



Regional Sewerage Program Policy Committee Meeting

AGENDA **Thursday, May 2, 2019** **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 April 4, 2019
 - B. Regional Contract Facilitation Contract Amendment
- 3. Informational Items**
 - A. Proposed Biennial Regional Programs Budget Review
 - B. Grants Semi-Annual Update
 - C. Legislative Update
- 4. Receive and File**
 - A. Building Activity Report
 - B. Recycled Water Distribution – Operations Summary
 - C. Groundwater Recharge/Recycled Water Semi-Annual Update
 - D. Engineering Quarterly Project Updates
- 5. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – June 6, 2019

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 and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, April 25, 2019.



Laura Mantilla

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF April 4, 2019 MEETING

CALL TO ORDER

A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, April 4, 2019, at the Inland Empire Regional Composting Facility located at 12645 6th Street, Rancho Cucamonga, California. Chairwoman Trisha Martinez, City of Montclair, called the meeting to order at 4:00 p.m.

ATTENDANCE

Committee Members:

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

Absent:

Eunice Ulloa	City of Chino
Debbie Stone	City of Upland

Others Present:

Dave Crosley	City of Chino
Noel Castillo	City of Montclair
Courtney Jones	City of Ontario
Kirby Brill	Inland Empire Utilities Agency
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Ken Monfore	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency

PLEDGE OF ALLEGIANCE

Jesse Armendarez/City of Fontana led those present in the pledge of allegiance to the flag. A quorum was present.

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

1. TECHNICAL COMMITTEE REPORT

Noel Castillo/City of Montclair reported that the only action item was the Technical Committee meeting minutes from January 31, 2019 which were approved.

2. ACTION ITEMS**A. APPROVAL OF THE MINUTES OF THE MARCH 7, 2019 POLICY COMMITTEE MEETING**

Motion: By Peter Rogers/City of Chino Hills and seconded by Kathy Tiegs/Cucamonga Valley Water District to approve the minutes of the March 7, 2019 Regional Policy Committee meeting.

Motion carried: Unanimously.

3. INFORMATIONAL ITEMS**A. TEN YEAR CAPITAL IMPROVEMENT PLAN UPDATE (TYCIP)**

Christina Valencia/IEUA provided an overview of the Ten-Year Capital Improvement Plan (TYCIP). Ms. Valencia explained that the TYCIP is presented to the IEUA Board and the Regional Committees for their review and comment. The TYCIP identifies capital projects needed to meet the service demand from future growth based on the long-term planning documents and growth projections provided by the Member Agencies. Ms. Valencia reported that there were 1,173 new wastewater connections as of December 2018; below budget when compared to 2017 and 2016 for the same period.

B. SEWER SYSTEM MANAGEMENT PLAN (SSMP)

Ken Monfore/IEUA gave a presentation on the Sewer System Management Plan (SSMP). He stated that every two years an audit needs to be completed and the plan must be revised and certified every five years. Mr. Monfore then showed a video of the Sewer Collections team explaining how the pipes are cleaned, maintained, and repaired in order to move flow from the customers to the treatment plants. Mr. Monfore stated that the goal of the program is to minimize the number of spills and impact. Mr. Monfore then reviewed IEUA's historical spill rate categories compared to the state and region for the last five years and reviewed IEUA's corrective actions. He stated that the three main keys to IEUA's success are collaboration with mutual aid partners, procedures and standards in place and training provided by IEUA.

C. LEGISLATIVE UPDATE

Kathy Besser/IEUA reviewed the bill matrix with the Committee. She noted that the bills are for 2019 and highlighted that IEUA signed a support letter for AB 533 – Income Tax Exemption for

Water Rebates. IEUA also signed opposition letters on SB 307 – Water Conveyance: Use of Facility with unused capacity and AB 1194 – Sacramento-San Joaquin Delta: Delta Stewardship Council. Ms. Besser informed the Committee that IEUA will be doing a Board Workshop on May 1, at 10:00 a.m. to discuss the proposed water tax and invited the Committee to attend. Discussion ensued on the bills endorsed by the League of Cities for Inland Empire. The Committee recommended that Ms. Besser contact the League of Cities regarding the bills. Ms. Besser stated she will reach out to the League of Cities. Chairwoman Martinez recommended that Ms. Besser contact Debra Dorst-Porada who is the Vice President of the League of Cities for the Inland Empire.

4. RECEIVE AND FILE

A. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

The Recycled Water Distribution Operations Summary for February 2019 was received and filed by the Committee.

5. OTHER BUSINESS

A. IEUA INTERIM GENERAL MANAGER’S UPDATE

Kirby Brill gave the following updates:

- Odor Survey – Mr. Brill stated the odor survey is under way. He thanked CVWD, City of Ontario and City of Chino for their participation in the past, and thanked Eric Johnson/CVWD for participating in the surveys since its inception. He stated if Member Agencies would like to volunteer, they can contact Pietro Cambiaso.
- IEUA General Manager – Mr. Kirby announced that the new General Manager Shivaji Deshmukh will start on April 8.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

None.

C. COMMITTEE MEMBER COMMENTS

- Chairwoman Martinez thanked Mr. Brill for his service on behalf of the Committee.

D. NEXT MEETING – MAY 2, 2019

6. ADJOURNMENT

The meeting was adjourned at 4:58 p.m.

Transcribed by:

Laura Mantilla, Executive Assistant

ACTION ITEM

2B

Date: April 25, 2019/May 2, 2019
To: Regional Committees
From: Inland Empire Utilities Agency *SW*
Subject: Regional Contract Facilitation Contract Amendment

RECOMMENDATION

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

BACKGROUND

IEUA and its seven Contract Agencies (Agencies) seek to reach agreement on a revised Regional Sewage Service Contract. To assist in this effort, the Regional Technical Committee requested IEUA to contract with K&W to meet with the Agencies and determine the issues and potential disagreements with the existing regional contract, develop a priority list of these issues, and establish a timeline for contract negotiations. This work, called Phase 1 and 2A has been completed. In May 2018, K&W provided a scope and budget which was approved by both the Regional Committees and IEUA Board to support an initial year of negotiations (Phase 2B).

In March 2019, the K&W Team provided an update to the Regional Policy Committee on the Phase 2B contract negotiation activities. To date, the Agencies and IEUA have met 21 times and have made considerable progress through the identified negotiation topics and have developed term sheets that reflect substantial levels of agreement. While the negotiations are progressing on schedule, there are 14 negotiation topics that are in progress or have yet to be discussed. Consequently, the Regional Technical Committee requested K&W submit a new scope and budget to support continued negotiations (Phase 2C) attached.

If the Regional Committees and IEUA Board approve the Phase 2C contract amendment with K&W for contract facilitation, the same core K&W team will participate in the negotiations to maintain continuity and build upon the knowledge gained from the previous phases.

ATTACHMENTS

1. Regional Contract Negotiation, Phase 2C Scope and Budget

PROPOSED SCOPE OF WORK – REGIONAL SEWAGE SERVICE CONTRACT NEGOTIATION PROJECT, PHASE 2C

Introduction

IEUA and the seven Contract Agencies (Agencies) seek to reach agreement on a revised Regional Sewage Service Contract. To this end, the Agencies contracted with the Kearns & West Team to identify or clarify the issues, concerns and potential disagreements with the existing contract (Phase 1). The Agencies subsequently contracted with the K&W Team to further refine issues for negotiation, develop a priority list of these issues, and recommend a schedule and process for contract negotiations (Phase 2A). Following a meeting with the K&W Team to discuss Phase 2B options and recommendations, the Agencies authorized a Scope of Work (SOW) and related budget to support an initial year of negotiations. The negotiating parties have met 21 times to date and made significant progress through the identified negotiation topics; the Technical Committee has requested a new SOW and budget to support continued negotiations (Phase 2C).

The attached table is a budget estimate for the Phase 2C work effort to support a second year of negotiations.

Project Goals

In general terms the services under this SOW for Phase 2C are intended to provide the Agencies with:

- 1) Neutral, third party expertise in conflict resolution and collaborative problem solving, including process design;
- 2) Neutral, third-party technical expertise related to key issues requiring negotiation;
- 3) A broad spectrum of process support services for structured contract negotiations that build on prior phases;
- 4) Ongoing communication to support Phase 2C objectives between and among the Contract Agencies and IEUA, K&W Team, and other authorized representatives of the Agencies as appropriate.

The same core K&W Team is proposed for Phase 2C work to maintain continuity and build upon knowledge gained from previous phases. This core team will be augmented as needed by other K&W staff.

Phase 2C Tasks

Phase 2C involves continuing negotiations in accordance with the process and structure implemented for Phase 2A, and bringing those negotiations to a successful outcome. The Agencies and IEUA have made significant progress toward such an outcome in

Phase 2B, including tentative agreements documented in term sheets. Phase 2C focuses on maintaining momentum, systematically working through negotiation of remaining issues, and then confirming a series of tentative agreements ready for review by decision makers. This work will be accomplished by continuing transparent and collaborative problem solving and effective communication about issues, priorities, and concerns.

Task 1- Prepare for Negotiation Sessions, including research and material preparation

The K&W Team will prepare agendas, appropriate background information, and other relevant documents (e.g., negotiation term sheets, issue scoping documents) in support of the specific issues scheduled for each negotiation session. These efforts will include research necessary to support increased understanding of interests and needs, development of options, and technical problem solving as well as document drafting, multiple rounds of internal revisions, and time spent reviewing and modifying based on feedback from Contract Agencies/IEUA.

Task 2 – Negotiation Sessions Schedule

The K&W Team will be responsible for preparing and maintaining the schedule for contract negotiations, communicating that schedule to the Technical Committee, advising on modifications and updates, and working with the Technical Committee to address the needs of its members related to scheduling.

Task 3 – Negotiation Sessions and Consultation

The K&W Team will have primary responsibility for planning, designing, and staffing negotiation sessions in Phase 2C. These sessions may take a variety of forms, and may include different participants consistent with the Terms of Reference document. This Task also includes responsibility for planning, scheduling, and attending consultation sessions with representatives of one or more Technical Committee members to support contract negotiations.

Task 4 – Meeting Notes and Summaries

The K&W Team will be responsible for preparing written summaries of negotiation sessions, including the documentation of agreements reached by the Technical Committee. These will be prepared and circulated in draft form for review, and then finalized, consistent with the Terms of Reference document. This Task includes taking notes at negotiation sessions to support preparation of summaries. This task also includes taking notes and preparing summaries of consultations and other discussions, also consistent with the Terms of Reference.

Task 5 – Ongoing Communication, Coordination, and Engagement

The K&W Team will communicate, coordinate, and engage with representatives of the Agencies as appropriate to support Phase 2C. This Task includes ongoing communication with designated representatives of IEUA and the Agencies, the Technical Committee Chair, the Policy Committee, the IEUA Board, and staff of the Agencies and IEUA as appropriate. This Task also includes internal communications among the K&W Team to prepare for negotiation sessions, develop a consistent understanding of input received from IEUA and the Agencies, and supporting development of potential options that address identified needs and concerns and are mutually acceptable to the Agencies.

Task 6 – Revising and finalizing draft term sheets

The K&W Team will review all draft term sheets to ensure consistency across the work products. They will also schedule individual review sessions with each Contract Agency to ensure the sheets reflect their understanding of the discussions and agreements and catalogue any remaining disagreements/discrepancies for discussion during negotiation sessions. This task includes any revisions needed to finalize the term sheets as a mutually-agreed upon final product for delivery to the TC, PC, and IEUA Board.

Phase 2C Schedule

The Agencies intend that Phase 2C commence immediately following the end of Phase 2B, and not later than July 1, 2018, following necessary consultation and approvals for this SOW and associated contract and budget.

IEUA and Member Agencies - Regional Wastewater Contract Negotiation - Phase 2C Budget

Assumed Period of Work: July 2019-June 2020 (*Items with an asterisk reflect hourly estimates per month.)	Harty	Diemer	Rudinica	KW Associate	KW Project Coordinator	Hours for 1 Month	Hours for 12 Months	TOTAL \$ (for 1 month)	TOTAL \$ (for 12 months)	ASSUMPTIONS
	\$250.00	\$250.00	\$250.00	\$145.00	\$70.00					
Task 1: Preparing for negotiation sessions, including research and material preparation (e.g negotiation term sheets, issue scoping documents, agendas and other documents)	10	12	10	10	6	48	576	9,870	118,440	Includes document drafting, multiple rounds of internal revisions, and time spent reviewing and modifying based on feedback from Contract Agencies/IEUA. Also includes preparing agendas and other materials/appropriate background to support discussions, research to support increased understanding of interests and needs, development of options and technical problem solving outside of negotiation sessions.
Task 2: Negotiation Sessions Schedule*	1	1	1	3	1	7	84	1,255	15,060	Includes scheduling (and rescheduling) of meetings and consultation sessions.
Task 3: Negotiation Sessions and Consultation*	17	14	12			43	516	10,750	129,000	Assumes 4 negotiation sessions of 3 hours each + 2 hours travel/prep each; assumes 8 hours of consultation sessions/month; assumes attendance at PC meetings quarterly. Assumes that Mike, Mike, and Dennis each attend 2/3 of all meetings. Assumes 6 hours round trip additional travel time (billed at 1/2 time) for Mike H and Dennis 2 times per month.
Task 4: Meeting Notes and Summaries*	1	1	1	38		41	492	6,260	75,120	Assumes notetaking at 4 negotiation sessions of 3 hours each + 2 hours travel/prep each. Assumes 4 hours round trip additional travel time 2 times per month. Assumes production of written summaries for all these negotiation and consultation sessions and one round of revisions + incorporation of edits for final summaries.
Task 5: Ongoing Communication, Coordination, and Engagement *	4	2	2	2	2	12	144	2,430	29,160	Includes ongoing communication with the TC Chair and other members, the Policy Committee, the IEUA Board, and staff of the Agencies as needed. This Task also includes internal communications among the K&W team.
Task 6: Revising and finalize draft term sheets	8	8	2	8		26	26	5,660	5,660	
TOTAL HOURS FOR YEAR	404	368	314	644	108		1838			
TOTAL LABOR	\$101,000	\$92,000	\$78,500	\$93,380	\$7,560			\$30,565	\$372,440	
SAVINGS FROM REDUCED MEETING SCHEDULE IN AUG & DEC									-\$30,565	Assumes half the number of meetings in August (vacations) and December (holidays).
TOTAL LABOR - PHASE 2C									\$341,875	

Other Direct Costs	Quantity	Price/unit	Time (months)			Price/month	Price/year	ASSUMPTIONS
Mileage @ federal reimbursement rate of \$0.58/mile	720	0.58	12			418	\$5,011	Assumes ~90 miles RT driving from Santa Ana Airport/home to IEUA or other Agency offices. Assumes 1 car for Mike, Mike, and Dennis; and 1 car for notetaker.
Airfares	3.32	\$500	12			1660	\$19,920	Assumes two trips per month for notetaker, and 2/3 of 2 trips for Mike and Dennis. Assumes all roundtrip.
Taxis, Uber, Parking, Road tolls, Car rental (as needed)	2.98	\$100	12			298	\$3,576	Assumes \$100 per person/month
Meeting materials	1	\$200.00	12			200	\$2,400	Includes flip charts, printing, and basic equipment cost per month
Per diem meals	9.28	\$61.00	12			566	\$6,793	Assumes 2019 federal GSA per diem rate of \$61/day for 4 people (with three of those attending 2/3 of meetings)

Lodging	3.96	300	12				1188	\$14,256	Lodging will be billed at the actual cost and will aim not exceed \$300/night . Assumes lodging for Mike and Dennis, but not for notetaker. Assumed 3 nights/month to accommodate one day of early morning meetings.
Total ODCs							4330	\$51,956	
SAVINGS FROM REDUCED MEETING SCHEDULE IN AUG & DEC								-\$4,330	Assumes half the number of meetings in August (vacations) and December (holidays).
Total ODCs								\$47,626	
Total Labor and ODC for 1 Month Phase 2C								\$44,765	
Total Labor and ODC for 1 Year Phase 2C								\$393,831	

ADDITIONAL ASSUMPTIONS:

1. Negotiation meetings scheduled WED afternoons 1-4 pm and THU afternoons 1-4 pm
2. Negotiation sessions scheduled every other week around the TC and PC dates, so two blocks of meetings/month
3. When meetings are scheduled prior to the scheduled PC meeting from 1pm to 3:30 - PC meets at 4:00
5. Assumes consultation sessions with Agency reps scheduled as needed on Wednesday mornings prior to negotiation sessions, and Thursday mornings prior to negotiation sessions
6. Assumes a 12 month schedule based on the fiscal year, July 2018 - June 2019, but half the number of meetings in August and December
7. Assumes a notetaker is needed for all negotiation meetings, but Mike or Dennis will take notes at consultation sessions and TC/PC meetings.
8. Assumes Mike, Mike and Dennis will each participate in 2/3 of negotiation sessions.
9. Assumes that all meetings will be in-person, BUT webinars/calls are still an option to reduce travel time and ODCs.

INFORMATION

ITEM

3A



Date: April 25, 2019/May 2, 2019

To: Regional Sewerage Committees

From: Inland Empire Utilities Agency *SSW*

Subject: Review of the Proposed Biennial Budget for Fiscal Years 2019/20 and 2020/21 for Regional Wastewater, Recycled Water, and Recharge Water Funds

RECOMMENDATION

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

BACKGROUND

The item was presented as an information item at the IEUA Board of Directors meeting on April 17, 2019.



Date: April 17, 2019

To: The Honorable Board of Directors

Committee: Finance & Administration

From: Shivaji Deshmukh, General Manager

04/10/19

KB/S/D

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

Subject: Review of Proposed Biennial Budget for Fiscal Years 2019/20 and 2020/21 for Regional Wastewater, Recycled Water, and Recharge Water Funds

Executive Summary:

The Agency's proposed biennial budget for fiscal year (FYs) 2019/20 and 2020/21 is consistent with the the Agency's long-term planning documents and Board-adopted business goals of fiscal responsibility, work environment, water reliability and wastewater management. A Board workshop was held on April 3, 2019 on the proposed consolidated biennial budget for all Agency funds. The focus of this review is the proposed biennial budget for the Regional Wastewater, Recycled Water, and Recharge Water programs. The proposed budget will be presented to the Regional Technical and Regional Policy Committees on April 25, and May 2, 2019, respectively.

No changes are proposed to the adopted multi-year rates for FY 2019/20. There is also no change in the pace of new development based on the member agency's growth forecasts for the next 10 years. For the funds under review, the proposed budget shows a total net increase in fund reserves of \$12.2 million in FY 2019/20 and \$2.5 million in FY 2020/21. The increase is primarily due to anticipated loan and grant proceeds to support the Regional Plant No. 5 expansion and recycled water capital intertie projects. An in-depth discussion on each fund is provided in the "Background" section.

Staff's Recommendation:

This is an information item for the Board of Directors to review and provide comments.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On June 20, 2018, the Board of Directors approved budget amendments to the Agency's FY 2018/19 adopted budget approved in 2017.

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

Environmental Determination:

Not Applicable

Business Goal:

The proposed budget for these programs is consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices.

Attachments:

Attachment 1 - Background

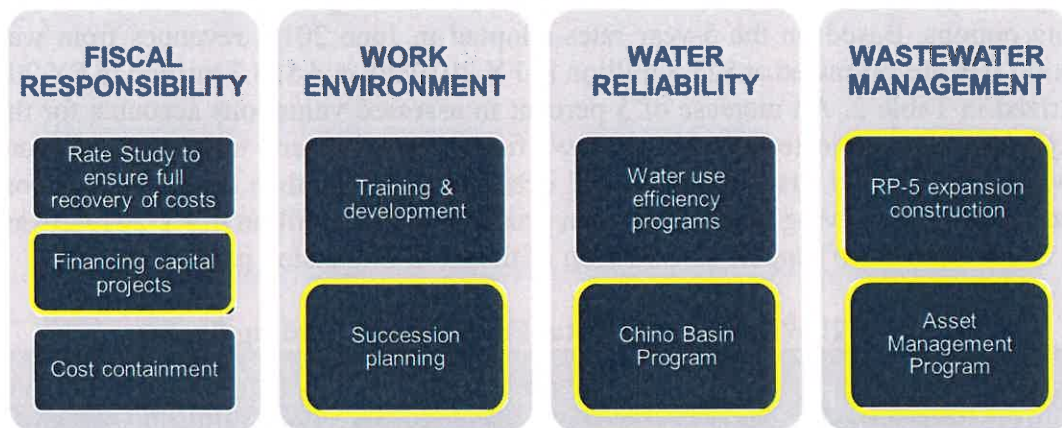
Attachment 2 - PowerPoint

Background

Subject: Review of Proposed Biennial Budget for Fiscal Years 2019/20 and 2020/21 for the Regional Wastewater, Recycled Water, and Recharge Water Funds

The U.S. economy has been on a steady growth path since 2014, with the Inland Empire outpacing both the nation’s and state economic growth. Over this same period, the Agency’s service area has recorded an average of 5,000 new wastewater connections representing a major portion of the growth countywide. Despite some signals of a possible US economic slowdown in the next two years, growth forecasts from the contracting member agencies reflect continued steady growth with nearly 53,000 new connections projected over the next 10 years. This anticipated growth was a key driver in updating the Agency’s long-term planning documents in 2015, some of which include the Wastewater Facilities Master Plan, Asset Management Plan (AMP), Recycled Water Program Strategy, and the Integrated Water Resources Plan (IRP). The capital projects identified in these long-term planning documents support expansion of the Regional Wastewater System to meet future growth, and repair, replacement and rehabilitation of aging equipment and facilities to maintain current and service levels.

The proposed biennial budget for Fiscal Years (FYs) 2019/20 and 2020/21 and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2019/20 – 2028/29 is consistent with the Agency’s long-term planning documents, and the Board-adopted 2016 Business Goals of fiscal responsibility, work environment, water reliability, and wastewater management. Some of the key objectives of the proposed biennial budget include:



The focus of this review is the proposed biennial budget for the Regional Wastewater, Recycled Water, and Recharge Water programs. These will be presented to the Regional Technical and Regional Policy Committees on April 25, and May 2, 2017, respectively.

Regional Wastewater Program

In accordance with the Regional Sewage Service Contract (Regional Contract), the Regional Wastewater Program is comprised of two funds; the Regional Wastewater Capital Improvement (Wastewater Capital) fund and the Regional Wastewater Operations and Maintenance (Wastewater Operations) fund, components of each fund are shown below in Table 1.

Table 1: Regional Wastewater Program Components

Description	Wastewater Capital	Wastewater Operations
Accounts for the Agency's regional wastewater system's	Acquisitions, construction, improvement, and expansion.	Collection, treatment, and disposal of domestic sewage treatment for the contracting agencies, capital replacement and rehabilitation costs, and organics management.
Primary Revenues & Other Funding Sources	New *EDU connection fees, property taxes, debt proceeds, and grant receipts.	Monthly *EDU sewer rate, property taxes, and contract reimbursements.
Primary Expenses and Other Uses of Funds	Capital project costs, debt service, and program support.	O&M costs including; employment, chemicals, utilities, materials & supplies, etc.

*EDU = Equivalent dwelling unit is the estimated volumetric impact of a single residence.

Regional Wastewater Capital Improvement Fund (Wastewater Capital Fund)

Total revenues for the Wastewater Capital fund are projected to increase by approximately 13 percent in the proposed biennial budget. A key assumption is the continued pace of new development in the Agency's service area with 4,000 new equivalent dwelling unit (EDU) connections projected. This projection is lower than the member agencies forecast of 6,149 units. While the Agency applies member agencies growth forecasts to plan expansion of its facilities; a lower growth forecast is applied to revenue forecasts. This conservative approach ensures facilities are ready to meet the increased service demands from future growth and provides flexibility in financing options. Based on the 5-year rates adopted in June 2015, revenues from wastewater connection fees are estimated at \$27.8 million in FY 2019/20, and \$28.7 million in FY 2020/21 as summarized in Table 2. An increase of 3 percent in assessed valuations accounts for the higher property tax receipts projected over the next two fiscal years. Property tax receipts allocated to the Wastewater Capital fund first support annual debt service costs, then capital project costs. Also included are State Revolving Fund (SRF) loan proceeds of \$9.8 million in FY 2019/20, and \$80.3 million in FY 2020/21 to support construction of the RP-5 Expansion project.

Table 2: Wastewater Capital Fund Major Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Wastewater Connection Fees	\$27.8	\$28.7	4,000 new EDU connections at an adopted fee of \$6,955 per EDU in FY 2019/20 and an estimated 3% increase in FY 2020/21 (to be determined by the 2019 Rate Study).
Property Tax	34.0	35.1	Annual allocation of total property taxes to the Wastewater Capital fund will continue at 65% to total property tax receipts.
Debt and Grant Proceeds	9.8	80.3	SRF loan proceeds for the RP-5 Liquid and Solid Treatment capacity expansion projects.

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Inter-Fund Transfers and Other	5.4	11.7	Interfund transfer from Wastewater Operations fund to support the *CCWRF Asset Management Improvement project and interest revenues.
Total	\$77.0	\$155.8	

*CCWRF- Carbon Canyon Water Recycling Facility

As reported in Table 3, a major expenditure in the Wastewater Capital fund is the capital investment plan (CIP) which account for about 50 percent of proposed budget. A total of \$25.3 million in capital project costs is budgeted in FY 2019/20 and \$102.7 million in FY 2020/21. The proposed CIP budget includes construction of the RP-5 Expansion project slated to begin 2020. Other major projects summarized in Table 4.

Table 3: Wastewater Capital Fund Major Expenses and Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Program Support	\$6.0	\$6.0	Includes employment, professional services, etc. in support of the (CIP)
Capital Improvement Plan (CIP)	25.3	102.7	Major capital projects summarized in Table 4
Debt Service	12.3	12.5	Includes principal and interest for the 2008B, 2010A and 2017A bonds, and SRF loan for RP-5 Expansion project
Other	13.7	12.1	Inter-fund transfers for capital and debt service support to other funds, including cost share of the Water Quality Lab project budgeted in the Wastewater Operations fund.
Total	\$57.3	\$133.3	

Table 4: Wastewater Capital Fund Major Capital Projects

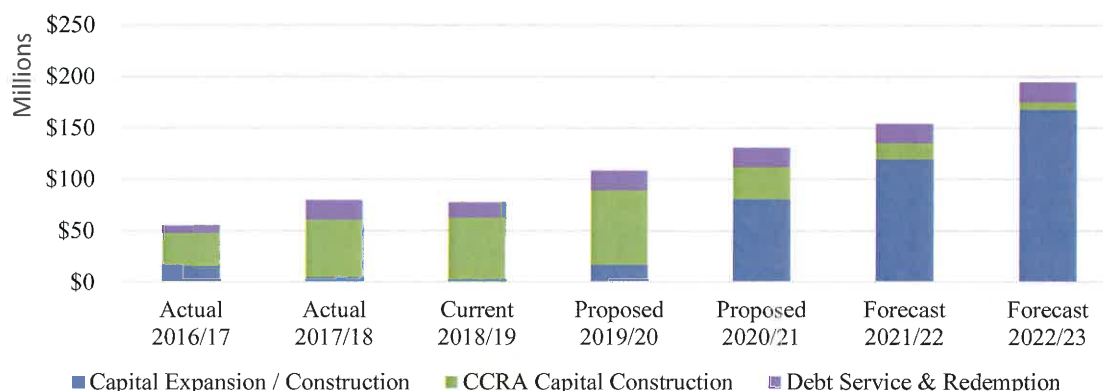
Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
RP-5 Expansion Construction	\$11.0	\$90.0	\$203.9	\$304.9
*CCWRF Asset Management Improvements	6.8	7.5	12.5	26.8
RP-1 Flare Improvements	5.0	-	-	5.0

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Collection System Upgrades	0.5	0.5	4.0	5.0
RP-1 Solids & Liquid Treatment Expansion	0.2	-	80.3	80.5
All Other Capital Projects	1.8	4.7	89.4	95.9
Major Capital Projects	\$24.8	\$102.2	\$386.1	\$513.1

*CCWRF- Carbon Canyon Water Recycling Facility

The Wastewater Capital ending fund balance for FY 2019/20 is estimated at \$108.4 million, and \$130.8 million for FY 2020/21 as shown in Figure 1. The estimated increase in FY 2019/20 is due to loan proceeds issued to support construction of the RP-5 Expansion project slated to begin in 2020.

Figure 1: Wastewater Capital Fund Reserve by Type



Regional Wastewater Operations & Maintenance Fund (Wastewater Operations)

Total revenues and other funding sources in the Wastewater Operations fund are estimated at \$85.7 million and \$87.6 million for FYs 2019/20 and 2020/21, respectively. This includes \$2.4 million of grant receipts for the South Archibald Trichloroethylene (TCE) Plume Clean-Up project. Table 5 summarizes the Wastewater Operations fund proposed major revenues and other funding sources for FYs 2019/20 and 2020/21.

Table 5: Wastewater Operations Fund Major Revenues and Other Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Monthly EDU	\$67.8	\$70.0	Includes EDU rate of \$20.00 in FY 2019/20 and 3% increase in FY 2020/21 (to be determined by the 2019 Rate Study).
Grants	1.3	1.1	Grant proceeds for the South Archibald TCE Plume Clean-Up project.
Property Tax	9.5	9.5	Maintain the \$9.5 million allocation as adopted by the Board on June 15, 2016.
Cost Reimbursement from IERCA*	4.1	4.2	Reimbursement of the IERCA labor costs.
Other	3.0	2.8	Includes interest revenue, contract cost reimbursement, and lease revenue.
Total	\$85.7	\$87.6	

*Inland Empire Regional Composting Authority

Major expenses in the Wastewater Operations fund include operating and maintenance expenses, capital R&R project costs, organic management activities, and debt service costs. Total expenses and other uses of funds are \$98.9 million in FY 2019/20 and \$102.8 million in FY 2020/21. Proposed expenses and other uses of funds for FYs 2019/20 and 2020/21 are shown in Table 6.

Table 6: Wastewater Operations Fund Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Operations & Maintenance (O&M)	\$62.2	\$63.6	Includes employment, chemicals utilities, professional and contract labor costs, and other O&M costs
O&M project costs	5.7	6.4	Includes the South Archibald TCE Plume Clean-Up project.
Capital Rehabilitation & Replacement (R&R) project costs	29.0	23.4	Based on Asset Management Plan
Debt Service	1.4	1.4	Includes principal and interest for the 2017A bonds and SRF loan for the water quality laboratory
Other	0.6	8.0	Inter-fund transfers for capital project support to the Administrative Services and share of the RP-5 Expansion project and CCWRF Asset Management Improvement project
Total	\$98.9	\$102.8	

A total of \$29.0 million in capital project costs is budgeted in FY 2019/20 and \$23.4 million is projected for FY 2020/21. Major capital projects are listed in Table 7.

Table 7: Wastewater Operations Fund Major Capital Projects

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
RP-1 Mechanical Restoration Upgrades	\$8.9	\$1.0		\$9.9
RP-4 Influent Screen Replacement	2.9			2.9
RP-1 Primary Effluent Conveyance Improvement	2.7			2.7
RSS Haven Avenue Repair & Replace from Airport to Mission	2.0	4.0		6.0
SCADA Enterprise System	2.0	3.5	3.0	8.5
RP-4 Process Improvements	1.9	1.0	3.2	6.1
All Other Capital Projects	8.6	13.9	49.2	71.7
Total	\$29.0	\$23.4	\$55.4	\$107.8

Cost of Service Review

In March 2015, the Board adopted monthly sewage EDU rates for five years (FYs 2015/16 – 2019/20) as summarized in Table 8.

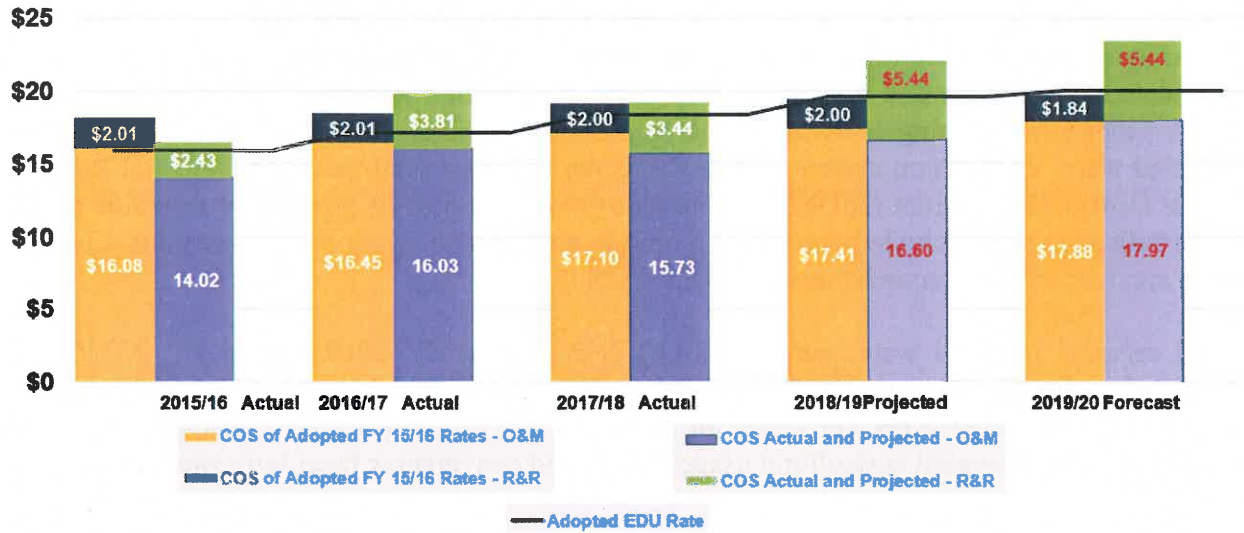
Table 8: Adopted Monthly EDU Sewage Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
EDU Volumetric Rate	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Rate Increase	\$1.50	\$1.25	\$1.25	\$1.20	\$0.41
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19

The key objective of the multi-year rates was to establish a rate that fully covered the cost of providing the service. Historically, property taxes have been used to support costs not covered by rates. FY 2019/20 is the last year of the multi-year rates adopted in 2015. The rate study approved by the Board in January 2019 and currently underway will assess and evaluate the current wastewater and water connection fees and the monthly service fees to ensure they appropriately recover the cost of service for each of the programs, as well as support the Agency's long-term capital improvement plan. Part of the rate study also includes evaluation of the Chino Basin program (CBP) estimated impact to rates and fees.

Figure 2 shows the projected cost of service for the Wastewater Operations fund when the FY 2015/16 budget was adopted. The projected cost of service included two components: O&M (red) and R&R project (dark blue) costs. The R&R component was calculated using an average of 10 years cost for recurring projects and an average of 5 years for non-recurring projects, with the objective to "smooth" the variability of these type of costs from year to year. Also included is a comparison of the actual cost of service for FYs 2015/16 – 2017/18, projected actuals for FY 2018/19 and updated forecast for FY 2019/20. Breakdown is provided to show the different components included in the original 2015 calculation: O&M expenses (purple) and R&R projects (green). Not included in the projected cost of service are the contributions to the Wastewater Capital fund for the operations share of the RP-5 Expansion project.

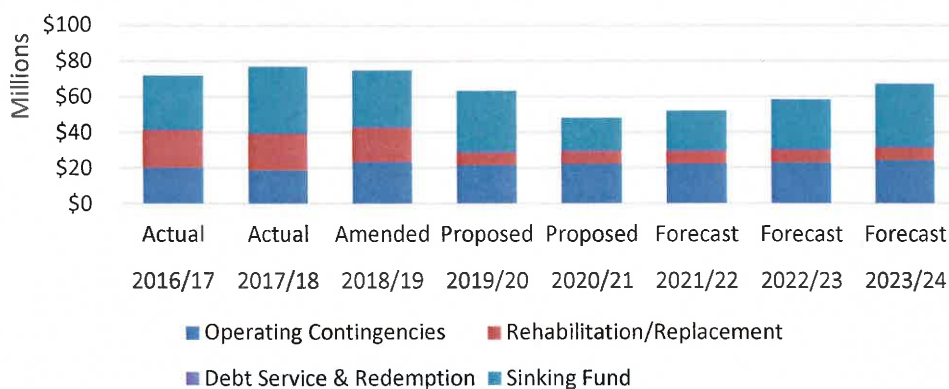
Figure 2: Monthly EDU Sewage Cost of Service



Fiscal year 2015/16 was the first of the five-year rates. As reported, actual cost of service of starting in FY 2015/16 through FY 2017/18 exceeded the adopted rates. The updated cost of service projections for FYs 2018/19 through 2019/20 exceed the 2015 forecasts, primarily due to the higher R&R projects costs than estimated in 2015 as reported on Table 8 (Major Expenses) and Table 9 (Major Capital Projects), and higher employment costs due to a combination of higher benefit costs, negotiated cost of living and merit increases, and a reduction in the vacancy factor to support succession planning by filling needed vacant positions.

The projected Wastewater Operations fund ending fund balance is estimated at \$63.1 million and \$47.9 million for FYs 2019/20 and 2020/21, respectively. The projected decrease in fund balance is due to contributions to the Wastewater Capital fund for the Wastewater Operations fund share of the RP-5 Expansion and planned R&R projects, such as the CCWRF Asset Management and Improvements project costs.

Figure 3: Wastewater Operations Fund Reserves by Type



Recycled Water Fund

A continued key initiative for the Agency is to optimize the beneficial reuse of recycled water and provide a cost effective and sustainable alternative to imported water for the region. Included in IEUA's long term planning documents is the continued expansion and improvement of the regional recycled water distribution system and groundwater recharge facilities. The Regional Recycled Water Distribution System (RRWDS) consists of over 89 miles of pipeline, 4 reservoir storage tanks with storage capacity between 2 and 5 million gallons, and multiple pump stations. Currently there are over 800 user connections to the RRWDS.

Total regional recycled water acre feet (AF) deliveries in FY 2019/20 and FY 2020/21 are projected to be 35,800 and 36,000 generating revenues of \$18.1 million and \$18.8 million, respectively. Recycled water deliveries for direct use has declined in the recent years primarily due to trends in decreased agricultural usage due to land conversions from farm sites to developed parcels.

Water connection fee revenues collected to support capital investments in the Agency's regional water distribution system for FY 2019/20 are projected to be \$7.9 million and \$8.0 million for FY 2020/21. Water connection fee rates are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8" and 3/4" meter size (standard residential meter size). Revenues and other funding sources of the Recycled Water fund are summarized in Table 9.

Table 9: Recycled Water Fund Major Revenues & Other Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Recycled Water Sales	\$18.1	\$18.8	FY 2019/20 adopted direct rate of \$490/AF and Groundwater Recharge (GWR) rate of \$550/AF FY 2020/21 rates to be determined by 2019 Rate Study.
Water Connection Fees	7.9	8.0	FY 2019/20 adopted fee is \$1,684/MEU with new connections of 4,700 and 4,630 for FY 2020/21. Fee for FY 2020/21 to be determined by 2019 Rate Study.
Property Tax	2.2	2.2	Maintain \$2.2 million allocation as approved by the Board of Directors in June 15, 2016.
State Revolving Fund Loan	8.1	5.2	SRF loan proceeds include funds for the JCSD* and City of Pomona recycled water intertie connections, and various other capital projects.
Other	12.6	8.0	Grants and capital reimbursements to support groundwater basin recharge and recycled water connection projects, interest and inter-fund debt service support for the 2017A Revenue bonds.
Total	\$48.9	\$42.2	

*Jurupa Community Services District

Major expenses for the Recycled Water fund include capital project costs (see Table 11), debt service, and operating costs. Capital expenditures in FY 2019/20 and FY 2020/21 are projected to be \$18.7 and \$23.8 million, respectively. Operating costs include employment, pumping costs, O&M projects, and a portion of the groundwater recharge O&M costs not reimbursed by Chino Basin Watermaster (CBWM). The projected biennial expense and other uses of funds for the Recycled Water fund are summarized in Table 10.

Table 10: Recycled Water Fund Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Operating Expenses	\$11.7	\$11.6	Includes employment, professional fees, materials and supplies, pumping costs, a portion of the groundwater recharge operations expense, and O&M project costs.
Capital Improvement Plan (CIP)	18.7	23.8	See Table 11 for a summary of major capital projects.
Debt Service	11.0	12.1	Includes principal and interest costs for outstanding bonds and SRF loans and interfund loan repayments to the Non-Reclaimable Wastewater fund.
Other	2.9	1.7	Inter-fund transfers for water connection fees in support of the RRWDS*, and capital and operating support to the Administrative Services and Recharge Water funds.
Total	\$44.3	\$49.2	

**Regional Recycled Water Distribution System*

Annual debt service costs include principal, interest, and financial fees for SRF loans, 2017A Revenue Bonds and interfund loan repayment to the Non-Reclaimable (NRW) fund. Debt service is estimated to be \$11.0 million in FY 2019/20 and \$12.1 million in FY 2020/21. The annual interfund loan repayment, which began in FY 2018/19, will first be applied to the \$12 million due to the NRW fund. Payments towards the \$13.5 million due to the Regional Wastewater Capital fund are budgeted to begin in FY 2022/23. The final re-payment of inter-fund loans is scheduled for FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in Appendix A7.

Table 11: Recycled Water Fund Major Capital Projects

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Recycled Water Intertie to City of Pomona	\$2.0	\$3.0	\$71.5	\$80.0
Recycled Water Intertie to City of Jurupa Comm. Services District	1.0	18.5	11.8	31.3
Baseline Recycled Water Pipeline Extension	5.7	0	0	5.7
RP-1 1158 Recycled Water Pump Station Upgrades	4.7	0	0	4.7
Napa Lateral/San Bernardino Speedway	1.6	0	0	1.6
All Other Capital Projects	3.7	2.3	14.8	81.1
Total	\$18.7	\$23.8	\$98.1	\$204.4

Cost of Service Review

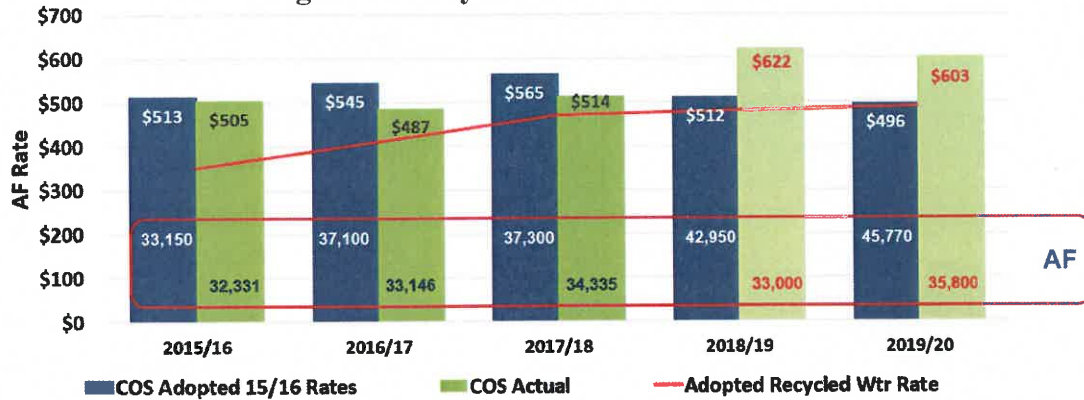
In May 2015, the Board adopted recycled water Acre Foot (AF) service rates for five years (FYs 2015/16 – 2019/20), as summarized in Table 12.

Table 12: Adopted Recycled Water Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
AF Deliveries	32,400	35,500	36,700	37,800	39,000

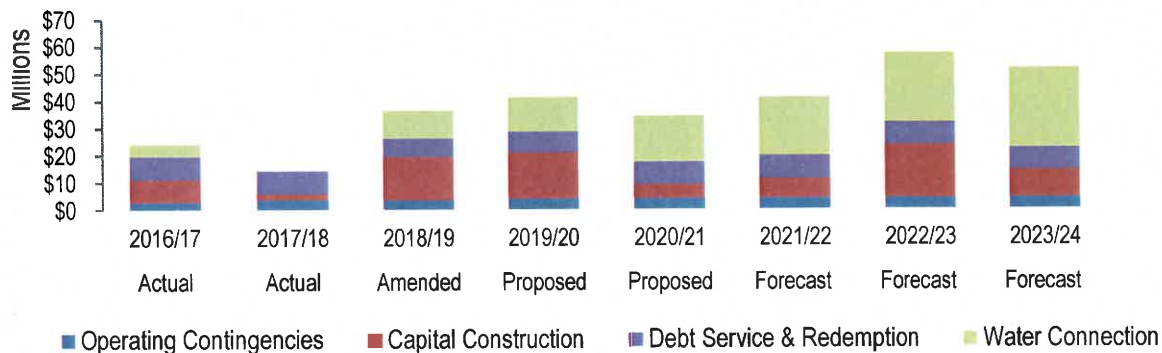
A key objective of the multi-year rates was to establish a rate that fully recovered the cost of providing the service. Figure 4 is a comparison of the cost of service projections (dark blue) as adopted in FY2015/16 to the actual COS and current updated projections (green). Included in the cost of service AF calculation are operational and maintenance (O&M) costs, project costs less any grants or contributions, and debt service costs which is partially offset by property tax receipts and interfund transfers from the Wastewater Capital fund. As shown in Figure 4 the estimated cost of service of \$603/AF in FY 2019/20 is projected to exceed the adopted rate of \$490/AF. A key driver for the higher projected AF cost of service rate are the lower recycled water deliveries. Projections and underlying assumptions are reviewed and updated each year as part of the budget process and 2019 Rate Study currently underway.

Figure 4: Recycled Water Cost of Service



The Recycled Water fund projected ending fund balances for FY 2019/20 and FY 2020/21 is \$41.2 million and \$34.2 million, respectively. The projected decrease in fund reserves is primarily due to higher CIP costs planned over the next two years supported by a combination of SRF loans, grants, and pay-go funding. Projected ending fund balances are reported below in Figure 5.

Figure 5: Recycled Water Fund Reserve by Type



Recharge Water Fund

The Recharge Water (RW) fund accounts for the revenues and expenses associated with groundwater recharge (GWR) operations and maintenance (O&M) through joint efforts with Chino Basin Watermaster (CBWM), Chino Basin Water Conservation District (CBWCD), and the San Bernardino County Flood Control District (SBCFCD). Operating expenses include general basin maintenance and/or restoration, groundwater administration (e.g. labor, tools, and supplies), contracted services (e.g. weeding and vector control), compliance reporting, and environmental documentation for permit compliance.

Total budgeted revenues, other funding sources, and inter-fund contributions and support for FYs 2019/20 and 2020/21 are \$9.4 million and \$18.6 million, respectively. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities’ O&M, capital project support, and debt service costs. The remaining balance will be contributed by IEUA for its portion of capital and debt service (50/50 share with CBWM), and pro-rata share of O&M costs. Table 13 is a summary of revenues and other funding sources.

Table 13: Recharge Water Fund Revenues and Other Funding Sources

Major Funding Sources (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Watermaster Operating Cost Reimbursement	\$1.2	\$1.1	Reimbursement of ground water recharge O&M and facilities.
Watermaster Debt Service	0.6	0.7	Reimbursement for CBWM* share of debt service costs for the 2008B bonds – estimated interest rate is 4% for both fiscal years.
State Revolving Fund (SRF) Loan	1.3	3.8	Loan proceeds to support Recharge Mater Plan Update (RMPU) projects.
Grants	4.8	11.5	Grant proceeds to support RMPU projects.
Other	1.5	1.5	Interest revenue and inter-fund transfer for the Agency's operating support for pro-rata share of groundwater basin maintenance, capital projects, non-reimbursable labor, and debt service from the Recycled Water and Wastewater Capital funds.
Total	\$9.4	\$18.6	

*Chino Basin Watermaster

Total Recharge Water program expenses for FYs 2019/20 and 2020/21 are \$8.2 million, and \$16.3 million, respectively. The key expenses include capital costs related to the Recharge Master Plan Update (RMPU) projects, debt service costs for the Chino Basin Facilities Improvement Project (CBFIP) 2008B Variable Rate Revenue bonds, and groundwater O&M costs.

The FYs 2019/20 and 2020/21 groundwater O&M budget, shown below in Table 14, includes utilities and general groundwater basin maintenance costs for infiltration, restoration and slope repairs on the following groundwater basins: Jurupa, San Sevaine, Turner, and Victoria.

Table 14: Recharge Water Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2019/20	FY 2020/21	Key Assumptions
Operating Expense	\$1.9	\$1.8	Program support and maintenance, utilities, specialty O&M, Watermaster and SBCFCD costs, and IEUA's pro-rata share.
Debt Service	1.3	1.3	Principal, interest and financial expense for the bonds.
Capital Improvement Plan (CIP)	5.0	13.2	Capital project costs shared with Watermaster for RMPU projects.
Total	\$8.2	\$16.3	

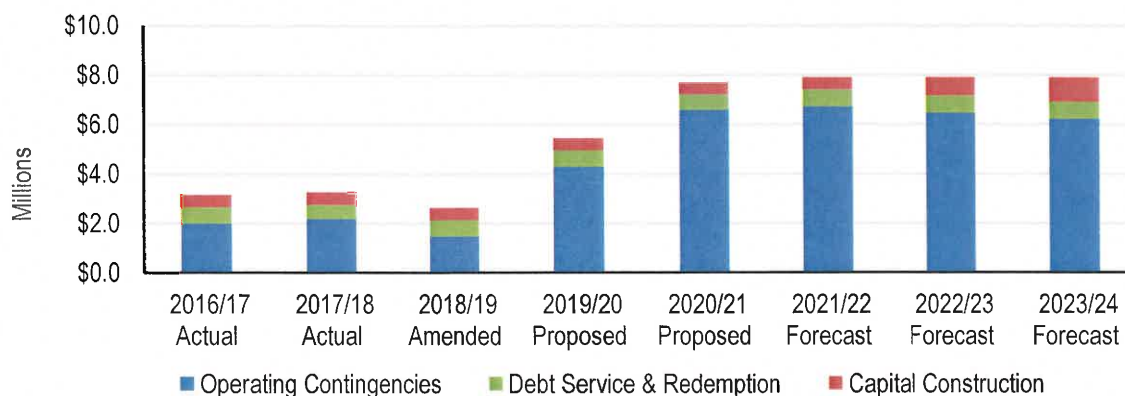
The FY 2019/20 and 2020/21 capital project costs for the Recharge Capital Program mainly involve modifications, improvements, and refurbishment at selected basins for \$5.0 million and \$13.2 million, respectively. CBWM has updated the Recharge Master Plan, and Agency staff is taking the lead in the execution and administration of the capital projects. Table 15 is a summary of major projects in the Recharge Water program and respective cost sharing ratio between IEUA and CBWM.

Table 15: Recharge Water Fund Capital Projects and Cost Sharing

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	TYCIP Total	IEUA Cost Share	CBWM Cost Share
Recharge Master Plan Update	\$5.0	\$9.8	\$14.8	0%	100% of pay-go and debt service
Lower Day Recharge Master Plan Update	0	3.4	3.4	0%	100% of pay-go and debt service
Infrastructure Replacement	0	0.1	0.1	100%	0%
Asset Management	0	0	8.2	50%	50%
Total	\$5.0	\$13.2	\$26.5		

The ending fund balance for FYs 2019/20 and 2020/21 is projected to be \$5.4 million and \$7.7 million, respectively (Figure 6). Throughout the subsequent years, ending fund balances are estimated to average \$7.9 million based on current assumptions to leverage SRF loan and grant proceeds to finance RMPU capital projects.

Figure 6: Recharge Water Fund Reserve by Type



Conclusion

Over the next two fiscal years, key areas of focus will be execution of critical expansion and R&R capital projects, completion of the 2019 Rate Study to identify necessary future rate adjustments, implementation of succession planning for timely recruitment of critical personnel to ensure the transfer for knowledge and expertise to the next generation of Agency employees, and developing a financing strategy to support CIP. Achieving these objectives will ensure the Agency is positioned to continue its commitment to delivering essential high-quality services in a cost-effective manner and supporting the region's economic development.

Additional Background Information

Appendix A – Sources and Uses of Funds: Regional Wastewater Capital, Regional Wastewater O&M, Recycled Water and Recharge Water funds.

Appendix Table A1 – Acronyms

Appendix Table A2 – Key assumptions for FYs 2019/20 and 2020/21 budget

Appendix Table A3 – Wastewater connection fees

Appendix Table A4 – EDU volumetric rates

Appendix Table A5 – Recycled water rates

Appendix Table A6 – Water connection fees

Appendix Table A7 – Inter-fund loan repayment schedule

Appendix Table A8 – Major projects in FYs 2017/18 and 2018/19, and Total Ten-Year Budget

Appendix A

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 and 2020/21 BIENNIAL BUDGET
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2016/17	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Actual	Actual	Projected Actual	Proposed Budget	Proposed Budget	Forecast		
REVENUES+11:831111:99								
Interest Revenue	\$0.2	\$0.5	\$0.5	\$0.8	\$0.8	\$0.6	\$0.7	\$0.8
TOTAL REVENUES	\$0.2	\$0.5	\$0.5	\$0.8	\$0.8	\$0.6	\$0.7	\$0.8
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$29.7	\$31.5	\$32.7	\$34.0	\$35.1	\$36.1	\$37.2	\$37.9
Regional System Connection Fees	30.5	32.8	26.5	27.8	28.7	29.5	26.6	27.4
State Loans	-	0.5	-	9.8	80.3	103.7	56.1	29.2
Sale of Assets	-	1.3	-	-	-	-	-	-
Other Revenues	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan Transfer from Internal Fund	-	-	0.0	-	-	-	2.0	6.0
TOTAL OTHER FINANCING SOURCES	\$60.3	\$66.2	\$59.3	\$71.7	\$144.0	\$169.3	\$121.8	\$100.5
EXPENSES								
Employment Expenses	\$3.8	\$3.8	\$4.1	\$3.6	\$3.7	\$4.0	\$4.1	\$4.3
Contract Work/Special Projects	1.1	0.6	0.1	0.1	-	-	-	-
Operating Fees	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Professional Fees and Services	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Other Expenses	0.5	0.9	1.4	1.5	1.5	1.6	1.6	1.6
TOTAL EXPENSES	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$7
CAPITAL PROGRAM								
Work In Progress	\$11.4	\$20.3	\$27.4	\$24.8	\$102.2	\$125.1	\$66.2	\$36.1
IERCA investment	-	-	0.5	0.5	0.5	-	-	-
TOTAL CAPITAL PROGRAM	\$11.4	\$20.3	\$27.9	\$25.3	\$102.7	\$125.1	\$66.2	\$36.1
DEBT SERVICE								
Financial Expenses	\$0.3	\$0.1	\$0.1	\$0.1	\$0.3	\$0.1	\$0.1	\$0.1
Interest	4.7	3.0	2.7	2.8	2.7	2.3	2.0	5.1
Principal	57.3	8.8	8.9	9.4	9.6	10.1	5.1	8.5
Short Term Inter-Fund Loan	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE	\$62.3	\$11.9	\$11.7	\$12.3	\$12.5	\$12.5	\$7.3	\$13.7
TRANSFERS IN (OUT)								
Capital Contribution	(\$0.3)	\$0.1	\$4.7	\$3.4	\$10.4	\$3.9	\$2.4	\$1.4
Debt Service	(0.9)	(2.8)	(2.9)	(3.3)	(3.3)	(3.3)	(3.4)	(1.2)
Operation support	-	-	-	-	-	-	-	-
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$1.2)	(\$2.8)	\$1.8	\$0.1	\$7.1	\$0.6	(\$0.9)	\$0.2
FUND BALANCE								
Net Income (Loss)	(\$21.4)	\$24.8	\$9.0	\$19.8	\$22.5	\$23.4	\$40.1	\$43.4
Beginning Fund Balance July 01	\$76.3	\$54.8	\$79.6	\$88.6	\$108.4	\$130.8	\$154.2	\$194.3
ENDING FUND BALANCE AT JUNE 30*	\$54.8	\$79.6	\$88.6	\$108.4	\$130.8	\$154.2	\$194.3	\$237.8
RESERVE BALANCE SUMMARY								
Capital Construction	\$15.7	\$4.6	\$3.0	\$16.7	\$80.5	\$119.3	\$167.7	\$213.8
CCRA Capital Construction	\$31.7	\$55.6	\$70.1	\$72.3	\$30.9	\$15.4	\$7.0	\$4.4
Debt Service & Redemption	\$7.4	\$19.5	\$15.6	\$19.5	\$19.4	\$19.5	\$19.6	\$19.6
ENDING BALANCE AT JUNE 30	\$54.8	\$79.6	\$88.6	\$108.4	\$130.8	\$154.2	\$194.3	\$237.8

*Numbers may not total due to rounding

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 AND 2020/21 BIENNIAL BUDGET
REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$56,597	\$62,144	\$66,663	\$68,158	\$70,366	\$72,653	\$75,020	\$77,466
Cost Reimbursement JPA	3,675	3,981	3,763	4,065	4,227	4,396	4,572	4,755
Contract Cost Reimbursement	70	64	66	66	66	66	66	66
Interest Revenue	538	965	1,800	1,700	1,300	1,200	1,300	1,500
TOTAL REVENUES	\$60,881	\$67,155	\$72,293	\$73,988	\$75,959	\$78,315	\$80,958	\$83,787
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital/Reserves	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549
State Loans	7,531	11,310	2,239	0	0	0	0	0
Grants	11,780	3,142	3,011	1,261	1,135	0	0	0
Other Revenues	611	248	601	909	909	909	909	909
TOTAL OTHER FINANCING SOURCES	\$29,470	\$24,248	\$15,400	\$11,718	\$11,593	\$10,458	\$10,458	\$10,458
EXPENSES								
Employment Expenses	\$32,335	\$28,718	\$32,321	\$33,985	\$35,261	\$37,433	\$39,003	\$40,495
Contract Work/Special Projects	11,048	7,544	7,787	5,740	6,425	4,015	3,940	5,215
Utilities	5,329	5,806	6,182	6,022	6,266	6,423	6,584	6,751
Operating Fees	1,443	1,519	1,752	1,953	2,015	2,080	2,143	2,206
Chemicals	4,180	3,880	4,086	4,867	5,013	5,163	5,318	5,478
Professional Fees and Services	2,252	3,587	3,667	4,723	4,226	4,353	4,437	4,582
Biosolids Recycling	4,007	4,044	4,329	4,384	4,515	4,651	4,790	4,934
Materials & Supplies	2,199	1,992	2,020	2,019	2,064	2,126	2,190	2,256
Other Expenses	887	2,621	3,773	4,263	4,231	4,322	4,422	4,524
TOTAL EXPENSES	\$63,684	\$59,710	\$65,922	\$67,960	\$70,020	\$70,570	\$72,831	\$76,444
CAPITAL PROGRAM								
Capital Construction & Expansion (WIP)	\$12,557	\$23,781	\$21,754	\$29,038	\$23,447	\$11,476	\$8,175	\$3,896
TOTAL CAPITAL PROGRAM	\$12,557	\$23,781	\$21,754	\$29,038	\$23,447	\$11,476	\$8,175	\$3,896
DEBT SERVICE								
Financial Expenses	\$16	(\$26)	\$0	\$0	\$0	\$1	\$0	\$0
Interest	200	179	175	655	641	620	597	573
Principal	0	172	177	756	771	791	814	857
TOTAL DEBT SERVICE	\$216	\$325	\$352	\$1,412	\$1,412	\$1,412	\$1,412	\$1,430
TRANSFERS IN (OUT)								
Capital Contribution	(\$181)	(\$1,826)	(\$5,020)	(\$4,598)	(\$11,010)	(\$4,226)	(\$2,702)	(\$2,011)
Debt Service				265	123	123	123	(2,146)
Operation support to GG for Non-Capital Projects		(649)	(508)	(2,176)	(1,307)	(279)	(1,016)	(705)
Capital - Connection Fees Allocation		0	5,454	5,930	4,296	2,950	1,070	1,180
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$181)	(\$2,475)	(\$74)	(\$579)	(\$7,898)	(\$1,431)	(\$2,525)	(\$3,682)
FUND BALANCE								
Net Income (Loss)	\$13,712	\$5,113	(\$409)	(\$13,282)	(\$15,224)	\$3,885	\$6,473	\$8,793
Beginning Fund Balance July 01	58,012	71,724	76,837	76,428	63,146	47,922	51,806	58,279
ENDING FUND BALANCE JUNE 30*	\$71,724	\$76,837	\$76,428	\$63,146	\$47,922	\$51,806	\$58,279	\$67,072
RESERVE BALANCE SUMMARY								
Operating Contingies	\$20,038	\$18,590	\$20,720	\$21,299	\$21,931	\$22,058	\$22,753	\$23,896
Rehabilitation/Replacement	20,714	19,975	6,740	6,740	6,740	6,740	6,740	6,740
Debt Service	787	1,204	1,406	1,406	1,406	1,406	1,406	1,406
Sinking Fund	30,185	37,067	47,563	33,701	17,845	21,602	27,380	35,030
ENDING BALANCE AT JUNE 30	\$71,724	\$76,837	\$76,428	\$63,146	\$47,922	\$51,806	\$58,279	\$67,072

* Numbers may not total due to rounding

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 AND 2020/21 BIENNIAL BUDGET
RECHARGE WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2021/2022	2022/2023	2023/2024
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Cost Reimbursement from JPA	\$948	\$864	\$989	\$1,237	\$1,076	\$1,108	\$1,141	\$1,175
Contract Cost reimbursement	(10)	0	640	0	0	0	0	0
Interest Revenue	16	23	85	115	160	190	195	195
TOTAL REVENUES	\$954	\$888	\$1,714	\$1,352	\$1,236	\$1,298	\$1,336	\$1,370
OTHER FINANCING SOURCES								
State Loans		\$0	\$0	\$1,256	\$3,764	\$143	\$0	\$0
Grants	(4)	0	452	4,845	11,521	0	0	0
Capital Contract Reimbursement	1,117	2,280	618	565	662	1,002	1,060	1,190
Other Revenues	0	25	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$1,113	\$2,305	\$1,070	\$6,665	\$15,947	\$1,145	\$1,060	\$1,190
EXPENSES								
Employment Expenses	\$565	\$657	\$596	\$653	\$677	\$718	\$748	\$777
Contract Work/Special Projects	353	25	680	0	0	0	0	0
Utilities	82	99	75	68	70	72	74	76
Operating Fees	5	7	12	13	8	8	8	8
Professional Fees and Services	801	591	922	1,034	859	885	911	939
Office and Administrative expenses	9	10	15	15	16	16	17	17
Expense Allocation	65	0	47	53	52	54	55	56
Materials & Supplies	69	83	90	98	101	104	107	111
Other Expenses	15	0	0	0	0	0	0	0
TOTAL EXPENSES	\$1,964	\$1,471	\$2,437	\$1,934	\$1,782	\$1,857	\$1,921	\$1,984
CAPITAL PROGRAM								
Capital Expansion/Construction	\$864	\$1,645	\$558	\$5,000	\$13,184	\$290	\$500	\$750
TOTAL CAPITAL PROGRAM	\$873	\$1,648	\$560	\$5,004	\$13,192	\$302	\$513	\$764
DEBT SERVICE								
Financial Expenses	\$73	\$71	\$68	\$67	\$125	\$63	\$62	\$61
Interest	95	148	245	461	430	398	488	451
Principal	647	683	710	739	769	1,045	948	991
TOTAL DEBT SERVICE	\$815	\$902	\$1,024	\$1,267	\$1,324	\$1,506	\$1,497	\$1,503
TRANSFERS IN (OUT)								
Capital Contribution	\$399	\$15	\$44	\$0	\$0	\$0	\$10	\$113
Debt Service	408	451	512	633	662	630	687	688
Operation support	507	440	661	757	707	749	780	809
Property Tax Transfer	68	25	1,009	0	5	23	45	68
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,381	\$931	\$2,226	\$1,390	\$1,374	\$1,401	\$1,522	\$1,677
FUND BALANCE								
Net Income (Loss)	(\$196)	\$105	\$992	\$1,206	\$2,267	\$191	\$0	\$0
Beginning Fund Balance July 01	3,337	3,140	3,246	4,238	5,444	7,711	7,902	7,902
ENDING FUND BALANCE AT JUNE 30*	\$3,140	\$3,246	\$4,238	\$5,444	\$7,711	\$7,902	\$7,902	\$7,902
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,978	\$2,165	\$3,108	\$4,282	\$6,581	\$6,715	\$6,464	\$6,218
Capital Expansion / Construction	500	500	500	500	500	500	750	1,000
Debt Service & Redemption	662	581	630	662	630	687	688	685
ENDING BALANCE AT JUNE 30	\$3,140	\$3,246	\$4,238	\$5,444	\$7,711	\$7,902	\$7,902	\$7,902

* Numbers may not total due to rounding

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 and 2020/21 BIENNIAL BUDGET
RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/23	2023/24
	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES							
Interest Revenue	\$371	\$577	\$1,054	\$1,028	\$1,025	\$1,298	\$1,405
Water Sales	16,878	15,890	18,120	18,752	19,408	20,445	21,037
TOTAL REVENUES	\$17,343	\$16,467	\$19,174	\$19,780	\$20,433	\$21,743	\$22,442
OTHER FINANCING SOURCES							
Property Tax - Debt/Capital	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	7,889	6,416	7,915	8,032	8,025	8,019	8,011
State Loans	3,418	7,909	8,153	5,220	7,240	22,469	23,100
Grants	2,164	6,710	7,032	3,750	1,875	3,500	6,250
Capital Contract Reimbursement	202	72	2,075	702	6,824	7,220	3,473
Other Revenues	12	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$15,855	\$ 23,277	\$ 27,345	\$ 19,875	\$ 26,134	\$ 43,378	\$ 43,004
EXPENSES							
Employment Expenses	\$4,084	\$4,248	\$5,184	\$5,370	\$5,701	\$5,940	\$6,168
Contract Work/Special Projects	1,019	1,982	1,780	1,365	1,063	995	975
Utilities	1,833	2,028	2,801	2,885	2,971	3,061	3,152
Professional Fees and Services	481	884	666	632	669	741	729
Office and Administrative expenses	2	3	3	3	3	3	3
Materials & Supplies	154	203	169	174	185	199	216
Other Expenses	728	934	1,128	1,122	1,146	1,170	1,197
TOTAL EXPENSES	\$8,301	\$10,283	\$11,730	\$11,552	\$11,740	\$12,110	\$12,441
CAPITAL PROGRAM							
Work in Progress	\$7,439	\$16,237	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
TOTAL CAPITAL PROGRAM	\$7,439	\$16,237	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
DEBT SERVICE							
Financial Expenses	\$1	\$3	\$3	\$3	\$4	\$3	\$3
Interest	2,715	2,657	2,657	2,881	2,846	2,877	2,577
Principal	5,159	5,256	5,367	6,232	6,625	7,083	7,381
Short Term Inter-Fund Loan	0	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL DEBT SERVICE	\$7,875	\$10,916	\$11,027	\$12,116	\$12,475	\$14,963	\$15,961
TRANSFERS IN (OUT)							
Capital Contribution	(\$80)	(\$1,052)	(\$44)	(\$21)	(\$13)	(\$21)	(\$134)
Debt Service	2,397	2,400	2,400	2,542	2,540	2,541	2,669
Operation support	(464)	(709)	(836)	(755)	(759)	(817)	(835)
Water Connection Allocation	(390)	(1,652)	(1,996)	(950)	(855)	(297)	(316)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,463	(\$1,014)	(\$476)	\$816	\$914	\$1,406	\$1,384
FUND BALANCE							
Net Income (Loss)	\$11,046.14	\$1,294.62	\$4,558.22	(\$6,996.86)	\$6,965.22	\$16,148.91	(\$5,572.36)
Beginning Fund Balance July 01	24,092	35,135	36,697	41,245	34,238	41,192	57,330
ENDING BALANCE AT JUNE 30	\$35,138	\$36,430	\$41,255	\$34,248	\$41,203	\$57,341	\$51,758
RESERVE BALANCE SUMMARY							
Operating Contingency	\$2,767.89	\$3,431.10	\$3,913.35	\$3,853.94	\$3,916.81	\$4,040.19	\$4,150.60
Capital Construction	12,834	15,952	16,903	5,302	7,216	19,477	10,108
Water Connection	9,548	10,269	12,623	16,976	21,537	25,497	29,489
Debt Service	9,988	6,778	7,815	8,116	8,534	8,327	8,010
ENDING BALANCE AT JUNE 30	\$35,138	\$36,430	\$41,255	\$34,248	\$41,203	\$57,341	\$51,758

* Numbers may not total due to rounding

Appendix Table A1: Acronyms

Acronyms	
AF	Acre Foot
CBFIP	Chino Basin Facilities Improvement Project
CBP	Chino Basin Program
CBWM	Chino Basin Water Master
CCWRF	Carbon Canyon Wastewater Reclamation Facility
CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit
FTE	Full Time Equivalent
FY	Fiscal Year
GG	Administrative Services Program
GWR	Groundwater Recharge
IERCA	Inland Empire Regional Composting Authority
kWh	Kilowatt hour
MEU	Meter Equivalent Unit
NC	Non-Reclaimable Wastewater Program
NRW	Non-Reclaimable Wastewater
O&M	Operations & Maintenance
R&R	Replacement & Rehabilitation
RC	Regional Wastewater Capital Improvement Program
RMPU	Recharge Master Plan Update
RO	Regional Wastewater Operations and Maintenance Program
RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino
RP-3	Old Regional Water Reclamation Facility (Plant) in the City of Fontana rebuilt into a recharge facility with 4 recharge basins or cells.
RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
RRWDS	Regional Recycled Water Distribution System
RW	Recharge Water Program
SBCFCD	San Bernardino County Flood Control District
SCADA	Supervisory Control and Data Acquisition
SRF	State Revolving Fund
TCE	Trichloroethylene
TYCIP	Ten Year Capital Improvement Plan
WW	Water Resources Program

Appendix Table A2: Key Assumptions for FYs 2019/20 and 2020/21 Budget

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
4,000 new wastewater connections per year	3% average CPI for O&M expenses
3.4 million volumetric EDU @ 0.25% annual growth	Eliminates vacancy factor in staffing to support succession plan
Recycled Water Deliveries: FY 2019/20 35,800 AF FY 2020/21 36,000 AF	Addition of several major construction projects within the next two-year period
4,700 and 4,630 new water connections (MEU) for FY 2019/20 & FY 2020/21, respectively	Leverage professional services to achieve effective maintenance approach
4% and 3% growth in property tax receipts. Property tax allocated to Regional Capital fund remains at 65%, and "fixed amount" allocation to Regional O&M, Recycled Water, and Administrative Service funds, based on FY 2016/17 budget amendment.	
Capital Improvement Plan (CIP) partially funded by low interest SRF loans and grants	

Appendix Table A3: Wastewater Connection Fees

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Wastewater Connection Fee	\$5,415	\$6,009	\$6,309	\$6,624	\$6,955
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Wastewater Connection Units	4,774	3,000	3,000	3,000	2,700

Appendix Table A4: Monthly EDU Sewage Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
EDU Volumetric Rate	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Rate Increase	\$1.50	\$1.25	\$1.25	\$1.20	\$0.41
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19

Appendix Table A5: Recycled Water Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
AF Deliveries	32,400	35,500	36,700	37,800	39,000

Appendix Table A6: Water Connection Fees

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Water Connection Fee (for 5/8" and 3/4" meter size)	\$693	\$1,455	\$1,527	\$1,604	\$1,684
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Meter Equivalent Units (MEUs)	1,455	1,527	1,604	1,684	1,735

Appendix Table A7: Inter-Fund Loan Repayment Schedule

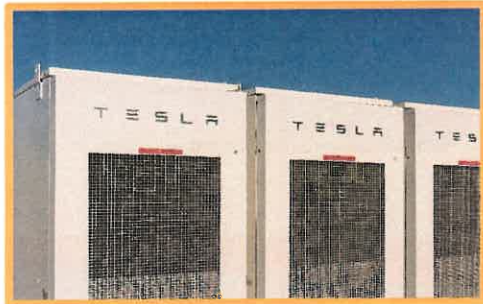
Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule
FY 2007/08	Non-Reclaimable Wastewater (NRW) Fund	\$9.0	2018/19 \$3.0 2020/21-2021/22 \$9.0 Total \$9.0
FY 2007/08	Regional Wastewater Capital (RC) Fund	3.0	2022/23 \$1.0 2023/24-2024/25 \$2.0 Total \$3.0
FY 2009/10	Non-Reclaimable Wastewater (NRW) Fund	6.0	2021/22 \$3.0 2022/23 \$3.0 Total \$6.0
FY 2014/15	Regional Wastewater Capital Improvement (RC) Fund	10.5	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5 Total \$10.5
Total	Grand Total	\$28.5	\$28.5

Appendix Table A8: Major Projects in FYs 2019/20 and 2020/21

Projects (\$Thousands)	FY 2019/20 Proposed	FY 2020/21 Proposed	Total Ten Year Budget
Wastewater Capital Fund			
RP-5 Liquid Expansion to 30 MGD	\$2,450	\$3,360	\$174,135
RP-5 Solids Treatment Expansion	2,450	3,430	164,135
CCWRF Assets Management and Improvements	2,700	1,020	23,220
Purchase Existing Solar Installation	0	7,500	7,500
RP-1 Headworks Primary and Secondary Upgrades	5,290	588	5,878
RP-1 Disinfection Pump Improvements	1,197	2,086	5,342
RP-1 Flare Improvements	1,050	2,380	4,900
RP-1 Mixed Liquor Return Pumps	2,172	0	2,172
Total Regional Capital Fund Major Projects	\$17,309	\$20,364	\$387,282

Projects (\$Thousands)	FY 2019/20 Proposed	FY 2020/21 Proposed	Total Ten Year Budget
Wastewater Operations Fund			
RP-1 Mechanical Restoration Upgrades	\$8,855	\$1,000	\$9,855
RP-4 Influent Screen Replacement	2,850		2,850
RP-1 Primary Effluent Conveyance Improvement	2,660		2,660
SCADA Enterprise System	2,000	3,500	8,500
RSS Haven Avenue Repair & Replacement	2,000	4,000	6,000
RP-4 Process Improvements	1,950	1,050	6,150
Digester 6 and 7 Roof Repairs	1,500	2,800	4,300
RP-4 Primary Clarifier Rehabilitation	1,150	5,200	7,130
Total Regional Operations Fund Major Projects	\$22,965	\$17,550	\$47,445
Recycled Water Fund			
RW Connections to City of Pomona	2,000	3,000	80,000
RW Connections to JCSD	1,000	18,500	31,300
Baseline RWPL Extension	5,730		5,730
RP-1 1158 RMPU Upgrades	4,672		4,672
1158 East Reservoir Re-Coating and Painting	1,000	1,200	2,200
Napa Lateral	1,605		1,605
Total Recycled Water Fund	\$16,007	\$22,700	\$125,507
Recharge Water Fund			
RMPU Construction Costs	5,000	9,750	14,790
Lower Day Basin RMPU Improvements		3,404	3,404
Total Recharge Water Fund	\$5,000	\$13,154	\$18,194
TOTAL MAJOR PROJECTS	\$61,281	\$73,768	\$578,428

Fiscal Years 2019/20 – 2020/21 Biennial Budget Overview Wastewater, Recycled Water and Recharge Water Programs



Proposed Biennial Budget FYs 2019/20 – 2020/21

Supports Board-Adopted Business Goals

FISCAL RESPONSIBILITY

Rate Study to ensure full recovery of costs

Financing capital projects

Cost containment

WORK ENVIRONMENT

Training & development

Succession planning

WATER RELIABILITY

Water use efficiency programs

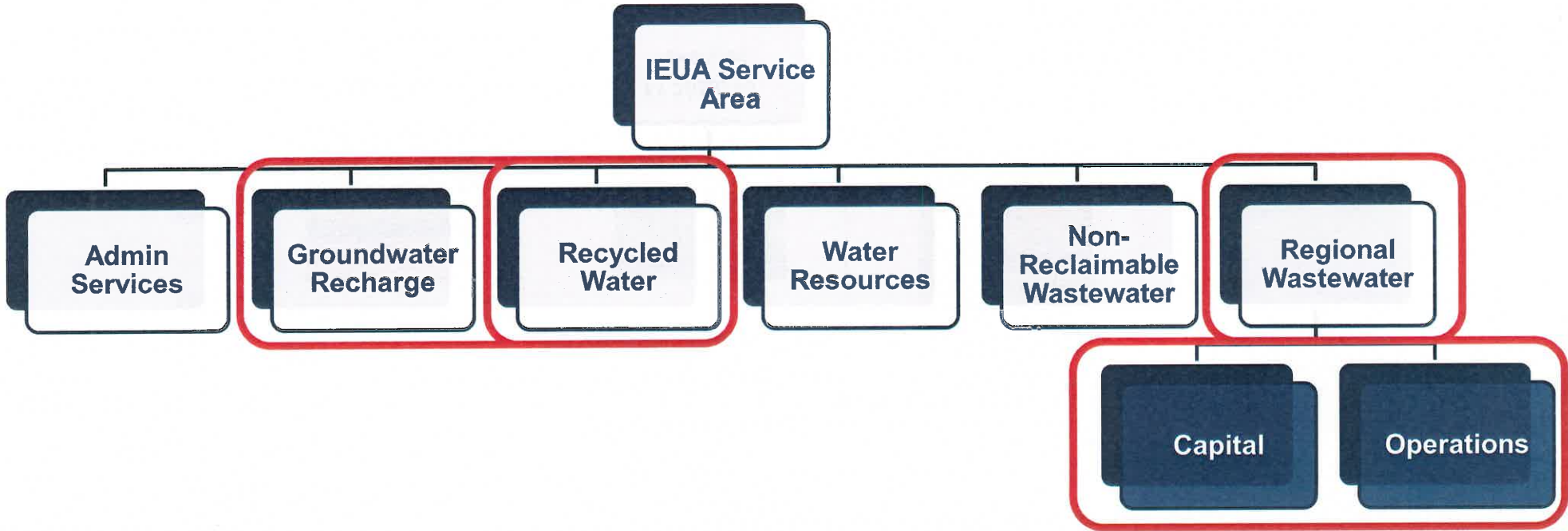
Chino Basin Program

WASTEWATER MANAGEMENT

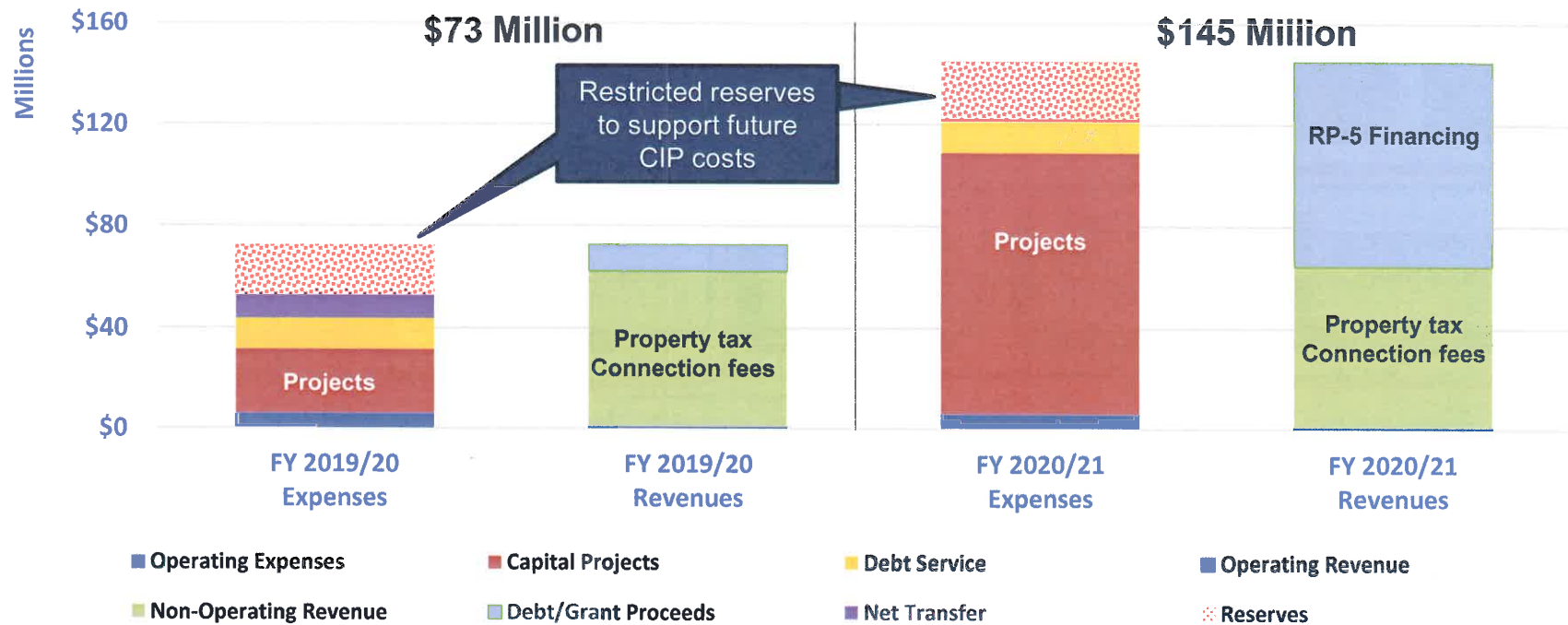
RP-5 expansion construction

Asset Management Program

Fund structure

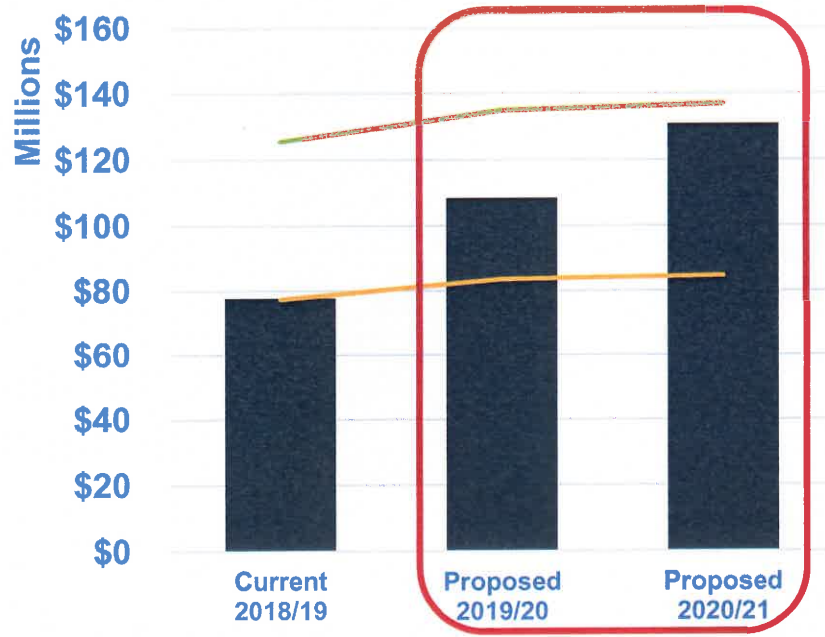


Wastewater Capital Fund Total Sources and Uses of Funds



- Major Projects**
- RP-5 Expansion Construction
 - CCWRF Asset Management
 - RP-1 Flare Improvements

Wastewater Capital Fund Reserves

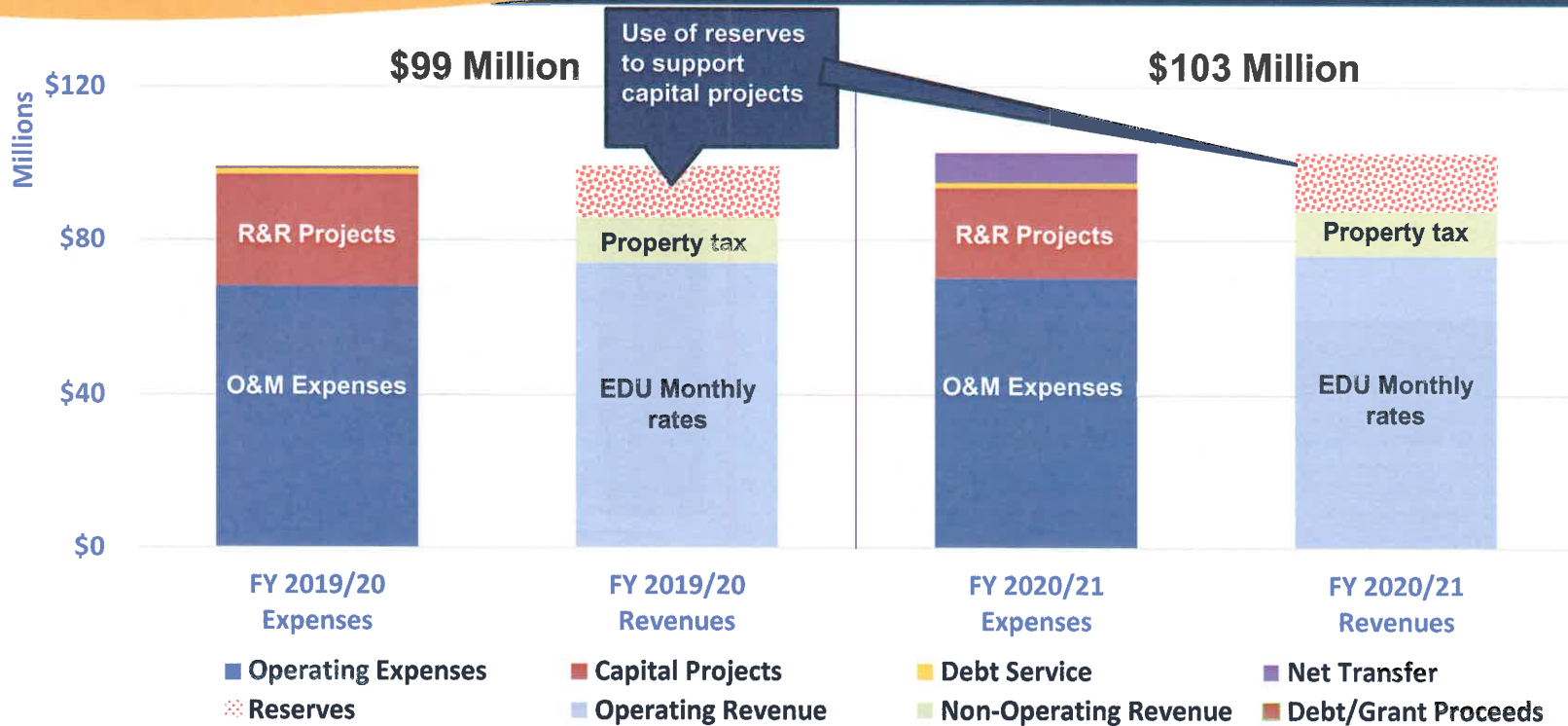


Projected increase from connection fees and loan proceeds.

- Fund Balance
- Minimum Reserve Requirements
- Target Reserves



Wastewater Operations Fund Total Sources and Uses of Funds

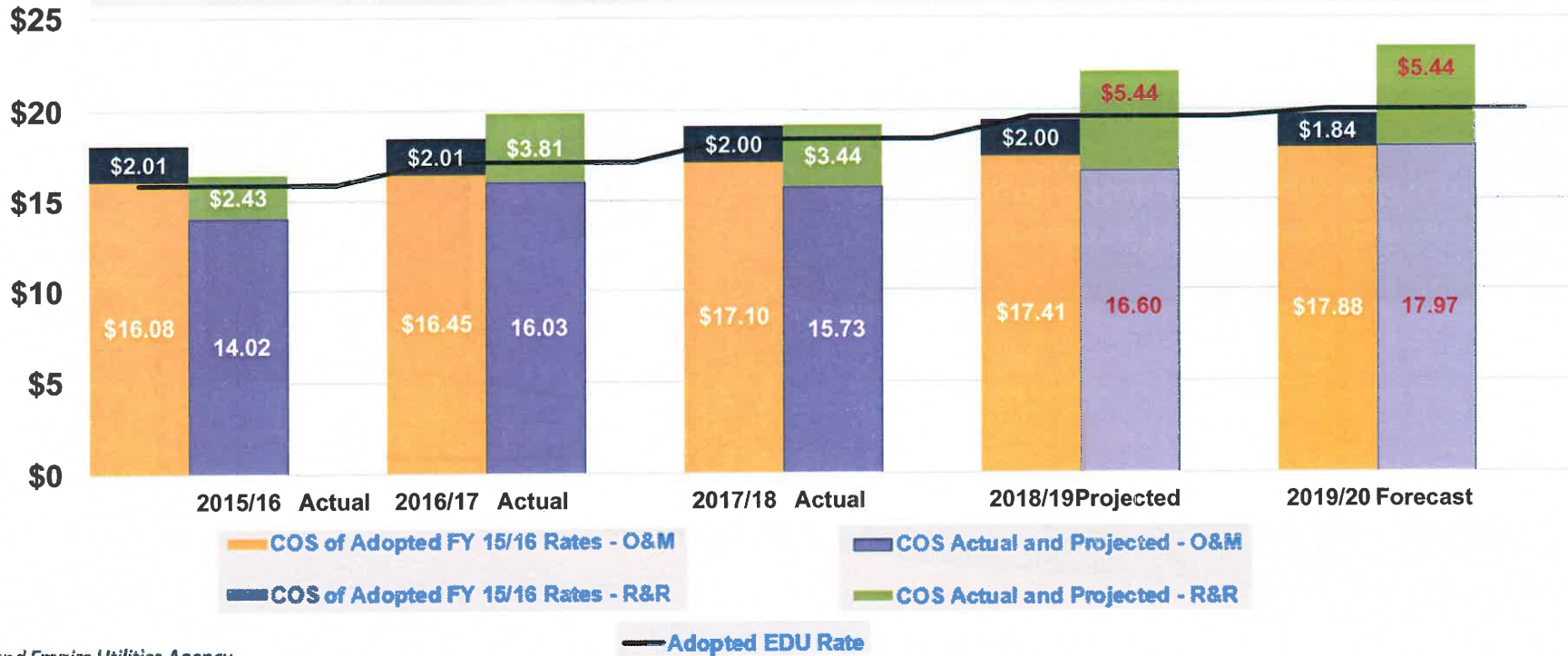


- Major Projects**
- RP-1 Mechanical Restoration
 - RP-4 Influent Screen Replacement
 - SCADA Enterprise System

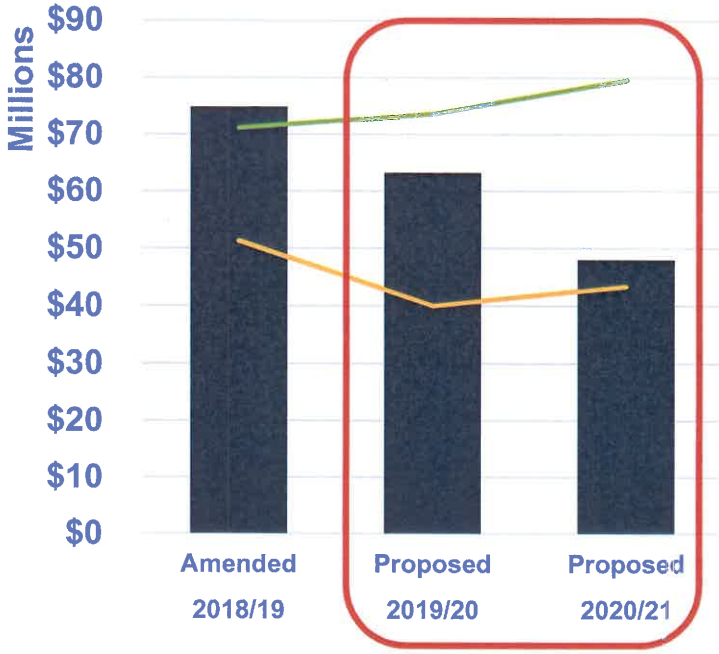


Wastewater Operations Fund Cost of Service/EDU

Adopted Multi-Year Rates \$/Equivalent Dwelling Unit (EDU)				
2015/16	2016/17	2017/18	2018/19	2019/20
\$15.89	\$17.17	\$18.39	\$19.59	\$20.00

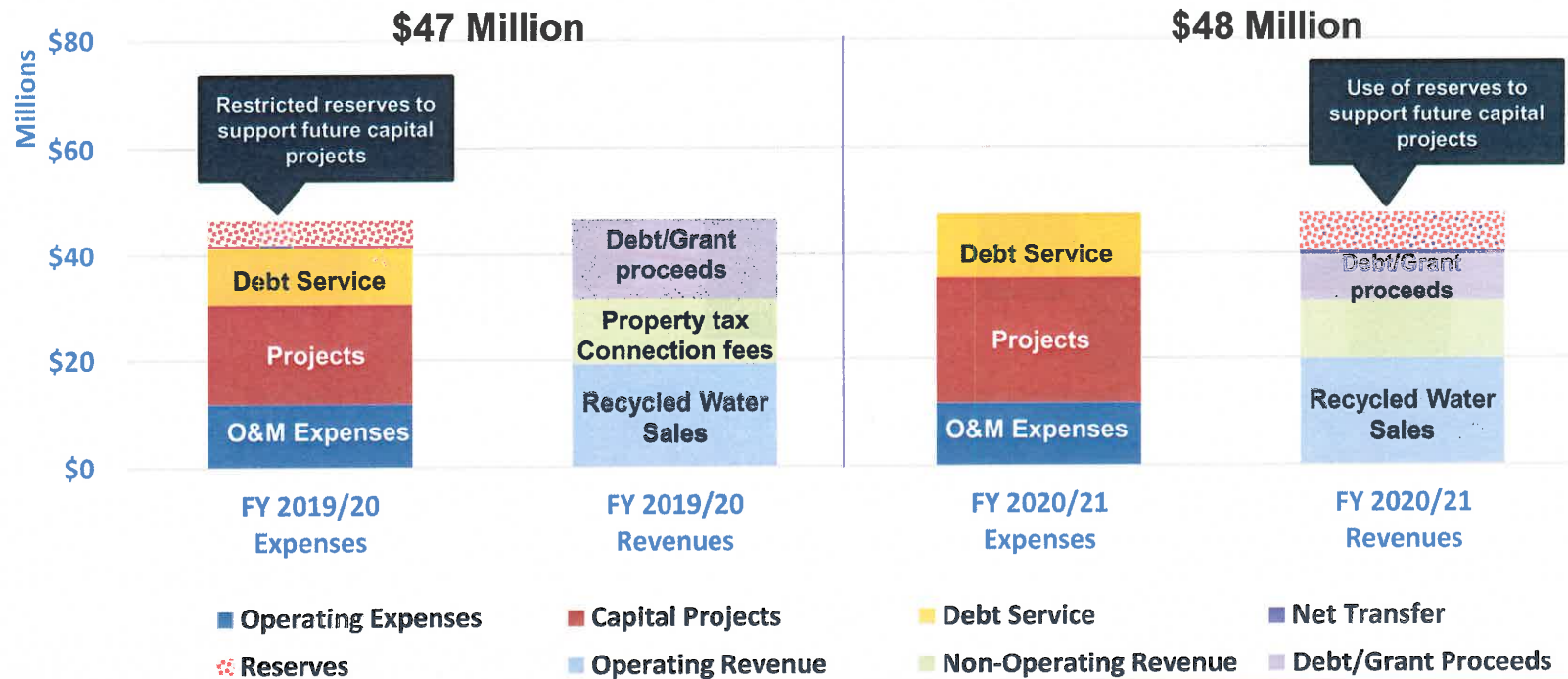


Wastewater Operations Fund Reserves



Projected decrease to support planned capital Replacement & Rehabilitation (R&R) projects

Recycled Water Fund Total Sources and Uses of Funds

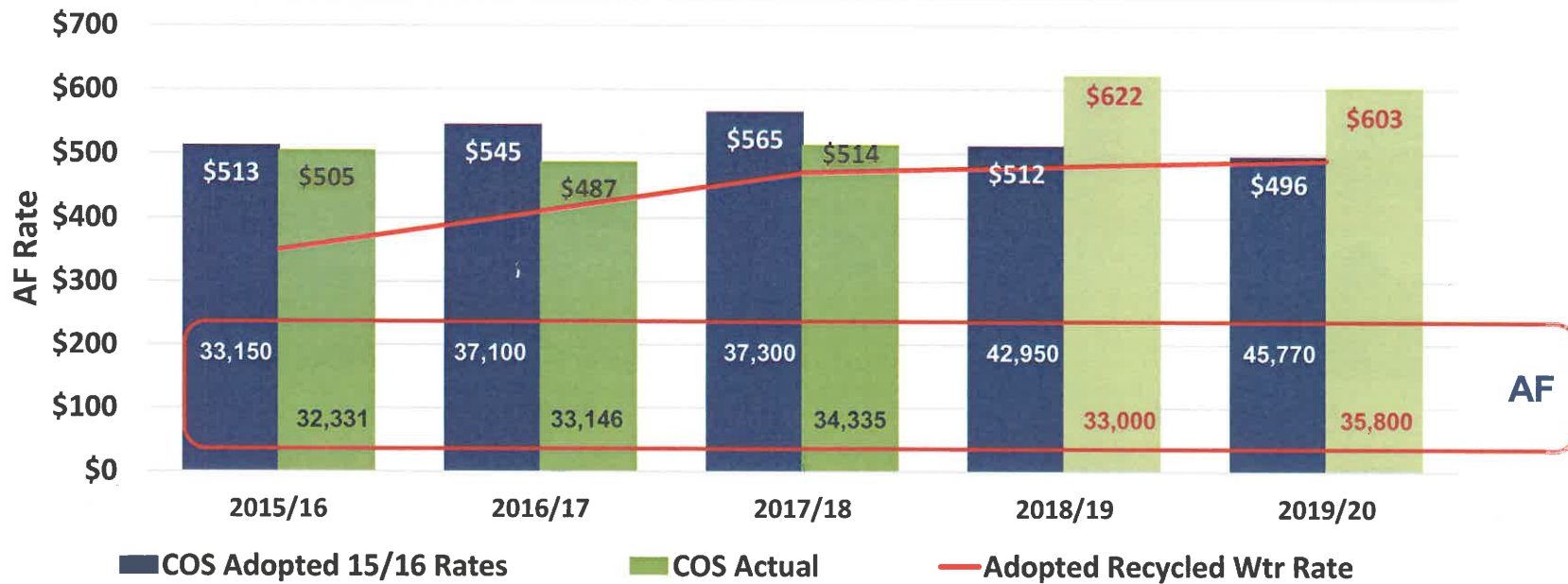


- Major Projects**
- Baseline Recycled Water Pipeline Extension
 - Recycled Water Interties Pomona/JCSD
 - RP-1 1158 Recycled Water Pump Station Upgrades

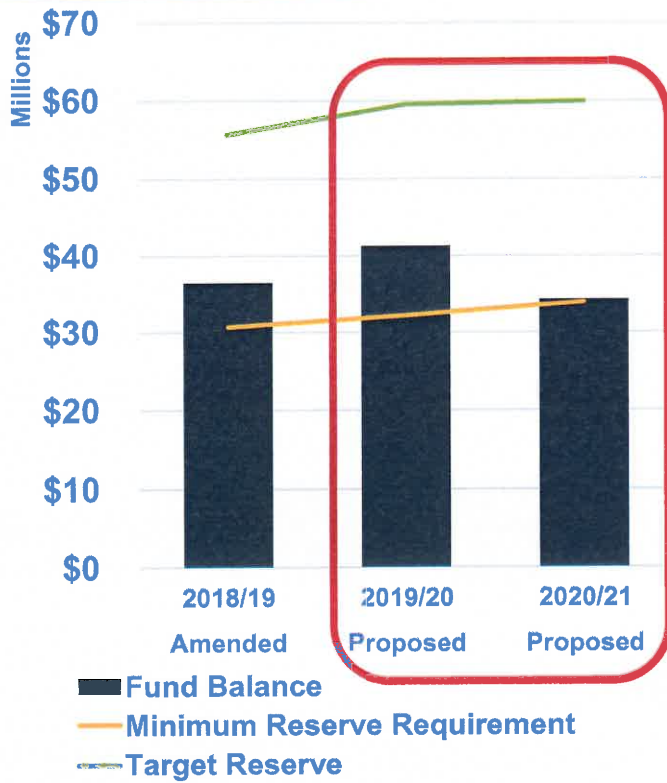


Recycled Water Fund Cost of Service/AF

	Adopted Multi-Year Rates \$/Acre-Foot (AF)				
	2015/16	2016/17	2017/18	2018/19	2019/20
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
Direct Delivery	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge	\$410	\$470	\$530	\$540	\$550



Recycled Water Fund Reserves



Changes due to timing of project execution and related funding sources

Recharge Water Fund Major Capital Projects

Project Name (\$ Millions)	FY 2019/20 Proposed	FY 2020/21 Proposed	IEUA Cost Share	CBWM* Cost Share
Recharge Master Plan Update (RMPU) Projects	\$5.0	\$9.7	0%	100%
Lower Day Basin RMPU Improvements		3.4	0%	100%
Groundwater Infrastructure Replacement		0.1	100%	0%
Total Capital Projects	\$5.0	\$13.2		

CBWM: Chino Basin Watermaster

Take-Aways

Stable revenues, continued pace of new development.

No change in adopted rates for FY 2019/20. Adjustments to future rates based on 2019 Rate Study.

CIP emphasis on RP-5 Expansion, R&R of aging assets, and new recycled water interties.

Financing strategy to leverage use of federal and state grants and loans.

Succession planning to ensure knowledge transfer of critical positions.

Review and Approval Timeline

Month	IEUA Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
March	03/13	03/20	03/28	
April	04/10	04/03 04/17	04/25	04/04
May	05/08	05/15	05/30	05/02
June	06/12	06/19		06/06

INFORMATION

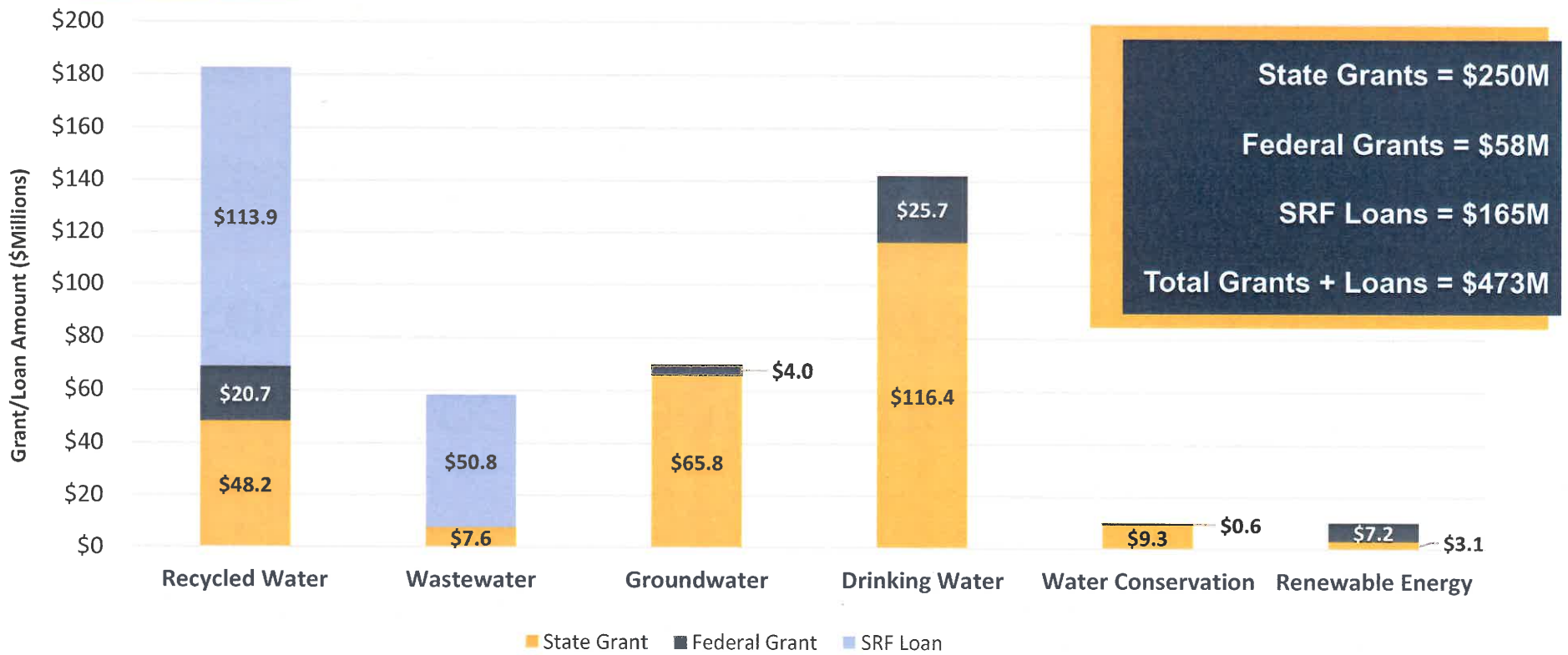
ITEM

3B

Grants Department Semi-Annual Update Regional Policy Committee Meeting

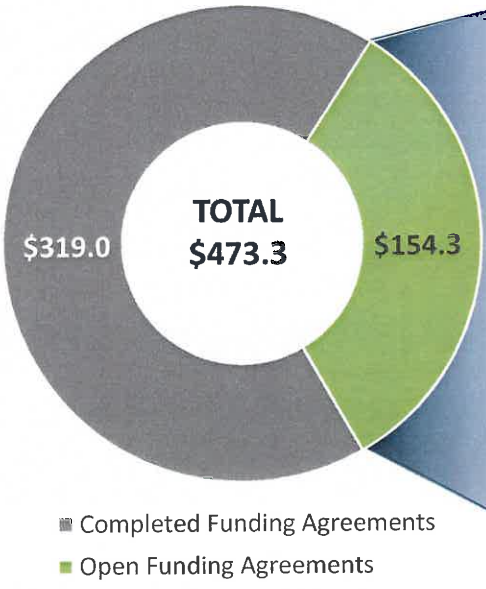


Grant & SRF Loan Funding Programs Overview 2000 – Present

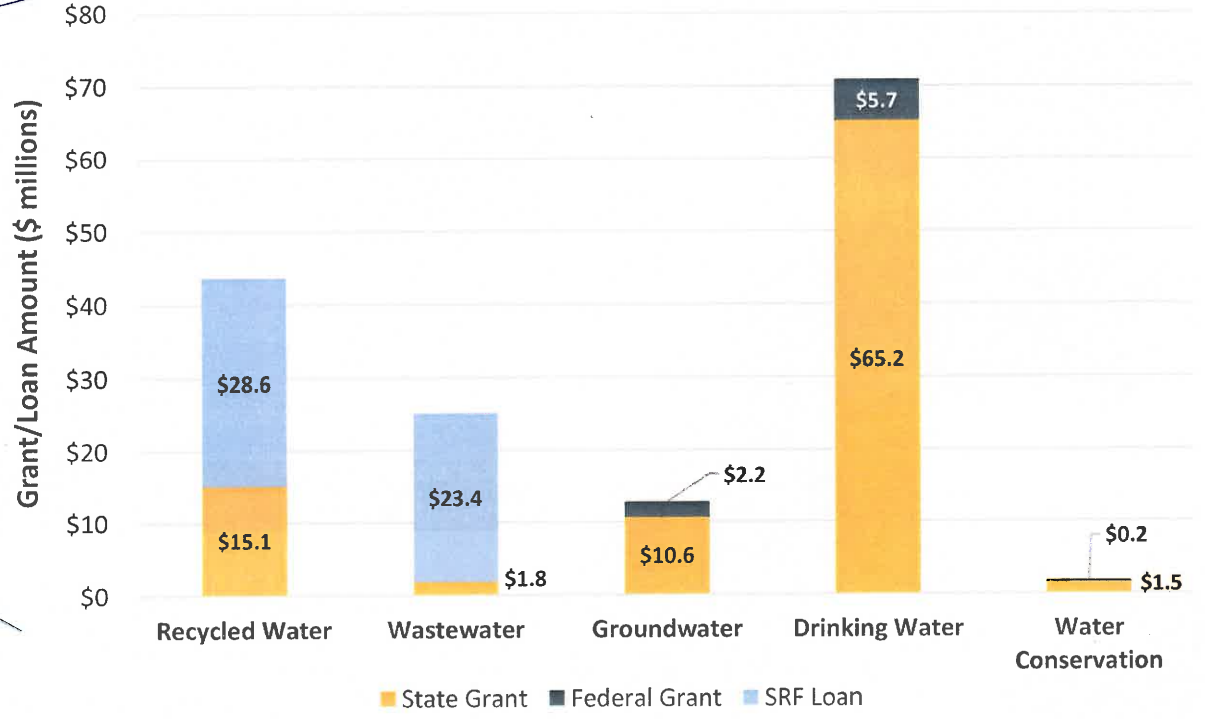


Active Grants & SRF Loans

Grant/Loan Agreement Status (\$ millions)



Open Funding Agreements



Current Funding Applications (\$ Millions)

No.	Funding Agency & Type	Project Name	Amount Requested
1	SAWPA Grant	IEUA-JCSD Intertie (WRCWRA)	\$16.6
2	CNRA Grant	Chino Creek Wetlands and Educational Park Improvements	\$1.1
3	SAWPA Grant	RMPU Montclair Basin Improvements	\$1.0
4	CWC – Invest. Program	Chino Basin Program	\$206.9
5	SWRCB- LOAN	RP-5 Liquids Treatment Expansion and RP-5 Solids Treatment Facility	\$325.0
6	SWRCB- LOAN	IEUA-Pomona-MVWD Intertie	\$144.6
7	SWRCB- LOAN	IEUA-JCSD Intertie (WRCWRA)	\$33.1
8	SWRCB- LOAN	RMPU - Wineville, Jurupa RP-3 Basin Improvements	\$8.8
9	SWRCB- LOAN	RP-1-1158 Recycled Water Pump Station Upgrades	\$6.7
10	SWRCB- LOAN	Baseline Extension Project (Village of Heritage)	\$5.4
11	SWRCB- LOAN	RMPU - Lower Day Basin Improvements	\$2.9
12	SWRCB- LOAN	RP-5 Recycled Water Pipeline Bottleneck	\$3.1
13	SWRCB- LOAN	RMPU Montclair Basin Improvements	\$1.8
Total			\$757.0



SRF Loan Projects on SWRCB Fundable List 2018 – Present (\$Millions)

2018 SWRCB SRF Loan Fundable List

Project	SRF Loan	PF	Total
RP 1 1158 Pump Station Upgrade	\$4.2	\$2.5	\$6.7
RP-5 RW Pipeline Bottleneck	\$1.6	\$1.6	\$3.2
Baseline Extension (Village of Heritage)	\$2.9	\$2.5	\$5.4
IEUA-JCSD RW Intertie	\$30.6	\$2.5	\$33.1
Subtotal	\$39.3	\$9.1	\$48.4

2019 SWRCB SRF Loan Fundable List

Project	SRF Loan	PF	Total
RMPU Wineville/Jurupa/RP3	\$6.3	\$2.5	\$8.8
RMPU Lower Day	\$1.4	\$1.4	\$2.8
RMPU Montclair	\$0.9	\$0.9	\$1.8
RP-5 Expansion Project	\$322.5	\$2.5	\$325.0
IEUA-Pomona-MVWD RW Intertie	\$142.1	\$2.5	\$144.6
Subtotal	\$473.2	\$9.8	\$483.0
Grand Total	\$512.5	\$18.9	\$531.4

Draft 2019 SWRCB Fundable list expected to be released in April 2019 – numbers in table are projected.

Green Project status has resulted in \$18.9 million of SRF Loan Principal Forgiveness (PF) between 2018 and 2019 Fiscal Years

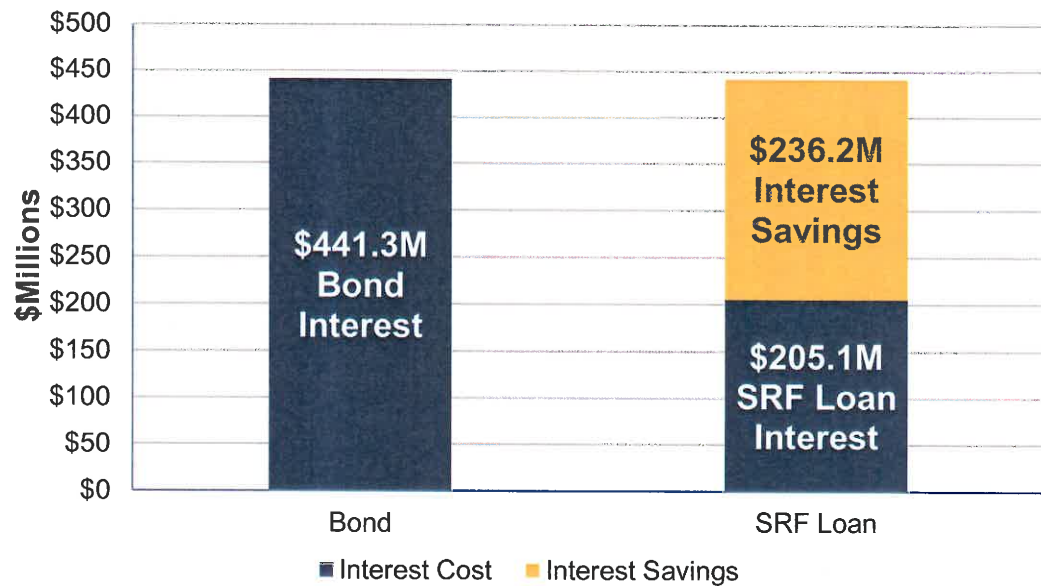
Total SRF Loan Interest Savings (\$Millions)

Active SRF Loans Principal = \$164.7M

SRF Loan Applications Principal = \$512.5M

Total Principal = \$677.2M

Funding	Interest Rate	Principal	Interest Cost
Bonds	3.60%	\$677.2	\$441.3
SRF Loan	1.80%		\$205.1
Savings			\$236.2



- SRF loan Terms

- 30-year at 1.80% (50% of the State general obligation bond rate at 3.60%)

New Tools to Help the Process



SAP module implementation - collaboration with BIS

- Streamline invoicing process through automation
- Streamline procurement compliance



Online grants management system

- Centralized grants documentation and administration
- Improve grant management efficiencies

INFORMATION

ITEM

3C

Bill No.	Author	Bill Name	Description	IEUA Action	Status	Comments
AB 292	Quirk	Recycled Water: raw water and groundwater augmentation	Updates terminology related to potable reuse in order to promote a better understanding of the various types of reuse.			Sponsored by WateReuse. To IEUA Committee 4/10/19. Recommend Support.
AB 405	Rubio	Sales and use taxes: exemption: water treatment	Chemicals used in the treatment of drinking water are already exempted from sales tax. This bill would also exempt from sales tax chemicals related to wastewater treatment and recycled water treatment. Estimated to save IEUA \$75K/year.			To IEUA Committee 4/10/19. Recommend Support.
AB 533	Holden	Income taxes: exclusion: turf removal water conservation program	This bill would exclude from gross income any amount received as a rebate, voucher, or other financial incentive issued by a water service provider for turf removal before January 1, 2024.	MWD Coalition Letter 3/21/19	Support	
AB 557	Wood	Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program	Would appropriate \$9.25 million from the General Fund to the Department of Water Resources in Fiscal Year 2019/20 to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.			To IEUA Committee 4/10/19. Recommend Support.
AB 654	Rubio	Public Records: utility customers: disclosure of personal information	Would allow a local agency to share utility usage data and other personal customer information with another governmental agency for scientific, educational, or research purposes and maintain that data as confidential.			To IEUA Committee 4/10/19. Recommend Support.
AB 1194	Frazier	Sacramento - San Joaquin Delta: Delta Stewardship Council	Would increase the membership of the Delta Stewardship Council to 13 members, including 11 voting members and 2 nonvoting members.	MWD Coalition Letter 3/28/19	Oppose	
AB 1672	Bloom	Product labeling: flushable products	Would establish labeling requirements and performance standards for wet wipes so that Californians will know whether a product can be discarded safely by their plumbing.			Sponsored by CASA. To IEUA Committee 4/10/19. Recommend Support.
SB 204	Dodd	State Water Project: Contracts	This bill would add requirements to the Government Code that would significantly and unnecessarily delay any action on California WaterFix moving forward and would increase costs to implement the project by creating excessive delays in the contracting process.	MWD Coalition Letter 3/6/19	Oppose	
SB 307	Roth	Water Conveyance: use of facility with unused capacity	Would impose additional state environmental review by unrelated agencies on a project that has already undergone environmental review under the California Environmental Quality Act.	IEUA Letter 3/28/19	Oppose	
SB 414	Caballero	Small System Water Authority Act of 2019	Would promote the voluntary consolidation of smaller, non-compliant water agencies with compliant water agencies.			Sponsored by Eastern MWD and CMUA.
SB 332	Hertzberg	Ocean Discharge	Bill seeks to reuse 50% of all wastewater discharged to the ocean by 1/1/2030 and 95% of all discharged wastewater by 1/1/2040.			To IEUA Committee 4/10/19. Recommend Oppose Unless Amended.
SB 669	Caballero	Safe Drinking Water Trust	Would establish a Fund to collect moneys from the General Fund. Interest earnings from the Fund are to be used by the Trust to assist chronically noncompliant water systems in need of financial assistance.			Sponsored by ACWA and CMUA.

RECEIVE AND
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4A

Building Activity Report - YTD Fiscal Year 2018/19



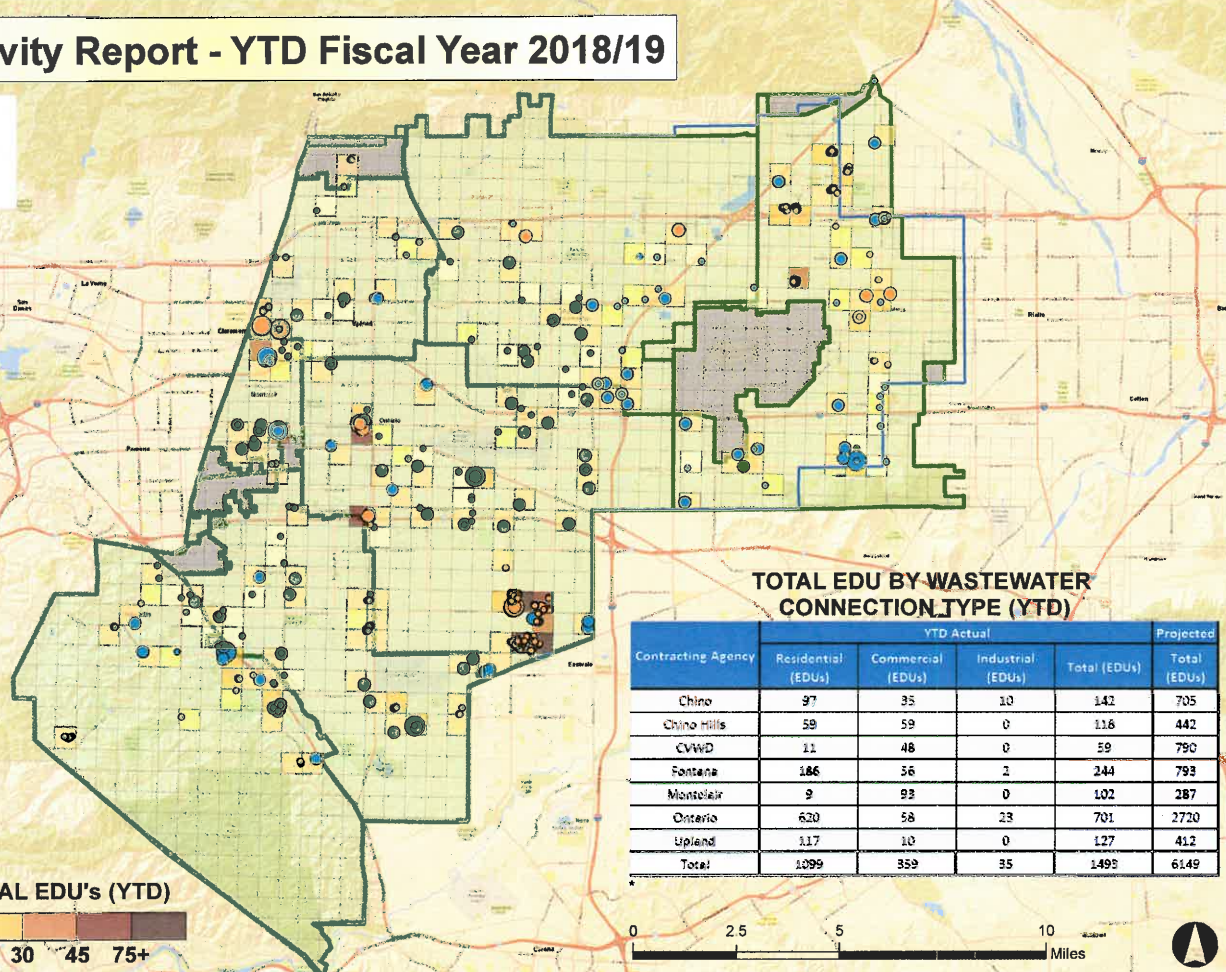
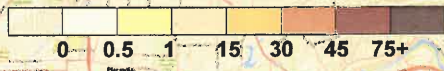
Legend

- Service Area
- Unincorporated

EDU (YTD)

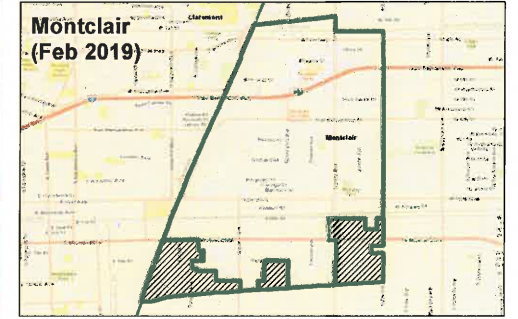
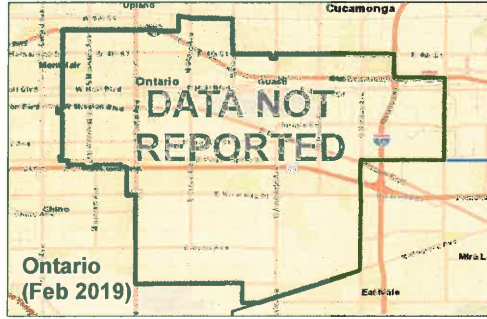
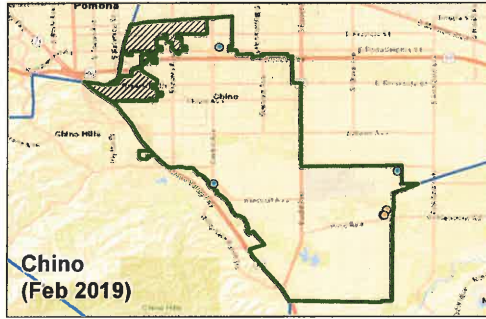
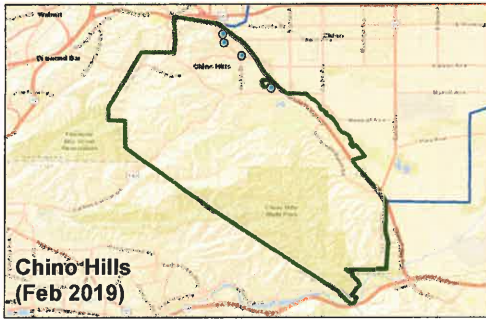
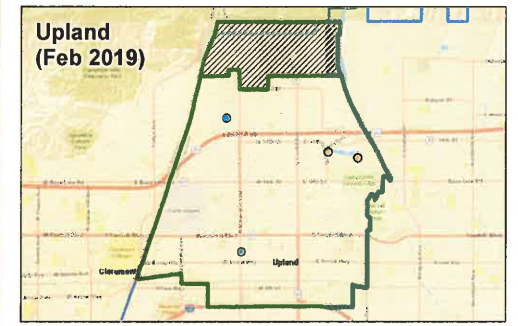
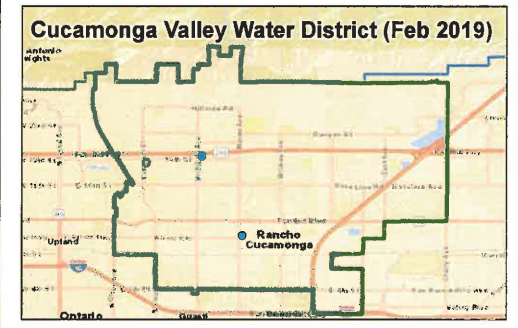
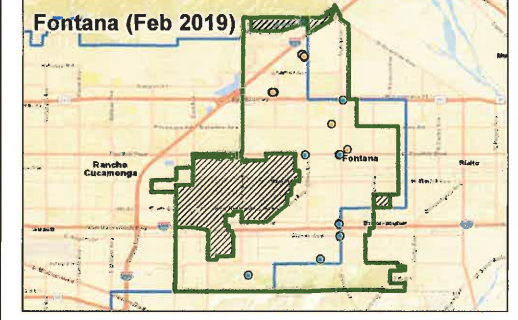
- Residential**
 - ≤1.0
 - 1.0 - 10.0
 - >10.0
- Commercial**
 - ≤1.0
 - 1.0 - 10.0
 - >10.0
- Industrial**
 - ≤1.0
 - 1.0 - 10.0
 - >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	97	35	10	142	705
Chino Hills	59	59	0	118	442
CVWD	11	48	0	59	790
Fontana	186	56	2	244	793
Montclair	9	93	0	102	287
Ontario	620	58	23	701	2720
Upland	117	10	0	127	412
Total	1099	359	35	1493	6149

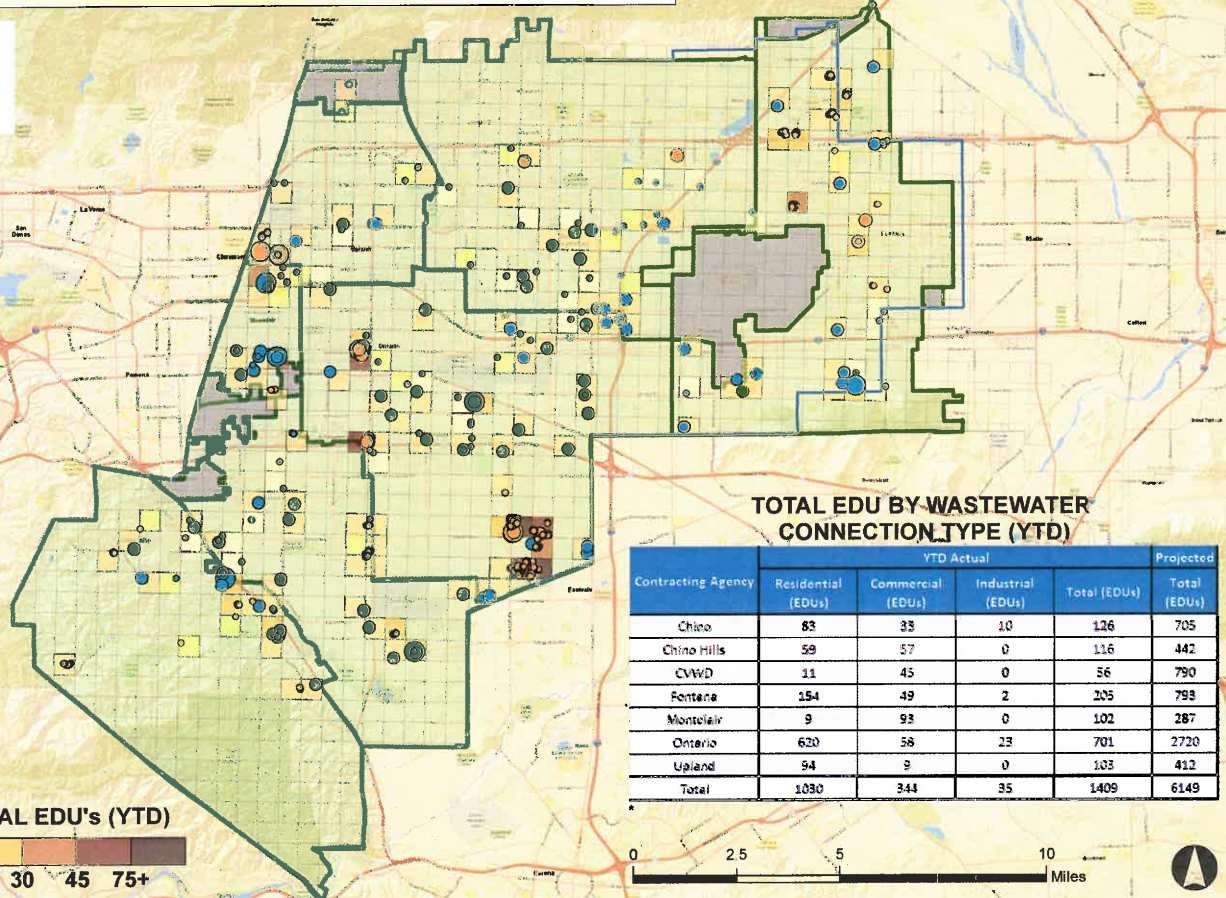


Building Activity Report - YTD Fiscal Year 2018/19



Legend

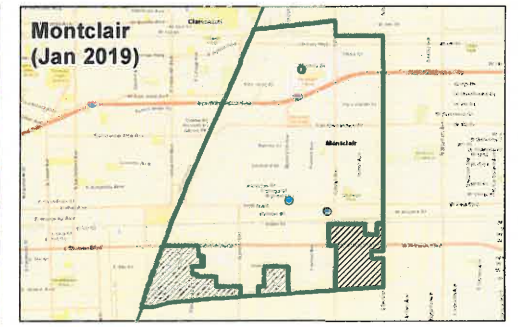
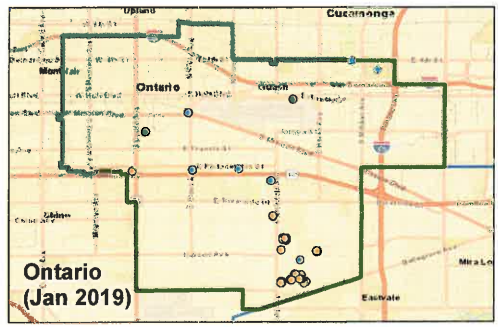
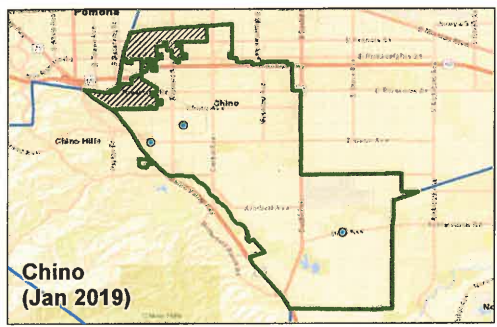
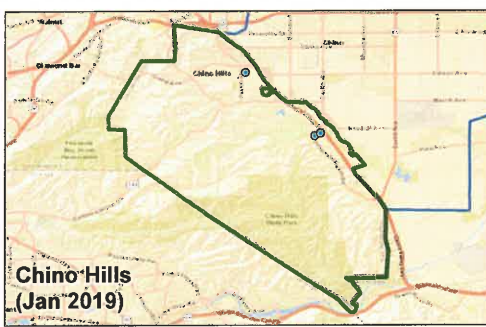
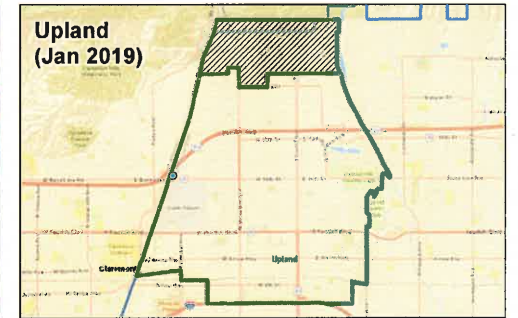
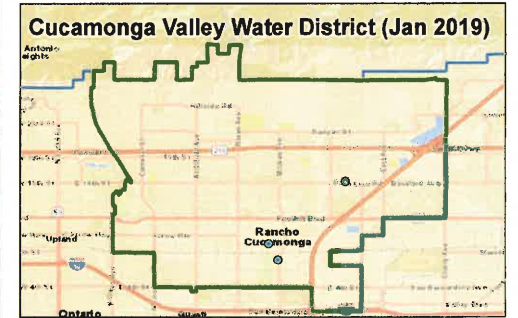
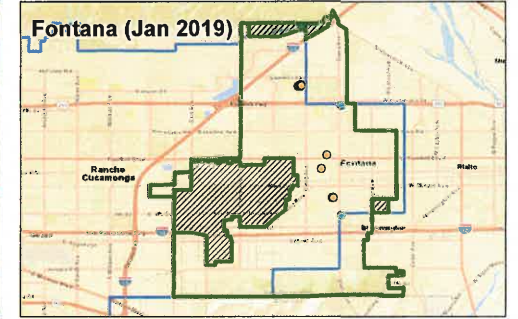
- Service Area
- Unincorporated
- EDU (YTD)**
- Residential**
- ≤1.0
- 1.0 - 10.0
- >10.0
- Commercial**
- ≤1.0
- 1.0 - 10.0
- >10.0
- Industrial**
- ≤1.0
- 1.0 - 10.0
- >10.0



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected Total (EDUs)
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	83	35	10	126	705
Chino Hills	59	57	0	116	442
CVWD	11	45	0	56	790
Fontana	154	49	2	205	793
Montclair	9	93	0	102	287
Ontario	620	58	23	701	2720
Upland	94	9	0	103	412
Total	1030	344	35	1409	6149

HALF MILE GRID: TOTAL EDU's (YTD)



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IEUA RECYCLED WATER DISTRIBUTION – MARCH 2019

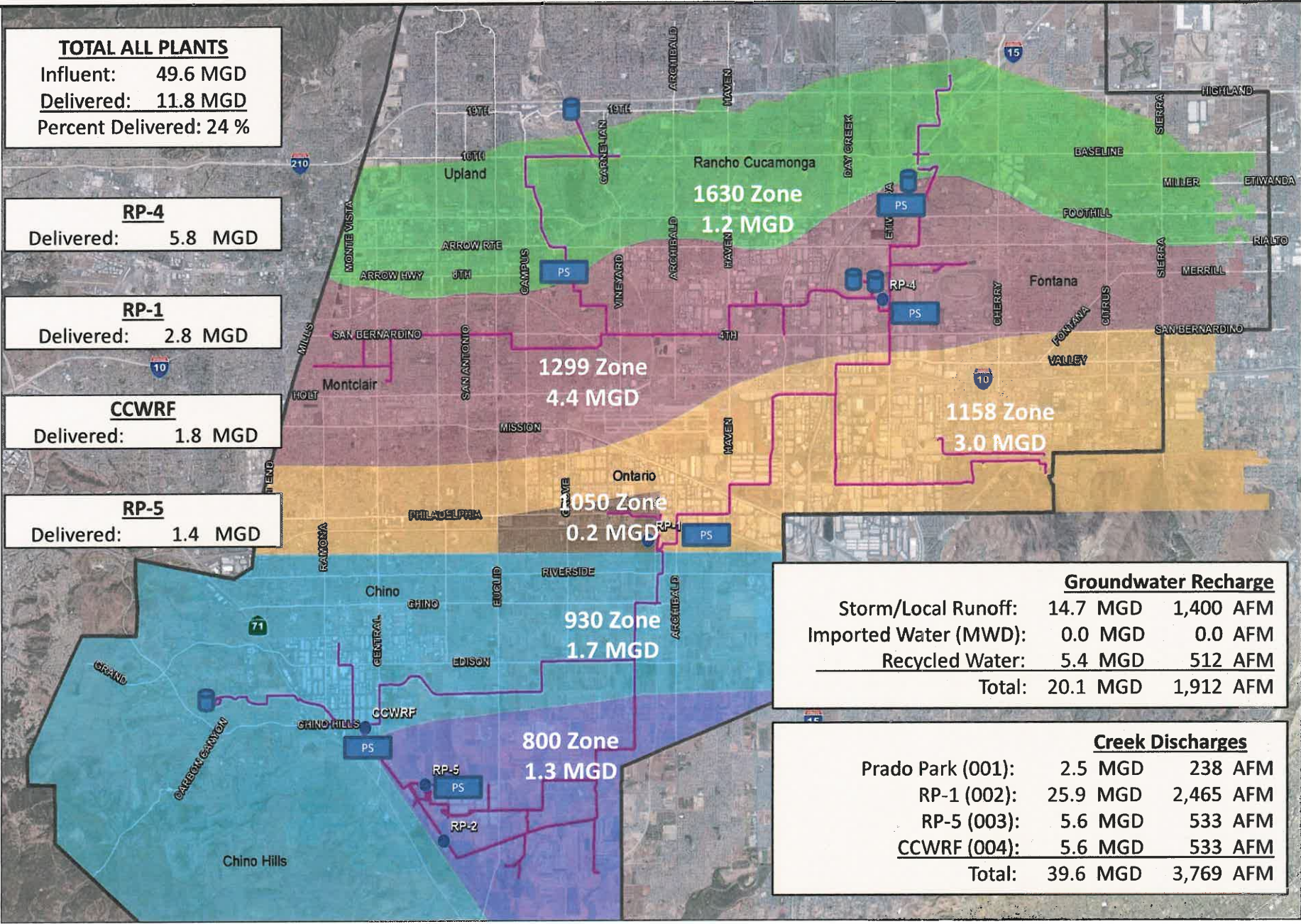
TOTAL ALL PLANTS
 Influent: 49.6 MGD
 Delivered: 11.8 MGD
 Percent Delivered: 24 %

RP-4
 Delivered: 5.8 MGD

RP-1
 Delivered: 2.8 MGD

CCWRF
 Delivered: 1.8 MGD

RP-5
 Delivered: 1.4 MGD



1630 Zone
 1.2 MGD

1299 Zone
 4.4 MGD

1158 Zone
 3.0 MGD

1050 Zone
 0.2 MGD

930 Zone
 1.7 MGD

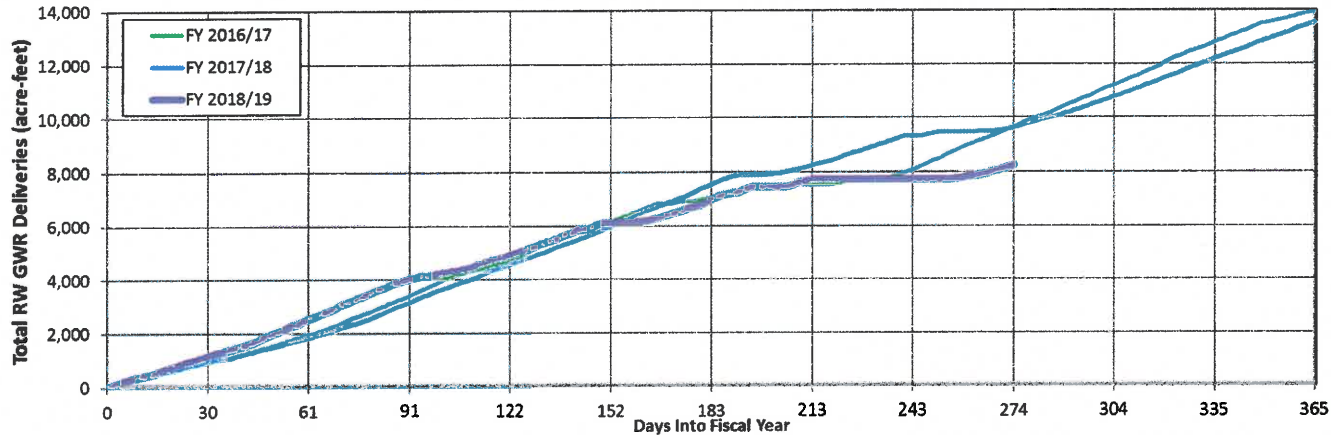
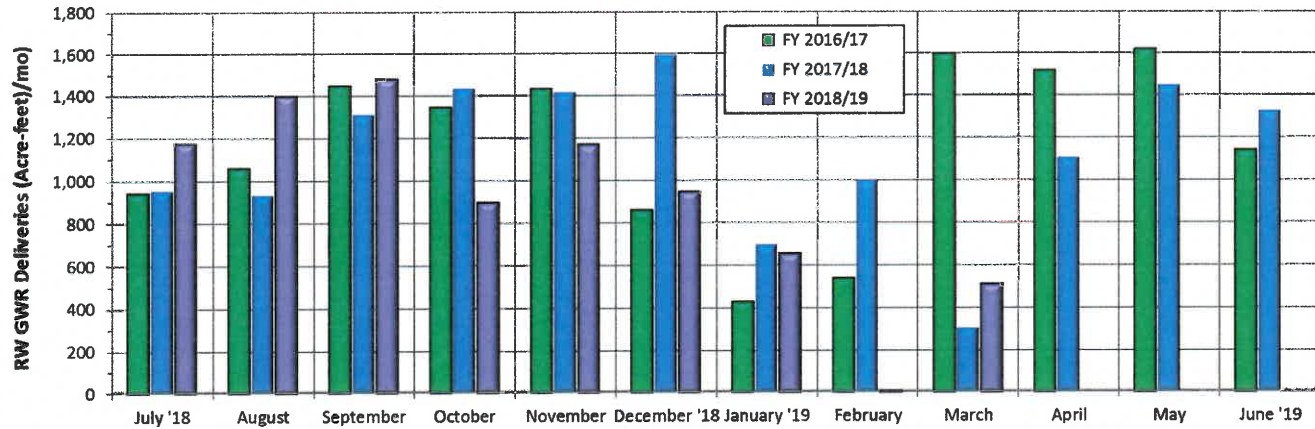
800 Zone
 1.3 MGD

Groundwater Recharge		
Storm/Local Runoff:	14.7 MGD	1,400 AFM
Imported Water (MWD):	0.0 MGD	0.0 AFM
Recycled Water:	5.4 MGD	512 AFM
Total:	20.1 MGD	1,912 AFM

Creek Discharges		
Prado Park (001):	2.5 MGD	238 AFM
RP-1 (002):	25.9 MGD	2,465 AFM
RP-5 (003):	5.6 MGD	533 AFM
CCWRF (004):	5.6 MGD	533 AFM
Total:	39.6 MGD	3,769 AFM

Recycled Water Recharge Deliveries - March 2019 (Acre-Feet)

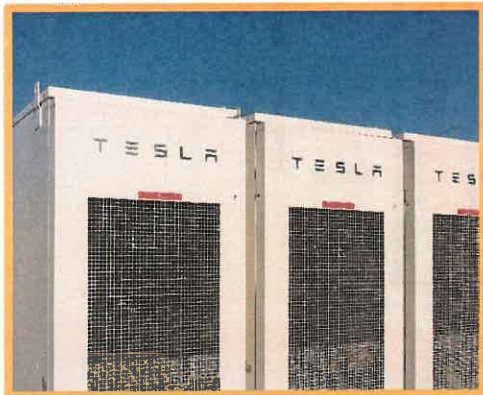
Basin	3/1-3/9	3/10-3/16	3/17-3/23	3/24-3/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.	
Ely	0.0	0.0	0.0	0.0	0.0	1392		
Banana	0.0	0.0	0.0	0.0	0.0	309		
Hickory	0.0	0.0	0.0	0.0	0.0	188		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	547		
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0			
8th Street	0.0	57.7	97.9	125.8	281.4	1779		
Brooks	0.0	0.0	20.9	56.9	77.8	658		
RP3	0.0	0.0	0.0	0.0	0.0	1130		
Declez	0.0	10.5	26.7	37.8	75.0	1294		
Victoria	2.7	1.0	12.8	61.1	77.6	942		
San Sevaine	0.0	0.0	0.0	0.0	0.0	0		
Total	2.7	69.2	158.3	281.6	511.8	8,238	310	AF previous FY to day actual



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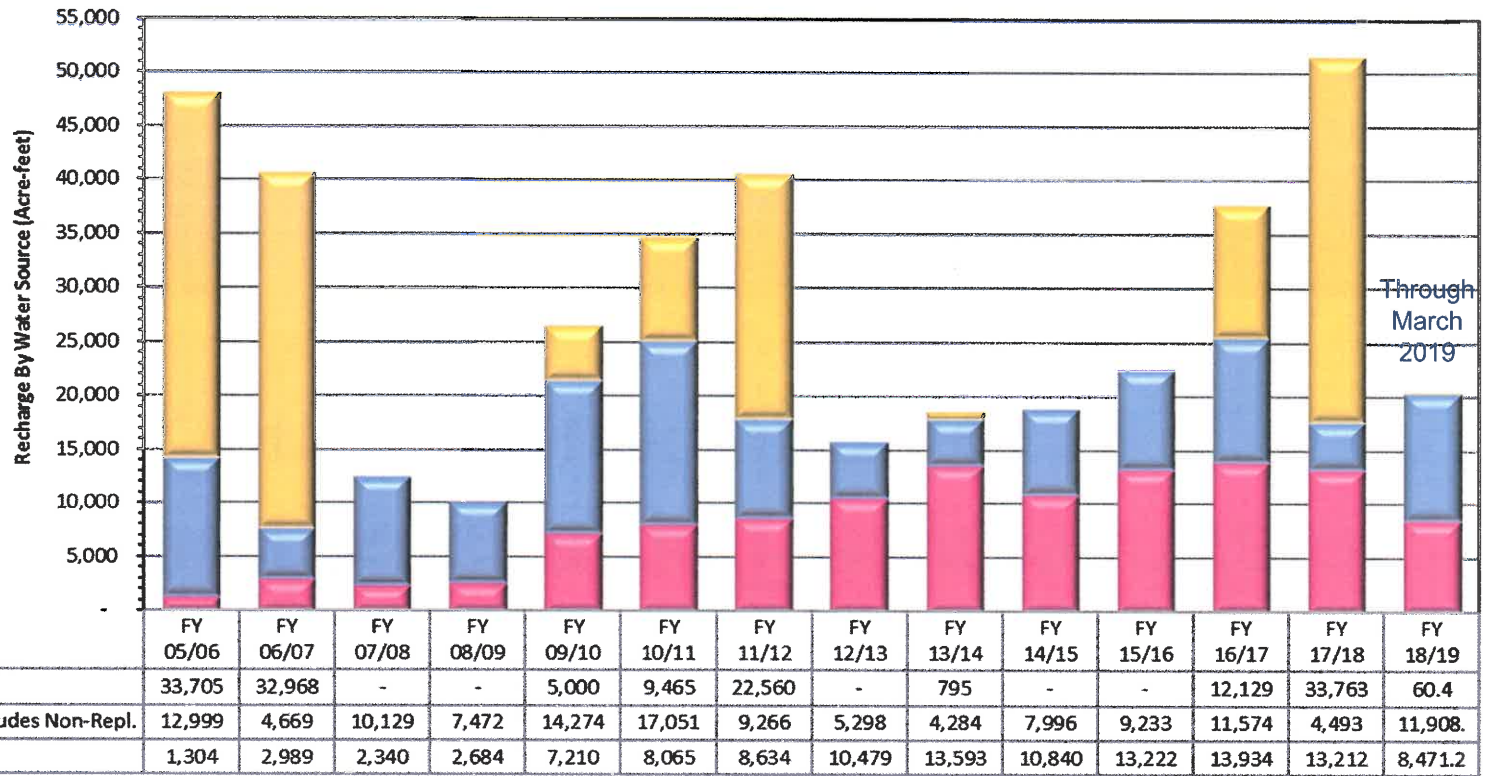
Groundwater Recharge/Recycled Water Semi-Annual Update



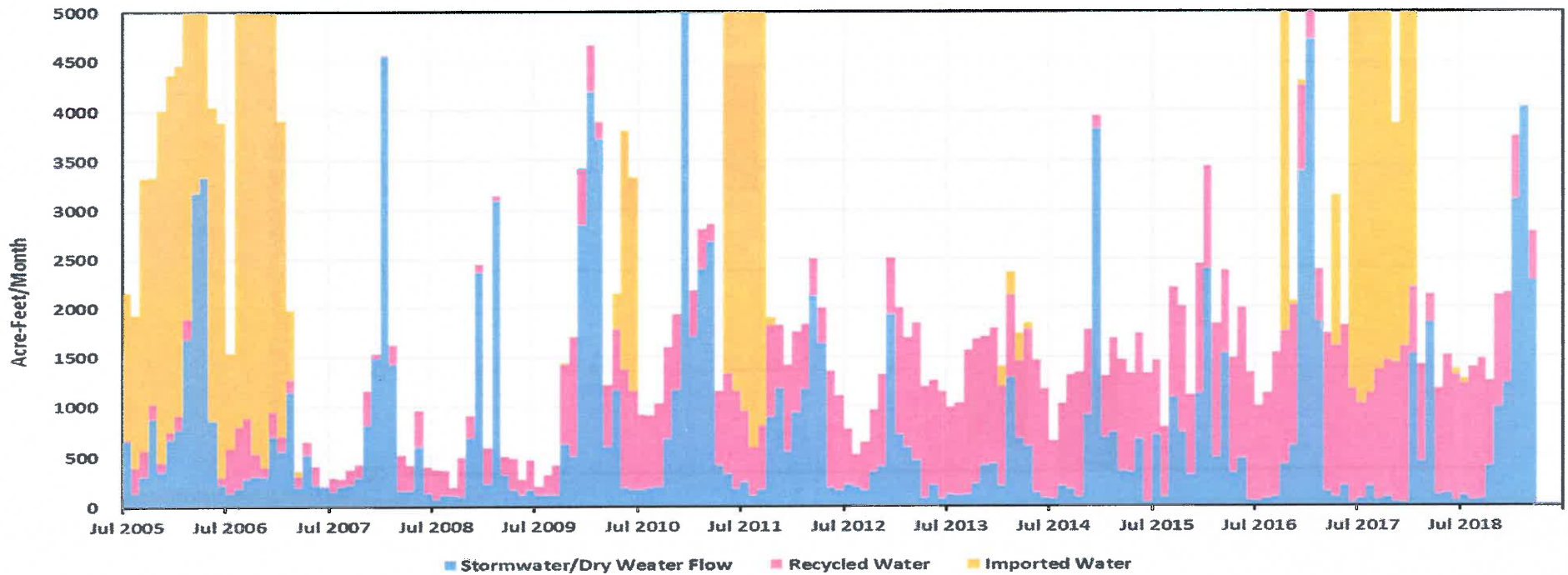
Regional Technical Committee - April 25, 2019
Policy Committee - May 2, 2019

Andy Campbell
GWR Recharge Coordinator / Hydrogeologist

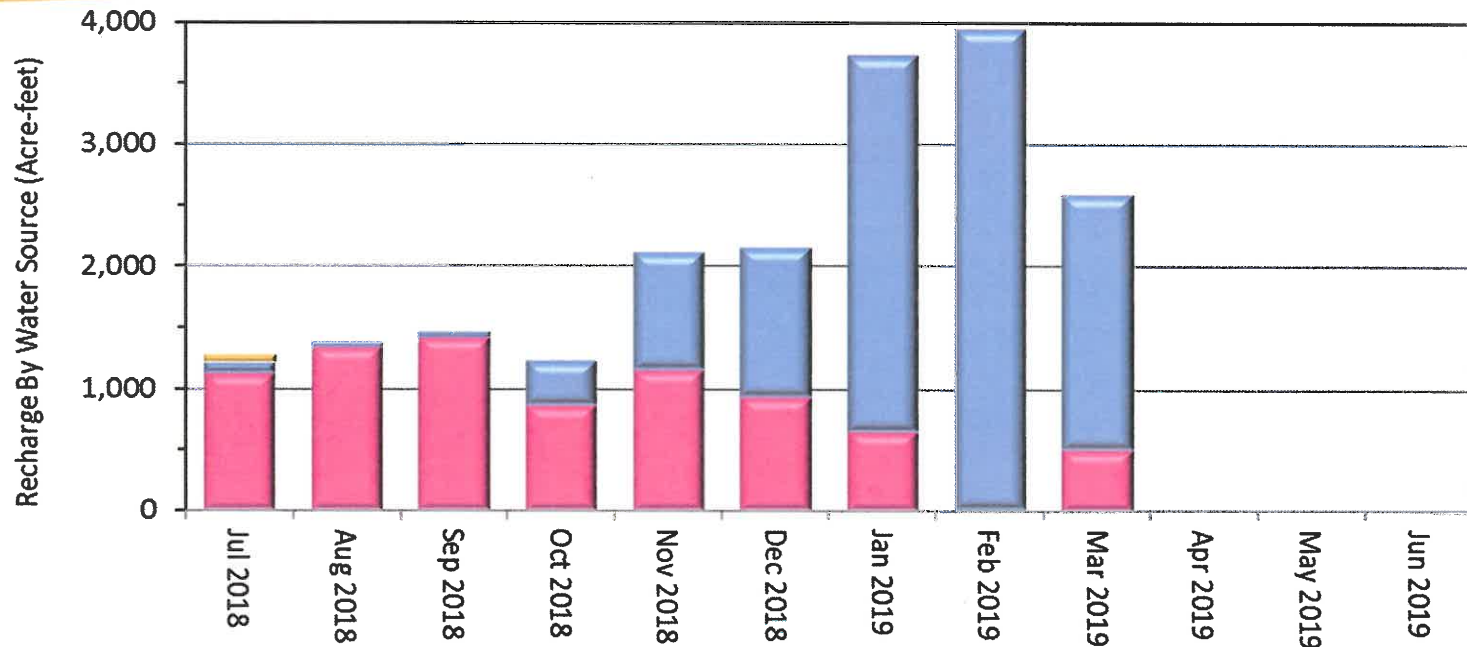
Groundwater Recharge Record



Historical Monthly Deliveries (FY2005/06 to FY2018/19)



Groundwater Recharge FY2018/19



	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
MWD Imported Water	57.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Stormwater and LR (excludes Non-Repl.)	82.3	35.8	42.9	368.8	959.1	1218.8	3078.5	3932.1	2083.2			
Recycled Water	1126.1	1338.0	1414.7	860.2	1150.7	931.0	646.9	8.6	504.1			

Recharge Basins during and after storms in Jan. and Feb. 2019

6th Street Basin Spilling (Upland)



Brooks Basin Record High Levels (Montclair)



Banana Basin (Inflow) – Full and Spilling (Fontana)



San Sevaine Basin 5 - Full And Spilling (Rancho Cucamonga)



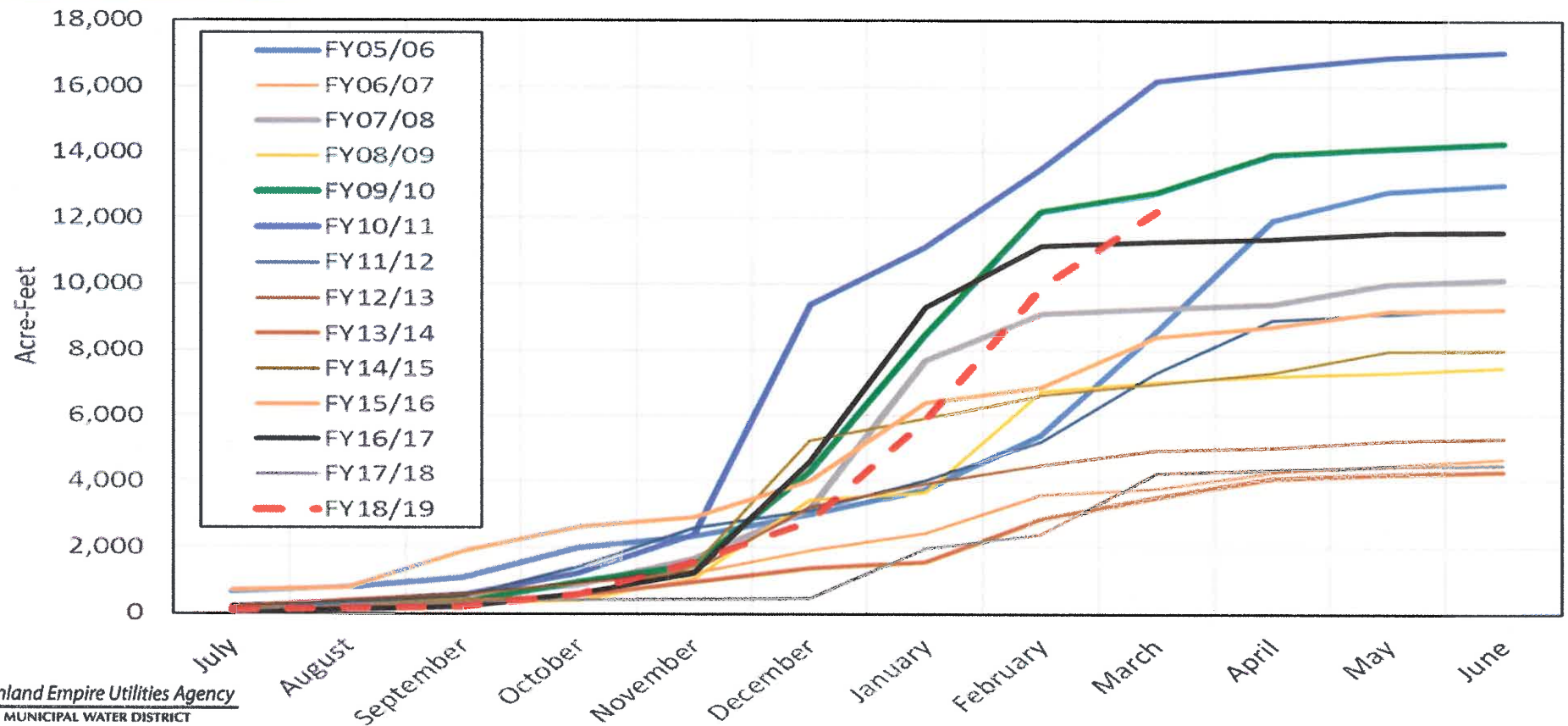
Turner 8 Basin - Full And Spilling (Ontario)



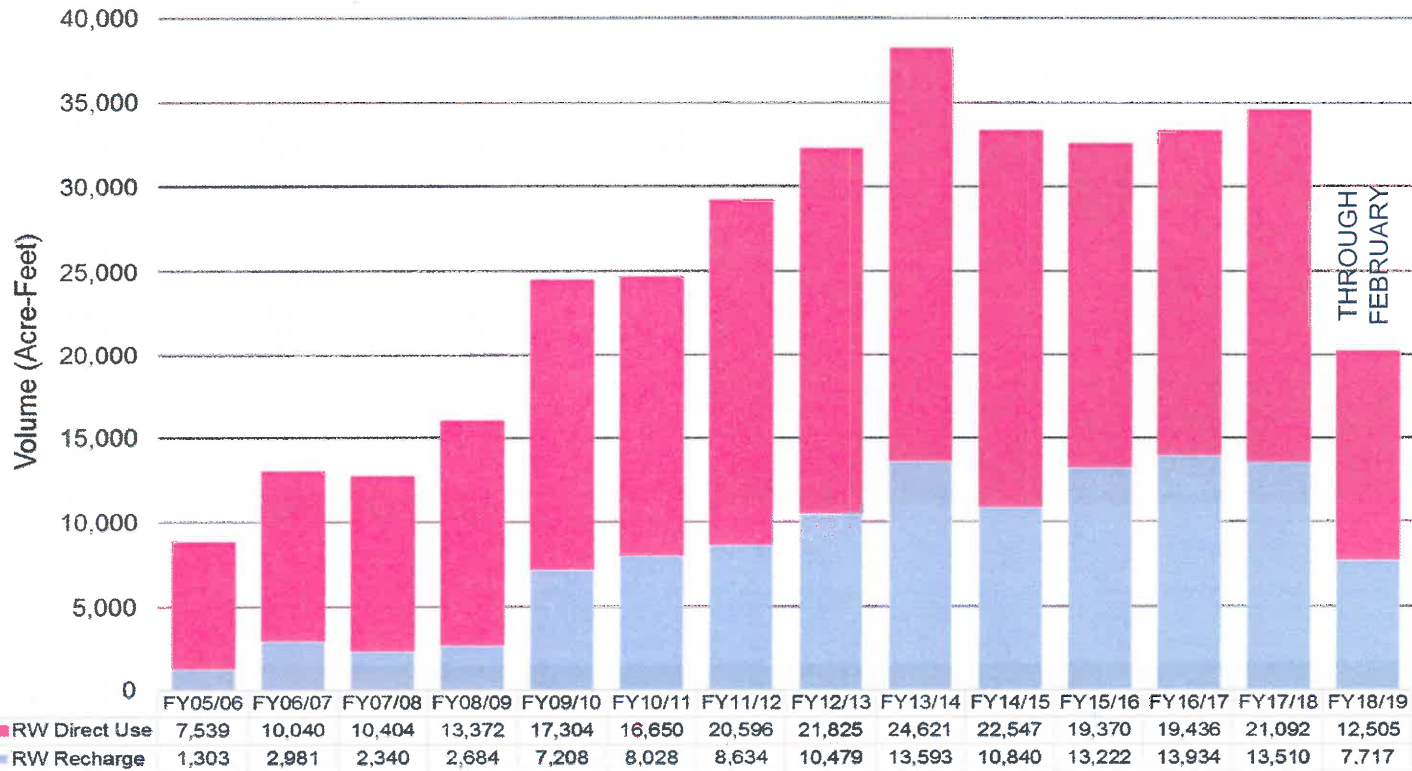
Ethwanda Debris Basin – Full and Spilling (Rancho Cucamonga)



Historical Stormwater (SW) Capture



Historical Recycled Water (RW) Demand



RW/SW Project - San Sevaine

- Pipeline completed in Fall 2018
- Pump Station completed in March 2019
- Capacities
 - RW approximately 4,100 AFY RW capacity (with matching diluent water)
 - SW new 642 AFY
- New RW Start-Up in May 2019



GWR/RW Allocations

AGENCY	PRO RATA SHARE (%) (Based on FY 2017-18 EDU's)	FY 18/19 Recharge Allocation (Acre-Feet) (Through March 2019)
CHINO	10.779	913.11
CHINO HILLS	8.819	747.08
CVWD	24.571	2,081.46
FONTANA	19.341	1,638.41
MONTCLAIR	4.287	363.16
ONTARIO	22.814	1,932.62
UPLAND	9.389	795.36
TOTAL	100.000	8,471.20
	JCSD Allocation:	0.00
	Total Amount Recharge:	8,471.20

GWR/RW Semi-Annual Update

Questions?

8th Street Basin Spilling (Upland)



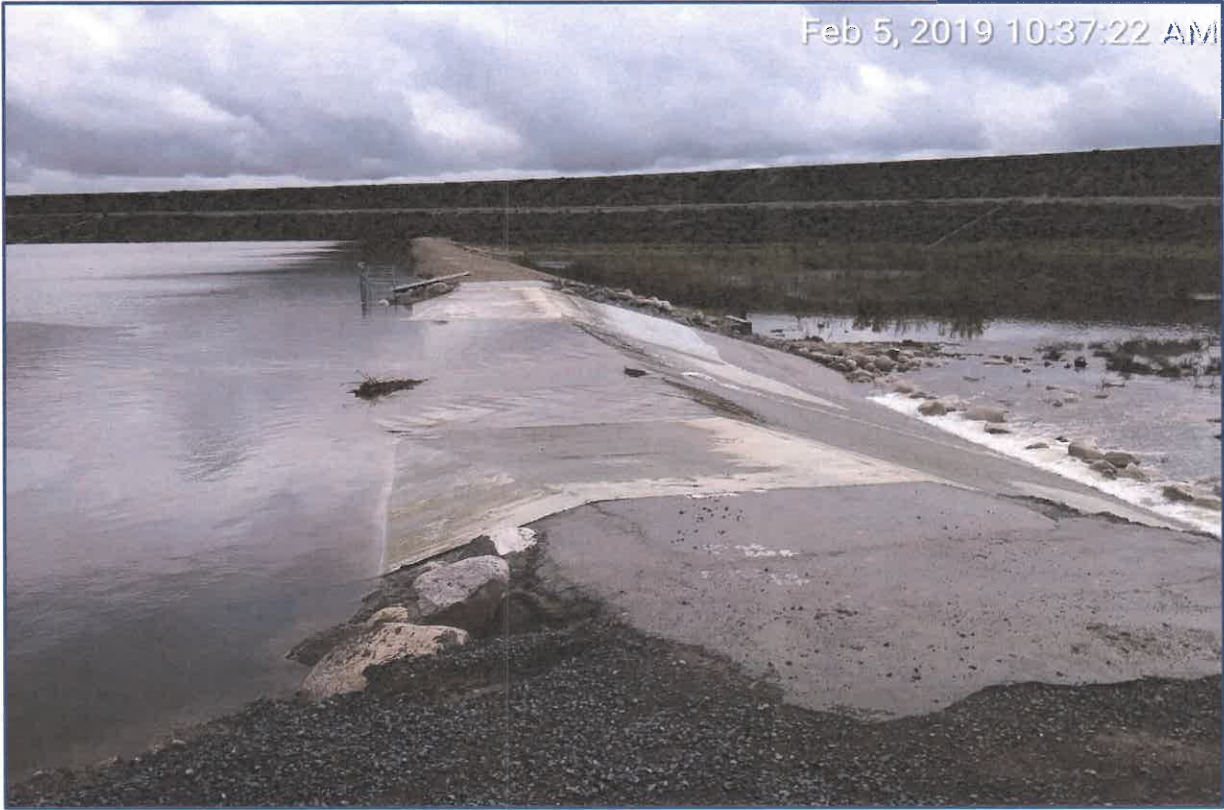
Brooks Basin Record High Levels (Montclair)



Banana Basin (Inflow) – Full and Spilling (Fontana)



San Sevaine Basin 5 - Full And Spilling (Rancho Cucamonga)



Turner 8 Basin - Full And Spilling (Ontario)



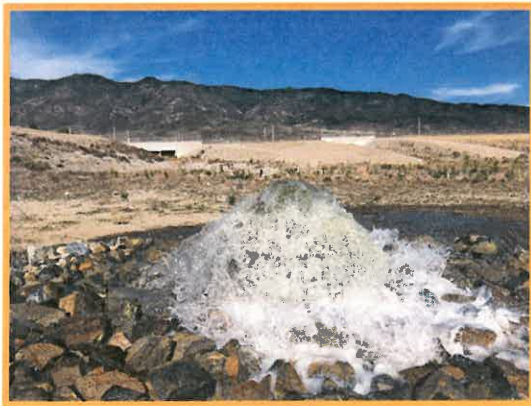
Etiwanda Debris Basin – Full and Spilling (Rancho Cucamonga)



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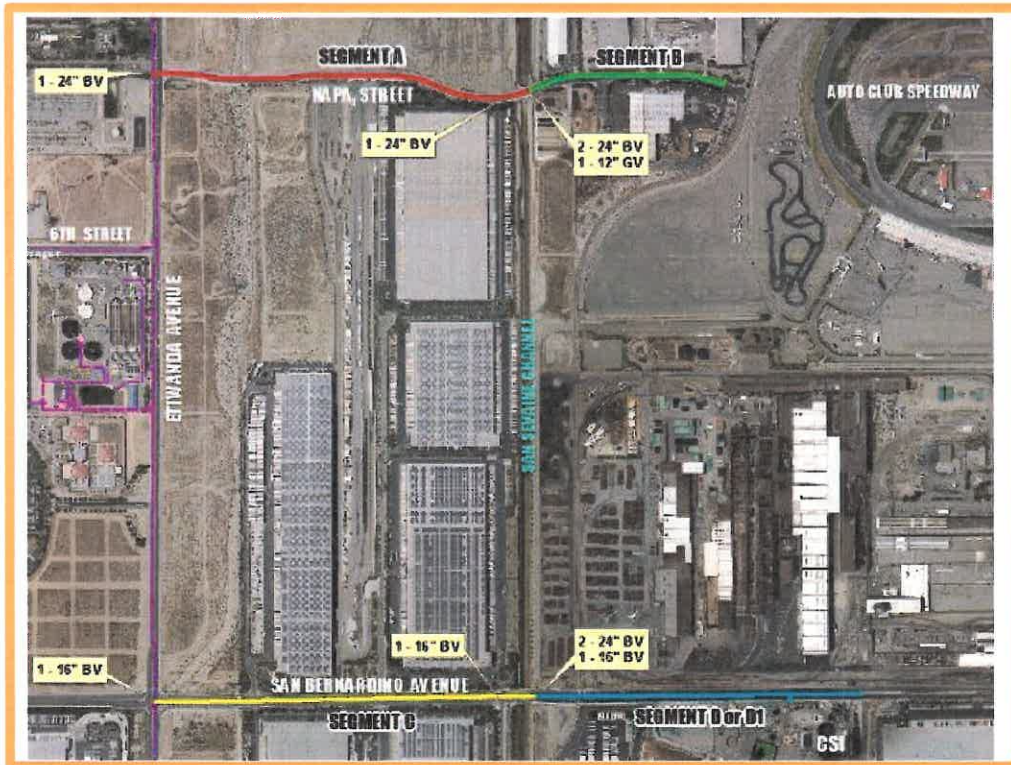
4D

Engineering and Construction Management Project Updates



Napa Lateral

Project Goal: Increased recycled water use
Design-Build Delivery



Total Project Budget: \$7.2 M
Project Completion: October 2019
Design Percent Complete: 70%

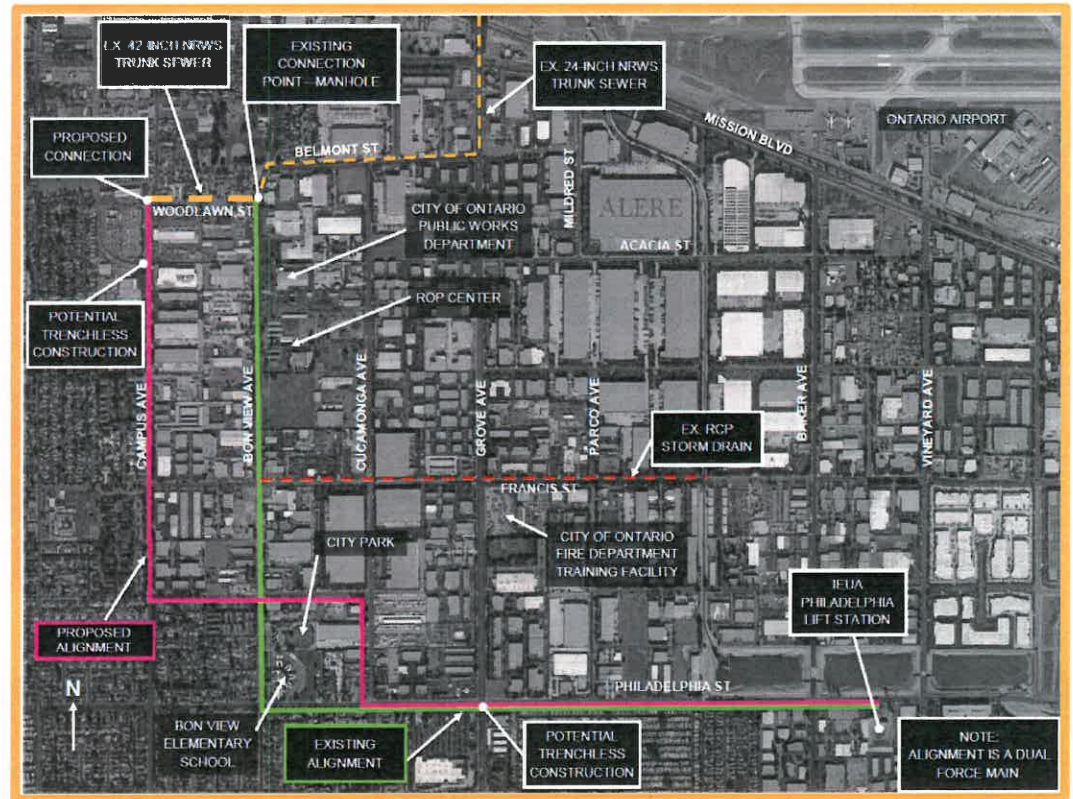
Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design-Build (Current)	KEC/Ferreira	\$5.3 M	0.00%

Philadelphia Lift Station Force Main Improvements

Project Goal: Replace aging pipelines

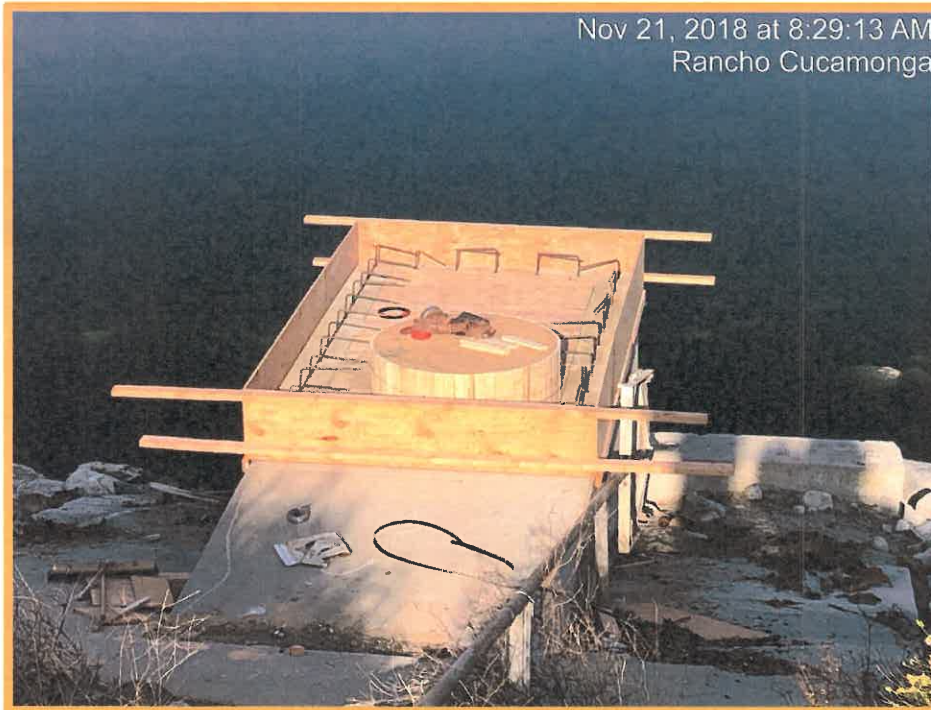
Total Project Budget: \$6 M
Project Completion: May 2021
Pre-Design Percent Complete: 50%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	GHD	\$564 K	2.65%
Construction	TBD	\$0	0.00%



Victoria Basin Improvements

Project Goal: Increase Storm Water and Recycled Water Recharge



Total Project Budget: \$168 K
Project Completion: January 2019
Construction Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Stantec/Carollo	\$122 K	0%
Construction (Current)	WA Rasic	\$46 K	0%

San Sevaine Basin Improvements

Project Goal: Storm Water and Recycled Water Recharge

Total Project Budget: \$6.4 M

Project Completion: February 2019

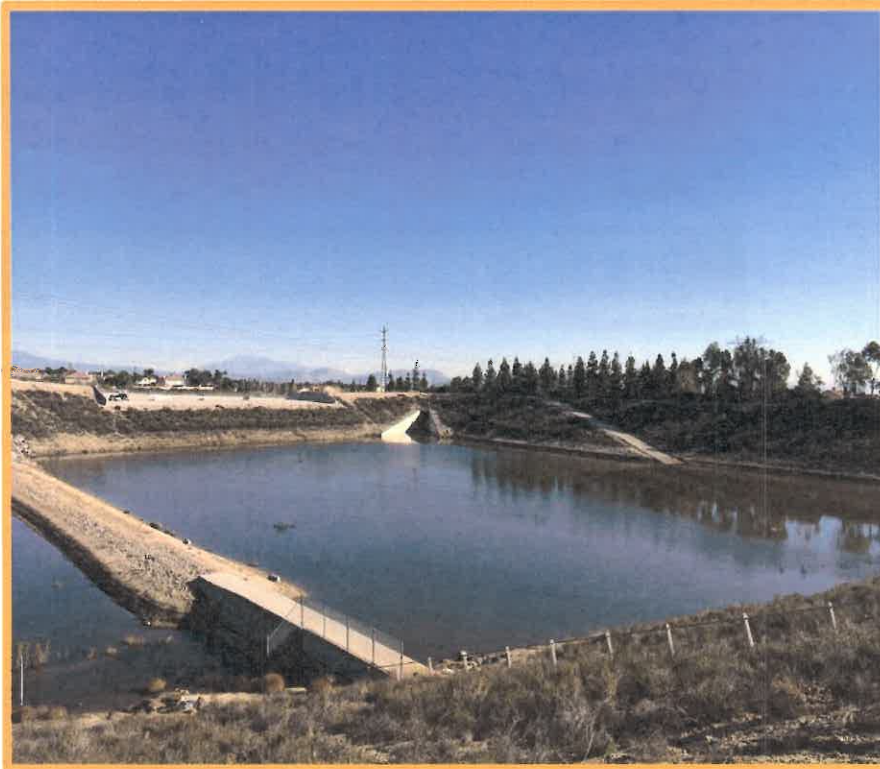
Construction Percent Complete: 95%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Scheevel/Dudek	\$359 K	17.69%
Construction (Current)	Gwinco/Yellow Jacket Drilling WA Rasic	\$4.5 M	-1.78%



Lower Day Basin

Project Goal: Increase Storm Water Recharge



Total Project Budget: \$4 M
Project Completion: January 2021
Design Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Scheevel/ Carollo	\$164 K	1.80%
Construction	TBD	\$0 M	0.0%