

# **NOTICE OF MEETING**

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**OF THE  
REGULAR REGIONAL SEWERAGE PROGRAM  
TECHNICAL COMMITTEE MEETING**

**OF THE**



**WILL BE HELD ON**

**THURSDAY, MAY 31, 2018**

**2:00 P.M.**

**AT THE OFFICE OF THE AGENCY  
HASBROUCK CONFERENCE ROOM, BUILDING B  
6075 KIMBALL AVENUE  
CHINO, CA 91710**

## Regional Sewerage Program Technical Committee Meeting

### AGENDA Thursday, May 31, 2018 2:00 p.m.

#### Location

Inland Empire Utilities Agency  
Hasbrouck Conference Room – Building B  
6075 Kimball Avenue  
Chino, CA 91708

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#### **Call to Order and Roll Call**

#### **Additions/Changes to the Agenda**

##### **1. Action Items**

- A. Meeting Minutes for April 11, 2018 and April 26, 2018
- B. RP-1 Primary Effluent Conveyance Improvements Construction Contract Award
- C. FY 2018/19 Regional Programs Budget Amendment
- D. Regional Contract Facilitation Contract Amendment

##### **2. Informational Items**

- A. Regional Contract Update (Oral)
- B. Grants Semi-Annual Update

##### **3. Receive and File**

- A. Draft Regional Policy Committee Agenda
- B. Building Activity Report
- C. Recycled Water Distribution - Operations Summary
- D. Legislative Update

##### **4. Previous Technical Committee Items Requested**

None

##### **5. Other Business**

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Regular Meeting – July 26, 2018

##### **6. Adjournment**

*(Continued)*

## DECLARATION OF POSTING

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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 to the IEUA Website at [www.ieua.org](http://www.ieua.org) and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, May 24, 2018.



Laura Mantilla

**ACTION**

**ITEM**

**1A**



## **Regional Sewerage Program Special Technical Committee Meeting MINUTES OF APRIL 11, 2018 MEETING**

### **CALL TO ORDER**

A special meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Wednesday, April 11, 2018, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Chuck Hays called the meeting to order at 12:20 p.m. A quorum was present.

### **ATTENDANCE**

#### **Committee Members:**

Dave Crosley	City of Chino
Ron Craig (Alternate)	City of Chino Hills
John Bosler	Cucamonga Valley Water District
Chuck Hays	City of Fontana
Nicole DeMoet	City of Montclair
Scott Burton	City of Ontario
Rosemary Hoerning	City of Upland

#### **Others Present:**

Amanda Coker	City of Chino
Rogelio Matta	City of Fontana
Katie Gienger	City of Ontario
Dennis Diemer	Diemer Engineering Inc.
Michael Harty	Kearns and West, Inc.
Michael Rudinica	MPR Consulting
Sylvie Lee	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency

### **ADDITIONS/CHANGES TO THE AGENDA**

There were no changes to the agenda.

**1. INFORMATIONAL ITEMS****A. REGIONAL CONTRACT**

Mike Harty, Dennis Diemer and Michael Rudinica (Kearns & West Team) distributed two models to the Committee to use as discussion points in developing a schedule leading up to the contract negotiation. The intent was to encourage open discussion.

They also provided a snapshot of the key issues as ranked by each of the Committee members. There are 16 issues, which were split into the top eight (8) and lowest eight (8). While all were important issues, some were more critical than others. The goal was to identify the top three (3) issues.

With specific regard to the issues, the consultants emphasized that what is gathering people's interest is what makes it a higher priority. Developing these priorities moving forward would show a spirit of working together. Some of these will not be as easy to develop, and they suggested starting with those items that are easier to work on together.

It was noted there were connectivity among some of these issues; therefore, it will be possible to roll some of the lower priority issues into those with a higher ranking. Further discussions will involve breaking down these issues and developing them out further.

The consultants explained their next steps. They want to make progress and work on a negotiation structure and sequencing and timing of issues. They will be taking the feedback from today and further refining those core objectives, as well as working on finalizing the direction of negotiation tactics.

Kearns & West discussed their next steps:

- New model to include two meetings per month
- Recommendation on top two issues

Committee next steps:

- Establish completion date
- Approve meeting schedule and overall schedule based on recommendations
- Identify resources
- Define reporting
- Address roles and responsibilities of Tech and Policy Committees

Discussion ensued among the Committee members regarding future meetings. The consultants encouraged the Committee to employ the use of technology to meet to discuss issues, as it is efficient and productive. Members voiced their preferences on days meetings should be scheduled to begin working on issues. There was consensus among the Committee members that there should be no more than two (2) additional meetings per month.

2. ADJOURNMENT – The meeting adjourned at 1:57 p.m.

Transcribed  
by:

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Neetu Gupta, Administrative Assistant II





April 26, 2018

**To:** Chuck Hays and Technical Committee  
**From:** Kearns & West Team  
**Subject:** Potential Contract Negotiation Issue Linkages

**Notes:**

- *Issues are numbered based on the original list provided; numbering does not reflect any prioritization.*
- *Issues 18.1 – 18.6 are new issues added by one or more of the contract agencies*
- *Six of the eight agencies provided linkages; however, most agencies only provided linkages for some of the issues.*
- *If more than one agency identified a linkage to an issue, the total number of agencies is noted at the end of the line (e.g. x2, x3)*

**Additional Issues Identified by Contract Agencies**

Issue 18.1 - IEUA Service Agreements with Third Parties

Issue 18.2 - Existing Tolling Agreement between IEUA and the Member Agencies

Issue 18.3 - Regional Contract Amendments

Issue 18.4 - Property Tax Allocation

Issue 18.5 - IEUA Audit(s)

Issue 18.6 - Process to amend the contract

**Issue Linkages Identified by Contract Agencies**

- **Issue 2: Future Role and Responsibilities of Technical Committee**
  - Future role and responsibilities of Policy Committee (3) x 4
  - Future role of IEUA Board in decision making related to issues covered by contract (4) x 4
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11)
  - Collection of connection fees (12)
  - Collection of monthly billing charges (13)
  - “Fair Share” Principle (14)
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Service Agreements with Third Parties (18.1)
  - Regional Contract Amendments (18.3)
  - Process to Amend the Contract (18.6)
  
- **Issue 3: Future role and responsibilities of Policy Committee**
  - Future Role and Responsibilities of Technical Committee (2) x 3
  - Future role of IEUA Board in decision making related to issues covered by contract (4) x 4
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11)
  - Collection of connection fees (12)
  - Collection of monthly billing charges (13)
  - “Fair Share” Principle (14)
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Service Agreements with Third Parties (18.1)

- Regional Contract Amendments (18.3)
- Process to Amend the Contract (18.6)
- **Issue 4: Future role of IEUA Board in decision making related to issues covered by contract**
  - Future Role and Responsibilities of Technical Committee (2) x 3
  - Future role and responsibilities of Policy Committee (3) x 2
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11)
  - Collection of connection fees (12)
  - Collection of monthly billing charges (13)
  - “Fair Share” Principle (14)
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - IEUA Service Agreements with Third Parties (18.1)
  - Regional Contract Amendments (18.3)
  - Process to amend the contract (18.6)
- **Issue 5: Term of contract**
  - Process for Setting of Wastewater Rates (11)
  - Regional Contract Amendments (18.3)
- **Issue 6: Reports required under contract from IEUA to contract agencies**
  - Reports Required Under Contract Agencies to IEUA (7)
  - Allocation of regional wastewater system capacity (8)
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - “Fair Share” Principle (14)
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - IEUA Audit(s) (18.5)
- **Issue 7: Reports Required Under Contract Agencies to IEUA**
  - Reports Required Under Contract from IEUA to Contract Agencies (6) x 2
  - Allocation of regional wastewater system capacity (8)
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - “Fair Share” Principle (14)
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - Issues Related to Forecasting by Contract Agencies (19)
  - IEUA Audit(s) (18.5)
- **Issue 8: Allocation of Regional Wastewater System Capacity**
  - Reports Required Under Contract from IEUA to Contract Agencies (6)
  - Reports Required Under Contract Agencies to IEUA (7)
  - Updating of EDU Cost Methodology (9) x 2
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11)

- Collection of connection fees (12)
- “Fair Share” Principal (14)
- IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
- Issues Related to Forecasting by Contract Agencies (19)
- **Issue 9: Updating of EDU cost methodology**
  - Reports Required Under Contract from IEUA to Contract Agencies (6)
  - Reports Required Under Contract Agencies to IEUA (7)
  - Allocation of regional wastewater system capacity (8) x 4
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11)
  - Collection of connection fees (12)
  - Collection of monthly billing charges (13)
  - “Fair Share” Principle (14) x 2
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - IEUA Audit(s) (18.5)
  - Process to amend the contract (18.6)
- **Issue 10: Recycled Water Issues**
  - Future Role and Responsibilities of Technical Committee (2)
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Allocation of regional wastewater system capacity (8)
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - “Fair Share” Principle (14)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - Process to amend the contract (18.6)
  - IEUA Service Agreements with Third Parties (18.1)
- **Issue 11: Process for Setting of Wastewater Rates**
  - Future Role and Responsibilities of Technical Committee (2)
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - Issues Related to Forecasting by Contract Agencies (19)
  - Linked to All Issues
- **Issue 12: Collection of connection fees**
  - Future Role and Responsibilities of Technical Committee (2)
  - Future role and responsibilities of Policy Committee (3)
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Allocation of regional wastewater system capacity (8) x 2
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - Collection of monthly billing charges (13)
  - “Fair Share” Principle (14)

- IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
- IEUA Audit(s) (18.5)
- **Issue 13: Collection of Monthly Billing Charges**
  - Future Role and Responsibilities of Technical Committee (2)
  - Future role and responsibilities of Policy Committee (3)
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - Collection of connection fees (12)
  - “Fair Share” Principle (14)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - IEUA Audit(s) (18.5)
- **Issue 14: “Fair Share” Principle**
  - Future Role and Responsibilities of Technical Committee (2)
  - Future role and responsibilities of Policy Committee (3)
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Reports Required Under Contract from IEUA to Contract Agencies (6) x 2
  - Reports Required Under Contract Agencies to IEUA (7) x 2
  - Allocation of regional wastewater system capacity (8)
  - Updating of EDU Cost Methodology (9) x 2
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11)
  - Collection of connection fees (12)
  - Collection of monthly billing charges (13)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - IEUA Service Agreements with Third Parties (18.1)
- **Issue 15: Process for Capital Calls by IEUA to Contract Agencies**
  - Future Role and Responsibilities of Technical Committee (2)
  - Future role and responsibilities of Policy Committee (3)
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Reports Required Under Contract from IEUA to Contract Agencies (6)
  - Reports Required Under Contract Agencies to IEUA (7)
  - Updating of EDU Cost Methodology (9)
  - Process for Setting of Wastewater Rates (11)
  - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
  - Issues Related to Forecasting by Contract Agencies (19)
- **Issue 16: IEUA Uses of Revenues Generated from Sewerage Services Including Reporting**
  - Future role of IEUA Board in decision making related to issues covered by contract (4)
  - Reports Required Under Contract from IEUA to Contract Agencies (6)
  - Reports Required Under Contract Agencies to IEUA (7)
  - Allocation of regional wastewater system capacity (8)
  - Updating of EDU Cost Methodology (9) x 2
  - Recycled Water Issues (10)
  - Process for Setting of Wastewater Rates (11) x 2

- Collection of connection fees (12)
  - Collection of monthly billing charges (13)
  - “Fair Share” Principle (14) x 2
  - Process for capital calls by IEUA to contract agencies (15)
  - IEUA Service Agreements with Third Parties (18.1)
  - Property Tax Allocation (18.4)
- **Issue 19: Issues Related to Forecasting by Contract Agencies**
    - Allocation of regional wastewater system capacity (8)
    - Reports Required Under Contract Agencies to IEUA (7)
    - Process for capital calls by IEUA to contract agencies (15)
- **Added Issue 18.6 : Process to Amend the Contract\***
    - Future Role and Responsibilities of Technical Committee (2)
    - Future role and responsibilities of Policy Committee (3)
    - Future role of IEUA Board in decision making related to issues covered by contract (4)
    - Updating of EDU Cost Methodology (9)
    - Recycled Water Issues (10)
    - Existing Tolling Agreement between IEUA and the Member Agencies (18.2)
- **Added Issue 18.1: IEUA Service Agreements with Third Parties\***
    - Future Role and Responsibilities of Technical Committee (2)
    - Future role and responsibilities of Policy Committee (3)
    - Future role of IEUA Board in decision making related to issues covered by contract (4)
    - Recycled Water Issues (10)
    - Process for Setting of Wastewater Rates (11)
    - “Fair Share” Principle (14)
    - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
- **Added Issue 18.2: Existing Tolling Agreement between IEUA and Member Agencies\***
    - IEUA Audit(s) (18.5)
    - Process to Amend the Contract\*
- **Added Issue 18.3: Regional Contract Amendments\***
    - Future Role and Responsibilities of Technical Committee (2)
    - Future role and responsibilities of Policy Committee (3)
    - Future role of IEUA Board in decision making related to issues covered by contract (4)
    - Term of Contract (5)
    - Process for Setting of Wastewater Rates (11)
- **Added Issue 18.4: Property Tax Allocation\***
    - IEUA Uses of Revenues Generated from Sewerage Services Including Reporting (16)
- **Added Issue 18.5: IEUA Audit(s)\***
    - Reports Required Under Contract from IEUA to Contract Agencies (6)
    - Reports Required Under Contract Agencies to IEUA (7)

- Updating of EDU Cost Methodology (9)
- Collection of connection fees (12)
- Collection of monthly billing charges (13)
- Existing Tolling Agreement between IEUA and the Member Agencies (18.2)



## Regional Sewerage Program Technical Committee Meeting MINUTES OF APRIL 26, 2018

### **CALL TO ORDER**

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, April 26, 2018, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Nicole deMoet called the meeting to order at 2:01 p.m.

### **ATTENDANCE**

#### **Committee Members:**

Nicole deMoet	City of Montclair
Dave Crosley	City of Chino
Ron Craig	City of Chino Hills
Eduardo Espinoza (Alternate)	Cucamonga Valley Water District
Katie Gienger (Alternate)	City of Ontario
Rosemary Hoerning	City of Upland
Halla Razak	Inland Empire Utilities Agency

#### **Absent Committee Members:**

Chuck Hays	City of Fontana
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#### **Others Present:**

Patrick Atwater	CACD/ARGO
Amanda Coker	City of Chino
Mark Wiley	City of Chino Hills
Chris Berch	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Liz Hurst	Inland Empire Utilities Agency
Sally Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency

### **ADDITIONS/CHANGES TO THE AGENDA**

There were none.

**1. ACTION ITEMS****A. APPROVAL OF THE MINUTES OF MARCH 29, 2018 MEETING MINUTES**

**Motion:** By Katie Gienger/City of Ontario and seconded by Ron Craig/City of Chino Hills to approve the minutes of the March 29, 2018 Special Regional Sewerage Program Workshop and Technical Committee meeting minutes.

**Motion carried:** Unanimously.

**B. FY 2018/19 TEN YEAR CAPITAL IMPROVEMENT PLAN**

Liz Hurst/IEUA gave a presentation on the FY 2018/19-2027/28 Ten Year Capital Improvement Plan (TYCIP). She stated that there were no major changes from last month. She received a couple questions for clarification regarding progress on projects, but no changes were requested. The FY 2018/19-2027/28 TYCIP budget is \$715.5 million, which is slightly below last year's TYCIP. The major projects still consist of the treatment plant expansions at RP-5, RP-1 design, and asset replacement and repair program. The TYCIP will be taken to Policy Committee, IEUA Committees, and to the IEUA Board of Directors meetings for adoption in May.

**Motion:** By Ron Craig/City of Chino Hills and seconded by Rosemary Hoerning/City of Upland to approve the request by IEUA for the Regional Committees to recommend the IEUA Board of Directors adopt the Fiscal Year 2018/19-2027/28 Ten Year Capital Improvement Plan.

**Motion carried:** Unanimously.

**2. INFORMATIONAL ITEMS****A. REGIONAL PRETREATMENT PROGRAM LOCAL LIMITS ADOPTION**

Craig Proctor/IEUA gave a presentation on the Regional Pretreatment Program Local Limits Adoption. Mr. Proctor stated that this item was brought to this Committee in 2015. At that time, IEUA believed that the project was completed, and the local limits were submitted to the Regional Water Quality Control Board (RWQCB). However, shortly thereafter, IEUA received its revised NPDES permit for the treatment plants which included several new limits. IEUA requested the RWQCB hold the local limits report until the new limits could be evaluated to determine if any changes to the local limit was needed. IEUA evaluated 31 pollutants of concern including 15 compounds that EPA requires to be evaluated, the current local limits, and other pollutants identified during the screening process. A robust data set was studied: RP-1 and Carbon Canyon influent, effluent, and biosolids data from 2009-2017. From the review, IEUA is recommending 9 local limits, none of which are new. It was also determined that there was no need for a local limit for dioxin or bromide. Bromide was eliminated by working with the City of Chino to successfully get two companies to change chemicals used in their processes. Mr. Proctor stated the Regional Wastewater Ordinance will be revised later this year and that revision will include a prohibition for dioxin and bromide. Mr. Proctor gave an overview of the proposed local limits. He stated that many of the local limits are already regulated by federal limits, which are typically more stringent. The amended local limits study was resubmitted to RWQCB in January 2018. In March, the RWQCB notified IEUA that they consider the local limits revision a non-substantial program change, and the local limits can be adopted. Mr. Proctor stated that the local



limits will be taken to the IEUA Board in May 2018 by resolution and the Significant Industrial User permits will be updated in June with updated industry sampling to begin in July.

Mr. Proctor stated that he and his staff have been notifying customers that the local limits will be taking effect in the near future. Halla Razak/IEUA asked if there have been any concerns from any industries. Mr. Proctor stated that a few had some concerns about analyzing the Total Dissolved Solids (TDS) by summation, but these concerns were relieved once staff explained it was a more accurate way of measuring TDS. Discussion ensued about prior TDS limits, local limits on grandfathered companies, and prohibition language that is planned be used in the Regional Wastewater Ordinance.

#### **B. SEWER FEE EVALUATION**

Craig Proctor/IEUA stated that last month the Committee had a roundtable after Carollo's presentation on direction and next steps with the Sewer Fee Evaluation. There was a consensus to pause the process for six months while assessing the Regional Contract issues and going through the scoping sessions. Once those processes are completed, then the Sewer Fee Evaluation will be considered again. Mr. Proctor reported that that Committee agreed with Option 3 – Carollo be retained and IEUA/Technical Committee work group directs Carollo.

Mr. Proctor stated that IEUA has been considering initiating a pilot study with ARGO studying the determination of return to sewer flows from commercial facilities. He then introduced Patrick Atwater from ARGO who gave a presentation on the proposed research and development, return to sewer flows and data integration, methodologies, and the project roadmap. IEUA will be evaluating whether to move forward or not with the ARGO commercial return to sewer flow project.

Mr. Proctor informed the Committee that IEUA is also working with CASA on a study similar to the work Carollo has been doing. He will contact them to see if there is information that can be shared with the Committee regarding the CASA study.

#### **C. FY 2018/19 REGIONAL PROGRAMS BUDGET REVIEW**

Javier Chagoyen-Lazaro/IEUA gave an update on the results of the second year of the biennial budget and projections for Fiscal Year 2018/19 of the Regional Programs (Regional Wastewater, Recycled Water and Groundwater Recharge). Mr. Chagoyen reported that Uses of Funds increased by \$4.9 million; mainly due to debt service. Mr. Chagoyen reported an increase of \$26 million for Sources of Funds, which was primarily from SRF/grants and connection fees.

#### **D. ENGINEERING & CONSTRUCTION PROJECT UPDATES**

Shaun Stone/IEUA gave an update on the engineering & construction projects. He reviewed the project goals, contractors, contract amount, project budget, and percent complete for the following projects: Carbon Canyon Water Recycling Facility Asset Management and Improvements Phase III; RP-1 Primary Effluent Conveyance Improvements; Headquarters Roofing Replacement; Preserve Lift Station; RP1 Headworks Primary and Secondary Upgrades; and Water Quality Laboratory.

#### **E. TECHNICAL COMMITTEE CHAIR ROTATION**

Chris Berch/IEUA informed the Committee that the chair rotation is due in July 2018. The next agency to host is the City of Montclair. Mr. Berch contacted them, and they are ready to host.

**F. REGIONAL CONTRACT UPDATE**

Craig Proctor/IEUA stated that Mike Harty from Kearns West sent the Committee an update on the action items from the meeting on April 11, along with the potential issues linkages to contract agencies. IEUA is waiting to hear from Kearns & West on the next scoping session. A Doodle Poll will be sent to the Committee to see when they are available.

**3. RECEIVE AND FILE****A. DRAFT REGIONAL POLICY COMMITTEE AGENDA**

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

**B. BUILDING ACTIVITY REPORT**

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

**C. RECYCLED WATER DISTRIBUTION - OPERATIONS SUMMARY**

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

**D. LEGISLATIVE UPDATE**

The Legislative Update was received and filed by the Committee

**4. PREVIOUS TECHNICAL COMMITTEE ITEMS REQUESTED****A. NAPA PROJECT RESPONSE ON CSI/SPEEDWAY RECYCLED WATER****5. OTHER BUSINESS****B. IEUA GENERAL MANAGER'S UPDATE**

None.

**C. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING**

None.

**D. COMMITTEE MEMBER COMMENTS**

None.

**E. NEXT MEETING – MAY 31, 2018****6. ADJOURNMENT – The meeting adjourned at 2:56 p.m.**

Transcribed

by:

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Laura Mantilla

**ACTION  
ITEM**

**1B**

Date: May 31, 2018/June 7, 2018  
To: Regional Committees  
From: Inland Empire Utilities Agency JAR  
Subject: RP-1 Primary Effluent Conveyance Construction Contract Award

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### **RECOMMENDATION**

It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the Regional Water Recycling Plant No. 1 Primary Effluent Conveyance Improvements, Project No. EN15012, for the not-to-exceed amount of \$5,000,000.

### **BACKGROUND**

In 2014, IEUA retained a consultant to assess the condition of the Regional Water Recycling Plant No. 1's (RP-1) primary effluent diversion structure. The structure was found to be in a distressed condition with severe concrete and steel corrosion. The Consultant recommended that the structure be replaced as soon as possible to avoid catastrophic failure. In 2016, the same consultant assessed the condition of the remaining primary effluent conveyance components, including: process piping, intermediate pump stations (IPS), and lagoon inlet control structure. Based on the most recent condition assessment, the remaining conveyance system components showed signs of moderate deterioration, which would require rehabilitation. To ease operational impact, these components were added to the project.

The project consists of the construction of a diversion structure, a 36-inch pipeline, a 48-inch pipeline, and gates. In addition, the project will rehabilitate and coat primary clarifier effluent channel, System C IPS wet well, and lagoon inlet control structures.

On March 29, 2018, a request for bids was advertised to the prequalified contractors. Several contractors participated in the pre-bid meeting held on April 26, 2018, with contractor bid opening scheduled for May 30, 2018. In preparation for the July 2018 Board Meeting, the Engineering Department is seeking early recommendation for construction contract approval for the not-to-exceed amount of \$5,000,000. The engineer's estimate is \$4,553,500.

The following table is the anticipated project cost:

<b>Description</b>	<b>Estimated Cost</b>
<b>Design Services</b>	<b>\$676,004</b>
Design Contract	\$503,201
IEUA Design Services (actuals)	\$172,803
<b>Construction Services</b>	<b>\$500,000</b>
Services During Construction (~6%)	\$302,500
IEUA Construction Services (~4%)	\$197,500
<b>Construction</b>	<b>\$5,500,000</b>
Construction Contract (engineer estimate) (this action)	\$5,000,000
Contingency (10%)	\$500,000
<b>Total Project Cost</b>	<b>\$6,676,004</b>
<b>Total Project Budget*</b>	<b>\$6,676,004</b>
<b>Total Remaining Budget</b>	<b>\$0</b>

\*The total project budget has been included in the Fiscal Year 2018/19 Ten Year Capital Improvement Plan (TYCIP) budget process.

The following is the project schedule:

<b>Project Milestone</b>	<b>Date</b>
Construction Contract Award	July 2018
Construction Completion	April 2019

The RP-1 Primary Effluent Conveyance Improvements Project is consistent with *IEUA's Business Goal of Wastewater Management*, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

# Regional Plant No.1 Primary Effluent Conveyance Construction Contract Award

Project No. EN15012

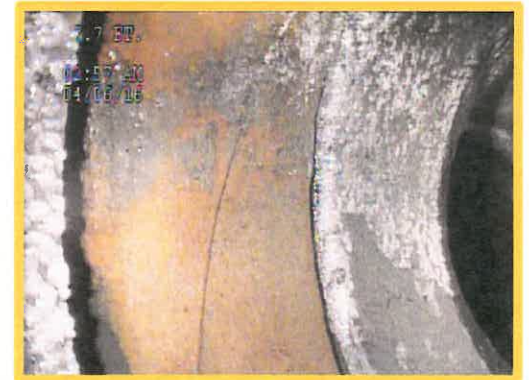


# Project Location



# The Project

- Primary Effluent Conveyance System
  - Distressed diversion structure
  - Corroded concrete surfaces
  - Exposed aggregate and reinforcing steel
- Scope includes:
  - Replace diversion structure
  - Replace and upsize related piping
  - Rehabilitate and apply coating at effluent channel
  - Diversion structure
  - Wet well
  - Piping



Minor Fracture within the 36" Piping



Distressed Diversion Structure



# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services</b>	<b>\$676,004</b>
Design Contract	\$503,201
IEUA Design Services (actuals)	\$172,803
<b>Construction Services</b>	<b>\$500,000</b>
Engineering Services During Construction (~6%)	\$302,500
IEUA Construction Services (~4%)	\$197,500
<b>Construction</b>	<b>\$5,500,000</b>
Construction Contract (engineer estimate) (this action)	\$5,000,000
Contingency (10%)	\$500,000
<b>Total Project Cost</b>	<b>\$6,676,004</b>
<b>Total Project Budget*</b>	<b>\$6,676,004</b>
<b>Total Remaining Budget</b>	<b>\$0</b>

Project Milestone	Date
<b>Construction</b>	
Construction Contract Award	June 2018
Construction Completion	April 2018

\*The total project budget has been included in the Fiscal Year 2018/19 Ten Year Capital Improvement Plan (TYCIP) budget process.

## Recommendation

It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the Regional Water Recycling Plant No. 1 Primary Effluent Conveyance Improvements, Project No. EN15012, for the not-to-exceed amount of \$5,000,000.

The RP-1 Primary Effluent Conveyance Improvements Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

**ACTION**

**ITEM**

**1C**

Date: May 31, 2018/June 7, 2018  
To: Regional Committee  
From: Inland Empire Utilities Agency *HR*  
Subject: FY 2018/19 Regional Programs Budget Review

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**RECOMMENDATION**

It is requested that the Regional Committees recommend the IEUA Board of Directors to approve the FY 2018/2019 Regional Programs Budget Amendment.

**BACKGROUND**

This item was presented to the IEUA Board of Directors at the meeting held on April 11, 2018 and will be brought back to the IEUA Board of Directors with a public hearing on June 20, 2018, for final approval.



Date: April 11, 2018

HHR

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Finance & Administration

04/04/18

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

de

Subject: FY 2018/19 Proposed Budget Amendment for Regional Wastewater, Recycled Water, and Groundwater Recharge Programs

**Executive Summary:**

On June 21, 2017 the Board of Directors approved the Agency's second Biennial Budget for fiscal years (FYs) 2017/18 and 2018/19, and Ten Year Capital Improvement Plan (TYCIP) for FYs 2018-2027. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions.

The increase of \$4.9 million in total Uses of Funds is primarily due to the inter-fund loan repayment from the Recycled Water to the Non-Reclaimable Wastewater (NRW) program to support the NRW Philadelphia Lift Station Force Main capital project. The increase to Sources of Funds of \$26.1 million is a combination of higher state loan and grant proceeds to support capital projects in the Regional Wastewater and Recycled Water program, as well higher connection fees in alignment with the current pace of new development. Should the economy slowdown or take a downturn as some economists forecast, this will significantly reduce collection of future connections fees. No changes to the adopted multi-year rates are proposed for FY 2018/19.

**Staff's Recommendation:**

Amend the FY 2018/19 Adopted Budget to increase total Sources and Funds by \$26.1 million and total Uses of Funds by \$4.9 million which includes the advanced repayment of the inter-fund loan from the Recycled Water to the Non-Reclaimable Wastewater program.

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

Account/Project Name:

**Fiscal Impact (explain if not budgeted):**

The proposed net increase of \$21.2 million to the FY 2018/19 Adopted Budget will increase total Agency fund reserves

Full account coding (internal AP purposes only): - - - Project No.:

**Prior Board Action:**

On June 21, 2017, the Board of Directors approved the Agency's biennial budget for FYs 2017/18 and 2018/19.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The proposed amended to the FY 2018/19 Adopted Budget for the Agency's programs is consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices.o optimize investment earnings.

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**Attachments:**

Attachment B - Background

Attachment C - Powerpoint

Attachment D - Regional Program Sources and Uses of Funds Report

## Background

Subject: FY 2018/19 Budget Amendment for Regional Wastewater, Recycled Water and Groundwater Recharge Programs

On June 21, 2017 the Board of Directors approved the Agency's second Biennial Budget for fiscal (FYs) 2017/18 and 2018/19, and Ten-Year Capital Improvement Plan (TYCIP) for FYs 2018-2027. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions. Summarized below are the proposed amendments recommended for FY 2018/19 for the Regional Wastewater, Recycled Water and Groundwater Recharge programs.

### TOTAL USES OF FUNDS

The increase of \$4.9 million in total Uses of Funds is primarily due to the advancement of the inter-fund loan repayment from the Recycled Water to the Non-Reclaimable Wastewater program. The table below provides a summary by program and major category.

**Table 1: FY 2018/19 Proposed Amendments to Uses of Funds by Program (\$Millions)**

Uses of Funds	Regional Wastewater	Recycled Water	Groundwater Recharge	TOTAL
Operations & Administration	\$1.7	(\$0.2)	\$0.0	\$1.5
Capital Projects	0.3	1.0	(2.3)	(1.0)
Debt Service		3.1	-	3.1
Inter Fund Transfers	1.0	2.0	(1.7)	1.3
<b>Total</b>	<b>\$3.0</b>	<b>\$5.9</b>	<b>(\$4.0)</b>	<b>\$4.9</b>

**Operations & Administration:** The increase in the Regional Wastewater program is primarily due higher anticipated costs for non-capital projects, including the Asset Management Planning and Assessment project.

**Capital Projects:** The decrease is due to the adjustment of the Recharge Master Plan Update (RMPU) project execution timeline, and other minor adjustments to the Ten-Year Capital Improvement Plan (TYCIP).

**Debt Service:** The increase is associated with the acceleration of inter-fund loan repayment to the Non-Reclaimable Wastewater (NRW) from the Recycled Water program. The advance repayment will support capital improvements to the NRW Philadelphia Lift Station Force Main.

**Inter Fund Transfers:** Increases in the Regional Wastewater and Recycled Water programs are related to the adjustment in the transfer of respective connection fees due to changes in the Recharge Master Plan Update capital project execution timeline and related capital contributions.

## SOURCES OF FUNDS

The increase to Sources of Funds of \$26.1 million is a combination of higher state loan proceeds, grant receipts and wastewater and water connection fees. The distribution by program and major category is shown in Table 2:

**Table 2: FY 2018/19 Proposed Amendment to Sources of Funds by Program (\$Millions)**

Sources of Funds	Regional Wastewater	Recycled Water	Groundwater Recharge	TOTAL
Connection Fees	\$6.5	\$2.0	-	\$8.5
State Loans	3.2	8.0	(1.7)	9.5
Grants	1.5	6.7	0.7	8.9
Capital Reimbursement & * Other Sources	0.6	0.4	(1.8)	(.8)
<b>Total</b>	<b>\$11.8</b>	<b>\$17.1</b>	<b>(\$2.8)</b>	<b>\$26.1</b>

\*Other Sources includes adjustments in property taxes and interest earnings.

**Connection Fees:** Wastewater connections units increased by 1,000 equivalent dwelling units (EDUs) and water connections increased by 1,200-meter equivalent units (MEUs) to align with current pace of construction activity anticipated to continue in FY 2018/19. However, should the economy slowdown or take a downturn as some economists forecast, this will significantly reduce collection of future connections fees which are a primary source of funding for the Agency's capital improvement plan.

**State Loans and Grants:** Increases are the result of Agency efforts in securing State Revolving Fund (SRF) loans to support capital projects for the Recycled Water and Regional Wastewater programs planned for FY 2018/19. Due to uncertainty in the availability of SRF loan funding, a key assumption in the adopted FY 2018/19 budget was pay-go funding of planned capital projects. The decrease in capital reimbursements in the Groundwater Recharge program is due to a change in the execution timeline of the RMPU.

## Adopted Multi-Year Rates

In May 2015, the Board adopted multi-year rates for the wastewater connection fee, EDU monthly sewer rate, water connection fee, and recycled water rates. The multi-year rates support the Board's commitment to set rates and fees that fully recover the cost of service. No change is proposed for the adopted multi-year rates for the Regional Wastewater and Recycled Water programs for FY 2018/19.



**Table 4: Adopted Fees and Rates**

	FY 2017/18	FY 2018/19	FY 2019/20
<i>Effective Date</i>	7/01/17	7/01/18	7/01/19
Wastewater Connection Fee/Equivalent Dwelling Unit (EDU)	\$6,309	\$6,624	\$6,955
EDU Monthly Sewer Rate	\$18.39	\$19.59	\$20.00
Water Connection Fee /Meter Equivalent Unit (MEU)	\$1,527	\$1,604	\$1,684
Recycled Water Direct Delivery/Acre Feet (AF)	\$470	\$480	\$490
Recycled Water Groundwater Recharge/AF	\$530	\$540	\$550

**Conclusion**

The projected increase in total Uses of Funds of \$4.9 million is primarily due to the advanced repayment of the inter-fund loan from the Recycled Water to the Non-Reclaimable Wastewater program. The proposed increase of \$26.1 million in total Sources of Funds is primarily due to SRF loans secured to support capital projects in the Recycled Water and Regional Wastewater programs, and a higher projection in wastewater and water connection fees. However, should the economy slowdown or take a downturn as some economists forecast, this will significantly reduce collection of future connections fees which are a primary source of funding for the Agency's capital improvement plan. No changes to the adopted multi-year rates are proposed for FY 2018/19.

The proposed amendment to the FY 2018/19 Adopted Budget for the Agency's programs is consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices*.

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2018/19 BUDGET AMENDMENT**  
**SOURCES AND USES OF FUNDS - BY REGIONAL PROGRAM (In Thousands)**

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2018/19 PROPOSED AMENDMENT				
	REGIONAL PROGRAMS ACTUAL	REGIONAL PROGRAMS ACTUAL	REGIONAL PROGRAMS PROJECTED ACTUAL	REGIONAL PROGRAMS ADOPTED	Regional Wastewater Capital Improvement	Regional Wastewater Operations & Maintenance	Recharge Water	Recycled Water	TOTAL
<b>REVENUES</b>									
User Charges	\$49,958	\$56,597	\$61,059	\$64,743	\$0	\$64,743	\$0	\$0	\$64,743
Property Tax	0	0	0	0	0	0	0	0	0
Cost Reimbursement JPA	3,889	4,623	4,621	4,958	0	3,892	1,094	0	4,986
Contract Cost reimbursement	79	60	187	93	0	93	0	0	93
Interest Revenue	539	1,029	1,027	1,073	497	800	32	577	1,906
Recycled Water Sales	13,468	16,385	17,745	18,188	0	0	0	18,188	18,188
Water Sales	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>\$67,932</b>	<b>\$78,695</b>	<b>\$84,639</b>	<b>\$89,054</b>	<b>\$497</b>	<b>\$69,528</b>	<b>\$1,126</b>	<b>\$18,765</b>	<b>\$89,916</b>
<b>OTHER FINANCING SOURCES</b>									
Property Tax - Debt and Capital	\$39,393	\$41,407	\$41,649	\$42,547	\$31,127	\$9,549	\$0	\$2,170	\$42,846
Regional System Connection Fees	25,907	35,923	32,260	24,251	26,496	0	0	6,416	32,912
State Loans	9,330	9,271	12,244	19,251	7,768	4,000	8,909	7,909	28,586
Grants	4,815	12,144	4,227	3,893	0	5,360	652	6,710	12,722
Capital Cost Reimbursement	1,841	1,454	1,706	2,903	0	0	907	72	979
Other Revenues	1,030	(1,018)	788	796	1	795	0	0	796
Sale of Capacity	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$82,317</b>	<b>\$99,181</b>	<b>\$92,875</b>	<b>\$93,641</b>	<b>\$65,392</b>	<b>\$19,704</b>	<b>\$10,499</b>	<b>\$23,277</b>	<b>\$118,842</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$150,249</b>	<b>\$177,875</b>	<b>\$177,514</b>	<b>\$182,695</b>	<b>\$65,889</b>	<b>\$89,232</b>	<b>\$11,595</b>	<b>\$42,042</b>	<b>\$208,757</b>
<b>EXPENSES</b>									
Employment Expenses	\$34,747	\$41,027	\$38,352	\$39,607	\$4,145	\$30,529	\$592	\$4,248	\$39,514
Contract Work/Special Projects	5,908	13,267	8,291	10,996	220	11,747	210	1,785	13,962
Utilities	8,353	7,380	8,031	9,193	0	6,248	75	2,023	8,346
Operating Fees	2,056	1,710	2,431	2,344	254	2,268	8	10	2,540
Chemicals	3,895	4,180	4,051	4,547	0	4,562	0	0	4,562
Professional Fees and Services	3,194	3,885	6,170	5,350	420	3,752	922	829	5,923
Office and Administrative expenses	17	15	21	24	0	8	15	3	25
Biosolids Recycling	3,777	4,072	4,306	4,408	0	4,408	0	0	4,408
Materials & Supplies	2,109	2,450	2,353	2,491	0	2,200	90	222	2,511
MWD Water Purchases	0	0	0	0	0	0	0	0	0
Other Expenses	1,951	1,890	5,981	7,225	1,292	3,600	44	934	5,870
<b>TOTAL EXPENSES</b>	<b>\$66,008</b>	<b>\$79,874</b>	<b>\$79,986</b>	<b>\$86,186</b>	<b>\$6,330</b>	<b>\$69,321</b>	<b>\$1,955</b>	<b>\$10,054</b>	<b>\$87,661</b>
<b>CAPITAL PROGRAM</b>									
CSDLAC 4Rs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	0	0	0	500	500	0	0	0	500
Capital Construction and Expansion	21,012	27,781	47,707	74,474	30,594	19,918	10,640	12,237	73,390
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$21,012</b>	<b>\$27,781</b>	<b>\$47,707</b>	<b>\$74,974</b>	<b>\$31,094</b>	<b>\$19,918</b>	<b>\$10,640</b>	<b>\$12,237</b>	<b>\$73,890</b>
<b>DEBT SERVICE</b>									
Financial Expenses	(\$120)	\$464	\$218	\$264	\$174	\$0	\$83	\$3	\$261
Interest	8,784	7,759	5,816	6,200	3,114	175	368	2,657	6,314
Principal	11,668	61,840	14,805	15,066	8,922	177	710	5,256	15,066
Short Term Inter-Fund Loan	0	0	0	0	0	0	0	3,000	3,000
<b>TOTAL DEBT SERVICE</b>	<b>\$20,333</b>	<b>\$70,064</b>	<b>\$20,839</b>	<b>\$21,530</b>	<b>\$12,211</b>	<b>\$352</b>	<b>\$1,161</b>	<b>\$10,916</b>	<b>\$24,640</b>
<b>TRANSFERS IN (OUT)</b>									
Capital Contribution	(\$371)	(\$501)	(\$1,497)	(\$438)	\$1,073	(\$1,901)	\$905	(\$935)	(\$859)
Debt Service	0	0	(0)	0	(2,981)	0	581	2,400	0
Operation support	0	0	(664)	(173)	0	(351)	798	(811)	(364)
Capital - Connection Fees Allocation	(650)	(957)	(1,046)	(867)	(6,765)	5,454	0	0	(1,311)
One Water	(301)	(81)	(373)	(380)	0	0	1,009	(1,652)	(643)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$1,322)</b>	<b>(\$1,539)</b>	<b>(\$3,580)</b>	<b>(\$1,858)</b>	<b>(\$8,673)</b>	<b>\$3,201</b>	<b>\$3,293</b>	<b>(\$997)</b>	<b>(\$3,176)</b>
<b>FUND BALANCE</b>									
Net Increase (Decrease)	\$41,573	(\$1,382)	\$25,402	(\$1,853)	\$7,580	\$2,842	\$1,131	\$7,837	\$19,390
Beginning Fund Balance July 01	113,595	155,168	153,786	114,244	77,416	66,539	1,603	33,630	179,187
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$155,168</b>	<b>\$153,786</b>	<b>\$179,187</b>	<b>\$112,392</b>	<b>\$84,996</b>	<b>\$69,381</b>	<b>\$2,734</b>	<b>\$41,466</b>	<b>\$198,578</b>
<b>RESERVE BALANCE SUMMARY</b>									
Operating Contingencies	\$20,264	\$24,339	\$23,033	\$26,852	\$0	\$21,809	\$1,188	\$3,351	\$26,349
Capital Expansion & Replacement	9,587	26,858	15,203	3,014	2,310	0	500	16,884	19,694
CCRA Capital Construction	55,201	31,710	56,946	14,386	64,442	0	0	0	64,442
Water Connection	0	4,590	9,753	0	0	0	0	12,464	12,464
Rehabilitation/Replacement	43,327	21,090	21,201	22,895	0	21,201	0	0	21,201
CSDLAC Prepayment	0	0	0	0	0	0	0	0	0
Water Resource Capital	0	0	0	0	0	0	0	0	0
Debt Service & Redemption	21,589	15,351	28,531	35,358	18,245	1,314	1,046	8,766	29,371
Self Insurance Program	0	0	0	0	0	0	0	0	0
Employee Retirement Benefit	0	0	0	0	0	0	0	0	0
Sinking Fund	5,200	29,849	24,520	9,886	0	25,056	0	0	25,056
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$155,168</b>	<b>\$153,786</b>	<b>\$179,187</b>	<b>\$112,392</b>	<b>\$84,996</b>	<b>\$69,381</b>	<b>\$2,734</b>	<b>\$41,466</b>	<b>\$198,578</b>

# FY 2018/19 Proposed Budget Amendments

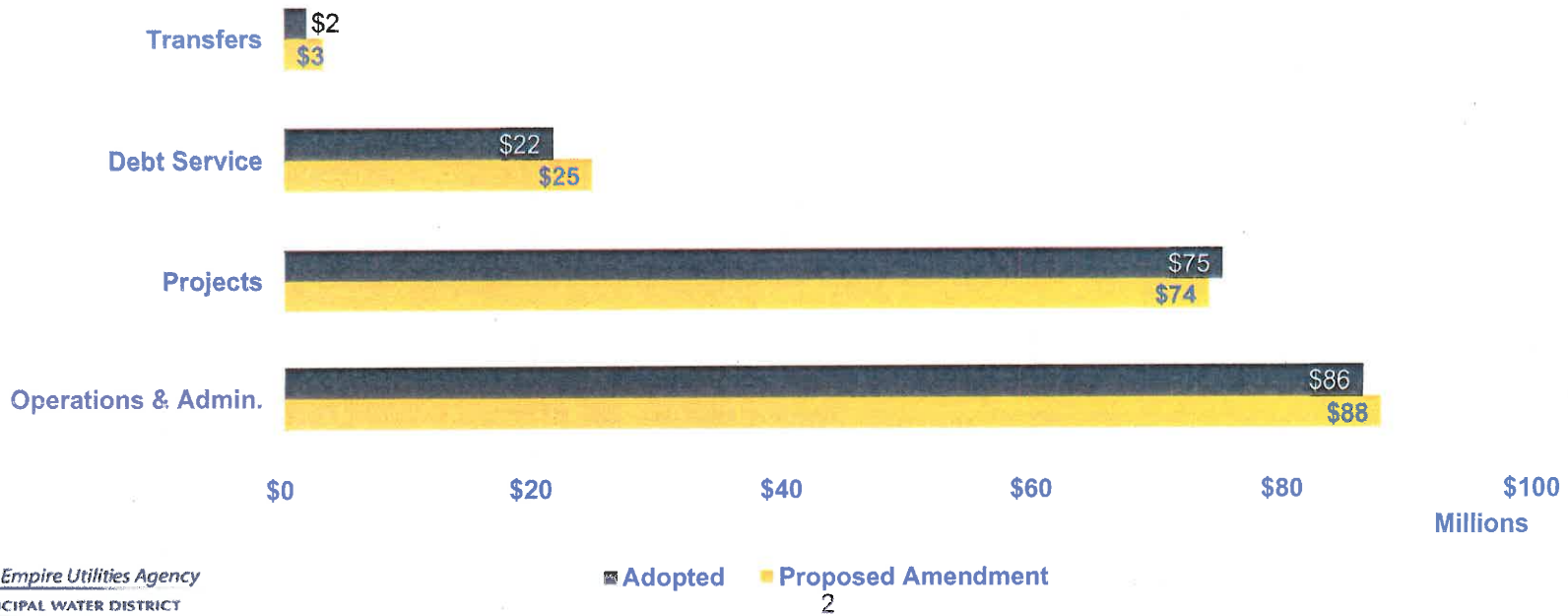
## Regional Wastewater, Recycled Water, and Groundwater Recharge



# REGIONAL PROGRAMS USES OF FUNDS

## Regional Wastewater, Recycled Water, and Groundwater Recharge

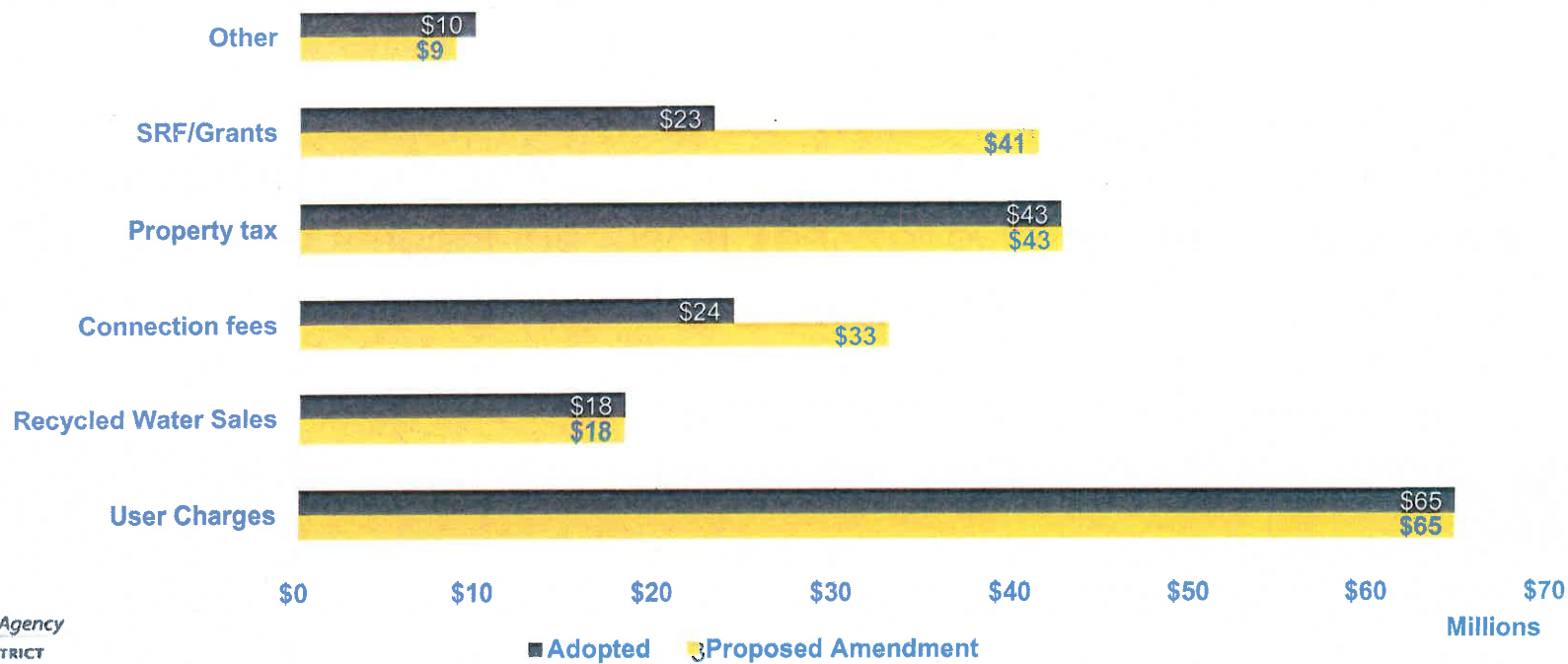
\$ Millions	FY 2018/19 Adopted	FY 2018/19 Proposed	Amendments
<b>Total Uses of Funds</b>	<b>\$184.5</b>	<b>\$189.4</b>	<b>\$4.9</b>



# REGIONAL PROGRAMS SOURCES OF FUNDS

## Regional Wastewater, Recycled Water, and Groundwater Recharge

\$ Millions	FY 2018/19 Adopted	FY 2018/19 Proposed	Amendments
<b>Total Sources of Funds</b>	<b>\$182.7</b>	<b>208.8</b>	<b>\$26.1</b>




## Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors adopt the Fiscal Year 2018/19 budget amendments for the Regional Programs.

The proposed amendments to the FY 2018/19 Adopted Budget are consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices*.

**ACTION  
ITEM**

**1D**

Date: May 31, 2018/June 7, 2018  
To: Regional Committees  
From: Inland Empire Utilities Agency   
Subject: Regional Contract Facilitation Contract Amendment

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### **RECOMMENDATION**

It is requested that the Regional Committees recommend the IEUA Board of Directors approve a contract amendment with Kearns & West, Inc. (K&W) for the Regional Contract Facilitation, Phase 2B.

### **BACKGROUND**

The Regional Technical Committee requested IEUA to contract with K&W to meet with the Agencies and determine the issues and potential disagreements with the existing regional contract. This work, called Phase 1, was completed and a summary presentation was made to a joint meeting of both the Regional Policy and Technical Committees in February 2018. At the February Joint Meeting, the Policy Committee discussed options and decided it would be mutually beneficial to continue with the discussions/negotiations currently underway to revise the Regional Contract and to use the positive momentum that was established during Phase 1 to reach final resolution on the terms for a revised Contract.

The K&W Team was asked to submit a Proposal to hold a “Scoping Session” (called Phase 2A) with the Technical Committee to further refine issues for negotiations, develop a priority list of these issues, and establish a timeline for their resolution. The Phase 2A effort has been completed. The Regional Technical Committee requested at the Special Technical Committee meeting on May 24, 2018 to have K&W provide a scope and cost estimate for the next phase of actual negotiations (Phase 2B).

K&W will develop and provide the cost and scope of services for Phase 2B by May 31, 2018.



**INFORMATION**

**ITEM**

**2B**

# Grants Department Semi-Annual Update



# Grant & SRF Loan Funding Programs Overview 2000 – Present (\$Millions)

Program	State Grant	Federal Grant	SRF Loan	Total
Recycled Water	\$48.2	\$20.7	\$115.0	\$183.9
Wastewater	\$7.6	-	\$50.8	\$58.4
Groundwater	\$65.8	\$2.9	-	\$68.7
Drinking Water	\$116.5	\$25.6	-	\$142.1
Water Conservation	\$9.3	\$0.6	-	\$9.9
Renewable Energy	\$5.4	\$4.9	-	\$10.3
<b>Total</b>	<b>\$252.8</b>	<b>\$54.7</b>	<b>\$165.8</b>	<b>\$473.3</b>

	State Grant	Federal Grant	SRF Loan	Total
Completed Funding Agreements	\$156.2	\$27.1	\$112.7	\$296.0
Open Funding Agreements	\$96.6	\$27.6	\$53.1	\$177.3
<b>Subtotal</b>	<b>\$252.8</b>	<b>\$54.7</b>	<b>\$165.8</b>	<b>\$473.3</b>
Applications Pending/Submitted	\$489.3	\$1.6	\$579.4	\$1,070.3
<b>Total</b>	<b>\$742.1</b>	<b>\$56.3</b>	<b>\$745.2</b>	<b>\$1,543.6</b>

# SRF Loan Interest Savings (\$Millions)

Funding	Interest Rate	Principal	Interest Cost
Bonds	4.07%	\$165.8	\$93.9
SRF Loan	1.70%		\$30.1
Savings			\$63.8



Bond Interest vs. SRF Loan Interest

# Recycled Water Funding Program (\$Millions)

## Completed Funding Agreements:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
IEUA Recycled Water Distribution System	10,000	\$69.0	-	\$115.0	\$184.0
<b>Total</b>	<b>10,000</b>	<b>\$69.0</b>	<b>-</b>	<b>\$115.0</b>	<b>\$184.0</b>

## Current Funding Activities:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
San Sevaine Basin Improvements	1,500	\$2.5	-	\$1.2	\$3.7
Napa Lateral Project	500	\$2.5	-	\$3.6	\$6.1
RP-1 1158 Pump Sation Upgrade	1,181	\$2.5	-	\$5.4	\$7.9
RP-RW Pipeline Bottleneck	100	\$1.4	-	\$1.4	\$2.8
Pressure Sustaining Valve Installation		\$0.4	-	\$0.4	\$0.8
Baseline Extension (Village of Heritage)	105	\$2.5	-	\$2.9	\$5.4
City of Ontario RW Pipeline	2,000	\$2.5	-	\$20.1	\$22.6
<b>Total</b>	<b>5,386</b>	<b>\$14.3</b>	<b>-</b>	<b>\$35.0</b>	<b>\$49.3</b>

 Funding Award Secured

# Groundwater Funding Program (\$Millions)

## Completed Funding Agreements:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
Chino Basin Recharge Facilities Improvement I & II	5,000	\$19.0	-	-	\$19.0
	5,000	\$19.0	-	-	\$19.0

## Current Funding Activities:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
San Sevaine Basin	2,142	\$0.8	\$0.4	\$1.7	\$2.9
Lower Day Basin	789	\$0.8	\$0.4	\$2.9	\$4.1
RP-3 Basin	3,042	\$0.7	\$0.3	\$0.4	\$1.4
Wineville & Jurupa Basins	2,796	\$7.5	\$0.8	\$6.7	\$15.0
Montclair Basin	96	-	\$0.6	\$1.2	\$1.8
Victoria Basin	195	-	\$0.2	-	\$0.2
Prop 1 Water Storage Program	-	\$480.0	-	-	\$480.0
	9,060	\$489.8	\$2.7	\$12.9	\$505.4

 Funding Award Secured

# Wastewater Treatment Funding Program (\$Millions)

## Completed Funding Agreements:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
RP-1 Dewatering Facility	-	-	-	\$24.7	\$24.7
	-	-	-	\$24.7	\$24.7

## Current Funding Activities:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
New Water Quality Lab	-	\$1.3	-	\$23.4	\$24.7
RP-1/RP-5 Planning/Design	-	\$0.5	-	-	\$0.5
RP-5 Expansion	-	-	-	\$325.0	\$325.0
RP-1 Expansion	-	-	-	\$213.0	\$213.0
	-	\$1.8	-	\$561.4	\$563.2

 Funding Award Secured

# Drinking Water Funding Program (\$Millions)

## Completed Funding Agreements:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
CDA I Expansion / CDA II Construction	30,000	\$39.0	-	-	\$39.0
	30,000	\$39.0	-	-	\$39.0

## Current Funding Activities:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
CDA II Expansion	10,000	\$53.0	\$23.0	-	\$76.0
TCE Plume Cleanup		\$11.4	\$3.0	-	\$14.4
	10,000	\$64.4	\$26.0	-	\$90.4

 Funding Award Secured



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**3A**



## Regional Sewerage Program Policy Committee Meeting

**AGENDA**  
**Thursday, June 7, 2018**  
**4:00 p.m.**

**Location**

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

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**Call to Order**

**Pledge of Allegiance**

**Public Comment**

**Changes/Additions/Deletions to the Agenda**

**1. Technical Committee Report (Oral)**

**2. Action Item**

- A. Meeting Minutes for May 3, 2018
- B. RP-1 Primary Effluent Conveyance Improvements Construction Contract Award
- C. FY 2018/19 Regional Programs Budget Amendment
- D. Regional Contract Facilitation Contract Amendment

**3. Informational Items**

- A. Regional Contract Update/Renewal (Oral)
- B. Grants Semi-Annual Update
- C. Legislative Update

**4. Receive and File**

- A. Building Activity Update
- B. Recycled Water Distribution – Operations Summary

**5. Other Business**

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments

(Continued)

D. Next Meeting – August 30, 2018

**6. Adjournment**

**DECLARATION OF POSTING**

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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 to the IEUA Website at [www.ieua.org](http://www.ieua.org) and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Monday, June 4, 2018.

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Laura Mantilla

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# Building Activity Report - YTD Fiscal Year 2017/18



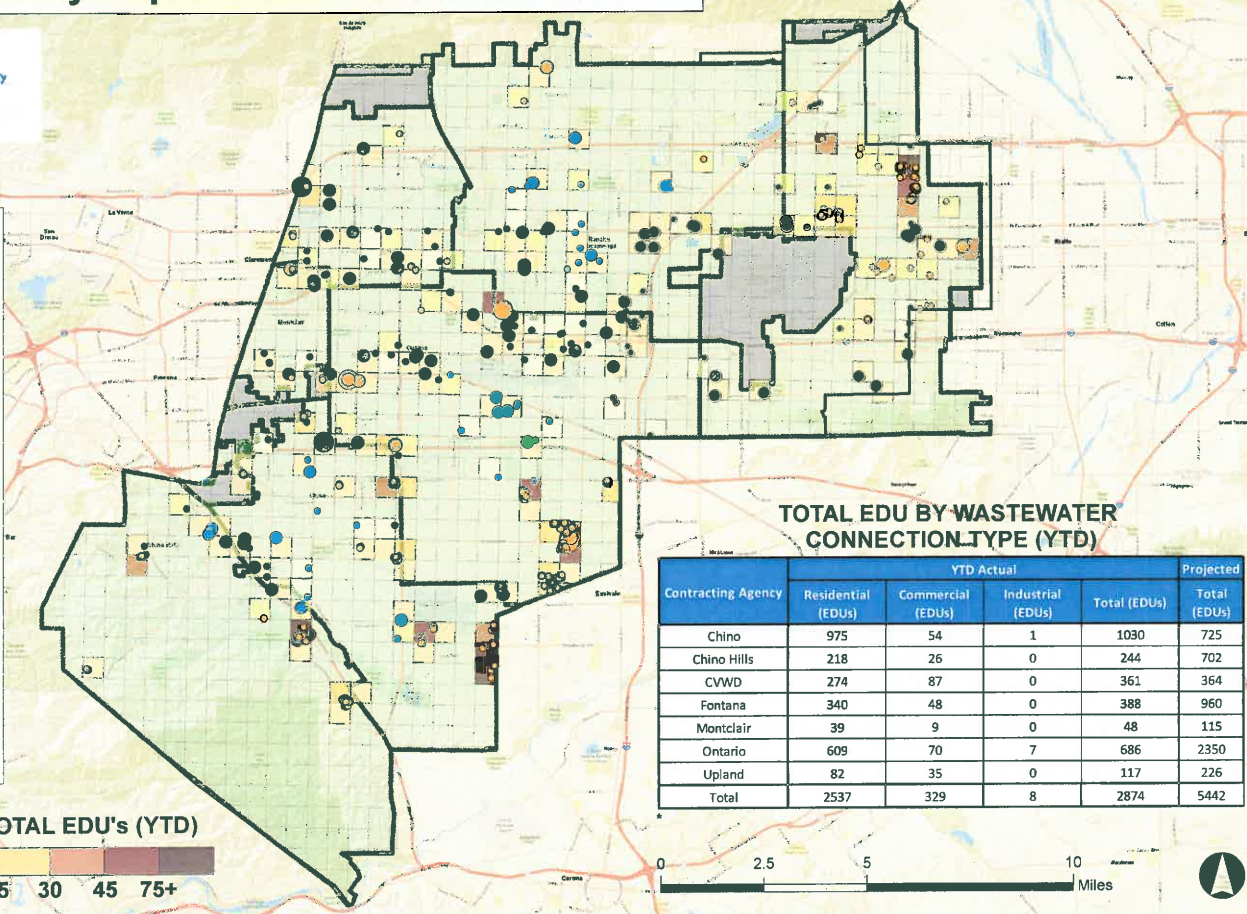
## Legend

- Service Area
- Unincorporated

## EDU (YTD)

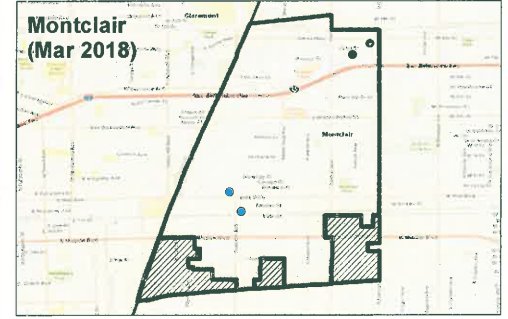
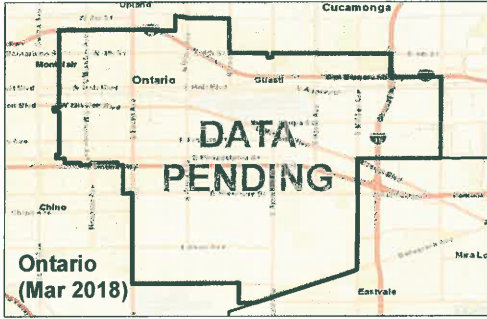
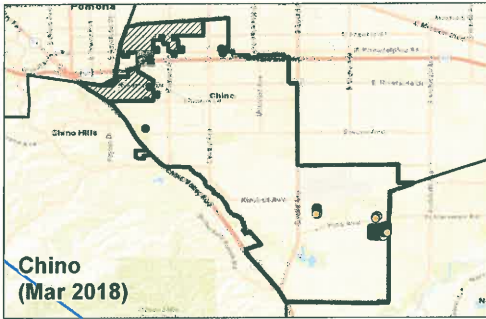
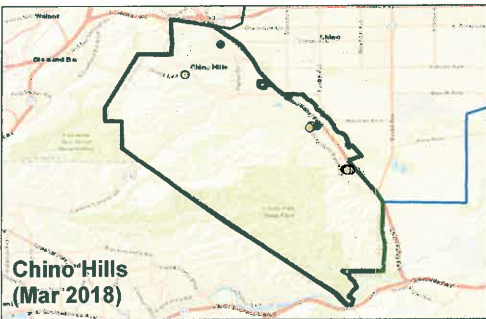
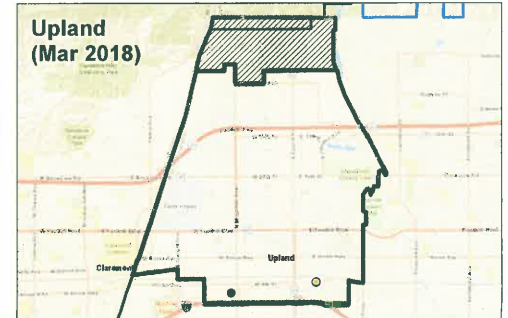
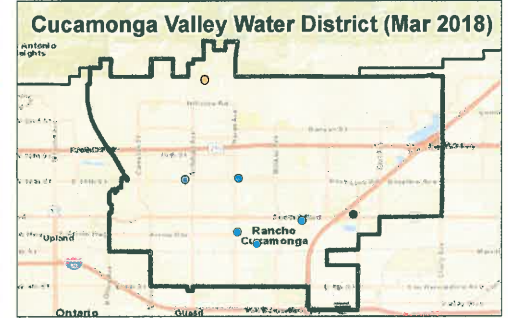
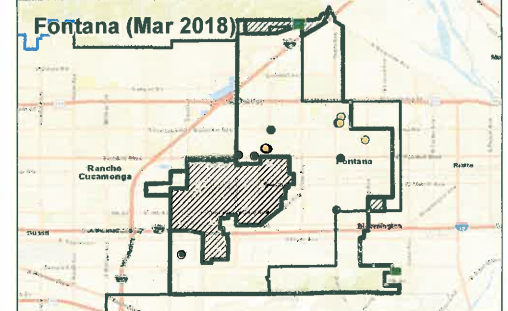
- Residential**
  - ≤1.0
  - 1.0 - 10.0
  - >10.0
- Commercial**
  - ≤1.0
  - 1.0 - 10.0
  - >10.0
- Industrial**
  - ≤1.0
  - 1.0 - 10.0
  - >10.0

## HALF MILE GRID: TOTAL EDU's (YTD)



## TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	975	54	1	1030	725
Chino Hills	218	26	0	244	702
CVWD	274	87	0	361	364
Fontana	340	48	0	388	960
Montclair	39	9	0	48	115
Ontario	609	70	7	686	2350
Upland	82	35	0	117	226
<b>Total</b>	<b>2537</b>	<b>329</b>	<b>8</b>	<b>2874</b>	<b>5442</b>



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# IEUA RECYCLED WATER DISTRIBUTION – APRIL 2018

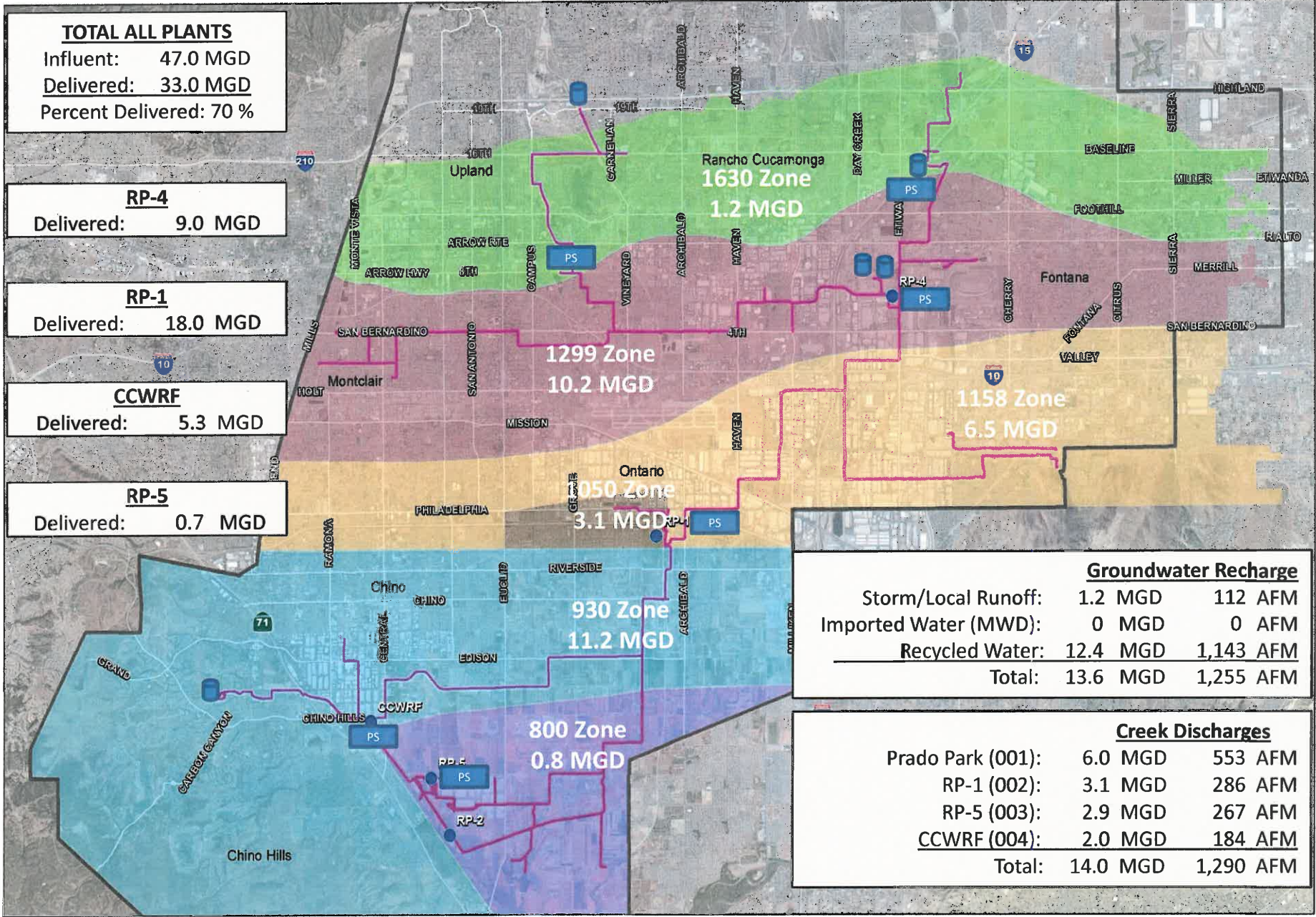
**TOTAL ALL PLANTS**  
 Influent: 47.0 MGD  
 Delivered: 33.0 MGD  
 Percent Delivered: 70 %

**RP-4**  
 Delivered: 9.0 MGD

**RP-1**  
 Delivered: 18.0 MGD

**CCWRF**  
 Delivered: 5.3 MGD

**RP-5**  
 Delivered: 0.7 MGD

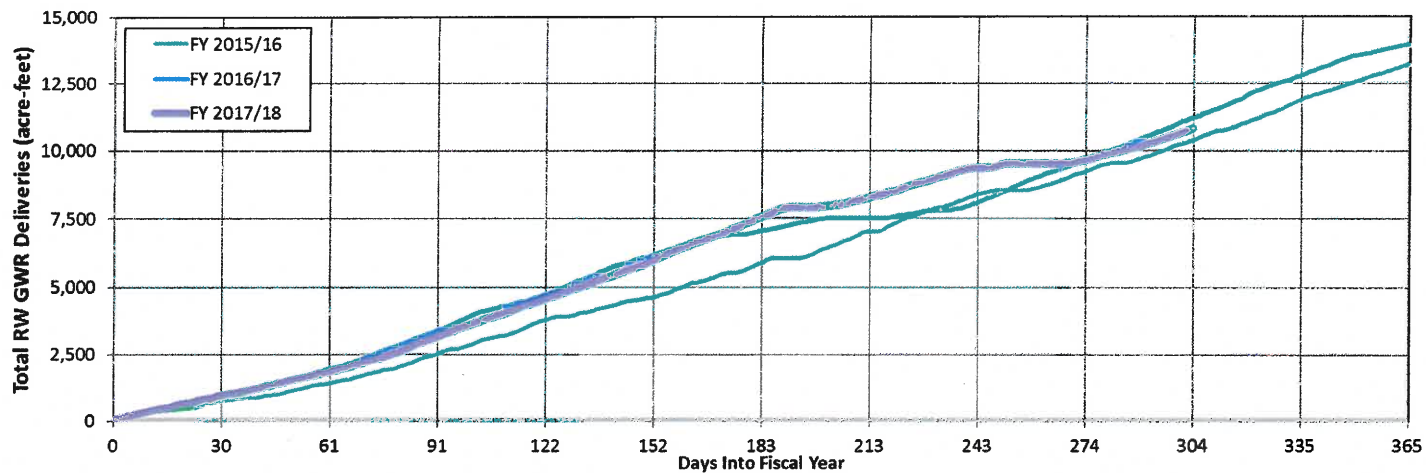
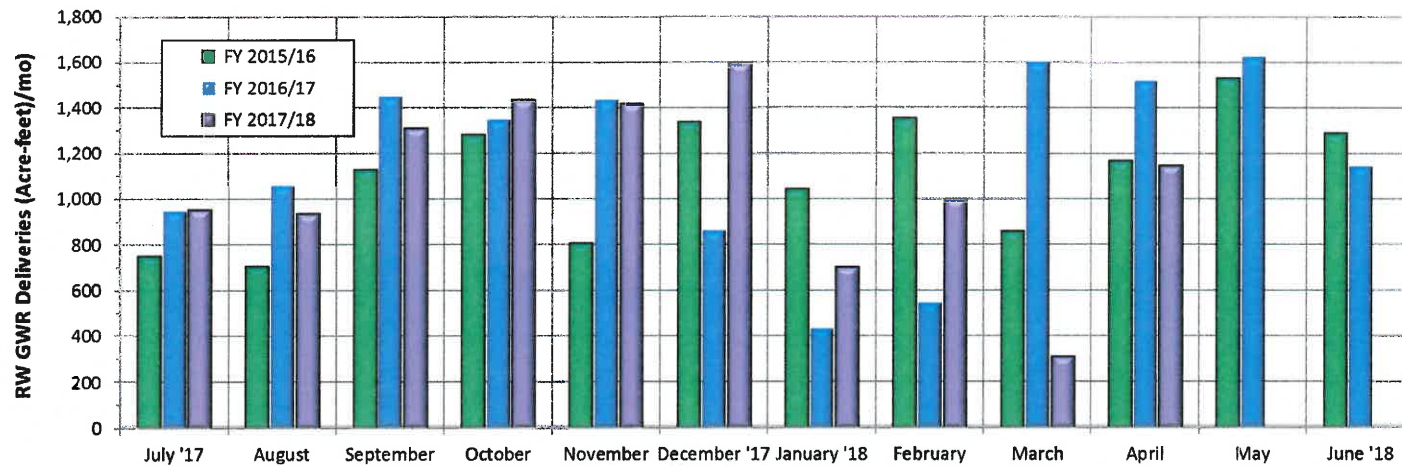


<b>Groundwater Recharge</b>		
Storm/Local Runoff:	1.2 MGD	112 AFM
Imported Water (MWD):	0 MGD	0 AFM
<b>Recycled Water:</b>	<b>12.4 MGD</b>	<b>1,143 AFM</b>
<b>Total:</b>	<b>13.6 MGD</b>	<b>1,255 AFM</b>

<b>Creek Discharges</b>		
Prado Park (001):	6.0 MGD	553 AFM
RP-1 (002):	3.1 MGD	286 AFM
RP-5 (003):	2.9 MGD	267 AFM
CCWRF (004):	2.0 MGD	184 AFM
<b>Total:</b>	<b>14.0 MGD</b>	<b>1,290 AFM</b>

Recycled Water Recharge Deliveries / Plan - April 2018 (Acre-Feet)

Basin	4/1-4/7	4/8-4/14	4/15-4/21	4/22-4/28	4/29-4/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.		
Ely	0.0	19.1	54.7	67.6	19.8	161.2	1003			
Banana	42.0	42.0	42.0	42.0	12.0	180.0	1875			
Hickory	31.9	44.6	47.3	58.5	10.9	193.2	1197			
Turner 1 & 2	14.2	8.9	10.3	1.4	0.0	34.8	1163			
Turner 3 & 4	42.6	26.4	30.9	33.2	12.2	145.3				
8th Street	0.0	0.0	0.0	0.0	0.0	0.0	1048			
Brooks	21.0	18.0	20.0	13.1	3.8	75.8	1125			
RP3	92.6	70.3	70.3	49.2	12.6	295.0	2513			
Declez	0.0	0.0	0.0	33.7	24.3	58.0	58			
Victoria	0.0	0.0	0.0	0.0	0.0	0.0	798			
San Sevaine	0.0	0.0	0.0	0.0	0.0	0.0	0			
<b>Total</b>	<b>244.3</b>	<b>229.3</b>	<b>275.5</b>	<b>298.7</b>	<b>95.6</b>	<b>1,143.3</b>	<b>0</b>	<b>10,780</b>	<b>11,173</b>	<b>AF, Previous FY To Date Actual</b>





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# IEUA Bill Matrix

Last Updated 3-13-18

Year	IEUA Action	Bill No.	Author	Bill Name	Final Status	Comments
2017	<u>Support</u>	<u>Prop 68 (SB 5)</u>	de León	Water Bond	Ballot in June '18	Joined Californians for Clean Water and Safe Parks Coalition - Prop 68 (2/18)
2018	<u>Support</u>	<u>SB 606</u>	Hertzberg	Water Management Planning	-	Approved by IEUA Leg. Committee - went to full Board in May 2018
2018	<u>Support</u>	<u>AB 1668</u>	Friedman	Water Management Planning	-	
2018	<u>Oppose</u>	<u>AB 1876</u>	Frazier	Sacramento-San Joaquin Delta: Delta Stewardship Council	-	MWD Coalition Letter
2018	<u>Support</u>	<u>SB 2050</u>	Caballero	Small System Water Authority Act of 2018	-	Support (Eastern MWD Bill)
2018	Watch	<u>SB 623</u>	Monning	Water quality: Safe and Affordable Drinking Water Fund	-	Public goods charge, also included in a budget trailer
2018	Watch	Water Bond	Jerry Meral	<u>Water Supply and Water Quality Act of 2018</u>	-	Signatures have been verified for inclusion on the November ballot.
2018	Watch	<u>AB 3037</u>	Chui, Holden	Community Redevelopment Law of 2018	-	IEUA is working with CSDA
2018	Watch	<u>AB 1778</u>	Holden	Transit-Oriented Redevelopment Law of 2018	-	IEUA is working with CSDA
2018	<u>Oppose</u>	<u>AB 2697</u>	Gallagher	Idled Ag Land and Water Transfers	-	Signed on to MWD Coalition
2018	Watch	<u>SB 831</u>	Wieckowski	Land use: accessory dwelling units	-	Concerns for partnering agencies
2018	Watch	<u>SB 998</u>	Dodd	Discontinuation of residential water service: urban and community water systems	-	Concerns for partnering agencies
2018	<u>Oppose</u>	<u>AB 3045</u>	Gallagher	SWP Commission	-	Joined MWD regional letter 5-9-18 Approved in IEUA Leg. Committee