

# **NOTICE OF SPECIAL TECHNICAL COMMITTEE MEETING**

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**WILL BE HELD ON**

**THURSDAY, OCTOBER 25, 2018**

**4:00 P.M.**

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



## Special Regional Sewerage Program Technical Committee Meeting

### AGENDA

Thursday, October 25, 2018

4:00 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 August 30, 2018
- B. RP-1 1158 Recycled Water Pump Station Upgrades Construction Contract Award

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

- A. Chino Basin Project (Prop 1)
- B. P&ER Annual Reports
- C. FY 2017/18 Fourth Quarter Budget Variance Report
- D. Engineering Quarterly Project Updates

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

- A. Draft Regional Policy Committee Agenda
- B. Building Activity Report
- C. Recycled Water Distribution - Operations Summary
- D. Legislative Update (Legislature reconvenes in January 2019)

##### **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 – November 29, 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 Thursday, October 18, 2018.



Laura Mantilla

**ACTION**

**ITEM**

**1A**



## Regional Sewerage Program Technical Committee Meeting MINUTES OF AUGUST 30, 2018

### **CALL TO ORDER**

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, August 30, 2018, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Noel Castillo called the meeting to order at 2:06 p.m.

### **ATTENDANCE**

#### **Committee Members:**

Amanda Coker (Alternate)	City of Chino
Ron Craig	City of Chino Hills
Eduardo Espinoza (Alternate)	Cucamonga Valley Water District
Chuck Hays	City of Fontana
Noel Castillo	City of Montclair
Katie Gienger (Alternate)	City of Ontario
Rosemary Hoerning	City of Upland
Halla Razak	Inland Empire Utilities Agency

### **OTHERS PRESENT**

Ruben Valdez	City of Chino
May Atencio	City of Fontana
Nicole deMoet	City of Montclair
Courtney Jones	City of Ontario
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Jerry Burke	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency

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

There were none.

#### **1. ACTION ITEMS**

##### **A. APPROVAL OF THE MINUTES OF JULY 26, 2018 MEETING MINUTES**

**Motion:** By Rosemary Hoerning/City of Upland and seconded by Chuck Hays/City of Fontana to approve the meeting minutes of July 26, 2018.

**Motion carried:** Unanimously.

#### **B. RP-5 RW PIPELINE BOTTLENECK CONSTRUCTION CONTRACT AWARD**

Shaun Stone/IEUA stated that the project is located at the recycled water pump station at RP-5. The project is to increase pumping efficiency and delivery to the southern service area. The scope consists of piping system surge protection and install a new surge control system. This project is fully funded by California Clean Water State Revolving Fund Program. IEUA received five bids in July 2018 and T.E. Roberts was the lowest responsive responsible bidder at \$2,023,600. If the project is awarded this month, it will be completed in August 2019. Mr. Stone requested the Committee recommend to the IEUA Board of Directors to award the contract to T.E. Roberts.

*Ron Craig entered the meeting room at 2:11pm.*

**Motion:** By Halla Raza/IEUA and seconded by Chuck Hays/City of Fontana to recommend to the IEUA Board of Directors to award the construction contract for the Regional Water Recycling Plant No. 5 Recycled Water Pipeline Bottleneck to T.E. Roberts, in the amount of \$2,023,600.

**Motion carried:** Unanimously.

### **2. INFORMATIONAL ITEMS**

#### **A. PRETREATMENT DISCHARGE STANDARDS**

Craig Proctor/IEUA gave an update on the pretreatment discharge local limits regarding removal of the discharge standards from the current local limits resolution. At the August 7 Pretreatment Committee meeting, the Committee discussed the enforceability of the contracting agencies non-significant industrial user (SIUs) permits and food service establishment permit discharge limits. Many of these permits were issued with limits that were based upon the discharge standards. IEUA recommends that any old discharge standards or limits should be removed from member agency Municipal Codes or Ordinances and updated with the current local limits. It was also recommended to possibly include Best Management Practices or discharge prohibitions in lieu of actual limits in non-SIU and food service establishment permits. Mr. Proctor stated that the Pretreatment Committee could not come to a consensus on the best path forward, therefore they will be meeting again in September. Mr. Proctor will provide a follow up on the outcome of the discussion. Ron Craig/City of Chino Hills asked if IEUA has sample language that could be included in the permits. Mr. Proctor stated IEUA could provide language to the agencies.

### **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 June 2018 Building Activity Report was received and filed by the Committee.

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

The July 2018 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.

**E. SEPTIC TO SEWER FEASIBILITY STUDY**

The Septic to Sewer Feasibility Study was received and filed by the Committee.

**F. PRETREATMENT COMMITTEE MINUTES**

The Pretreatment Committee Minutes were received and filed by the Committee

**G. SEWAGE CONTRACT NEGOTIATIONS ITEMS – KEARNS & WEST**

The Sewage Contract Negotiations Item was received and filed by the Committee.

**4. PREVIOUS TECHNICAL COMMITTEE ITEMS REQUESTED**

None

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

- Halla Razak informed the Committee of staff changes due to IEUA recently securing \$207 million Prop 1 funding. Chris Berch will be concentrating on Prop 1, SARCCUP and the Water Bank along with Sylvie Lee and Elizabeth Hurst. Shaun Stone will serve as Acting Executive Manager of Engineering/AGM through the end of the year.

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

Katie Gienger/City of Ontario stated that at the last Technical Committee meeting IEUA discussed reinstating the plan check fee. Ms. Gienger asked if this was discussed with BIA. Mr. Stone responded yes, and they had no issues. Mr. Stone stated the draft letters to the city engineers are being prepared. Ms. Razak asked if the cities would be collecting the money. Mr. Stone indicated that IEUA will be discussing with the city engineers. Ms. Gienger requested that Scott Burton be copied. Amanda Coker/City of Chino informed Mr. Stone that Dave Hammer is Acting City Engineer.

**D. NEXT MEETING – SEPTEMBER 27, 2018****6. ADJOURNMENT - The meeting adjourned at 2:22pm.**

Transcribed

by:

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Laura Mantilla

**ACTION  
ITEM**

**1B**



Date: October 25/November 1, 2018

To: Regional Committees

From: Inland Empire Utilities Agency *RL for HR*

Subject: RP-1 1158 Recycle Water Pump Station Upgrades 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 1158 Recycle Water Pump Station Upgrades, Project No. EN14042, to Stanek Constructors, Inc. in the amount of \$4,430,000.

### **BACKGROUND**

The 2015 Recycled Water Program Strategy concluded that the RP-1 1158 Zone pumps are inadequate to meet the future recycled water demands in the northern service area. In 2016, IEUA retained the engineering services of Stantec to perform a feasibility study to define the existing 1158 Zone pump system limitations and provide recommendations for improvement. The results of the study indicated that the existing system is undersized, and needs be expanded to meet the recycled water demands in the northern service area.

The scope of work for this project in as follows:

- Replace existing four (4) 400 HP pumps with four (4) 700 HP line shaft vertical turbine pumps and associated variable frequency drives
- Replace 2,500-gallon surge tank with 7,500-gallon surge tank and surge control system
- Install 10-inch pressure relief and surge anticipator valves.
- Install two (2) energy dissipation valves with control feed/back position
- Replace two (2) existing 2,000 kVA transformers with two (2) 3,000 kVA transformers.
- Replace (1) 24-inch flowmeter and multiple 24-inch isolation valves
- Coat existing pump station wet well ceiling

The RP-1 1158 Recycled Water Pump Station Upgrades Project will be funded by a Clean Water State Revolving Fund grant and loan.

On September 6, 2018, a request for bids was advertised on *Planet Bids* to seven prequalified contractors. Five of the seven pre-qualified contractors participated in the pre-bid job walk held on September 12, 2018.

On October 16, 2018, the following bids were received:

Bidder's Name	Total Price
Stanek Constructors, Inc.	\$ 4,430,000
J. F. Shea Construction, Inc.	\$ 4,852,600
Olsson Construction, Inc.	\$ 4,926,372
W. A. Rasic Construction Company, Inc.	\$ 5,375,000
Kiewit Infrastructure West Co.	\$ 5,585,500
<b>Engineer's Estimate</b>	<b>\$ 7,000,000</b>

Stanek Constructors, Inc. was the lowest responsive, responsible bidder with a bid price of \$4,430,000. Stanek Constructors, Inc. was pre-qualified by IEUA by presenting the required experience on performing similar projects with other utilities and cities showing good workmanship and responsiveness. Stanek Constructors, Inc.'s bid forms met the required submittal and demonstrated a good faith effort to solicit for disadvantage and small business enterprise as required by California Clean Water State Revolving Fund Program.

The following table presents the anticipated project cost:

Description	Estimated Cost
<b>Design Services</b>	<b>\$ 849,634</b>
Design Contract	\$ 627,348
IEUA Design Services (actuals)	\$ 222,286
<b>Construction Services</b>	<b>\$ 883,000</b>
Services During Construction (~12%)	\$ 533,000
IEUA Construction Services (~8%)	\$ 350,000
<b>Construction</b>	<b>\$ 4,873,000</b>
Construction Contract (this action)	\$ 4,430,000
Contingency (10%)	\$ 443,000
<b>Total Project Cost</b>	<b>\$ 6,605,634</b>
<b>Total Project Budget</b>	<b>\$ 7,900,000</b>
<b>Total Remaining Budget</b>	<b>\$ 1,294,366</b>

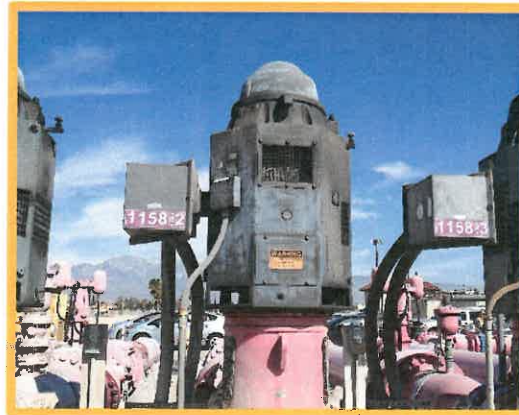
The following is the project schedule:

Project Milestone	Date
Construction Contract Award	November 2018
Construction Completion	January 2020

The RP-1 1158 RWPS Upgrades 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.

# RP-1 1158 Recycled Water Pump Station Upgrades Construction Contract Award

Project No. EN14042



Shaun J. Stone, P.E.  
October 2018

# Project Location



# The Project

- Feasibility Study
  - Indicated pump system limitations and required upgrades
  - Inadequate pump capacity to meet future recycle water demand
- Scope includes:
  - Replace existing 400 HP pumps with 700 HP pumps
  - Perform upgrades to the electrical system
  - Provide surge protection upgrades
  - Perform coating repairs to the existing wet well structure



Existing 2,500 Gallon Surge Tank



RP-1 Recycled Water Pump Station

# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services</b>	<b>\$849,634</b>
Design Contract	\$627,348
IEUA Design Services (actuals)	\$222,286
<b>Construction Services</b>	<b>\$883,000</b>
Engineering Services During Construction (~12%)	\$533,000
IEUA Construction Services (~8%)	\$350,000
<b>Construction</b>	<b>\$4,873,000</b>
Construction Contract (this action)	\$4,430,000
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<b>Total Project Cost</b>	<b>\$6,605,634</b>
<b>Total Project Budget</b>	<b>\$7,900,000</b>
<b>Total Remaining Budget</b>	<b>\$1,294,366</b>

Project Milestone	Date
<b>Construction</b>	
Construction Contract Award	November 2018
Construction Completion	January 2020

## 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 1158 Recycled Water Pump Station Upgrades, Project No. EN14042, to Stanek Constructors, Inc. in the amount of \$4,430,000.

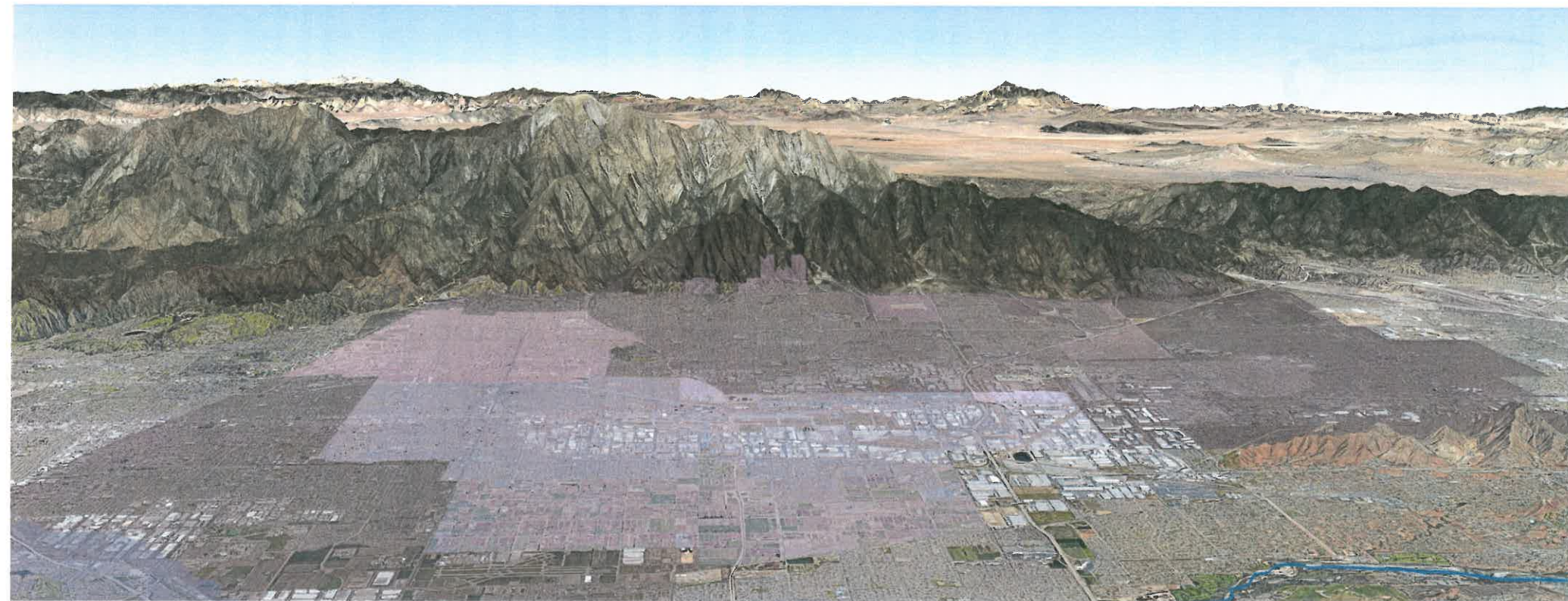
The RP-1 1158 Recycled Water Pump Station Upgrades Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

**INFORMATION**

**ITEM**

**2A**





## Chino Basin Conjunctive Use Environmental Water Storage / Exchange Program

Tech & Policy Committees | October/November 2018





# Chino Basin Project

— 1water forward ▶

## AGENDA

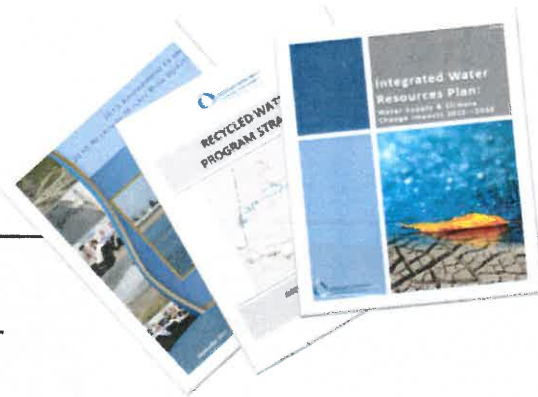
1. Region's Success in Water Resilience
2. Chino Basin Project (CBP) Delivers 1Water Innovation
3. CBP Achieves Affordable Investment in Basin Needs
4. CBP Reduces Risks
5. Next Steps

# IEUA is Advancing Regional Water Resilience

**1950**

## Past Water Portfolio

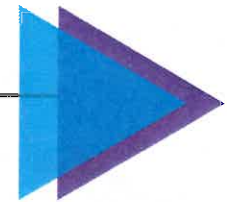
- Chino Basin Groundwater
- Creek Water
- MWD Imported Water



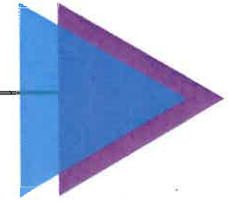
**2018**

## Today's Water Portfolio

- Chino Basin Groundwater
- Creek Water
- MWD Imported Water
- Recycled Water
- Water Use Efficiency
- Chino Basin Desalter
- Groundwater Recharge



# IEUA is Advancing Regional 1Water Resilience



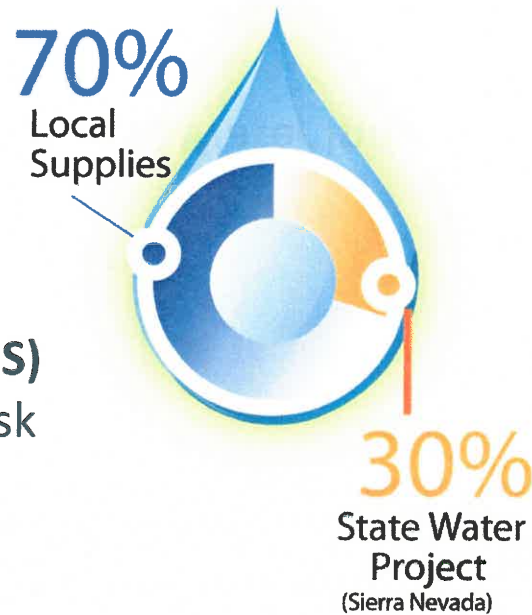
**\$500 million**  
investment in water  
infrastructure

**25%**  
increase in local  
water supplies

achieved **100%**  
regional water use  
efficiency target

# IEUA is Advancing Regional Water Resilience

## Water Portfolio



Local supplies impacted by **salts/total dissolved solids (TDS) & subsidence** continues to be a risk

Imported water supplies vulnerable to **drought and water quality**



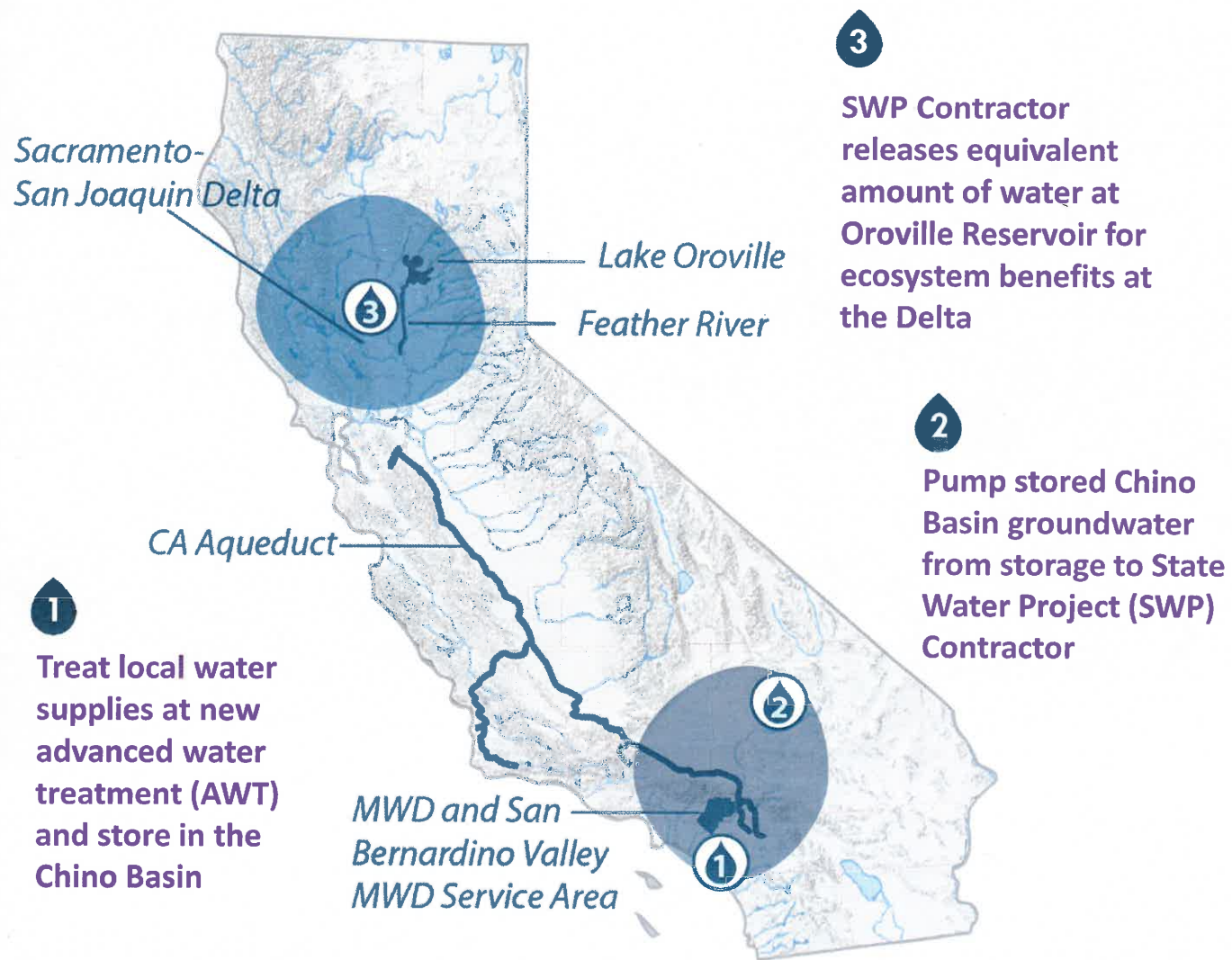
# Chino Basin Project

1water forward

## AGENDA

1. Region's Success in Water Resilience
2. **Chino Basin Project (CBP) Delivers 1Water Innovation**
3. CBP Achieves Affordable Investment in Basin Needs
4. CBP Reduces Risks
5. Next Steps

Chino Basin Project is a 25-Year Collaboration that Provides Regional and State-Wide Benefits



# CBP 1Water Innovation Benefits



## QUALITY

Lowers TDS  
in the Basin



## SUBSIDENCE

Stored local water  
lowers subsidence  
concerns



## NEW INFRASTRUCTURE

Leverages Prop 1  
funding for needed  
water infrastructure



## SECURITY

Stores additional  
water locally



## BASIN STAKEHOLDERS

Achieves Basin and  
water supply objectives





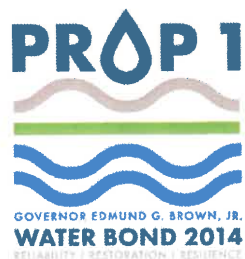
# Chino Basin Project

— 1water forward —>

## AGENDA

1. Region's Success in Water Resilience
2. Chino Basin Project (CBP) Delivers 1Water Innovation
3. **CBP Achieves Affordable Investment in Basin Needs**
4. CBP Reduces Risks
5. Next Steps

# Investment in Basin Needs



## *IEUA's Largest Grant Funding Award*

**\$207 million**  
Award toward \$385M  
project

**54%** of the Chino  
Basin Project funded

**100%** consistent with  
the Capital Improvement  
Plan



# Investment In Basin Needs

## Recycled Water Interties 1



Improves Water  
Quality & Flexibility

**\$100 million**  
capital investment

## Recycled Water Interties Improves Water Management Flexibility

Maximizes the ability to utilize local recycled water supplies and reduces TDS and subsidence

# Investment In Basin Needs

## Advanced Water Treatment <sup>2</sup>



15,000 AF for Existing  
Basin Commitments

**\$80 million**  
capital investment

**Plant produces new high-quality water source**

Ensures regulatory compliance while reducing TDS and subsidence risk

# Investment In Basin Needs

## Pipeline Interconnection 3



Additional &  
Improved Emergency  
Supplies

**\$90 million**  
capital investment

## Promotes Water Management Flexibility

Supports region's water needs through system interconnection amongst agencies and imported water pipeline

# Investment In Basin Needs



## Well Improvements

4



Maximizes Use of Existing Water Supply

**\$115 million**  
capital investment

## Well Improvements Maximize Local Water Use

Achieves timely well improvements for optimal use of existing supplies

# Investment In Basin Needs

## Recycled Water Interties 1



Improves Water Quality & Flexibility

## Advanced Water Treatment 2



15,000 AF for Existing Basin Commitments

## Pipeline Interconnection 3



Additional & Improved Emergency Supplies

## Wellhead Improvements 4

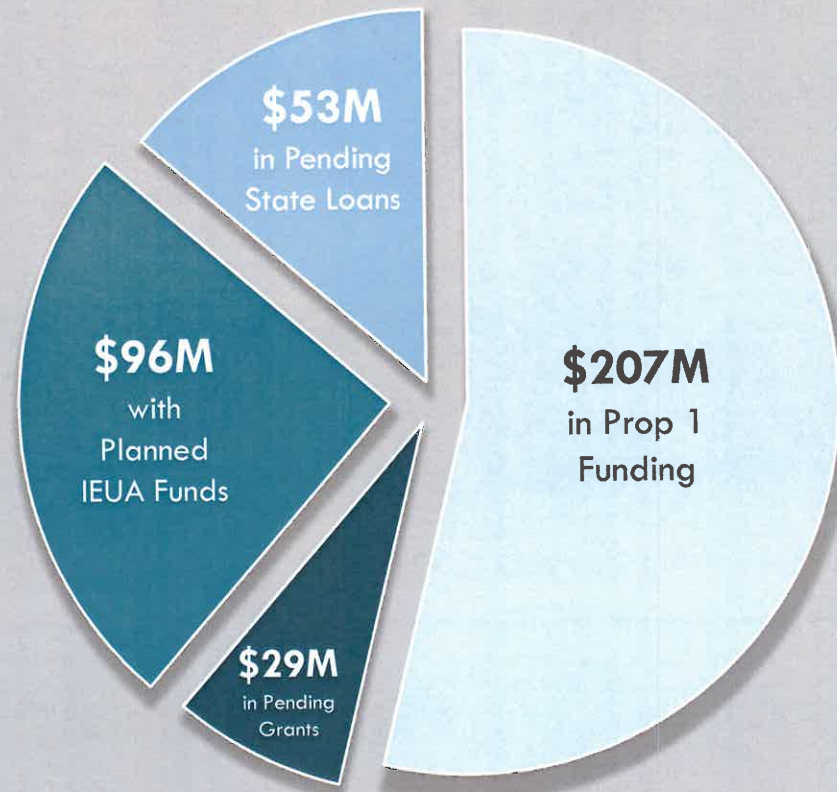
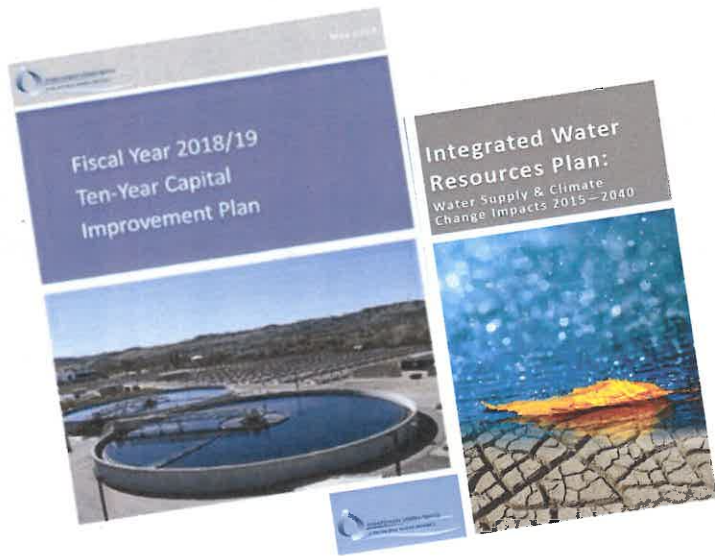


Maximizes Use of Existing Water Supply

**\$385 million**  
capital investment

# Investment in Basin Needs

Grant Award Covers 54%  
of Chino Basin Project  
Capital Costs







# Chino Basin Project

1water forward

## AGENDA

1. Region's Success in Water Resilience
2. Chino Basin Project (CBP) Delivers 1Water Innovation
3. CBP Achieves Affordable Investment in Basin Needs
4. **CBP Reduces Risks**
5. Next Steps



Quality

# CBP Will Reduce Salinity Risk

### Agency-Wide 12-Month Running Average TDS



# CBP will Reduce Subsidence Risks



Subsidence

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**EFFORTS  
CONSISTENT WITH  
CHINO BASIN GOALS**

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Subsidence results from  
depleted groundwater  
levels and  
over-pumping

IEUA will work with the  
Watermaster to identify  
optimal locations for recharge  
to reduce risk



View of a fissure that developed beneath CIM  
facility in December 1992





Security

**CBP will reduce emergency  
response risk**

**DROUGHT | EARTHQUAKE**

**Chino Basin Project** improves existing infrastructure / interties and gives the Region additional water management flexibility in the case of an emergency



# Chino Basin Project

— 1water forward ▶

## AGENDA

1. Region's Success in Water Resilience
2. Chino Basin Project (CBP) Delivers 1Water Innovation
3. CBP Achieves Affordable Investment in Basin Needs
4. CBP Reduces Risks
5. **Next Steps**

# Next Steps (2018)

OCTOBER

NOVEMBER

## **IEUA Board**

**Project Overview**  
10/3

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IEUA Board Feedback

Project Scope

Alignment with Regional  
Initiatives

## **Tech & Policy**

**Project Overview**  
10/25 & 11/1

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T&P Feedback

Recommendations for  
Regional Participation  
and Guidance  
Approach

## **IEUA Board**

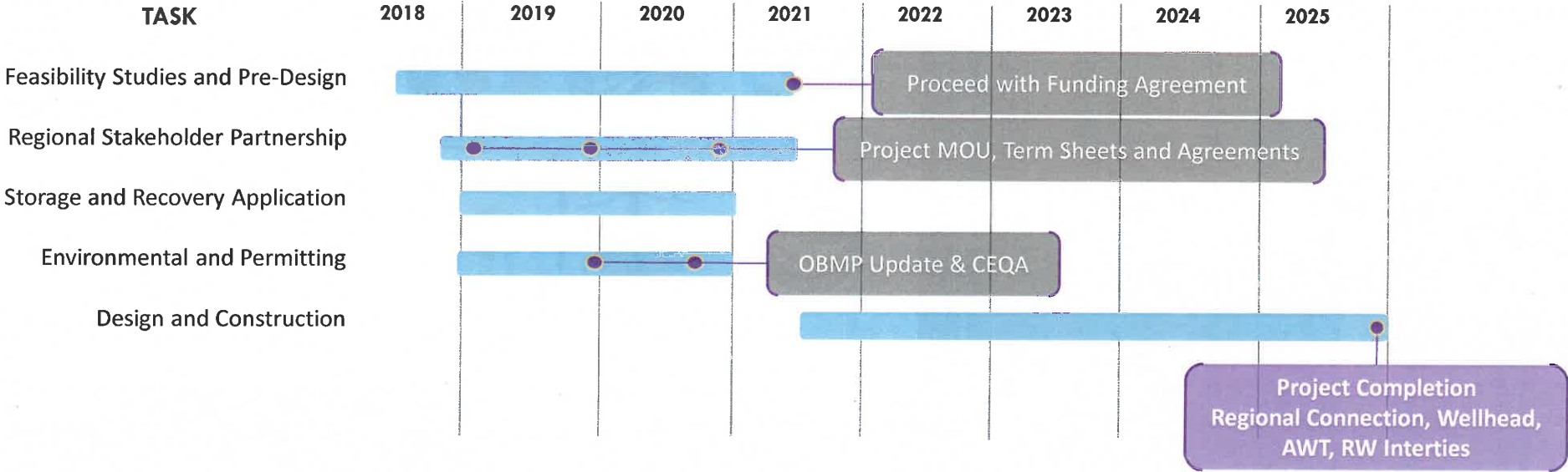
**Business Case**  
11/7

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Life-Cycle Analysis

Project Schedule and  
Short-Term Program  
Priorities

# Chino Basin Project Schedule






Basin  
Stakeholders

# Project Partners and Regional Support

## PROJECT PARTNERS:







Chino Basin Project Supports  
*Existing Investment Needs and  
Adaptable 1Water  
Management for the Future*

**Chino Basin Project**  
— **1water forward** 

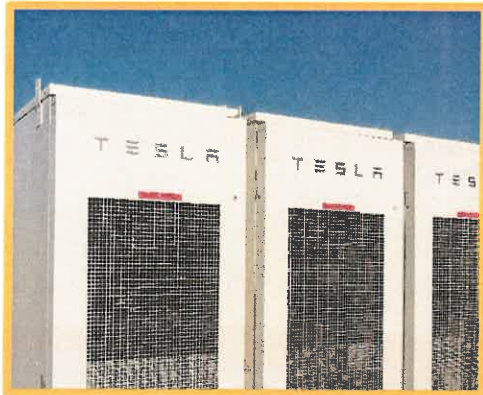
**INFORMATION**

**ITEM**

**2B**

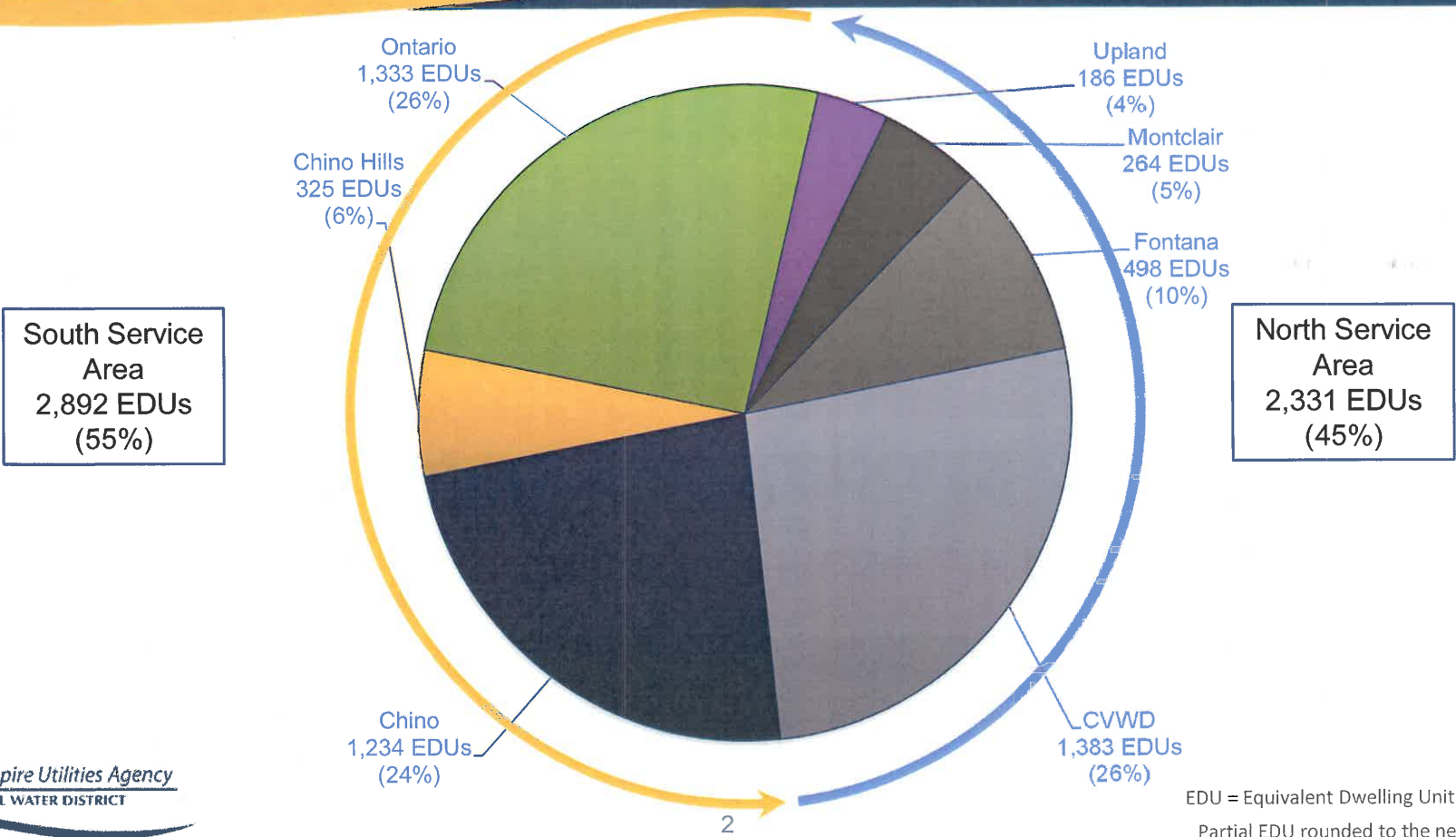
# Planning & Environmental Resources Annual Reports

(10-year GROWTH FORECAST, WATER USE, RECYCLED WATER &  
ENERGY)



# FY17/18 Building Activity

5,223 EDUs Resulted in \$32.9M in CCRA Funding



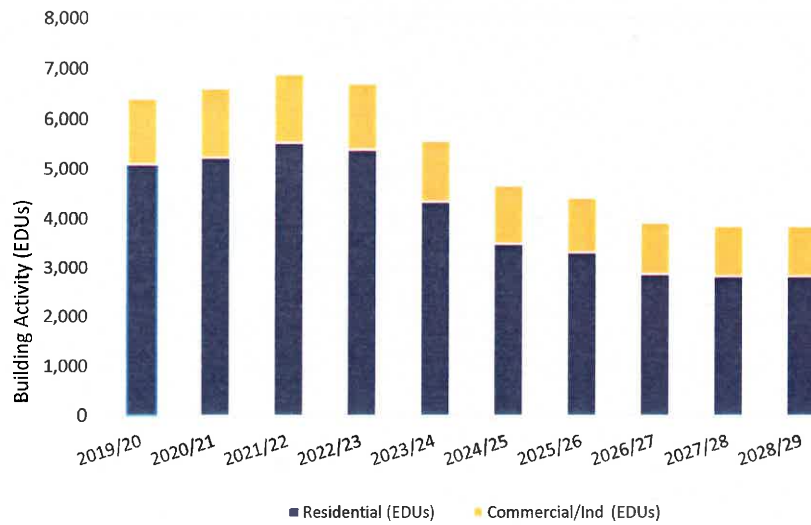
South Service Area  
2,892 EDUs  
(55%)

North Service Area  
2,331 EDUs  
(45%)

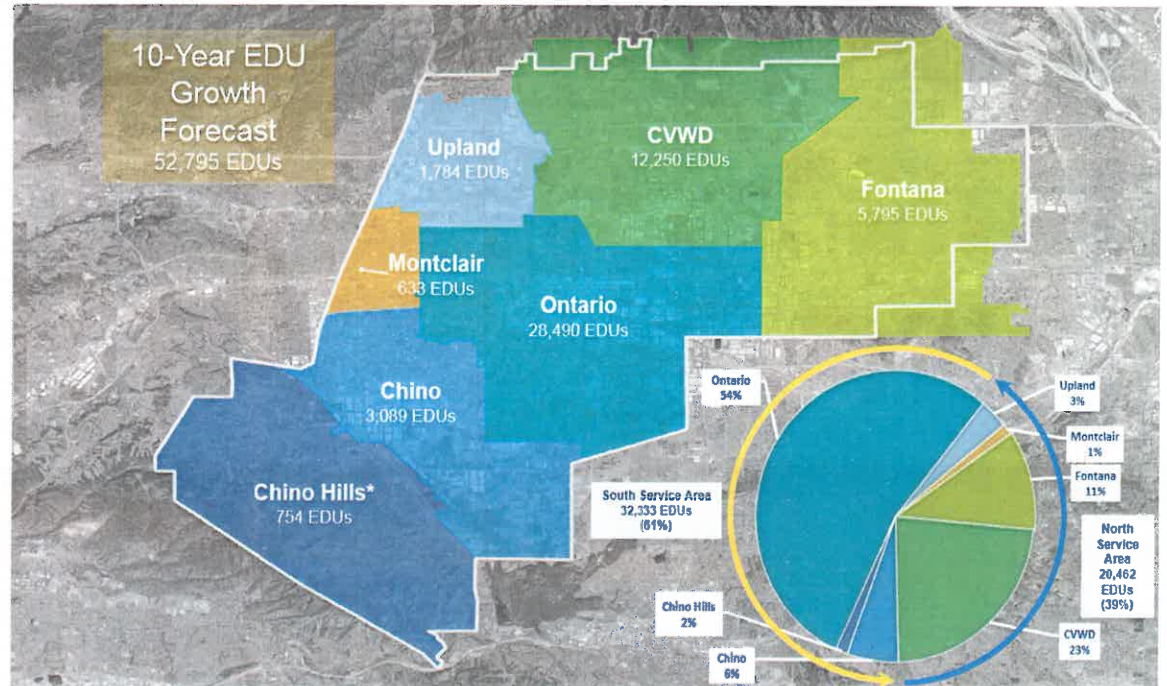


EDU = Equivalent Dwelling Unit or Single Family  
Partial EDU rounded to the nearest whole number

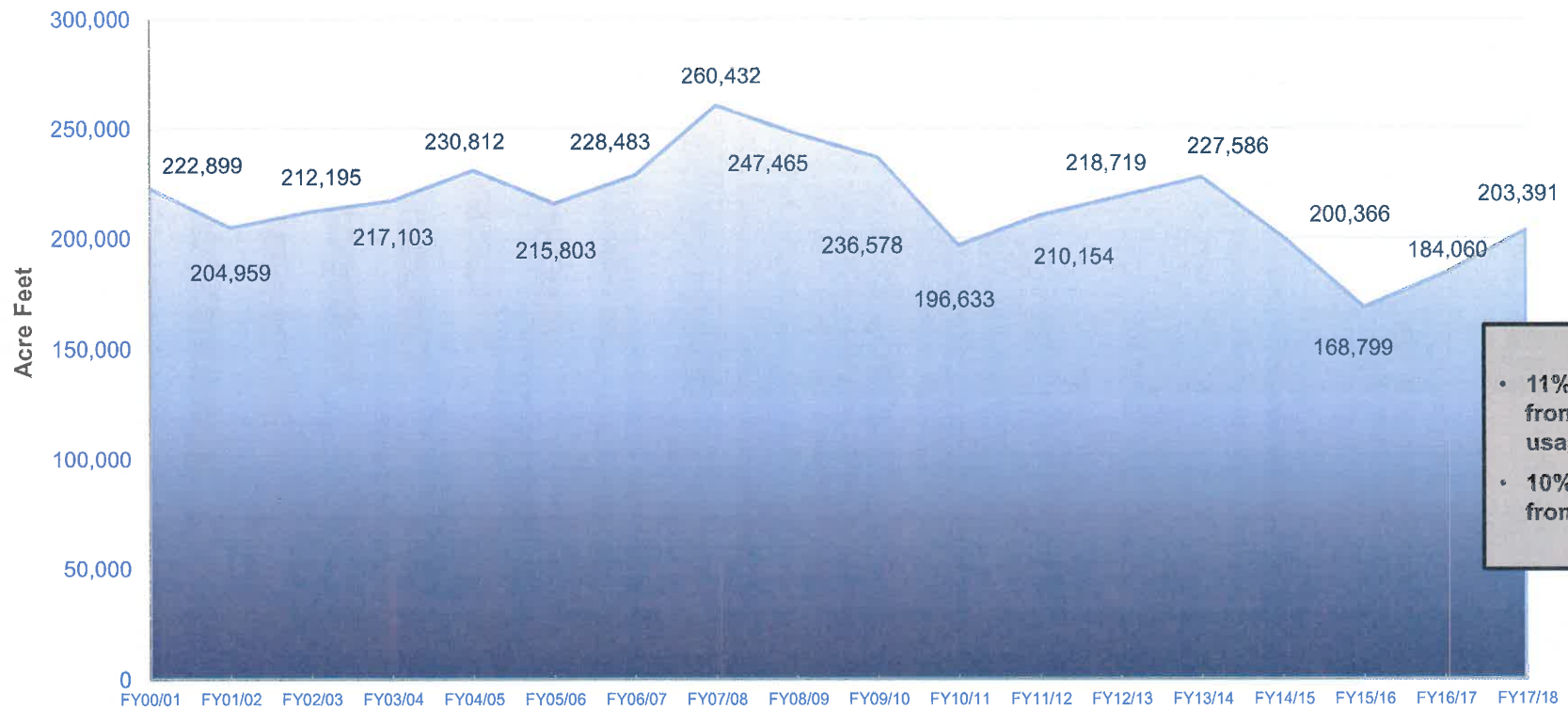
# Regional Contracting Agencies EDU Projections



2017 Ten Year Growth Forecast: 55,388 EDU  
 2018 Ten Year Growth Forecast: 52,795 EDU



# Regional Water Use Trend



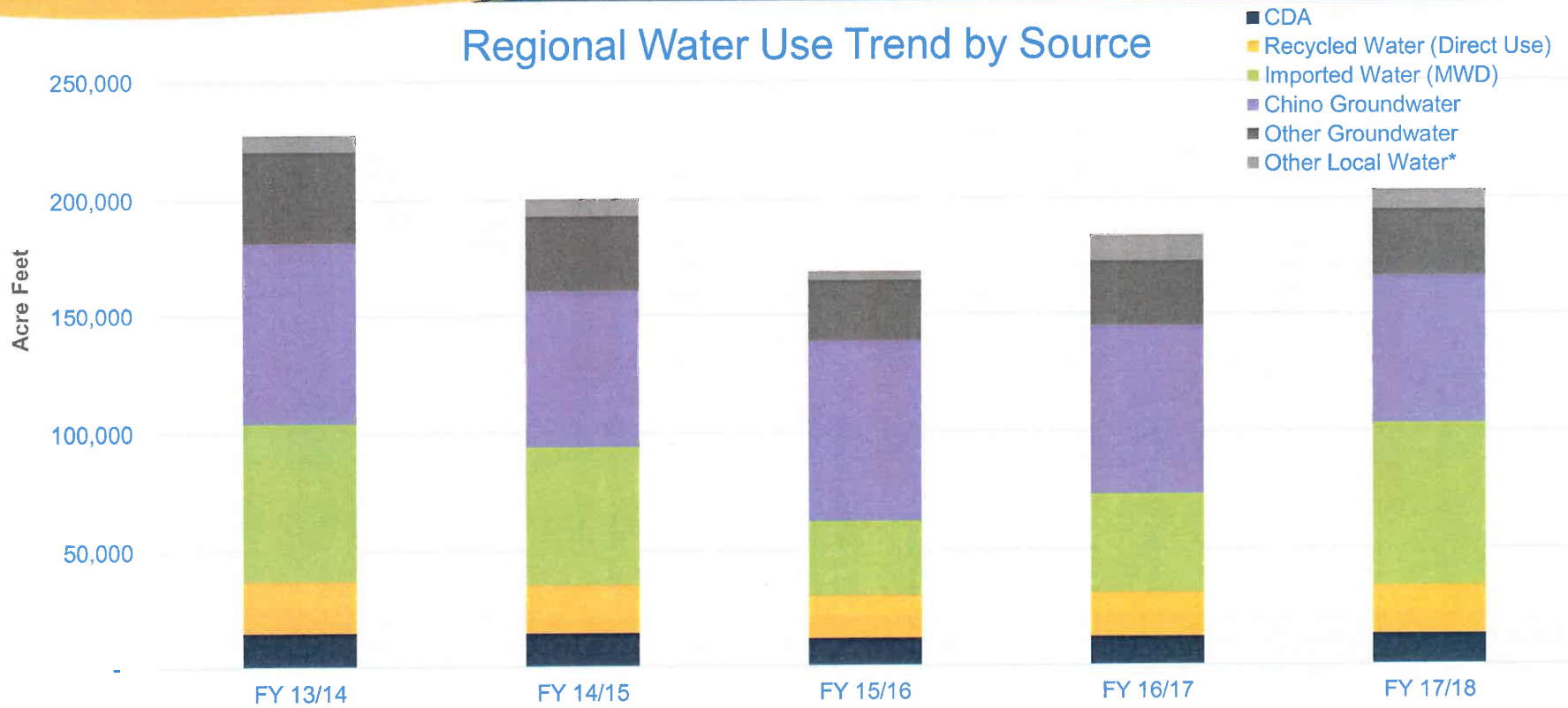
- 11% reduction from FY 13/14 usage
- 10% increase from FY16/17



Note: Total Water Use Data includes imported water, surface water, groundwater, recycled and desalter production. Excludes IEUA groundwater recharge

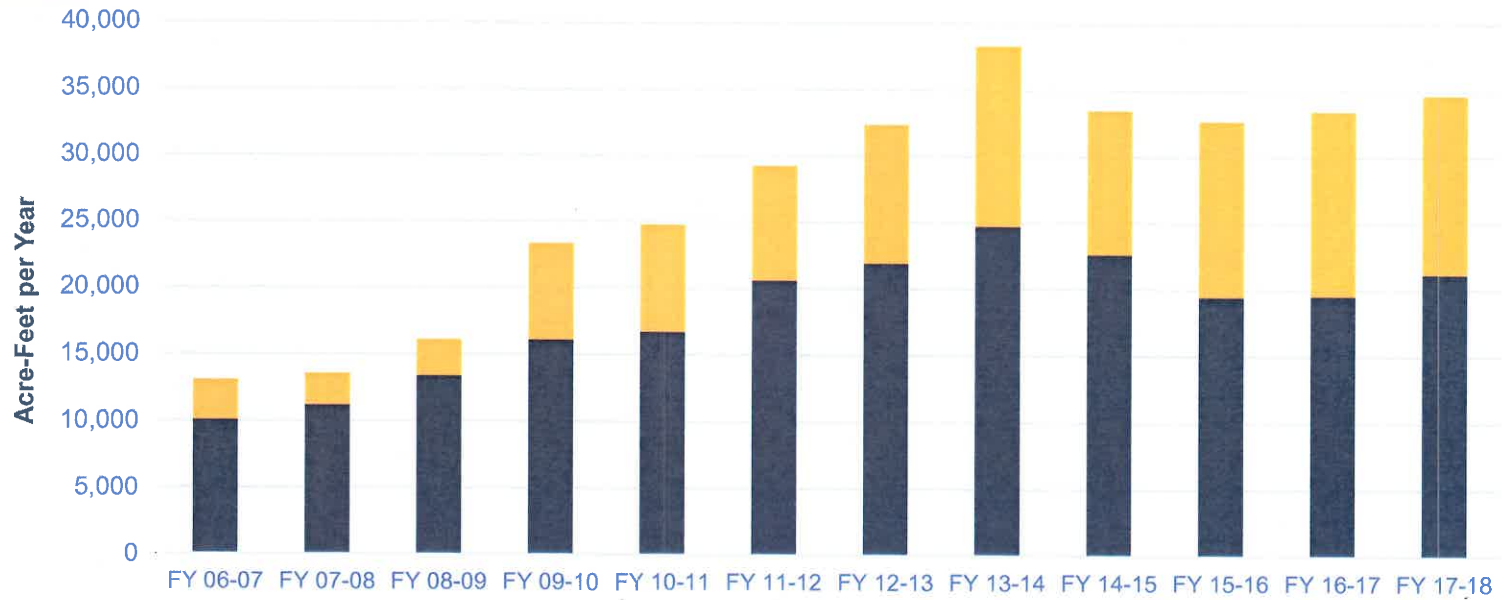
# Regional Water Use Trend By Source

## Regional Water Use Trend by Source



\*Water purchased from other local water companies (such as SAWCo or WECWC) and surface flows

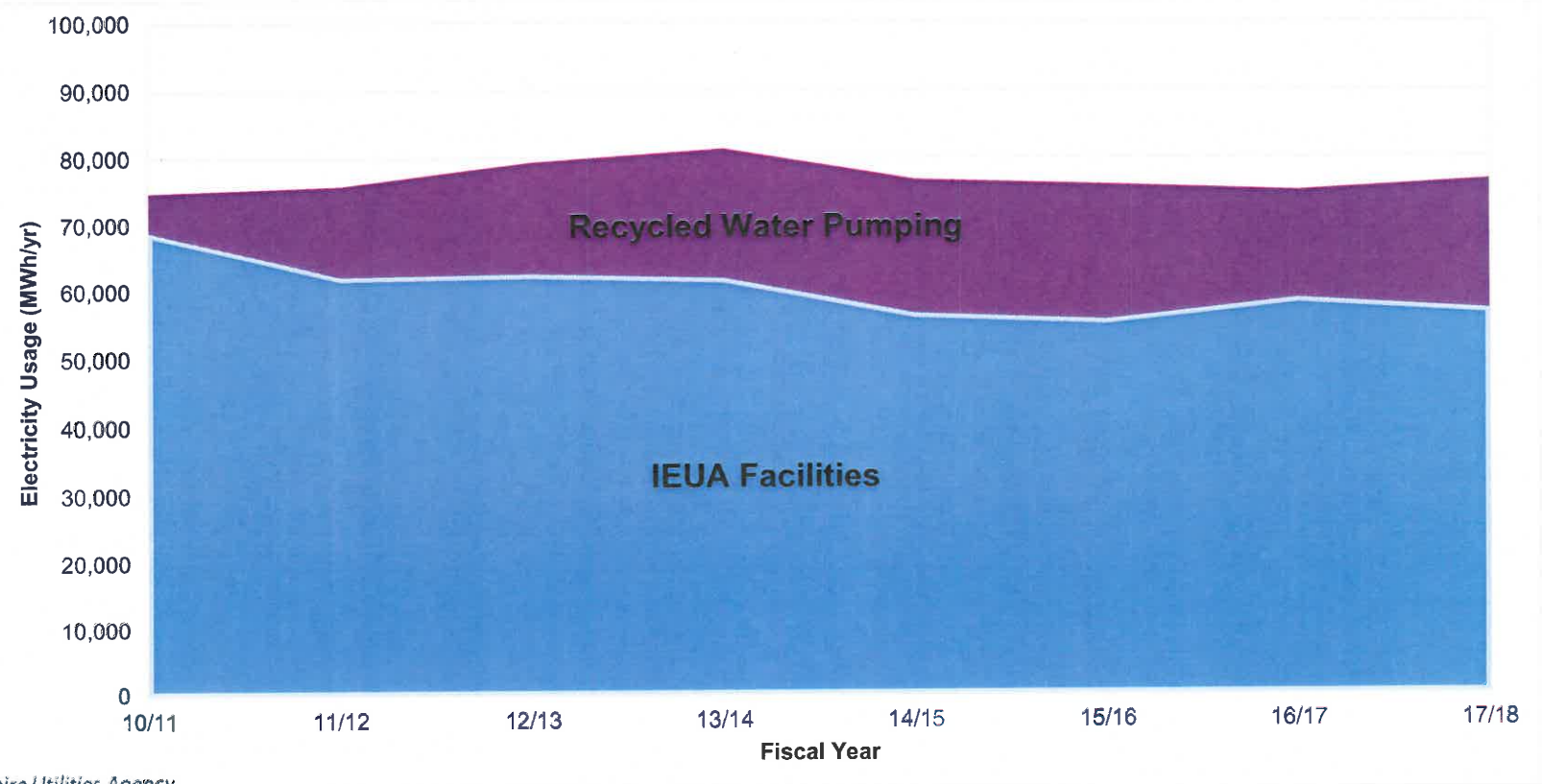
# Recycled Water Deliveries



	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
<b>Direct</b>	10,048	11,153	13,361	16,057	16,656	20,556	21,840	24,659	22,850	19,397	19,477	21,132
<b>GWR</b>	2,981	2,340	2,684	7,208	8,028	8,634	10,479	13,593	10,840	13,222	13,934	13,510
<b>Total</b>	13,029	13,493	16,045	23,265	24,684	29,190	32,319	38,252	33,690	32,619	33,411	34,642



# Electricity Usage



**INFORMATION  
ITEM**

**2C**

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Date: October 25, 2018/November 1, 2018  
To: Regional Sewerage Committees  
From: Inland Empire Utilities Agency *RL for HR*  
Subject: FY 2017/18 Fourth Quarter Budget Variance Report

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**RECOMMENDATION**

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

**BACKGROUND**

The item was presented as an informational item at the IEUA Board of Directors meeting on September 19, 2018.

**Date:** September 19, 2018

**To:** The Honorable Board of Directors

**Committee:** Finance & Administration

**From:** Halla Razak, General Manager

HKR

09/12/18

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

**Subject:** Budget Amendment for Fiscal Year 2017/18 Carry Forward of Open Encumbrances and Non-Encumbered Related Budget

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**Executive Summary:**

Based on the Agency's practice, authorization to spend appropriated budget lapses at the end of the fiscal year. Budget for open encumbrances and commitments to be honored in the following fiscal year and which are not supported by the current fiscal year budget needs to be carried forward, following policy A-81.

Open encumbrances and non-encumbered commitments to be carried forward from FY 2017/18 to FY 2018/19 total \$16,466,736 and is comprised of \$2,223,534 for operations and maintenance expenses, \$9,000,321 for non-capital projects, and \$5,242,881 for capital projects. Partially offsetting the carried forward amount are revenues from anticipated grants and reimbursements in the amount of \$2,082,068, resulting in a net carry forward amount of \$14,384,668.

Future expenditures against these carried forward commitments will reduce the reserve balances in the respective funds as summarized in Attachment 1, Table 3.

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**Staff's Recommendation:**

1. Approve the carry forward of open encumbrances and non-encumbered commitment related budgets from FY 2017/18 to FY 2018/19 and amend the budget in the amount of \$16,466,736; and
2. Approve amendments to the adopted FY 2018/19 budget for grant and reimbursement revenues in the amount of \$2,082,068.

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**Budget Impact** Budgeted (Y/N): N Amendment (Y/N): Y Amount for Requested Approval: \$ 14,384,668

Account/Project Name:

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

If approved, the FY 2018/19 budget will be augmented by the carry forward amount of \$16,466,736 in the respective funds and major account categories (capital and operations & maintenance), and related grant and reimbursement revenue budgets will be increased by \$2,082,068 in the respective funds as detailed in Attachment 1, Tables 2 and 3.

Full account coding (internal AP purposes only):

- - -  
- - -

Project No.:

**Prior Board Action:**

None.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The quarterly budget variance report is consistent with the Agency's business goal of fiscal responsibility to demonstrate the Agency has appropriately funded operational, maintenance, and capital costs.

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**Attachments:**

Attachment 1 - Background

- Exhibit A- Q4 Budget Variance Summary & Detail Report
- Exhibit B- Business Goals and Objectives Report by Department
- Exhibit C-1 Summary of Annual Budget Transfers in the fourth quarter
- Exhibit C-2 Summary of the GM Contingency account activity
- Exhibit D- Project Budget transfers for capital & non-capital projects
- Exhibit E- Financial Overview of Individual Agency's Funds for FY 2017/18

Attachment 2 - PowerPoint

## Attachment 1 - Background

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Subject: Fiscal Year 2017/18 Fourth Quarter Budget Variance, Performance Goals Updates, and Budget Transfers

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The Budget Variance report presents the Agency's financial performance through the fourth quarter ending June 30, 2018, includes the following highlights:

### TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received \$263.8 million of total revenues and other funding sources through the fourth quarter of FY 2017/18, or 118.0 percent of the annual budget for the quarter ended June 30, 2018 (Exhibit A detail). The following section highlights key variances:

- **User Charges** – Total user charges were \$79.4 million or 102.2 percent of the annual budget. This category includes \$62.1 million monthly sewer charges based on equivalent dwelling unit (EDU), \$12.0 million of non-reclaimable wastewater fees paid by industrial and commercial users connected to the Agency's brine line systems, and \$5.3 million of monthly meter equivalent unit charges (MEU) imposed on all potable water connections, and Readiness-to-Serve pass-through charges from Metropolitan Water District of Southern California (MWD).
- **Property Taxes** – Tax receipts at the end of the fourth quarter were \$48.4 million or 105.1 percent of the annual budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) were \$34.0 million and "pass-through" incremental redevelopment agencies (RDA) taxes received were \$14.4 million.
- **Recycled Water Sales** – Total annual recycled water sales were \$16.9 million or 97.9 percent of the annual budget. Direct sales were \$9.7 million at 20,684 acre feet (AF) and groundwater recharge sales were \$7.2 million at 13,510 AF. Total deliveries through the fourth quarter were 34,194 AF, just slightly below the annual budget of 35,000 AF. Demand for direct and groundwater use vary depending on weather patterns, water conservation efforts, reuse supply, and basin availability.
- **MWD Imported Water Sales** – Total MWD pass-through imported water revenue was \$46.0 million or 134.6 percent of the annual budget. A total of 67,976 AF of pass through imported water was delivered through the fourth quarter exceeding the annual budget of 50,000 AF. The higher demand was mainly due to some member agencies use of imported water rather than local supplies due to water quality issues.
- **Connection Fees** – Total connection fee receipts of \$39.5 million were 171.1 percent of the annual budget. Receipts include \$31.6 million for new wastewater connections (EDU), and \$7.9 million for new water connections (MEU). New EDU connections reported through fourth quarter were 5,020 EDU compared to the amended annual budget of 4,000 EDU and total water connections were 5,455 (MEU) compared to the amended budget of 4,600. At the time of this report one member agency had not provided June 2018

information.

- **Grants & Loans** – Total receipts of \$20.8 million were 136.0 percent of the annual budget. Actual grant receipts of \$6.1 million include \$3.0 million for the joint Agency/Chino Basin Desalter Authority Ground Water Wells & Recycled Water Intertie project, \$2.2 million for the Wineville recycled water pipeline, San Sevaine Basin and Napa Lateral basin improvement projects, and \$0.9 million local agency reimbursements for water conservation and other projects. Actual State Revolving Fund (SRF) loan reimbursements were \$14.7 million and include \$11.3 million for the regional water quality laboratory and \$3.4 million for the recycled water Napa lateral and San Sevaine projects.
- **Other Revenues** – Total other revenues of \$4.5 million were 178.5 percent of the annual budget. Total other revenues include \$3.2 million of capital cost reimbursements and \$0.9 million received from Chino Basin Watermaster (CBWM) for their share of the 2008B Variable Bond debt service costs and project reimbursements. Other non-operating revenues also include \$0.4 million for lease revenue, and various other local agency reimbursements.

## TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds through the end of the fourth quarter were \$220.0 million, or 88.4 percent of the annual budget. Key expense variance highlights are:

- **Employment Expenses** – Employment expenses, net of allocation to projects, were \$43.9 million or 95.6 percent of the annual budget of \$45.9 million. At the end of the fourth quarter the vacancy factor was 10 percent or 262 regular positions of the 290 authorized positions.
- **Professional Fees & Services** – Total expenses were \$8.4 million, or 70.1 percent of the annual budget. Deferral of contract services resulted in lower than anticipated annual expenditures. Other contract services budget for temporary audit staff, construction inspection labor for the battery project, emergency repairs, and operational and maintenance research, testing and troubleshooting, were identified as not needed in the fourth quarter.
- **Utilities Expense** – Utilities expenses were \$8.3 million, or 85.1 percent of the annual budget. This category includes the purchase of electricity from the grid, or Southern California Edison (SCE), use of natural gas, and the purchase of renewable energy generated on site from solar and wind. The favorable variance is mainly attributed to lower utility rates and lower consumption. Through the fourth quarter, the average rate for imported electricity was \$0.113/kWh versus the \$0.125/kWh budgeted rate. Blended rates for electricity and natural gas are budgeted at \$0.125 per kWh and \$0.80 per therm, respectively. Fourth quarter usage was measured at 65,295,323 kWh against annual average of 70,000,000 kWh.
- **MWD Water Purchases** – Total MWD pass-through imported water purchases were \$46.0 million or 134.6 percent of the annual budget. A total of 67,976 AF of pass through

imported water was delivered through the fourth quarter exceeding the 50,000 AF annual budget. The higher demand was mainly due to some member agencies use of imported water rather than other local supplies due to water quality issues.

- ***O&M (Non-capital) Projects*** – O&M and reimbursable project costs were \$11.5 million or 47.6 percent of the annual budget. The favorable balance is mainly due to lower spending for water and drought related projects such as the Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) included in the Water Resources fund. The actual expenses include \$2.5 million of contributions that were remitted to the Chino Basin Desalter Authority (CDA) for the Ground Water Wells & Recycled Water Intertie project.
- ***Capital Projects*** – Total capital project expenditures through the end of the fourth quarter were \$56.3 million or 77.2 percent of the annual budget of \$73.0 million. Lower than anticipated expenditures are primarily due to contractor delays, design recommendation reviews, and extended request for proposals and related contract award delays. Capital project costs related to the regional wastewater program through the fourth quarter were \$44.0 million, or 85.3 percent of the programs \$51.6 million annual budget. Recycled water capital projects accounted for \$7.4 million, or 56.1 percent of the \$13.2 million annual budget. Delays in securing SRF loan and grant funding for various recycled water projects account for the low spending. As of June 2018, loans and grants had been secured for the San Sevaine Basin Improvement and Napa Lateral projects.

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

## **FUND BALANCES AND RESERVES**

The net increase of \$43.8 million in total fund balance in the fourth quarter resulted in an unaudited ending fund balance of \$228.0 million.



Table 2 provides an overview of the fiscal year budget variance in revenue, expense, and fund balance. All property tax receipts are reported as non-operating revenue.

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

Operating	FY 2017/18 Annual Budget	Actual YTD	% Budget Used YTD
Operating Revenue	\$136.7	\$150.6	110.2%
Operating Expense	(\$153.5)	(\$143.5)	93.5%
<b>Net Operating Increase/(Decrease)</b>	<b>(\$16.8)</b>	<b>\$7.1</b>	
Non- Operating			
Non-Operating Revenue	\$86.9	\$113.2	130.2%
Non-Operating Expense	(\$95.4)	(\$76.5)	80.2%
<b>Net Non-Operating Incr./ (Decrease)</b>	<b>(\$8.5)</b>	<b>\$36.7</b>	
Total Sources of Funds	\$223.6	\$263.8	118.0%
Total Uses of Funds	(\$248.9)	(\$220.0)	88.4%
<b>Total Net Increase/(Decrease)</b>	<b>(\$25.3)</b>	<b>\$43.8</b>	

## GOALS AND OBJECTIVES

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

## BUDGET TRANSFERS AND AMENDMENTS

*Intra-fund O&M* budget transfers for the fourth quarter accounted for \$0.9 million as detailed in Exhibit C-1.

The *General Manager (GM) Contingency Account* adopted budget of \$300,000 was in the Administrative Services Fund. At the end of the fourth quarter, \$221,855 was utilized to support unplanned but necessary expenses as listed in Exhibit C-2.

*Capital and O&M projects* total intra-fund project budget transfers accounted for approximately \$1.9 million as listed in Exhibit D.

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

**IMPACT ON BUDGET**

The net change in total expenses over total revenues in the amount of \$43.8 million resulted in a total estimated fund balance of \$228.0 million for the fourth quarter ended June 30, 2018.

**INLAND EMPIRE UTILITIES AGENCY**  
**Fiscal Year 2017/18**

**CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT**  
**Quarter Ended June 30, 2018**

	Annual Budget	Budget YTD	Actual YTD	YTD Variance	% Budget Used YTD
<b><u>OPERATING REVENUES</u></b>					
User Charges	\$77,755,499	\$77,755,499	\$79,429,986	\$1,674,487	102.2%
Recycled Water	17,245,000	17,245,000	16,877,757	(367,243)	97.9%
MWD Water Sales	34,167,480	34,167,480	45,998,819	11,831,339	134.6%
Cost Reimbursement from JPA	6,355,334	6,355,334	6,211,327	(144,007)	97.7%
Interest Revenue	1,162,133	1,162,133	2,076,619	914,486	178.7%
<b>TOTAL OPERATING REVENUES</b>	<b>\$136,685,446</b>	<b>\$136,685,446</b>	<b>\$150,594,508</b>	<b>\$13,909,062</b>	<b>110.2%</b>
<b><u>NON-OPERATING REVENUES</u></b>					
Property Tax	\$46,046,000	\$46,046,000	\$48,413,443	\$2,367,443	105.1%
Connection Fees	23,095,709	23,095,709	39,515,950	16,420,241	171.1%
Grants	5,970,459	5,970,459	6,063,870	93,411	101.6%
SRF Loan Proceeds	9,314,399	9,314,399	14,728,598	5,414,199	158.1%
Project Reimbursements	1,607,074	1,607,074	4,185,670	2,578,596	260.5%
Other Revenue	908,636	908,636	303,997	(604,639)	33.5%
<b>TOTAL NON OPERATING REVENUES</b>	<b>\$86,942,277</b>	<b>\$86,942,277</b>	<b>\$113,211,528</b>	<b>\$26,269,251</b>	<b>130.2%</b>
<b>TOTAL REVENUES</b>	<b>\$223,627,723</b>	<b>\$223,627,723</b>	<b>\$263,806,036</b>	<b>\$40,178,313</b>	<b>118.0%</b>
<b><u>ADMINISTRATIVE and OPERATING EXPENSES</u></b>					
<b>EMPLOYMENT EXPENSES</b>					
Wages	\$25,631,793	\$25,631,793	\$25,877,436	(\$245,643)	101.0%
Benefits	20,285,970	20,285,970	18,032,903	2,253,068	88.9%
<b>TOTAL EMPLOYMENT EXPENSES</b>	<b>\$45,917,763</b>	<b>\$45,917,763</b>	<b>\$43,910,339</b>	<b>\$2,007,425</b>	<b>95.6%</b>
<b>ADMINISTRATIVE EXPENSES</b>					
Office & Administrative	\$2,114,046	\$2,114,046	\$1,430,319	\$683,728	67.7%
Insurance Expenses	845,752	845,752	659,921	185,831	78.0%
Professional Fees & Services	12,039,388	12,039,388	8,443,797	3,595,590	70.1%
O&M Projects	23,278,051	23,278,051	10,928,866	12,349,185	46.9%
Reimbursable Projects	947,499	947,499	595,597	351,902	62.9%
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$39,224,736</b>	<b>\$39,224,736</b>	<b>\$22,058,500</b>	<b>\$17,166,236</b>	<b>56.2%</b>

Totals may not add up due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**Fiscal Year 2017/18**  
**CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT**  
**Quarter Ended June 30, 2018**

	Annual Budget	Budget YTD	Actual YTD	YTD Variance	% Budget Used YTD
<b>OPERATING EXPENSES</b>					
Material & Supplies/Leases	\$3,492,520	\$3,492,520	\$3,020,751	\$471,769	86.5%
Biosolids Recycling	4,379,680	4,379,680	4,092,127	287,553	93.4%
Chemicals	4,653,622	4,653,622	3,985,262	668,360	85.6%
MWD Water Purchases	34,167,480	34,167,480	45,998,819	(11,831,339)	134.6%
Operating Fees/RTS Fees/Exp. Alloc.	11,895,078	11,895,078	12,151,285	(256,207)	102.2%
Utilities	9,759,737	9,759,737	8,304,474	1,455,263	85.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$68,348,117</b>	<b>\$68,348,117</b>	<b>\$77,552,718</b>	<b>(\$9,204,601)</b>	<b>113.5%</b>
<b>TOTAL ADMINISTRATIVE and OPERATING EXPENSES</b>	<b>\$153,490,616</b>	<b>\$153,490,616</b>	<b>\$143,521,557</b>	<b>\$9,969,060</b>	<b>93.5%</b>
<b><u>NON-OPERATING EXPENSES</u></b>		27,380,697.71	25,339,664.37		92.5%
<b>CAPITAL OUTLAY</b>	<b>\$73,001,431</b>	<b>\$73,001,431</b>	<b>\$56,337,243</b>	<b>\$16,664,187</b>	<b>77.2%</b>
<b>FINANCIAL EXPENSES</b>					
Principal, Interest and Financial Expenditures	22,043,491	22,043,491	19,866,910	2,176,581	90.1%
<b>OTHER NON OPERATING EXPENSES</b>	<b>412,125</b>	<b>412,125</b>	<b>318,528</b>	<b>93,597</b>	<b>77.3%</b>
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$95,457,047</b>	<b>\$95,457,047</b>	<b>\$76,522,680</b>	<b>\$18,934,365</b>	<b>80.2%</b>
<b>TOTAL EXPENSES</b>	<b>\$248,947,663</b>	<b>\$248,947,663</b>	<b>\$220,044,237</b>	<b>\$28,903,425</b>	<b>88.4%</b>
<b>REVENUES IN EXCESS/ (UNDER) EXPENSES</b>	<b>(\$25,319,940)</b>	<b>(\$25,319,940)</b>	<b>\$43,761,798</b>	<b>\$69,081,738</b>	
<b>FUND BALANCE SUMMARY</b>					
Beginning Balance, July 01	\$184,224,047	\$184,224,047	\$184,224,047	\$0	
Surplus/ (Deficit)	(25,319,940)	(25,319,940)	43,761,798	69,081,738	
<b>ENDING BALANCE, June 30</b>	<b>\$158,904,107</b>	<b>\$158,904,107</b>	<b>\$227,985,845</b>	<b>\$69,081,738</b>	

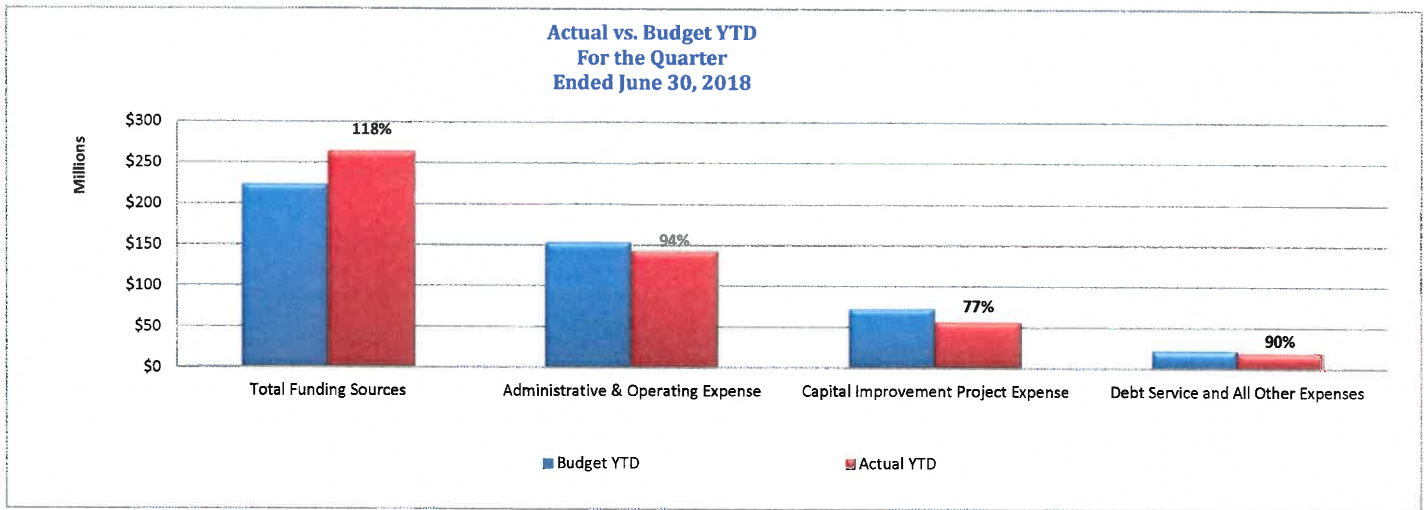
Totals may not add up due to rounding

I. Actual vs. Budget Summary:

Quarter Ended June 30, 2018

**% of the Year  
Elapsed: 100%**

	Annual Budget	Budget YTD	Actual YTD	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues	\$136,685,446	\$136,685,446	\$150,594,508	\$13,909,062	110.2%
Non-Operating (Other Sources of Fund)	86,942,277	86,942,277	113,211,528	26,269,251	130.2%
<b>TOTAL FUNDING SOURCES</b>	<b>223,627,723</b>	<b>223,627,723</b>	<b>263,806,036</b>	<b>40,178,313</b>	<b>118.0%</b>
Administrative & Operating Expense	(153,490,616)	(153,490,616)	(143,521,557)	9,969,059	93.5%
Capital Improvement Project Expense	(73,001,431)	(73,001,431)	(56,337,243)	16,664,188	77.2%
Debt Service and All Other Expenses	(22,455,616)	(22,455,616)	(20,185,437)	2,270,179	89.9%
<b>TOTAL USES OF FUNDS</b>	<b>(248,947,663)</b>	<b>(248,947,663)</b>	<b>(220,044,237)</b>	<b>28,903,426</b>	<b>88.4%</b>
Surplus/(Deficit)	(\$25,319,940)	(\$25,319,940)	\$43,761,799	\$69,081,739	



2. Actual Revenue vs. Budget:

Quarter Ended June 30, 2018					% of the Year Elapsed: 100%
	Annual Budget	Budget YTD	Actual YTD	Budget YTD vs. Actual	% of Budget Used YTD
<b>Operating Revenues:</b>					
User Charges	\$77,755,499	\$77,755,499	\$79,429,986	\$1,674,487	102.2%
Recycled Water Sales	17,245,000	17,245,000	16,877,757	(\$367,243)	97.9%
MWD Water Sales	34,167,480	34,167,480	45,998,819	\$11,831,339	134.6%
Cost Reimbursement	6,355,334	6,355,334	6,211,327	(\$144,007)	97.7%
Interest	1,162,133	1,162,133	2,076,619	\$914,486	178.7%
<b>OPERATING REVENUES</b>	<b>136,685,446</b>	<b>136,685,446</b>	<b>150,594,508</b>	<b>13,909,062</b>	<b>110.2%</b>
<b>Non-Operating Revenues:</b>					
Property Tax - Debt, Capital, Reserves	\$46,046,000	\$46,046,000	\$48,413,443	\$2,367,443	105.1%
Connection Fees	23,095,709	23,095,709	39,515,950	\$16,420,241	171.1%
Grants & Loans	15,284,858	15,284,858	20,792,468	\$5,507,610	136.0%
Other Revenue	2,515,710	2,515,710	4,489,667	\$1,973,957	178.5%
<b>NON-OPERATING REVENUES</b>	<b>86,942,277</b>	<b>86,942,277</b>	<b>113,211,528</b>	<b>26,269,251</b>	<b>130.2%</b>
<b>Total Revenues</b>	<b>\$223,627,723</b>	<b>\$223,627,723</b>	<b>\$263,806,036</b>	<b>\$40,178,313</b>	<b>118.0%</b>

- User Charges, 102.2%** User charges were \$79.4 million, or 102.2% of the year to date budget. The category includes \$62.1 monthly sewer charges based on equivalent dwelling units (EDU), \$12.0 million non-reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system, and \$5.3 million of monthly meter equivalent unit charges (MEU) imposed on all potable water connections, Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charges to meet our Readiness-to-Serve obligation from Metropolitan Water District (MWD), and water use efficiency program receipts.
- Property Tax/ AdValorem, 105.1%** Tax receipts were \$48.4 million or 105.1% of the budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) was \$34.0 million and "pass-through" incremental Redevelopment Agencies (RDA) taxes were \$14.4 million. Tax revenue stream is projected based on valuation projected by the county, increased home sales, and anticipated adjustments in property tax distribution due to the dissolution of the RDA agencies.
- Recycled Water Sales, 97.9%** Recycled water direct sales were \$9.7 million for 20,684 acre feet (AF) and groundwater recharge sales were \$7.2 million for 13,510 AF, for a combined total of \$16.9 million or 34,194 AF. Total deliveries of 35,500 AF f (22,000 AF Direct and 13,500 AF Recharge) were budgeted for the fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
- Interest Income, 178.7%** Interest Income is \$2.1 million or 178.7% of the year to date budget. The Agency earns interest income by investing funds not immediately required for daily operations. The Agency's portfolio yield increased during the fourth quarter as a result of rising market rates and more active management of the Agency's investment portfolio. The 4th quarter Agency yield averaged 1.936%, the annual interest earnings yield was 1.49%
- MWD Water Sales, 134.6%** Total Metropolitan Water District (MWD) pass-through imported water revenue was \$46.0 million or 134.6% of year to date budget. Imported water sales at 67,976 AF exceeding the annual budgeted water demand of 50,000 AF as a result of below average area rainfall and higher water demand.

- Connection Fees, 171.1%** Total connection fee receipts of \$39.5 million were 171.1 percent of the year to date budget. Receipts include \$31.6 million for new regional system connections (EDU), and \$7.9 million for new water connections (MEU). New EDU connections reported through the fourth quarter were 5,020 EDU (one member agency not reporting for June), compared to the annual budget of 4,000 EDU, which was adjusted from the adopted budget of 3,000 EDU based on member agencies' updated forecast. Total new water connections were 5,455 (MEU).
- Grants and Loans, 136%** Total receipts are \$20.8 million or 136.0% of budget. Actual grant receipts of \$6.1 million includes \$3.0 million of grant receipts for joint Agency/Chino Basin Desalter Authority Ground Water Wells & Recycled Water Intertie project (\$2.5 million passed-through to Chino Basin Desalter Authority), \$2.2 million for Recycled Water projects, and \$0.9 million reimbursement from State and local agencies for the RP1/RP5 Expansion preliminary design and other water conservation projects. Actual SRF loan receipts of \$14.7 million includes \$11.3 million for the regional water quality laboratory and \$3.4 million for the recycled water Napa Lateral and San Sevaine basin improvements. The annual grants budget of \$6.0 million includes \$3 million for the South Archibald Trichlorethylene (TCE) Plume Cleanup project Regional Wastewater Operations & Maintenance (RO) Fund, \$2.2 million for Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) project Water (WW) Fund, \$0.4 million for Northeast/Southern project Recycled Water (WC) Fund, and \$0.4 million for the new water quality laboratory (RO fund). Grant receipts consist of reimbursements from Federal and State programs, and may contain pass-through funding for other agencies. State Revolving Fund (SRF) Loan Proceeds annual budget of \$9.3 million includes for \$7.9 million for the new water quality laboratory (RO fund) and \$1.4 million for Recharge Master Plan Update Recharge Water (RW) Fund. Grants and loan receipts are primarily reimbursable in nature and as such are dependent upon related capital project expenditures.
- Cost Reimbursements JPA, 97.7%** Total cost reimbursements were \$6.2 million, or 97.7% of the annual budget. Category actuals include reimbursements of \$4.0 million from the Inland Empire Regional Composting Authority (IERCA) and \$1.3 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.9 million from Chino Basin Watermaster (CBWM) for operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs. Annual total cost reimbursement budget of \$6.4 million includes: \$3.8 million from IERCA, \$1.5 million from CDA, and \$1.1 million from CBWM.
- Other Revenues, 178.5%** Total other revenues and project reimbursements were \$4.5 million, or 178.5% of the \$2.5 million annual budget. Actual receipts include \$1.3 million from California Steel Industries, Auto Club Speedway, and Prologis for their share of capital costs associated with the San Bernardino gravity sewer line permanent connection. Other revenues include \$1.9 million of project reimbursements received from local government agencies for RMPU and recycled water projects and \$1.3 million for other non-operating revenues. Other non-operating revenue includes lease revenues and gains on investments, and includes \$0.9 million from CBWM for their share of the 2008B variable bond debt service and fixed project costs.

3. Actual Operating and Capital Expense vs. Budget:

Quarter Ended June 30, 2018				% of the Year Elapsed: 100%	
	Annual Budget	Budget YTD	Actual YTD	Budget YTD vs. Actual	% of Budget Used YTD
<b>Operating Expenses:</b>					
Employment	\$45,917,763	\$45,917,763	\$43,910,339	\$2,007,424	95.6%
Admin & Operating	73,405,373	73,405,373	53,612,399	\$19,792,974	73.0%
MWD Water Purchases	34,167,480	34,167,480	45,998,819	(\$11,831,339)	134.6%
<b>OPERATING EXPENSES</b>	<b>\$153,490,616</b>	<b>\$153,490,616</b>	<b>\$143,521,557</b>	<b>\$9,969,059</b>	<b>93.5%</b>
<b>Non-Operating Expenses:</b>					
Capital	73,001,431	73,001,431	56,337,243	\$16,664,188	77.2%
Debt Service and All Other Expenses	22,455,616	22,455,616	20,185,437	\$2,270,179	89.9%
<b>NON-OPERATING EXPENSES</b>	<b>\$95,457,047</b>	<b>\$95,457,047</b>	<b>\$76,522,680</b>	<b>\$18,934,367</b>	<b>80.2%</b>
<b>Total Expenses</b>	<b>\$248,947,663</b>	<b>\$248,947,663</b>	<b>\$220,044,237</b>	<b>\$28,903,426</b>	<b>88.4%</b>

**Employment Expenses net of allocation to projects**      **Employment, 95.6%**  
 Employment expenses were \$43.9 million or 95.6% of the year to date budget. At the end of the fourth quarter, total actual filled positions were 262 compared to the 274 funded positions and 290 authorized positions. Recruitment of key positions as part of the Agency's succession planning effort will lower the vacancy factor going forward.

**Administrative & Operating Expenses**      **Office and Administrative, 67.7%**  
 Office and administrative for the fiscal year was \$1.4 million, the variance was mainly due to lower travel, training, contributions, memberships, and sponsorships. Additional expense has been committed for various training, travel and advertising however items are deferred until the following year.

**Professional Fees & Services, 70.1%**  
 Favorable variance is attributed to contract services deferred to FY 2018/19 for work to be performed by contractors and consultants for: consultant services for project management reporting, training and facility videos, grant management software and database automation, RP1 and RP4 conveyor liner replacement; and TP1 bleach tank replacement and valve installation. Other contract services budget for temporary audit staff, construction inspection labor for the battery project, emergency repairs, and operational and maintenance research, testing and troubleshooting, were identified as not needed in the fourth quarter.

**Materials & Supplies/Leases/Contribution, 86.5%**  
 Expense through the end of the fiscal year was \$3.0 million or 86.5% of the annual \$3.5 million budget. The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies, replacement parts, and consumables used by treatment plants.

**Biosolids Recycling, 93.4%**  
 Biosolids expenses were \$4.1 million or 93.4% of the budget. Biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. Year to date tonnage of the agency's biosolids generated from all its water recycling facilities shipped to IERCA was 63,216 tons at a processing rate of \$56 per ton. Total tonnage hauled from IEUA was approx. 61,211 tons at a blended rate of \$5.80 per ton.

**Chemicals, 85.6%**  
 Chemical expenses were \$4.0 million, or 85.6% of budget. Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high quality recycled water. As reported in the prior quarter, the slight favorable variance is mainly due to the reduction in consumption of sodium bisulfite which is added after disinfection and odor control to reduce residual chlorine before discharge. Carbon Canyon stopped effluent discharges of sodium bisulfite to Chino Creek to support increased recycled water demand, and the anticipated iron sponge media replacement at RP-1 was deferred to FY 2018/19 due to contractor delays.



Administrative &  
Operating Expenses  
continued

**Operating Fees, 102.2%**

Spending in this category was \$12.1 million, or 102.2% of the annual budget. The majority of the expense is Non-reclaimable wastewater system "pass-through" fees from Sanitation District of Los Angeles Count (SDLAC) and Santa Ana Watershed Project Authority (SAWPA). The variance is mainly attributed to SDLAC pass through expenses that were exceeded for projected flow, strength and capacity units. The category also includes \$3.0 million of expenses for readiness-to-serve obligation collected by MWD, budgeted at \$3.0 million.

**MWD Water Purchases, 134.6%**

Total MWD pass-through imported water purchases were \$46.0 million or 134.6% of the annual budget. A total of 67,976 AF of pass through water was delivered, exceeding the annual 50,000 AF budget as a result of below average area rainfall and higher water demands.

**Utilities, 85.1%**

Total category expenses were \$8.3 million of the \$9.7 million annual budget. This category includes the purchase of electricity from Southern California Edison (SCE) or the grid, use of natural gas, and the purchase of renewable energy generated on site from solar and wind. The favorable variance is mainly attributed to lower utility rates and lower natural gas usage. Through the fourth quarter, the average rate for imported electricity was \$0.113/kWh versus the \$0.125/kWh budgeted rate. Blended rates for electricity and natural gas are budgeted at \$0.125 per kWh and \$0.80 per therm, respectively. Annual usage was measured at 65,295,323 kWh against the annual average of 70,000,000 kWh.

**O&M and Reimbursable Projects, 46.9% and 62.9%**

The combined O&M and reimbursable project costs were \$11.5 million or 47.6% of their combined year to date budget. The favorable balance is mainly due to lower spending for water and drought related projects such as the Santa Ana River Conservation & Conjunctive Use Program (SARCCUP), Chino Basin Drought Contingency Plan, and other drought related projects. Actual expense includes \$2.5 million of pass through grant proceeds that were remitted to the Chino Basin Desalter Authority (CDA).

Financial Expenses

**Financial Expense, 90.1%**

Total financial expenses were \$19.8 million through the end of the fourth quarter. Actual costs included \$11.8 million paid towards principal and interest for the 2008B, 2010A and 2017A bonds. Other note and loan principal and interest payments were \$7.8 million, and \$0.2 million for financial administration fees.

Other Expenses

**Other Expenses, 77.3%**

Total other expenses were \$0.3 million or 77.3% of the annual budget, included in this category is annual contributions-in-aid to the Santa Ana Watershed Project Authority.

Capital Expenses

**Capital Costs, 77.2%**

Total capital project expenditures through the end of the fiscal year were \$56.3 million or 77.2% of the annual budget of \$73.0 million. The budget includes \$5.1 million of capital budget carried forward from FY 2016/17, of which \$400,000 was returned in December 2017 per Agency Policy A-81 (Fiscal Year Carry Forward Encumbrances and Related Budget). The lower than anticipated expenditures are primarily due to contractor delays, design recommendation reviews, and extended request for proposals and related contract award delays. Capital project costs related to the regional wastewater program through the fourth quarter were \$44.0 million, or 85.3% of the \$51.6 million annual program budget. Recycled water capital projects accounted for \$7.4 million, or 56.1% of the \$13.2 million annual budget.

**Summary of major capital and non-capital project expenses and status as of June 30, 2018**

Capital Projects		Annual Budget	Actual YTD	% of Budget Used YTD
EN15008	<b>Water Quality Laboratory</b> The scope of the project is the construction of a new, state of the art, 17,000 sq. laboratory and expansion of the existing central plant to supply chilled water for the laboratory air conditioning and heating system. The project is funded in part by State Revolving Fund (SRF) loan proceeds. The project is in the final phases of construction and progressed more quickly than anticipated for the fiscal year, project is projected to be complete in September of 2018. The current total project budget is \$26,645,000, as of June 30, 2018 total project expenses are 87.5% of total project budget.	11,300,000	12,095,158	107.0%
EN14019	<b>RP-1 Headworks Gate Replacement</b> This project includes the full replacement of the 17 existing headworks gates at RP-1 with new stainless steel gates. These gates were deemed significantly deficient during a full condition assessment conducted in July of 2009. The project, currently in the construction phase and remained behind schedule through the end of the fiscal year. Staff is currently working with the contractor on a recovery plan and project is scheduled for completion in FY 2018/19.	4,600,256	2,181,931	47.4%
EN13001	<b>San Sevaine Basin Improvements</b> As part of the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU), this project will evaluate, design, and construct basin improvements needed to maximize infiltration and recharge capture at the San Sevaine basins. The final recommendation from the preliminary development report proposes to implement, a new storm water/recycled water pump station in Basin 5, directly tie it into all existing RW pipeline, place new pipelines and headwalls in Basins 1, 2 and 3, and install monitoring wells and lysimeters. The proposed improvements will add 642 AF per year of storm water and 4,100 AF per year of recycled water for groundwater recharge. This project is currently in construction with an estimated completion in early FY 2018/19.	4,320,000	4,012,332	92.9%
EN17110	<b>RP-4 Process Improvements</b> This project involves improvements to different processes and operational functional flexibility at RP-4. The project's scope of work was expanded during the charter phase and the technical preparation work was placed on hold in order to focus on the Emergency Trident Filter project for approximately 3 months. The Trident Filter contractor is having trouble procuring materials which will push some project expenditures into FY 2018/19.	2,847,350	2,652,894	93.2%

O&M & Reimbursable Projects		Annual Budget	Actual YTD	% of Budget Used YTD
PA17006	<b>Agency-Wide Aeration Panel Replacements</b> The project scope involves the replacement of aeration panels at RP-1, RP-4, RP-5, and CCWRF. The aeration panel replacement will improve oxygen transfer efficiency and operational effectiveness of the wastewater treatment process. The RP-5 Aeration Panel construction contract was awarded in December 2017 and is estimated to be complete in December of 2018.	3,143,511	2,903,750	92.4%
EN16021	<b>TCE Plume Cleanup</b> In June 2015, IEUA entered into an agreement with the Chino Basin Desalter Authority (CDA) to fund a project designed to remediate the South Archibald Plume. The projects timeline has been delayed due to difficulty in acquiring property needed to construct a groundwater well in the plume area. Pipeline design began in March 2018 and is estimated to be completed in the first quarter of FY 2018/19. Additionally, the project's budget was amended in the third quarter by \$2.5 million to account for a pass-thru grant remitted to CDA of the same dollar amount.	3,818,000	3,047,656	79.8%
WR16024	<b>Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)</b> The Santa Ana River Conservation & Conjunctive Use Program is known as SARCCUP. Was created with various other water agencies to utilize funds from SAWPA Prop 84 grants to develop a watershed-scale conjunctive use program. The project has experienced delays as the project scope has changed significantly and is awaiting grant modification from the Department of Water Resources.	3,138,398	147,516	4.7%

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Agency Management</b>														
311	FY 2017/18	Annual	Agency Management	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values	Staff to complete a course or seminar for professional development annually	Complete notary course/exam by March 2018.	Travel/Expense Reports	April Woodruff	February	2018	On Schedule		Notary Exam was completed by Sally Lee in December 2017.
313	FY 2017/18	Monthly	Agency Management	B	Ensure staff is fully trained on administrative functions and policies included in Administrative Code	In the process of developing the Administrative Handbook and Board of Director Bylaws	Administrative Code will be completed by December 2017	Monthly meetings are held to review/revise the policies. Six to eight policies are reviewed monthly	April Woodruff	April	2018	On Schedule		The Board approved the new Administrative Handbook on January 17, 2018.
314	FY 2017/18	Monthly	Agency Management	C	Provide support for positions that would enable the implementation of the Agency's goals.	Develop a standard operating procedure handbook for the Executive Management Department.	To be completed by June 2018	Complete 3 - 4 SOPs per month	April Woodruff	August	2018	Behind Schedule		Project is 75% complete.
315	FY 2017/18	Monthly	Agency Management	C	Provide support for positions that would enable the implementation of the Agency's goals.	Update and maintain Board Secretary Handbook	To be completed by June 2018	Monthly handbook review	April Woodruff	August	2018	Behind Schedule		Handbook is 90% complete.
316	FY 2017/18	Annual	Agency Management	D	Develop regional collaboration for groundwater storage programs.	Develop water bank program for the Chino Basin	Water Bank Authority to be established by the end of the fiscal year	Meeting bi-weekly with parties to review/discuss cost-sharing agreements, budget, and proposals. Selected consultant to develop water bank.	April Woodruff	February	2018	On Schedule		All parties signed the CBWB JPA and will be appointing directors. Second CBWB Workshop for stakeholders was completed on 2/1/18. Parties continue to meet bi-weekly
317	FY 2017/18	Monthly	Agency Management	E	Continue the process of collaborative negotiations in support of reaching mutually agreeable terms for the new Regional Contract.	Renegotiate the Regional Contract set to expire in 2023	Member agencies and the Technical Committee are working towards a development plan. TAC meeting are held monthly.	Track Technical Committee meeting minutes for status updates throughout fiscal year.	April Woodruff	August	2018	On Schedule		The facilitation contract amendment with Kearns & West for Phase 2B was approved by the Board in June. Preliminary negotiation sessions have been scheduled through February 2019.
<b>Business Information Services</b>														
318	FY 2017/18	Quarterly	Agency Management	A	Continue commitment to sustainable cost containment for operating and capital costs.	Maintain SAP professional services expenses within annual budget amount	To continue throughout fiscal year	Monitoring department budget with budget variance report	Kanes Pantayatiwong	June	2018	On Schedule		Support cost in this quarter was \$12,192, which is less than the quarterly average budget of \$22,700.
320	FY 2017/18	Quarterly	Agency Management	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Optimize grant administration through process improvements and/or SAP enhancements and provide recommendation report	Deliver recommendation report by August 15, 2017	Reduction in grant processing time (will require baseline) report to be developed based on the number of tasks required	Kanes Pantayatiwong	June	2018	On Schedule		Already completed in FY2017 Q1.
321	FY 2017/18	Quarterly	Agency Management	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Implement approved changes to grants administration process improvements and/or SAP enhancements	Complete by December 1, 2017	Reduction of grant processing time (will require baseline) to be implemented based on report findings	Kanes Pantayatiwong	June	2018	Behind Schedule		BIS has been working with Grants department in designing and implementing the enhancements in SAP. In the process, BIS discovered that there are four main types of grant-project relations. Of the 4 types, three of the relationships have been configured and can be used today. The forth type is more complicated due to the many grants to many projects relationship type. BIS will continue to work closely with Grants Department in arriving at the key decisions so that the enhancements can be implemented.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL

Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Business Information Services (cont.)</b>														
322	FY 2017/18	Quarterly	Agency Management	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Complete Master Plan by FY 2018	GIS Master Plan to be completed by June 30, 2018	Monitor progress then obtain final GIS Master Plan report through consultant	Kanes Pantayatiwong	June	2018	Behind Schedule		The consultants are now actively engaged in the project. This project is expected to be completed in Q2 of FY2019.
323	FY 2017/18	Quarterly	Agency Management	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Complete a needs assessment for enhancing ESS/MSS with additional functionality by FY 2018	ESS/MSS Enhancements to be completed by June 30, 2018	Manager will meet with staff quarterly to obtain status updates until needs assessment is finalized.	Kanes Pantayatiwong	June	2018	Behind Schedule		This project is deferred until a new HR manager is hired. As a preparation step, BIS will begin exploring SAP SuccessFactors as an alternative to consider beside enhancing existing ESS/MSS.
324	FY 2017/18	Quarterly	Agency Management	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Provide support to Operations and Maintenance division on the 8-phase improvement project.	Quarterly until completion.	The Maintenance Project Plan	Kanes Pantayatiwong	June	2018	On Schedule		This project was placed on hold by the executive management.
325	FY 2017/18	Quarterly	Agency Management	A	Expand dashboard development to enhance financial reporting	Promote business data-driven decision making in all business areas	Quarterly	Deploy one to two new dashboards or significantly enhance one to two existing dashboards quarterly	Kanes Pantayatiwong	June	2018	On Schedule		Completed the BusinessObjects platform upgrade that allows for Business Systems Analysts to create dashboard prototypes and handing them over to the developers to deploy quickly. Past process involves the developer to recreate the entire dashboards from prototypes. This new method only requires some tweaking of the prototypes. Also, BIS deployed a leave report that allows supervisors and managers to view the leave type used as well as details on day of the week and frequency.
326	FY 2017/18	Quarterly	Agency Management	B	Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, streamlining individual Unit MOUs by December 2017.	Provide SAP test environment by 4/1/2018 to validate the technical feasibility of any proposed MOU changes in preparation for and during the negotiation	1/1/2018 – Complete review of existing rules and configurations, 4/1/2018 – SAP test environment ready for testing proposed changes	By January 2018 complete review of existing rules and configurations. By April of 2018 provide an SAP test environment to HR.	Kanes Pantayatiwong	June	2018	On Schedule		ISS and BIS completed a test environment for team last quarter to test any changes to the MOU. The Agency also completed the negotiations. HR is working with the units to finalize the language and providing BIS with changes requiring system configurations.
327	FY 2017/18	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017 and every two years thereafter.	Provide training opportunities to at least 25% of staff	Annual	A procurement report will be used to confirm staff attendance at trainings.	Kanes Pantayatiwong	August	2018	On Schedule		3 out 10 (30%) staff, excluding manager, were trained in FY2018.
328	FY 2017/18	Quarterly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency's business practices.	Establish SOPs for key business functions within the department by end of FY2018	Quarterly - Report to be provided by 10/1/17 on SOPs to complete, Complete all recommended SOPs by 6/30/18	Complete 1/3 of proposed SOPs quarterly in Q2, Q3, and Q4	Kanes Pantayatiwong	June	2018	Behind Schedule		No new SOPs generated in Q4 due to resources time spent on preparing for MOU changes in SAP, SAP training effort (content creation and technology platform for the training hub) and payroll upgrade preparation.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL

Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Business Information Services (cont.)</b>														
329	FY 2017/18	Quarterly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency's business practices.	Assess and implement, if deemed necessary, the testing automation system to address the testing needs for SAP changes by end of FY2018	Provide assessment report and, if needed, complete implementation of testing automation system by 6/30/2018	Reduction in testing cycle time and/or increase in test cases	Kanes Pantayatiwong	June	2018	On Schedule		The project was terminated due to proposed solution's shortcomings and unlikelihood of addressing the testing team's needs at an affordable cost.
330	FY 2017/18	Annual	Agency Management	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Ensure the validity of Disaster Preparedness Plan with respect to SAP and critical systems	Annual	Execute at least one remote testing of the offsite backup system annually	Kanes Pantayatiwong	August	2018	On Schedule		The Agency payroll and IT teams went to the offsite facility to test the SAP backup and PCs to ensure payroll and vendor payments can be processed in case of an emergency.
332	FY 2017/18	Quarterly	Agency Management	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Document Change Request Management (ChaRM) to include justifications, key objectives, targeted improvements and obtain key stakeholders' approval for all projects requiring more than 80 hours of work by BIS staff	Quarterly	Schedule meetings with requestors to confirm document change needs. Significant enhancements will be monitored on Sharepoint.	Kanes Pantayatiwong	June	2018	On Schedule		BIS has performed a number of process assessments to determine if and what enhancements can be done to improve the overall efficiency. Such assessments are: 1) the Cintas cost increase; 2) the viability for online credit card consolidation tool; 3) the SAP test automation tool; and 4) the SAP Fiori as user interface enhancement tool.
333	FY 2017/18	Annual	Agency Management	C	Comply with all regulatory requirements.	Comply with SB272 requirements	Annually by July 1	Published required information on Agency's website (external) prior to the due date	Kanes Pantayatiwong	June	2018	On Schedule		No new enterprise software added in FY2018.
<b>Contracts and Procurement</b>														
375	FY 2017/18	Annual	Finance and Administration	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Ensure product and service availability from third party suppliers in emergency situations.	Complete by Fiscal Year-End	A number of Agreements are in place and are updated as required per a schedule.	Warren Green	August	2018	On Schedule		As the Agency's Disaster Response Plan gains momentum, we will go back to the identified contracts. We currently include emergency response clauses in the newly issued contracts to support the goal.
377	FY 2017/18	Annual	Finance and Administration	B	Ensure staff is fully trained on administrative functions and policies included in the Administrative Code.	Provide Agency-wide training on the Agency's contract and purchasing ordinance, including but not limited to State and Federal codes, and Agency processes.	Complete by Fiscal Year-End	A number of training sessions completed for each department, and monitored using sign-in sheets	Warren Green	August	2018	On Schedule		Staff has completed several training sessions, however with the postponing of the Procurement Ordinance and recent SAP enhancement development, we have postponed training.
379	FY 2017/18	Semi-Annual	Finance and Administration	C	Conduct lessons learned sessions to evaluate key program implementation.	Increase post project discussion with Agency project managers.	Completed by January 30, 2018	Quarterly meetings will be scheduled with project managers.	Warren Green	August	2018	On Schedule		No change as staff continues to meet with various departments and project managers in support of better meeting their needs and efficiencies.
380	FY 2017/18	Annual	Finance and Administration	C	Utilize green procurement and reuse of surplus materials, equipment and parts, when possible.	Encourage the inclusion of these requirements in the various Agency projects.	Complete by Fiscal Year-End	A number of recommendations will be provided to project managers, and will be monitored as projects are in process	Warren Green	May	2018	On Schedule		We have sent several vehicles and equipment to surplus auctions and continue to do so.
382	FY 2017/18	Annual	Finance and Administration	C	Develop an Administrative Code to provide a platform for transparent communication with member agencies on key activities, issues, policies, and key documents.	Annually review and update department related policies, procedures and ordinances.	Complete by Fiscal Year-End	Policies, procedures, and ordinances will be placed on Outlook calendars for review as required.	Warren Green	August	2018	On Schedule		No change in status we the Administrative Code and Procurement Ordinance are not updated.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Contracts and Procurement (cont.)</b>														
384	FY 2017/18	Annual	Finance and Administration	C	Collaborate with and support local businesses and economic development in the region through regional programs.	Promote the Agency's Business Outreach Program	Complete by Fiscal Year-End	Through social media and other outreach events a 5% participation rate is to be obtained. Programs and participation will be reported to supervision and management.	Warren Green	August	2018	Behind Schedule		No change as personnel issues continue to drive workload adjustments reducing our opportunity to move forward with the formalized SBO.
<b>Engineering</b>														
465	FY 2017/18	Monthly	Engineering, Planning and Science	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Enhance communication and development during a monthly mentoring meeting with Senior and Junior staff.	Ongoing	Conduct mentoring meetings at least 10 times per year.	Shaun Stone	August	2018	On Schedule		In February, March, May and June, staff conducted four Monthly Mentoring sessions with the Assistant Engineers. The two sessions conducted during February and March were not included in the previous reporting period.  Overall for the year staff conducted 9 mentoring sessions or 90% of the stated goal.
467	FY 2017/18	Monthly	Engineering, Planning and Science	C	Conduct lessons learned sessions to evaluate key program implementation.	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	At a minimum of 10 times per year	Shaun Stone	August	2018	On Schedule		Staff conducted three lessons learned during this period May: "SOP-78 Pre-Qualification of Contractors". June: "CCWRF and RP-1 Switchgear" and "Emergency Contract Work"  Overall for the year, staff conducted 7 Lesson Learned or 70% of the stated goal.
469	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Develop a monitoring and assessment program to support the implementation of the Asset Management Plan.	Complete Asset Management Plan by November 2019.	Ongoing	Submit progress updates every six months, planned completion by November 2019.	Shaun Stone	August	2018	On Schedule		Staff is developing a needs assessment in order to develop an efficient and workable asset management program.
471	FY 2017/18	Monthly	Engineering, Planning and Science	E	Implement projects in a timely and cost-effective manner.	Provide high quality project management	Ongoing	Capital spending within Fiscal Year Budget = 90%, Actual expenditures as a percentage of forecasted expenditures = 90%, Project costs within 110% of the Total Project Budget established in the Project Charter = 90%	Shaun Stone	August	2018	On Schedule		Capital spending within Fiscal Year Budget = 77%, Actual expenditures as a percentage of forecasted expenditures = 88%, Project costs within 110% of the Total Project Budget established in the Project Charter = 16 of 24 projects, 67%
473	FY 2017/18	Monthly	Engineering, Planning and Science	E	Implement energy efficient projects and efficiencies into existing facilities and equipment.	Staff are actively reviewing projects for Southern California Edison (SCE) savings programs.	Ongoing over two years	All applicable projects will be sent to SCE for incentives.	Shaun Stone	August	2018	On Schedule		During the last quarter Engineering and Operations worked with The Energy Network to evaluate the merits of replacing the blowers at RP-4. Data loggers were placed on one of the blowers for a 30 day period. The data is currently being analyzed and the result will be available next quarter.
87	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Achieve 20,000 acre feet of recycled water recharge in Dry Years by June 2019	Implement the schedule consistent with the RWPS and the Recharge Master Plan Update	Continuous	Meet the schedules as defined by the RWPS and RMPU	Shaun Stone	January	2018	On Schedule	No	The RWPS was used to develop recommended projects and TYCIP.

**Engineering (cont.)**

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL

Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
91	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Coordinate with the Chino Basin Watermaster on the Recharge Master Plan Update by July 2019	Implement projects by the schedule as identified in the RMPU	continuous	Meet schedule as defined by the RMPU	Shaun Stone	January	2018	On Schedule	No	The 2019 RMPU is discussed at the IEUA/CBWM Quarterly meetings. Focus meeting will be scheduled.
<b>External Affairs</b>														
435	FY 2017/18	Annual	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Build and maintain strong working relationships with elected officials within the region to assist in promoting the Agency's priorities and investments.	Ongoing	Continue to invite elected officials to Agency events and hold VIP tours per year.	Kathryn Besser	August	2018	On Schedule		Staff continues to reach out to elected officials in efforts to build and maintain crucial relationships. Staff continuously invites elected officials and their staff to tour IEUA facilities or participate in IEUA events as appropriate.
437	FY 2017/18	Annual	External Affairs and Policy Development	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Continue to incorporate the Agency's mission, vision, and values within the process of updating Agency documents.	Ongoing	Work with CAP to update the Agency's documents: letterhead, business cards, and other in FY 2017/18.	Kathryn Besser	August	2018	On Schedule		The Agency updates fact sheets, the website and other brochures throughout the year as necessary. The last fact sheet update was completed in August 2018.
439	FY 2017/18	Quarterly	External Affairs and Policy Development	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Provide staff with opportunities for technical and professional training classes.	Obtain Gold Standard in Laserfiche Management Certified Computer Professional (CCP) by December 2017. Attend ARMA International training by October 2017. Attend Laserfiche Conference by February 2018.	Measure the percentage of Records Management staff trained in Records and Information Management disciplines.	Linda Johnson	August	2018	On Schedule		Records Management training to Agency Employees in Records and Information Disciplines: New Hire Training-- 26. Manager and Liaison Training-- 27
439	FY 2017/18	Quarterly	External Affairs and Policy Development	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Provide staff with opportunities for technical and professional training classes.	Obtain Gold Standard in Laserfiche Management Certified Computer Professional (CCP) by December 2017. Attend ARMA International training by October 2017. Attend Laserfiche Conference by February 2018.	Measure the percentage of Records Management staff trained in Records and Information Management disciplines.	Linda Johnson	August	2018	Behind Schedule		Records Management experienced a staffing change for two Records Specialist in October 2017. As a result, the Gold Standard in Laserfiche Management Certified Computer professional (CCP) was not obtained. The classes were reassigned to a new Records Management Specialist in May 2018. This goal will be completed by May 2019.
441	FY 2017/18	Quarterly	External Affairs and Policy Development	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Conduct Agency training on department processes that in support of managing electronic records	Staff to train Agency employees on Laserfiche software for Phases 2-3 by June 30, 2018	Measure the percentage of agency staff trained in records management best practices and management of electronic records.	Linda Johnson	August	2018	On Schedule		The ECMS Laserfiche Initiatives were revised to implement Phases on a calendar year rather than a fiscal year. The Laserfiche Initiatives were revised to include certain Agency departments the ability to upload their records into the Laserfiche system; therefore training in best practices and management of electronic records. All employees in the CAP department were trained on uploading contracts into the Laserfiche system. In addition, PEC, IERCF, as well as Eng and Const Management are uploading records into Laserfiche. An additional 10 Agency employees have been trained.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Work Plan Goal	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>External Affairs (cont.)</b>													
443	FY 2017/18	Quarterly	External Affairs and Policy Development	C Conduct lessons learned sessions to evaluate key program implementation.	Hold department lessons learned meetings to evaluate and improve the effectiveness and efficiency of Agency events and educational programs	Ongoing	Hold 3 per year on major programs/events.	Kathryn Besser	August	2018	On Schedule		Staff has also continued to review and conduct lessons learned from park tours experiences including staffing, curriculum, and outreach methods and materials. Staff will complete a lessons learned meeting on the holiday picnic that was recently held in August 2018.0
445	FY 2017/18	Monthly	External Affairs and Policy Development	C Translate complex water/environmental regulations and the IEUA role in protecting regional programs, economy and environment for the general public and elected officials.	Continue to work with community groups and the regional technical and policy committees to relay information and updates on the complex issues that impacting the region.	Ongoing	Attend monthly Regional Policy and Technical Committee meetings. Attend and present 1 community event per quarter.	Kathryn Besser	August	2018	On Schedule		The Executive Manager of External Affairs and Policy Development/AGM continues to attend each Regional Policy and Technical committees. IEUA staff has continued to reach out to partnering agencies regarding legislation as it relates to them to help determine a regional opinion and approach.
447	FY 2017/18	Quarterly	External Affairs and Policy Development	C Provide support for positions that would enable the implementation of the Agency's goals.	Continue to cultivate strong working relationships with elected officials and governmental agencies to help ensure IEUA continues to be a regional leader in water, wastewater and renewable energy issues.	Ongoing	Invite elected officials to Agency events and hold a minimum of 3 VIP tours per year.	Kathryn Besser	August	2018	On Schedule		Staff continues to reach out to elected officials in efforts to build and maintain crucial relationships. Staff recently sent out thank you letters to delegates inviting them to visit our facilities.
449	FY 2017/18	Semi-Annual	External Affairs and Policy Development	D Work to change landscape and agricultural practices of high chemical use to increase use of compost to improve groundwater quality.	Continue to watch legislation as it relates to compost and organics. When applicable participate in promoting legislation that advances this work plan.	Ongoing	Work with state and federal legislative offices to support any proposed bill language or programs that bring awareness and use of compost and organics.	Kathryn Besser	August	2018	On Schedule		Staff and contracted lobbyist continue to monitor and analyze Federal and State legislation. Staff works closely with the Manager of the IERCF to stay up to date with necessary the compost organizations and their positions on current legislation.
451	FY 2017/18	Monthly	External Affairs and Policy Development	E Develop and analyze processes related to salinity management.	Continue to audit big box stores' inventory of water softeners and continue to work with planning staff to pass ordinances in remaining cities.	Ongoing	Audit 36 stores per year and present findings at city council meetings.	Kathryn Besser	May	2018	On Schedule		Audits and finding presentations will be completed in the 4th quarter of FY 17/18.
453	FY 2017/18	Semi-Annual	External Affairs and Policy Development	E Pursue opportunities for renewable energy development and interconnection with grid.	Continue to monitor legislation and policy as it relates to the use and development of renewable energy, advocating on behalf of the Agency when applicable.	Ongoing	Work with state and federal legislative offices to support any proposed bill language or programs that continue to develop the use of renewable energy.	Kathryn Besser	August	2018	On Schedule		Staff and contracted lobbyist continue to monitor and analyze Federal and State legislation.



**Business Goals & Objectives Report By Department**

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>External Affairs (cont.)</b>														
455	FY 2017/18	Monthly	External Affairs and Policy Development	F	Conduct educational and outreach programs and activities related to the Agency's key areas of business.	Continue to grow and advance the Agency's educational and outreach programs including increasing the number of students participating in the Water Discovery Program, Water is Life Poster Contest, and Garden in Every School® Program. Continue to expand the Agency's social media presence to increase outreach to community members in the region.	Ongoing	Increase outreach to schools within the region. Increase IEUA's posts on social media to continue to increase the Agency's social media following - post 2-3 times per week	Kathryn Besser	August	2018	On Schedule		On average, the External Affairs department has posts ~ 35 times a month, approximately 8 posts per week on both Facebook and Twitter accounts. Staff has continued to increase IEUA's social media following and works to create new media content to bring awareness to current water matters. During the 4th quarter staff created a new Instagram account specific to the Chino Creek Educational Park and Wetlands to help bring awareness to the park itself.
<b>Finance and Accounting</b>														
104	FY 2017/18	Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating by FY 2017/18	Continue to monitor the Agency's debt coverage ratio and credit rating metrics to ensure the Agency is on track to improving its long term credit rating.	July-2018	Completed by June 2018	Javier Chagoyen - Lazaro	August	2018	On Schedule	No	Continue to monitor the Agency credit rating and collaborate with financial advisor in developing financing strategies for supporting the Agency's ten year capital improvement plan (TYCIP).
386	FY 2017/18	Semi-Annual	Finance and Administration	A	Monitor the Agency's cost of service for key Agency programs to ensure rate efficiency related to Non-Reclaimable Wastewater (NRW) System, Regional Wastewater, Recycled Water, Water Resources, Groundwater Recharge, and Organics Management.	Adopt rates that fully meet the cost of service for key Agency programs to ensure rate efficiency related to Non-Reclaimable Wastewater (NRW) System, Regional Wastewater, Recycled Water, Water Resources, Groundwater Recharge, and Organics Management.	Ongoing	Adopt rates that meet cost of service.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Staff monitors each program fund's revenue, expenditures, and reserve balances, and provide update through the quarterly budget variance analysis. Monitored and reviewed programs' cost of service
388	FY 2017/18	Semi-Annual	Finance and Administration	A	Continue commitment to sustainable cost containment for operating and capital costs.	Monitoring cost containment for operating and capital costs through budget variance analysis for operating and capital costs.	Ongoing	Verify via analysis and reporting that operating and capital expenditures are on track with annual program fund budgets and adjust if necessary to meet program needs.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Monitoring and analyzing revenue and expenditures items through the budget variance reporting. Departments provide explanation and justification according to the budget variance reporting requirements.
390	FY 2017/18	Semi-Annual	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Monitor the receipt of property taxes, optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review via analysis and reporting that operating and capital revenues are on track with annual program fund budgets.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Monitoring the Agency's revenue and funding source; property tax, connection fees, recycled water sales, and grants, as well as operations and maintenance expenses, debt service, and capital spending.
392	FY 2017/18	Annual	Finance and Administration	A	Fully fund the Other Post-Employment Benefits (OPEB) unfunded accrued liability by July 2019.	Fully fund the Other Post-Employment Benefits (OPEB) unfunded accrued liability by July 2019.	Annual funding by July 2018	Annual contributions until reaching fully funded status.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Continue to make annual contribution for OPEB to minimize future liability
394	FY 2017/18	Annual	Finance and Administration	A	Fully fund the pension unfunded accrued liability by July 2024.	Fully fund the pension unfunded accrued liability by July 2024.	Annual funding by July 2018	Annual contributions until reaching fully funded status.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Continue to make annual contribution to pension liability

**Business Goals & Objectives Report By Department**

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Finance and Accounting (cont.)</b>														
396	FY 2017/18	Semi-Annual	Finance and Administration	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Update Long Range Plan of Finance (LRPF) and Ten-Year Capital Improvements Plan (TYCIP).	LRPF December 2017	Present to the Board by June 2018.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Worked with Planning and Engineering departments; review and discussion on the FY 2018/19 TYCIP major projects, respective projected funding and debt financing. Based on Executive Management's recommendation, the preparation of LRPF will commence upon the adoption of multi-year rate for FY 2020/21.
398	FY 2017/18	Monthly	Finance and Administration	A	Optimize the Agency's investment of surplus funds in accordance with the Agency's investment policy.	Monitor Agency's cash flow and invest surplus funds in accordance with the Agency's investment policy.	Ongoing	Review cash flow bi-weekly.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Updated cash flow reports and related monthly financial affairs report to reflect the transitioning of Agency's investment performance managed by outside investment advisor team.
400	FY 2017/18	Semi-Annual	Finance and Administration	A	Continue to monitor market opportunities to reduce cost of outstanding debt.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing	Verify with Agency's financial advisor at least two times a year.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Continue to work with financial advisor in reviewing and updating the Agency's debt financing strategies that best fit to support the projected capital expenditures.
402	FY 2017/18	Annual	Finance and Administration	A	Annually, review and update the Agency's reserve policy to ensure fund reserves meet operating, capital, debt service, obligations, unforeseen events, and comply with legally mandated requirements.	Review and update the Agency's reserve policy to ensure sufficient funding to meet operating, capital, debt service obligations, unforeseen events, and comply with legally mandated requirements.	Complete by Fiscal Year-End	Update annually and incorporate all policy changes.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Revised the investment policy to reflect the transitioning of investment portfolio managed by outside investment advisory team.
Insert Notes Details														
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Goal ID														
Reporting Month August January														
February March April May June July														
August September October November														
December														
Year 2018 2013 2014 2015 2016 2017														
2018 2019 2020														
Completed No Yes No														
Status On Schedule On Schedule Behind														
Schedule														
Notes Continue to work with financial advisor in reviewing and updating the Agency's debt financing strategies that best fit to support the projected capital expenditures.														
404	FY 2017/18	Semi-Annual	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating.	Work towards to the Agency's long-term credit rating target of AAA and maintain a debt coverage ratio to support such a rating.	Ongoing	Receive AAA rating by June 2019.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Continue to monitor the Agency's credit rating
406	FY 2017/18	Monthly	Finance and Administration	A	Monitor the performance of deferred contribution programs.	Monitor and review monthly reports on deferred contribution.	Ongoing	Review performance monthly.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Review and monitor performance monthly
408	FY 2017/18	Monthly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Complete assigned safety tailgate training as provided on the department tracker by the Safety department.	Ongoing	Complete 21 safety tailgates annually and provide safety tailgate sign in sheets to the Safety department to keep safety tailgate tracker updated.	Javier Chagoyen-Lazaro	August	2018	On Schedule		Staff adhere to and attend required safety and compliance related training regularly.

**Business Goals & Objectives Report By Department**

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Grants Administration</b>														
457	FY 2017/18	Annual	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Develop an Agency Grants Strategic Plan that will guide grant activities.	By June 30, 2018	Annual Board approval of Grants Strategic plan.	Kathryn Besser	June	2018	On Schedule		In May 2018 submitted the Agency's first Grant Strategic Plan to IEUA Board. The strategic plan outlined the sources, structure and processes of acquiring grant and CWSRF loans.
459	FY 2017/18	Monthly	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Recommend and pursue potential grant opportunities that align with the Agency mission and financial goals.	Ongoing	Provide update on grant opportunities to Executive Management via the monthly General Manager's board report.	Kathryn Besser	June	2018	On Schedule		In May 2018 submitted the grants semi-annual update of department activities to IEUA Board. Also provided monthly updates via the General Manager's board report in the months of April 2018 through June 2018.
461	FY 2017/18	Quarterly	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Collaborate with the member agencies, JPA's and regional leaders on projects that can be partially funded by grant or SRF loan programs.	Ongoing	Attend regular meetings and participate in conference calls with member agencies and JPA partners to discuss grant and loan opportunities.	Kathryn Besser	June	2018	On Schedule		The SWRCB Prop 1 Storm Water Grant, \$9.8 million, for the Chino Basin Watermaster Recharge Master Plan Update Project was signed into agreement on behalf of the region. Received approval from USBR of feasibility studies for the Joint IEUA-JCSD Recycled Water Interlie and the IEUA- Pomona-Monte Vista Water District Recycled projects. Both projects are eligible for Title XVI grant funding. Applications will be submitted in July 2018. Received CWC Water Storage Investment Program, Prop 1, \$206.9 million maximum conditional eligibility determination letter for the Chino Basin Conjunctive Use Project. Several of the requirements must be by Jan. 2022 in order to receive funding. Also submitted the grants semi-annual update and grants strategic plan to the Regional Technical and Policy Committees.
463	FY 2017/18	Quarterly	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Manage congressional grant authorizations for water desalination projects in the Chino Basin.	Ongoing	Work in conjunction with the Chino Basin Desalter Authority to fulfill applications for funding and manage grants received.	Kathryn Besser	June	2018	On Schedule		A project completion and certification inspection for the SWRCB/Division of Drinking Water Proposition 50 grant award of \$53.8 million is pending the filing of construction notices of completion. The timeline will be determined by the CDA Sponsor Group meeting held in August 2018. IEUA is negotiating the CDA TCE Plume Cleanup Prop 1 GW Quality grant for \$11.4M. The grant contract will be executed in August 2018.
<b>Human Resources</b>														
410	FY 2017/18	Quarterly	Finance and Administration	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining respectful and positive work relationships.	Ongoing	Number of onsite visits, lunch and learns and other educational sessions held.	Sharmeen Bhojani	June	2018	On Schedule		7 Promotional Announcements have been processed to all staff.
412	FY 2017/18	Quarterly	Finance and Administration	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefits programs and services.	Ongoing	Number of onsite visits, lunch and learns and other educational sessions held.	Sharmeen Bhojani	June	2018	On Schedule		Social Security Administration hosted an onsite workshop to employees in May 21.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Human Resources (cont.)</b>														
414	FY 2017/18	Annual	Finance and Administration	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Prepare Retirement Risk Assessment to identify employee retirement forecasting and timelines. Identify critical Agency positions. Use vacant position pool to mentor and increase knowledge transfer for critical positions	July 2017 and annually thereafter	Percent of internal advancements and promotions per FY and report to Executive Management as applicable.	Sharmeen Bhojani	June	2018	On Schedule		7 Promotional Announcements have been processed to all staff.
416	FY 2017/18	Semi-Annual	Finance and Administration	B	Conduct a feedback study to measure employee satisfaction in areas including benefits, work life balance, training, job satisfaction, etc. in 2017 and every two years thereafter.	Identify strengths and areas of improvement and develop action plans from 2017 survey results. Design, conduct, analyze employee engagement survey in 2019.	December 2017	Percent change in employee engagement index in comparison to 2017 survey	Sharmeen Bhojani	June	2018	On Schedule		A presentation was given to employees on the recommendation create by the employee feedback committees by executive management with action plans and timelines
418	FY 2017/18	Monthly	Finance and Administration	B	Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, streamlining individual Unit MOUs by December 2017.	Analyze and identify MOU items requiring revisions or streamlining. Create draft MOUs and Personnel Rules.	Identify revisions by July 2017. Create drafts by October 2017	Number of MOU drafts created	Sharmeen Bhojani	June	2018	On Schedule		All units approved of new MOUs by June 30, 2018
419	FY 2017/18	Monthly	Finance and Administration	B	Review and update the employee recognition program by December 2017.	Promote a culture that recognizes employees for job related accomplishments.	December 2017	Updated Policy A-75	Sharmeen Bhojani	June	2018	On Schedule		On hold until labor negotiations are finalized.
420	FY 2017/18	Quarterly	Finance and Administration	B	Promote positive labor relations by conducting routine informal labor/management meetings with unit representatives.	Hold quarterly Labor Management meetings to address concerns and issues on an ongoing basis	Ongoing	Number of grievances filed and number of grievances resolved informally.	Sharmeen Bhojani	June	2018	On Schedule		Labor negotiations were conducted with all 5 units and new MOUs approved by the units in June.
422	FY 2017/18	Quarterly	Finance and Administration	B	Promote positive labor relations by conducting routine informal labor/management meetings with unit representatives.	Promote and sustain open communication with all levels of staff to effectively resolve work related issues in harmonious manner.	Ongoing	Number of grievances filed and number of grievances resolved informally.	Sharmeen Bhojani	June	2018	On Schedule		2 grievances was received during the 4th quarter and 1 remains open.
424	FY 2017/18	Annual	Finance and Administration	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Post the Disaster Response Plan, along with the Incident Organization Chart (IOC) on Agency portal to ensure staff accessibility.	Ongoing	Complete periodic reviews of the Disaster Response Plan and Incident Organization Chart.	Sharmeen Bhojani	June	2018	On Schedule		An Agency-wide disaster drill was completed earlier in 2018. The Emergency Response Plan is under final review and will be posted to the Agency's intranet during the first quarter of 18/19.
426	FY 2017/18	Annual	Finance and Administration	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Move the initial IOC disaster drill timeline to September 2017 to allow a larger number new hires to participate, scheduling future drills at minimum every two years.	September 2017	Complete IOC disaster drills at minimum every two years.	Sharmeen Bhojani	January	2018	On Schedule		The disaster drill was conducted on January 24, 2017.
427	FY 2017/18	Quarterly	Finance and Administration	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Work with Departments to further implement Cal/OSHA required programs outlined on the Cal-VPP Action Log, ensuring an inclusive, supportive, safer work environment.	Ongoing	Monitor 'Action Log' progress by updating the VPP committee and management as appropriate.	Sharmeen Bhojani	June	2018	On Schedule		The Cal-VPP project is suspended at this time.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Human Resources (cont.)</b>														
429	FY 2017/18	Quarterly	Finance and Administration	B	Annually review and revise the Workplace Injury Illness Prevention Program to prevent work related injuries/illness and reduce loss of time worked.	Include the Injury Illness Prevention Program as a standing item on the Safety & Health Committee (SHC) Agenda ensuring bimonthly review by members. Integrate additional SHC member safety participation in various areas to promote fewer work related injuries.	Bi-Monthly/Annual	Review SHC participation periodically ensuring all members are provided the opportunity to contribute.	Sharmeen Bhojani	June	2018	On Schedule		The IIPP has been added as a standing item to the SHC agenda. Members are reminded to review periodically and make any recommendations. SHC members are taking part in various annual safety inspections increasing participation.
431	FY 2017/18	Monthly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Expand employee/management reporting options for incidents, near miss and safety observations. Conduct independent field reviews on staff's knowledge of Safety topics, continuing to provide compulsory and supplemental trainings as requested.	Ongoing	Review reports as submitted providing feedback and follow up. Monitor staff knowledge level of applicable Safety topics.	Sharmeen Bhojani	June	2018	On Schedule		Employees continue to report near miss/safety observations through the on-line system. Submissions continue to be monitored with follow-up and corrective actions provided to the employee and reviewed with the SHC.
433	FY 2017/18	Monthly	Finance and Administration	B	Ensure staff is fully trained on administrative functions and policies included in the Administrative Code.	Identify policies which are most relevant to employees. Create a training plan, schedule and conduct training for all staff.	June 2018	Number of training participants	Sharmeen Bhojani	June	2018	On Schedule		5 Agency policies have been revised as a result of labor negotiations
<b>Integrated Systems Services</b>														
335	FY 2017/18	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Conduct "Team Training" sessions for Process Automation and Control (SCADA) staff. A minimum of 8 sessions will be held during the year to improve staff knowledge	Annual by fiscal year end	Two training sessions per quarter monitored by sign-in sheets	David Malm	June	2018	On Schedule		Eight Team training sessions were held during the fiscal year.
336	FY 2017/18	Annual	Agency Management	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Annually test the technology disaster recovery and contingency plans.	Annual by fiscal year end	Conduct offsite SAP recovery test at least once per year and computer lab tests twice per year	David Malm	July	2018	On Schedule		An SAP DR test was conducted, and two onsite tests were performed in the Building B Lab area.
337	FY 2018/19	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Conduct "Team Training" sessions for Process Automation and Control (SCADA) staff. A minimum of 8 sessions will be held during the year to improve staff knowledge	Annual by fiscal year end	Two training sessions per quarter monitored by sign-in sheets	David Malm	August	2018	On Schedule		The first team training session of the fiscal year was held on July 26, 2018.
338	FY 2018/19	Annual	Agency Management	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Annually test the technology disaster recovery and contingency plans.	Annual by fiscal year end	Conduct offsite SAP recovery test at least once per year and computer lab tests twice per year	David Malm	August	2018	On Schedule		A test is scheduled for August 29th, 2018
339	FY 2017/18	Annual	Agency Management	C	Annually update Emergency Response and Operational Plans for all facilities.	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans	Annual completed by calendar year end	Update plans annually based on test results. Test results and plans will be presented to management for tracking purposes.	David Malm	July	2018	On Schedule		Test were conducted and updates to the documentation/procedures were made as needed. When possible, we entered the update work in SAP to keep a record.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b><u>Integrated Systems Services (cont.)</u></b>														
340	FY 2018/19	Annual	Agency Management	C	Annually update Emergency Response and Operational Plans for all facilities.	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans	Annual completed by calendar year end	Update plans annually based on test results. Test results and plans will be presented to management for tracking purposes.	David Malm	August	2018	On Schedule		Test is scheduled for August 29th, 2018
<b><u>Internal Audit</u></b>														
341	FY 2017/18	Quarterly	Agency Management	A	Continue commitment to sustainable cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment and make the Agency's processes and programs more efficient.	Report to the Audit Committee on completed audit projects Quarterly: March, June, September, and December	Completed audit projects and feedback from the Audit Committee and audited business units.	Teresa Velarde	August	2018	On Schedule		IA has completed audits scheduled through the Board-approved Annual Audit Plan. All audits focus on efficiency and effectiveness as well as compliance and internal controls while keeping cost containment in mind.
343	FY 2017/18	Quarterly	Agency Management	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Promote a strong control environment by conducting independent, objective audits of Agency operations where the focus and the audit scope includes evaluating that Agency processes and systems comply with the Agency's Mission, Vision, Values, best practice operations, processes and programs, Agency policies and procedures, as well as senior management input, as the criteria against which to measure performance and results of the audited business areas.	Report to the Audit Committee on completed audit projects Quarterly: March, June, September, and December	Internal Audits are to provide an independent and objective opinion, and feedback or recommendations for improvement and measure on how closely the criteria (Agency policies, procedures, including Mission, Vision and Values) are met, followed or understood. Provide recommendations to the appropriate personnel where to address gaps identified.	Teresa Velarde	August	2018	On Schedule		IA has completed audits as scheduled through the Board-approved Annual Audit Plan. All audits focus on efficiency and effectiveness as well as compliance and internal controls while keeping cost containment and tighter controls in mind - all reports provided recommendations and suggestions. Additionally, IA and all audit reports promote the Agency's mission, values, goals and objectives.
345	FY 2017/18	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trends.	Continuous requirement	Require 20 hours of Continuous Professional Education to be confirmed via requests for educational reimbursement and or through travel and expense reports.	Teresa Velarde	August	2018	On Schedule		All three auditors are working towards earning the Certified Internal Auditor certification title. All three already possess a higher level designation. All staff must meet the requirements of the IIA Standards and the Board-approved Charter for continuing professional development and education.

**Business Goals & Objectives Report By Department**

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Internal Audit (cont.)</b>														
347	FY 2017/18	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Encourage internal auditors to achieve the Certified Internal Auditor Designation by the Institute of Internal Auditors	Designations should be achieved by July 2019	Certification granted by the IIA is the measurement for certificate designation.	Teresa Velarde	August	2018	On Schedule		All three auditors in the department are preparing for the IIA Certified Internal Auditor certification. All three auditors already have a higher professional designation and regularly attend continuous professional development to stay abreast of best practices.
349	FY 2017/18	Quarterly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency's business practices.	Promote a strong control environment by conducting independent objective internal and external audits of Agency operations where the focus and scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations, improving customer service at all levels, ensuring safeguarding of Agency Assets, identifying ways to be effective and efficient.	Report to the Audit Committee on completed audit projects Quarterly: March, June, September, and December	Completed audit projects and feedback from the Audit Committee and audited business units.	Teresa Velarde	August	2018	On Schedule		IA completed audits as scheduled through the Annual Audit Plan. All audits focus on efficiency and effectiveness as well as compliance and internal controls.
351	FY 2017/18	Annual	Agency Management	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Update and maintain the Internal Audit Department's Disaster Preparedness Plan that supports the Agency-wide Plan and submit to the Audit Committee for review and submittal to the Board.	Annually December	Completed department plan that supports Agency-wide plan.	Teresa Velarde	August	2018	On Schedule		IA documented its own department-specific disaster preparedness plan. The plan indicates that IA should support critical Agency business units first. Additionally, all were training for NIMS and FEMA paperwork requirements and must first assist all Agency critical activities.
353	FY 2017/18	Quarterly	Agency Management	B	Ensure staff is fully trained on administrative functions and policies included in the Administrative Code.	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trends as well as training and knowledge of the Internal Audit Departments Standard Operating Procedures, ensure those procedures as well as the IAD Charter is updated annually, hold staff accountable for understanding their responsibilities under the SOPs, the Charters, Agency Policies and Directives and other policy documents.	Training provided continuously and ongoing, reported quarterly to the Audit Committee.	Completed Training, demonstration of application of the policies	Teresa Velarde	August	2018	On Schedule		Completed & Ongoing. IA staff must follow the IIA's Standards - guidance for professional and Ethic conduct and require continuing professional education and development. These requirements are also noted in the Board-approved Charters and the Audit Plan. All auditors are meeting requirements.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
355	FY 2017/18	Quarterly	Agency Management	C	Leverage private/public partnership opportunities.	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement.	Report quarterly to the Audit Committee and the Board. March, June, September and December.	Resourcefulness of networks.	Teresa Velarde	August	2018	On Schedule		Completed and on-going. Staff are required to uphold a professional demeanor at all times with all levels of staff. IA maintains loyalty to the Agency through assisting in achieve organizational goals and to the Board through ensuring reports contain objective assessments and facts.
357	FY 2017/18	Annual	Agency Management	C	Develop an Administrative Code to provide a platform for transparent communication with member agencies on key activities, issues, policies, and key documents.	Assist in any way by working closely with management and the Agency attorney, in the development of the Administrative Code, providing objective and independent review and feedback to the Administrative Code to ensure related policy and procedure requirements are addressed.	Report and respond to requests for feedback timely when requested.	Comments and recommendations provided on documents	Teresa Velarde	August	2018	On Schedule		Completed. IA assisted and provided recommendations, edits and feedback on draft versions of the Administrative Code documented by counsel. Recommendations were related to Agency policies, procedures, internal controls and other information.
359	FY 2017/18	Quarterly	Agency Management	C	Provide support for positions that would enable the implementation of the Agency's goals.	Promote support for the achievement of Agency goals, objectives, mission and values through audit areas where the goal and scope of the reviews are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations where the focus and the audit scope would be to identify opportunities for improvement and provide support for positions, processes, developments and initiatives at any level of the Agency, that would enable the implementation and support of the Agency goals and the achievement of those goals.	Report quarterly to the Audit Committee and the Board. March, June, September and December.	Completed audit projects and feedback/comments from Agency management and or the Audit Committee and the Board.	Teresa Velarde	August	2018	On Schedule		Completed and ongoing. As documented in the Board-approved Charter and IIA Standards, IAs role is to assist the Agency, the Board and the GM in achieving organizational goals and objectives while looking for opportunities to tighten controls, improve the effectiveness and efficiency opportunities. IA follows a disciplined methodology as outlined by the IIA standards and conducts work in a professional manner.
537	FY 2017/18	Annual	Engineering, Planning and Science	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Ensure all activities align and are consistent with the Agency's Objectives	Ongoing	Laboratory policies and procedures updated as needed.	Nel Groenveld	May	2018	On Schedule		Staff updating and adhering to Laboratory SOPs

## Laboratory



# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL

8/21/2018

Report Month: April, May, June : Year: 2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Laboratory (cont.)</b>														
540	FY 2017/18	Annual	Engineering, Planning and Science	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency's business practices.	Conduct annual internal audits of Laboratory practices to meet Environmental Laboratory Accreditation Program (ELAP) requirements	Annual July 31	Meet 100% of criteria	Nel Groenveld	May	2018	On Schedule		Lab internal audit scheduled for May 2018
543	FY 2017/18	Annual	Engineering, Planning and Science	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Update Laboratory Chemical Hygiene Plan (CHP)	Annual - June 30	CHP reviewed and updated to incorporate program award requirements	Nel Groenveld	May	2018	On Schedule		Finalized CHP document delayed to August 2018 to reflect changes needed after move to Water Quality Lab at HQ
545	FY 2017/18	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Conduct all bi-weekly training per Agency policies	Bi-Weekly	All Laboratory staff to attend all required meetings, at month end review of tailgate sign-in sheets	Nel Groenveld	August	2018	On Schedule		Bi-weekly safety meeting held as required
547	FY 2017/18	Quarterly	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Support Engineering during construction phase of Water Quality Laboratory	Ongoing, expected completion August 2018	Respond to CM RFIs in timely manner, causing no delays in construction	Nel Groenveld	August	2018	On Schedule		Delay in completion of new lab, continue to work with CM staff.
548	FY 2017/18	Monthly	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Minimal disruption to Laboratory customers during transition from old Laboratory at RP-1 to Water Quality Laboratory located at HQ	August 2018	During month of move from old lab sample turnaround times are met 90% of the time.	Nel Groenveld	May	2018	On Schedule		Not applicable until FY18/19
549	FY 2017/18	Monthly	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Evaluate new technologies in water analyses, implementing after completion of Water Quality Laboratory	Ongoing	Document implementation with reports	Nel Groenveld	May	2018	On Schedule		Not applicable until FY18/19
551	FY 2017/18	Quarterly	Engineering, Planning and Science	D	Meet basin plan requirements and objectives in support of the recycled water program.	Meet sample turnaround times in support of recycled water program requirements	Ongoing	100% acceptable TATs	Nel Groenveld	May	2018	On Schedule		Ongoing, met schedule for 3Q
553	FY 2017/18	Monthly	Engineering, Planning and Science	E	Monitor treatment plant performance to meet regulatory requirements.	Meet sample turnaround times in support of Operations process control and NPDES permit requirements.	Ongoing	1 day for "Process Control" samples 10 days after end of month for NPDES compliance samples	Nel Groenveld	May	2018	On Schedule		Ongoing, met timelines for 3Q
555	FY 2017/18	Quarterly	Engineering, Planning and Science	E	Develop a plan to continue maximizing recycled water use by meeting Basin Plan and regulatory water quality requirements such as TOC and, TIN objectives.	Support analyses requests for Basin Plan water quality requirements.	Quarterly	100% acceptable TATs	Nel Groenveld	May	2018	On Schedule		Ongoing, met timelines for 3Q
557	FY 2017/18	Annual	Engineering, Planning and Science	E	Proactively track and manage constituents of emerging concerns.	Purchase and install LCMSMS instrument to begin analysis of emerging constituents in Water Quality Laboratory	Ongoing, Expected completion in FY 2018/19	Laboratory SOP completed, and complete Initial Demonstration of Capability (IDC)	Nel Groenveld	May	2018	On Schedule		See Q2 comment
559	FY 2017/18	Monthly	Engineering, Planning and Science	E	Operate effective pre-treatment programs to minimize treatment plant upsets.	Support analyses requests for pre-treatment program	Ongoing	100% acceptable TATs	Nel Groenveld	May	2018	On Schedule		Currently meeting PTSC reporting timelines.
563	FY 2017/18	Quarterly	Engineering, Planning and Science	F	Comply with all regulatory requirements.	Meet analysis method QC and holding time requirements	Ongoing	>99% acceptable QC	Nel Groenveld	May	2018	On Schedule		QA/QC requirements and holding times have been met at >99% for all compliance samples

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Laboratory (cont.)</b>														
565	FY 2017/18	Quarterly	Engineering, Planning and Science	F	Comply with all regulatory requirements.	Begin process of updating Laboratory to new ELAP regulations which will be implemented over the next 6 years	FY 2018/19	IEUA Lab analysis SOP format meeting new ELAP requirements finalized by July 2018, all analysis SOPs updated with new format by July 2023	Nel Groenveld	May	2018	Behind Schedule		Have gotten a little behind due to Chemist retirements, as staff promotions/hires settle into positions we will be back on track in 4th quarter.
<b>Operations</b>														
512	FY 2017/18	Quarterly	Operations & Maintenance	A	Continue commitment to sustainable cost containment for operating and capital costs.	Work within fiscal year budget.	Quarterly	Work within FY 2017/18 and FY 2018/19 Operations budget. Review and report quarterly via the budget variance report.	Randy Lee	August	2018	On Schedule		Quarterly budget variance reports were submitted. Completed fiscal year at 89% of budget.
514	FY 2017/18	Quarterly	Operations & Maintenance	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Clearly communicate the Agency's Mission, Vision, & Values to staff and align their goals accordingly.	Ongoing	Communication with staff through all hands meetings and various staff meetings, and during annual appraisals.	Randy Lee	August	2018	On Schedule		Operations Division All Hands Meeting is scheduled for 8/29/18. O&M-North, O&M-South, and IERCF also conduct All Hands Meetings. Continue to have bi-weekly manager meetings and 1-on-1 meetings with staff. In addition, the O&M Departments meet daily for Yesterday-Today-Tomorrow (YTT) to discuss scheduling and operational requirements.
516	FY 2017/18	Quarterly	Operations & Maintenance	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Develop pilot mentoring program with the Human Resources department, continue with the Trades Intern Program, continue to hire prior to FTE retirements to provide smooth transition.	Complete by June 30, 2018	Develop a Trades Intern program update spread sheet and replacement intern/volunteer positions will be filled within three months. Fully Initiate pilot program by the end of FY 2017/18.	Chander Letulle	July	2018	On Schedule		The Trades Intern Program is on schedule. Positions are continuously being recruited for, and filled.
517	FY 2017/18	Quarterly	Operations & Maintenance	D	Meet basin plan requirements and objectives in support of the recycled water program.	Ground water recharge (GWR) compliance with water quality and recharge standards.	Quarterly and Ongoing	Meet Chino Basin Desalter Authority (CDA) assigned production goals.	Chander Letulle	July	2018	On Schedule		Chino I Desalter continues to meet the production goals set by the CDA management team.
519	FY 2017/18	Quarterly	Operations & Maintenance	D	Maintain water quality to meet customer needs, optimize recycled water use and minimize service interruptions and complaints (fruit labels, debris, etc.).	GWR to meet NPDES/RW Title 22 permit requirements for Reservoir management. Maintain equipment (uptime) by performing predictive and preventative maintenance.	Ongoing	Meeting 100% permit compliance	Andy Campbell	August	2018	On Schedule		No RW GWR compliance issues occurred the quarter.
521	FY 2017/18	Quarterly	Operations & Maintenance	D	Maximize the recharge of all sources of water.	GWR - ensure optimization of transmission and capture systems. Update the 2005 GWR Operations Plan and maintain optimal basin maintenance. Appropriately prioritize deliveries of storm, recycled, and imported water.	Ongoing	GWR Operations Plan to be completed December 2017.	Andy Campbell	August	2018	On Schedule		Operation Manual submitted to CBWM as final draft in July 2018

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL

8/21/2018

Report Month: April, May, June : Year: 2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Operations (cont.)</b>														
523	FY 2017/18	Quarterly	Operations & Maintenance	D	Work to change landscape and agricultural practices of high chemical use to increase use of compost to improve groundwater quality.	Inland Empire Regional Composting Authority (IERCA) - Promote Model Water Efficiency Landscape Ordinance and the state's Healthy Soil Initiative.	Quarterly and Ongoing	Provide updates on progress of initiatives	Jeff Ziegenbein	August	2018	On Schedule		SB1383 includes language with enforcement and penalties for MWELo along with new organics procurement requirements for jurisdictions. The draft language goes to formal rulemaking January 2019.
525	FY 2017/18	Quarterly	Operations & Maintenance	E	Monitor treatment plant performance to meet regulatory requirements.	100% Permit compliance	Ongoing	Meeting 100% Permit compliance.	Chander Letulle/Rick Mykitta	August	2018	On Schedule		In May 2018 a Coliform exceedance occurred at RP-4
527	FY 2017/18	Quarterly	Operations & Maintenance	E	Develop a plan to continue maximizing recycled water use while meeting Basin Plan and regulatory water quality requirements such as TOC and TIN objectives.	GWR - Continue basin sampling for water quality.	Ongoing	Quarterly GWR water quality sampling.	Andy Campbell	August	2018	On Schedule		Compliance sampling of wells, lysimeters, basins, and pipelines were completed.
529	FY 2017/18	Annual	Operations & Maintenance	E	Develop a plan to continue maximizing recycled water use while meeting Basin Plan and regulatory water quality requirements such as TOC and TIN objectives.	GWR - Complete the annual compliance report that includes the Recycled Water Contribution plan.	Annual	Complete the annual GWR compliance report.	Andy Campbell	August	2018	On Schedule		Annual GWR report was submitted for May 1, 2018
531	FY 2017/18	Semi-Annual	Operations & Maintenance	E	Maximize the use of bio-solids, including methods of expanding the use of compost by validating safety and productivity of the wastewater bi-product.	IERCA - Participate and support research to validate compost and biosolids safety.	Ongoing	Participate at least 2 times per year in industry research roundtables and identify opportunities to support research projects such as the use of biosolids on fire-ravaged lands.	Jeff Ziegenbein	August	2018	On Schedule		IEUA formally listed as participating agency in fire ravaged lands research along with CASA, LACSD, OCSD and others. The proposal was submitted to WRF to secure grants and kick off research. Also participate in ABBA, a national group of biosolids managers to network about CECs and research developments.
533	FY 2017/18	Semi-Annual	Operations & Maintenance	E	Help position IEUA as a recognized leader in organics management through study, demonstration and application of wastewater organics in landscapes and agriculture.	IERCA - Develop plan for an agricultural demonstration project to demonstrate the value of IERCA compost.	Complete by June 30, 2018	Written plan to be complete by third quarter of FY 2017/18	Jeff Ziegenbein	August	2018	On Schedule		A Plan was drafted and submitted to the Board. Continuing to work with IERCA Board to determine if a farm project or demonstration is appropriate and consistent with mission. Currently working through a mission statement exercise with the Board.
534	FY 2017/18	Annual	Operations & Maintenance	E	Optimize daily operations to reduce energy costs.	Support implementation of energy monitoring software. Continue to participate in the Southern California Edison demand response program.	Complete by June 30, 2018	Implement software to indicate where large energy usage is occurring.	Randy Lee	August	2018	On Schedule		Estimated completion date is now September 30, 2018. Working with Rockwell on this project and there have been delays due to their project manager's vacation time.
535	FY 2017/18	Quarterly	Operations & Maintenance	F	Comply with all regulatory requirements.	Comply with all Agency regulatory requirements.	Ongoing	Meet 100% compliance throughout the fiscal year.	Chander Letulle/Rick Mykitta	August	2018	On Schedule		RP1 - Ongoing Issues with the Flare, RP4 - Coliform Exceedance in May 2018
<b>Planning and Environmental Compliance</b>														
475	FY 2017/18	Quarterly	Engineering, Planning and Science	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Integrate projects identified in the various planning documents into the TYCIP.	Ongoing	The TYCIP detailed report is prepared every other year. Planning for the FY2018/19 report will commence in the fall of 2017.	Sylvie Lee	August	2018	On Schedule		TYCIP was approved by the Board.

**Business Goals & Objectives Report By Department**

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Planning and Environmental Compliance (cont.)</b>														
476	FY 2018/19	Quarterly	Engineering, Planning and Science	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Integrate projects identified in the various planning documents into the TYCIP.	Expected completion by March 2019	The TYCIP detailed report is prepared every other year. Planning for the FY2018/19 report will commence in the fall of 2017.	Sylvie Lee	January	2018	On Schedule		TYCIP is currently under development and should be completed by April 2018.
477	FY 2017/18	Quarterly	Engineering, Planning and Science	A	Complete rate study for wastewater EDU allocation.	Redefine the sewage factors currently used to determine the equivalent dwelling unit (EDU) as defined in Exhibit J of the Regional Contract.	June 2018	Revised Exhibit J Formula	Sylvie Lee	August	2018	Behind Schedule		The project continues to be on-hold as discussions continue with the technical committee.
478	FY 2017/18	Annual	Engineering, Planning and Science	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Ensure all activities align and are consistent with the Agency's Objectives.	Ongoing	Review activities and objectives in staff meetings and/or with individual staff members	Sylvie Lee	August	2018	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces and attending seminars to track issues as they relate to the Agency's short-and long-term goals.
480	FY 2017/18	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Conduct all monthly training required to meet Agency policies.	Monthly	100% employee completion	Sylvie Lee	August	2018	On Schedule		Complete monthly safety tailgate meetings and regulatory training.
481	FY 2018/19	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Conduct all monthly training required to meet Agency policies.	Monthly	100% employee completion	Sylvie Lee	January	2018	On Schedule		Safety meetings and regulatory trainings are held on a monthly basis and safety topics are completed as necessary.
482	FY 2017/18	Annual	Engineering, Planning and Science	C	Conduct lessons learned sessions to evaluate key program implementation.	Conduct workshops and lunch and learn sessions to present findings.	Annual	Outlook calendar and sign-in sheets to track workshops	Sylvie Lee	August	2018	On Schedule		Conduct quarterly Water Manager Meetings with member agencies and project workshops as needed to build consensus.
484	FY 2017/18	Semi-Annual	Engineering, Planning and Science	C	Leverage private/public partnership opportunities.	To provide the highest program value to the agency through fostering more-broad based collaborations.	Ongoing	For each program consider what opportunities exist to collaborate with partners/stakeholders as part of project feasibility.	Sylvie Lee	August	2018	On Schedule		Continue implementing various new programs through opportunities.
485	FY 2018/19	Semi-Annual	Engineering, Planning and Science	C	Leverage private/public partnership opportunities.	To provide the highest program value to the agency through fostering more-broad based collaborations.	Ongoing	For each program consider what opportunities exist to collaborate with partners/stakeholders as part of project feasibility.	Sylvie Lee	January	2018	On Schedule		The programs are ongoing and implemented as opportunities arise.
486	FY 2017/18	Annual	Engineering, Planning and Science	C	Collaborate with and support local businesses and economic development in the region through regional programs.	Implement a capacity lease program for new and existing industrial customers within the service area.	Ongoing	Develop the program	Sylvie Lee	August	2018	On Schedule		The development of a capacity lease program for the regional sewer system is part of the ongoing sewer use fee study and is currently on a 6-month hold per the direction of the Technical Committee.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL

Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Planning and Environmental Compliance (cont.)</b>														
488	FY 2017/18	Semi-Annual	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Maintain relationships with industries to be current on latest trends and technology. Identify and participate in opportunities that will further technologies and efficiencies (Pilot/Research Projects).	Ongoing	Stakeholder collaborations and vendor training. Study/Participation	Sylvie Lee	August	2018	On Schedule		Staff is currently working with SAWPA on several technology based projects that will support member agencies in meeting compliance with state's long-term water conservation regulations.
489	FY 2018/19	Semi-Annual	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Maintain relationships with industries to be current on latest trends and technology. Identify and participate in opportunities that will further technologies and efficiencies (Pilot/Research Projects).	Ongoing	Stakeholder collaborations and vendor training. Study/Participation	Sylvie Lee	January	2018	On Schedule		Staff recently completed residential landscape guidebook in collaboration with EMVWD, Corona, Rancho California WD, and Elsinore Valley MWD in support of IEUA's landscape programming and member agencies. Ongoing participation in the California Data Collaborative to develop dashboards and research projects to support local agencies and statewide efficiency goals.
490	FY 2017/18	Annual	Engineering, Planning and Science	D	Implement programs across all sectors, residential, commercial and agricultural, to make outdoor water use efficient, helping to maintain groundwater levels, eliminate waste and promote efficient use of water to meet and exceed state regulatory requirements.	Ensure that activities are consistent with defined strategic planning documents, such as IRP, WUE business plan, implementation of OBMP, SARCCUP. Provide toolbox that will support the implementation of the State's long-term WUE Regulations	Ongoing	Annual water use monitoring	Sylvie Lee	August	2018	On Schedule		Staff is launching a pilot landscape AG Program in addition to enhancing residential and CII Rebates for turf removal to encourage increased water use efficiency.
492	FY 2017/18	Semi-Annual	Engineering, Planning and Science	D	Develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.	Update long term water resource documents and continue development in local supplies	Ongoing	Complete IRP Phase 2 by December 2018 MWD-LRP application by December 2018	Sylvie Lee	August	2018	On Schedule		Modeling work for IRP Phase 2 is currently underway. Evaluation of the LRP funding is occurring in conjunction with the Prop 1 program development.
493	FY 2018/19	Semi-Annual	Engineering, Planning and Science	D	Develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.	Update long term water resource documents and continue development in local supplies	Ongoing	Complete IRP Phase 2 by December 2018 MWD-LRP application by December 2018	Sylvie Lee	January	2018	On Schedule		Modeling work for IRP phase 2 will commence in February 2018. LRP program is on hold pending further discussions with member agencies.
494	FY 2017/18	Annual	Engineering, Planning and Science	D	Develop regional collaboration for groundwater storage programs.	Support implementation of OBMP elements, development of a Chino Basin Water Bank, SARCCUP, and Storage Management Plan.	Ongoing	These programs are on-going and under development. Continue to develop and support water resources programs that align with the Agency's mission	Sylvie Lee	August	2018	On Schedule		We continue to work with regional stakeholders to develop water resource programs such as the Prop 1 CBWEP, SARCCUP, and water bank.
496	FY 2017/18	Quarterly	Engineering, Planning and Science	D	Develop plans for regional low-impact development.	Collaborate with local agencies to identify and implement Low-Impact Development (LID) methods and practices	Compleat by June 2018	Adoption of local Ordinances and Resolutions incorporating LID methods.	Sylvie Lee	August	2018	On Schedule		Staff is in the process of collaborations in conjunctions with the San Bernardino County Regional Stormwater Management Plan. The draft should be prepared by the end of the year.

# Business Goals & Objectives Report By Department

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

Department: ALL  
Report Month: April, May, June : Year: 2018

8/21/2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Planning and Environmental Compliance (cont.)</b>														
497	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Identify opportunities to augment the regional recycled water system.	Evaluate possibility of connecting brackish groundwater to supplement recycled water supply	Complete by June 2019	Develop Plan	Sylvie Lee	January	2018	On Schedule		Prop 1 application has been submitted for advanced water treatment facilities. Discussions are underway with Upper Santa Ana River dischargers to purchase supplemental water to increase IEUA recycled water in the service area working with Pomona and JCSD to potentially bring on external supplies to augment RW.
498	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Meet basin plan requirements and objectives in support of the recycled water program.	Work towards amending the Basin Plan with updated salinity requirements	Complete by June 2019	Monitor progress through meetings regarding Basin Plan Amendment	Sylvie Lee	January	2018	On Schedule		Initiated the basin plan amendment modeling for longer term averaging of Total Dissolved Solids (TDS). Coordinating with the regional board to account for drought related TDS challenges.
500	FY 2018/19	Quarterly	Engineering, Planning and Science	E	Continue the process of collaborative negotiations in support of reaching mutually agreeable terms for the new Regional Contract.	Develop a mutually agreeable term-sheet for the regional contract	Complete by June 2019	Produce a term-sheet	Sylvie Lee	January	2018	On Schedule		The negotiations with the contracting agencies are currently ongoing with the assistance of a facilitator. Contracting agency committees and IEUA to discuss path forward on the contract negotiation in upcoming meetings/workshops.
501	FY 2018/19	Quarterly	Engineering, Planning and Science	E	Develop and analyze processes related to salinity management.	Work towards amending NPDESs Permit to provide long-term salinity management	Complete by June 2019	Produce the NPDES Permit Amendment	Sylvie Lee	January	2018	On Schedule		Initiated the work on the basin plan amendment modeling. Results will be coordinated with Regional Water Quality Control Board for any updates to the NPDES permits.
502	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Operate effective pre-treatment programs to minimize treatment plant upsets.	Revise Regional Wastewater Ordinance. Proactively work with member agencies to identify and permit all Significant Industrial Users. Control the discharges from SIUs by issuing wastewater discharge permits. Conduct an inspection and monitoring program to determine compliance with pretreatment standards and requirements.	Complete by December 2018	Provide a revised Wastewater Ordinance	Sylvie Lee	August	2018	On Schedule		Drafting revisions to the regional wastewater ordinance for completion by December 2018. Continue to work with member agencies to identify and permit all Significant Industrial Users (SIU).
503	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Implement energy efficient projects and efficiencies into existing facilities and equipment.	Conduct Feasibility studies to evaluate available technologies and estimate cost and benefits	Ongoing	Energy Efficiency Findings reports	Sylvie Lee	August	2018	On Schedule		Continuing to work with Southern California Edison and Southern California Regional Energy Network for implementation of energy efficient projects, such as blower optimization and pump retrofit.
504	FY 2018/19	Semi-Annual	Engineering, Planning and Science	E	Implement energy efficient projects and efficiencies into existing facilities and equipment.	Conduct Feasibility studies to evaluate available technologies and estimate cost and benefits	Ongoing	Energy Efficiency Findings reports	Sylvie Lee	January	2018	On Schedule		Continue to work with Southern California Edison and Southern California Regional Energy Network to identify and implement energy efficiency projects such as pump testing, blower optimization, heating, ventilation, and air conditioning.
505	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Implement long term projects in support of long term renewable energy goals and minimize carbon footprint	Update Energy Management Plan	Complete by June 2018	Provide an updated 2018 Energy Management Plan	Sylvie Lee	August	2018	On Schedule		A feasibility study is currently being conducted and the project is ongoing.
506	FY 2017/18	Semi-Annual	Engineering, Planning and Science	F	Develop and update logical, technically-based and defensible local limits for regional significant industrial users.	Develop the Local Limits	Complete by June 2018	Adopt the Local Limits Resolution	Sylvie Lee	August	2018	On Schedule		Local limits were approved by the Regional Water Quality Board and adopted by the IEUA Board in May.

**Planning and Environmental Compliance (cont.)**

**Business Goals & Objectives Report By Department**

FY 2017/18  
4<sup>th</sup> Quarter

Exhibit B

8/21/2018

Department: ALL  
Report Month: April, May, June : Year: 2018

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
507	FY 2018/19	Semi-Annual	Engineering, Planning and Science	F	Develop response plans to minimize impacts to affected communities related to storm water Low Impact Development (LID), odor surveys, drought planning, project construction etc.	Develop Stormwater Resources Plan, Odor Surveys, and Regional Drought and Water Shortage Plan	Complete by June 2019	Provide completed plans and survey	Sylvie Lee	January	2018	On Schedule		Staff is currently working in collaboration with the member agencies on completing a regional drought response plan that includes technical and communication workgroups to provide expertise for plan development.
508	FY 2017/18	Semi-Annual	Engineering, Planning and Science	F	Develop plans to support environmental stewardship in support of the Agency's key business areas.	Planning & Environmental Resources	Complete by June 2018	Provide completed plan	Sylvie Lee	August	2018	On Schedule		Supporting local benefits by pursuing grant funding such as Prop 1 and SARCCUP.
509	FY 2017/18	Annual	Engineering, Planning and Science	F	Develop plans to support environmental stewardship in support of the Agency's key business areas.	Planning & Environmental Resources	Ongoing	Provide Annual Report	Sylvie Lee	August	2018	On Schedule		Develop annual reports tracking regional water production, conservation programs, recycled water, and estimated wastewater flow projects.
511	FY 2018/19	Semi-Annual	Engineering, Planning and Science	F	Participate and develop regional plans that provide a long-term habitat conservation plan.	Develop the Santa Ana River Habitat Conservation Plan	Complete by June 2019	Provide Completed Plan	Sylvie Lee	January	2018	On Schedule		Work on the habitat plan is ongoing. Discussions are underway to setup joint power authority to implement plan and negotiate with wildlife agencies.

**Inland Empire Utilities Agency  
Inter-Departmental / Division Transfers FY 2017/18  
Budget Transfer**

Fund	Fund Name	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	Administrative Services	4/4/18	512170	O & M supplies	\$32,000	521010	Contract Labor	\$32,000	Transfer due to staff doing more in-house repairs than originally projected.	4
10200	Administrative Services	4/4/18	512110	Supplies - General	\$5,000	521050	Contract Materials	\$5,000	Transfer due to staff doing more in-house repairs than originally projected.	4
10200	Administrative Services	4/4/18	512170	O & M supplies	\$18,000	521050	Contract Materials	\$18,000	Transfer due to staff doing more in-house repairs than originally projected.	4
10200	Administrative Services	4/4/18	512710	Equip. Maint. Supp	\$10,000	521050	Contract Materials	\$10,000	Transfer due to staff doing more in-house repairs than originally projected.	4
10200	Administrative Services	4/9/18	512610	Equip. - Office	\$500	512010	Office Supplies	\$500	Transfer needed for the purchase of supplies, supporting the Agency's Disaster Incident Action Plan.	4
10200	Administrative Services	4/10/18	521080	Other Contract Svcs	\$24,500	521080	Other Contract Svcs	\$24,500	Transfer to cover GM's on-boarding process for her transition into IEUA, which was not budgeted for in the FY 17/18 budget.	4
10200	Administrative Services	4/24/18	511120	Training - Dept	\$18,723	511120	Training - Dept	\$18,723	Transfer needed to cover Operations Division training costs that were mistakenly budgeted under RP-1 and RP-4 Operations instead of at the Admin level.	4
10200	Administrative Services	4/24/18	511120	Training - Dept	\$7,500	511120	Training - Dept	\$7,500	Transfer needed to cover Operations Division training costs that were mistakenly budgeted under RP-1 and RP-4 Operations instead of at the Admin level.	4
10200	Administrative Services	4/26/18	521080	Other Contract Svcs	\$50,000	520213	Legal - Labor Relations	\$50,000	Transfer to cover cost of Engagement Agreement with Littler Employment & Labor Law Solutions to support the Agency with employment law and labor relations related to the MOU negotiations.	4
10200	Administrative Services	5/2/18	521080	Other Contract Svcs	\$20,000	521080	Other Contract Svcs	\$20,000	To cover anticipated cost of accounts payable temporary services required through FY end closing.	4
10200	Administrative Services	5/3/18	512170	O&M Supplies	\$2,000	512010	Office Supplies	\$2,000	Transfer is needed to offset costs.	4
10200	Administrative Services	5/3/18	512450	Fleet Parts & Svcs	\$9,000	521080	Other Contract Svcs	\$9,000	Transfer is needed to offset costs.	4
10200	Administrative Services	5/24/18	505010	Pay - Temp Services	\$10,000	520980	Prof Svcs - Other	\$10,000	Transfer to cover the cost of serviced provided by Martin Pinon of MuniTemps	4
10200	Administrative Services	5/24/18	521080	Other Contract Svcs	\$35,000	520980	Prof Svcs - Other	\$35,000	Transfer to cover the cost of serviced provided by Martin Pinon of MuniTemps	4
10200	Administrative Services	5/29/18	521410	Comp Sys Maint	\$10,000	512010	Office Supplies	\$10,000	Transfer to underfunded accounts to cover toner and computer equipment	4
10200	Administrative Services	5/29/18	521410	Comp Sys Maint	\$10,000	512620	Equipment - Comp <\$1,000	\$10,000	Transfer to underfunded accounts to cover toner and computer equipment	4
10200	Administrative Services	6/11/18	519010	GM Contingency	\$30,000	520210	Legal - General	\$30,000	Transfer due to unforeseen general legal and litigation expenses.	4
10200	Administrative Services	6/11/18	519010	GM Contingency	\$30,000	520210	Legal - General	\$30,000	Transfer due to unforeseen general legal expenses.	4
10200	Administrative Services	6/11/18	521010	Contract Labor	\$50,000	520210	Legal - General	\$50,000	Transfer due to unforeseen general legal and litigation expenses.	4
10200	Administrative Services	6/11/18	519010	GM Contingency	\$5,000	520230	Legal - Litigation	\$5,000	Transfer due to unforeseen general legal and litigation expenses.	4
10200	Administrative Services	6/11/18	520980	Prof Svcs - Other	\$25,000	520230	Legal - Litigation	\$25,000	Transfer due to unforeseen general legal and litigation expenses.	4
10200	Administrative Services	6/11/18	519010	GM Contingency	\$10,000	521080	Other Contract Services	\$10,000	Transfer due to unforeseen general legal expenses.	4
10200	Administrative Services	6/18/18	520930	Prof Svcs - Pub Inf.	\$2,000	512950	Promotional Items	\$2,000	Transfer to cover promotional items reclassification.	4
10200	Administrative Services	6/27/18	520930	Prof Svcs - Pub Inf.	\$2,300	514110	Subs/Publications	\$2,300	Transfer to cover a new contract with Archive Social.	4
10500	Non-Reclaimable Wastewater	5/23/18	512170	O&M Supplies	\$17,000	545110	Electricity	\$17,000	Transfer due to higher than anticipated usage.	4
10600	Recycled Water	4/12/18	521010	Contract Labor	\$10,000	512160	Lab Supplies	\$10,000	Transfer for lab supplies needed for GWR Lab testing	4
10800	Regional Wastewater Operations & Maintenance	4/18/18	512730	Equipment Rental	\$6,500	521010	Contract Labor	\$6,500	Request to transfer funds.	4



**Inland Empire Utilities Agency  
Inter-Departmental / Division Transfers FY 2017/18  
Budget Transfer**

Fund	Fund Name	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10800	Regional Wastewater Operations & Maintenance	4/26/18	530016	Sodium Hypochlorite	\$41,700	530016	Sodium Hypochlorite	\$41,700	Transfer to cover the chemicals at RP-4 through the remainder of the fiscal year.	4
10800	Regional Wastewater Operations & Maintenance	4/26/18	530016	Sodium Hypochlorite	\$8,300	530024	Ferric Chloride	\$8,300	Transfer to cover the chemicals at RP-4 through the remainder of the fiscal year.	4
10800	Regional Wastewater Operations & Maintenance	5/7/18	512170	O&M Supplies	\$8,500	545320	Telephone	\$8,500	Transfer due to account being underfunded for telephone services at the plants.	4
10800	Regional Wastewater Operations & Maintenance	6/19/18	545110	Electricity	\$191,000	545110	Electricity	\$191,000	Transfer due to increased pumping demand which resulted in an increased kW load on CCWRF Operations.	4
10800	Regional Wastewater Operations & Maintenance	6/19/18	545110	Electricity	\$150,000	545110	Electricity	\$150,000	Transfer due to increased pumping demand which resulted in an increased kW load on RP-5 Operations.	4
10800	Regional Wastewater Operations & Maintenance	6/19/18	545110	Electricity	\$17,000	545110	Electricity	\$17,000	Increased solids treatment has resulted in an increased kW load on RP-2 Operations.	4
				<b>Total O&amp;M Transfers Out</b>	<b>\$866,523</b>		<b>Total O&amp;M Transfers In</b>	<b>\$866,523</b>		

Fund		Date	Project	Project Description	Amt Transfer Out	Project	Project Description	Amt Transfer In	Justification	QTR
10300	Recharge Water	5/24/18	EN18007	RMPU Construction	\$210,000	RW15003	Recharge Master Plan Update	\$210,000	Transfer requested due to design activities increasing sooner to address necessary regulatory and permitting requirements before design completion.	4
10800	Regional Wastewater Operations & Maintenance	4/10/18	521080	Other Contract Svcs	\$75,000	PA17006	Agency-Wide Aeration	\$75,000	Transfer funds that were requested by Technical Services to this Engineering project due to organizational changes	4
10800	Regional Wastewater Operations & Maintenance	5/17/18	EN17040	RP-1 Aeration Panel	\$900,000	PA17006	Agency-Wide Aeration	\$900,000	Transfer to cover full payment of equipment and material that has been delivered to the project site.	4
				<b>Total Project Transfers Out</b>	<b>\$1,185,000</b>		<b>Total Project Transfers In</b>	<b>\$1,185,000</b>		

**Inland Empire Utilities Agency  
FY 2017/18 GM Contingency Account Activity**

Exhibit C-2

Date	Description	Account/Project No.	Requestor	GM Contingency Budget	Transfers	Balance
7/1/2017	FY 2017/18 Adopted Budget	10200-112100-100000-519010		\$300,000		\$300,000
8/15/2017	Transfer to cover IEUA's portion of new SAWPA director's reception costs	10500-112100-160000-513010	P. Joseph Grindstaff		\$180	\$299,820
8/29/2017	Transfer to cover sales tax associated with Oracle Primavera annual maintenance fee	10900-118100-500000-521410	K. Pantayatiwong		\$1,700	\$298,120
2/27/2018	Transfer to cover litigation and legal settlement expense	10200-112100-100000-520290	H. Razak		\$57,000	\$241,120
2/27/2018	Transfer to cover litigation and legal settlement expense	10200-112100-100000-520230	H. Razak		\$2,975	\$238,145
6/14/2018	Transfer to cover unforeseen legal and litigation expenses	10200-112100-100000-520230	A. Woodruff		\$30,000	\$208,145
6/21/2018	Transfer to cover unforeseen legal expenses	10500-112100-160000-520210	A. Woodruff		\$40,000	\$168,145
6/21/2018	Transfer to cover unforeseen professional fees	10500-112100-160000-521080	A. Woodruff		\$5,000	\$163,145
6/25/2018	Transfer to create project EN18057 NRW Manhole Cover Removal	10500-127302-170000-570005	S. Stone		\$85,000	\$78,145
<b>GG Fund GM Contingency</b>				<b>\$300,000</b>	<b>\$221,855</b>	<b>\$78,145</b>
<b>GM CONTINGENCY GRAND TOTAL</b>				<b>\$300,000</b>	<b>\$221,855</b>	<b>\$78,145</b>

**Inland Empire Utilities Agency  
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2017/18**

Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification				
10200	Capital	4/23/18	Yes	Yes	Yes	IS18004	BizNet Network Infrastructure Replacement	\$240,000	\$0	\$240,000	(\$50,000)	\$190,000	\$240,000	(\$50,000)	\$190,000	IS18019	Transfer for project IS18019 to provide a central point for computer system log collection.				
						IS18019	BizNet Cybersecurity SIEM	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	(IS18004)					
<b>Subtotal Administration (GG):</b>								<b>\$240,000</b>		<b>\$240,000</b>		<b>\$240,000</b>		<b>\$240,000</b>							
10600	Capital	6/7/18	Yes	Yes	No	EN17007	RW System 930 to 800 PRV	\$600,000	\$0	\$600,000	(\$50,000)	\$550,000	\$75,600	(\$50,000)	\$25,600	EN18054	Transfer to pay a change order and staff labor to close out the project.				
						EN18054	RP-1 Recycled Water Valve Replacement Phase II	\$115,000	\$0	\$115,000	\$50,000	\$165,000	\$115,000	\$50,000	\$165,000	(EN17007)					
Capital	7/23/18	Yes	Yes	Yes	EN13045	Wineville Recycled Water Segment B	\$11,865,300	\$0	\$11,865,300	(\$35,000)	\$11,830,300	\$100,000	(\$35,000)	\$65,000	EN18058	Transfer to create new project, EN18058, to reclass the project costs that were incurred on an O&M project to a capital project.					
					EN18058	RP-1 1050 Zone Surge Tank Repair	\$0	\$0	\$0	\$35,000	\$35,000	\$0	\$35,000	\$35,000	(EN13045)						
<b>Subtotal Recycled Water (WC):</b>								<b>\$12,580,300</b>		<b>\$12,580,300</b>		<b>\$290,600</b>		<b>\$290,600</b>							
10800	Capital	4/25/18	Yes	Yes	Yes	EN17043	RP-4 Primary Clarifier Rehab	\$6,560,900	\$0	\$6,560,900	(\$40,000)	\$6,520,900	\$750,750	(\$40,000)	\$710,750	EN19010	Transfer from EN17043 to EN19010 to cover the research and preparation of the project charter for the Influent Screen Replacement project that was originally scheduled to begin in FY 2018/19.				
						EN19010	RP-4 Influent Screen Replacement	\$0	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000	\$40,000	(EN17043)					
Capital	5/16/18	Yes	Yes	Yes	EN17065	RP-2 Microturbine	\$2,210,000	\$0	\$2,210,000	(\$115,000)	\$2,095,000	\$150,000	(\$115,000)	\$35,000	EN18056	Transfer from EN17065 to EN18056 to fund the emergency pipeline construction project.					
					EN18056	RP-1 Lagoon No. 3 Outfall Pipe	\$0	\$0	\$0	\$115,000	\$115,000	\$0	\$115,000	\$115,000	(EN17065)						
Capital	6/28/18	Yes	Yes	No	EP18002	North Major Facilities Repair	\$1,109,000	\$0	\$1,109,000	(\$100,000)	\$1,009,000	\$1,108,920	(\$100,000)	\$1,008,920	EN18042	Transfer to complete the scope of EN18042 which consists of drainage and paving improvements in the areas of the South East of RP-1 Operations building that have reached the end of their useful life.					
					EN18042	RP-1 Civil Restoration and Upgrades	\$500,000	\$0	\$500,000	\$100,000	\$600,000	\$105,000	\$100,000	\$205,000	(EP18002)						
<b>Subtotal Regional Operations (RO):</b>								<b>\$10,379,900</b>		<b>\$10,379,900</b>		<b>\$2,114,670</b>		<b>\$2,114,670</b>							
10900	Capital	4/2/18	Yes	Yes	No	EN11039	RP-1 Disinfection Pump Improvements	\$5,700,367	\$0	\$5,700,367	(\$40,000)	\$5,660,367	\$1,197,000	(\$40,000)	\$1,157,000	EN19026	Transfer from EN11039 to start EN19026, planned for FY 2018/19, a few months early. Transfer to cover project charter and consultant RFP for pre-design.				
						EN19026	CCWRF 12kv Switchgear Replacement	\$0	\$0	\$0	\$40,000	\$40,000	\$0	\$40,000	\$40,000	(EN11039)					
Capital	4/2/18	Yes	Yes	Yes	IS18001	FY 17/18 SCADA Energy Monitoring	\$75,000	(\$20,000)	\$55,000	(\$50,000)	\$5,000	\$55,000	(\$50,000)	\$5,000	IS18018	Transfer to create new project IS18018 that will provide a central point for computer system log collection.					
					IS18018	SCADA Cybersecurity SIEM	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	IS18001)						
<b>Subtotal Regional Capital (RC):</b>								<b>\$5,775,367</b>		<b>\$5,705,367</b>		<b>\$1,252,000</b>		<b>\$1,202,000</b>							
								<b>Capital Total Project Budget</b>		<b>Capital Total Project Budget</b>		<b>Total Annual Capital Budget</b>									
								<b>Adopted</b>		<b>Amended</b>		<b>Adopted</b>		<b>Amended</b>							
								<b>\$28,975,567</b>		<b>\$28,955,567</b>		<b>\$3,897,270</b>		<b>\$3,897,270</b>							

**Inland Empire Utilities Agency**  
**Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2017/18**

**Exhibit D**

Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10500	O&M Proj	7/2/18	Yes	Yes	Yes	EN18057	NRW Manhole Cover Removal	\$0	\$0	\$0	\$85,000	\$85,000	\$0	\$85,000	\$85,000	GM Contingency	Transfer to create new project, EN18057, to remove 42 interior manhole covers due to high amounts of hydrogen sulfide corrosion.
<b>Subtotal Non-Reclaimable Wastewater (NC):</b>								<b>\$0</b>				<b>\$85,000</b>	<b>\$0</b>		<b>\$85,000</b>		
10600	O&M Proj	6/28/18	Yes	Yes	No	EN17020	WC On-Call Operations and Maintenance Support	\$300,000	\$0	\$300,000	(\$5,000)	\$295,000	\$250,000	(\$5,000)	\$245,000	EN17051	Transfer to cover the final invoice for the contractor and IEUA labor to close out project EN17051.
						EN17051	CCWRF Valve Replacement	\$325,000	\$0	\$325,000	\$5,000	\$330,000	\$18,940	\$5,000	\$23,940	(EN17020)	
<b>Subtotal Recycled Water (WC):</b>								<b>\$625,000</b>				<b>\$625,000</b>	<b>\$268,940</b>		<b>\$268,940</b>		
10700	O&M Proj	6/28/18	Yes	Yes	Yes	WR18002	Landscape Audit	\$40,000	\$0	\$40,000	(\$40,000)	\$0	\$40,000	(\$40,000)	\$0	WR18005	Transfer to new project, WR18005, to fund potential restart of MWD's turf removal rebate program. Maximum rebates available to customers within the IEUA service area will be \$2 per square foot for both the residential and commercial sectors.
						WR18006	Large Landscape Retrofit	\$200,000	\$0	\$200,000	(\$200,000)	\$0	\$200,000	(\$200,000)	\$0	WR18005	
						WR18008	CII Rebate Incentive	\$326,959	\$0	\$326,959	(\$45,000)	\$281,959	\$326,959	(\$45,000)	\$281,959	WR18005	
						WR18015	Landscape Training Classes	\$15,000	\$0	\$15,000	(\$15,000)	\$0	\$15,000	(\$15,000)	\$0	WR18005	
						WR18011	Freesprinklernozzles.com	\$200,000	\$0	\$200,000	(\$200,000)	\$0	\$200,000	(\$200,000)	\$0	WR18005	
						WR18017	Residential Pressure Regulation	\$300,000	\$0	\$300,000	(\$300,000)	\$0	\$300,000	(\$300,000)	\$0	WR18005	
						WR18027	Residential Controller Upgrade	\$200,000	\$0	\$200,000	(\$200,000)	\$0	\$200,000	(\$200,000)	\$0	WR18005	
						WR18005	Turf Removal Rebate Incentive	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	
O&M Proj	6/28/18	Yes	Yes	No	WR17018	IEUA Member Agency Local Programs FY 16/17	\$100,000	\$0	\$100,000	(\$51,262)	\$48,738	\$89,083	(\$51,262)	\$37,821	WR18018	Transfer to cover outstanding MOUs with member agencies for projects currently in progress.	
					WR18018	IEUA Member Agency Local Programs FY 17/18	\$100,000	\$0	\$100,000	\$51,262	\$151,262	\$100,000	\$51,262	\$151,262	(WR17018)		
O&M Proj	6/28/18	Yes	Yes	No	WR16006	Residential Landscape Device Retrofit FY 15/16	\$400,000	\$0	\$400,000	(\$7,713)	\$392,287	\$7,713	(\$7,713)	\$0	WR17006	Transfer from FY 15/16 project to consolidate all grant related projects.	
					WR17006	Residential Landscape Device Retrofit FY 16/17	\$200,000	\$0	\$200,000	\$7,713	\$207,713	\$152,253	\$7,713	\$159,966	(WR16006)		
<b>Subtotal Water Resources (WW):</b>								<b>\$2,081,959</b>				<b>\$2,081,959</b>	<b>\$1,631,008</b>		<b>\$1,631,008</b>		

Inland Empire Utilities Agency

Exhibit D

Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2017/18

Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10800	O&M Proj	6/5/18	Yes	Yes	No	PL17001	RO Planning Documents	\$1,200,000	\$0	\$1,200,000	(\$110,000)	\$1,090,000	\$200,000	(\$110,000)	\$90,000	PL17004	Transfer to cover the additional Phase 2A of the Wastewater Flow and Loading Study which will help update "Exhibit J" of the Regional Contract.
						PL17004	Wastewater Flow and Loading Study	\$50,000	\$0	\$50,000	\$110,000	\$160,000	\$27,500	\$110,000	\$137,500	(PL17001)	
	O&M Proj	7/2/18	Yes	Yes	Yes	EN19034	RP-1 Operations Building Paving	\$0	\$0	\$0	\$170,000	\$170,000	\$0	\$170,000	\$170,000	(O&M: 521010, 521050)	Transfer from O&M to create new project, EN19034, to pave curbs and pavement that has worn out at RP-1 and is causing a safety issue.
<b>Subtotal Regional Operations (RO):</b>								<b>\$1,250,000</b>				<b>\$1,420,000</b>	<b>\$227,500</b>		<b>\$397,500</b>		

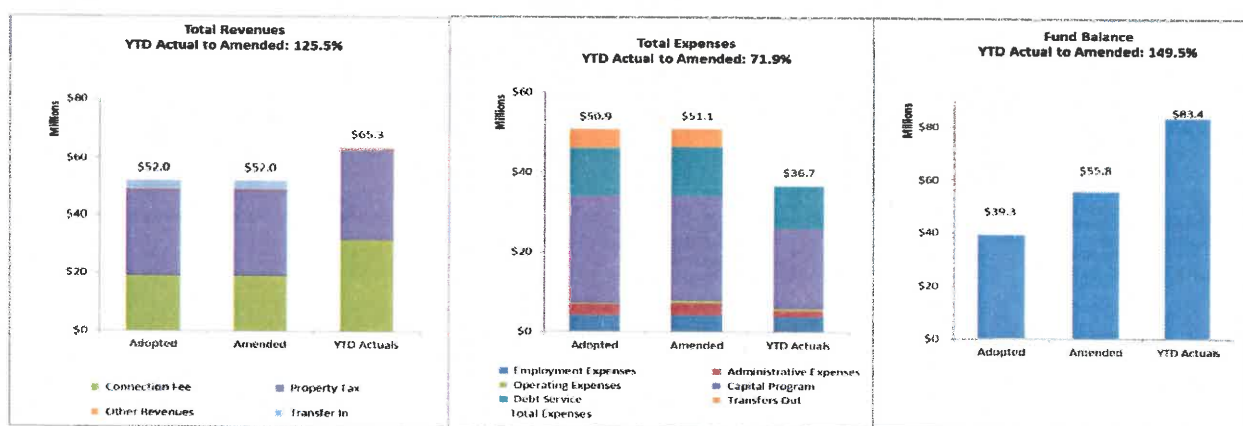
O&M Total Project Budget		O&M Total Project Budget		Total Annual O&M Project Budget	
Adopted	Amended	Adopted	Amended	Adopted	Amended
\$3,956,959		\$4,211,959		\$2,127,449	\$2,382,449

Total Capital and O&M Project Transfers:	\$1,908,975
Total Project Budget Change - Capital:	-\$20,000
Total Project Budget Change - O&M Proj:	\$255,000
Total Project Budget - Net Change:	\$235,000

## Financial Overview of Agency's Programs FY 2017/18 quarter ended June 30, 2018 Total Revenues, Expenses, and Fund Balance

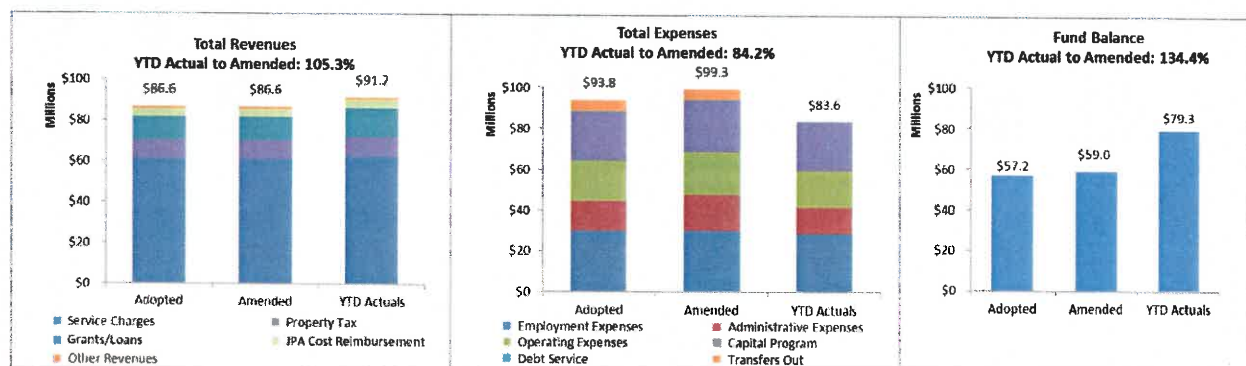
### *Regional Wastewater Capital Improvement Fund*

Actual revenues through the end of the fourth quarter were \$65.3 million compared to the \$52.0 million amended budget. Actual expenses were \$36.7 million compared to the \$51.1 million amended budget. The positive variance was mainly due to connection fee and property tax receipts and delays in project execution as a result of extended request for proposal periods, project peer reviews, and contractor schedule delays. The fund balance reflected an aggregate change of \$27.6 million. A total of \$0.9 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.



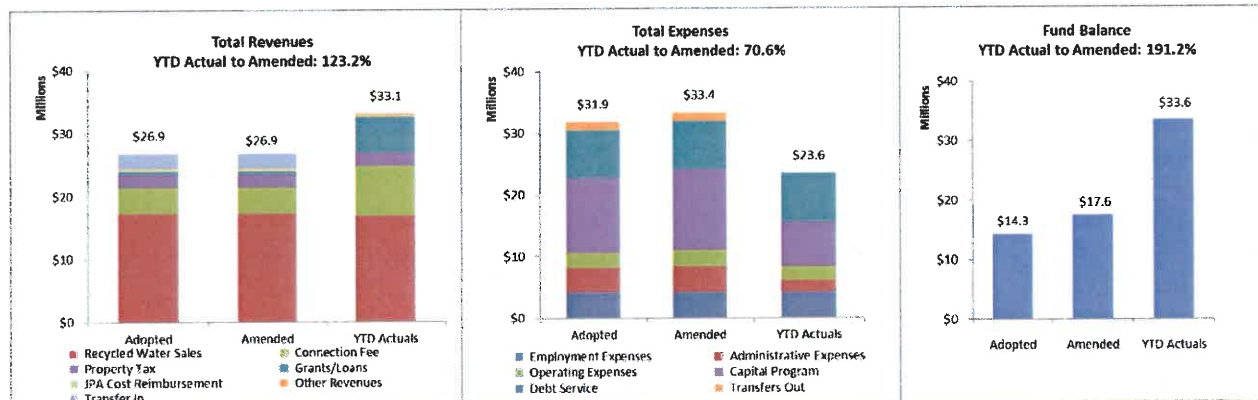
### *Regional Wastewater Operations and Maintenance Fund*

Actual revenues through the end of the fourth quarter were \$91.2 million compared to the \$86.6 million amended budget. The favorable revenue variance can be attributed to grant receipts and Water Quality Laboratory project loan reimbursements. Actual expenses were \$83.6 million compared to the \$99.3 million amended budget. The favorable expense variance was due to lower administrative and operating expense as well as capital replacement and rehabilitation project costs. The fund balance reflected an aggregate change of \$20.3 million. A total of \$3.5 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.



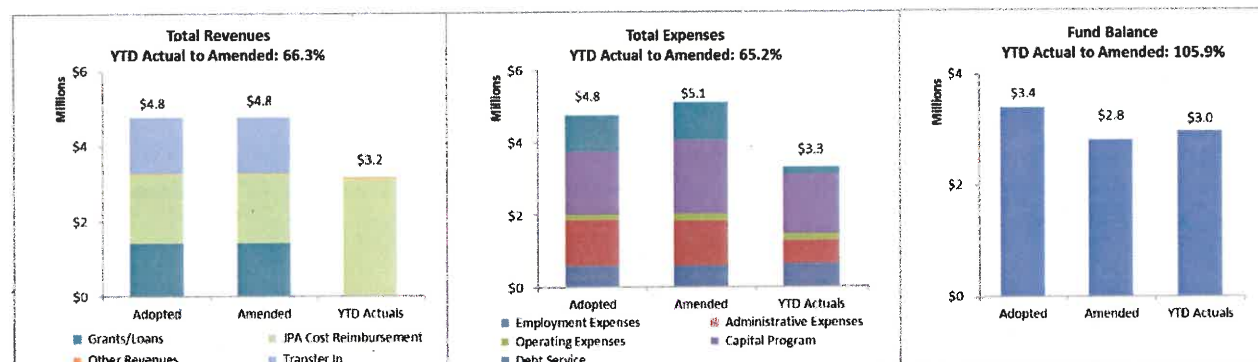
### Recycled Water Fund

Actual revenues through the end of the fourth quarter were \$33.1 million compared to the \$26.9 million amended budget. Actual expenses were \$23.6 million compared to the \$33.4 million amended budget. The favorable expense variance was primarily due to water connection, grant, and project State Revolving Fund loan receipts. Capital project execution delays were due to changes of project scope, contractor prequalification requirements and State Revolving Fund loan approval delays. The fund balance reflected an aggregate change of \$16.0 million. A total of \$2.5 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.



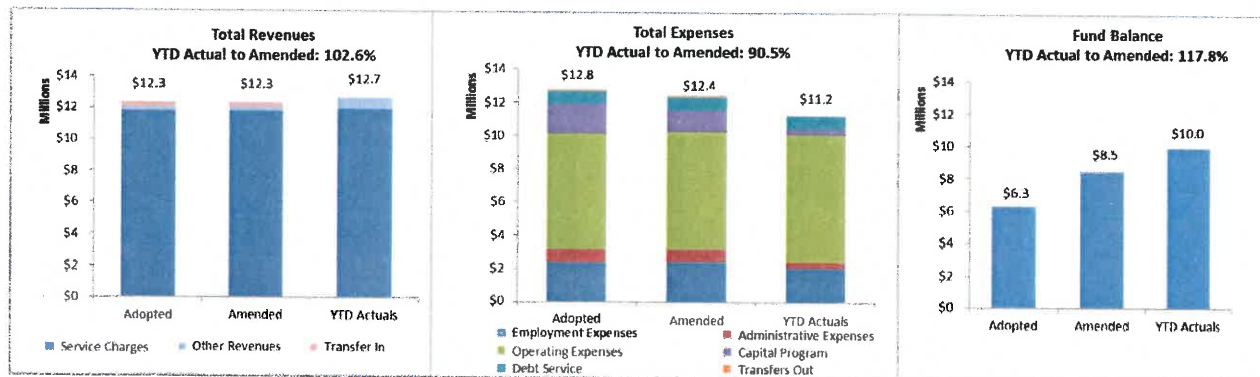
### Recharge Water Fund

Actual revenues through the end of the fourth quarter were \$3.2 million compared to the \$4.8 million amended budget. The lower revenue was mainly due to the delay in anticipated State Revolving Fund loan receipts. Actual expenses were \$3.3 million compared to the \$5.1 million amended budget. The favorable variance was mainly due to lower administrative expense and delayed capital project execution. The fund balance reflected a \$0.2 million aggregate change as compared to the amended budget. A total of \$0.08 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.



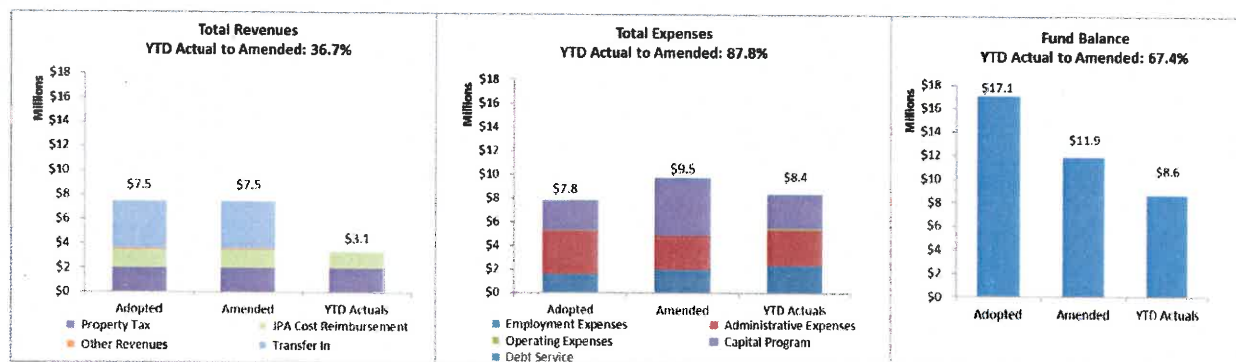
**Non-Reclaimable Wastewater Fund**

Actual revenues through the end of the fourth quarter were \$12.7 million compared to the \$12.3 million amended budget. Actual expenses were \$11.2 million compared to \$12.4 million amended budget. The decrease in expenses was mainly due to low materials and supplies needs and delays in capital project execution. The fund balance reflected an aggregate change of \$1.5 million to \$10.0 million. A total of \$0.05 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.



**Administrative Services Fund**

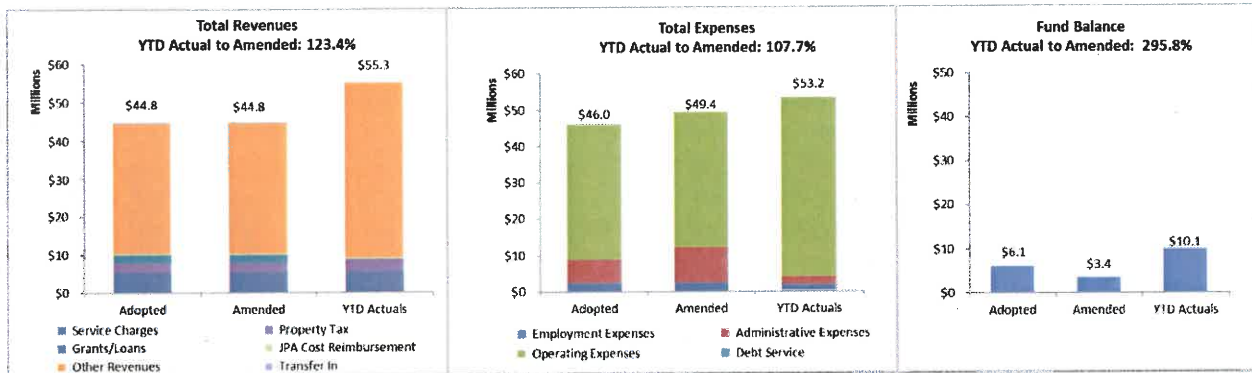
Actual revenues through the end of the fourth quarter were \$3.1 million compared to the \$7.5 million amended budget. The lower revenue was mainly due to the timing of inter-fund transfer receipts, which will be processed once all fiscal year actuals have been finalized. Actual expenses were \$8.4 million compared to the \$9.5 million amended budget. The lower expense was mainly due to delays in capital project execution. The fund balance reflected an aggregate change of \$3.2 million to \$8.6 million. A total of \$2.2 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.





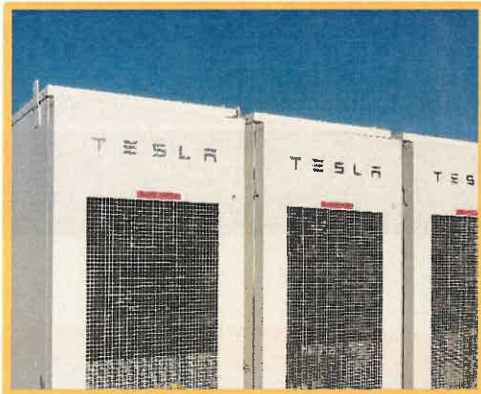
**Water Resources Fund**

Actual revenues through the end of the fourth quarter were \$55.3 million compared to the \$44.8 million amended budget. Actual expenses were \$53.2 million compared to the \$49.4 million amended budget. The variances in the revenues and expenses were due to higher than anticipated MWD water purchases and related sales. The fund balance reflected an aggregate change of \$6.7 million to \$10.1 million. A total of \$7.0 million of FY 2017/18 amended budget was identified to be carried forward to FY 2018/19.



# FY 2017/18 Budget Variance Report

## Fiscal Year Ended June 30, 2018



# FY 2017/18 Budget Variance Summary for Regional Wastewater and Recycled Water Programs

(\$ Millions)

	Annual Budget	Actual YTD*	% Budget Used YTD
Total Sources of Funds	\$160.2	\$190.8	119.1%
Total Uses of Funds	172.6	143.9	83.4%
<b>Net Increase/(Decrease)</b>	<b>(\$12.4)</b>	<b>\$46.9</b>	
Beginning Fund Balance	150.6	150.6	
<b>Ending Fund Balance</b>	<b>\$138.2</b>	<b>\$197.5</b>	

\*YTD – Year to Date

## Highlights

Total Sources of Funds exceeded YTD budget by 19.1%

Total Uses of Funds were 16.6% below YTD budget

# FY 2017/18 Sources of Funds for Regional Wastewater and Recycled Water Funds

(\$ Millions)

Sources of Funds	Annual Budget	Actual YTD*	% Budget Used YTD
User Charges	\$60.6	\$62.2	102.5%
Recycled Water Sales	17.2	16.9	97.9%
Property Tax	41.7	43.2	103.6%
Connection Fees*	23.1	40.7	176.2%
Grants and Loans	11.7	20.5	175.5%
Other Revenues**	5.9	7.3	125.7%
<b>Total Sources of Funds</b>	<b>\$160.2</b>	<b>\$190.8</b>	<b>119.1%</b>

## Highlights

User Charges exceeded budget by 2.5% due to a higher number of billable EDUs

Higher than projected new connections reported YTD:  
5,223 Equivalent Dwelling Units  
5,445 Meter Equivalent Units

Grants and loans include \$5.8 million grant receipts and \$14.7 million in State Revolving Fund (SRF) Loan proceeds

\*Connection fees includes update from final BAR report for FY 2017/18

\*\*Other Revenues includes contract cost reimbursements, lease, and interest revenue

# FY 2017/18 Uses of Funds for Regional Wastewater and Recycled Water Funds

(\$ Millions)

Uses of Funds	Annual Budget	Actual YTD*	% Budget Used YTD
Employment (net of allocation to projects)	\$38.5	\$36.9	95.8%
Operating Expense*	25.8	19.7	76.4%
Utilities	9.6	8.1	84.4%
Project Expense**	78.5	60.4	77.0%
Financial Expense	20.2	18.8	93.3%
<b>Total Uses of Funds</b>	<b>\$172.6</b>	<b>\$143.9</b>	<b>83.4%</b>

## Highlights

Operating expenses were 23% below budget due to timing and deferral of professional fees and services, reduction in chemical consumption, and lower travel and training expense

Utilities were 16.0% below YTD budget due to lower than budgeted utility rates and lower natural gas usage

Total project expenditures were 23.0% below budget largely due to changes in project timelines and approval of SRF loan and grant funding of capital recycled water projects. Project expenditures related to the Regional Wastewater program were 82.7%.

\*Operating expense includes insurance, office & administrative, professional fees, operating fees, chemicals, biosolids recycling, and materials & supplies

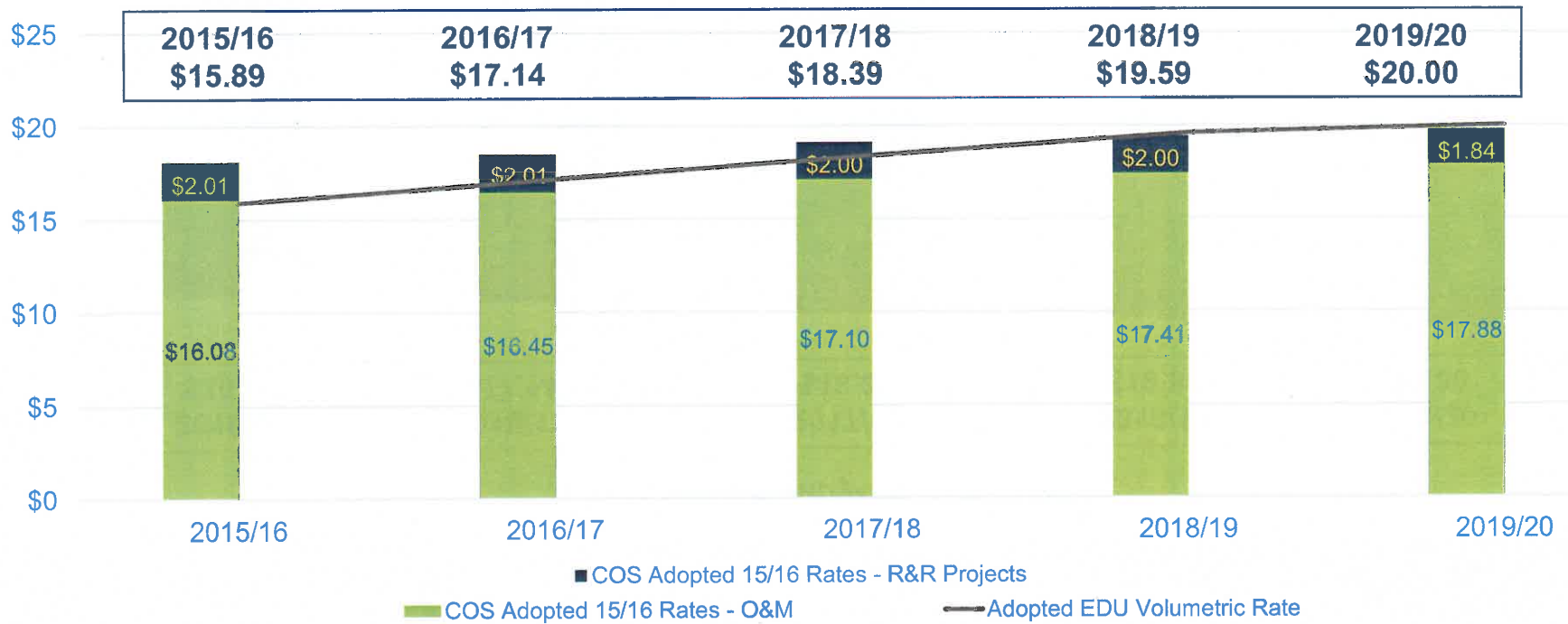
\*\*Includes capital and non-capital (O&M) project costs



# Wastewater Operations Fund

## Cost of Service per EDU

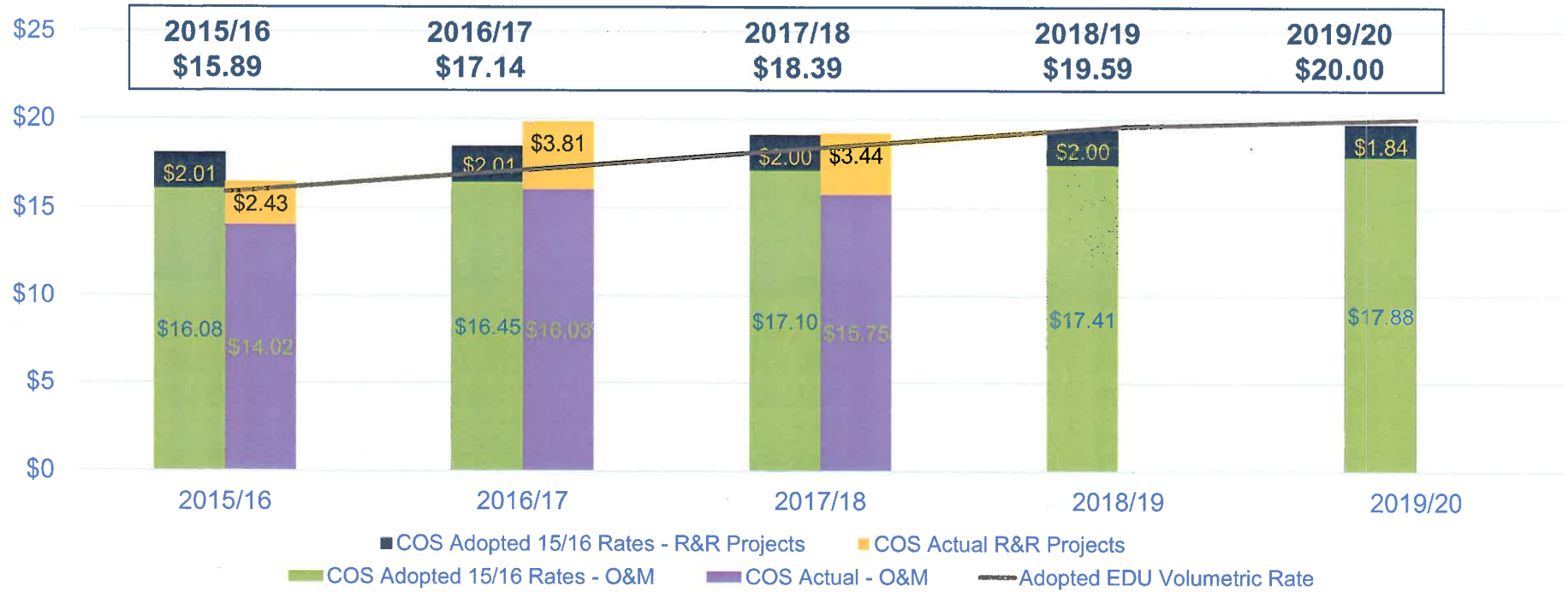
Adopted multiyear rates \$/EDU



# Wastewater Operations Fund

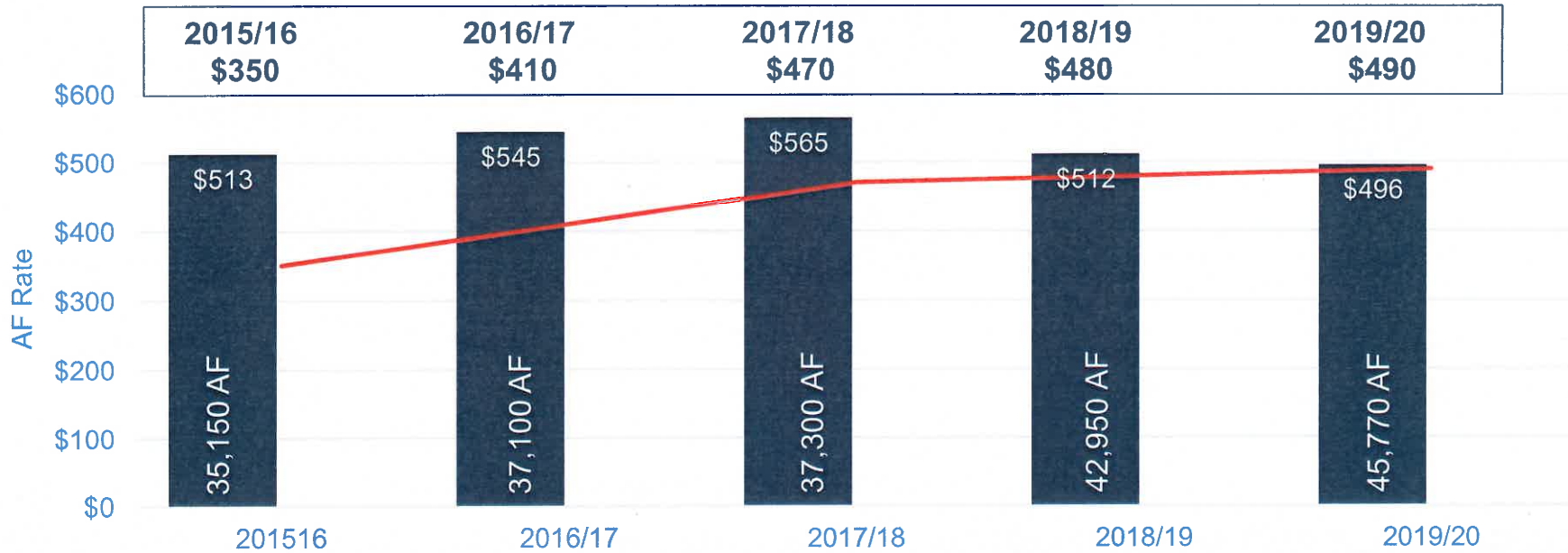
## Cost of Service per EDU Compared to Adopted Rate

Adopted multiyear rates \$/EDU



# Recycled Water Fund Cost of Service Projections per AF

Adopted Multi-Year Rates \$/Acre Feet (AF)



■ COS Adopted 15/16 Rates

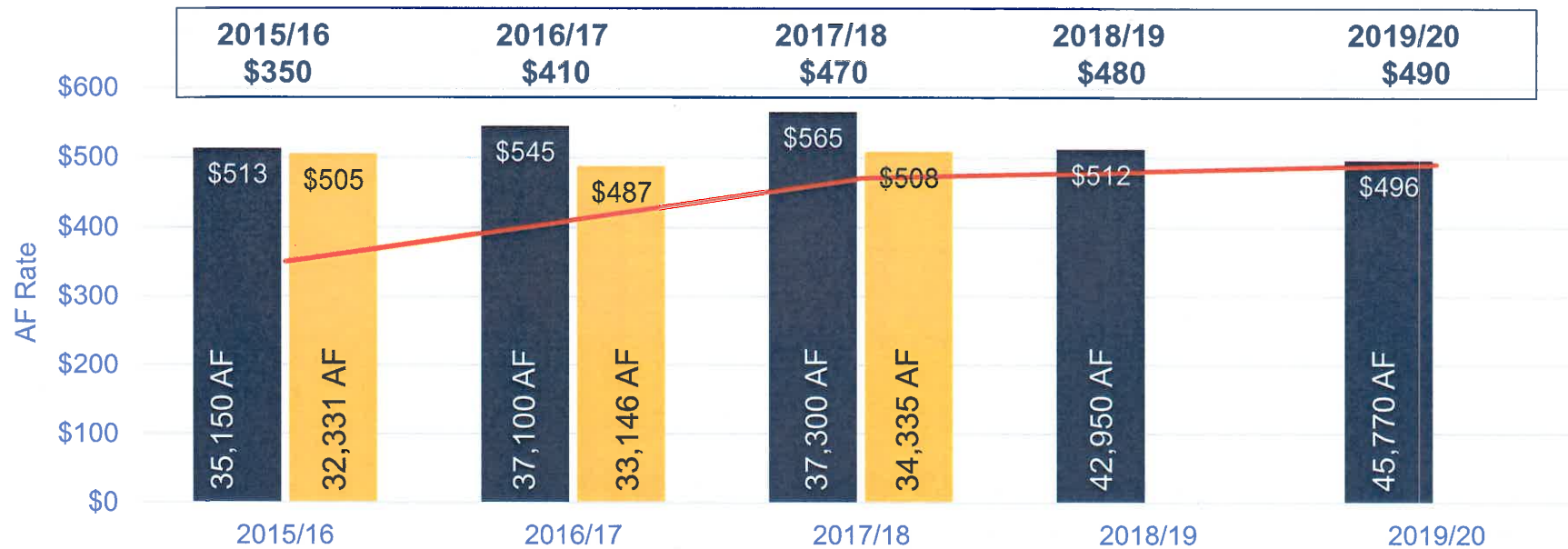
— Adopted Recycled Water Rate



# Recycled Water Fund

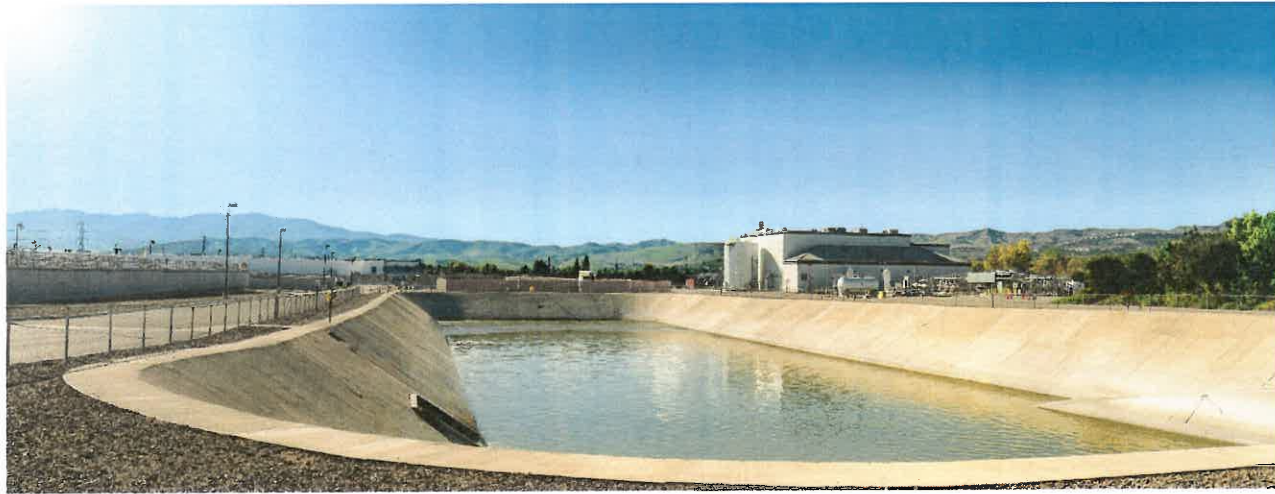
## Cost of Service per AF Compared to Adopted Rate

Adopted Multi-Year Rates \$/Acre Feet (AF)



COS Adopted 15/16 Rates
  COS Actual
  Adopted Recycled Water Rate

# Questions



The Budget Variance Analysis report is consistent with the Agency's business goal of fiscal responsibility

**INFORMATION  
ITEM**

**2D**

# Engineering and Construction Management Project Updates



# EN22002 – NRW East End Flowmeter Replacement

Project Goal: Provide a more accurate flow meter to meet current Los Angeles County Sanitation District standards

**Total Project Budget: \$2 M**

**Project Completion: October 2019**

**Percent Complete: 64%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Civiltec Engineering	\$227 K	6.5%
Construction	-	\$0	0%



# EN19027 – NRW Pipeline Relining Along Cucamonga Creek

Project Goal: Reline portion of existing NRW pipe to extend asset's useful life



**Total Project Budget: \$2.3 M**  
**Project Completion: June 2020**  
**Percent Complete: 0%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	-	\$0	0.0%
Construction	-	\$0	0.0%

# EN19029 – RP-4 Outfall Pipeline Air Release Valve Replacement/ Relocation

Project Goal: Provide sufficient air and vacuum relief on the RP-4 Outfall Pipeline

**Total Project Budget: \$665 K**  
**Project Completion: June 2019**  
**Percent Complete: 33%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	CASC	\$68 K	0.0%
Construction	-	\$0	0.0%



# EN19025/EN23002 – Force Main Improvements

Project Goal: Replace aging pipelines and install access points for proper maintenance



**EN19025/EN23002**  
**Total Project Budget: \$6.2 M**  
**Project Completion: February 2021**  
**Percent Complete: 14%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	GHD	\$888 K	1.6%
Construction	-	\$0	0.0%

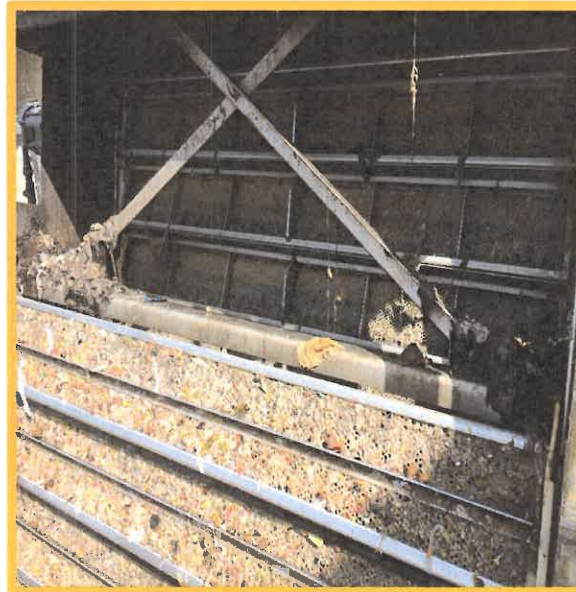


# EN19010 – RP-4 Influent Screen Replacement

Project Goal: Replace fine screens with a reliable/efficient screening system  
Design-Build

**Total Project Budget: \$3 M**  
**Project Completion: January 2020**  
**Percent Complete: 0%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	-	\$0	0.0%
Construction	-	\$0	0.0%



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**3A**



## Regional Sewerage Program Policy Committee Meeting

### AGENDA

Thursday, November 1, 2018

4:00 p.m.

#### Location

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

---

#### Call to Order and Roll Call

#### Pledge of Allegiance

#### Public Comment

#### Changes/Additions/Deletions to the Agenda

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

#### 2. Action Item

- A. Meeting Minutes for September 6, 2018
- B. RP-1 1158 Recycled Water Pump Station Upgrades Construction Engineering items

#### 3. Informational Items

- A. Chino Basin Project (Prop 1)

#### 4. Receive and File

- A. Building Activity Update
- B. Recycled Water Distribution – Operations Summary
- C. P&ER Annual Reports
- D. FY 2017/18 Regional Wastewater & Recycled Water Program Budget Variance
- E. Legislative Update (Legislature reconvenes in January 2019)
- F. Engineering Quarterly Project Updates

#### 5. Other Business

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

*(Continued)*

- C. Committee Member Comments
- D. Next Meeting – December 6, 2018

## 6. Adjournment

### **DECLARATION OF POSTING**

---

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted 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, October 25, 2018.

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Laura Mantilla

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**3B**

# Building Activity Report - YTD Fiscal Year 2018/19



## 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

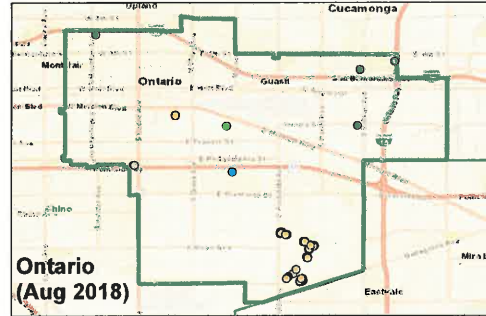
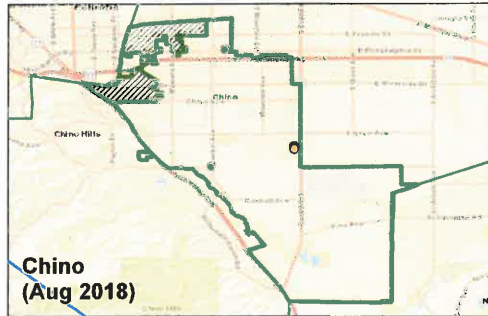
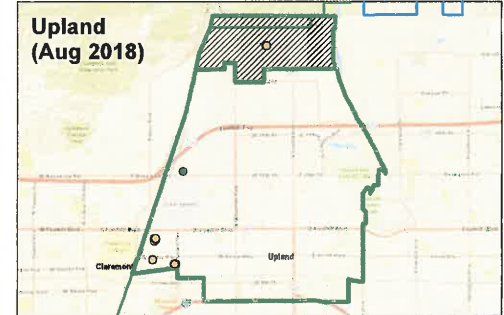
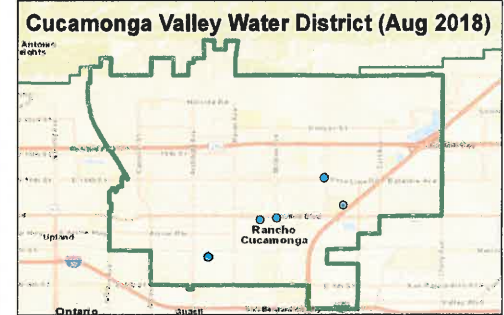
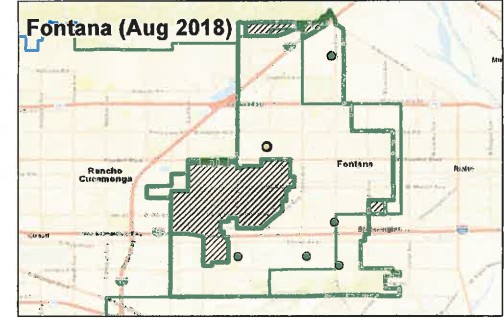
- ≤1.0
- 1.0 - 10.0
- >10.0

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



## TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

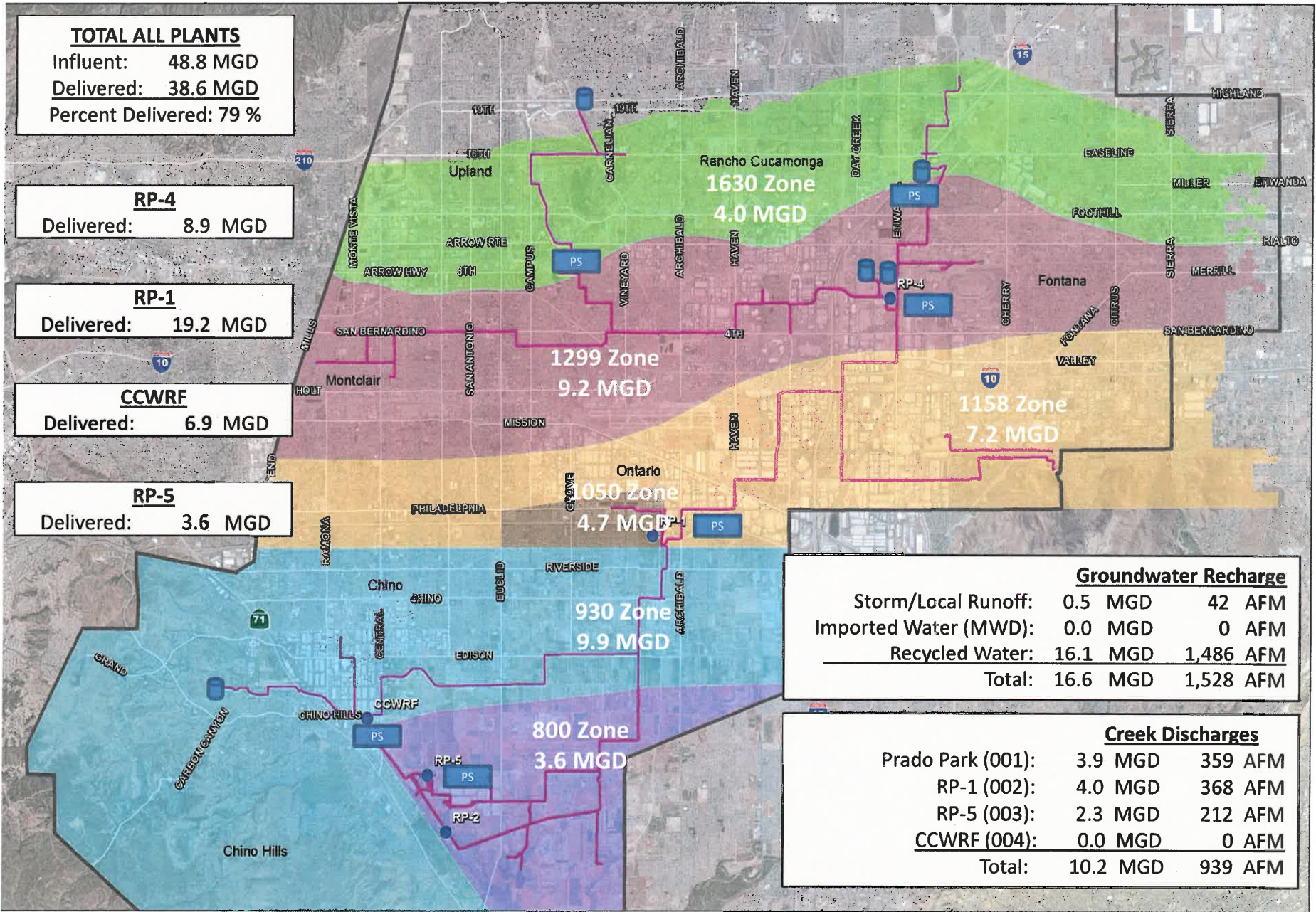
Contracting Agency	YTD Actual			Total (EDUs)	Projected Total (EDUs)
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	51	3	0	54	1055
Chino Hills	45	20	0	65	442
CVWD	4	27	0	31	1380
Fontana	12	9	0	21	793
Montclair	0	8	0	8	572
Ontario	206	7	0	213	2720
Upland	76	1	0	77	776
<b>Total</b>	<b>394</b>	<b>75</b>	<b>0</b>	<b>469</b>	<b>6,149</b>



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**3C**

# IEUA RECYCLED WATER DISTRIBUTION – SEPTEMBER 2018



**TOTAL ALL PLANTS**  
 Influent: 48.8 MGD  
 Delivered: 38.6 MGD  
 Percent Delivered: 79 %

**RP-4**  
 Delivered: 8.9 MGD

**RP-1**  
 Delivered: 19.2 MGD

**CCWRF**  
 Delivered: 6.9 MGD

**RP-5**  
 Delivered: 3.6 MGD

Groundwater Recharge		
Storm/Local Runoff:	0.5 MGD	42 AFM
Imported Water (MWD):	0.0 MGD	0 AFM
Recycled Water:	16.1 MGD	1,486 AFM
<b>Total:</b>	<b>16.6 MGD</b>	<b>1,528 AFM</b>

Creek Discharges		
Prado Park (001):	3.9 MGD	359 AFM
RP-1 (002):	4.0 MGD	368 AFM
RP-5 (003):	2.3 MGD	212 AFM
CCWRF (004):	0.0 MGD	0 AFM
<b>Total:</b>	<b>10.2 MGD</b>	<b>939 AFM</b>



Recycled Water Recharge Actuals / Plan - September 2018 (Acre-Feet)

Basin	9/1-9/8	9/9-9/15	9/16-9/22	9/23-9/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.
Ely	99.1	92.4	86.0	63.8	341.3	833	
Banana	14.6	27.3	37.2	15.7	94.7	265	
Hickory	0.0	2.5	9.3	3.9	15.8	162	
Turner 1 & 2	9.6	11.7	0.0	0.0	21.3	375	
Turner 3 & 4	17.1	24.8	45.1	5.1	92.1		
8th Street	61.6	53.9	55.2	76.2	246.9	511	
Brooks	0.0	0.0	0.0	0.0	0.0	66	
RP3	54.7	52.4	60.4	41.4	208.9	543	
Declaz	67.9	51.2	72.6	68.3	260.0	834	
Victoria	94.9	42.7	0.0	24.8	162.4	470	
San Sevaine	0.0	0.0	0.0	0.0	0.0	0	
<b>Total</b>	<b>419.5</b>	<b>358.9</b>	<b>365.8</b>	<b>299.2</b>	<b>1,443.4</b>	<b>4,058</b>	<b>1,307 AF previous FY to day actual</b>

