

NOTICE
OF RP- 1 FACILITY
TOUR
(OPTIONAL)
October 5, 2017 - 3:00 p.m.
2662 E. Walnut
Ontario, CA 91761
and
REGULAR MEETING

OF THE
REGIONAL SEWERAGE PROGRAM
POLICY COMMITTEE

OF THE



WILL BE HELD ON
THURSDAY, OCTOBER 5, 2017
4:00 p.m.
2662 E. Walnut Street
Ontario, CA 91761



Regional Sewerage Program Policy Committee Meeting

AGENDA **Thursday, October 5, 2017** **4:00 p.m.**

Location

Inland Empire Utilities Agency
Regional Plant No. 1
2662 E. Walnut
Ontario, CA 91761

Call to Order

Pledge of Allegiance

Public Comment

Changes/Additions/Deletions to the Agenda

1. Technical Committee Report *(Oral)*

2. Action Item

- A. Approval of the September 7, 2017 Meeting Minutes
- B. RP-1 Headworks Primary & Secondary Upgrades Construction Contract Award

3. Informational Items

- A. Regional Contract Update/Renewal *(Oral)*
- B. Grants Department Semi-Annual Update

4. Receive and File

- A. Building Activity Update
- B. Recycled Water Distribution – Operations Summary
- C. Fourth Quarter FY2016/17 Budget Variance


5. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – November 2, 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 and at RP-1, 2662 E. Walnut Street, Ontario, CA on Monday, October 2, 2017.

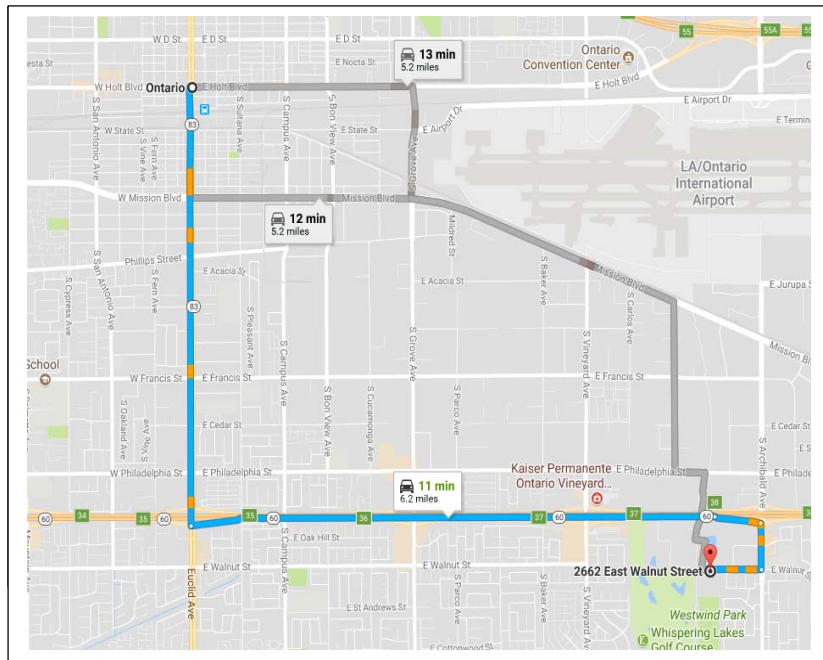


Laura Mantilla

Directions to RP-1
2662 E. Walnut Street
Ontario, 91761
(Enter through Gate off Walnut)

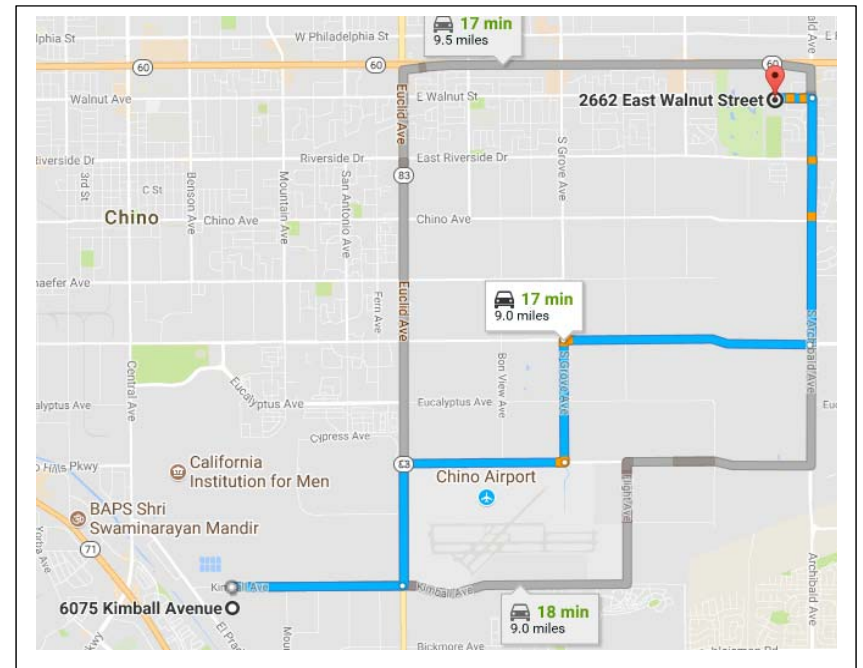
Directions from 60 Freeway East

Take 60 East
 Take exit 38 for Archibald
 Turn right onto S. Archibald
 Turn right onto E. Walnut



Directions from IEUA Office

Head east on Kimball
 Turn left on Euclid Ave.
 Turn right onto Merrill Ave.
 Turn left onto S. Grove Ave.
 Turn right on Edison Ave/Ontario Rancho Rd
 Turn left on Archibald Ave.
 Turn left on Walnut St.



Parking Directions



ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF SEPTEMBER 7, 2017 MEETING

CALL TO ORDER

A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, September 7, 2017, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Chairman Jesse Armendarez, City of Fontana, called the meeting to order at 4:01 p.m.

ATTENDANCE

Committee Members:

Peter Rogers	City of Chino Hills
Kathy Tiegs	Cucamonga Valley Water District
Jesse Armendarez	City of Fontana
Trisha Martinez (alternate)	City of Montclair
Jim Bowman	City of Ontario
Kati Parker	Inland Empire Utilities Agency

Absent Committee Members:

Eunice Ulloa	City of Chino
Debbie Stone	City of Upland

Others Present:

Jesus Plasencia	City of Chino
Katie Gienger	City of Ontario
Braden Yu	Cucamonga Valley Water District
John Bosler	Cucamonga Valley Water District
Christina Valencia	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency

PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENTS

There were no public comments.

1. TECHNICAL COMMITTEE REPORT

Chris Berch provided the Technical Committee Report on behalf of Chuck Hays. Mr. Berch stated that the Technical Committee met on August 31, 2017, and approved the following action items:

- Approved the meeting minutes of July 27, 2017
- Regional Connection Request from the City of Chino
- Unanimously approved the San Sevaine Basin Improvements Construction Contract Award
- Unanimously approved the facilitator contract for the Regional Contract

2. ACTION ITEMS**A. APPROVAL OF THE MINUTES OF JULY 27, 2017 REGIONAL POLICY COMMITTEE MEETING**

Motion: By Peter Rogers/City of Chino Hills and seconded by Trisha Martinez/City of Montclair to approve the minutes of the July 27, 2017 Regional Policy Committee meeting.

Motion carried: Unanimously, with Kathy Tiegs/Cucamonga Valley Water District abstaining.

B. SAN SEVAINE BASIN IMPROVEMENT CONSTRUCTION CONTRACT AWARD

Shaun Stone/IEUA gave a presentation on the San Sevaine Basin Improvement Construction Project, noting that this project is part of the recharge master plan project (RMPU) which is being done in conjunction with the Chino Basin Watermaster (CBWM). The scope of the project is to pump water from a new pump station located in the south end of Basin 5 to the upper basins 1, 2, and 3. The benefits of this project is to increase stormwater and recycled water capture. The project when completed will bring up to 642 acre-feet of new stormwater and up to 4,100 acre-feet of recycled water.

Seven bids were received on July 13, 2017. Gwinco Construction & Engineering was the lowest responsive responsible bidder with a bid of approximately \$3.8 million. The total project cost is \$5.4 million. If approved, the remaining budget of \$856,992 is allocated to an additional component for regulatory required monitoring wells for the recycled water recharge. If the construction contract is awarded this month, the project will be completed in September 2018. Mr. Stone requested that the Committee recommend to the IEUA Board to award the construction contract to Gwinco Construction & Engineering Inc. Mr. Berch added that this is a 50 percent cost shared project between IEUA and CBWM. He continued to state that IEUA expects to receive about \$3.3 million in grants for this project.

Motion: By Kathy Tiegs/Cucamonga Valley Water District and seconded by Trisha Martinez/City of Montclair to make recommendation to the IEUA Board of Directors to award the construction contract award to Gwinco Construction & Engineering, Inc., in the amount of \$3,873,029.

Motion carried: Unanimously.

3. INFORMATIONAL ITEMS

A. REGIONAL CONTRACT UPDATE/RENEWAL

Chris Berch/IEUA stated that the Regional Technical Committee reached a unanimous decision to move forward with the facilitator for the Regional Contract negotiations. The team is made up of three key consultants: Michael Rudinica, who worked for Michael Baker Company and has done a lot of work for the City of Chino Hills; Dennis Diemer, who worked for East Bay Utilities District, and Michael Harty from Kerns & West. The facilitators are developing a draft schedule and expect to have a couple of meetings with the Technical Committee. The facilitator group will introduce themselves to the Policy Committee and outline the expectations in the next month or so.

B. LONG RANGE PLAN OF FINANCE (LRPF)

Christina Valencia/IEUA provided an overview of the Long Range Plan of Finance (LRPF). The LRPF enables the Agency to effectively plan for future challenges and opportunities to help the Board identify fiscal impact long term. By using different assumptions and focusing on major drivers for revenues and expenses, the Agency can determine what financial resources will be needed to make policy objectives and move forward with meeting the commitment the Agency has for its level of service. The basis of the LRPF is the biennial budget and the Ten-Year Capital Improvement Plan (TYCIP). Ms. Valencia explained that the plan was extended beyond the TYCIP to a 20-year scope to include the RP-1 Rehabilitation project which extends beyond the 10-year period of the TYCIP. Ms. Valencia stated that the policy assumptions included the multi-year rates to meet cost of service; connection fees to support growth pays for growth and continued commitment to sustainable cost containment.

(Jim Bowman entered the meeting room at 4:16 p.m.)

Ms. Valencia indicated that approximately \$377 million new debt is expected to be needed over the next 20 years to support the RP-5 Expansion and RP-1 Rehabilitation projects. Ms. Valencia stated that IEUA has State Revolving Fund (SRF) loan applications in place; however, new debt is assumed to be bonds at an interest rate of 5 percent. Assuming expenditures occur as planned and no other funding sources are secured, such as grants, the total fund balance is projected to drop below minimum targets for a few years. Ms. Valencia then reviewed worst case scenarios due to: economic cycles, hydrologic cycles, legal issues, and succession planning.

4. RECEIVE AND FILE

A. BUILDING ACTIVITY UPDATE

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

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

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

5. OTHER BUSINESS**A. IEUA GENERAL MANAGER'S UPDATE**

Mr. Berch provided an update on behalf of Mr. Grindstaff

- Mr. Berch reported that the Agency received notification from the state on grant funds for the San Sevaine Basin project and the Napa lateral project, which brings recycled water to California Steel and California Speedway, totaling about \$12 million worth of projects. IEUA was able to secure about \$6 million in grants and low interest loans to cover the remaining \$6 million.
- Sylvie Lee and her team took the lead in putting together a Prop 1 grant application for \$480 million for groundwater storage projects. Some of the aspects to groundwater storage are: groundwater quality cleanup, groundwater injections programs, pumping systems, interties, and advanced treatment on the recycled water. The agency will find out in the next couple of months if the application was accepted.
- Mr. Berch stated that Roger Patterson from Metropolitan Water District (MWD) presented at IEUA's Leadership Breakfast on the California WaterFix. The Committee was provided with the three white papers from MWD and then viewed a video on California WaterFix. Mr. Berch stated that MWD is responsible for 26 percent of the California state water project and the federal system. California WaterFix will potentially cost about \$17 billion, about \$4 billion of that falls under MWD. Based on some of the estimates at 4 percent interest rate results in about a 13 percent increase on the water that the Agency receives from MWD over a 15-year period. The impact to the average resident at 4 percent interest rate would be about \$2.00 per month per household. This is a huge topic that MWD Board will be taking action on whether they want to move forward with their portion. Mr. Berch stated that if any of the cities are interested in having someone from IEUA or MWD speak at their council or board meetings, to let Kathy Besser know.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

None.

C. COMMITTEE MEMBER COMMENTS

None.

D. NEXT MEETING – OCTOBER 5, 2017 AT RP-1 IN ONTARIO

The next meeting will be held at RP-1, 2662 E. Walnut Street, Ontario. An optional tour will be offered prior to the meeting to give the Committee an overview of the facility and the capital program of projects happening in the next year.

6. ADJOURNMENT – Meeting was adjourned at 4:41 p.m.

Transcribed by:


Laura Mantilla, Executive Assistant

ACTION ITEM

2B

Date: September 28, 2017/October 5, 2017

To: Regional Committees

From: Inland Empire Utilities Agency 

Subject: RP-1 Headworks Upgrades Construction Contract Award

RECOMMENDATION

It is requested that the Regional Committees recommend to the IEUA Board of Directors to award the construction contract for the RP-1 Headworks, Primary, and Secondary, Project No. EN14019, in the amount of \$5,690,000 to Myers & Sons Construction LP.

BACKGROUND

In 2009 and 2015, IEUA retained consultants to assess the condition of the Regional Water Recycling Plant No.1's (RP-1) headworks grit removal process and encompassing concrete conveyance structures. Based on the condition assessment reports, numerous deficiencies were identified, which included inoperable and leaking gates, air distribution pipeline corrosion and failure, and substantial corrosion of the concrete structures. These deficiencies have led to poor process performance, additional maintenance, reduction of process reliability, and safety concerns of the structural integrity of the covers. Due to the severity of the headworks condition, a project was created to rehabilitate the headworks area to improve the reliability, performance, and safety of the grit removal system and the concrete structures. On January 16, 2016, IEUA retained RMC Water and Environment for engineering and design services for the Headworks, Primary, and Secondary Upgrades Project. A project to completely rehabilitate the headworks system is planned for 2030.

On January 24, 2017, IEUA pre-qualified six general contractors to bid on the project. On July 25, 2017, a request for bids was advertised to the six pre-qualified contractors through PlanetBids. On September 7, 2017, the following four bids were received:

Bidder's Name	Total Price
Myers & Sons Construction LP	\$ 5,690,000
PCL Construction, Inc.	\$ 6,136,731
SCW Contracting Corporation	\$ 6,578,289
J.F. Shea Construction, Inc.	\$ 8,719,950
Engineer's Estimate	\$ 6,175,000

Myers & Sons Construction LP was the lowest responsive bidder with a bid price of \$5,690,000. Myers & Sons was pre-qualified by IEUA by presenting the required experience on performing similar projects with other utilities and cities, and showing good workmanship and responsiveness. Myers and Sons' bid forms met the submittal requirements.

The following table is the anticipated project cost:

Description	Estimated Cost
Design Services	\$1,054,261
Design Contract (actual cost)	\$824,445
IEUA Design Services (actual cost)	\$229,816
Construction Services	\$795,058
Design Consultant Construction Services	\$510,558
IEUA Construction Services (5%)	\$284,500
Construction	\$6,259,000
Construction Contract (this action)	\$5,690,000
Contingency (~10%)	\$569,000
Total Project Cost:	\$8,108,319
Total Project Budget:	\$10,440,000
Remaining Budget:	\$2,331,681

The following is the project schedule:

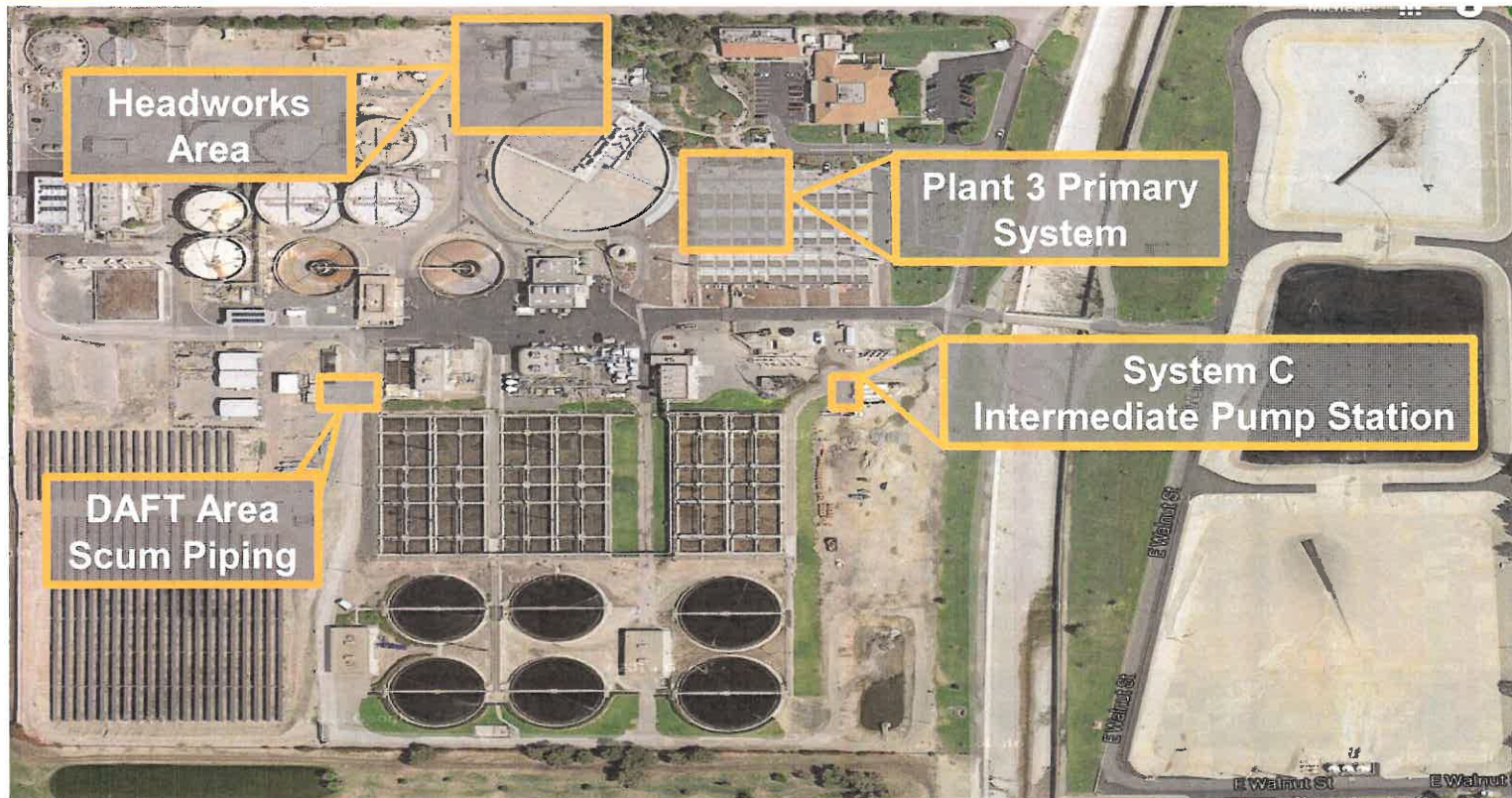
Project Milestone	Date
• Construction Contract Award	October 2017
• Construction Completion	January 2019

The RP-1 Headworks, Primary, and Secondary Upgrades Project is consistent with the Agency's Business Goal of Wastewater Management that systems will be master planned, managed, and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost-effective manner.

RP-1 Headworks Upgrades Construction Contract Award Project No. EN14019



Project Location



Project Background

- Headworks Screen and Grit Removal System
 - Condition assessments in 2009 and 2015
 - Structural concrete degradation
 - Safety concerns
 - Process performance and reliability
 - Leaking and inoperable gates
- Plant 3 Primaries and Scum System
 - Scum pump undersized and without redundancy
 - Obsolete control and electrical panels
- Secondary System C Intermediate Pump Station
 - Flow meter lacks bypass piping



2015 Headworks Bypass



Existing Scum System

Project Scope

- Headworks
 - Structural concrete rehabilitation
 - Grit removal system rehabilitation
 - Isolation gate replacement
- Plant 3 Primaries and Scum System
 - Scum pump station upgrades
 - Control and electrical panels upgrades
 - Concrete rehabilitation
- Secondary System C Intermediate Pump Station
 - System C flow meter piping upgrades



Obsolete Electrical Components



Corroded Concrete Deck

Contractor Selection

Four bids were received on September 7, 2017:

Proposals Received

Bidder's Name	Total
Myers & Sons Construction LP	\$ 5,690,000
PCL Construction, Inc.	\$ 6,136,731
SCW Contracting Corporation	\$ 6,578,289
J.F. Shea Construction, Inc.	\$ 8,719,950
Engineer's Estimate	\$ 6,175,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services	\$1,054,261	Construction Contract Award	October 2017
Design Contract (actual cost)	\$824,445	Construction Completion	January 2019
IEUA Design Services (actual cost)	\$229,816		
Construction Services	\$795,058		
Design Consultant Construction Services	\$510,558		
IEUA Construction Services (5%)	\$284,500		
Construction	\$6,259,000		
Construction Contract (this action)	\$5,690,000		
Contingency (10%)	\$569,000		
Total Project Cost:	\$8,108,319		
Total Project Budget:	\$10,440,000		
Remaining Budget:	\$2,331,681		

Recommendation

It is requested that the Regional Committees recommend to the IEUA Board of Directors to award the construction contract for the RP-1 Headworks, Primary, and Secondary Upgrades, Project No. EN14019.00, in the amount of \$5,690,000 to Myers and Sons Construction LP.

The RP-1 Headworks, Primary and Secondary Upgrades Project is consistent with the **Agency's Business Goal of Wastewater Management** that systems will be master planned, managed, and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.

**INFORMATION
ITEM**

3B

Grants Department Semi-Annual Update



Overview of Grants and Loans

2000 - Present

- \$474 Million State/Federal Grants and Low-Interest Loans
- 98 contracts total with 25 contracts open for \$142 Million

Program	Grants	Loans	Total
Water Recycling	\$69	\$115	\$184
Wastewater Treatment	\$6	\$52	\$58
Groundwater Management	\$69	0	\$69
Safe Drinking Water	\$142	0	\$142
Water Conservation	\$10	0	\$10
Renewable Energy	\$10	0	\$10
Total	\$307	\$167	\$474

Overview of Grants and Loans 2000 - Present

- \$167 Million State Revolving Fund (SRF) Loan
- \$89 Million Interest Cost Savings

In Millions		
Funding Type	Principal	Interest Cost
Bond Market (5%)	\$167	\$119
SRF Loan (0%-2.6%)	\$167	\$30
Savings on Interest		\$89

Recycled Water Funding Program

2000 - Present

Funding Secured

- \$69M Grants for RW Distribution System
- \$113M SRF Loans for RW Distribution System

Recent Awards

- \$3.9M SRF Loan & \$2.5M grant (San Sevaine)
- \$3.5M SRF Loan & \$2.5M grant (Napa Lateral)

Applications

- \$41M IEUA-Ontario RW Distribution System
- \$52M IEUA-JCSD RW Intertie Project
- \$51M IEUA/Pomona/MVWD RW Intertie Project



Groundwater Management Funding Program

Funding Secured

- \$59M Recharge Basin Improvements Grants

Recent Awards

- \$10M Prop 1 Stormwater Grant Award

Applications

- \$15M SRF Loan for the RMPU Projects
- \$480M Prop 1 Grant for Water Storage



Drinking Water Program Funding Program

Funding Secured

- \$124M CDA I/CDA II Construction and Expansion Projects

Recent Awards

- \$5.2M Federal Title XVI Grants CDA II
- \$11.4M Prop 1 TCE Plume Cleanup
- \$1.8M Prop 50 Grant CDA II Expansion

Applications

- N/A



Wastewater Treatment Funding Program

Funding Secured

- \$27M SRF Loan for Dewatering Facility
- \$24.2M SRF Loan for Water Quality Lab

Recent Awards

- \$500,000 Grant for RP-1/RP-5 Facilities

Applications

- \$350M SRF Loan for RP-1/RP-5 Facilities



RECEIVE AND
FILE

4A

Building Activity Report - YTD Fiscal Year 2017/18



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

≤1.0

1.0 - 10.0

>10.0

Commercial

≤1.0

1.0 - 10.0

>10.0

Industrial

≤1.0

1.0 - 10.0

>10.0

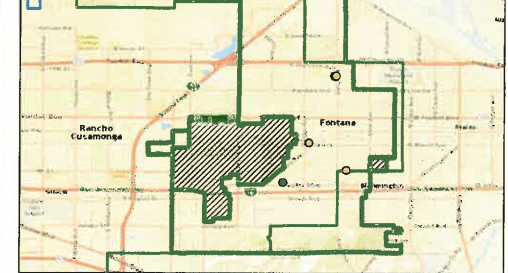
HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	73	3	1	76	725
Chino Hills	17	0	0	17	702
CVWD	1	5	0	6	364
Fontana	12	1	0	13	960
Montclair	6	9	0	6	115
Ontario	12	4	1	22	2350
Upland	0	0	0	4	226
Total	121	22	2	144	5442

Fontana (Jul 2017)



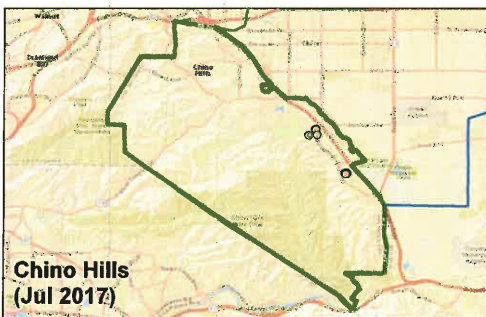
Cucamonga Valley Water District (Jul 2017)



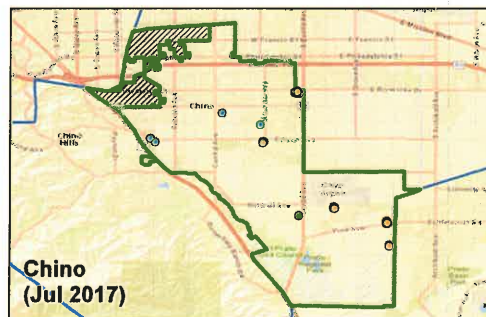
Upland (Jul 2017)



Chino Hills (Jul 2017)



Chino (Jul 2017)



Ontario (Jul 2017)



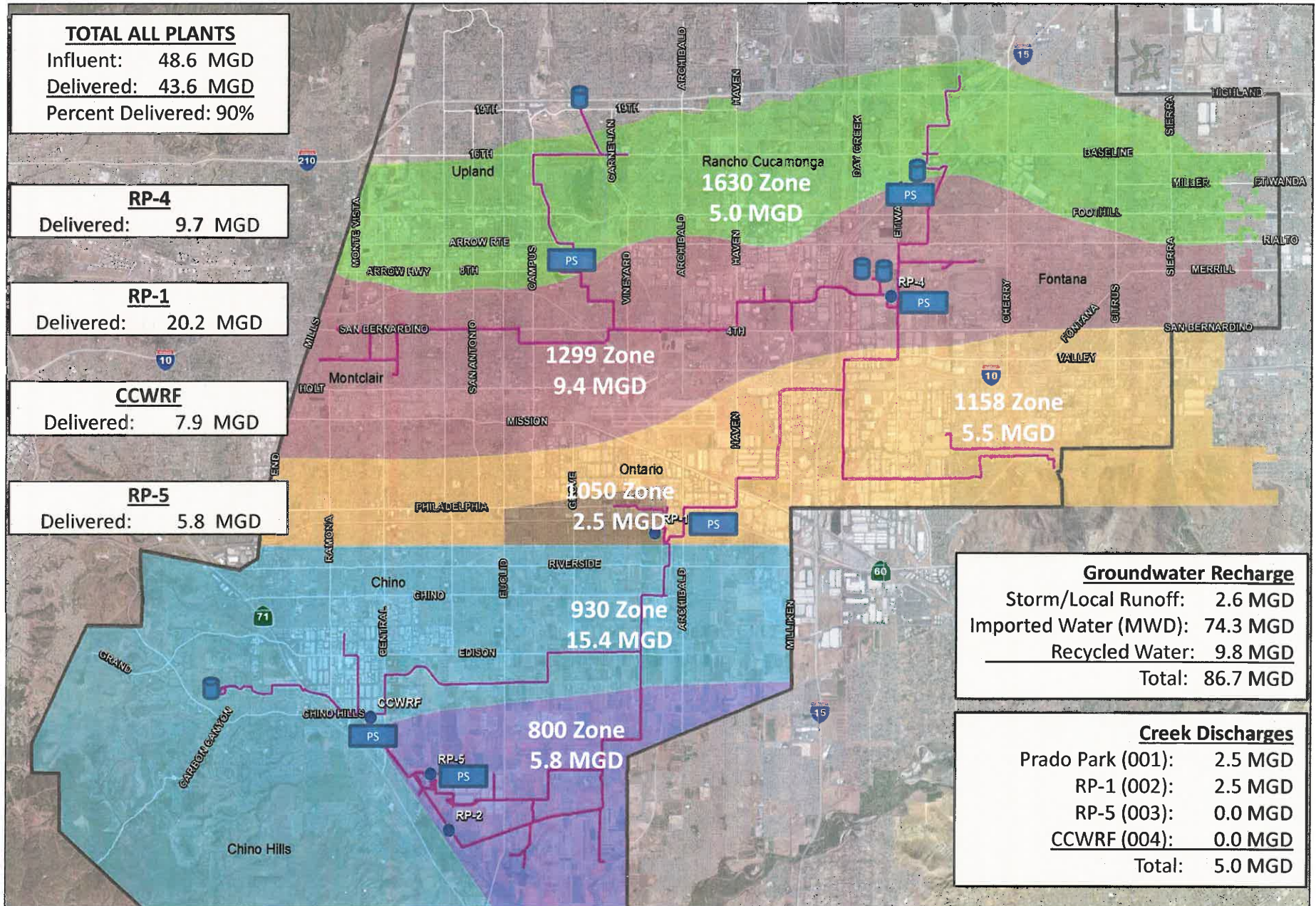
Montclair (Jul 2017)



RECEIVE AND
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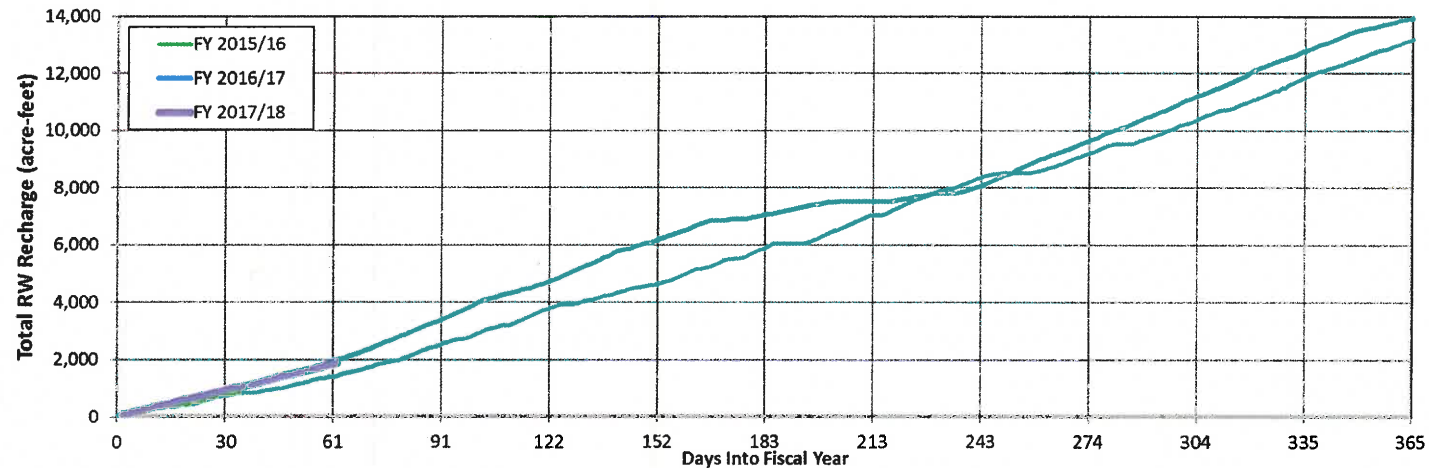
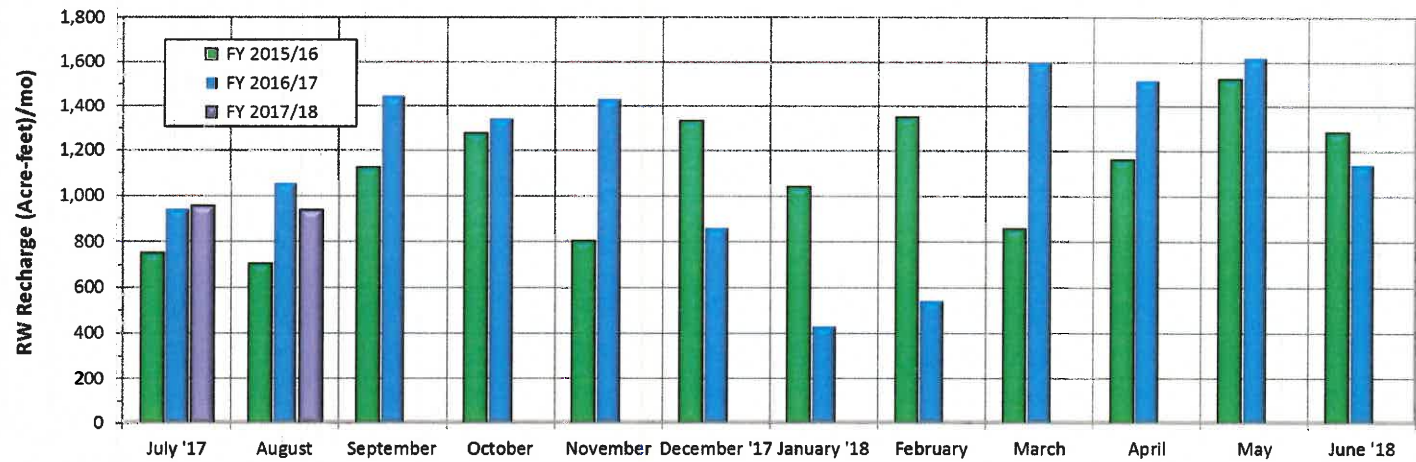
4B

IEUA RECYCLED WATER DISTRIBUTION – AUGUST 2017



Recycled Water Recharge Actuals / Plan - August 2017 (Acre-Feet)

Basin	8/1-8/5	8/6-8/12	8/13-8/19	8/20-8/26	8/27-8/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.	
Ely	0.0	0.0	0.0	6.8	19.8	26.6	61.0		
Banana	11.8	66.4	44.2	7.3	0.0	129.7	130.0		
Hickory	19.9	0.0	0.0	0.0	0.0	19.9	188.0		
Turner 1 & 2	3.7	3.0	1.4	16.3	24.6	49.0	208.0		
Turner 3 & 4	0.0	0.0	1.1	2.1	0.0	3.2	0.0		
8th Street	22.4	41.8	42.2	52.4	36.8	195.6	196.0		
Brooks	1.2	3.2	6.1	24.5	20.1	55.1	283.0		
RP3	23.0	51.7	57.3	36.1	39.4	207.5	433.0		
Declez	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Victoria	44.5	62.2	62.2	60.1	18.6	247.6	388.0		
San Sevaine	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total	126.5	228.3	214.5	205.6	159.3	934.2	1,887.0	2,001.0	AF, Previous FY To Date Actual



RECEIVE AND
FILE

4C



Date: September 28, 2017/October 5, 2017
To: Regional Technical Committee
From: Inland Empire Utilities Agency
Subject: Fourth Quarter Budget Variance Report

RECOMMENDATION

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

BACKGROUND

The item was presented as an informational item at the IEUA Board of Directors meeting on September 20, 2017.

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

Chris Miller for JG
From: P. Joseph Grindstaff, General Manager

09/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: FY 2016/17 Fiscal Year Budget Variance, Performance Goals Updates, and Budget Transfers

Executive Summary:

The Budget Variance report presents the Agency's financial performance through the fiscal year ending June 30, 2017, and various analyses provided in the attachments.

TOTAL REVENUES AND OTHER FUNDING SOURCES - The Agency's total revenues and other funding sources were \$230.0 million, or 101.8% of the amended budget.

TOTAL EXPENSES AND USES OF FUNDS - The Agency's total expenses and uses of funds were \$229.8 million, or 95.2% of the amended budget. Lower administrative and operating expenses and capital expenditures contributed to the reduction, partially offset with the debt refinancing payments of \$50 million for the 2008A bonds.

FUND BALANCES AND RESERVES - The preliminary net result through the end of fiscal year indicated an increase of \$15.8 million over amended budget, resulting in an ending fund balance of \$187.3 million.

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

Staff's Recommendation:

The FY 2016/17 Fiscal Year Budget Variance, Performance Goals Updates, and Budget Transfers is an informational item for the Board of Director's to receive and file.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The net change in total expenses over total revenues in the amount of \$0.2 million resulted in a total estimated fund balance of \$187.3 million, for the fiscal year ended June 30, 2017.

for a major portion of the new connection growth. This category also includes water connection fees implemented in FY 2015/16. A total of \$5.4 million for 5,059 new water (MEU) connections or 186% of the \$2.9 million budget. Water connection fees are a one-time fees paid directly to the Agency for any new or upsized water meter connection to the Agency's regional water distribution system.

- ***Grants & Loans*** – Grant and loan receipts were \$21.2 million, or 75.6% of the amended budget. Included is \$10.5 million of grant receipts pass-through to the Chino Basin Desalter Authority for the South Archibald Trichlorethylene (TCE) Plume Cleanup project and \$8.5 million of State Revolving Fund (SRF) loan for the regional water quality laboratory. Lower SRF loan proceeds can be attributed to the State Water Resource Control Board (SWRCB) to amend lien requirements of existing loans. A resolution to clarify lien and pledge requirement was approved by the SWRCB in October 2016. The Master Amendment No. 1 was approved by the board in July 2017.
- ***Other Revenues*** – Total other revenues were \$1.9 million, or 23% of the \$8.2 million amended budget. Total other revenues include \$0.7 million from lease revenue and energy rebates, and \$1.3 million in project reimbursements such as the Recharge Master Plan Update (RMPU), San Sevaine Basin Improvement, and Groundwater Supervisory Control and Data Acquisition (SCADA) system upgrade projects. The project reimbursement receipts are 18% of the amended budget. Delays for reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds through the fiscal year end were \$229.8 million, or 95.2% of the amended budget.

The amended budget includes \$12.5 million of encumbrances and commitments carried forward from FY 2015/16 comprised of \$1.5 million for O&M expenses, \$6.5 million for special projects (non-capital), and \$4.5 million for capital projects. At the end of fiscal year, a total of \$13.9 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Key expense variance highlights are:

- ***Employment Expenses*** – Employment expenses were \$42.8 million or 100.6% of the amended budget. The slight unfavorable variance reflects higher allocation to O&M labor expense due to lower capital project spending than budgeted. The category also includes \$7.0 million paid toward the agency employee retirement unfunded liabilities. In addition, the Agency currently employs 21 limited term (LT) employees, compared to the adopted staffing plan of 17 LT positions. The cost of these additional LT positions is partially offset by a higher than anticipated vacancy factor of 7.9%, equivalent to 24 full-time equivalent (FTE) positions, compared to budgeted vacancy rate of 2% (6 FTEs). Recruitment of key positions as part of the Agency's succession planning effort will lower the vacancy factor going forward.
- ***Professional Fees & Services*** – Total expenses were \$7.0 million, or 60.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that

were either not needed or deferred, such as flooring repairs at RP-1 and consulting services. As a result, \$1.4 million of the amended budget of contractual services were identified to be carried forward to FY 2017/18.

- **Utilities** – Expenses in this category were \$7.9 million, or 73.5% of budget.
 - Fuel cell was offline since July 2016, generating a positive variance of \$2.0 million.
 - Natural gas usage is mainly used for power generation at the fuel cell facility. Since the fuel cell was offline for most of the fiscal year, natural gas was significantly lower, creating a positive variance of \$1.1 million.
 - Electricity use from the grid was higher than anticipated to compensate for the power that use to be generated by the fuel cell. Electricity from the grid generated a negative variance for \$0.7 million, or 110% of the budget. The higher usage of this power source was more than offset by the savings obtained from the fuel cell and natural gas usage.
- **O&M (Non-capital) Projects** – O&M and reimbursable project costs were \$14.6 million or 43.5% of the amended budget. The favorable variance is mainly due to lower spending for Santa Ana River Conservation & Conjunction Use Program (SARCCUP) and other conservation related projects as well as various planning documents. A total of \$6.9 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.
- **Capital Projects** – Total capital project expenditures through the end of fiscal year were \$30.5 million or 50.3% when compared to the amended budget of \$60.6 million. The amended budget includes encumbrances of \$4.5 million of budget carried forward from FY 2015/16. Lower capital spending was attributed to delays in construction for the San Sevaine Basin Improvements, SCADA enterprise system, and RP-5 related projects. Capital project costs and budget related to the regional wastewater program through the fiscal year were \$36.3 million, or 67.6% of \$53.7 million budget. Recycled water capital projects accounted for \$3.7 million, or 20.4% of \$18.1 million budget. A total of \$5.1 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Table 1 below identifies projects with budget over \$750 thousand which were not expended in the current fiscal year. These projects account for variances of approximately \$26.3 million, or 28.0% of the amended budget. The low spending level was largely driven by changes in project scope and schedule, construction bid results, delays in construction phase due to regulatory issues, and available resources associated with such undertakings.

Table 1 – Listing of project with budget >\$750 thousand

Project #	Description	FY 2016/17 Budget	FY 2016/17 Actuals	Variance	Status
EN19006	RP-5 Solids Handling Facility	3,125,000	32,919	3,092,081	The schedule for the RP-1 and RP-5 Expansion PDR has been extended which leads into the design for the RP-5 Liquid Treatment Expansion, EN19001, and the RP-5 Solids Treatment Facility, EN19006. The beginning of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility began in June 2017.
RW15003	Recharge Master Plan	3,100,000	694,046	2,405,954	The project scope was decreased after the completion of the PDR. As a result, the projected design cost is reduced to \$2.5M.
EN13001	San Sevaine Basin Improvement	3,085,000	223,571	2,861,429	Final design and construction phase delayed due to an extended permitting phase for regulatory permits.
PA17006	Agency-Wide Aeration	2,339,000	1,086,416	1,252,584	RP-4 aeration basin project is at 50% completion, additional invoicing anticipated. Funds were carry forward to FY 2017/18 to be utilized on RP-1 MLR Project and RP-5 Aeration Basin Project.
EN16028	RP-5 Expansion PDR	2,111,086	1,353,454	757,632	Additional level of effort was required to complete RP-1 Rehab PDR. The project is under budget due to lower internal labor required for the project and contingency that was not required. Parsons total contract remains at \$2.5M.
WR16024	SARCCUP	1,854,492	295,407	1,559,085	Project is delayed, activities are ongoing.
EN13016	SCADA Enterprise System	1,504,652	856,082	648,570	Initiation of Phase II of the SCADA Enterprise project was delayed when the delivery method was re-evaluated for the remaining facilities to take advantage of potential grant funds and accelerate the overall project timeline. As a result of the delay, the FY1617 spending will be lower than anticipated.
EN16065	RW Connections to JCSD	1,500,000	-	1,500,000	Awaiting notification from Proposition 1 loan grant to decide on the next step.
EN11031	RP-5 Flow Equalization	1,465,000	865,421	599,579	The project had design changes and additional plant bypass requirements which delayed the project and as a result we were not able to spend as much of the budget as anticipated.
EN14019	RP-1 Headworks Gate	1,440,000	719,143	720,857	The consultant is eight months behind schedule. Staff is working with the consultant to bring the schedule back on track.
EN16071	San Bernardino Avenu	1,425,000	1,402,986	22,014	The project is in close-out.
EN17034	Agencywide Lighting	1,385,000	1,071,627	313,373	LED lights installed did not match existing lights, as a result work at HQ was suspended until a suitable light fixture was found. Subsequently, all the funds were not expended during FY 2016/17 will be used in FY 2017/18.
PL17002	HQ Solar Photovolt	1,300,000	-	1,300,000	Project currently on hold
EN19001	RP-5 Expansion to 30 mgd	1,250,000	48,424	1,201,576	The schedule for the RP-1 and RP-5 Expansion PDR has been extended which leads into the design for the RP-5 Liquid Treatment Expansion, EN19001, and the RP-5 Solids Treatment Facility, EN19006. The beginning of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility began in June 2017.
RW15004	Lower Day Basin RMPU	1,155,000	66,654	1,088,346	The project had an extended Pre-Design phase to address Flood Control concerns. A flow study was conducted which revealed additional design and construction efforts are needed to meet the Flood Control District requirements. The total project is \$4M
EN15055	1630 W. Recycled Wat	1,150,000	772,096	377,904	The contractor's amount was considerably lower than the engineer's estimate, project had a very low change order percentage and was completed for less than total project budget.
WR15009	CII Rebate Incentives	1,129,389	64,848	1,064,541	The \$1 million in turf projects are in the process of being completed. The other funds are for pending applications from FY 15/16 were rolled over and applied to FY 16/17 budget. These have been allocated for rebate applications and awaiting MWD rebates in the amount of 1.12M
EN14018	RP-4 Procees Improvements	1,000,000	761,546	238,454	Bids came in high, tenant improvements were removed and the project was re-advertised. This delayed the project and projections were stretched out accordingly. The total budget is still needed in FY 2017-2018.
EN16060	RW Connections to Pomona	1,000,000	14,331	985,669	Phase 2 of the Feasibility Study will begin in August 2017, and expenditures will commence in September/October 2017.
EN17055	RC Planning Documents	1,000,000	-	1,000,000	Budget to be used on as-needed basis.
EN16035	WC Planning Documents	978,074	25,989	952,086	These projects are on-going: SAR Integration Model; Basin Plan; Title XVI Feasibility; GEI Prop 1; and AWI Injection Study
EN16039	WRCWRA Intertie Pipeline	954,499	-	954,499	Project delayed, pending grant application
EN17065	Microturbine Design-Build	850,000	55,002	794,998	The CPUC released updated SGIP requirements that limited the amount of funding that self-generating projects could receive if they also planned to export a portion of the power back to the grid. The contract was terminated with the contractor and the project was cancelled.
EN17052	RP-1 and RP-4 Safety	760,000	192,223	567,777	Changes requested during design delayed completion of final calculations needed for permitting.
		36,861,191	10,602,184	26,259,008	

- Debt Service** – Total principal, interest, and financial expenses were \$71.7 million or 326.8% of the amended budget. Included in actual costs is the Board authorized cash pay down of \$50 million for the 2008A Revenue bond and refinancing not included in the budget. Also included is \$13.0 million of other principal payments for various State Revolving Fund (SRF) loans and bonds, and \$8.7 million in interest and other financial administration fees.

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

FUND BALANCES AND RESERVES

The net increase of \$0.2 million in total fund balance, resulted in an unaudited ending fund balance of \$187.3 million. The slight increase is due to a combination of higher connection fees, lower O&M and capital expenditures, partially offset by debt repayment of \$50 million for the 2008A bonds.

Table 2 provides an overview of the fiscal year budget variance in revenue, expense, and fund balance.

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

Operating	FY 2016/17 Amended Budget	Fiscal Year Ended 6/30/17	Actual % of Amended Budget
Operating Revenue	\$126.9	\$127.9	100.8%
Operating Expense	\$158.5	\$127.3	80.3%
Operating Net Increase/(Decrease)	(\$31.6)	\$0.6	
Non- Operating			
Non-Operating Revenue	\$99.0	\$102.1	103.2%
Non-Operating Expense	\$82.9	\$102.5	123.7%
Non-Operating Net Increase/(Decrease)	\$16.1	(\$0.4)	
Total Sources of Funds	\$225.9	\$230.0	101.8%
Total Uses of Funds	\$241.4	\$229.8	95.2%
Total Net Increase/(Decrease)	(\$15.5)	\$0.2	
Beginning Fund Balance	\$187.1	\$187.1	
Ending Fund Balance	\$171.6	\$187.3	

GOALS AND OBJECTIVES

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

BUDGET TRANSFERS AND AMENDMENTS

O&M budget transfers for this quarter accounted for \$3.0 million as detailed in Exhibit C-1.

General Manager (GM) Contingency Account adopted budget of \$700,000 included \$400,000 in the Regional Wastewater Operations & Maintenance Fund and \$300,000 in the Administrative Services Fund. At the end of the fiscal year, \$220,000 from Regional Wastewater Operations & Maintenance fund and \$183,100 from the Administrative Services fund was utilized to support the unexpected but necessary expenses as listed in Exhibit C-2.

Capital and O&M projects annual and total project budget transfers accounted for approximately \$584,000 and the Board approved net increase to appropriated budget in the fiscal year was \$201,500 as listed in Exhibit D.

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

IMPACT ON BUDGET

The net change in total expenses over total revenues in the amount of \$0.2 million resulted in a total estimated fund balance of \$187.3 million for the fiscal year ended June 30, 2017.

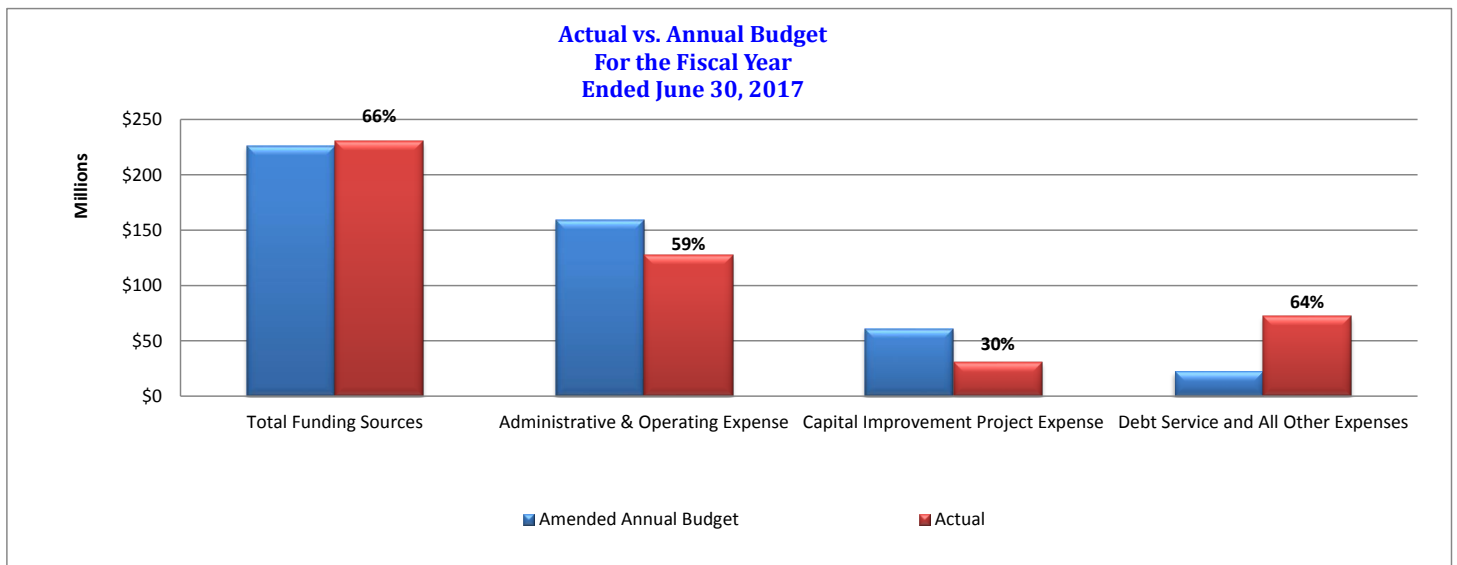


I. Actual vs. Budget Summary:

Fiscal Year Ended June 30, 2017

% of the Year
Elapsed: 100%

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$126,854,961	\$126,851,978	\$127,863,540	\$1,011,562	100.8%
Non-Operating (Other Sources of Fund)	98,976,777	98,976,778	102,137,933	3,161,155	103.2%
TOTAL FUNDING SOURCES	225,831,738	225,828,756	230,001,473	4,172,717	101.8%
Administrative & Operating Expense	(146,702,633)	(158,559,438)	(127,317,018)	31,242,420	80.3%
Capital Improvement Project Expense	(60,387,558)	(60,584,393)	(30,483,059)	30,101,334	50.3%
Debt Service and All Other Expenses	(23,653,357)	(22,269,738)	(71,998,175)	(49,728,437)	323.3%
TOTAL USES OF FUNDS	(230,743,548)	(241,413,569)	(229,798,252)	11,615,317	95.2%
Surplus/(Deficit)	(\$4,911,810)	(\$15,584,813)	\$203,221	\$15,788,034	



2. Actual Revenue vs. Budget:

Fiscal Year Ended June 30, 2017

% of the Year
Elapsed: 100%

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$71,875,415	\$71,872,436	\$73,210,227	\$1,337,791	101.9%
Recycled Water Sales	15,735,000	15,734,996	13,648,849	(2,086,147)	86.7%
MWD Water Sales	28,670,598	28,670,598	29,896,949	1,226,351	104.3%
MWD LPP Rebate	2,079,000	2,079,000	2,079,000	0	100.0%
Property Tax - O&M	1,972,200	1,972,200	1,972,200	0	100.0%
Cost Reimbursement	5,913,343	5,913,343	5,803,681	(109,662)	98.1%
Interest	609,405	609,405	1,252,635	643,230	205.6%
OPERATING REVENUES	126,854,961	126,851,978	127,863,541	1,011,563	100.8%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$42,732,600	\$42,732,600	\$43,701,830	\$969,230	102.3%
Connection Fees	20,068,020	20,068,020	35,721,239	15,653,219	178.0%
Grants & Loans	28,008,654	28,008,655	21,175,499	(6,833,156)	75.6%
Other Revenue	8,167,503	8,167,503	1,539,364	(6,628,139)	18.8%
NON-OPERATING REVENUES	98,976,777	98,976,778	102,137,932	3,161,154	103.2%
Total Revenues	\$225,831,738	\$225,828,756	\$230,001,473	\$4,172,717	101.8%

User Charges, 101.9%	User charges were \$73.2 million, or 101.9% of the amended budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$56.3 million, \$11.9 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system, and \$4.8 million of monthly meter charge (Meter Equivalent Unit (MEU) imposed on all potable water connections, Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charge to meet our Readiness-to-Serve obligation from Metropolitan Water District (MWD), and water use efficiency program receipts.
Property Tax/ AdValorem, 102.3%	The \$45.7 million , or 102.3% of amended budget were received through the end of June 2017. Property tax receipts included \$31.0 million from general ad-valorem property tax, \$13.5 million from pass through agreements with former redevelopment agencies, and \$1.2 million from extra-territorial user charges. Cumulative taxes received from the County through the end of fiscal year were 0.1% higher than prior year receipts.
Recycled Water Sales, 86.7%	Recycled water direct sales were \$7.7 million for 19,477 acre feet (AF) and groundwater recharge sales were \$5.9 million for 13,934 AF, for a combined total of \$10.3 million. Recycled water sales through the end of fiscal year were approximately 2.4% higher than the previous year. Total deliveries of 33,411 AF fell short of the 37,100 AF (24,200 AF Direct and 12,900 AF Recharge) budgeted for the fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
Interest Income, 205.6%	Interest Income is \$1.3 million or 205.6% of the annual budget. Interest rates have been trending higher than the budgeted 0.50% average rate of return which accounts for the positive variance. In June, the Local Agency Investment Fund (LAIF) reported a yield of 0.98%, and the Agency's average rate of return was 1.06%.
MWD Water Sales, 104.3%	Total Metropolitan Water District (MWD) pass-through imported water revenue was \$29.9 million or 104.3% of amended budget. A total of 47,848 AF of pass through water was delivered compared to 45,000 AF budgeted for FY 2016/17; exceeding last year's historical low deliveries of 30,432 AF.
MWD LPP Rebates, 100%	Direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the MWD Local Project Program (LPP) rebate at a rate of \$154/AF, for a maximum amount of \$2.1 million per fiscal year. By the end of the fiscal year, the total maximum allowable rebate of \$2.1 million was achieved for 17,000 AF of credit or 100.0% of total budget. The MWD LPP rebate expired on June 2017.

Connection Fees, 178%	Total connection fees were \$35.7 million, or 178% of the amended budget. This category includes \$30.3 million for 5,155 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 97.7% of the member agencies' forecast of 5,277 EDUs for FY 16/17. This category includes \$30.3 million for 5,155 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 97.7% of the member agencies' forecast of 5,277 EDUs for FY 16/17. The new master planned community development in the cities of Ontario and Chino Hills account for a major portion of the new connection growth. This category also includes water connection fees implemented in FY 2015/16. A total of \$5.4 million for 5,059 new water (MEU) connections or 186% of the \$2.9 million budget. Water connection fees are a one-time fees paid directly to the Agency for any new or upsized water meter connection to the Agency's regional water distribution system.
Grants and Loans, 75.6%	Grant and loan receipts were \$21.2 million, or 75.6% of the amended budget. Included is \$10.5 million of grant receipts pass-through to the Chino Basin Desalter Authority for the South Archibald Trichlorethylene (TCE) Plume Cleanup project and \$8.5 million of State Revolving Fund (SRF) loan for the regional water quality laboratory. Lower SRF loan proceeds can be attributed to the State Water Resource Control Board (SWRCB) to amend lien requirements of existing loans. A resolution to clarify lien and pledge requirement was approved by the SWRCB in October 2016. The Master Amendment No. 1 was approved by the board in July 2017.
Cost Reimbursements JPA, 98.1%	Total cost reimbursements were \$5.8 million, or 98.1% of the amended budget. Category actuals include reimbursements of \$3.7 million from the Inland Empire Regional Composting Authority (IERCA) and \$1.2 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.9 million from Chino Basin Watermaster (CBWM) for operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs. Total cost reimbursement budget of \$5.9 million includes: \$3.5 million from IERCA, \$1.5 million from CDA, and \$0.9 million from CBWM.
Other Revenues, 18.8%	Total other revenues were \$1.5 million, or 18.8% of the \$8.2 million amended budget. Total other revenues include \$0.7 million from lease revenue and energy rebates, \$1.2 million in project reimbursements such as the Recharge Master Plan Update (RMPU), San Seavine Basin Improvement, and Groundwater Supervisory Control and Data Acquisition (SCADA) system upgrade projects. and partially offset by year-end unrealized loss on investment. Project reimbursement receipts are approximately 20% of the amended budget, delays for reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

3. Actual Operating and Capital Expense vs. Budget:

Fiscal Year Ended June 30, 2017				% of the Year Elapsed: 100%	
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$43,326,017	\$42,601,461	\$42,837,779	(\$236,318)	100.6%
Admin & Operating	103,376,616	115,957,977	84,479,239	\$31,478,738	72.9%
OPERATING EXPENSES	\$146,702,633	\$158,559,438	\$127,317,018	\$31,242,420	80.3%
Non-Operating Expenses:					
Capital	60,387,558	60,584,393	30,483,059	\$30,101,334	50.3%
Debt Service and All Other Expenses	23,653,357	22,269,738	71,998,175	(\$49,728,437)	323.3%
NON-OPERATING EXPENSES	\$84,040,915	\$82,854,131	\$102,481,234	(\$19,627,103)	123.7%
Total Expenses	\$230,743,548	\$241,413,569	\$229,798,252	\$11,615,317	95.2%

Employment Expenses net of allocation to projects	Employment, 100.6% Employment expenses were \$42.8 million or 100.6% of the amended budget. The slight unfavorable variance reflects higher allocation to O&M labor expense due to lower capital project spending than budgeted. The category also includes \$7.0 million paid toward the agency employee retirement unfunded liabilities. In addition, the Agency currently employs 21 limited term (LT) employees, compared to the adopted staffing plan of 17 LT positions. The cost of these additional LT positions is partially offset by a higher than anticipated vacancy factor of 7.9%, equivalent to 24 full-time equivalent (FTE) positions, compared to budgeted vacancy rate of 2% (6 FTEs). Recruitment of key positions as part of the Agency's succession planning effort will lower the vacancy factor going forward.
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Administrative & Operating Expenses	Office and Administrative, 64.6% The favorable variance was due to the inclusion of \$296,900 GM contingency and \$300,000 election expense budget, together they represent 23% of the category budget. Actual expense is approximately 83% of the remaining budget if excluding the GM contingency and election expense budget. Contributing to the positive variance are lower advertising, training and travel expense. A total of \$81,134 of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.
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Professional Fees & Services, 60.2%

Total expenses were \$7.0 million, or 60.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that were either not needed or deferred, such as flooring repairs at RP-1 and consulting services. As a result, \$1.4 million of the amended budget of contractual services were identified to be carried forward to FY 2017/18.

Materials & Supplies/Leases/Contribution, 79.2%

Expenses through the end of fiscal year was \$3.1 million or 79.2% of the budget. The category includes spending of \$3.0 million materials and supplies, and \$.06 million or 63.9% of budget for leases and rental related expenses. The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies. As a result, operations-related repairs required fewer corrective tasks than were budgeted. A total of \$0.2 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Biosolids Recycling, 91.3%

Biosolids expenses were \$4.0 million or 91.3% of the budget. The favorable variance in this category was due to increase in the utilization of the RP-2 solar pad to dry biosolids causing a reduction in residual disposal costs. Year to date total tonnage shipped to IERCA was 63,903 tons at an IERCA rate of \$55 per ton. Total tonnage hauled from IEUA was 63,640 tons at a blended rate of \$5.80 per ton which is lower than the budgeted transportation blended cost of \$8.29 per ton.

Chemicals, 85.2%

Chemical expenses were \$4.3 million, or 85.2% of budget. Bypassed sewer flows at the Carbon Canyon Water Recycling Plant (by-passed to RP-5) caused a reduction in the amount of raw waste water treated and chemicals needed for treatment. Additionally, at Regional Plant No. 4 a reduction in chemical use was attributed to the rehabilitation of critical aeration equipment. However, the majority of category expense was for Polymer 750A and 748E with usage of approximately 1.5 million lbs. which accounts for \$1.8 million of expense in this category. Sodium Hypochlorite usage was at 88% of budget accounting for \$1.4 million of expense or approximately 2.6 million gallons used through the end of the fiscal year. A total of \$107 thousand of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Operating Fees, 99.6%

Spending in this category was on target particularly in the areas of waste volumetric fees, BOD and TSS charges. The category also includes \$3.2 million of expenses for readiness-to-serve obligation collected by MWD, budgeted at \$3.2 million.

MWD Water Purchases, 93.8%

Total MWD pass-through imported water purchases were \$29.9 million for 47,848 AF or 95.7% of 50,000 AF budgeted for the fiscal year. The positive variance can be attributed to lower demands through the winter months.

Utilities, 73.5%

▫ Fuel cell was offline since July 2016, generating a positive variance of \$2.0 million.

▫ Natural gas usage is mainly used for power generation at the fuel cell facility. Since the fuel cell was offline for most of the fiscal year, natural gas was significantly lower, creating a positive variance of \$1.1 million.

▫ Electricity use from the grid was higher than anticipated to compensate for the power that use to be generated by the fuel cell. Electricity from the grid generated a negative variance for \$0.7 million, or 110% of the budget. The higher usage of this power source was more than offset by the savings obtained from the fuel cell and natural gas usage.

O&M and Reimbursable Projects, 43.5% and 47.1%

The combined O&M and reimbursable project costs were \$14.6 million or 43.5% of the amended budget. The favorable variance is mainly due to lower spending for Santa Ana River Conservation & Conjunction Use Program (SARCCUP) and other water efficiency related projects as well as various planning documents. A total of \$6.9 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18. The table below provides a summary of the major projects and current status.

Financial Expenses**Financial Expense, 326.8%**

Total financial expenses were \$71.7 million through the end of the fiscal year. Actual costs included \$50.0 million paid towards the refinancing of the 2008A bonds, other bond and loan principal payments were \$13.0 million and \$8.7 million in interest and other financial administration fees.

Other Expenses**Other Expenses, 100.4%**

Total other expenses were \$342 thousand or 100.4% compared to budget through the end of the fiscal year. Other expenses includes annual contributions-in-aid to the Santa Ana Watershed Project Authority and unforeseen reimbursements to Federal Emergency Management Agency for prior year grant receipts.

Capital Expenses

Capital Costs, 50.3%

Total capital project expenditures through the end of fiscal year were \$30.5 million or 50.3% when compared to the amended budget of \$60.6 million. The amended budget includes encumbrances of \$4.5 million of budget carried forward from FY 2015/16. Lower capital spending was attributed to delays in construction for the San Sevaire Basin Improvements, SCADA enterprise system, and RP-5 related projects. Capital project costs and budget related to the regional wastewater program through the end of fiscal year were \$36.3 million, or 67.6% of \$53.7 million budget. Recycled water capital projects accounted for \$3.7 million, or 20.4% of \$18.1 million budget. A total of \$5.1 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Summary of major capital and special project expenses and status as of June 30, 2017

Capital Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN15008	Water Quality Laboratory The scope of the project is the construction of a new, state of the art, 17,000 sq. laboratory and expansion of the existing central plant to supply chilled water for the laboratory air conditioning and heating system. The project's fiscal year spending exceeded the budget as The contractor accelerated their schedule with more work performed and materials delivered than originally anticipated.	7,000,000	8,008,856	(1,008,856)
EN19006	RP-5 Solids Handling Facility This project includes the detailed design, permitting, and construction of the new solids handling facility at RP-5 to decommission the RP-2 facility. The schedule for RP-5 Expansion Preliminary Design Report (PDR), a prequel project to EN19006 which leads into the design for the RP-5 Liquid Treatment Expansion and the RP-5 Solids Treatment Facility. The award of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility has been scheduled for May 2017 with design beginning in June 2017.	3,125,000	32,919	3,092,081
RW15003	Recharge Master Plan Update Projects The scope for this project is to implement only the soft cost efforts related to the Recharge Master Plan such as: preliminary design, environmental review, permitting, and final design. The preliminary design phase of the project was completed at the end of the second quarter and the project scope was decreased after the completion of the PDR. As a result, the projected design cost was reduced.	3,100,000	694,046	2,405,954
EN13001	San Sevaire Basin Improvements As part of the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU), this project will evaluate, design, and construct basin improvements needed to maximize infiltration and recharge capture at the San Sevaire basins. The final recommendation from the preliminary development report proposes to implement, a new storm water/recycled water pump station in Basin 5, directly tie it into all existing RW pipeline, place new pipelines and headwalls in Basins 1, 2 and 3, and install monitoring wells and lysimeters. The proposed improvements will add 642 AF per year of storm water and 4,100 AF per year of recycled water for groundwater recharge. The final design and construction phase delayed due to an extended permitting phase for regulatory permits, as a result, spending through the end of the fiscal year was expected to be below budget.	3,085,000	223,571	2,861,429
O&M & Reimbursable Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN16021	Chino Basin Groundwater Wells This project involves the remediation of the South Archibald Trichlorethylene Plume in conjunction with the Chino Basin Desalter Authority (CDA). The project requires payment to the Chino Basin Desalter Authority in full prior to the execution of the contracts. The full amount of the fiscal year budget was given to CDA in anticipation of forthcoming design and construction contracts. The project also received grant funding through USBR exceeding the budgeted amount, which was also a pass through to CDA that accounts for the higher than budgeted expense.	7,481,073	8,396,832	(915,759)
PA17006	Agency-Wide Aeration Panel Replacements The project scope involves the replacement of aeration panels at RP-1, RP-4, RP-5, and CCWRF. In the current fiscal year, funding has been allocated to complete the replacement at RP-1 in conjunction with EN16024, the RP-1 Mixed Liquor Return Pump project which is currently in construction. RP-4 aeration basin project is at 50% completion, additional invoicing anticipated. Funds were carry forward to be utilized on RP-1 MLR Project and RP-5 Aeration Basin Project.	2,339,000	1,086,416	1,252,584
WR16024	SARCCUP The Santa Ana River Conservation & Conjunctive Use Program is known as SARCCUP. It was created with various other water agencies to utilize funds from SAWPA Prop 84 grants to develop a watershed-scale conjunctive use program. A Decision Support Model to help understand facility needs and operating costs is in the final stages and modeling efforts are currently evaluating alternative projects for consideration. The project is delayed as environmental impact report are still being developed at the end of June 2017.	1,854,492	295,407	1,559,085

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2016/17
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fiscal Year Ended June 30, 2017

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$71,875,415	\$71,872,436	\$73,210,227	\$1,337,791	101.9%
Recycled Water	15,735,000	15,734,996	13,648,849	(2,086,147)	86.7%
MWD Water Sales	28,670,598	28,670,598	29,896,949	1,226,351	104.3%
MWD LPP Rebates	2,079,000	2,079,000	2,079,000	-	100.0%
Property Tax - O&M	1,972,200	1,972,200	1,972,200	-	100.0%
Cost Reimbursement from JPA	5,913,343	5,913,343	5,803,681	(109,662)	98.1%
Interest Revenue	609,405	609,405	1,252,635	643,230	205.6%
TOTAL OPERATING REVENUES	\$126,854,961	\$126,851,978	\$127,863,540	\$1,011,564	100.8%
<u>NON-OPERATING REVENUES</u>					
Property Tax	\$42,732,600	\$42,732,600	\$43,701,830	\$969,230	102.3%
Connection Fees	20,068,020	20,068,020	35,721,239	15,653,219	178.0%
Grants	10,715,255	10,715,256	12,123,289	1,408,033	113.1%
SRF Loan Proceeds	17,293,399	17,293,399	9,052,210	(8,241,189)	52.3%
Project Reimbursements	7,292,963	7,292,963	1,438,390	(5,854,573)	19.7%
Other Revenue	874,540	874,540	100,975	(773,565)	11.5%
TOTAL NON OPERATING REVENUES	\$98,976,777	\$98,976,778	\$102,137,933	\$3,161,156	103.2%
TOTAL REVENUES	\$225,831,738	\$225,828,756	\$230,001,473	\$4,172,719	101.8%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$23,690,863	\$22,966,307	\$24,470,517	(\$1,504,210)	106.5%
Benefits	19,635,154	19,635,154	18,367,262	1,267,892	93.5%
TOTAL EMPLOYMENT EXPENSES	\$43,326,017	\$42,601,461	\$42,837,779	(\$236,318)	100.6%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,767,847	\$2,605,305	\$1,683,014	\$922,291	64.6%
Insurance Expenses	840,500	840,498	640,087	200,411	76.2%
Professional Fees & Services	9,793,857	11,577,564	6,966,832	4,610,733	60.2%
O&M Projects	23,219,025	33,100,880	14,395,826	18,705,054	43.5%
Reimbursable Projects	490,272	490,272	230,697	259,575	47.1%
TOTAL ADMINISTRATIVE EXPENSES	\$36,111,501	\$48,614,519	\$23,916,455	\$24,698,063	49.2%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2016/17
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fourth Quarter Ended June 30, 2017

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
OPERATING EXPENSES					
Material & Supplies/Leases	\$2,866,883	\$3,887,361	\$3,078,188	\$809,173	79.2%
Biosolids Recycling	4,469,101	4,414,005	4,028,971	385,034	91.3%
Chemicals	4,674,015	4,996,015	4,259,013	737,002	85.2%
MWD Water Purchases	31,856,220	31,856,220	29,896,949	1,959,271	93.8%
Operating Fees/RTS Fees/Exp. Alloc.	11,790,850	11,434,343	11,392,270	42,073	99.6%
Utilities	11,608,046	10,755,514	7,907,393	2,848,121	73.5%
TOTAL OPERATING EXPENSES	\$67,265,115	\$67,343,458	\$60,562,784	\$6,780,674	89.9%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$146,702,633	\$158,559,438	\$127,317,018	\$31,242,420	80.3%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$60,387,558	\$60,584,393	\$30,483,059	\$30,101,334	50.3%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditure	22,001,426	21,928,438	71,655,659	(49,727,221)	326.8%
OTHER NON OPERATING EXPENSES	1,651,931	341,300	342,515	(1,215)	100.4%
TOTAL NON-OPERATING EXPENSES	\$84,040,915	\$82,854,131	\$102,481,234	-\$19,627,101	123.7%
TOTAL EXPENSES	\$230,743,548	\$241,413,569	\$229,798,252	\$11,615,318	95.2%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$4,911,810)	(\$15,584,813)	\$203,221	\$15,788,035	
FUND BALANCE SUMMARY					
Beginning Balance, July 01	\$160,207,357	187,114,440	\$187,114,440	\$0	
Surplus/ (Deficit)	(4,911,810)	(15,584,813)	203,221	15,788,035	
ENDING BALANCE, June 30	\$155,295,547	\$171,529,627	\$187,317,661	\$15,788,035	

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
8/17/2017														
Agency Management														
220	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2017	On Schedule		Ongoing - First draft to be completed May 31, 2017
220	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	August	2017	Behind Schedule		This project has been pushed to June 2018, due to training new staff member.
221	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Update and maintain "Duties and Annual Calendar or Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	August	2017	Behind Schedule		Due to training new staff member, this project has been pushed to June 2018.
221	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Update and maintain "Duties and Annual Calendar or Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	May	2017	On Schedule		First draft to be completed May 31, 2017.
222	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Increase the efficiency of the executive administrative group through streamlining processes	Ongoing	Review and improve two processes per quarter	April Woodruff	May	2017	On Schedule		On going - Completing training for new staff members.
222	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Increase the efficiency of the executive administrative group through streamlining processes	Ongoing	Review and improve two processes per quarter	April Woodruff	August	2017	On Schedule		On going. Shifting responsibilities with the addition of new staff member.
217	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean Management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/board letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2017	On Schedule		New board letter template will be launched in July 2017.
217	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean Management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/board letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	August	2017	On Schedule		Board letter template was completed and launched on August 2018

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Business Information Services</u>														
249	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	Ongoing by June 2016	100% of enhancements released plus or minus two calendar weeks from scheduled release date	Kanes Pantayatiwong	June	2017	On Schedule		BIS expanded the SAP Single Sign-On (SSO) to BI Launchpad so that reports with data from SAP no longer require users to provide SAP username and password. BIS also completed the enhancement to automate IERCA billing for SAP, saving processing time and improving data quality/accuracy.
251	FY 2016/17	Monthly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP.	Ongoing	BIS to lead the Business Continuity / Disaster Recover Subcommittee	Kanes Pantayatiwong	June	2017	On Schedule		Continued monitoring backups for SAP servers and other enterprise systems, including patching all necessary security updates and associated software updates.
39	FY 2016/17	Quarterly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP	Per TMP schedule	Plan adoption and in place	Kanes Pantayatiwong	June	2017	On Schedule	No	Working with ISS, coordinated system security updates on servers. Deployed single sign-on for SAP (including ESS/MSS and BI Launchpad). Deployed the first phase of new ECMS, including user training and data migration from LibertyNET.
177	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Determine requirements for new SAP enhancement that improves cost tracking for projects that qualify for multiple grants – Timeline 15/16 reads: Establish baseline date; develop requirements; implement prototype	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	On Schedule	No	Working with SAP Grant consultant, completed overview of grant administration processes and provided recommendations for process and SAP improvements. BIS also completed the enhancement to automate IERCA billing for SAP, saving processing time and improving data quality/accuracy.
178	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	On Schedule	No	BIS assisted with reviewed of payroll processes and provided recommendations, implemented some key changes and monitored progress. BIS reviewed support ticket history usage, provided recommended changes to ticket categories, coordinated the buy-in from key stakeholders and implemented the new ticket system on July 1. Working with SAP, analyzed system security and received best-practice recommendations with respect to system integrity. Implementing changes per recommendations.
179	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Assess challenges with Agency's financial processes: develop RFP for long term modifications	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	Behind Schedule	No	No change from previous quarter due to lack of resource. Key business analyst for this project was temporarily reassigned to provide payroll support while the Agency was in search for replacement.
180	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Reduce the number of external spreadsheets utilized to address NRW rate questions	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	On Schedule	No	This project will be driven by business process owner (Planning Department). At this time, there is no active activity.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Contracts and Facilities Services</u>														
172	FY 2015/16	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	August	2017	On Schedule	No	Each member of the contracts and procurement department are encouraged to compete and negotiate procurement activities in support of additional savings. As identified in each of the employees' reviews, they have saved a substantial amount.
172	FY 2015/16	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	May	2017	On Schedule	No	CAP staff perform regular analysis on procurements, solicitations, etc., offering recommendations to staff and ensuring the best cost, value to the Agency.
173	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Conduct Agency training on department processes that are in line with the Agency's MVV	Ongoing		Warren Green	August	2017	On Schedule	No	Staff completed training sessions related to security and safety, in addition to securing contracts for various departments that utilize external services for these training topics.
173	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Conduct Agency training on department processes that are in line with the Agency's MVV	Ongoing		Warren Green	May	2017	On Schedule	No	Staff has conducted several training sessions for various departments, including open house sessions related to contracts and procurement related activities.
174	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	May	2017	On Schedule	No	Staff continues to provide service in accordance with the desired level of customer service. Review of dashboard, SAP cues, and MPN reports keep staff on track with service activities.
174	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	August	2017	On Schedule	No	Staff evaluates all business processes to ensure we take advantage of efficiency improvements.
175	FY 2016/17	Quarterly	Finance and Administration	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Identify and participate in organizations that advance the Agency MV and key initiatives	Ongoing		Warren Green	May	2017	On Schedule	No	The majority of staff are members of NCMA, CAPPO, and other organizations related to our profession. Several members of staff serve as Officials in the local chapters of these organizations.
176	FY 2015/16	Quarterly	Finance and Administration	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible.	Ensure all current and future landscaping, as well as new facilities, are in cooperation with current LEED and water-efficiency programs and advancements	complete by June 2016	Increase educational signage for Agency facilities where accessible by the public by 15%.	Warren Green	May	2017	On Schedule	No	Facilities Management was moved into the Operations Division under the Maintenance group.
113	FY 2015/16	Quarterly	Finance and Administration	F	Complete a performance assessment of the Platinum LEED rated headquarters and develop a plan to ensure performance, as appropriate, to the platinum standard	Evaluate the current standards for LEED qualifications and develop a plan for the Agency's HQ to maintain the ranking.	June-2016	Cross reference existing qualifications against new standards.	Warren Green	May	2017	On Schedule	No	Facilities Management task that was moved into the Operations Division under Maintenance.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Contracts and Facilities Services (cont.)</u>														
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	August	2017	Behind Schedule		Inventory of Agency records a little behind schedule due to leave of absence of RM Staff. Inventory to be completed by end of CY 2017
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	May	2017	On Schedule		Due to increase in staff, substantial progress has been made on the inventory project. Approximately 60% completed. Department taxonomy completed. Legal hold process will be implemented at Laserfiche system "Go-Live" June 2017
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	August	2017	On Schedule		While Laserfiche is online and Liberty is fully backed up, the hired consultant has struggled to keep up with the project implementation schedule. The base phase of the project is scheduled to be fully complete in September 2017.
243	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors requirement and eliminates redundant archiving systems	In collaboration with BIS, implement an email or Electronic Data Interchange (EDI) solution for purchase order transmission to the vendors.	Ongoing	Transmission of purchase orders to vendors via direct email or EDI by January 2017.	Warren Green	May	2017	On Schedule		The use of email distribution of PO's has been implemented for Home Depot, Grainger and a few other vendors. The EDI requirement creates programming issues with vendors.
244	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors requirement and eliminates redundant archiving systems	In collaboration with BIS, establish purchase requisition accessible Open Catalog Interface (OCI) catalogs for end user.	Ongoing	Add two new OCI vendors, open for use by all staff through the PR process, by June 2017	Warren Green	May	2017	On Schedule		An additional catalog was set up with Amazon. There are numerous catalogs set up through SAP that support business users.
245	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives = 95%	Ongoing	Run quarterly staff and department service level reports and publish in the General Manager's quarterly report	Warren Green	May	2017	On Schedule		Staff continues to evaluate the dashboard, SAP cues and the MPR report to ensure service levels are being met.
<u>Engineering</u>														
310	FY 2016/17	Annual	Engineering, Planning and Science	C	Review and update the Asset Management Plan	Update the AMP	February 2017	Complete and distribute AMP	Travis Sprague	August	2017	On Schedule		Continue to update the Asset Management Plan by including a detailed scheduled, plan and projected budget on shutting down critical facilities, processes or systems when performing a condition assessment or asset replacement.
115	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority	Complete by June 2017	Install recycle water screens at RP-1 and RP-5	Shaun Stone	May	2017	On Schedule	No	As of April 30th the project is the in the 100% design phase and we are awaiting submittal.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Engineering (cont.)														
115	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority	Complete by June 2017	Install recycle water screens at RP-1 and RP-5	Shaun Stone	August	2017	On Schedule	No	As of August 2017 the final design is being prepared for bid and award.
156	FY 2016/17	Once Complete	Engineering, Planning and Science	E	Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Upon funding, design and construct latest technology lab	48 months after funding is received	Upon funding 12 months for design and 36 months to construct	Shaun Stone	May	2017	On Schedule	No	The consultant contract was awarded in May 2015 and the design was completed 9 months later in February 2016. The construction contract was awarded in May 2016. The construction work is scheduled to be completed in August 2018
156	FY 2016/17	Once Complete	Engineering, Planning and Science	E	Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Upon funding, design and construct latest technology lab	48 months after funding is received	Upon funding 12 months for design and 36 months to construct	Shaun Stone	August	2017	On Schedule	No	The consultant contract was awarded in May 2015 and the design was completed 9 months later in February 2016. The construction contract was awarded in May 2016. The construction work is scheduled to be completed in August 2018
208	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFY of recycled water use by June 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycle water screens at RP-1 and RP-5	Shaun Stone	August	2017	On Schedule	No	As of August 2017 the final design is being prepared for bid and award.
208	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFY of recycled water use by June 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycle water screens at RP-1 and RP-5	Shaun Stone	May	2017	On Schedule	No	As of April 30th the project is the in the 100% design phase and we are awaiting submittal.
214	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	In-House Design Engineer = 10%	Shaun Stone	May	2017	Behind Schedule		For projects that finish construction during or after FY1617 the overall percentage is 13.75% 9 of 65 projects are in house design
214	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	In-House Design Engineer = 10%	Shaun Stone	August	2017	Behind Schedule		For projects that finish construction during or after FY1617 the overall percentage is 13.75% 9 of 65 projects are in house design
215	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Fiscal Year Capital Spending = 90%	Shaun Stone	August	2017	On Schedule		FY Budget = \$64M; FY Spending = \$39M Overall projection = 62%. As of 6/30/17. Engineering had 13 projects representing \$16M in budget variance.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Engineering (cont.)														
215	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Fiscal Year Capital Spending = 90%	Shaun Stone	May	2017	Behind Schedule		FY Budget = \$65M; Projected spending = \$41M Overall projection = 62%. As of 3/31/17. Engineering had 15 projects representing \$15M in budget variance. Please see our May 2017 GM report for detail variances for the 15 projects.
216	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Conduct Lesson's Learned sessions to evaluate key construction implementations	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	10x/year > 90%	Shaun Stone	August	2017	On Schedule		Conducted 2 Lesson Learned in May; "Taking Over Construction of the Lab or any Other Project", "San Bernardino Avenue Gravity Sewer" and 4 Lesson Learned in June; "1630 East & West RWPS Surge Protection System Improvements", "The Charter Process", "Circuit Breaker Labeling Issues" and "What I have learned since joining the Engineering Department"
216	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Conduct Lesson's Learned sessions to evaluate key construction implementations	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	10x/year > 90%	Shaun Stone	May	2017	On Schedule		Conducted 3 Lesson Learned in April 2017; CCWRF Air Duct Repair Drainage Issues of Underground Vault, Water Quality Laboratory Project, RP-1 Mixed Liquor Return Pumps Pre-selection of the Long Lead Equipment
External Affairs														
166	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Cultivate positive relationships with local and regional media	Ongoing	Present to 6 associations /groups	Kathy Besser	May	2017	On Schedule	No	Presented at Chino Valley Chamber of Commerce meeting
166	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Cultivate positive relationships with local and regional media	Ongoing	Present to 6 associations /groups	Kathy Besser	June	2017	On Schedule	No	Presentations continue, with staff focusing on education programs that begin in September, as well as the Agency's solar cup teams.
167	FY 2016/17	Quarterly	Agency Management	D	13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop, support, promote, and participate in water education programs	Ongoing		Kathy Besser	June	2017	On Schedule	No	Continued outreach and promotion of our education programs. FY 16/17 saw the largest number of students take part in the Water Discovery Program. And Kick the Habit drought campaign continues, social media and education blogs saw steady posts, and the movie theater campaign continues in local theaters.
167	FY 2016/17	Quarterly	Agency Management	D	13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop, support, promote, and participate in water education programs	Ongoing		Kathy Besser	May	2017	On Schedule	No	Continued outreach and promotion of our education programs, which has resulted in an increase in fieldtrips from last year. We have increased our use of social media to promote agency activities including educational programs and events. New water conservation campaigns have been developed and will be shown in movie theaters throughout the region.

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<u>External Affairs (cont.)</u>														
168	FY 2016/17	Quarterly	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support legislation to reduce drugs in waterways through take back programs	Completed by FY 16/17		Kathy Besser	May	2017	On Schedule	No	No activity for the 3rd quarter.
168	FY 2016/17	Quarterly	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support legislation to reduce drugs in waterways through take back programs	Completed by FY 16/17		Kathy Besser	June	2017	On Schedule	No	No activity this quarter.
223	FY 2016/17	Quarterly	Agency Management	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Incorporate the Agency's Mission, Vision, and Values into all staff activities including: creating collateral materials, employee newsletter, and posting to the IEUA website. Increase public recognition of Agency brand	By June 2016 and ongoing	Continue to update printed materials, newsletters, and website with current content	Kathryn Besser	May	2017	On Schedule		The workgroup updated the Agency-wide work plans to better related to the recently updated Agency business goals. The updated work plans are now being used to updated goals for FY 17/18 & FY 18/19 budget.
224	FY 2016/17	Monthly	Agency Management	C	Update and maintain the Agency's website to clearly communicate key activities, issues, policies, and key documents, and continue to optimize use of social network media	Serve as the Agency Webmaster and provide current and timely information	By June 2016 and ongoing	Review the website for accuracy on a continual basis	Kathryn Besser	May	2017	On Schedule		Continue to monitor the IEUA website to provide up to date/current information.
224	FY 2016/17	Monthly	Agency Management	C	Update and maintain the Agency's website to clearly communicate key activities, issues, policies, and key documents, and continue to optimize use of social network media	Serve as the Agency Webmaster and provide current and timely information	By June 2016 and ongoing	Review the website for accuracy on a continual basis	Kathryn Besser	June	2017	On Schedule		This was the last quarter that External Affairs will be responsible for maintenance of the website, which has transferred to BIS. Updates continue as needed.
228	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Communicate the importance of regional/local water independence and conservation	By June 2016 and ongoing	Form a Drought Task Force with member agencies.Continue marketing campaigns and social media outreach,Present to associations or community organizations quarterly	Kathryn Besser	May	2017	On Schedule		Regional drought campaign throughout the service area continues. Marketing is adjusted to reflect the current season.
228	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Communicate the importance of regional/local water independence and conservation	By June 2016 and ongoing	Form a Drought Task Force with member agencies.Continue marketing campaigns and social media outreach,Present to associations or community organizations quarterly	Kathryn Besser	August	2017	On Schedule		The regional drought campaign throughout the service area continues. Marketing is adjusted to reflect the current season, and contracts were just signed with newspapers to continue advertising in the upcoming fiscal year.
229	FY 2016/17	Quarterly	Agency Management	D	Complete water softnere ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Remaining cities to pass ordinance by end of FY 2015/16	Kathryn Besser	June	2017	On Schedule		Auditing of big box stores continues semi-annually and will be done in the next three months. Three remaining cities still have not passed ordinance.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
External Affairs (cont.)														
229	FY 2016/17	Quarterly	Agency Management	D	Complete water softnere ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Remaining cities to pass ordinance by end of FY 2015/16	Kathryn Besser	May	2017	On Schedule		Auditing of "big box" stores has continued. Three cities within IEUA's service area have not yet passed ordinances.
230	FY 2016/17	Monthly	Agency Management	F	Develop a communication plan to promote being a good neighbor	Communicate the Agency-wide goals, services, and functions to our entire service area, including all community members, businesses, and stakeholders.	By June 2016 and ongoing	FY2015/16 will continue to increase number of events attended in order to reach the entire service area	Kathryn Besser	May	2017	On Schedule		External Affairs has continued to increase the use of social media as a communication tool to reach out to stakeholders, businesses, and community members throughout the region. Continuing to work with the consultant and operations on the new brochures and technical illustrations, expected to be printed by the end of FY 16/17.
230	FY 2016/17	Monthly	Agency Management	F	Develop a communication plan to promote being a good neighbor	Communicate the Agency-wide goals, services, and functions to our entire service area, including all community members, businesses, and stakeholders.	By June 2016 and ongoing	FY2015/16 will continue to increase number of events attended in order to reach the entire service area	Kathryn Besser	June	2017	On Schedule		We continue to expand the use of social media channels, significantly increasing Twitter followers in the fiscal year. Remaining brochures and technical illustrations are completed and will be printed by end of Q1 FY17/18.
Finance and Accounting														
258	FY 2016/17	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review program fund allocations and adjust if necessary to meet program needs.	Tina Cheng	August	2017	On Schedule		Monitored property tax receipts, updated the biennial budget for FYs 2017/18 and 2018/19 with forecasted growth, and continued with the allocation of property tax as approved by the board for FY 2016/17.
258	FY 2016/17	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review program fund allocations and adjust if necessary to meet program needs.	Tina Cheng	May	2017	On Schedule		Allocated property taxes based on the FY 2016/17 adopted budget assumptions. For example, allocated property tax receipts to Water Resources fund to support the Metropolitan Water District readiness to serve (RTS) fees and regional water resources initiatives not covered through the Agency's 7 year phased implementation RTS rate.
184	FY 2016/17	Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Ongoing		Tina Cheng	May	2017	On Schedule	No	The refunding of 2008A (issued as 2017A)was completed successfully due to favorable ratings assessed by rating Agency. Staff will continue to monitor the bond rating
184	FY 2016/17	Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Ongoing		Tina Cheng	August	2017	On Schedule	No	Staff continued to monitor bond ratings and included in the biennial budget business goals of Credit Worthiness for FYs 2017/18 and 2018/19; improving credit rating, and achieve the goals of reinstating the AAA rating to reduce future borrowing costs

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<u>Finance and Accounting (cont.)</u>														
185	FY 2016/17	Quarterly	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing		Tina Cheng	August	2017	On Schedule	No	Worked with Agency staff and management in updating the FYs 2017/18 - 2026/27 Ten Year Capital Improvement Plan (TYCIP; identifying the capital expenditures and the projected options of funding and financing.
185	FY 2016/17	Quarterly	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing		Tina Cheng	May	2017	On Schedule	No	Successfully completed the 2017A bond refunding in January 2017 in collaboration with Agency's staff, management, financial advisor, bond counsel, and underwriter, resulting in gross savings of \$129 million and net present value savings of \$36.8 million through the life of the bonds.
186	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing		Tina Cheng	May	2017	On Schedule	No	Staff attended all required safety trainings. Based on employee request, adjustable desk was purchased to provide employee an ergonomic friendly working environment.
186	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing		Tina Cheng	August	2017	On Schedule	No	Staff attended all required safety training in FY 2016/17, in accordance to the Agency's safety policy.
<u>Grants</u>														
181	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal	Ongoing		Jason Gu	August	2017	On Schedule	No	Recommended multiple State and Federal Grant and SRF loan opportunities that align with the Agency mission and financial goal.
181	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal	Ongoing		Jason Gu	May	2017	On Schedule	No	Recommended multiple State and Federal Grant and SRF loan opportunities that align with the Agency mission and financial goal. Several applications and pre-applications were submitted and were awarded.
182	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversify revenue	Ongoing		Jason Gu	August	2017	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR, and a Letter of Interest was submitted to the EPA. Opportunities through local programs, and the state Prop 1 grant program and Federal WaterSMART program are continually being reviewed and applied for.

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Grants (cont.)														
182	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversify revenue	Ongoing		Jason Gu	May	2017	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR, and a Letter of Interest was submitted to the EPA. Opportunities through local programs, and the state Prop 1 grant program and Federal WaterSMART program are continually being reviewed and applied for.
183	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding	Ongoing		Jason Gu	May	2017	On Schedule	No	Collaborating internally with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations, and externally with CBWM, CDA, and member agencies on preparing, submitting and monitoring grant and SRF loan applications to support agency and regional investment.
183	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding	Ongoing		Jason Gu	August	2017	On Schedule	No	Collaborating internally with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations, and externally with CBWM, CDA, and member agencies on preparing, submitting and monitoring grant and SRF loan applications to support agency and regional investment.
273	FY 2016/17	Semi-Annual	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Manage congressional grant authorizations for water desalination projects in the Chino Basin	Ongoing	Until completion of the \$26M congressional authorization	Jason Gu	August	2017	On Schedule		IEUA has received the full \$26M Congressional Grant Authorization.
274	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding.	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Jason Gu	August	2017	On Schedule		Collaborating with Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible TYCIP projects.
274	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding.	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Jason Gu	May	2017	On Schedule		Collaborating with Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible TYCIP projects.
275	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Find grants that match with Member and Regional Agencies capital and conservation programs	Ongoing	Continues as Federal and State grants are available	Jason Gu	May	2017	On Schedule		Collaborated with member agencies and other local agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects. Will continue to locate opportunities to coordinate with others for regional benefits.

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<u>Grants (cont.)</u>														
275	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Find grants that match with Member and Regional Agencies capital and conservation programs	Ongoing	Continues as Federal and State grants are available	Jason Gu	August	2017	On Schedule		Collaborated with member agencies and other local agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects. Will continue to locate opportunities to coordinate with others for regional benefits.
<u>Human Resources</u>														
262	FY 2016/17	Semi-Annual	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining positive work relationships.	Ongoing	Survey and employee feedback	Sharmeen Bhojani	June	2017	On Schedule		On site OSHA training held on 5/11/17 for all supervisors and management. The Agency partnered with Shaw HR Consulting to assist with addressing long term medical restrictions and accommodations. On May 8th and 9th, interviews with select field staff in Maintenance, Operations and Sewer Collections began to complete Essential Functions Job Analyst. Interviews included the employee, supervisor, manager and HR.
263	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.	Ongoing	Number of onsite visits, lunch and learns, and other educational sessions held	Sharmeen Bhojani	June	2017	On Schedule		ICMA 457 on site visit (5/3 & 5/19), Lincoln 457 on site visit (5/31), CalPERS 457 on site visit (6/7);HR staff traveled to Agency locations w Root Beer Floats: RP2 4/12, Carbon Canyon & Desalter 4/19 & HQ RP5 4/26
264	FY 2016/17	Quarterly	Finance and Administration	B	Develop and implement plan to mentor and prepare the next generation of Agency leaders by July 2017	Develop a process to identify potential leaders within the Agency; utilize the Leadership Academy and other training opportunities to enhance existing talent.	Leadership Academy January – June 2016	Number of employee participants in the Academy and other training programs. Percentage of internal promotions	Sharmeen Bhojani	June	2017	On Schedule		No additional leadership training this quarter
265	FY 2016/17	Semi-Annual	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Create and distribute an employee satisfaction survey	Employee Climate Survey by June 2016	Conduct an Employee Climate Survey after Class and Comp Study implementation	Sharmeen Bhojani	June	2017	On Schedule		Signed contract with DecisionWise to conduct employee engagement survey in August 2017
266	FY 2016/17	Quarterly	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Identify strategies to increase employee morale and promote employee retention.	Ongoing	Surveys and employee feedback/Retention of employees	Sharmeen Bhojani	June	2017	On Schedule		Mechanic and E & I Tech proficiency testing began in May. As of June 30, 2017, a total of 7 employees tested and successfully passed the testing. All 7 employees were reclassified to the higher level position.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Human Resources (cont.)</u>														
267	FY 2016/17	Semi-Annual	Finance and Administration	B	Implement the Agency-wide Classification and Compensation Study.	Finalize the Agency-wide Classification and Compensation Study to develop a fair, consistent and competitive compensation program	Complete by June 2016	Successfully ratify and implement the new structure for remaining represented units.	Sharmeen Bhojani	June	2017	On Schedule		All class and comp revisions and unit modifications completed with Board approval in May 2017.
268	FY 2016/17	Annual	Finance and Administration	B	Review and update the STAR Award program to more effectively recognize outstanding performance	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award	Review and recommendation by June 2016	Updated Agency Policy A-79.	Sharmeen Bhojani	June	2017	On Schedule		As part of the Agency wide policy review project, reviewed policy A-75 & A 62 relating to employee recognition. Recommendations were made to revise the policies and pending executive management review. Executive Manager review to be held 1st Q in FY 17 18
269	FY 2016/17	Quarterly	Finance and Administration	B	Achieve a Cal Star Award certification from OSHA by June 2019	Research requirements needed to obtain the award/certification by OSHA; work with Maintenance and Operations to develop a plan that ensures commendable safety and risk management practices.	Schedule meetings with Operations and Maintenance to review requirements and develop an action plan by June 2016	Prepare applications submittal(s) by November 2016.	Sharmeen Bhojani	June	2017	On Schedule		The top five Cal/OSHA programs in which the Agency is lacking compliance have been presented to the applicable departments. Focus will be on these programs over the next several months as they will require time and manpower to fully implement. The Agency continues to work toward providing the safest environment possible for staff.
40	FY 2016/17	Quarterly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Work with all Agency departments to institute a holistic Disaster Preparedness Plan; coordinate table top exercises for disaster drills for all Managers and Supervisors on an annual or biennial basis	July-2017	Distribute a draft plan for review to all departments by January 2016	Sharmeen Bhojani	June	2017	On Schedule	No	After discussion with Management, the Disaster Drill will be delayed until January. Several notices will be sent to staff listed on the Incident Organization Chart to ensure the large number of mandatory participants will be available.
57	FY 2016/17	Quarterly	Finance and Administration	B	Review and revise the Emergency Preparedness Plan by July 2017	Enhance current Emergency Preparedness Manual by adding department action plans and ensure coordination with the Disaster Preparedness Plan; review and revise the manual on an annual basis	July-2017	Distribute a draft plan for review to all departments by January 2016	Sharmeen Bhojani	June	2017	On Schedule	No	As living document, the Agency's Emergency Manual continues to be reviewed periodically.
187	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Assist in the development of the cross-training program by providing guidance, coordination, and administrative skills in the program design, course content development, marketing and evaluation with various stakeholders and subject matter experts	Ongoing June 2015???	Survey and employee feedback/ Number of on-site visits, lunch and learns and other educational sessions held	Sharmeen Bhojani	June	2017	On Schedule	No	Original goal no longer a priority. meeting with Executive manger of Operations to develop new training opportunities

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Human Resources (cont.)														
188	FY 2016/17	Quarterly	Finance and Administration	B	Implement strategies and recruitment practices that provide flexible and responsive solutions to assist the Agency in filling positions in a timely and effective manner	Draft a new consolidated Personnel Rules and Regulations	Ongoing	Track the average number of weeks it takes to complete the recruitment process from beginning to end	Sharmeen Bhojani	June	2017	Behind Schedule	No	The FY average was 11.422.
33	FY 2016/17	Quarterly	Finance and Administration	B	Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, thereby streamlining individual Unit MOUs by July 2016	Draft a new consolidated Personnel Rules and Regulations	July-2016	Prepare a first draft for review by April 2016	Sharmeen Bhojani	June	2017	On Schedule	No	Completed draft revisions for all units.
Internal Audit														
218	FY 2016/17	Annual	Agency Management	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	"Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations	"Ongoing and through approved audits as approved through the Annual Audit Plan	"Completed audits. Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2017	On Schedule		IA completed audit projects several audit projects and more as scheduled through the Board approved Annual Audit Plan and presented to the Audit Committee for discussion.
						Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed								
						Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive								
						Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit								

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
						would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations								
132	FY 2016/17	Annual	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter .	Reviewed at the Audit Committee level with the Audit Committee Advisor and Audit Committee members as well as Executive Management.	Teresa Velarde	August	2017	On Schedule	No	Completed. IA SOP#006 "IA Internal Audit Department Business Continuity and Disaster Recovery." documents the role and responsibility of IA which is to assist in the continuance of critical activities and help minimize the impact of the incident. Additionally, as part of the Agency's effort to IA staff are placed on the Incident Organizational Chart.
169	FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Achieve the Certified Internal Auditor Designation by two auditors – One by Dec. 2015, one by Dec. 2016	One completed by December 2015, One completed by December 2016	A minimum of eight hours of continuous professional development, annually.	Teresa Velarde	August	2017	On Schedule	No	All three auditors in the department are working to achieve the certification of Certified Internal Auditors. The certification requires passing a rigorous 3-part examination, among other professional requirements. All three auditors comply with attending to the required hours for continuing professional education. All three auditors already have higher degrees or credentials to their name.
170	FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Conduct control self-assessment of the internal audit dept.	Complete by December 2016	A minimum of eight hours of continuous professional development, annually.	Teresa Velarde	August	2017	On Schedule	No	In Progress. Staff is preparing for a self assessment. Research and plans and test documents are in progress of being developed.
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan.Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	May	2017	On Schedule		On-going. This is a requirement of the profession of internal auditing as well as a Board-approved Charter requirement, therefore, always completed and on schedule. All three auditors in the department are preparing for the certification. All three plan to complete the certification requirements by December 2016. All three auditors already have a higher professional designation and regularly attend continuous professional development to stay abreast of best practices.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan.Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	May	2017	On Schedule		Internal Audit is required to complete audits approved through the Board approved Annual Audit Plan. Internal Audit recommendations are provided and communicated to those that can implement the recommendations. Each audit project provides opportunities to improve processes, contain costs, consider methods to complete work in a more effective and efficient manner. By completing operational audits, this objective is realized each and every time. The items revealed through the audit are discussed in detailed during the regularly scheduled Audit Committee meetings as well as prior to the AC meeting with management and line supervisors. Recommendations are provided to promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment.
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan.Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	August	2017	On Schedule		Completed audit projects as scheduled through the Board approved Annual Audit Plan and presented to the Audit Committee for discussion.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2017	On Schedule		Completed all planned and requested audits. IA stands ready to assist in any further review/evaluation and/or discussion related to the Regional Contract.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
						well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees								
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed and Closed out. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit	Teresa Velarde	May	2017	On Schedule		Completed and Closed out. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
						requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees		Committee Meetings and exit meetings						Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	workshops for the Board of Directors and the Regional Policy and Technical Committees Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.
233	FY 2016/17	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trend	Annually and on-going complete training and professional development training and participation	A minimum of sixteen hours of continuous professional development, annually. Participation in a professional association	Teresa Velarde	August	2017	On Schedule		Completed. Training and professional development is mandatory for professional internal auditors, as a requirement of their job and required by the Institute of Internal Auditors and the IAD Charter. All auditors complete the minimum professional education requirements to stay current with the trends of the profession.
234	FY 2015/16	Monthly	Agency Management	B	Develop a plan to conduct a feedback study to measure employee satisfaction	Perform a survey of auditee/customer satisfaction at the conclusion of each audit	After each completed audit/project	Feedback from customers. Discussions during regularly scheduled	Teresa Velarde	August	2017	On Schedule		Completed during and after each audit. Either via email, paper or discussion to evaluate the overall satisfaction with the audit process.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
						project to gather information about auditor involvement, professionalism, knowledge and ability to communicate to gain information on continuous improvement		Audit Committee Meetings						
235	FY 2016/17	Monthly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations. Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations	Ongoing and through approved audits as approved through the Annual Audit Plan	Completed audits.Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2017	On Schedule		Completed and on-going. IA completed all projects as proposed through the Board approved Annual Audit Plan and provided assistance and evaluation/review services as requested for various projects.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
235	FY 2016/17	Monthly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations. Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations	Ongoing and through approved audits as approved through the Annual Audit Plan	Completed audits.Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed and On-Going. The Internal Audit Department must complete projects proposed through the Board-approved Annual Audit Plan and any amendments if any. IAD completes are projects proposed and assigned and provides recommendations for the improvement of Agency processes and procedures. Any changes to the plans are communicated to the Audit Committee and the Board. In addition to scheduled projects, IA maintains a list of on-going and potential audit projects. The list of potential/proposed audit projects is a list of items that can be evaluated and audited should the risk increase or IA is directed to accelerate the planned and proposed projects.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
236	FY 2016/17	Monthly	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management	Teresa Velarde	May	2017	On Schedule		The Internal Audit Department documented IA SOP -006 Business Continuity and Disaster Recovery in 2013 and is reviewed for any needed updates, annually, as required by the Charter. This SOP requires that IA assist any critical mission of the Agency first, before continuing with audit assignments, when and in the event of an emergency/disaster. Additionally, the Manager has recently attended FEMA training and is assigned the Communications Liaison. Other members of the IAD are on the Safety Committee and also are responsible for ensuring the department completes are required Safety Tailgate topics. Additional training will be provided by the Agency to all Agency staff.
236	FY 2016/17	Monthly	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management	Teresa Velarde	August	2017	On Schedule		documented IA Business Continuity and Disaster Recovery operating procedure. This SOP requires that IA assist any critical mission of the Agency first, before continuing with audit assignments, when and in the event of an emergency/disaster. Additionally, the Manager has recently attended FEMA training and is assigned the Communications Liaison. Other members of the IAD are on the Safety Committee and also are responsible for ensuring the department completes are required Safety Tailgate topics. Additional training will be provided by the Agency to all Agency staff.
237	FY 2016/17	Annual	Agency Management	B	Promote a safet work environment by administering and monitoring required safety and regulatory trainings	Comply with all required IEUA safety and regulatory trainings for required department personnel	Annually as assigned by Safety personnel	Safety Tailgate Tracker	Teresa Velarde	August	2017	On Schedule		Completed and ongoing. Each year IA completes all required safety trainings as required by the Agency, in addition to other outside and volunteer training
239	FY 2016/17	Semi-Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Conduct Control Self-Assessment of the Internal Audit Department	On-going	Certification	Teresa Velarde	August	2017	On Schedule		Completed and ongoing. Each year IA completes all required education and training. Additionally, IA conducts a Risk Assessment to complete the Annual Audit Plan and propose the audit projects.
241	FY 2016/17	Monthly	Agency Management	C	Leverage private/public parternship opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	August	2017	On Schedule		IA continues to do so in the same manner prescribed before. IA communicates to the Audit Committee anything that warrants their immediate attention.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Internal Audit (cont.)</u>														
241	FY 2016/17	Monthly	Agency Management	C	Leverage private/public partnernship opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	May	2017	On Schedule		Achieved. This is achieved through every audit project while working closely with the auditees and other Agency staff. This becomes an opportunity to promote friendly, helpful customer service, build the business networks and provide any assistance or information necessary. Internal Audit works well with others and at all levels.
<u>Laboratory</u>														
197	FY 2015/16	Quarterly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Complete a Review/Update of the Laboratory Chemical Hygiene Plan annually. (CHP)	Complete by December 2015		Nel Groenveld	May	2017	On Schedule	No	Review to be completed by June 2017
300	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory	December 2016	Support Engineering during design phase by participation in design review.	Nel Groenveld	August	2017	On Schedule		Continue to support Engineering during construction of the Water Quality Lab
300	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory	December 2016	Support Engineering during design phase by participation in design review.	Nel Groenveld	May	2017	On Schedule		Ongoing, Lab staff continue to work with Construction Management on the Water Quality Lab Project.
301	FY 2016/17	Annual	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis	December 2016	Annually obtain 100% acceptable results on PE samples	Nel Groenveld	May	2017	On Schedule		Annual performance evaluation samples will be analyzed in June
301	FY 2016/17	Annual	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis	December 2016	Annually obtain 100% acceptable results on PE samples	Nel Groenveld	August	2017	On Schedule		100% acceptable on the Waste water PE samples, currently analyzing Drinking water unknowns
302	FY 2016/17	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety tailgate meeting requirement	December 2016	Hold bi-weekly safety meetings	Nel Groenveld	August	2017	On Schedule		holding bi-weekly safety tailgates
302	FY 2016/17	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety tailgate meeting requirement	December 2016	Hold bi-weekly safety meetings	Nel Groenveld	May	2017	On Schedule		Ongoing, safety meetings have been completed as required for the quarter
303	FY 2016/17	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements	December 2016	Ongoing review of approved test methods	Nel Groenveld	May	2017	On Schedule		Ongoing
303	FY 2016/17	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements	December 2016	Ongoing review of approved test methods	Nel Groenveld	August	2017	On Schedule		reviewing and updating laboratory SOPs as required

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Maintenance</u>														
246	FY 2016/17	Monthly	Operations	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide exceptional and responsive customer service.	Continuous	Increase facilities services response time for support services by 15%.	Lucia Diaz	May	2017	On Schedule		On-going Facilities continues to monitor the activities associated with the Track it system in response to the level of service. There are times where staff is dependent upon other departments for support. To date a total of 275 support tickets have been completed.
246	FY 2016/17	Monthly	Operations	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide exceptional and responsive customer service.	Continuous	Increase facilities services response time for support services by 15%.	Lucia Diaz	August	2017	On Schedule		On-going Facilities continues to monitor the activities associated with the Track it system in response to the level of service. To date a total of 341 support tickets have been completed. Response time has improved by 11%
247	FY 2016/17	Quarterly	Operations	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Identify educational opportunities for environmentally friendly facilities and landscapes	Ongoing	Increase educational signage by 10% for Agency facilities that are accessible by the public.	Lucia Diaz	August	2017	Behind Schedule		Educational Signage about the treatment process was designed in partnership with Operations and External Affairs for RP-5. Signage is currently being installed.
247	FY 2016/17	Quarterly	Operations	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Identify educational opportunities for environmentally friendly facilities and landscapes	Ongoing	Increase educational signage by 10% for Agency facilities that are accessible by the public.	Lucia Diaz	May	2017	On Schedule		Educational Signage for Regional Plant No. 5 will be installed by the end of the fiscal year, June 2017.
308	FY 2016/17	Quarterly	Operations	B	Establish a cross training program across departments and divisions to enhance understanding of Agency programs	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2017	Hold one training session each quarter	Randy Lee	May	2017	On Schedule		Maintenance training based on the Class & Comp has been completed. Proficiency exams for advancement to begin the end of May.
308	FY 2016/17	Quarterly	Operations	B	Establish a cross training program across departments and divisions to enhance understanding of Agency programs	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2017	Hold one training session each quarter	Randy Lee	August	2017	On Schedule		All on site training has been completed.
309	FY 2016/17	Annual	Operations	E	Ensure reliability of Agency assets by annually implementing the asset management monitoring and assessment program (Asset Management Plan)	Conduct major condition assessments annually.	By June 30, 2017	Complete condition assessments of RP-5 and CCWRF	Randy Lee	August	2017	On Schedule		CCWRF assessment in process.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Operations														
306	FY 2016/17	Quarterly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Support the development and implementation of the Energy Management Plan to ensure 100% use of digester gas	By June 2016 Ongoing	Meet 100% of established implementation goals; on-going	Chander Letulle, Matt	July	2017	On Schedule		Operations has supported all implementation goals. Due to equipment issues at RP-1 and RP-2 gas utilization is lower than expected.
307	FY 2016/17	Monthly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Maximize use of biosolids by sending 90% of organics to IERCF	By June 2016 Ongoing	Send 90% of organics to IERCF; on-going	Randy Lee	August	2017	On Schedule		All Agency biosolids have been sent to the IERCF, processed into compost and sold into landscape and agricultural markets.
198	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Measure baseline usage of potable and recycled water usage.	Ongoing through June 2016		Matt Melendrez and	July	2017	On Schedule	No	Potable water usage data is collected and monitored for all sites. Recycled water usage data is collected and monitored at RP-5, CCWRF, RP-1 and RP-2. A project has been identified to add a meter at RP-4.
199	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain peak demand management readiness	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Weekly demand management meetings will be resumed in May 2017.
199	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain peak demand management readiness	Ongoing through June 2016		Andy Campbell	August	2017	On Schedule	No	Demand management meeting resumed in June. Monthly RW GWR targets discussed and met through the year.
200	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain pump station readiness	Ongoing through June 2016		Andy Campbell	August	2017	On Schedule	No	RW GWR deliveries and RW pump station readiness is continuously monitored by RW staff. Any deficiency's of readiness are addressed and remedied.
200	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain pump station readiness	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Pump station readiness is continuously monitored by RW staff. Any deficiency's of readiness are addressed and remedied.
201	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Continue weekly Peak Demand Management meetings with key operations staff for start of 2016 Peak Demand season.	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Weekly demand management meetings will be resumed in May 2017.
201	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Continue weekly Peak Demand Management meetings with key operations staff for start of 2016 Peak Demand season.	Ongoing through June 2016		Andy Campbell	August	2017	On Schedule	No	Demand management meeting resumed in June. Monthly RW GWR targets discussed and met through the year.
202	FY 2016/17	Quarterly	Operations	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Prepare and submit to CDPH start-up reports for new basin as delivery mechanisms are completed	Completed by June 2016 and Ongoing		Andy Campbell	August	2017	On Schedule	No	Declez Start-Up Report is completed with the exception of inclusion of well data from the planned construction of second Declez Monitoring well. Report will be submitted after construction.
202	FY 2016/17	Quarterly	Operations	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Prepare and submit to CDPH start-up reports for new basin as delivery	Completed by June 2016 and Ongoing		Andy Campbell	May	2017	On Schedule	No	Declez Basin start-up is complete; start-up report will be completed in fourth quarter.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Operations (cont.)						mechanisms are completed								
203	FY 2016/17	Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Ensure all treatment standards are met to maximize availability of recycled water.	Completed by June 2016 and Ongoing		Matt Melendrez and	July	2017	On Schedule	No	During the last quarter CCWRF and RP-5 had permit exceedances. However, these deviations did not impact recycled water deliveries.
204	FY 2016/17	Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Identify projects necessary to reduce potable and promote recycled water usage	Completed by June 2016 and Ongoing		Matt Melendrez and	July	2017	On Schedule	No	Projects have been identified to switch processes from potable to recycle water. Operations is working with Maintenance, and Engineering to complete these projects. For example San Bernardino Lift Station packing water system and the RP-1 Centrifuge cooling water system.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	May	2017	On Schedule	No	Hickory and Banana basins will be cleaned in May and June 2017. RP3, Delclez and Victoria were cleaned Fall 2016. Will continue to develop cleaning strategies and implement cleaning projects to maintain peak basin infiltration capacity.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	May	2017	On Schedule	No	Conducted 3DFEEM study with Jorg Drewes. Final report for study was completed February 2016. Study with other sampling results assisted IEUA in obtaining 50% RWC for most of its RW GWR basins.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	August	2017	On Schedule	No	Basin cleaning strategies were developed during the budget process to maintain peak basin infiltration capacity. Some maintenance delayed due to the MWD DYY initiation in June 2016.
143	FY 2016/17	Annual	Operations	B	Review and revise the Emergency Preparedness Plan by July 2017	Support Human Resources in the development of an Emergency Preparedness Plan for the Operations Division.	FY 2014/15	Not applicable	Chander Letulle	July	2017	On Schedule	No	The Operations Interim Emergency Response Plan is continually being reviewed to ensure accuracy and availability of the latest information.
80	FY 2016/17	Quarterly	Operations	D	Optimize IEUA's use of potable and recycled water by July 2016	Identify projects necessary to reduce potable and recycled water usage.	FY 2016/17	One facility per quarter	Matt Melendrez	July	2017	On Schedule	No	A project has been identified to convert the RP-1 centrifuge oil coolers from potable water to utility water.
Planning and Environmental Compliance														
89	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvie Lee	August	2017	On Schedule	No	Analyzing input from member agencies regarding the project lists and infrastructure schematic.
89	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvie Lee	May	2017	On Schedule	No	Project lists, including sites identified in RMPU, are being updated in IRP Phase 2.
190	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Apply LEAN management principles to streamline current practices and develop long-term strategy for permitting of the O&M activities of recharge basins	To be Completed by June 2017		Sylvie Lee	May	2017	On Schedule	No	ACOE is drafting public notice comment letters

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<u>Planning and Environmental Compliance (cont.)</u>														
190	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Apply LEAN management principles to streamline current practices and develop long-term strategy for permitting of the O&M activities of recharge basins	To be Completed by June 2017		Sylvie Lee	August	2017	Behind Schedule	No	Response to the public comments occurred in June 2017. Project is behind schedule due to additional biological information requested by the ACOE. PC
191	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents	To be Completed by June 2017		Sylvie Lee	May	2017	On Schedule	No	IEUA Board of Directors certified the final PEIR on 3/15/17
191	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents	To be Completed by June 2017		Sylvie Lee	August	2017	On Schedule	No	Project completed. PC
193	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Meet the schedule as defined by the IRP	Sylvie Lee	August	2017	On Schedule	No	Analyzing input from member agencies regarding their upcoming & future project, and preparing an infrastructure schematic of the existing and potential interconnections for future modeling.
193	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Meet the schedule as defined by the IRP	Sylvie Lee	May	2017	On Schedule	No	Project lists, including sites identified in RMPU, are being updated in IRP Phase 2.
195	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water in to Chino Basin	Through June 2016 and Ongoing	Develop the plans	Sylvie Lee	August	2017	On Schedule	No	MWD Foundational Actions projects were completed in 2016, post-project presentation was provided late 2016. Researching current direct potable reuse projects and participating in workshops with the State Water Resources Control Board (SWRCB) with regards to the development of regulations for direct potable reuse. The Recycled Water Injection Pilot Demonstration Project was placed on hold due to the potential to implement reverse osmosis in the 5-to-15-year time frame, which would utilize all available recycled water. 3D Fluorescence Excitation-Emission Matrix (3DFEEM) study was completed in September with results used to support increasing RWC at many RW GWR basins.

Business Goals & Objectives Report By Department
FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
195	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water in to Chino Basin	Through June 2016 and Ongoing	Develop the plans	Sylvie Lee	May	2017	On Schedule	No	Researching current direct potable reuse projects, and participating in workshops with the State Water Resources Control Board with regards to the development of regulations for direct potable reuse.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	May	2017	On Schedule	No	Phase 2 of the IRP is developing a Regional Projects List and Regional Single-Line Schematic as part of the initial effort. The Projects List will help project the long-term resiliency of the regions water supplies. The schematic will be expanded to model the ability to move water in the region.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	August	2017	On Schedule	No	The Regional Projects List and Regional Single-Line Schematic for IRP Phase 2 has been completed. Analysis and discussions of listed projects and modeling with the schematic will occur in the fall.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	August	2017	On Schedule	No	Analyzing input from member agencies regarding the project lists and infrastructure model. Drought projects were identified as part of the initial projects listing to help with drought resilience. Also developing a Regional Single-Line Schematic as part of the initial effort. The projects list will help project the long-term resiliency of the regions water supplies. The schematic will be expanded to model the ability to move water in the region.
271	FY 2016/17	Monthly	Engineering, Planning and Science	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	May	2017	On Schedule		A scope of work has been developed for Phase 2 of the Feasibility Study for the RW Intertie Project with Pomona, MVWD and IEUA. Additional alternatives will be explored, as well as groundwater modeling for the potential locations.
271	FY 2016/17	Monthly	Engineering, Planning and Science	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	August	2017	On Schedule		Phase 2 of the Feasibility Study for the RW Intertie Project with Pomona, MVWD and IEUA has been awarded to Carollo Engineers. Phase 2 will be kicked off in August 2017 where additional alternatives will be explored, and groundwater modeling will be conducted to identify potential facility locations.

Business Goals & Objectives Report By Department
FY 2016/17

Department: ALL
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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
272	FY 2016/17	Monthly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend and pursue new grant awards/opportunities to diversify revenue.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	May	2017	On Schedule		The department is preparing a list of potential Title XVI projects for Water Reclamation & Reuse for long-term grant planning.
272	FY 2016/17	Monthly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend and pursue new grant awards/opportunities to diversify revenue.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	August	2017	On Schedule		The department is submitting Prop 1 allocation for WSIP and Title XVI for recycled water
278	FY 2016/17	Annual	Engineering, Planning and Science	C	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance the Agency's mission, vision and key initiatives.	Continuous	Attend at regular meetings	Sylvie Lee	May	2017	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces, and attending seminars to track issues as they relate to the Agency's short- and long-term goals.
278	FY 2016/17	Annual	Engineering, Planning and Science	C	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance the Agency's mission, vision and key initiatives.	Continuous	Attend at regular meetings	Sylvie Lee	August	2017	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces, and attending seminars to track issues as they relate to the Agency's short- and long-term goals.
279	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regiona	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents	Continuous	Maintain the schedules as established in the regulations, policies and planning documents	Sylvie Lee	August	2017	On Schedule		Staff in process of evaluating the Exhibit J sewer fee calculation methodology, which will modernize the calculations.
279	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regiona	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents	Continuous	Maintain the schedules as established in the regulations, policies and planning documents	Sylvie Lee	May	2017	On Schedule		Staff in process of evaluating the Exhibit J sewer fee calculation methodology, which will modernize the calculations. SL
280	FY 2016/17	Monthly	Engineering, Planning and Science	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Provide monthly/ quarterly/annual updates as needed.	Sylvie Lee	May	2017	On Schedule		Updates have been provided on planning issues through the quarter. SL
280	FY 2016/17	Monthly	Engineering, Planning and Science	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Provide monthly/ quarterly/annual updates as needed.	Sylvie Lee	August	2017	On Schedule		Updates have been provided on planning issues through the quarter
283	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	August	2017	On Schedule		Participating in SB County stormwater management plan, including projects that promote LID is ongoing.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
283	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	May	2017	On Schedule		Participating in SB County stormwater management plan, including projects that promote LID.
284	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Optimize IEUAs use of potable and recycled water by July 2016	Optimize IEUA's use of potable and recycled water by completion of the recommended updates of the Recycled Water Program Strategy (RWPS).	June 2016 Ongoing	Adopt the RWPS	Sylvie Lee	August	2017	On Schedule		RWPS complete. Agency submitting Prop 1 WSIP for RW injection and Title XVI to go beyond RWPS recommendations.
289	FY 2016/17	Annual	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop and implement the Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	Continuous	Continuous dialogue with member agencies and through customers as needed to connect new customers and support demand management initiatives.	Sylvie Lee	August	2017	On Schedule		Ongoing. Coordinated discussions with operations, local agencies, and customers.
295	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Periodic/as needed monitoring performed	Sylvie Lee	May	2017	On Schedule		Staff is drafting a report to present information collected
295	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Periodic/as needed monitoring performed	Sylvie Lee	August	2017	On Schedule		Perform quarterly odor survey at all facilities. PC
296	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Provide support as needed	Sylvie Lee	August	2017	On Schedule		Perform odor monitoring, as needed to assist Operations, External Affair during complaints investigation and mitigation. PC
296	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Provide support as needed	Sylvie Lee	May	2017	On Schedule		Perform odor monitoring, as needed to assist Operations, External Affair during complaints investigation and mitigation.
297	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advice letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP.	Sylvie Lee	August	2017	On Schedule		Provided comments to External Affairs regarding P&ER's legislative priorities. Continuous.
297	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advice letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP.	Sylvie Lee	May	2017	On Schedule		Provided comments to External Affairs regarding P&ER's legislative priorities. Continuous. SL

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month:April,May,June: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
299	FY 2016/17	Annual	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MSHCP by June 2017	Sylvie Lee	May	2017	Behind Schedule		SAR HCP schedule has been prolonged through July 2018 for draft; 2019 for final adoption. Activity impact assessment and discussions about how to establish the mitigation sites are underway.
299	FY 2016/17	Annual	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MSHCP by June 2017	Sylvie Lee	August	2017	Behind Schedule		SAR HCP schedule has been prolonged through July 2018 for draft; 2019 for final adoption. The SAR MSHCP team is continuing technical work to model impacts of all proposed covered activities. On a parallel track, the Santa Ana River Model is being developed. The SAR Model will be used to predict interactions between surface water flows and groundwater basins that feed into the Santa Ana River, and will have the capability to analyze future projects that are not included in the HCP. Projects included as covered activities in the SAR HCP include all existing groundwater recharge basins for operation and maintenance, as well as projects and proposed diversions listed in the 2013 RMPU.

Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2016/2017
Budget Transfer

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	3/28/17	521050	Contract Materials	\$15,000	512010	Office Supplies - General	\$15,000	Transfer for agency wide janitorial supplies and office supplies. Budget was setup through CAP and wasn't increased to account for staffing and usage.	4
10200	5/18/17	520980	Prof Svcs - Other	\$15,000	511230	Travel - Transport	\$15,000	Transfer to cover expenses for temporary support	4
10200	5/18/17	520980	Prof Svcs - Other	\$2,500	513020	Conference Expenses	\$2,500	Transfer to cover expenses for temporary support	4
10200	5/18/17	520980	Prof Svcs - Other	\$2,500	511290	Travel - Costs - Other	\$2,500	Transfer to cover expenses for temporary support	4
10200	6/15/17	521410	Computer Systems Maintenance	\$10,000	512520	Computer Software	\$10,000	Transfer to complete year end purchases for software licensing and training.	4
10200	6/22/17	512010	Office Supplies - Gen	\$4,000	512610	Equipment - Office	\$4,000	Transfer for spare and maintenance items to ensure the back-up generation control system functions correctly.	4
10300	5/10/17	545350	Telemetry	\$3,000	521010	Contract Labor	\$3,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/10/17	545340	Network	\$1,000	521010	Contract Labor	\$1,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/10/17	545320	Telephone	\$1,000	521010	Contract Labor	\$1,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/10/17	545110	Electricity	\$25,000	521010	Contract Labor	\$25,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/25/17	519310	GWR Op Permits & Lic	\$6,000	521080	GWR Contract Svcs	\$6,000	Transfer to provide funds for Banana Basin infiltration restoration work that needs to be completed.	4
10500	5/9/17	521080	Other Contract Svcs	\$1,000	519310	Operating Permits & Lic	\$1,000	Transfer for unexpected costs related to a business name change on the AQMD permit for Philly Lift Station.	4
10508	4/24/17	555010	Interest Expense - Bonds	\$596,265	555010	Interest Expense - Bonds	\$596,265	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4
10508	6/13/17	555010	Interest Expense - Bonds	\$8,450	555010	Interest Expense - Bonds	\$8,450	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4
10600	5/30/17	521010	Contract Labor	\$15,000	512160	Lab Supplies	\$15,000	Transfer due to GRW samples collected throughout quarter instead of collected the first month of the quarter, resulting in lab's unanticipated use of additional chemicals to analyse smaller batches of samples.	4
10608	4/24/17	555010	Interest Expense - Bonds	\$596,265	555010	Interest Expense - Bonds	\$596,265	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4
10608	6/13/17	555010	Interest Expense - Bonds	\$34,560	555010	Interest Expense - Bonds	\$34,560	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4
10800	4/19/17	545230	Fuel Cell Power	\$70,000	530028	Polymer	\$70,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	4/19/17	545230	Fuel Cell Power	\$28,000	530012	Alum	\$28,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	4/19/17	545230	Fuel Cell Power	\$38,000	530016	Sodium Hypochlorite	\$38,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	4/19/17	545230	Fuel Cell Power	\$36,000	530020	Sodium Bisulfate	\$36,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4

Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2016/2017
Budget Transfer

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10800	4/19/17	545230	Fuel Cell Power	\$250,000	521010	Contract Labor	\$250,000	Transfer to cover professional fees and services for maintenance related work on RP-5 Biofilter, CCWRF hydropneumatic tank, and other minor maint. work	4
10800	4/19/17	521080	Other Contract Svcs	\$150,000	530028	Polymer	\$150,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	5/31/17	545230	Fuel Cell Power	\$335,000	512170	O&M Supplies	\$335,000	Transfer to cover expenses for parts and equipment necessary for continued reliable operations of RP-5, CCWRF, and RP-2.	4
10800	6/7/17	526520	Transport to RCA	\$2,200	545370	Water	\$2,200	Transfer due to line breaks.	4
10800	6/7/17	526520	Transport to RCA	\$2,200	521010	Contract Labor	\$2,200	Transfer due to Headworks overflow.	4
10800	6/7/17	526520	Transport to RCA	\$5,028	526130	Residuals Disposal	\$5,028	Transfer to cover CCWRF Residuals Disposal.	4
10800	6/7/17	521010	Contract Labor	\$4,268	545370	Water	\$4,268	Transfer from contract labor to water g/l as line item is currently over budget.	4
10808	4/24/17	555010	Interest Expense - Bonds	\$74,565	555010	Interest Expense - Bonds	\$74,565	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4
10808	6/13/17	555010	Interest Expense - Bonds	\$5,060	555010	Interest Expense - Bonds	\$5,060	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4
10908	4/24/17	555010	Interest Expense - Bonds	\$596,265	555010	Interest Expense - Bonds	\$596,265	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4
10908	6/13/17	555010	Interest Expense - Bonds	\$40,460	555010	Interest Expense - Bonds	\$40,460	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4
Total O&M Transfers Out				\$2,973,586		Total O&M Transfers In	\$2,973,586		

Fund	Date	Project	Project Description	Amt Transfer Out	Project	Project Description	Amt Transfer In	Justification	QTR
10700	3/29/17	WR16025	WW Planning Documents	\$19,260	WR15022	Water Use Assessments	\$19,260	Transfer to backfill expenses paid out of WR15022	4
10700	3/29/17	521080	Other Contract Svcs	\$115	WR15022	Water Use Assessments	\$115	Transfer to backfill expenses paid out of WR15022	4
10700	3/29/17	515030	Contributions/Sponsors hips	\$1,800	WR15022	Water Use Assessments	\$1,800	Transfer to backfill expenses paid out of WR15022	4
Total Project Transfers Out				\$21,175		Total Project Transfers In	\$21,175		

**Inland Empire Utilities Agency
FY 2016/17 GM Contingency Account Activity**

Exhibit C-2

Date	Description		Account/Project No.	Requestor	GM Contingency Budget	Transfers	Balance
7/1/2016	FY 2016/17 Adopted budget	RO Fund	10800-112100-501000-519010		\$400,000		\$400,000
9/27/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund	10800-112100-501000-520210	A. Woodruff		\$20,000	\$380,000
10/17/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund	10800-112100-501000-520210	A. Woodruff		\$30,000	\$350,000
11/10/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund	10800-112100-501000-520210	A. Woodruff		\$60,000	\$290,000
3/28/2016	Transfer to cover unforeseen general legal expenses	RO Fund	10800-112100-501000-519010	A. Woodruff		\$110,000	\$180,000
RO Fund GM Contingency					\$400,000	\$220,000	\$180,000
7/1/2016	FY 2016/17 Adopted budget	GG Fund	10200-112100-100000-519010		\$300,000		\$300,000
8/31/2016	Transfer to cover the purchase of computers for new staff in External Affairs	GG Fund	10200-146100-105000-980000	K. Besser		\$3,700	\$296,300
12/15/2016	Transfer to cover the purchase of IEUA shirts for employees	GG Fund	10200-120100-100000-511310	S. Bhojani		\$8,900	\$287,400
6/8/2017	Transfer to cover Banana Basin infiltration restoration	GG Fund	10300-161101-410000-521080	R. Mykitta		\$21,000	\$266,400
6/20/2017	Transfer to Legal under RC Fund to cover Regional Contract negotiations	GG Fund	10900-112100-500000-520210	A. Woodruff		\$42,000	\$224,400
6/20/2017	Transfer to Legal under GG Fund to cover general legal expenses	GG Fund	10200-112100-100000-520210	A. Woodruff		\$80,000	\$144,400
6/28/2017	Transfer to pay for annual California Data Collaborative membership	GG Fund	10200-112100-100000-514010	S. Lee		\$27,500	\$116,900
GG Fund GM Contingency					\$300,000	\$183,100	\$116,900
GM CONTINGENCY GRAND TOTAL					\$700,000	\$403,100	\$296,900

cc: Joe Grindstaff, Christina Valencia

Inland Empire Utilities Agency

Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17

Exhibit D

Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10200	Capital	5/18/17	Yes	Yes	No	LB17001	TKN Block Digester	\$11,000	\$0	\$11,000	(\$2,500)	\$8,500	\$11,000	(\$2,500)	\$8,500	LB17002	Transfer to purchase additional parts for the Dionex Integrion IC system that were not previously anticipated.
						LB17002	Integrion HPIC	\$41,000	\$0	\$41,000	\$2,500	\$43,500	\$41,000	\$2,500	\$43,500	(LB17001)	
Subtotal Administration (GG):								\$52,000				\$52,000	\$52,000		\$52,000		
10600	Capital	4/17/17	Yes	No	Yes	EN15055	1630 W Recycled Water Pump Station Surge Tank Installation	\$1,410,000	\$0	\$1,410,000	(\$10,000)	\$1,400,000	\$1,160,000	(\$10,000)	\$1,150,000	EN17080	Transfer to create new project, EN17080, to repair existing and construct new cathodic protection and monitoring test stations on the following recycled water distribution segments: Bickmore Ave pipeline, CCWRF pipeline, Edison Ave Main A and B pipelines, Jurupa pipeline, North Etiwanda Ave pipeline, San Antonio Channel Segment A pipeline, RP-4 West Extension Phase 1 & 2 pipelines, and 1158 reservoirs.
						EN17080	RW System Cathodic Protection Improvements	\$0	\$0	\$0	\$10,000	\$10,000	\$0	\$10,000	\$10,000	(EN15055)	
	Capital	6/6/17	Yes	Yes	No	EN16051	RP-1 Utility Water Flow Meter	\$331,400	\$0	\$331,400	(\$50,000)	\$281,400	\$260,000	(\$50,000)	\$210,000	EN17062	Transfer from EN16051 and EN17049 due to unforeseen conditions encounnered during excavation of the RP-1 RW Valve Replacement for each valve location.
						EN17049	Baseline RWPL Extension	\$5,000,000	\$0	\$5,000,000	(\$30,000)	\$4,970,000	\$300,000	(\$30,000)	\$270,000	EN17062	
						EN17062	RP-1 RW Valve Replacement	\$0	\$80,000	\$80,000	\$80,000	\$160,000	\$80,000	\$80,000	\$160,000	(EN16051 / EN17049)	
	Capital	6/15/17	Yes	Yes	No	EN17049	Baseline RWPL Extension	\$5,000,000	(\$30,000)	\$4,970,000	(\$50,000)	\$4,920,000	\$270,000	(\$50,000)	\$220,000	EN17062	Transfer to EN17062 to cover added scope on the project including a new valve and air vac and release system on an 18" pipe.
						EN17062	RP-1 RW Valve Replacement	\$0	\$160,000	\$160,000	\$50,000	\$210,000	\$160,000	\$50,000	\$210,000	(EN17049)	
Subtotal Recycled Water (WC):								\$11,741,400				\$11,951,400	\$2,230,000		\$2,230,000		
10800	Capital	4/17/17	Yes	Yes	Yes	EN14012	RP-2 Drying Beds Rehabilitation	\$1,818,400	(\$50,000)	\$1,768,400	(\$15,000)	\$1,753,400	\$300,000	(\$15,000)	\$285,000	EN17082	Transfer from EN14012 to create new project, EN17082, to assist in the maintenance of the digestion systema nd limit the amount of clogging material in the digesters and associated piping.
						EN17082	RP-1 Mechanical Restoration and Upgrades	\$0	\$0	\$0	\$15,000	\$15,000	\$0	\$15,000	\$15,000	(EN14012)	
	Capital	6/7/17	Yes	Yes	No	EN17052	RP-1 and RP-4 Safety Improvements	\$760,000	\$0	\$760,000	\$189,000	\$949,000	\$760,000	\$0	\$760,000	(RO Reserves)	Board approved amendment to the total project budget of EN17052 to cover the cost of the contract award.
Subtotal Regional Operations (RO):								\$2,578,400				\$2,717,400	\$1,060,000		\$1,060,000		
10900	Capital	5/1/17	Yes	No	No	EN17050	Septic Conversion PDR	\$1,000,000	\$0	\$1,000,000	(\$125,000)	\$875,000	\$200,000	(\$125,000)	\$75,000	EN16071	Transfer to cover revised alignment for the potholing for the San Bernardino Gravity Sewer due to the discovery of several unknown private utilities which conflicted with the original planned potholing alignment of the project.
						EN16071	San Bernardino Avenue Gravity Sewer	\$1,500,000	\$0	\$1,500,000	\$125,000	\$1,625,000	\$1,300,000	\$125,000	\$1,425,000	(EN17050)	
Subtotal Regional Capital (RC):								\$2,500,000	\$0	\$2,500,000	\$0	\$2,500,000	\$1,500,000	\$0	\$1,500,000		
								Capital Total Project Budget			Capital Total Project Budget			Total Annual Capital Budget			
								Adopted			Amended			Adopted		Amended	
								\$16,871,800			\$17,220,800			\$4,842,000		\$4,842,000	

Inland Empire Utilities Agency

Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17

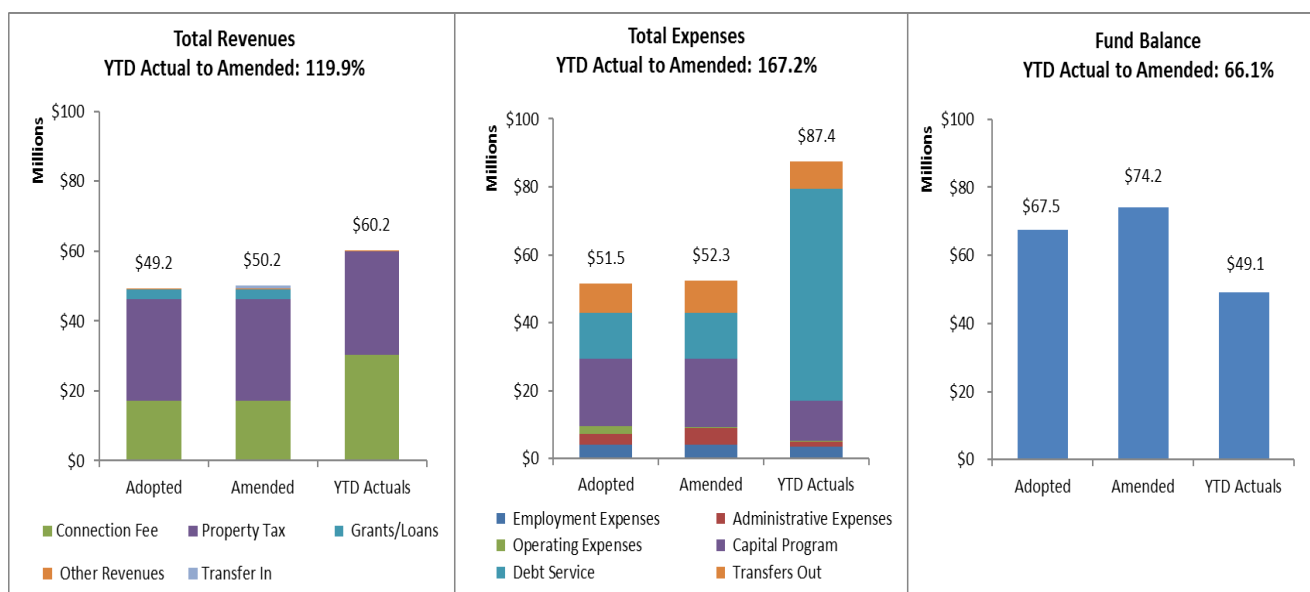
Exhibit D

Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification	
10500	O&M Proj	5/25/17	Yes	Yes	Yes	EN17074	NRW Pressure Pipeline Condition Assessment	\$0	\$0	\$0	\$12,500	\$12,500	\$0	\$12,500	\$12,500	(O&M: 512170; 521050)	Transfer from O&M categories O&M Supplies and Contract Materials to create new project, EN17074, to complete a condition assessment on the NRW pipeline and draft a pre-design report to inspect the pipeline, which needs to be done every two years.	
Subtotal Non-Reclaimable Wastewater (NC):								\$0				\$12,500	\$0		\$12,500			
10600	O&M Proj	6/6/17	Yes	Yes	No	EN17020	WC On-Call Operations & Maintenance Support	\$250,000	\$0	\$250,000	(\$75,000)	\$175,000	\$217,000	(\$75,000)	\$142,000	EN17051	Transfer to EN17051 to replace three additional valves as part of the CCWRF Valve Replacement project due to unforeseen conditions.	
						EN17051	CCWRF Valve Replacement	\$250,000	\$0	\$250,000	\$75,000	\$325,000	\$250,000	\$75,000	\$325,000	(EN17020)		
Subtotal Recycled Water (WC):								\$500,000				\$500,000	\$467,000		\$467,000			
10900	O&M Proj	4/17/17	Yes	No	Yes	EN17021	RC On-Call Operation and Maintenance	\$250,000	\$0	\$250,000	(\$25,000)	\$225,000	\$250,000	(\$25,000)	\$225,000	EN17077	Transfer to create new project, EN17077, to perform a condition assessment with the design recommendations for constructing emergency diversion at the San Bernardino Lift Station.	
						EN17077	San Bernardino Lift Station Emergency Diversion System	\$0	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000	\$25,000	(EN17021)		
Subtotal Regional Capital (RC):								\$250,000				\$250,000	\$250,000		\$250,000			
								O&M Total Project Budget			O&M Total Project Budget			Total Annual O&M Project Budget				
								Adopted			Amended			Adopted			Amended	
								\$750,000			\$762,500			\$717,000			\$729,500	
								Total Capital and O&M Project Transfers:			\$584,000							
								Total Project Budget Change - Capital:			\$189,000							
								Total Project Budget Change - O&M Proj:			\$12,500							
								Total Project Budget - Net Change:			\$201,500							

Financial Overview of Agency's Programs
FY 2016/17 quarter ended June 30, 2017
Total Revenues, Expenses, and Fund Balance
(Unaudited)

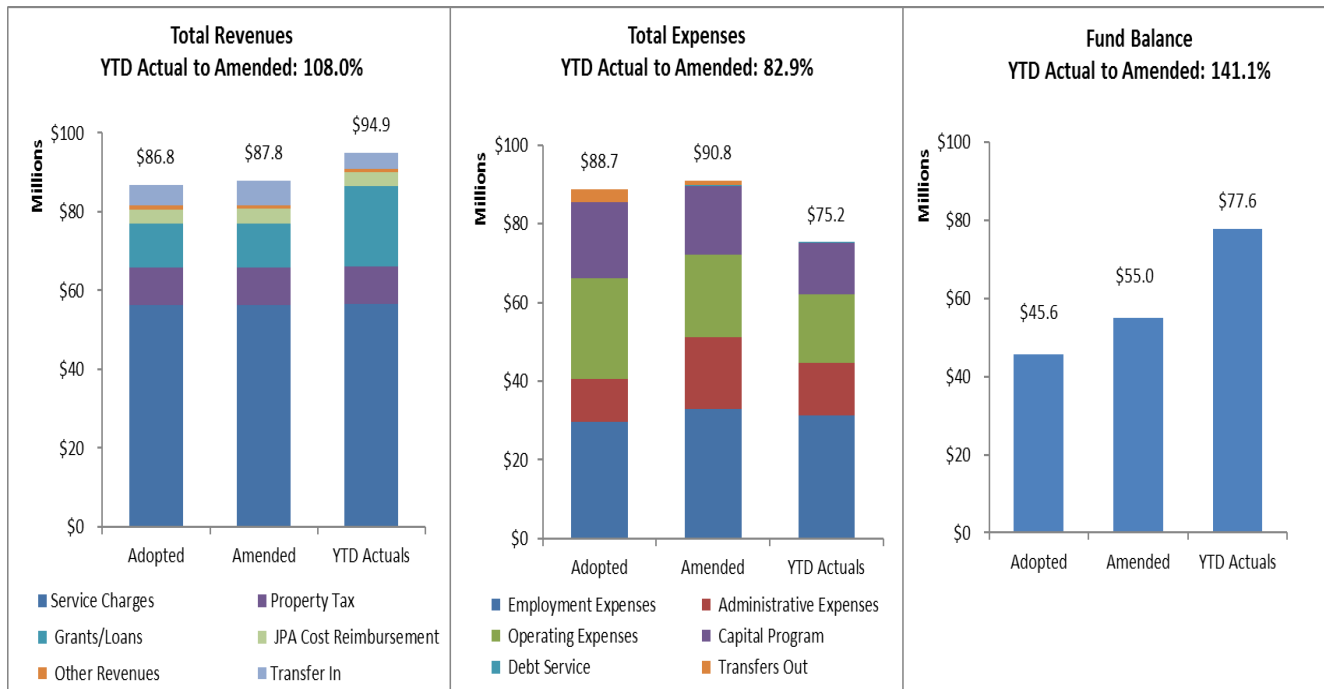
Regional Wastewater Capital Improvement Fund

Actual revenues through the end of fiscal year were \$60.2 million compared to the \$50.2 million amended budget. The increase was due to higher connection fee revenues. The actual expenses were \$87.4 million compared to the \$52.3 million amended budget. The increase in expenses was mainly due to the \$50 million partial refunding of the 2008A bonds in January 2017 and slightly offset with low capital project and administrative spending. The aggregate change of \$25.1 million is reflected in the unaudited ending fund balance. A total of \$1.5 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



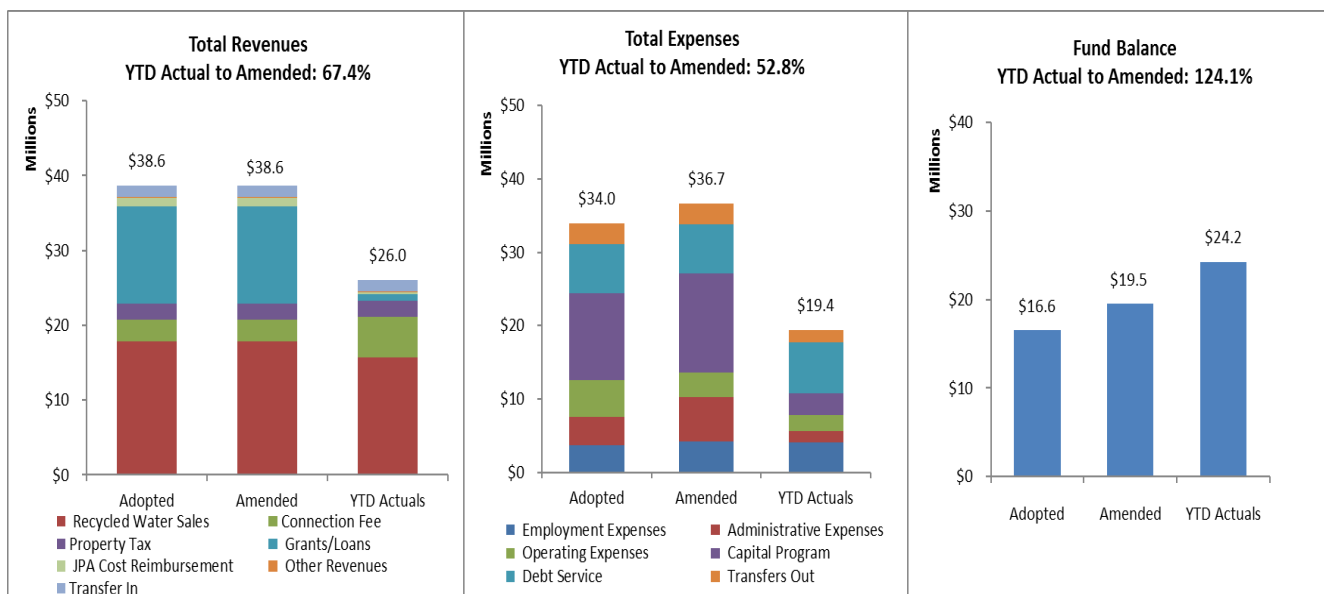
Regional Wastewater Operations and Maintenance Fund

Actual revenues through the end of fiscal year were \$94.9 million compared to the \$87.8 million amended budget. The increase in revenue was due to higher grant receipts for the Plume project. The actual expenses were \$75.2 million compared to the \$90.8 million amended budget. The decrease in expenses was due to the timing of execution of O&M and capital replacement and rehabilitation projects. The aggregate change of \$22.6 million is reflected in the unaudited fund balance. A total of \$3.5 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



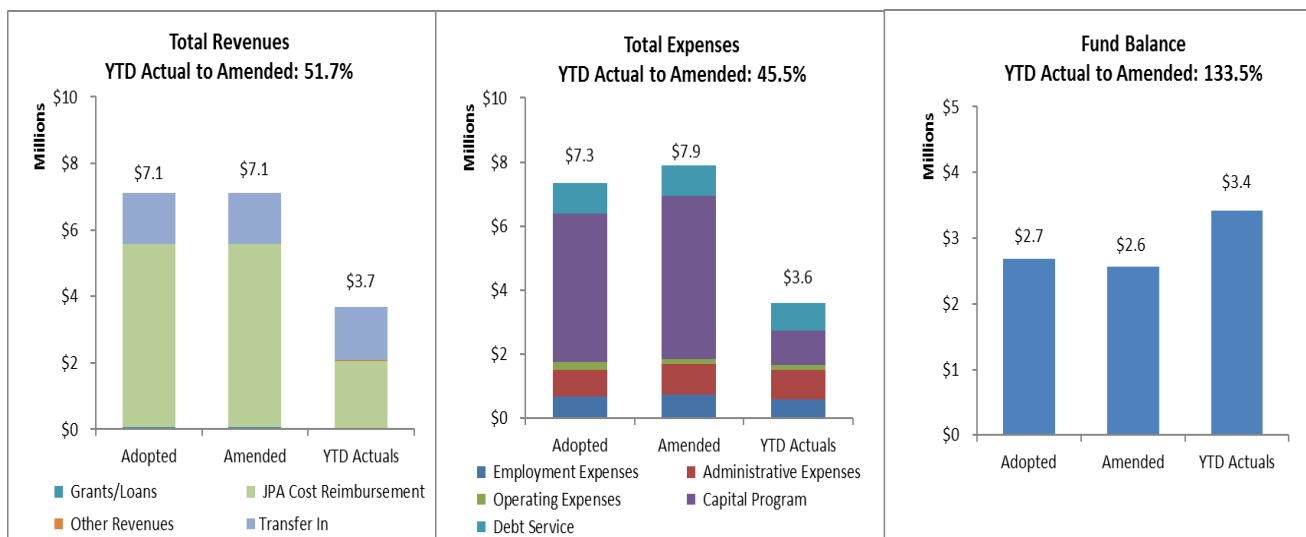
Recycled Water Fund

Actual revenues through the end of fiscal year were \$26.0 million compared to the \$38.6 million amended budget. The decrease was due to lower grants and loan proceeds of \$0.8 million compared to \$13 million budgeted. The actual expenses were \$19.4 million compared to the \$36.7 million amended budget. The decrease in expenses was primarily due to low capital project expenses of \$3.0 million compared to \$13.6 million budget and low administrative expenses. The aggregate change of \$4.7 million is reflected in the unaudited fund balance. A total of \$1.9 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



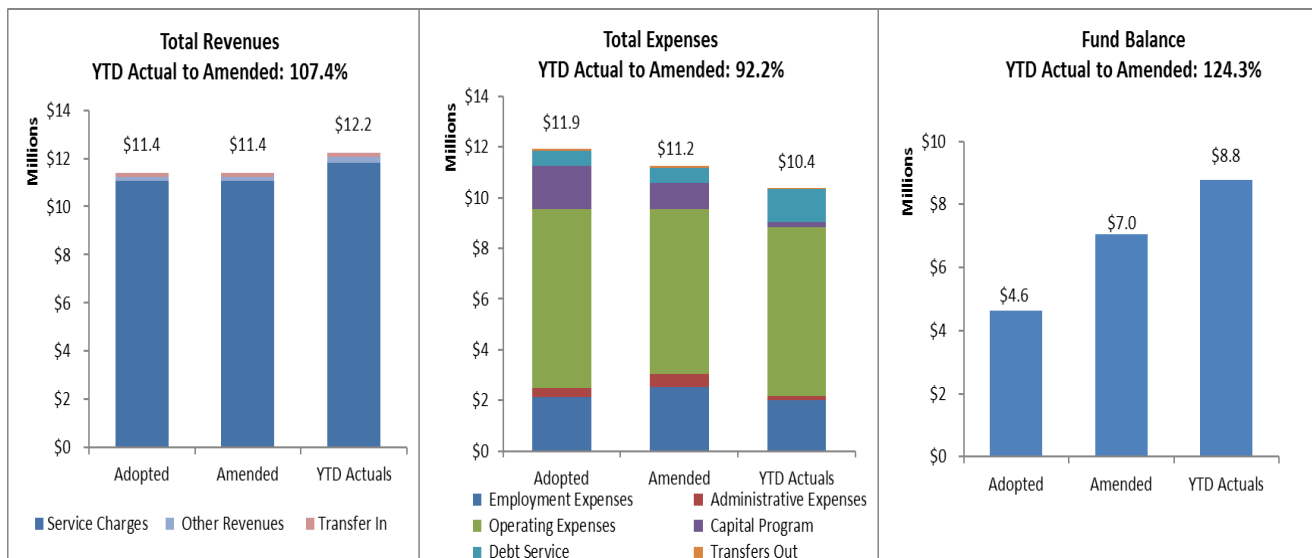
Recharge Water Fund

Actual revenues through the end of fiscal year were \$3.7 million compared to the \$7.1 million amended budget. The decrease in revenues was mainly due to low project reimbursement of \$1.1 million compared to \$4.5 million budgeted. The actual expenses were \$3.6 million compared to the \$7.9 million amended budget. The decrease in expenses was mainly due to low operational spending & delays in capital project execution. The aggregate change of \$0.8 million is reflected in the unaudited fund balance. A total of \$339 thousand of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



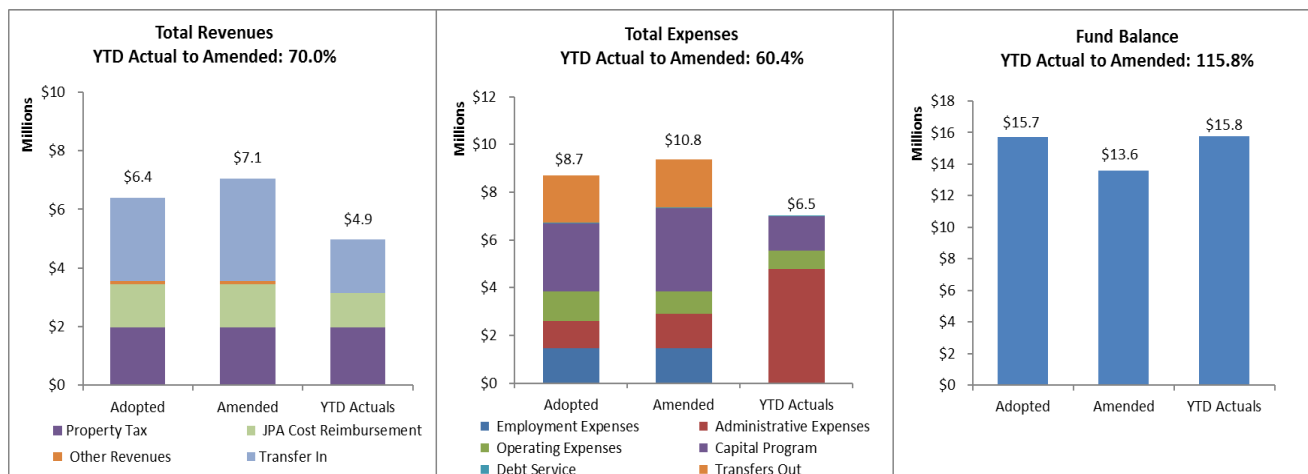
Non-Reclaimable Wastewater Fund

Actual revenues through the end of fiscal year were \$12.2 million compared to the \$11.4 million amended budget. The increase in revenues was due to higher volumetric fees and capacity fees. The actual expenses were \$10.4 million compared to \$11.2 million amended budget. The decrease in expenses was mainly due to lower capital project expenditures of \$0.1 million compared to \$1.1 million budget. The aggregate change of \$1.8 million is reflected in the unaudited fund balance. A total of \$288 thousand of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



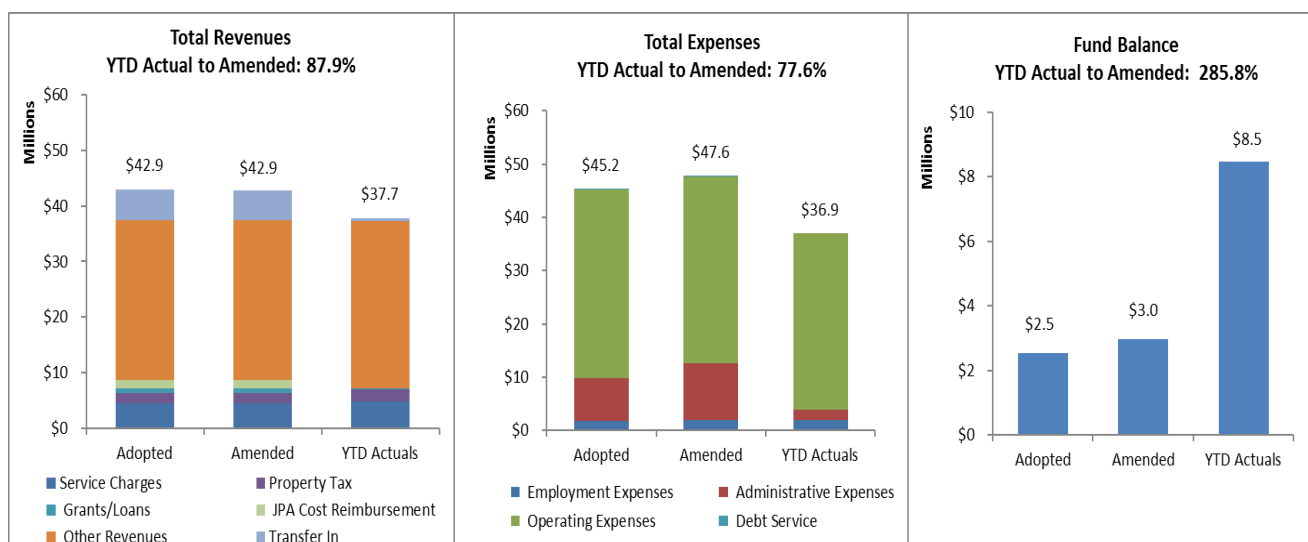
Administrative Services Fund

Actual revenues through the end of fiscal year were \$4.9 million compared to the \$7.1 million amended budget. The decrease in revenues was mainly due to lower capital support transfers of \$1.4 million compared to \$3.5 million budgeted. The actual expenses were \$6.5 million compared to the \$10.8 million amended budget. The decrease in expenses was due to lower capital spending of \$1.4 million compared to \$3.5 million and the \$2.0 million budgeted for operation support transfer did not occur to Water Resources fund. The aggregate change of \$2.2 million is reflected in the unaudited fund balance. A total of \$2.4 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



Water Resources Fund

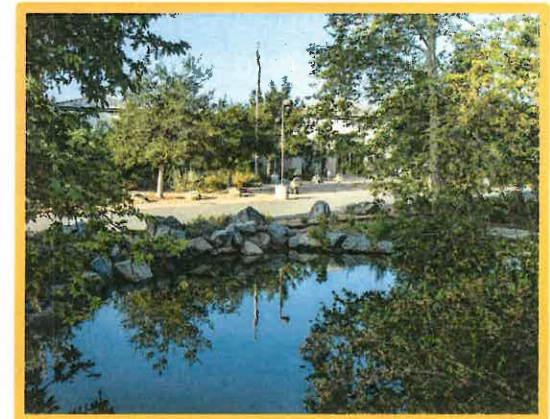
Actual revenues through the end of fiscal year were \$37.7 million compared to the \$42.9 million amended budget. The decrease in revenues was due to lower operational support transfer (\$0.5 million compared to \$5.5 million budgeted transfer from RO and GG fund). The actual expenses were \$36.9 million compared to the \$47.6 million amended budget. The decrease in expenses mainly due to lower spending in non-capital projects at \$1.3 million compared to \$9.8 million. The aggregate change of \$5.5 million is reflected in the unaudited fund balance. A total of \$4.1 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



FY 2016/17 Budget Variance Report

Fiscal Year Ended June 30, 2017

Regional Committees



FY 2016/17 Variance Summary for Regional Wastewater and Recycled Water Funds

(\$ in Millions)			
Consolidated	FY 2016/17 Amended Budget	Fiscal Year Ended 6/30/17	Actual % of Amended Budget
Total Sources of Funds	\$183.8	\$184.8	100.5%
Total Uses of Funds	\$187.6	\$185.6	98.9%
Total Net Increase/(Decrease)	(\$3.8)	(\$0.8)	
Beginning Fund Balance	\$155.2	\$155.2	
Ending Fund Balance	\$151.4	\$154.4	

Sources of Funds Variance Highlights Actuals vs. Amended Annual Budget

Below

- Grants and Loans: \$21.2M vs. \$28.0M annual budget
 - Delays in grant and loan reimbursements due to amendments to existing SRF loan agreement
- Recycled Water, \$13.7M vs. \$15.7M annual budget
 - 33,411 acre feet (AF) vs. 37,100 AF budgeted
 - Reduced demand due to wet winter season

Above

- Wastewater/Water Connection Fees:
\$35.7M vs. \$20.1M annual budget
 - 5,155 new Equivalent Dwelling Units (EDU) connections vs. 3,000 budgeted
 - 5,059 new water connections vs. 2,730 budgeted

Uses of Funds Variance Highlights Actuals vs. Amended Annual Budget

Below

- Capital Projects: \$30.6M vs. \$60.6M annual budget
 - Delayed project execution primarily due to changes in project schedules for the San Sevaine Basin Improvements and RP-5 related projects
- O&M Projects: \$14.6M vs. \$33.6M annual budget
 - Delays in SARCCUP and other water efficiency related projects
- Professional Fees & Services: \$7.0M vs, \$11.6M annual budget
 - Delays or deferral of contract materials & service execution

Above and On Track

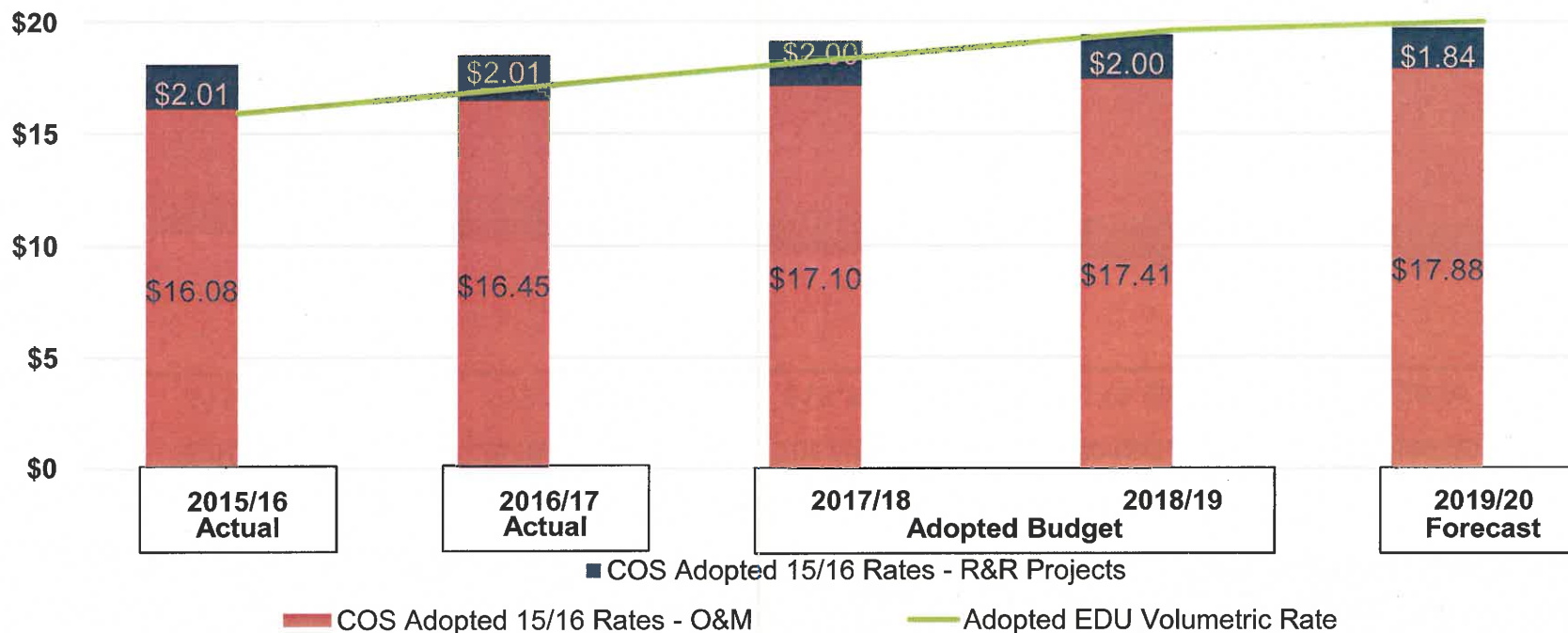
- Financial Expenses: \$71.7M vs annual budget of \$22.0M
 - Includes \$50.0M early payment for 2008A bond authorized by the Board in January 2017
- Employment Expenses: \$42.8M vs. \$42.6M annual budget
 - Includes \$7M contribution to other post-employment and pension unfunded liabilities

Wastewater Operations Fund

Cost of Service/EDU

Adopted multiyear rates \$/EDU

	2015/16	2016/17	2017/18	2018/19	2019/20
\$25	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00

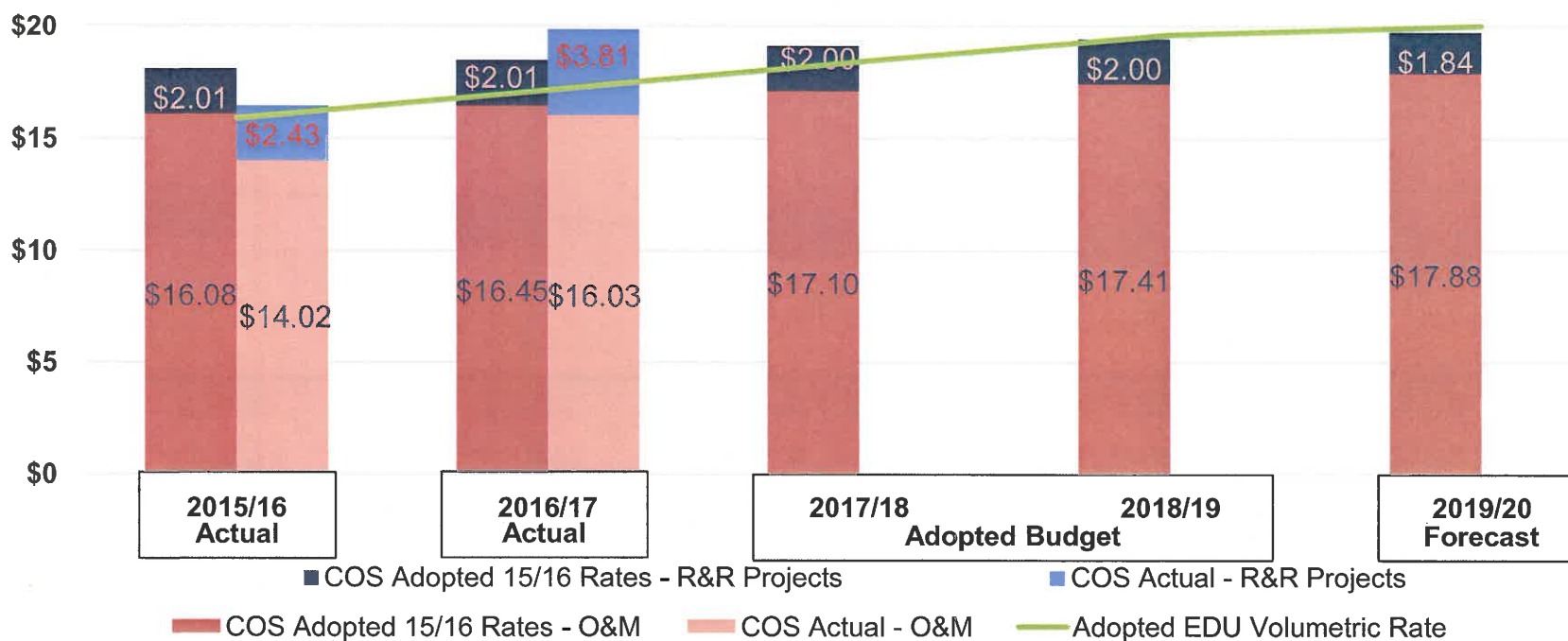


Wastewater Operations Fund

Cost of Service/EDU

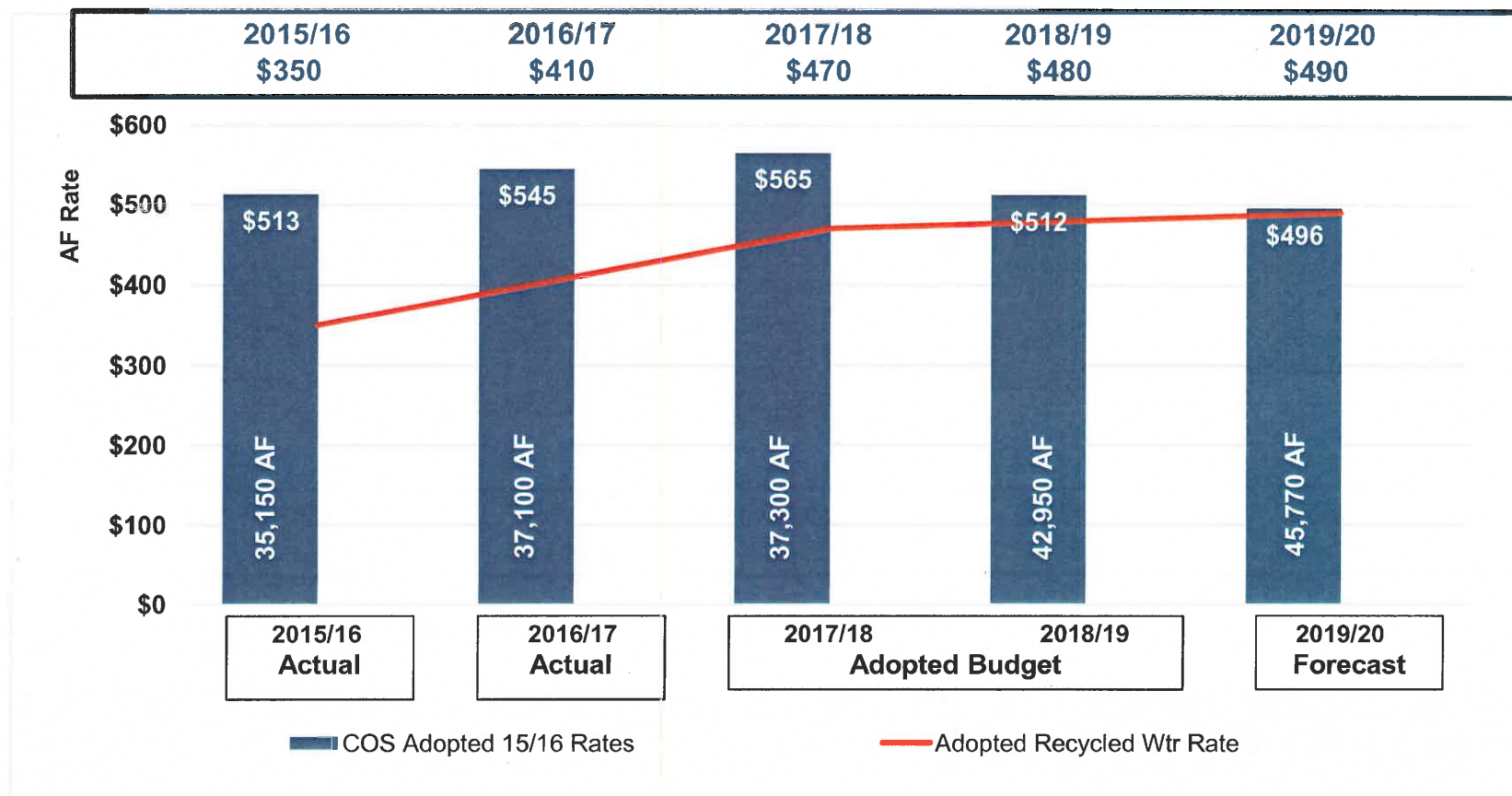
Adopted multiyear rates \$/EDU

	2015/16	2016/17	2017/18	2018/19	2019/20
\$25	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00



Recycled Water Fund Cost of Service/AF

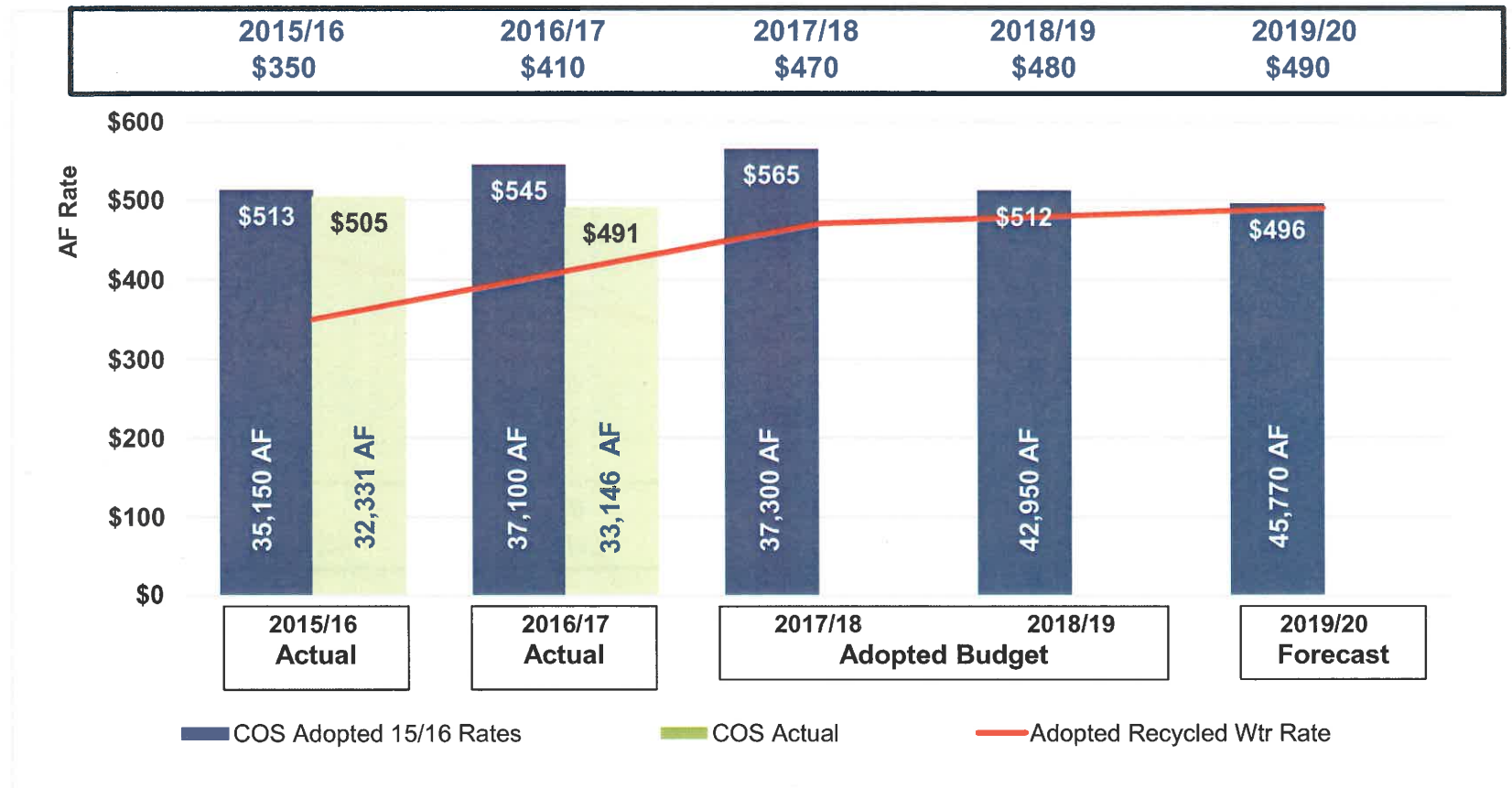
Adopted multiyear rates \$/Acre Feet (AF)



- Higher recycled water deliveries assumed in 2016/17 forecast

Recycled Water Fund Cost of Service/AF

Adopted multiyear rates \$/Acre Feet (AF)



- Higher recycled water deliveries assumed in 2016/17 forecast



Questions?



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