capital improvement projects in the amount, if any, set forth for the Contracting Agency in the quarterly report due from CBMWD on such date. Upon receiving such a demand from CBMWD each Contracting Agency shall pay the amount demanded to CBMWD within 45 days of receipt of such demand. The amount of each Contracting Agency's proportionate share of the total amount of Supplemental Capital Outlay Funds demanded by

CBMWD from all Contracting Agencies shall be determined based on the percentage which the amount of Supplemental Capital Outlay Funds demanded by CBMWD from all Contracting Agencies is to the total amount of the current Capital Capacity Reimbursement Account reserves of all Contracting Agencies set forth in the quarterly report upon which the demand is based. The amount demanded by CBMWD from each Contracting Agency on any such date shall be an amount determined by applying the percentage thus obtained to the balance of the reserves, not including interest, in the Contracting Agency's Capital Capacity Reimbursement Account set forth in the quarterly report upon which the demand is based. All amounts received by CBMWD from the Contracting Agencies as Supplemental Capital Outlay Funds shall be deposited in or credited to the Regional Wastewater Capital Improvement Fund. All such amounts together with all interest earned thereon shall be available and utilized by CBMWD solely for the purpose of financing and acquisition, improvement and expansion of the Regional Sewerage System.

6. Allocation of Supplemental Capital Outlay Fund Shortages

If the time of the demand by CBMWD for Supplemental Capital Outlay Funds, pursuant to subpart 5 of this part E, there are not sufficient funds deposited or credited to the Capital Capacity Reimbursement Accounts of all Contracting Agencies to pay the full amount of the demand, each Contracting Agency which has a Demand Deficient shall pay to CBMWD the full balance then deposited or credited to its Capital Capacity Reimbursement Account plus an amount determined based on the percentage which the amount of its Demand Deficient is of the total Demand Deficient for all Contracting Agencies. The amount to be paid by each such Contracting Agency shall be determined by multiplying the difference between the Supplemental Capital Outlay Fund demand and the total amount of the Capital Capacity Reimbursement Account balances of all Contracting Agencies by the percentage thus determined. (Amended April 12, 1984)

F. Investment of Regional Wastewater Capital Improvement Fund

All amounts deposited or credited to the Regional Wastewater Capital Improvement Fund shall be invested by CBMWD in a prudent manner in accordance with sound investment practices for the investment of public funds and pursuant to Section 53635 and 53651 of Government Code. All earnings from such investments shall remain in the Regional Wastewater Capital Improvement Fund and shall be reinvested and used solely for the purpose of financing the acquisition, improvement and expansion of the Regional Sewerage System.

Section 9A. FORECASTING AND PLANNING

A. Contracting Agency Reports

1. Annual Forecast

Prior to January 15, or each year, each Contracting Agency shall submit to CBMWD an updated forecast of its Capacity Demand for the succeeding ten fiscal years, which shall contain in a format required by CBMWD an estimate of the annual increase in volume of combined residential, commercial and reclaimable domestic strength industrial sewage to be delivered from the Contracting Agency's Community Sewer System into the Regional Sewerage System for each year and the number of Equivalent Dwelling Units associated with such estimated volume.

2. Monthly Reports

On such date as CBMWD may designate, each Contracting Agency shall submit to CBMWD monthly reports of sewer building activity. Each such report shall contain the following information in a format which will allow tracking through the development process:

- (a) The number of building permits issued during the month for structures which will contribute sewage to the Regional Sewerage System;
- (b) Estimate volume of sewage and EDUs for such building permits;
- (c) The tract number and number of lots for each tentative tract map approved during the month;
- (d) The tract number and number of lots or dwelling units for each final tract map recorded during the month;
- (e) The number of final inspections or certificates of occupancy issued during the month for structures which will contribute sewage to the Regional Sewerage System;
- (f) The estimate volume of sewage and EDUs for all such structures.

B. CBMWD Reports

1. Ten-Year Forecast

Prior to April 1 of each year, CBMWD shall prepare and deliver to the Regional Technical Committee and the Regional Policy Committee a ten-year forecast of the Capacity Demands of all Contracting Agencies and a forecast of the dates of commencement and completion of the design and construction of capital improvement projects which will be necessary to enable the Regional Sewerage System to meet the forecasted Capacity Demands of all Contracting Agencies. Such forecasts, hereinafter referred to as the "Ten-Year Forecast," shall include:

- a) Estimates for each Regional Treatment Plant of the Capacity Demand of each Contracting Agency which receives sewerage service thereat as of June 30 of each year;
- b) An estimate of the amount of existing unused capacity for each Regional Treatment Plant as of July 1 of each year;

- c) Projected dates for the commencement and completion of design and construction of capital improvement projects necessary to meet forecasted Capacity Demands;
- d) An estimate of the amount of capacity to be added by each such project;
- e) Projected annual expenditures for the design and construction of such projects;
- f) The current balance of funds in the Regional Wastewater Capital Improvement Fund and an estimate for each year identified by source of the amount to be deposited into said fund;
- g) Current reserves in the Capital Capacity Reimbursement Accounts of all Contracting Agencies;
- h) The estimate Supplemental Capital Outlay Funds to be contributed by each Contracting Agency to CBMWD for each fiscal year included in the Ten-Year Forecast;
- i) The Demand Deficit, if any, of each Contracting Agency;
- j) A recommendation as to whether the amount of the Capital Capacity Reimbursement Payment should be increased or decreased and, if so, the amount of increase or decrease.

2. Mid-Year Report as to Financial Requirements

Prior to October 1 of each year, CBMWD shall prepare and submit to the Regional Technical Committee and the Regional Policy Committee for review and comment a report as to the progress and status of the design and construction of capital improvement projects. Said report shall also contain revisions or current information regarding the matters referred to in subparagraphs (a), (b), (e), (g), (i) and (j) of subpart 1 of this part B.

3. Review by Regional Policy Committee

A. Ten-Year Forecast

Within 45 days after receipt from CBMWD of a Ten-Year Forecast, the Regional Policy Committee shall prioritize the capital improvement projects recommended therein and make such further recommendations to CBMWD as it deems appropriate. Capital improvement projects shall be prioritized based on the Forecasted Demands for all Contracting Agencies who do or will receive sewerage services therefrom or thereat as of the end of the third fiscal year included in the Ten-year Forecast, and facilities having the highest ratio of forecasted rates of flow to rated capacity shall be given the highest priority. Interceptor sewers shall be considered to be at least 100 percent of capacity when the forecasted rate of flow therein will result in a depth flow therein of three-fourths of the pipe diameter thereof; sewage treatment and disposal plants shall be considered to be 100 percent of capacity when the projected rate of flow into the plant will exceed 80 percent of the rated capacity thereof as determined by the Regional Technical Committee. The prioritization of the Regional Policy Committee shall be binding upon CBMWD, and CBMWD shall follow the recommendations of the Regional Policy

Committee with respect to scheduling of design and construction of prioritized capital improvement projects unless the Board of Directors of CBMWD determines, based on specific findings, that the Regional Policy Committee's recommended schedule for design and construction would impair its ability to operate the Regional Sewerage System or would impose unreasonable burdens upon it with respect to construction supervision or administration or financing of Regional Sewerage System capital improvement projects or unless a Contracting Agency objects in writing to the recommendations of the Regional Policy Committee. In the event of such a determination by CBMWD's Board of Directors or such a written objection, the hearing procedures set forth in Section 26A hereof shall apply and CBMWD's Board of Directors shall not make a final determination with respect to the Regional Policy Committee's recommendation until such hearing procedures have been completed.

B. Mid-Year Reports

Within 45 days after receipt from CBMWD of a mid-year report as provided in subpart 2 of this part B the Regional Policy Committee may but need not make recommendations or comments to CBMWD with respect thereto. CBMWD's Board of Directors shall follow the recommendations of the Regional Policy Committee with respect to such reports unless it determines, based on specific findings, that to do so would impair its ability to operate the Regional Sewerage System or impose unreasonable burdens with respect to the timing of design and construction or financing of design and construction of Regional Sewerage System capital improvement projects or unless a Contracting Agency objects thereto in writing. In the event of such a determination by said Board of Directors or the filing of such a written objection, the hearing procedures set forth in Section 26A hereof shall apply and CBMWD's Board of Directors shall not make a final determination with respect to the Regional Policy Committee's recommendations until such hearing procedures have been completed.

C. Determination of Capital Capacity Reimbursement Amount; Amendment of Exhibit "J"

The Regional Policy Committee may prior to July 1 or January 1 or any year determine to increase or decrease the amount of the Capital Capacity reimbursement Payment to be deposited or credited by the Contracting Agencies to their Capital Capacity Reimbursement Accounts for all new connections to their Community Sewer Systems based upon the estimated financial requirements set forth in a Ten-Year Forecast or mid-year report received from CBMWD. Prior to either of said dates, the Regional Policy Committee may also determine to modify the table and formulae set forth in Exhibit "J" hereto for determining Equivalent Dwelling Units and the amount of Capital Capacity Reimbursement Payment for new connections to Community Sewer Systems. If the Regional Policy Committee determines that it is necessary to increase or decrease the amount of such payment or to modify such formulae,

or both, the chairman of said committee shall communicate such determination or determinations in writing to the Board of Directors of CBMWD, and upon receiving such a communication, said Board of Directors shall adopt a resolution implementing the increase or decrease in the amount of Capital Capacity Reimbursement Payment and the modification of said table and formulae or both, and setting forth the date when such increase or decrease or such modification or both will become effective. Such a determination or determinations by the Regional Policy Committee and the adoption of such a resolution by the Board of Directors of CBMWD shall be binding on all Contracting Agencies, and they shall expeditiously implement the resulting change in the amount of Capital Capacity Reimbursement Payment by appropriate legislative and administrative action.

D. Reclaimable Industrial Waste

No allowance shall be made in Contracting Agency reports submitted to CBMWD pursuant to part A of this section or in any Ten-Year Forecast for any expected increase in the volume or strength of sewage attributable to proposed new industrial connections to Community Sewer Systems which are expected to discharge more than 15,000 gallons per day of reclaimable domestic strength industrial waste. All such proposed new connections shall be reviewed by CBMWD and the Regional Technical Committee on a case-by-case basis to determine whether the waste to be discharged there from shall be taken into the Regional Sewerage System and the appropriate connection point provided that, CBMWD and the Regional Technical Committee shall not disapprove such an industrial connection to a Contracting Agency's Community Sewer System unless it is determined by CBMWD or said committee that the sewage to be discharged there from will not meet the quality standards set forth by CBMWD, or will adversely affect the ability of the Regional Treatment Plant where the sewage there from will be treated to meet the Forecasted Demands of other Contracting Agencies which also receive sewerage service thereat, or will result in the effluent from said plant violating the waste discharge requirements prescribed for said plant by the California Region Water Quality Control Board. (Amended October 19, 1994)

E. Forecast for Purposes of Determining Demand Deficits

Notwithstanding the preceding provisions of this section, for purposes of determining the Demand Deficits, if any, of the Contracting Agencies, as provided in subpart 4 of part E of Section 9 hereof, the Forecasted Demand for each Contracting Agency for each of the initial two years of each Ten-Year Forecast shall be deemed to be the same as was set for the foregoing each said years in the preceding Ten-Year Forecast. CBMWD shall set forth separately in each Ten-Year Forecast the Forecasted Demand for each Contracting Agency for the initial two years thereof, determined as in this part provided. Said portion of each such Ten-Year Forecast shall be applicable only for purposes of determination to be made pursuant to said subpart 4 and for

no other purpose. Notwithstanding the preceding provisions of this part E, if in this most recent Annual Forecast, pursuant to subpart 1 of part A of this Section 9A, preceding the preparation of any Ten-Year Forecast a Contracting Agency has increased its Forecasted Demand for either of the initial two years of the Ten-Year Forecast over the Forecasted Demand set forth in the preceding Ten-Year Forecast, the Forecasted Demand for that Contracting Agency for each of initial two years of the Ten-Year Forecast then begin prepared shall be the Increased Forecasted Demand set forth therefore in the Contracting Agency's said Annual Forecast. (Added April 12, 1984)

Monthly Building Activity Report
Guidelines for IEUA and Member Agencies

To help support IEUA and its Member Agencies administer Sections 9 and 9A of the Chino Basin Regional Sewage Service Contract (Contract), the following are recommended Standard Operating Procedures (SOP) that IEUA and its Member Agencies are encouraged to follow, even though they are not directly addressed in the Contract:

- IEUA and Member Agencies both have numerous internal departments that are responsible for various requirements of the Contract. In order to operate in the most efficient manner, it is recommended that IEUA and each Member Agency set up their own SOP's that outline the steps necessary to meet the requirements of the Contract.
- IEUA has established a centralized point of contact within IEUA and an official method for communicating Contract updates, changes and amendments, in addition to keeping formal, approved amendments to the Contract centralized and readily available.
 - Please contact IEUA's Planning & Water Resource Department with any related questions/comments/reports, as they are responsible for the Contract and all related reports.
- IEUA staff will provide (upon request) a coordinated training for all Member Agencies to ensure the requirements of the Chino Basin Regional Sewage Service Contract are consistently understood, applied and enforced.
- IEUA and the Member Agencies should reconcile on a month-to-month and end-of-fiscal-year basis so there is agreement between both agencies' CAFR amounts as it relates to the Capital Capacity Reimbursement Accounts (CCRA).
- The Contract does not directly address a number of specific concerns. The following are recommended SOP's that help address these concerns:
 - **Concern** – The contract is silent as to the recourse IEUA has when the Member Agencies apply the incorrect connection fee rate and discrepancies are identified. In some cases, the Member Agency attempts to recover underpayments from the customers/developers, however the Contract does not have provisions that enforce recovering payments either from the customer or the Member Agency or if penalties should be assessed for underpayments. The same actions should be applied when a Member Agency overpays IEUA.

- **Recommended SOP** – To avoid payment issues, IEUA and the Member Agencies should communicate: prior to the monthly Building Activity Report (BAR) deadline (the 15th of every month), on a monthly basis, on the connection fee rate, any payment plans that a Member Agency may want to apply and any fees collected at various times.
- **Concern** – The Contract is silent as to the recourse IEUA has when the Member Agencies apply the incorrect Commercial Category from Exhibit J of the Contract. The Contract does not have provisions that enforce recovering payments either from the customer or the Member Agency or if there are any penalties that should be assessed.
- **Recommended SOP** – To avoid Exhibit J issues, IEUA and the Member Agencies should communicate: prior to the monthly Building Activity Report (BAR) deadline (the 15th of every month), on a monthly basis, on the selected Category and any questions pertaining to Exhibit J.
- **Concern** – The contract is silent as to the recourse IEUA has when discrepancies in fixture unit counts are identified. The Contract does not have provisions that enforce recovering payments from the customer or the Member Agency or if there are any penalties that should be assessed.
- **Recommended SOP** – To avoid fixture unit issues, IEUA and the Member Agencies should communicate: prior to the monthly Building Activity Report (BAR) deadline (the 15th of every month), on a monthly basis, on the procedure for counting fixture units and any questions pertaining to Exhibit J.
- **Concern** – The contract is silent as to the recourse IEUA has when required reports are submitted late. The Sewage Service Reports for services are submitted with monthly payments. If reports and fee payments are submitted late, the Contract does not address whether the agency can assess a penalty or how to proceed with collecting the fees.
- **Recommended SOP** – To avoid reporting issues, IEUA and the Member Agencies should communicate: prior to the monthly Building Activity Report (BAR) deadline (the 15th of every month), on a monthly basis, on the requirements for each monthly report. Also, the Building Activity Reports (BAR) contain valuable information to various IEUA departments for planning, forecasting, actual and variance information regarding sewer infrastructure. Additionally, the BAR reports also provide the Financial Management Department with financial amounts of CCRA fees held for

IEUA. This information is important for IEUA to determine capital calls for infrastructure outlays.

- **Concern** – The contract is silent as to the recourse IEUA has when a Member Agency refunds developers who have already pulled connection permits and have paid the connection fees. The Contract does not have provisions that enforce recovering payments from the customer or the Member Agency or if there are any penalties that should be assessed.
- **Recommended SOP** – To avoid refund issues, IEUA and the Member Agencies should communicate: prior to the monthly Building Activity Report (BAR) deadline (the 15th of every month), on a monthly basis and with management on how to address the any refunds.

**INFORMATION
ITEM
2E**

Date: January 26, 2017

To: Regional Technical Committee

From: Inland Empire Utilities Agency

Subject: Sewer Fee Evaluation Update

RECOMMENDATION

This is an update on the Sewer Fee Evaluation for the Regional Technical Committee to receive and file.

BACKGROUND

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

The purpose of Exhibit J is to determine sewer connection fees by assigning a numerical value for an Equivalent Dwelling Unit (EDU) that represents the sewage flow equivalent to a single family residential household. EDUs are currently calculated for three different development classification types: residential, commercial and industrial. An EDU formula was developed that considers the flow, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) for commercial and industrial businesses. Common types of commercial businesses were evaluated at the time of the initial Exhibit J adoption and sewage factors were derived based on the typical strength of wastewater discharged from the various business types. The wastewater flows were based on fixture units derived from the Uniform Plumbing Code. Industry connection fees are calculated based on direct measurement of the industries flow and strength of their wastewater discharge. Currently the Contracting Agencies assess and collect the sewer connection fees on behalf of IEUA.

During the initial adoption of Exhibit J, the flows for one EDU were set at 270 gallons per day. Over time, with the advent of water conservation efforts and water efficient fixtures, it has been generally accepted that wastewater flows have declined since the EDU was initially defined and 270 gallons per day is no longer representative of current water usage. Additionally, the Contracting Agencies and IEUA have found the fixture counting process and the number and determination of the commercial types established by Exhibit J to be a labor intensive and subjective process. Although Exhibit J was updated in 2013, the recent IEUA Internal Audit review of the Contracting Agencies EDU fee collection process found there are still inconsistencies and varying interpretation and application of the commercial category types, resulting in discrepancies in connection fee assessment.

The Contracting Agencies also assess and collect recurring monthly fees from the residential, commercial and industrial users. The only information provided to IEUA from the Contracting Agencies is the total number of EDUs. The Contracting Agencies currently determine total EDUs several different ways. Some calculate the EDU number based on the number of EDUs purchased by their customers, while others calculate the non-residential EDUs based on actual water meter readings. This process creates inconsistencies in how monthly fees are assessed and collected.

On June 15, 2016, IEUA with recommendation from the Contracting Agencies, hired Carollo Engineers, Inc. (Carollo) to complete an evaluation of the current Exhibit J process including the sewage factors currently used in the EDU calculation and the current methodology being used to collect connection fees and monthly sewer charges. The goal of the evaluation is to provide several options for a less subjective and labor intensive method for calculation of sewer EDUs. For each of the options, Carollo will summarize the advantages and disadvantages, potential cost shifts between customer classes, and associated revenue risks for IEUA and the Regional Contracting Agencies consideration.

In August and September 2016, IEUA and Carollo met with the Contracting Agencies to discuss the overall project goals and data collection needs. At that time a request was made for the Contracting Agencies and/or their respective service area water purveyors to provide data in support of the EDU recalculation effort by October 2016. The data requested included the following:

- Customer water use data from 2014 through 2016 for each APN/service address
- Service address and/or Assessor's Parcel Number (APN) for water customers
- Service address and/or APN for sewer customers
- Customer Use Class (single family residential, multi-family, commercial, industrial, etc.)
- Total number of EDUs by each customer use class/category
- Meter size for each service address/APN (if available)

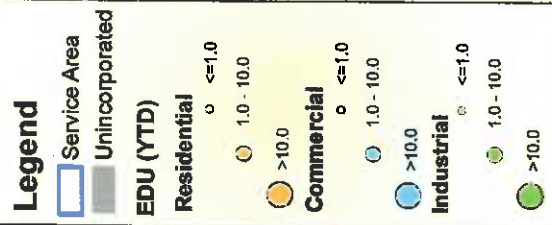
As of January 4, 2017, IEUA has received data from Chino Hills, Fontana and Montclair. Data requests are still outstanding for the CVWD, Chino, Ontario and Upland. IEUA provided Non-Disclosure/Confidentiality Agreements to each of the Contracting Agencies as assurance the requested data will only be used for the sewer fee evaluation study. As noted by the Contracting Agencies during the November 15, 2016 sewer fee evaluation workshop, it is important that all Contracting Agencies provide the requested information such that Carollo has a dataset that is representative of the entire IEUA service area. Any data that is not provided for Carollo's analysis would result in a less robust analysis of the EDU recalculation as the makeup of residential, commercial, and industrial facilities varies for each Contracting Agency.

The study was to be completed initially by March 2017. However, due to the lack of participation by some Contracting Agencies, the process has been delayed by 4 months. IEUA is requesting that the Contracting Agencies finalize their submittal of the data requested by Carollo by no later than February 28, 2017. After this date, IEUA and Carollo will evaluate the submitted information from the participating Contracting Agencies and move forward with the sewer fee evaluation study.

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Building Activity Report - YTD Fiscal Year 2016/17



TOTAL EDU BY CONNECTION TYPE (YTD)

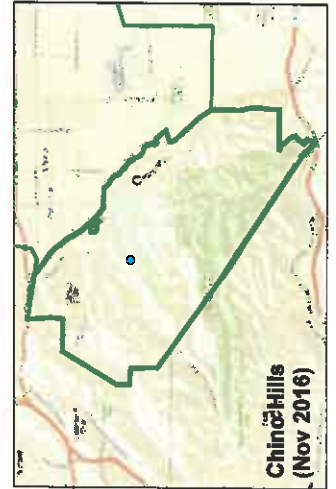
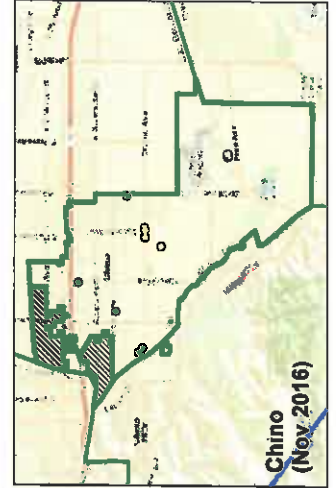
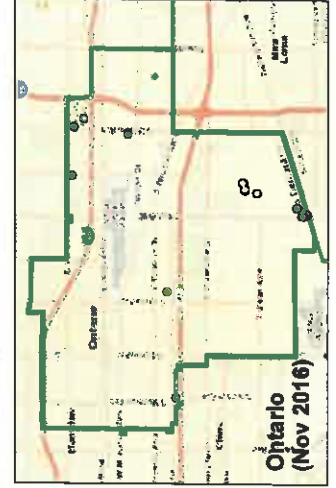
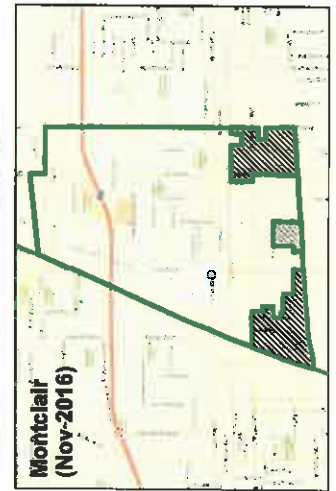
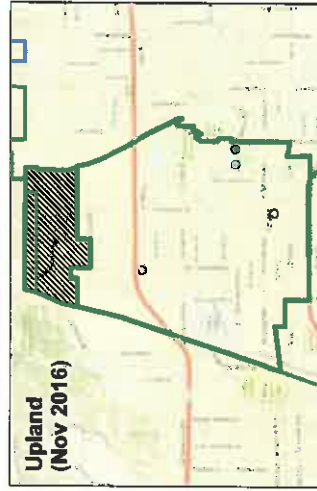
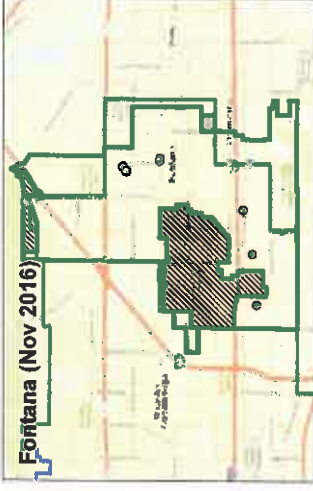
Collecting Agency	YTD Actual			Projected	
	Residential (EDU)	Commercial (EDU)	Industrial (EDU)	Total (EDU)	Total (EDU)
Chino	181	48	0	224	610
Chino Hills	30	10	0	40	1236
CWWD	16	53	1	70	364
Fontana	205	52	4	261	695
Montclair	24	39	8	71	85
Ontario	210	77	60	347	2050
Upland	19	24	0	43	237
Total	585	268	73	926	5277



10 Miles

5 Miles

2.5 Miles



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IEUA RECYCLED WATER DISTRIBUTION – DECEMBER 2016

TOTAL ALL PLANTS

Influent: 49.0 MGD
 Delivered: 16.1 MGD
 Percent Delivered: 33%

RP-4

Delivered: 7.8 MGD

RP-1

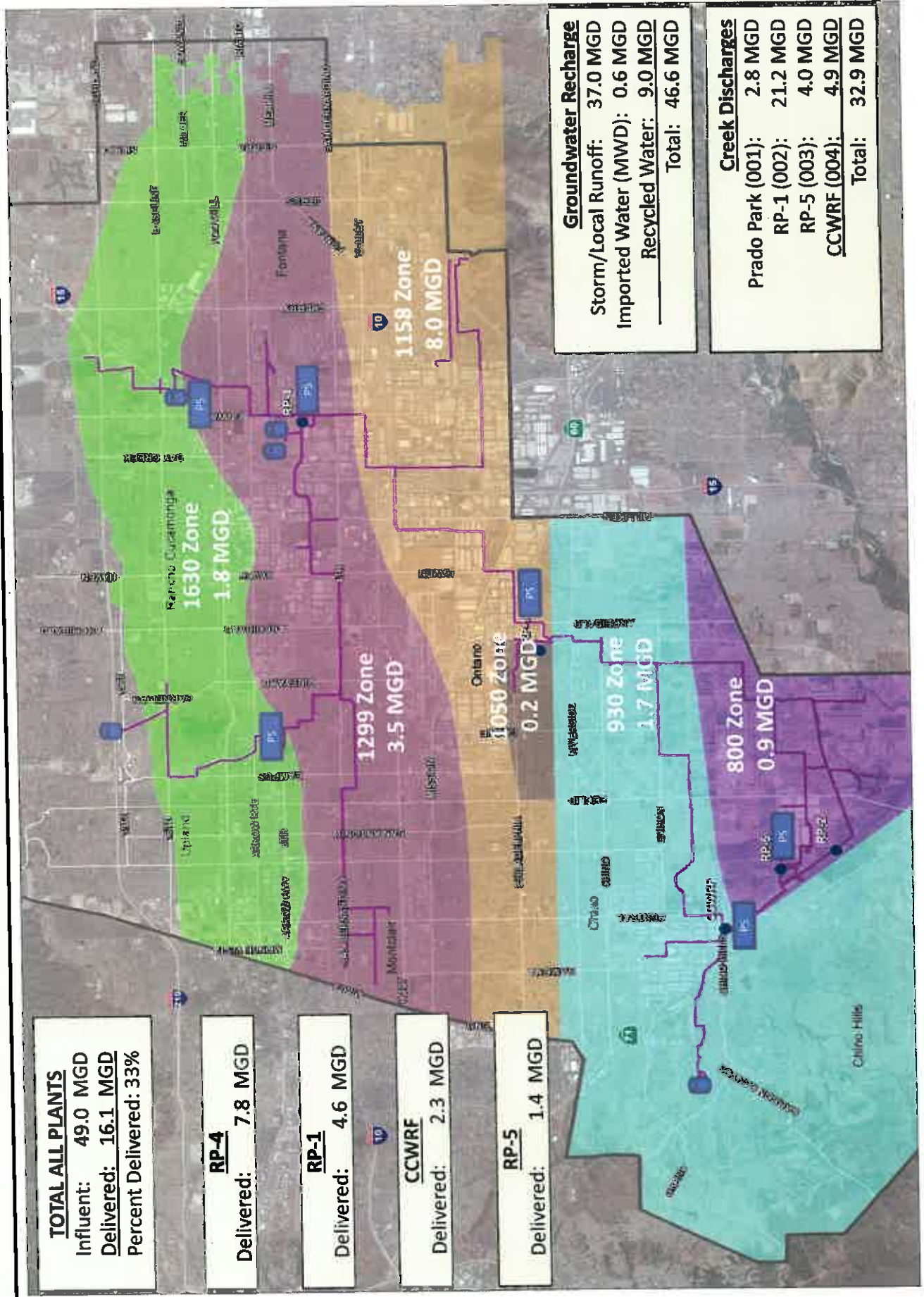
Delivered: 4.6 MGD

CCWRF

Delivered: 2.3 MGD

RP-5

Delivered: 1.4 MGD



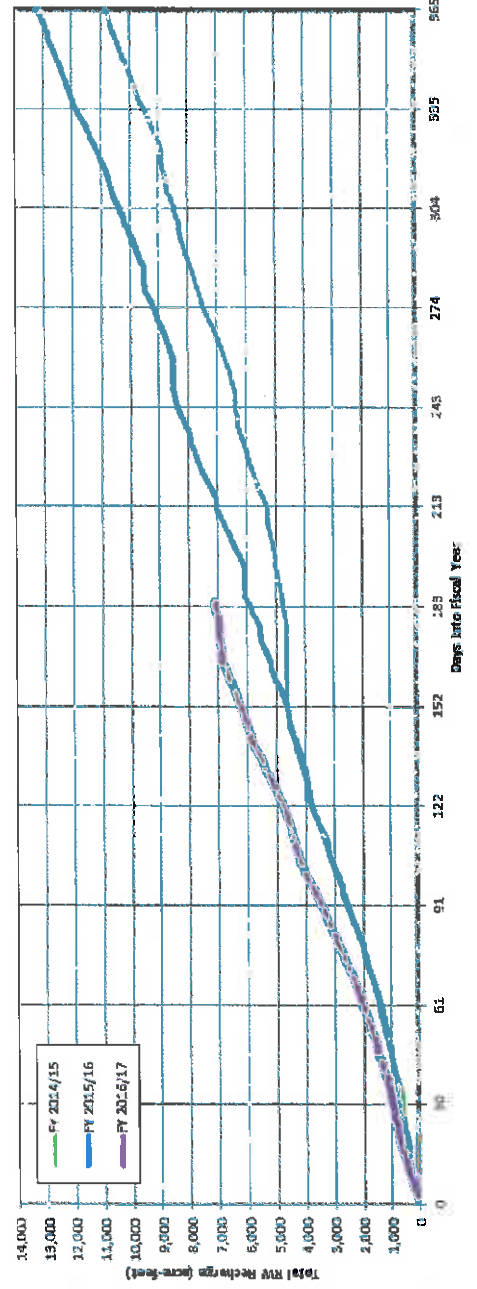
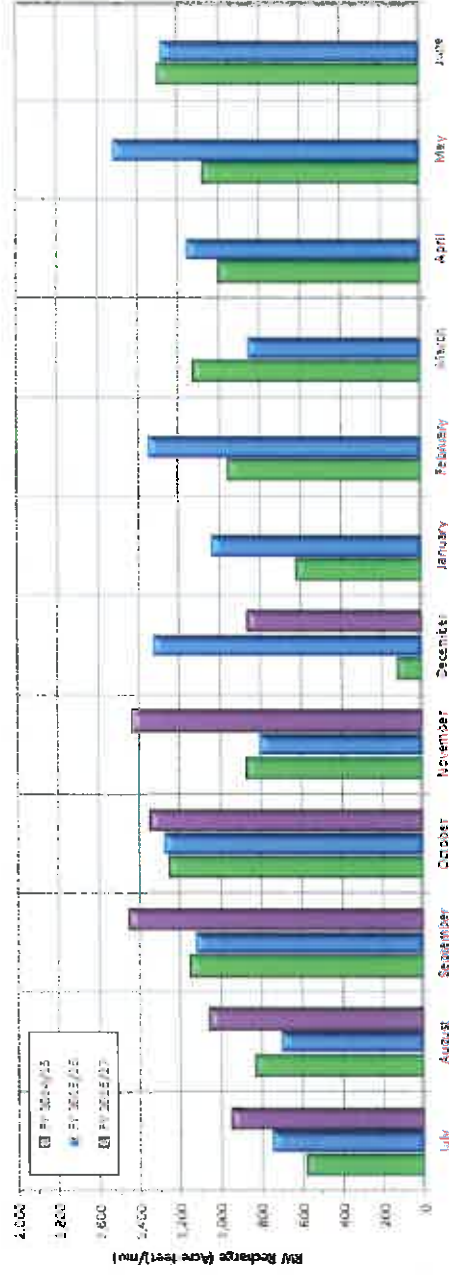
<u>Groundwater Recharge</u>	
Storm/Local Runoff:	37.0 MGD
Imported Water (MWD):	0.6 MGD
Recycled Water:	9.0 MGD
Total:	46.6 MGD

<u>Creek Discharges</u>	
Prado Park (001):	2.8 MGD
RP-1 (002):	21.2 MGD
RP-5 (003):	4.0 MGD
CCWRF (004):	4.9 MGD
Total:	32.9 MGD

Deliveries are draft until reported as final.

Recycled Water Recharge Deliveries | Plan - December 2016 (Acre-Feet)

Basin	12/1-12/31	12/10-12/16	12/17-12/23	12/24-12/31	Month Actual	Month Plan	FY To Date Actual
Ely	0.0	0.0	0.0	0.0	0.0	100	779
Benana	0.7	0.0	0.0	0.0	0.7	100	500
Hickory	0.0	0.0	0.0	0.0	0.0	200	136
Turner 18.2	55.4	15.4	0.0	0.0	70.8	100	368
Turner 21.4	0.0	0.0	0.0	0.0	0.0	100	0
Red Street	18.0	18.1	0.0	0.0	36.1	0	3408
Proctor	18.2	0.0	0.0	0.0	18.2	50	238
18.0	17.7	18.0	18.4	18.4	72.5	50	2537
Danley	0.0	0.0	0.0	0.0	0.0	0	0
18.0	18.0	18.0	0.0	0.0	36.0	100	500
San Gabriel	0.0	0.0	0.0	0.0	0.0	100	0
Total	401.0	294.4	18.4	18.4	822.2	500	7,550



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3C

From: Christina Valencia

Sent: Friday, November 04, 2016 7:38 AM

To: Chuck Hayes <chays@fontana.org>; 'John Bosler' <JohnB@cvwdwater.com>; Scott Burton (sburton@ontarioca.gov) <sburton@ontarioca.gov>; Rosemary Hoerning <rhoerning@ci.upland.ca.us>; Michael C. Hudson (mhudson@cityofmontclair.org) <mhudson@cityofmontclair.org>; Jesus Plasencia (jplasencia@cityofchino.org) <jplasencia@cityofchino.org>; 'Mark Wiley' <mwiley@chinohills.org>
Cc: 'Dan Chadwick' <dchadwic@fontana.org>; Tony Mata <tmata@fontana.org>; 'Braden yu' <bradeny@cvwdwater.com>; Nicole Green deMoet (ndemoet@cityofmontclair.org) <ndemoet@cityofmontclair.org>; Nadeem Majaj <nmajaj@chinohills.org>; 'kgienger@ontarioca.gov' <kgienger@ontarioca.gov>; Harrison Nguyen <hnguyen@ci.upland.ca.us>; Rob Burns (rburns@cityofchino.org) <rburns@cityofchino.org>; jlancaaster@chinohills.org; Donald L. Parker <dparker@cityofmontclair.org>; Carrie Corder <CarrieC@cvwdwater.com>; Javier Chagoyen-Lazaro <jchagoyen@ieua.org>; Tina Cheng <tcheng@ieua.org>; Chris Berch <cberch@ieua.org>; Sylvie Lee <slee@ieua.org>

Subject: Update to EDU Rate Resolution 2015-3-1

Importance: High

Good Morning,

In March 2015, the IEUA Board adopted Rate Resolution 2015-3-1 establishing the EDU volumetric rates for the Regional Wastewater Program for Fiscal Years (FY) 2015/16 through 2019/20. Historically the rate resolution for the Regional Wastewater Program volumetric rates has included a rate per equivalent dwelling units (EDU) and a rate per million gallons (MG). The EDU rate is the service rate charged to contracting member agencies for wastewater discharge to the regional wastewater system. The MG rate was specific to wastewater discharge from the San Bernardino County Prado Regional Park based on an agreement between IEUA and the County. This agreement was amended in October 2014 to address, amongst other items, changes in the operations and maintenance of the Prado Regional Park. The amendment also changed the applicable billing rate from MG to EDU. This change was not appropriately reflected in the EDU rate resolution (2015-3-1 attached) adopted by the IEUA board in March 2015.

An updated resolution (2016-11-2 attached) removing the MG rate will be presented to the IEUA Board for approval on November 16, 2015. There is no change in the EDU rate as adopted for FYs 2015/16 – 2019/20. The revised rate resolution will be addressed at the next Regional Technical Committee.

Please contact Tina Cheng, Budget Officer (909) 993-1677 tcheng@ieua.org, or Javier Chagoyen-Lazaro, Manager of Finance and Accounting, at (909) 993-1675 jchogogen@ieua.org, if you have questions.

Thank you.

RESOLUTION NO. 2016-11-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, REVISING THE ESTABLISHED SERVICE RATES FOR IMPROVEMENT DISTRICT "C" FOR FISCAL YEAR 2016/17 THROUGH YEAR 2019/20

WHEREAS, pursuant to the Regional Sewage Service Contract, the Regional Contracting Agencies Advisory Committees have received and reviewed the Regional Wastewater Program Budget with an associated service rate for Fiscal Years 2015/16 through FY 2019/20;

WHEREAS, The Regional Advisory Committees had reviewed service rates for Fiscal Years 2015/16 through 2019/20, and recommended approval for Fiscal Years 2015/16 through 2016/17:

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1st of each fiscal year on the equivalent dwelling unit (EDU) rates, excluding FY 2015/16 rate implemented on an agreed upon effective date of October 1, 2015:

Section 1. Effective October 1, 2015, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$15.89 per equivalent dwelling unit (EDU) per month.

Section 2. Effective July 1, 2016, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage shall be \$17.14 per equivalent dwelling unit (EDU) per month.

Section 3. Effective July 1, 2017, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$18.39 per equivalent service unit (EDU) per month.

Section 4. Effective July 1, 2018, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$19.59 per equivalent service unit (EDU) per month.

Section 5. Effective July 1, 2019, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$20.00 per equivalent service unit (EDU) per month.

Section 6. The provisions of the Regional Sewage Service Contract and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 7. That upon the effective date of this Resolution, Resolution No. 2015-3-1 is hereby rescinded.

ADOPTED this 16th day of November, 2016.

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

ATTEST:

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

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-11-2 was adopted at a Board
Meeting on November 16, 2016, of said Agency by the following vote:

AYES: Hall, Elie, Camacho, Hofer, Catlin

NOES: None

ABSTAIN: None

ABSENT: None

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

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2015-3-1

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING
SERVICE RATES FOR IMPROVEMENT DISTRICT "C"
FOR FISCAL YEAR 2015/16 THROUGH YEAR 2019/20**

WHEREAS, pursuant to the Regional Sewage Service Contract, the Regional Contracting Agencies Advisory Committees have received and reviewed the Regional Wastewater Program Budget with an associated service rate for Fiscal Years 2015/16 through FY 2019/20;

WHEREAS, The Regional Advisory Committees have reviewed service rates for Fiscal Years 2015/16 through 2019/20, and recommended approval for Fiscal Years 2015/16 through FY 2016/17:

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1st of each fiscal year, excluding FY 2015/16, which will require an agreed upon effective date of October 1, 2015:

Section 1. Effective October 1, 2015, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$15.89 per equivalent service unit (EDU) per month or \$1,810.00 per million gallons.

Section 2. Effective July 1, 2016, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$17.14 per equivalent service unit (EDU) per month or \$2,060.00 per million gallons.

Section 3. Effective July 1, 2017, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$18.39 per equivalent service unit (EDU) per month or \$2,310.00 per million gallons.

Section 4. Effective July 1, 2018, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$19.59 per equivalent service unit (EDU) per month or \$2,560.00 per million gallons.

Section 5. Effective July 1, 2019, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$20.00 per equivalent service unit (EDU) per month or \$2,810.00 per million gallons.

Section 6. The provisions of the Regional Sewage Service Contract and any amendments thereto are hereby applicable and will remain in full force and effect.

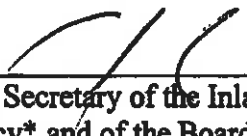
Section 7. That upon the effective date of this Resolution, Resolution No. 2012-2-2 is hereby rescinded.

ADOPTED this 18th day of March, 2015.



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

ATTEST:


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

* A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

AYES: Hall, Elie, Camacho, Koopman, Catlin

NOES: **None**

ABSTAIN: None

ABSENT: None


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

(SEAL)

*** A Municipal Water District**

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3D

**REGIONAL SEWERAGE PROGRAM
PRETREATMENT SUBCOMMITTEE**

November 1, 2016
1:30 PM
IEUA HQ Building A, Rains Conference Room
6075 Kimball Avenue
Chino, CA 91710

Minutes

Members Present

Ruben Valdez.....	City of Chino
Robert Herbster.....	City of Upland
Tony Mata.....	City of Fontana
Nicole deMoet.....	City of Montclair
Michael Birmelin.....	City of Ontario
Craig Proctor.....	IEUA

Absent

Braden Yu.....	CVWD
Andy Zummo.....	City of Chino Hills

Others Present

Nancy Dacumos.....	City of Fontana
Ken Tam.....	IEUA
Julio Im.....	IEUA
Brandon Hodges.....	IEUA

1. Introductions

Introductions of those present were given.

2. Informational Items & Updates

a. Tech Meeting Report

Presentations were given on the IEUA business goals and the agreement between IEUA, Prologis, CSI and the speedway. Wastewater flows from these

facilities are now being redirected to RP-4 and CSI and the speedway will now be receiving recycled water.

b. Treatment Plants

RP-1/RP-4:

- RP-1/RP-4 met all the NPDES requirements during the months of July through September 2016.

RP-5:

- RP-5 met all the NPDES requirements during the months of July through September 2016.

CCWRF:

- CCWRF met all the NPDES requirements during the months of July through September 2016.

Agency-wide:

- The Agency-Wide 12-month running average TDS for the months of July, August, and September 2016 were 509 mg/L, 509 mg/L, and 507 mg/L respectively, which did not exceed the 550 mg/L Agency-wide 12-month running average limit.
- The Agency-wide 12-month running average incremental increase between secondary effluent and water supply TDS for the months of July, August, and September 2016 were 213 mg/L, 216 mg/L, and 217 mg/L respectively, which did not exceed the 250 mg/L Agency-wide 12-month running average limit.

Collections System:

- One SSOs occurred during the months of July, August and September 2016.
 - A Category 2 SSO of approximately 3,000 gallons occurred near the intersection of Francis Street & Milliken Avenue on August 1, 2016. The spill appearance point was a manhole on Ontario's collection system. The cause of the spill was debris found in IEUA's regional sewer that caused a blockage and a broken pipeline immediately downstream of the connection point with the Ontario's collection system. All flows were recovered and returned to a collection system.

Recycled Water:

- One unauthorized discharge of more than 50,000 gallons of disinfected tertiary recycled water into the waters of the state occurred during the months of July through September 2016.
 - The release of approximately 54,000 gallons of recycled water occurred from a temporary pipeline conveying water to the Yorba Slaughter House site, into Chino Creek from approximately 5:35 p.m. to 7:35 p.m. on September 4, 2016. Recycled water entered Chino Creek southwest of the Pine Avenue and El Prado Road intersection.
- One agricultural runoff event was reported to IEUA by the City of Ontario during the months of July through September 2016.

c. Pretreatment Programs

American Beef Packers (ABP), in the City of Chino, was issued a Notice of Non-Compliance for exceeding the permitted local limit for TDS, Fixed in August. Results of industries investigation found the root cause to be a malfunction of the DAF system which has been repaired. Resampling was conducted and results indicated compliance.

Cliffstar California, LLC, in the City of Fontana, completed their evaluation into the TDS, Fixed compliance issues. Investigation revealed that pH, CIP and water treatment chemicals along with periodic juice loss all contributed to the TDS, Fixed violations. Industry implemented several corrective actions to eliminate high TDS, Fixed discharges. These included installing a conductivity meter to closely monitor TDS, Fixed, and operational changes to minimize juice loss and excessive chemical use. Resampling conducted over the past several months indicates consistent compliance.

Coca-Cola, in the City of Ontario, was issued a Notice of Violation for exceeding the permitted local limit for TDS, Fixed. Results of industries investigation found that a faulty solenoid caused an increase in citric acid injection during CIP activities. The solenoid was replaced and added as part of the monthly PM schedule. Resampling was conducted and results indicated compliance. No further enforcement action was necessary.

Discus Dental, in the City of Ontario was issued a Notice of Violation for exceeding its permitted discharge limit for TDS. Results of industries investigation were inconclusive but it is believed that an increase in production may have contributed to the higher TDS. Three consecutive weeks of sampling was conducted for TDS and all results indicated compliance. No further enforcement action was necessary.

Jewlland-Freya Health Sciences, LLC, in the City of Montclair, completed installation of its additional pretreatment equipment in June and has been consistently meeting compliance for TDS, Fixed.

Scott Brothers Dairy in the City of Chino, was issued a Notice of Non-Compliance for exceeding the permitted local limit for TDS. Results of industries investigation were inconclusive. Resampling was conducted and results indicate compliance.

3. Discussion Items

a. Local Limits

As previously reported, the revised IEUA NPDES Permit was approved by the RWQCB on October 30, 2015. The new permit contained limits for Dioxin which included not only the commonly known form 2,3,7,8-TCDD (Dioxin), but also the other congeners. As a result, IEUA has been reevaluating the need for a Dioxin local limit. Additionally, there is a concern now that the RWQCB will no longer allow IEUA to use TDS, Fixed for TDS compliance determination. The RWQCB has indicated that they believe this method underestimates the amount of inorganic TDS in the wastewater. Their preference is to use TDS by summation. IEUA will propose this change with its local limits amendment which will be sent to the Board in February 2017.

b. Pretreatment Compliance Audit

The Committee was informed IEUA will be having a Pretreatment Compliance Audit (PCA) performed by Tetra Tech (EPA Contract Auditors) in two weeks. The PCA will evaluate IEUA's pretreatment program, and will include a review of the Regional Wastewater Ordinance, Local Limits, and Enforcement Response Plan. Site inspections will also be conducted at some of the permitted industries. Committee members will be notified if any inspections are to be conducted in their respective city.

c. Exhibit J Evaluation – Carollo Engineering

IEUA provided an update to the committee on the current status of the Carollo study and next steps.

4. Other Items

None

The next committee meeting is tentatively scheduled for February 2017.

The meeting adjourned at 2:25 p.m.

PREVIOUSLY REQUESTED

4A


From: Christina Valencia

Sent: Thursday, November 10, 2016 11:21 AM

To: Craig Proctor <cproctor@ieua.org>

Cc: Sylvie Lee <slee@ieua.org>; Javier Chagoyen-Lazaro <jchagoyen@ieua.org>; Tina Cheng <tcheng@ieua.org>

Subject: Regional Tech Committee Request

Good Afternoon:

As requested at the September 29, 2016 meeting of the Regional Technical Committee; please find attached updated copies of the Regional Wastewater Capital Improvement (RC) fund and the Regional Wastewater Operations & Maintenance (RO) fund Sources and Uses of Funds summary report. The "Changes in Key Assumptions" (pages 1 and 2) highlight significant changes in assumptions from February 2015 (when draft copies of the reported were provided to the City of Fontana) to the FY 2016/17 Amended Budget adopted by the IEUA Board in June 2016. If you have any questions, please contact me (993-1673), Javier Chagoyen, Manager of Finance & Accounting (993-1675), or Tina Cheng, Budget Officer (993-1677). Thank you.

Christina Valencia

CFO/AGM



"Water Smart - Thinking in Terms of Tomorrow"
6075 Kimball Ave / Chino, California 91708
Tel: 909-993-1673 / Fax: 909-993-9017
Email: cvalencia@ieua.org Website: www.ieua.org

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**Inland Empire Utilities Agency
Regional Wastewater Program Summary**

Changes in Key Assumptions Since February 2015

RC Fund	Feb-15	Oct-16
Primary Funding Sources		
		Projections reduced due to a lower number of new connections and lower fees as part of the FY 2016/17 Amended Budget.
Connection Fees	Revenue projections based on a greater number of new connections and higher fees	No. of New EDUs Connection Fee
	FY 2015/16	4,330 \$5,107/\$5,415 Adopted May 2015
	FY 2016/17	3,000 \$5,415/\$6,009 Adopted May 2015
	FY 2017/18	3,000 \$6,009/\$6,309 Adopted May 2015
	FY 2018/19	3,000 \$ 6,524 Adopted May 2015
	FY 2019/20	2,700 \$ 6,955 Adopted May 2015
	Next 5 Years	10,730 +3% CPI
		26,760
	Based on preliminary TYCIP assumptions	Based on updated TYCIP
SRF Loans	Millions	Millions
	FY 2015/16	\$ -
	FY 2016/17	\$ -
	FY 2017/18	\$ 6.65
	FY 2018/19	\$ 31.75
	FY 2019/20	\$ 40.08
	Next 5 Years	\$ 175.98
		\$ 254.46
Primary Uses of Funds		
Capital Project Expenditures	Based on preliminary TYCIP assumptions	Based on updated TYCIP
	Millions	Millions
	FY 2015/16	\$ 20.37
	FY 2016/17	\$ 14.13
	FY 2017/18	\$ 18.11
	FY 2018/19	\$ 56.55
	FY 2019/20	\$ 57.87
	Next 5 Years	\$ 190.89
		\$ 357.92
Debt Service Costs	Early repayment of 2008A applied to RC Fund only	Early repayment allocated to RC, RO, NRW and WC funds
	FY 2015/16	\$ 13.50
	FY 2016/17	\$ 13.65
	FY 2017/18	\$ 40.65
	FY 2018/19	\$ 37.19
	FY 2019/20	\$ 32.92
	Next 5 Years	\$ 113.46
		\$ 251.37
	Transfers of wastewater connection fees not included in early assumptions	Added transfer of new EDU connection fees to other funds per rate study
Inter Fund Transfers In (Out)	Millions	Millions
	FY 2015/16	\$ (2.78)
	FY 2016/17	\$ (0.02)
	FY 2017/18	\$ (1.10)
	FY 2018/19	\$ (0.35)
	FY 2019/20	\$ (0.40)
	Next 5 Years	\$ (0.35)
		\$ (5.00)
	Based on preliminary projections	Reflect FY 14/15 Actual and updated projections
Ending Fund Balance	Millions	Millions
	FY 2014/15 Projected	\$ 53.55
	FY 2015/16	\$ 72.14
	FY 2016/17	\$ 103.16
	FY 2017/18	\$ 102.95
	FY 2018/19	\$ 92.45
	FY 2019/20	\$ 94.82
	FY 2024/25	\$ 203.86
		Actual
		Unaudited
		\$ 55.02
		\$ 76.41
		\$ 74.14
		\$ 56.22
		\$ 36.03
		\$ 37.09
		\$ 134.91

**Inland Empire Utilities Agency
Regional Wastewater Program Summary**

Changes In Key Assumptions Since February 2015

RO	Feb-15	Oct-16
Primary Funding Sources (no significant changes in primary funding sources)		
	Based on preliminary projections	Reflect FY 14/15 Actual and updated projections
	Millions	Millions
Total Funding Sources		
	FY 2014/15 Projected	Actual
	FY 2015/16	Unaudited
		Added grants for Chino Basin
	FY 2016/17	GWR Supply & Raw Water
	FY 2017/18	Pipeline project
		Additional SRF loan proceeds for the Water Quality Lab construction project
	FY 2018/19	
	FY 2019/20	
	Next 5 Years	
	\$ 811.33	\$ 837.72
Primary Uses of Funds		
	Based on preliminary projections	Reflect FY 14/15 Actual and updated projections
	Millions	Millions
O&M Costs		
	FY 2014/15 Projected	Actual
	FY 2015/16	Unaudited
	FY 2016/17	Added Chino Basin GWR
		Supply & Raw Water Pipeline project
	FY 2017/18	
		Higher labor costs due to lower vacancy factor and funding of long term retirement obligations
	FY 2018/19	
	FY 2019/20	
	Next 5 Years	
	\$ 596.99	\$ 668.52
	Based on preliminary projections	Reflect FY 14/15 Actual and updated projections
	Millions	Millions
Ending Fund Balance		
	FY 2014/15 Projected	Actual
	FY 2015/16	Unaudited
	FY 2016/17	
	FY 2017/18	
	FY 2018/19	
	FY 2019/20	
		Funding of sinking fund to support future RP-1 Rehab & future decommissioning of RP-2
	FY 2024/25	
	\$ 102.10	\$ 120.59

**Inland Empire Utilities Agency
Regional Wastewater Program Summary
October 2016**

RC FUND major components

FY 2016/17 Budget Amendment adopted in May 2016

In millions	ACTUAL										UNAPPORTED		ADOPTED		AMENDED		20 year Total 10/17 to 10/26									
	2009/2010	2010/2011	2011/2012	2012/13	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26									
Funding sources																										
Connections fees	7.75	5.40	7.69	14.61	9.79	15.67	24.91	26.16	17.34	16.93	13.87	18.78	20.66	20.34	19.31	19.90	9.43	5.83	170.20							
Property tax	22.85	23.88	21.12	21.57	24.76	26.41	27.66	27.55	29.06	29.91	30.83	31.44	32.07	32.71	33.37	34.04	34.72	35.41	313.54							
SRF fees	2.74	13.48	5.46	1.51	0.60	0.00	0.00	0.00	2.49	4.48	35.52	52.53	54.48	46.72	20.29	2.60	9.35	19.23	253.68							
Grants	0.06	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.20	1.00	2.00	2.00	1.00	0.00	1.00	1.00	30.00							
All other	0.89	4.30	1.07	5.54	0.16	0.11	0.34	0.34	0.14	0.35	0.18	0.22	0.19	0.43	0.21	0.45	0.51	1.16	10.90							
TOTAL FUNDING SOURCES	40.29	45.54	36.41	53.26	34.71	45.64	52.71	54.27	49.32	54.91	80.44	104.97	106.58	100.98	65.31	62.97	60.85	63.98	778.80							
USES OF FUNDS																										
Administration	5.34	4.48	4.48	6.14	6.51	5.00	4.68	5.62	6.31	5.14	5.68	5.57	5.91	5.92	6.41	6.63	6.70	6.88	61.37							
Capital projects	0.42	0.96	0.41	0.46	0.21	0.28	0.24	0.25	0.24	0.25	0.26	0.26	0.27	0.29	0.30	0.30	0.31	0.32	2.84							
Debt service	18.53	21.85	12.15	6.55	6.43	5.83	7.31	16.10	22.85	25.48	65.54	67.55	62.32	26.90	15.17	13.32	13.32	13.32	265.55							
Total service	26.42	32.67	32.90	13.03	14.53	10.98	12.75	13.65	13.50	32.30	20.77	17.31	21.49	28.64	4.52	14.06	14.06	14.06	209.93							
Total USES OF FUNDS	14.82	30.67	29.86	20.97	27.89	20.55	24.69	36.25	48.02	69.37	100.71	105.78	106.77	69.69	58.88	37.39	48.54	66.35	663.59							
Transfers In (out)	-1.66	8.41	-2.53	-5.03	-3.47	-1.37	-4.34	-3.55	-8.48	-3.66	-7.57	-3.20	-4.30	-3.82	-4.29	-2.31	-2.34	-2.41	-47.94							
Net Activity	-20.29	9.38	3.92	20.36	3.25	-10.28	21.39	13.46	-2.29	-17.92	-28.38	1.06	-4.80	16.97	48.00	23.89	21.15	11.69	80.51							
Beginning balance	49.89	28.60	57.98	41.90	62.05	66.30	55.62	63.32	76.41	74.14	56.22	16.08	37.09	96.49	46.86	69.86	113.78	134.81	134.81	76.41						
Ending balance	28.60	37.98	65.90	62.05	66.30	55.62	76.41	63.32	74.14	66.22	36.69	17.09	36.49	46.86	68.86	113.78	144.91	146.34	146.34							

NO FUND major components
in millions

FUND major corporate income in millions		FY 2016/17 Budget Amendment adopted in May 2016																	10 year Total 16/17 to 25/26	
		ACTUAL						UNAUDITED	ADOPTED	AMENDED	4-3-17									
		2006/2016	2010/2011	2011/2012	2012/13	2013/2014	2014/2015	2015/2016	2016/2017	2017/2017	2018/2017	2019/18	2019/18	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Funding sources																				
User Charges		33.34	35.01	35.57	39.57	42.87	46.96	49.96	55.02	56.11	60.69	64.80	68.11	67.65	69.38	70.92	72.47	74.02	75.40	678.25
Property Tax		6.94	6.68	7.28	10.41	8.63	8.14	8.37	8.33	8.55	8.98	9.55	9.55	9.55	9.55	9.55	9.55	9.55	9.55	95.49
Cost reimbursement IPA		2.57	2.50	2.61	3.25	3.05	3.42	3.40	3.53	3.51	3.71	3.81	3.92	4.01	4.11	4.23	4.35	4.49	4.61	40.76
SFP LEAM		0.00	0.00	0.00	0.00	0.00	0.00	1.48	7.66	7.66	7.36	6.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.45
Grants		0.09	0.02	0.05	0.04	0.03	0.33	0.44	3.53	3.51	3.00	0.00	0.00	0.90	0.96	0.00	0.00	0.00	0.00	8.38
All other		2.14	0.49	1.23	1.24	0.94	1.08	1.34	1.15	1.03	1.17	1.51	1.52	1.74	1.91	2.24	2.56	3.26	3.36	20.11
TOTAL FUNDING SOURCES		45.08	46.52	46.73	54.52	55.89	60.94	66.19	80.30	81.67	85.49	89.91	91.31	94.05	95.92	96.94	98.95	91.32	92.92	864.44
USES OF FUNDS																				
O&M																				
Employment		24.23	23.23	23.67	23.61	23.04	24.34	25.64	29.35	29.55	31.11	31.75	32.75	33.53	34.69	35.70	36.74	37.85	38.87	341.03
Utilities		4.33	4.55	4.90	6.10	6.56	6.40	5.83	7.69	7.69	7.91	8.15	8.39	8.65	8.90	9.17	9.45	9.73	10.02	84.06
Chemicals		3.76	3.76	3.31	3.59	4.13	4.09	3.89	4.35	4.50	4.65	4.79	4.91	5.08	5.23	5.39	5.55	5.72	5.89	50.74
Biosolids Recycling		1.59	2.61	3.92	3.32	3.53	3.75	3.76	4.38	4.35	4.48	4.63	4.76	4.93	5.02	5.16	5.31	5.46	5.62	49.88
Professional fees		2.02	1.58	1.60	1.87	2.13	2.88	1.97	2.71	2.81	2.85	2.92	3.00	3.09	3.17	3.25	3.34	3.45	3.55	34.69
Materials and Supplies		1.74	1.84	1.67	1.69	1.65	1.62	1.63	2.02	2.05	2.08	2.15	2.21	2.28	2.34	2.42	2.49	2.56	2.64	23.88
Exp allocation		0.65	0.90	0.87	0.86	0.74	0.74	0.95	4.86	5.15	5.89	5.62	4.18	3.88	4.20	3.96	4.19	4.06	4.20	41.33
Other		1.63	2.19	2.24	0.73	3.29	2.89	5.43	6.85	9.96	14.71	9.04	6.31	4.65	4.48	5.31	5.83	7.49	5.43	67.79
TOTAL O&M		42.84	41.49	42.59	41.77	40.62	46.85	49.40	62.02	66.05	71.50	69.04	64.55	66.05	68.89	70.37	72.92	76.48	76.19	699.71
Capital projects		1.46	2.82	3.88	6.09	5.13	9.84	7.81	11.79	29.36	22.28	18.08	4.19	8.07	7.87	6.90	6.90	7.48	7.48	194.00
Debt Service		0.18	0.86	0.01	0.22	0.11	0.15	0.16	0.22	3.41	1.14	1.08	1.85	2.04	1.83	0.97	0.97	0.97	0.97	11.14
TOTAL USES OF FUNDS		44.54	45.16	46.48	48.08	45.86	56.80	57.38	74.03	88.74	95.69	88.12	78.79	78.15	77.72	78.24	80.79	84.28	84.56	888.70
Transfers In (out)		0.00	0.00	0.00	-0.49	-1.30	1.27	6.98	2.57	5.14	5.73	4.72	0.48	1.99	2.88	2.68	0.13	0.13	0.32	11.11
Net Income (Loss)		0.54	0.75	0.88	0.00	-0.67	5.91	15.80	6.74	-1.94	-3.89	18.51	13.00	8.85	16.25	13.34	0.27	7.26	8.88	75.88
Beginning balance																				
Ending balance		77.57	77.83	74.93	75.79	75.87	80.10	82.23	71.72	78.08	74.68	74.25	74.79	74.75	75.70	76.73	77.78	78.81	79.83	78.91
Cost of Service (COS)																				
Annual number of billable EDUs		3,025,600	3,075,132	3,153,285	3,178,100	3,194,839	3,257,194	3,215,268	3,202,004	3,281,664	3,289,868	3,298,082	3,306,338	3,314,604	3,322,890	3,331,107	3,339,525	3,347,874	3,356,244	
Total O&M per EDU		\$ 14.18	\$ 13.50	\$ 13.38	\$ 13.14	\$ 13.06	\$ 14.37	\$ 15.36	\$ 19.37	\$ 20.23	\$ 21.79	\$ 19.11	\$ 19.52	\$ 19.95	\$ 20.48	\$ 21.12	\$ 21.84	\$ 22.81	\$ 22.70	
CIP		\$ 0.53	\$ 0.69	\$ 1.19	\$ 1.91	\$ 2.67	\$ 2.91	\$ 3.43	\$ 8.68	\$ 5.68	\$ 6.77	\$ 4.88	\$ 3.33	\$ 2.43	\$ 2.87	\$ 2.07	\$ 2.06	\$ 2.06	\$ 2.20	
Total COS per EDU		\$ 14.72	\$ 14.19	\$ 14.54	\$ 15.13	\$ 15.73	\$ 17.29	\$ 17.79	\$ 23.95	\$ 25.90	\$ 28.56	\$ 23.99	\$ 22.85	\$ 22.36	\$ 23.35	\$ 23.19	\$ 23.90	\$ 24.88	\$ 24.91	
EDU Rates																				
COS excess/ (shortfall)		\$ (3.97)	\$ (3.09)	\$ (3.40)	\$ (2.74)	\$ (1.94)	\$ (2.90)	\$ (1.90)	\$ (5.81)	\$ (8.68)	\$ (10.17)	\$ (4.40)	\$ (0.85)	\$ (1.08)	\$ (0.04)	\$ (1.09)	\$ (2.28)	\$ (2.84)	\$ (2.43)	
Cumulative 4 Yr COS Shortfall													\$	\$ (24.27)						
Projected COS FY 2016/17 - FY 2019/20																				
Total O&M per EDU (1)									\$19.18	\$18.59	\$18.16	\$18.90								
CIP (2)									1.38	0.54	0.84	2.12								
Total COS per EDU									\$20.57	\$19.13	\$19.10	\$21.02								
EDU Rates																				
COS excess/ (shortfall)									\$17.14	\$18.39	\$18.59	\$20.00								
Cumulative 4 Yr COS Shortfall									\$ (3.43)	\$ (0.74)	\$ 0.49	\$ 1.02								

Notes: (1) The cost in calculating the O&M/EDU rate component is offset by ISCA cost reimbursements, local and state grants for O&M project, e.g. Chino Basin Groundwater Supply and Cleaning project

(2) To offset the projected FY 2018/19 to 2019/20 CIP totals at \$62M, the CIP EDU rate component applies a smoothing average of total 4 yr projected CIP at \$54M, funding from state loans and grants, and support from wastewater connection fees