

# NOTICE OF MEETING

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OF THE  
REGIONAL SEWERAGE PROGRAM  
POLICY COMMITTEE

OF THE



WILL BE HELD ON

THURSDAY, JUNE 7, 2018

4:00 P.M.

BOARDROOM  
AT THE OFFICE OF THE AGENCY  
6075 KIMBALL AVENUE, BUILDING A  
CHINO, CA 91710



## 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 Update and Facilitation Contract Amendment
- 3. Informational Items**
  - A. Grants Semi-Annual Update
  - B. Legislative Update
- 4. Receive and File**
  - A. Building Activity Update
  - B. Recycled Water Distribution – Operations Summary
- 5. Other Business**
  - A. Committee Member Requested Agenda Items for Next Meeting
  - B. Committee Member Comments
  - C. IEUA General Manager's Update
  - D. Next Meeting – August 30, 2018

(Continued)

## 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

**ACTION ITEM**

**2A**



## Regional Sewerage Program Policy Committee Meeting

### MINUTES OF MAY 3, 2018 MEETING

**CALL TO ORDER**

A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, May 3, 2018, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, California. Chairman Michael Tahan, City of Fontana, called the meeting to order at 4:06 p.m.

**ATTENDANCE**

**Committee Members:**

Eunice Ulloa	City of Chino
Peter Rogers	City of Chino Hills
Kathy Tiegs	Cucamonga Valley Water District
Michael Tahan (alternate)	City of Fontana
Jim Bowman	City of Ontario
Trisha Martinez	City of Montclair
Debbie Stone	City of Upland
Kati Parker	Inland Empire Utilities Agency

**Others Present:**

Dave Crosley	City of Chino
Katie Gienger	City of Ontario
Gidti Ludesirishoti	Cucamonga Valley Water District
Halla Razak	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Jerry Burke	Inland Empire Utilities Agency
Elizabeth Hurst	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency
Craig Proctor	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.

**ADDITIONS/CHANGES TO THE AGENDA**

There were none.

**1. TECHNICAL COMMITTEE REPORT**

Chris Berch/IEUA provided the Technical Committee Report on behalf of Chuck Hays. Mr. Berch reported that the FY 2018/19 Ten Year Capital Improvement Plan was presented and approved unanimously by the Technical Committee on April 26<sup>th</sup>.

**2. ACTION ITEMS****A. APPROVAL OF THE MINUTES OF THE APRIL 5, 2018 POLICY COMMITTEE MEETING**

**Motion:** By Jim Bowman/City of Ontario and seconded by Peter Rogers/City of Chino Hills to approve the minutes of April 5, 2018 Regional Policy Committee meeting.

**Motion carried:** Unanimously.

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

Elizabeth Hurst/IEUA gave a presentation on the FY 2018/19 Ten Year Capital Improvement Plan (TYCIP). Ms. Hurst stated that there were no changes or comments received since it was last presented to the Committee. The total TYCIP budget is still \$715.5 million. The major capital projects are the Regional Treatment Plant No. 5 Solids & Liquids Expansion, Regional Treatment Plant No. 1 Capacity Recovery/Expansion Design, and asset repair and replacement program for all systems. It is requested today that the Committee recommend the IEUA Board adopt the FY 2018/19 – 2027/28 TYCIP.

**Motion:** By Peter Rogers/City of Chino Hills and seconded by Trisha Martinez/City of Montclair to make recommendation to the IEUA Board of Directors to adopt the FY 2018/2019 – 2027/28 Ten Year Capital Improvement Plan.

**Motion carried:** Unanimously.

**3. INFORMATIONAL ITEMS****A. REGIONAL CONTRACT UPDATE/RENEWAL**

Mr. Berch/IEUA stated that the Technical Committee met with Kearns & West (K&W) on April 11<sup>th</sup>, for the scoping session where K&W presented the results of the key issues and prioritization of those issues. K&W provided various options on how to structure the negotiations going forward and the sequencing of the contract negotiations. K&W will provide a schedule and workplan by the next meeting. The next scoping session is being scheduled for the end of May.

**B. FY 2018/19 REGIONAL PROGRAMS BUDGET OVERVIEW**

Christina Valencia/IEUA stated that the Agency adopted a biennial budget for FYs 2017/18 and 2018/19 last year, which the Regional Committees unanimously recommended approval by the IEUA Board. Ms. Valencia reviewed the proposed amendments to the adopted budget for the 2018/19 Regional Programs (Regional Wastewater, Recycled Water and Groundwater Recharge Program Funds). Ms. Valencia reported that the amendment for Total Uses of Funds is \$4.9 million and noted that the major change was in debt service, due to an advancement of interfund loan repayment from one fund to another. Ms. Valencia reported that \$26.1 million will be added to Sources of Funds; the revenues are primarily from connection fees and SRF/Grants.

Ms. Valencia added that this item will go back to the Regional Committees for approval in May and June respectively.

**C. POLICY COMMITTEE CHAIR ROTATION**

Mr. Berch/IEUA informed the Committee that the City of Fontana is at the end of their 2-year rotation as chair. The City of Montclair is scheduled to chair next.

**D. LEGISLATIVE UPDATE**

Kathy Besser/IEUA provided updates on the following legislative bills: SB606 and AB1668 – amendments are still being made; Prop 68 – Water Bond, IEUA is in support of and bill will be going on the ballot in November; SB998 – amendments were added, IEUA will review the amendments and update the Committee.

Ms. Tieg informed the Committee of bill AB2258. The bill relates to LAFCOs and Special Districts and would amend the threshold required for protest from 10% to 25% for projects funded by grants that was approved by the State.

**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.

**C. ENGINEERING QUARTERLY PROJECT UPDATES**

The Regional Contract Facilitation Scoping Phase 2 was received and filed by the Committee.

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

- Halla Razak stated that Metropolitan Water District conducted repairs on the Rialto Pipeline between April 23 -28 and that all repairs were completed as planned. Ms. Razak thanked the Committee for communicating to customers to reduce water usage.
- Ms. Razak thanked those who signed the letter of support for the Prop 1 project. Ms. Razak stated that IEUA testified to at the California Water Commission (CWC) along with Ms. Tieg. CWC is still deliberating on the score of our project.

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

None.

**C. COMMITTEE MEMBER COMMENTS**

Ms. Tiegs complimented Ms. Razak and the team on the Prop 1 project.

**D. NEXT MEETING – JUNE 7, 2018**

**6. ADJOURNMENT – Meeting was adjourned at 4:35 p.m.**

Transcribed by:

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Laura Mantilla, Executive Assistant



**ACTION ITEM**

**2B**

Date: May 31, 2018/June 7, 2018  
To: Regional Committees  
From: Inland Empire Utilities Agency HHR  
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 June 7, 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.

RP-1 Primary Effluent Conveyance Construction Contract Award

May 31, 2018/June 7, 2018

Page 2 of 2

The following table is the anticipated project cost:

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>
Services During Construction (~6%)	\$302,500
IEUA Construction Services (~4%)	\$197,500
<b>Construction</b>	<b>\$5,500,000</b>
Construction Contract (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:

Project Milestone	Date
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 (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	July 2018
Construction Completion	April 2019

\*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**

**2C**

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

###

**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

**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.:

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**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>\$10,469</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

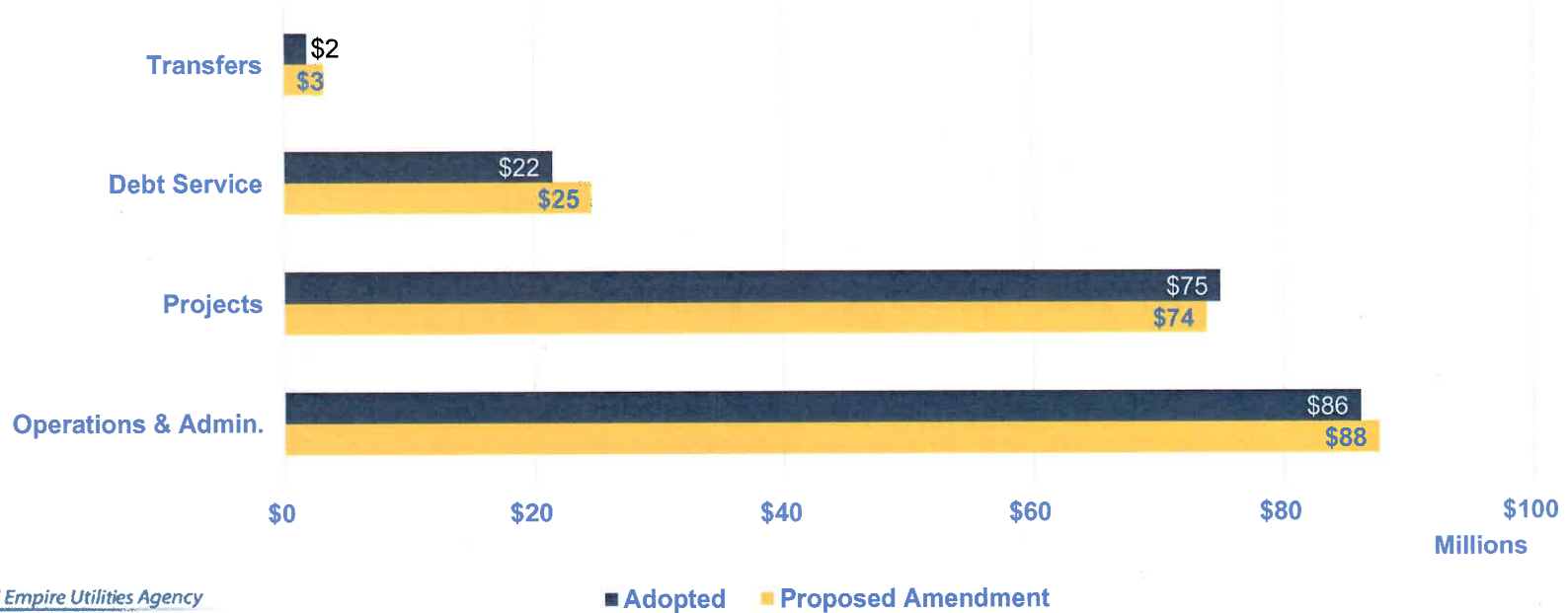
## Regional Wastewater, Recycled Water, and Groundwater Recharge



# REGIONAL PROGRAMS USES OF FUNDS

## Regional Wastewater, Recycled Water, and Groundwater Recharge

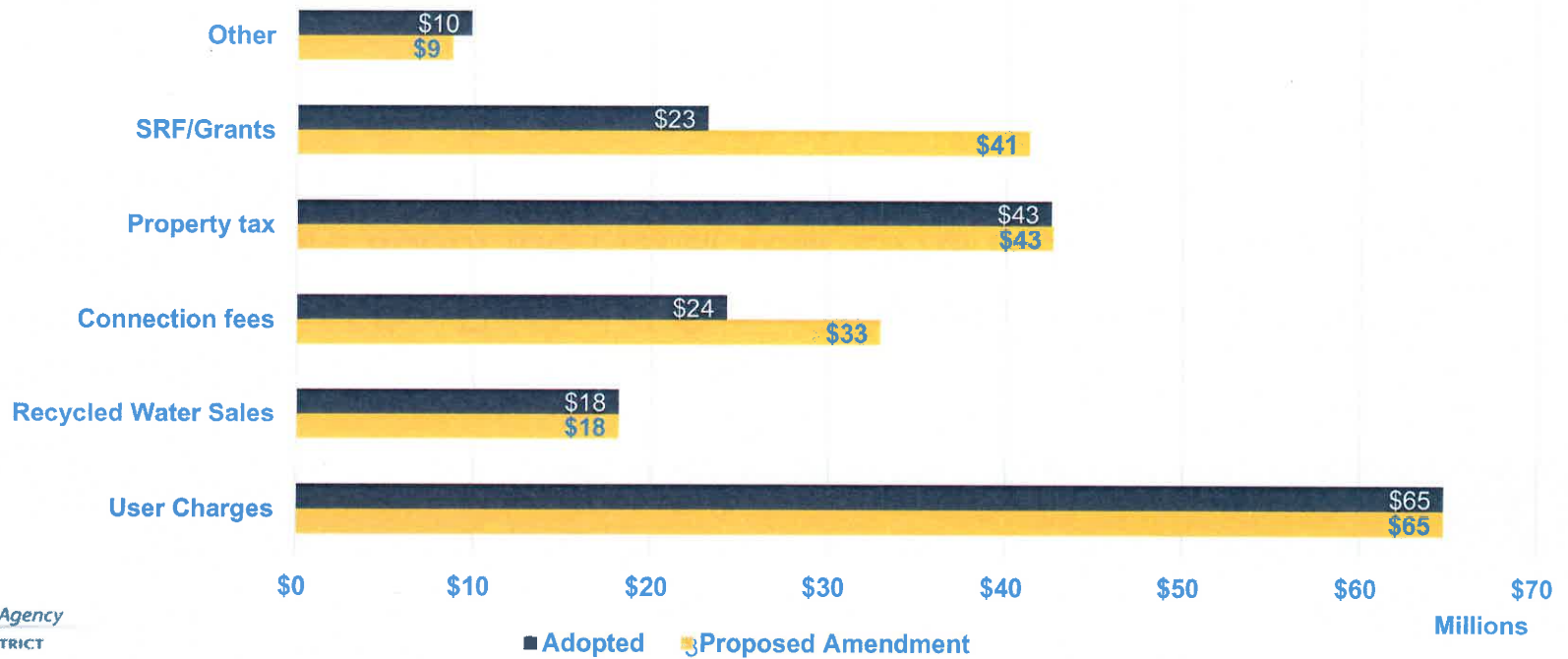
\$ Millions	FY 2018/19 Adopted	FY 2018/19 Proposed	Amendments
Total Uses of Funds	\$184.5	\$189.4	\$4.9



# REGIONAL PROGRAMS SOURCES OF FUNDS

## Regional Wastewater, Recycled Water, and Groundwater Recharge

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



## 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**

**2D**

Date: May 31, 2018/June 7, 2018  
To: Regional Committees  
From: Inland Empire Utilities Agency *HR*  
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 for not-to-exceed amount of \$390,000.

### **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). This Phase will cover all activities anticipated during FY 2018/19.

**INFORMATION**

**ITEM**

**3A**



# Grants Department Semi-Annual Update





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

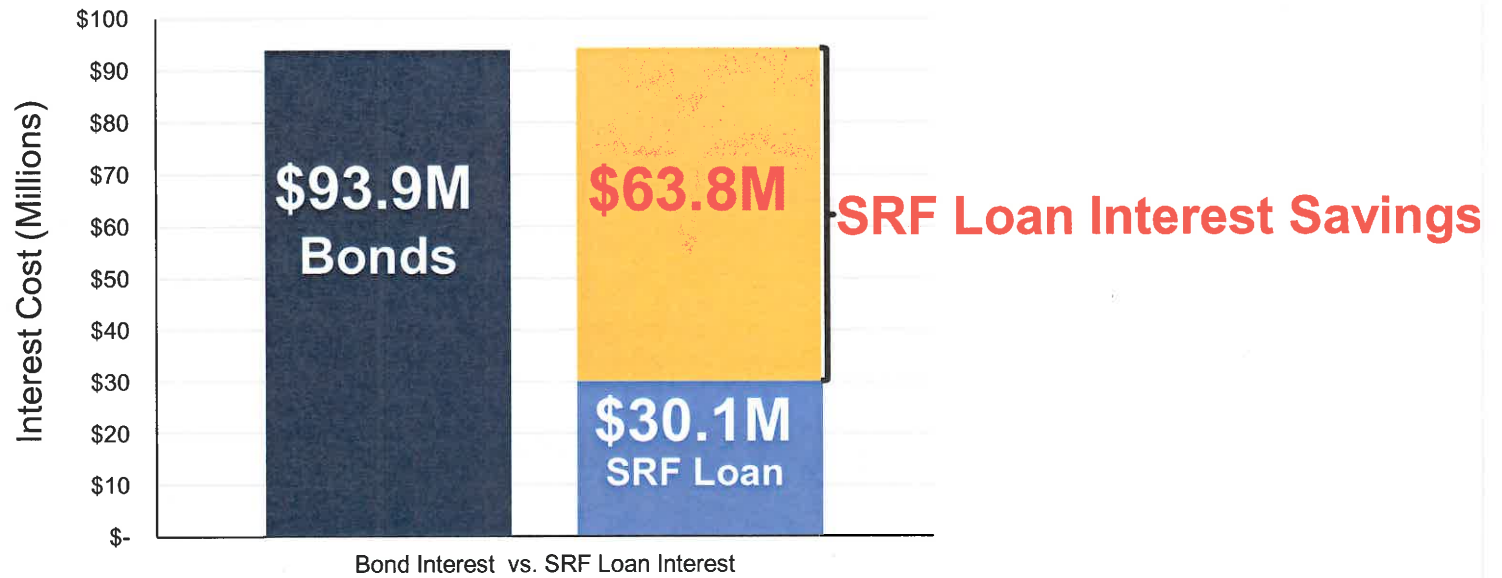
Program	State Grant	Federal Grant	SRF Loan	Total
Recycled Water	\$48.2	\$20.7	\$115.0	\$183.9
Wastewater	\$7.6	-	\$50.8	\$58.4
Groundwater	\$65.8	\$2.9	-	\$68.7
Drinking Water	\$116.5	\$25.6	-	\$142.1
Water Conservation	\$9.3	\$0.6	-	\$9.9
Renewable Energy	\$5.4	\$4.9	-	\$10.3
<b>Total</b>	<b>\$252.8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

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

Program	State Grant	Federal Grant	SRF Loan	Total
Open Agreements	\$96.6	\$27.6	\$53.1	\$177.3
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>
<b>Completed Agreements</b>	<b>\$156.2</b>	<b>\$27.1</b>	<b>\$112.7</b>	<b>\$296.0</b>
<b>Open Agreements</b>	<b>\$96.6</b>	<b>\$27.6</b>	<b>\$53.1</b>	<b>\$177.3</b>
<b>Total</b>	<b>\$252.8</b>	<b>\$54.7</b>	<b>\$165.8</b>	<b>\$473.3</b>
<b>Applications</b>	<b>\$489.3</b>	<b>\$1.6</b>	<b>\$579.4</b>	<b>\$1,070.3</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





# 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	\$48.0	\$21.0	\$115.0	\$184.0

## Current Funding Activities:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
San Sevaime 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
IEUA JCSD RW Intertie	4,300	\$2.5		\$30.5	\$33.0
IEUA POMONA MVWD RW Intertie	3,500	\$2.5		\$51.5	\$54.0
<b>Total</b>	<b>13,186</b>	<b>\$19.3</b>	<b>-</b>	<b>\$117.0</b>	<b>\$136.3</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

## 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
<b>Total</b>	<b>9,060</b>	<b>\$9.8</b>	<b>\$2.7</b>	<b>\$12.9</b>	<b>\$25.4</b>
Prop 1 Water Storage Program	-	\$480.0	-	-	\$480.0
	<b>9,060</b>	<b>\$489.8</b>	<b>\$2.7</b>	<b>\$12.9</b>	<b>\$505.4</b>



# Wastewater Treatment Funding Program (\$Millions)

## Completed Funding Agreements:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan	Total
RP-1 Dewatering Facility	-	-	-	\$27.4	\$27.4

## Current Funding Activities:

Project	Benefit (AFY)	State Grant	Federal Grant	SRF Loan/WIFIA	Total
New Water Quality Lab	-	\$1.3	-	\$23.4	\$24.7
RP-1/RP-5 Planning/Design	-	\$0.5	-	-	\$0.5
RP-5 Expansion (SRF Loan)	-	-	-	\$188.5	\$188.5
RP-5 Expansion (WIFIA)	-	-	-	\$136.5	\$136.5
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	\$48.0	-	-	\$48.0

## 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

# 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>



**INFORMATION**

**ITEM**

**3B**

# 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

**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

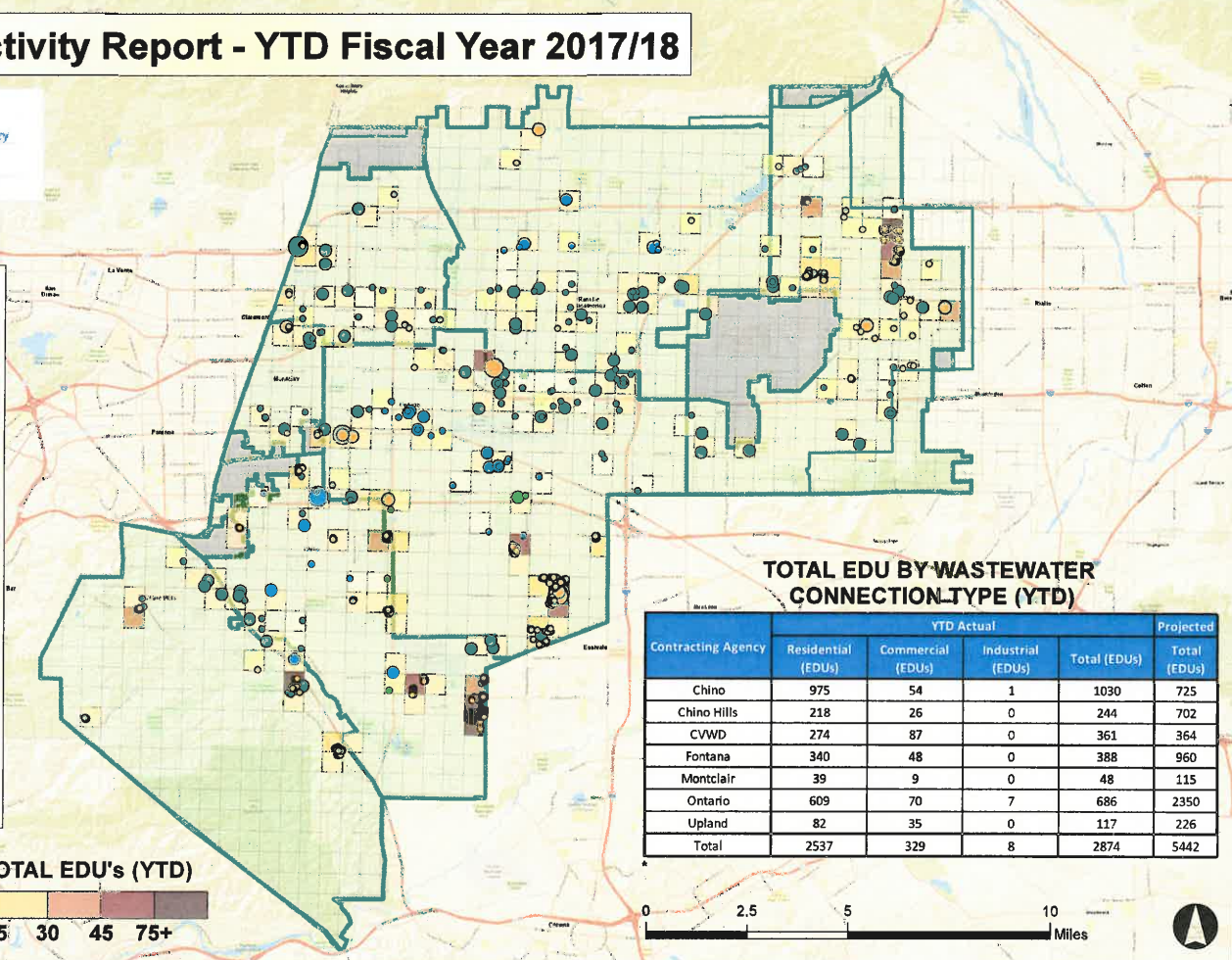
### Commercial

- ≤1.0
- 1.0 - 10.0
- >10.0

### Industrial

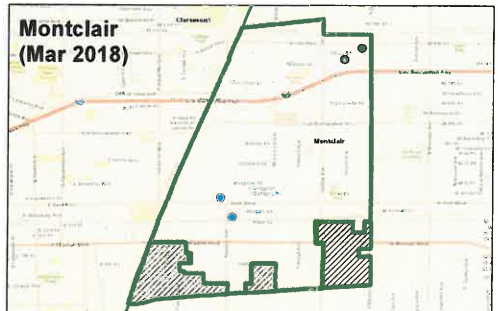
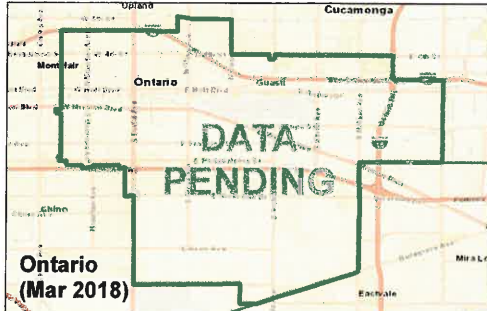
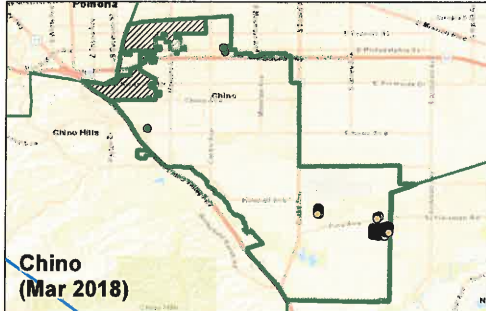
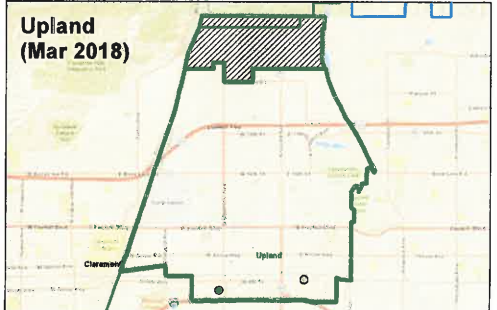
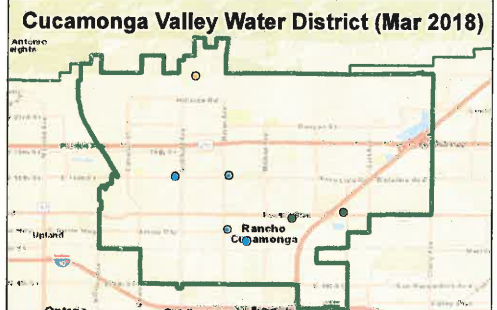
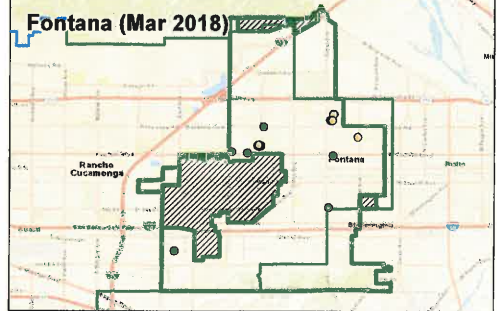
- ≤1.0
- 1.0 - 10.0
- >10.0

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



## TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected Total (EDUs)
	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>

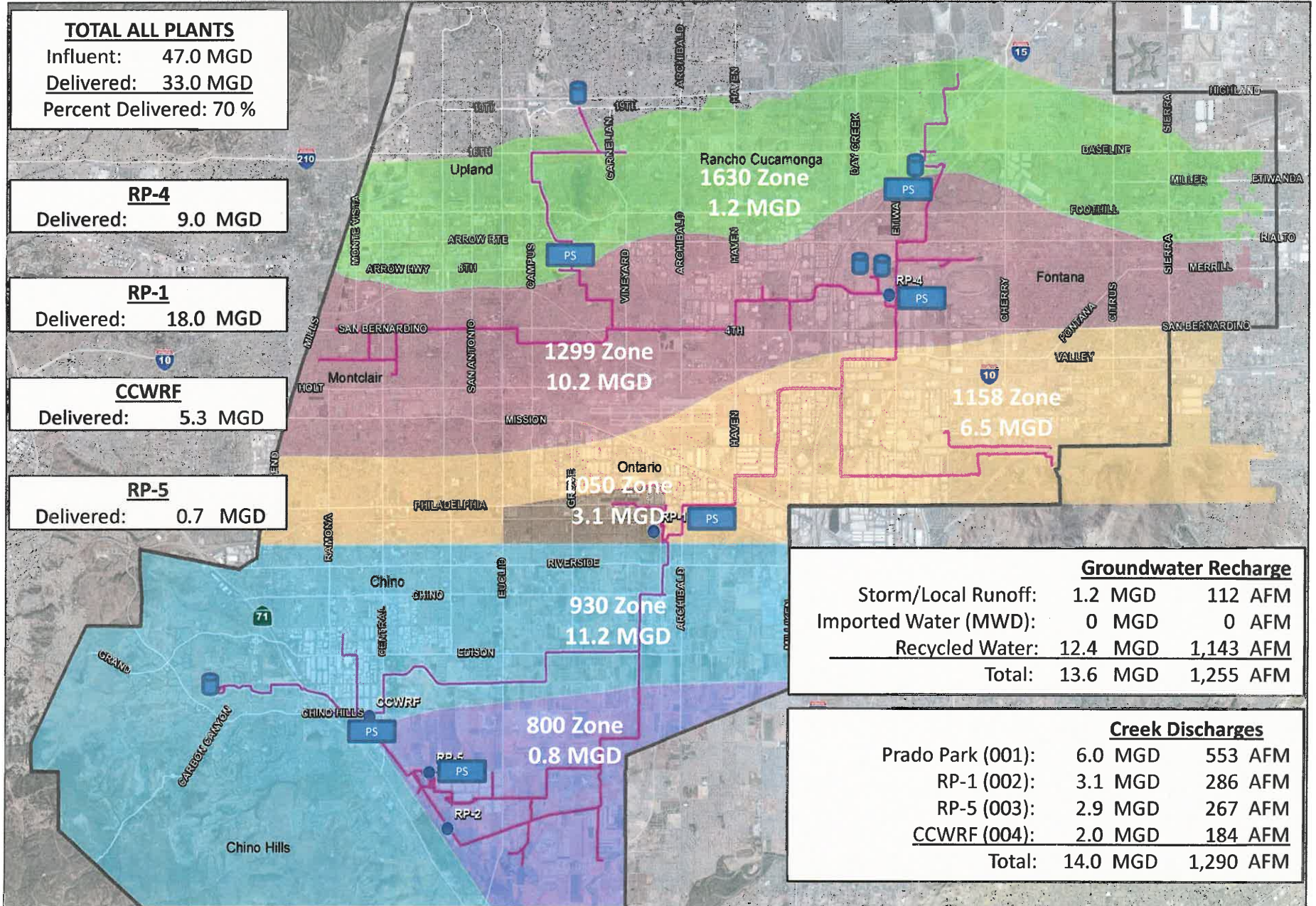


RECEIVE AND  
FILE

**4B**



# IEUA RECYCLED WATER DISTRIBUTION – APRIL 2018





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			
Declerz	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>

