

AGENDA

**MEETING OF THE
BOARD OF DIRECTORS**

**WEDNESDAY, JUNE 19, 2019
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708**

**CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF
DIRECTORS MEETING**

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. PUBLIC HEARING

**A. ADOPTION OF THE AGENCY'S BIENNIAL BUDGET FOR THE FISCAL
YEARS (FYs) 2019/20 AND 2010/21, AND FYs 2020-2029 TEN-YEAR
CAPITAL IMPROVEMENT PLAN (Fin/Admin)**

Staff recommends that the Board:

1. Hold a public hearing to receive public comments on the proposed Agency's Biennial Budget for FYs 2019/20 and 2020/21, and FYs 2020-2029 Ten Year Capital Improvement Plan (TYCIP); and

2. After closing the public hearing:

- a. Adopt Resolution No. 2019-6-10, approving the Agency's Biennial Budget for FYs 2019/20 and 2020/21 and FYs 2020-2029 TYCIP, including the inter-fund transfers, Agency-wide departmental goals and objectives; and
- b. Adopt Resolution Nos. 2019-6-1 through 2019-6-8 for the Non-Reclaimable Wastewater system rates and other service fees.

2. CONSENT ITEMS

NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

The Board will be asked to approve the minutes from the May 1, 2019 Board Workshop, May 15, 2019 Board Meeting and June 5, 2019 Board Workshop/Meeting.

B. REPORT ON GENERAL DISBURSEMENTS (Fin/Admin)

Staff recommends that the Board approve the total disbursements for the month of April 2019, in the amount of \$13,025,357.43.

C. ADOPTION OF RESOLUTION NO. 2019-6-9, ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR (FY) 2019/20 (Fin/Admin)

Staff recommends that the Board adopt Resolution No. 2019-6-9, establishing the appropriations limit for Fiscal Year 2019/20.

D. CONTACTS UPDATE ON MUTUAL AID AGREEMENT

Staff recommends that the Board approve the Mutual Aid Agreement Amendment No. 2.

E. SUPPORT OF FEDERAL LEGISLATION (Comm/Leg Affairs)

Staff recommends that the Board to adopt a support position on:

- a. HR 1162 (Napolitano) – The Water Recycling Investment and Improvement Act;
- b. HR 1764 (Garamendi) – To amend the Federal Water Pollution Control Act with respect to permitting terms; and
- c. HR 2313 (Huffman) – Water Conservation Rebate Tax Parity Act.

F. REGIONAL CONTRACT FACILITATION CONTRACT AMENDMENT

(Eng/Ops/WR)

Staff recommends that the Board:

1. Approve the budget amendment of \$393,831 for the Regional Contract Facilitation, Project No. PL19002;
2. Authorize the contract amendment for \$393,831 to Kearns & West for a not-to-exceed maximum of \$898,676; and
3. Authorize the General Manager to execute the contract amendment, subject to non-substantive changes.

G. PROJECT AGREEMENT 24 FOR THE INLAND EMPIRE BRINE LINE

(Eng/Ops/WR)

Staff recommends that the Board:

1. Approve Project Agreement 24 for the Inland Empire Brine Line; and
2. Authorize the General Manager to execute the Agreement.

H. PAVEMENT MANAGEMENT MASTER SERVICES CONTRACT AWARD

(Eng/Ops/WR)

Staff recommends that the Board:

1. Award a five-year master services contract, with the option for up to two, one-year time extensions to Buckman Infrastructure Group for a not-to-exceed amount of \$500,000; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

I. FY 2019/20 ANNUAL AUDIT PLAN *(Audit)*

Staff recommends that the Board:

1. Approve the FY 2019/20 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to implement the FY 2019/20 Annual Audit Plan.

J. ADOPT POSITIONS ON STATE LEGISLATION – CONSENT *(Comm/Leg Affairs)*

Staff recommends that the Board adopt the following positions:

1. Oppose for AB 756 (C.Garcia);
2. Support for AB 841 (Ting);
3. Support for AB 1588 (Gloria); and
4. Support if Amended for SB 667 (Hueso).

3. **ACTION ITEM**

A. **ADOPTION OF RESOLUTION NO. 2019-6-12, FOR IEUA SUPPORT OF THE UPDATE TO THE CHINO BASIN OPTIMUM BASIN MANAGEMENT PROGRAM**

Staff recommends that the Board:

1. Adopt Resolution No. 2019-6-12, supporting the timely completion of the Optimum Basin Management Program update; and
2. Direct the General Manager to update the Board with its progress on a regular basis.

B. **APPROVAL TO PARTICIPATE IN A CITIBANK SETTLEMENT AGREEMENT**

Staff recommends that the Board:

1. Approve the Agency's participation in a settlement agreement between 42 state attorney generals and Citibank; and
2. Authorize the General Manager to execute and submit the Election to Participate Release and Claim Form prior to July 9, 2019.

C. **CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) CALL FOR ELECTION FOR SEAT B, SOUTHERN NETWORK**

Staff recommends that the Board cast one vote on behalf of the Inland Empire Utilities Agency for CSDA's 2019 Board of Directors' election for Seat B, Southern Network.

D. **ADOPT POSITIONS ON STATE LEGISLATION - ACTION** *(Comm/Leg Affairs)*

Staff recommends that the Board adopt the following positions:

1. Support for SB 200 (Monning);
2. Support for SB 414 (Caballero);
3. Support for ACA 1 (Aguiar-Curry);
4. Support if Amended for SB 45 (Allen); and
5. Oppose unless Amended for SB 1 (Atkins, Portantino, and Stern).

4. **INFORMATION ITEMS**

A. **BOARD OF DIRECTORS' TRAVEL AND CONFERENCE EXPENSES (WRITTEN)** *(Audit)*

B. **ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)** *(Eng/Ops/WR)*

- C. IMPACT OF DE-ENERGIZING POWER GRID TO AGENCY OPERATIONS (POWERPOINT)
- D. MWD UPDATE (ORAL)
- E. CBWM UPDATE (ORAL)
- F. SAWPA UPDATE (ORAL)
- G. CHINO BASIN PROJECT UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

- H. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT) *(Fin/Admin)*
- I. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN) *(Comm/Leg Affairs)*
- J. STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS (WRITTEN) *(Comm/Leg Affairs)*
- K. FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN) *(Comm/Leg Affairs)*
- L. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN) *(Comm/Leg Affairs)*
- M. FISCAL YEAR 2018/19 THIRD QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT) *(Fin/Admin)*
- N. INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR JUNE 2019 (WRITTEN) *(Audit)*
- O. FY 2019/20 FINANCIAL AUDIT – COMMUNICATIONS REQUIRED BY SAS 114 (WRITTEN) *(Audit)*
- P. REPORT OF OPEN AUDIT RECOMMENDATIONS (WRITTEN) *(Audit)*
- Q. ACCOUNTS PAYABLE FOLLOW-UP AUDIT (WRITTEN/POWERPOINT) *(Audit)*
- R. PAYROLL FOLLOW-UP AUDIT: ETHICS RESOLUTION AND CONFIDENTIALITY AGREEMENT (WRITTEN) *(Audit)*
- S. VOYAGER FUEL CARD AUDIT (WRITTEN/POWERPOINT) *(Audit)*
- T. OPERATIONS DIVISION SEMI-ANNUAL UPDATE (POWERPOINT) *(Eng/Ops/WR)*

5. AGENCY REPRESENTATIVES' REPORTS

A. SAWPA REPORT (WRITTEN)

June 4, 2019 Regular Commission meeting.

B. MWD REPORT (WRITTEN)

June 11, 2019 Board meeting.

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)

June 6, 2019 Regional Sewerage Program Policy Committee meeting.

D. CHINO BASIN WATERMASTER REPORT (WRITTEN)

May 23, 2019 CBWM Board meeting.

E. CHINO BASIN DESALTER AUTHORITY (WRITTEN)

June 6, 2019 CDA Special Board meeting.

F. INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Next IERCA Board meeting scheduled for August 5, 2019.

6. GENERAL MANAGER'S REPORT (WRITTEN)

7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

8. DIRECTORS' COMMENTS

A. CONFERENCE REPORTS

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

9. CLOSED SESSION

A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

2. Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812

B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)4 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

One Case


C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)2 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

One Case

10. ADJOURN

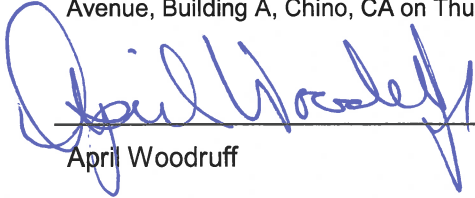
*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: 

Declaration of Posting

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, June 13, 2019.



April Woodruff


PUBLIC HEARING

1A

Date: June 19, 2019

To: The Honorable Board of Directors

Committee: Finance & Administration

From: Shivaji Deshmukh, General Manager 

06/12/19

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

Subject: Adoption of the Agency's Biennial Budget for Fiscal Years (FYs) 2019/20 and 2020/21, and FYs 2020-2029 Ten-Year Capital Improvement Plan

Executive Summary:

The proposed FYs 2019/20 – 2020/21 biennial operating budget and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2020-2029 are consistent with the Agency's long term planning documents and the Board adopted 2016 business goals. Over the next two fiscal years, key areas of focus will be: the 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 the Capital Improvement Plan (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. Further details are provided in the related sections in the Executive Summary document.

On June 6, the Regional Policy Committee unanimously recommended the Board approve the proposed Biennial budget and TYCIP with the Agency's commitment to bring forth any related future third party agreements for review and recommendation by the Regional Committees.

Staff's Recommendation:

1. Hold a public hearing to receive public comments on the proposed Agency's Biennial Budget for FYs 2019/20 and 2020/21, and FYs 2020-2029 Ten-Year Capital Improvement Plan (TYCIP); and
2. After closing the public hearing:
 - a. Adopt Resolution No. 2019-6-10, approving the Agency's Biennial Budget for FYs 2019/20 and 2020/21, and FYs 2020-2029 TYCIP, including the inter-fund transfers, Agency-wide departmental goals and objectives; and
 - b. Adopt Resolution Nos. 2019-6-1 to 2019-6-8 for the Non-Reclaimable Wastewater system rates and other service fees.

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 amended the FY 2018/19 Adopted Budget and the FYs 2019-2026 TYCIP update.

On June 21, 2017, the Board adopted the FYs 2017/18 and 2018/19 Biennial Operating Budget and FYs 2018-2027 TYCIP.

Environmental Determination:

Not Applicable

Business Goal:

The FYs 2019/20 & 2020/21 Biennial Operating Budget and the FYs 2020 - 2029 TYCIP continue to demonstrate the IEUA Board and staff's steadfastness to deliver reliable, high quality, essential services to its customers in a regionally planned and cost-effective manner, consistent with the IEUA Business Goals of fiscal responsibility, work environment, water reliability, and wastewater management.

Attachments:

Attachment 1 – Background

Attachment 2 – Budget Message

Attachment 3 – Executive Summary

Attachment 4 – Budget Adoption and Rate Resolution Nos. 2019-6-1 to 2019-6-8, and 2019-6-10

Attachment 5 – PowerPoint

Attachment 1

Background

Background

Subject: Adoption of the Agency's Biennial Budget for Fiscal Years (FYs) 2019/20 and 2020/21, and FYs 2020-2029 Ten Year Capital Improvement Plan

FY 2019/20 Rate Resolutions

The Agency establishes the following service rates for Fiscal Year (FY) 2019/20 to support various types of services for different programs and for other local governmental agencies who may require the Agency's staff support or use of Agency's equipment. The highlights of the FY 2019/20 proposed resolutions are provided below and the respective resolution documents are presented in Attachment 4, Budget Adoption and Rate Resolutions: No. 2019-6-1 to 2019-6-8, and 2019-6-10.

Resolution No. 2019-6-10, Board of Directors of the Inland Empire Utilities Agency, San Bernardino County, California, Approving and Adopting its Budget for Fiscal Years 2019/20 and 2020/2021

This resolution affirms the Agency's action in adopting the FYs 2019/2020 and 2020/2021 proposed budget for various programs budget and service rates.

Resolution No. 2019-6-1, Service Rates for Wastewater Discharges to the Regional Wastewater System for Septage, Commercial or Industrial Wastewater, and Excessive Strength Charges

This resolution establishes service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and wastewater haulers permitted by IEUA, service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency (Agency)'s Regional Wastewater System, and service rates for application fees for processing and issuing of wastewater discharge permits to industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System.

Resolution No. 2019-6-2, Capacity Charges, Volumetric Charges, Strength Charges, Capital Improvement Project (CIP) Charges, IEUA Administrative Charges, and Application and Wastewater Discharge Permit Application Fees for the Etiwanda Wastewater Line (EWL)

This resolution establishes a rate structure for the collection of costs associated for the sewerage service for the EWL under the Etiwanda Wastewater Line Disposal Agreement entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency)

Resolution No. 2019-6-3, Capacity Charges, Volumetric Charges, Strength Charges, Agency Program Charges and Application Fees for the Non-Reclaimable Wastewater System (NRWS)

This resolution establishes a rate structure for the collection of costs associated for the sewerage service for the NRW north system under the NRWS *Wastewater Disposal Agreement No. 4830* entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency)

Resolution No. 2019-6-4, Capacity Charges, Volumetric Charges, Strength Charges, Capital Improvement Project (CIP) Charges, IEUA Administrative Charges, and Application and Wastewater Discharge Permit Application Fees for the Inland Empire Brine Line

This resolution establishes initial and monthly capacity charges, volumetric flow charges, CIP charges, trucked wastewater delivery charges and excessive strength charges, application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s Brine Line, NRW south system.

Resolution No. 2019-6-5, Laboratory Rates

This resolution establishes rates on a variety of laboratory analyses for local governmental agencies who enter into agreement with the Agency for laboratory analysis services. The rates support the laboratory staff time and supplies associated with laboratory analyses. The FY 2018/19 laboratory rates remain consistent with prior year rates.

Resolution No. 2019-6-6, Extra-Territorial Sewer Charges

This resolution establishes an extra-territorial (ET) monthly sewer service charge for system users located within our contracting agencies boundaries outside the Inland Empire Utilities Agency service area. This monthly ET charge is in addition to the adopted Regional Sewer service rate. The FY 2019/20 ET monthly sewer service rate is determined based on the Agency-wide assessed valuation for FY 2018/19 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billable equivalent dwelling units (EDU) projected in the Agency's FY 2018/19 Regional Wastewater Operations and Maintenance fund budget. The FY 2019/20 monthly ET rate is set at \$16.48 per EDU, in addition to the adopted monthly EDU rate of \$20.00.

Resolution No. 2018-6-7, Imported Water Rates

This resolution establishes rates for delivery of imported water supplies; and the rates are based on the approved and adopted rates by the Metropolitan Water District of Southern California (MWD) Board on April 10, 2018. The rates of sales of imported water are direct pass-through charged by Metropolitan for each class of water (Tier 1 and Tier 2) to the IEUA member agencies.

Resolution No. 2018-6-8, Equipment Rental Fees:

This resolution provides rental equipment rates for local governmental agencies that may occasionally require the use of Agency equipment. The rates cover the Agency's labor cost, materials and supplies, and fuel costs. The cost for rental equipment in FY 2019/20 increases slightly to allow for increased fuel costs.

In the following section, the Additional Background Information, including the Sources and Uses of Funds reports for each of the Agency's program funds, proposed projects, and rate resolutions for Agency's service fees and charges. 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*.

Additional Background Information

Appendix A1 – Adopted Multi-Year Rates and Effective Dates

Appendix A-2 – Biennial Budget Key Assumptions

Appendix B – FY 2019/20 and FY 2020/21 NC Fund Proposed Budget and Rates

Appendix C1 – Budget Summary of FYs 2019/20 and 2020/21

Appendix D1 – D7 – Program Fund Reports and Proposed Capital Project Lists (Regional Wastewater Capital, Regional Wastewater Operations, Recycled Water, Recharge Water, Water Resources, Non-Reclaimable Wastewater, and Administrative Services Funds)

Rate Resolutions:

2019-6-10 Budget Adoption

2019-6-1 Regional Rate for Wastewater Discharge

2019-6-2 NRWS Etiwanda Wastewater Line (EWL) Rate

2019-6-3 NRWS (CSDLAC) Rate for Volumetric, Strength Charges

2019-6-4 NRW Inland Empire Brine Line (IEBL) Rate

2019-6-5 Laboratory Fees

2019-6-6 Extra Territorial Sewer Service Charges

2019-6-7 Establishing Imported Water Rates

2019-6-8 Equipment Rental Rates

Appendix A-1: Adopted Multi-Year Rates and Effective Dates

Wastewater Connection Fees

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19 Projected	FY 2019/20 Projected
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	5,155	5,223	4,000	4,000

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
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19

Recycled Water Rates

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19 Projected	FY 2019/20 Projected
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	32,331	33,146	34,335	32,000	35,800

Water Connection Fees

Rate Description	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19 Projected	FY 2019/20 Projected
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)	1,346	4,984	5,455	4,800	4,700

Appendix A2: Biennial Budget Key Assumptions

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
4,000 new wastewater connections per year	3% average growth 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% (FY 2019/20) and 3% (FY 2020/21) 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 B: FY 2019/20 and FY 2020/21 Non-Reclaimable Wastewater Fund Proposed

Budget and Rates

The Non-Reclaimable Wastewater (NWR) fund records the transactions for the acquisition, construction, expansion, replacement, and operation of the Agency's non-reclaimable wastewater sewer lines, interceptors, and appurtenant facilities.

The Non-Reclaimable Wastewater program has budgeted total revenues and other funding sources of \$18.5 million and \$19.7 million for FYs 2019/20 and 2020/21, respectively. The primary funding source for the Non-Reclaimable Wastewater fund are the pass-through rates from the Sanitation District of Los Angeles County (CSDLAC) for the north system and the Santa Ana Watershed Project Authority (SAWPA) for the south system. Revenues also include fees for agency program charges, capacity fees (CIP), wastewater connection fees transferred from Regional Wastewater Capital Improvement fund, and interest income.

Non-Reclaimable Wastewater System (NRWS) Rates: For board review and approval are the FY 2019/20 pass-through rates of Sanitation District of Los Angeles County (CSDLAC) for the north NRWS and the Santa Ana Watershed Project Authority (SAWPA) for the south NRWS. The CSDLAC annual rate structure for the NRW north system is updated based on the 2014 agreement. The NRW south system rates are based on SAWPA rates. Both NRWS rates are effective July 1, 2019 as listed in Table B-1.

The Agency recovers the NRWS program costs through capacity charges for the north system, and for FY 2019/20 the capacity charge per unit is \$20.25. The NRWS south system program costs are recovered through a fifty percent operating surcharge imposed on volumetric, capacity, and strength charges for non-recycled water users.

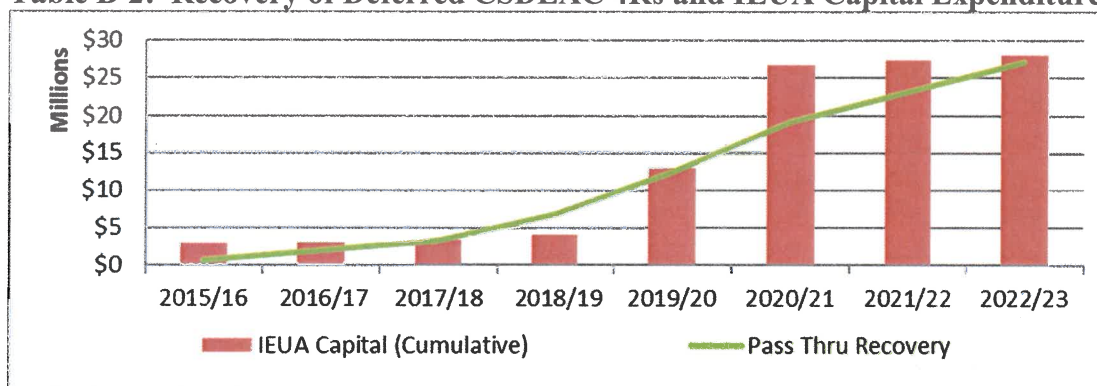
Table B-1: NRW Proposed Program Rates – North and South Systems

Rate Description	2018/19	2019/20 Adopted
North System	14,258 CU	14,005 CU
Flow/mg	\$912	\$940
COD/klb	\$161	\$166
TSS/klb	\$456	\$470
Peak/gpm	\$346	\$357
CU Purchase	\$4,172	\$4,172
CU Lease	\$208.60/CU/Yr.	\$208.60/CU/Yr.
South System		
Capacity/cu	\$406.60	\$418.67
Flow/mg	\$946.00	\$979.00
BOD/klb	\$307.00	\$316.00
TSS/klb	\$429.00	\$442.00

A total of \$9.7 million in capital project costs is budgeted for FY 2019/20 and \$13.7 million is budgeted in FY 2020/21. The proposed capital project budget includes \$0.7 million for the Agency’s CSDLAC capital charges share funded through a state revolving fund (SRF) loan. The loan totals \$4.4 million with the final payment scheduled in FY 2019/20. The loan and is supported by the Non-Reclaimable Wastewater fund reserves. The executed CSDLAC agreement requires the Agency to pay a \$4.4 million share of their existing SRF loan with an annual interest rate of 2.3 percent for a six-year term.

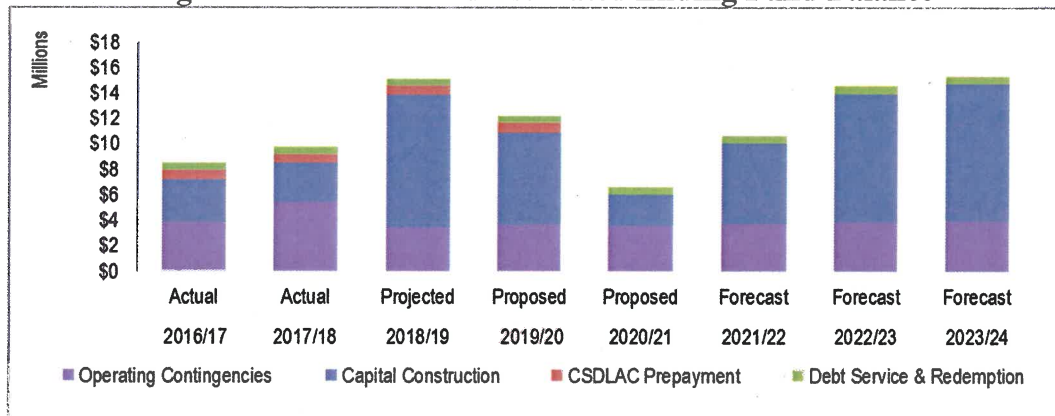
In October 2012 the Board agreed to defer the FY 2011/12 CSDLAC 4Rs capital costs of \$2.6 million to mitigate the fiscal impact to the Northern system customers. Due to this deferral, recovery of the Agency’s capital expenditures for the NRW program were deferred. In FY 2015/16 the CSDLAC 4Rs capital costs were fully paid and the Agency began to recover its deferred capital costs. Full recovery of the Agency’s capital costs is projected to be reached in FY 2022/23.

Table B-2: Recovery of Deferred CSDLAC 4Rs and IEUA Capital Expenditures



The Non-Reclaimable Wastewater ending fund balance for FY 2019/20 is estimated at \$12.2 million, and \$6.6 million for FY 2020/21. The FY 2020/21 the decrease in fund balance, as shown below, can be mainly attributed to increasing capital project costs beginning in FY 2019/20. A total of \$15 million of inter-fund loans have been issued to the Recycled Water fund. The fund balance begins increasing in FY 2021/22, as shown in Figure B-3, the increase is due to a combination of inter-fund loan repayments from Recycled Water fund and decreasing capital project costs.

Figure B-1: NRW Fund Estimated Ending Fund Balance



Appendix C1: Budget Summary of FYs 2019/20 and 2020/21 (\$ Millions)

Fiscal Year	Actual	Projected Actual	Biennial Budget		Forecast		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Operating Revenues	\$153.9	\$159.4	\$164.3	\$169.1	\$174.4	\$180.8	\$186.7
Operating Expense	(143.7)	(154.0)	(162.0)	(162.0)	(163.3)	(168.9)	(174.7)
Operating Net Increase (Decrease)	\$10.2	\$5.4	\$2.3	\$7.1	\$11.1	\$11.9	\$12.0
Other Sources of Funds	112.8	98.6	125.3	199.8	215.9	186.3	162.1
Debt Service	(21.9)	(24.8)	(26.8)	(28.0)	(28.5)	(25.7)	(33.3)
Capital Program	(56.9)	(63.5)	(93.6)	(179.3)	(153.1)	(101.2)	(100.9)
Non-Operating Increase (Decrease)	\$34.0	\$10.3	\$4.9	(\$7.5)	\$34.3	\$59.4	\$27.9
Total Increase (Decrease)	44.3	15.7	7.1	(0.4)	45.4	71.3	40.0
Beginning Fund Balance	\$184.7	\$229.0	\$244.6	\$251.7	\$251.3	\$296.7	\$368.0
Ending Fund Balance	\$229.0	\$244.6	\$251.7	\$251.3	\$296.7	\$368.0	\$408.0

Totals may not tie due to rounding

Appendix C-2: Consolidated Fund Budget FYs 2016/17 to FY 2023/24

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

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
	ACTUAL	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST	FORECAST	FORECAST
REVENUES								
User Charges	\$73,173	\$79,940	\$86,122	\$87,285	\$90,491	\$93,684	\$96,831	\$99,853
Property Tax - O&M	1,972	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Cost Reimbursement from JPA	5,804	6,210	6,295	6,684	6,685	6,971	7,242	7,517
Contract Cost reimbursement	120	542	1,751	818	800	800	500	500
Interest Revenue	1,399	2,396	3,827	4,693	4,157	3,780	4,364	4,832
Recycled Water Sales	16,385	16,878	15,890	18,120	18,752	19,408	20,445	21,037
Water Sales	29,908	45,999	43,528	44,724	46,236	47,796	49,464	51,024
TOTAL REVENUES	\$128,760	\$153,937	\$159,387	\$164,296	\$169,093	\$174,411	\$180,819	\$186,736
OTHER FINANCING SOURCES								
Property Tax - Debt , Capital, Reserve:	\$43,702	\$46,441	\$48,378	\$50,392	\$51,963	\$53,581	\$55,247	\$56,392
Connection Fees	35,923	40,739	32,912	35,735	36,687	37,539	34,619	35,409
Debt Proceeds	0	0	0	0	0	0	0	0
State Loans	9,271	15,229	3,743	19,209	89,234	111,033	78,519	52,270
Grants	12,295	5,595	8,041	13,137	16,416	1,885	3,510	6,260
Sale of Assets	0	1,320	0	0	0	0	0	0
Capital Contract Reimbursement	1,454	2,482	1,693	2,640	1,364	7,761	8,279	4,661
Other Revenues	(752)	964	872	1,162	1,112	1,112	1,112	1,112
Loan Transfer from Internal Fund	0	0	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL OTHER FINANCING SOURCES	\$101,893	\$112,770	\$98,638	\$125,275	\$199,776	\$215,911	\$186,286	\$162,103
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$230,653	\$266,707	\$258,025	\$289,570	\$368,869	\$390,322	\$367,105	\$348,839
EXPENSES								
Employment Expense	\$46,171	\$43,351	\$47,680	\$51,289	\$52,309	\$55,529	\$57,856	\$60,068
Contract Work/Special Projects	15,699	11,797	15,648	15,276	12,043	7,586	7,438	8,360
Utilities	7,907	8,323	9,446	9,788	10,144	10,414	10,693	10,980
Operating Fees	11,587	12,149	12,171	12,265	12,726	13,070	13,426	13,792
Chemicals	4,259	3,985	4,216	4,997	5,147	5,301	5,460	5,624
Professional Fees and Services	6,967	8,435	10,293	12,023	11,347	11,524	11,835	12,127
Office and Administrative Expense	2,071	1,564	2,264	2,680	2,908	2,735	3,068	2,811
Biosolids Recycling	4,094	4,092	4,364	4,419	4,551	4,688	4,829	4,973
Materials & Supplies	3,012	2,963	3,050	2,983	2,995	3,043	3,142	3,245
MWD Water Purchases	29,908	46,001	43,528	44,724	46,236	47,796	49,464	51,024
Other Expenses	599	1,044	1,383	1,571	1,573	1,603	1,643	1,677
TOTAL EXPENSES	\$132,275	\$143,702	\$154,042	\$162,015	\$161,979	\$163,289	\$168,854	\$174,682
CAPITAL PROGRAM								
CSDLAC 4Rs	\$689	\$705	\$721	\$737	\$0	\$0	\$0	\$0
IERCA investment	0	0	500	500	500	0	0	0
Capital Construction & Expansion	29,411	56,193	62,322	92,349	178,799	153,169	101,209	100,877
TOTAL CAPITAL PROGRAM	\$30,100	\$56,898	\$63,543	\$93,586	\$179,299	\$153,169	\$101,209	\$100,877
DEBT SERVICE								
Financial Expenses	\$524	\$206	\$224	\$228	\$403	\$228	\$217	\$219
Interest	8,161	6,386	6,183	7,071	6,876	6,518	6,195	8,949
Principal	62,008	15,259	15,360	16,537	17,720	18,744	14,334	18,099
Short Term Inter-Fund Loan	0	0	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL DEBT SERVICE	\$70,693	\$21,851	\$24,767	\$26,835	\$27,998	\$28,490	\$25,746	\$33,268
FUND BALANCE								
Net Increase (Decrease)	(\$2,415)	\$44,256	\$15,674	\$7,134	(\$407)	\$45,374	\$71,296	\$40,013
Beginning Fund Balance July 01	\$187,114	\$184,700	\$228,955	\$244,629	\$251,763	\$251,356	\$296,730	\$368,026
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$244,629	\$251,763	\$251,356	\$296,730	\$368,026	\$408,039
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$35,393	\$36,371	\$36,921	\$39,362	\$38,516	\$38,343	\$39,304	\$40,713
Capital Expansion & Replacement	29,013	20,969	27,652	42,259	92,198	139,982	205,736	243,660
CCRA Capital Construction	31,710	55,560	70,056	72,262	30,916	15,430	7,030	4,428
Water Connection	4,590	9,548	12,259	12,516	14,478	16,509	17,130	17,462
Rehabilitation/Replacement	19,624	18,094	10,783	10,783	12,283	12,783	13,283	13,783
CSDLAC Prepayment	689	705	721	737	0	0	0	0
Water Resource Capital	4,217	5,521	4,003	332	2,006	4,804	8,999	8,462
Debt Service & Redemption	16,757	31,839	27,175	32,121	32,511	32,994	33,172	32,931
Self Insurance Program	6,000	6,000	5,545	3,000	3,000	3,000	3,000	3,000
Employee Retirement Benefit	5,431	5,401	6,000	6,000	6,000	6,000	5,142	4,651
Sinking Fund	31,275	38,948	43,513	32,390	19,448	26,884	35,228	38,947
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$244,629	\$251,763	\$251,356	\$296,730	\$368,026	\$408,039

*Numbers may not total due to rounding

Appendix C-3: Consolidated Fund Budget by Fund

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

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20 PROPOSED BUDGET							FY 2020/21	
	ACTUAL	ACTUAL	PROJECTED ACTUAL	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	\$73,173	\$79,940	\$86,122	\$0	\$12,370	\$0	\$68,158	\$0	\$0	\$6,757	\$87,285	\$90,491
Property Tax	1,972	1,972	1,972	1,972	0	0	0	0	0	0	1,972	1,972
Cost Reimbursement JPA	5,804	6,210	6,295	1,383	0	0	4,065	1,237	0	0	6,684	6,685
Contract Cost reimbursement	120	542	1,751	0	0	0	66	69	0	683	818	800
Interest Revenue	1,399	2,396	3,827	320	583	790	1,700	115	983	202	4,693	4,157
Recycled Water Sales	16,385	16,878	15,890	0	0	0	0	0	18,120	0	18,120	18,752
Water Sales	29,908	45,999	43,528	0	0	0	0	0	0	44,724	44,724	46,236
TOTAL REVENUES	\$128,760	\$153,937	\$159,387	\$3,675	\$12,953	\$790	\$73,988	\$1,421	\$19,103	\$52,366	\$164,296	\$169,093
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$43,702	\$46,441	\$48,378	\$0	\$0	\$34,037	\$9,549	\$0	\$2,170	\$4,637	\$50,392	\$51,963
Regional System Connection Fees	35,923	40,739	32,912	0	0	27,820	0	0	7,915	0	35,735	36,687
State Loans	9,271	15,229	3,743	0	0	9,800	0	1,256	8,153	0	19,209	89,234
Grants	12,295	5,595	8,041	0	0	0	1,261	4,845	7,032	0	13,137	16,416
Capital Cost Reimbursement	1,454	2,482	1,693	0	0	0	0	565	2,075	0	2,640	1,364
Other Revenues	(752)	964	872	2	250	1	909	0	0	0	1,162	1,112
Loan Transfer from Internal Fund	0	0	3,000	0	3,000	0	0	0	0	0	3,000	3,000
TOTAL OTHER FINANCING SOURCES	\$101,893	\$112,770	\$98,638	\$2	\$3,250	\$71,658	\$11,718	\$6,665	\$27,345	\$4,637	\$125,275	\$199,776
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$230,653	\$266,707	\$258,025	\$3,677	\$16,203	\$72,447	\$85,707	\$8,086	\$46,448	\$57,003	\$289,570	\$368,869
EXPENSES												
Employment Expenses	\$46,171	\$43,351	\$47,680	\$2,469	\$2,517	\$3,613	\$33,985	\$653	\$5,184	\$2,868	\$51,289	\$52,309
Contract Work/Special Projects	15,699	11,797	15,648	2,335	600	125	5,800	139	1,780	4,498	15,276	12,043
Utilities	7,907	8,323	9,446	806	91	0	6,022	68	2,801	0	9,788	10,144
Operating Fees	11,587	12,149	12,171	12	6,905	267	1,953	13	10	3,105	12,265	12,726
Chemicals	4,259	3,985	4,216	0	130	0	4,867	0	0	0	4,997	5,147
Professional Fees and Services	6,967	8,435	10,293	4,830	191	407	4,723	934	666	272	12,023	11,347
Office and Administrative expenses	2,071	1,564	2,264	2,571	24	0	3	15	3	64	2,680	2,908
Biosolids Recycling	4,094	4,092	4,364	0	35	0	4,384	0	0	0	4,419	4,551
Materials & Supplies	3,012	2,963	3,050	614	84	0	2,019	98	169	0	2,983	2,995
MWD Water Purchases	29,908	46,001	43,528	0	0	0	0	0	0	44,724	44,724	46,236
Other Expenses	599	1,044	1,383	(6,241)	460	1,548	4,277	53	1,132	343	1,571	1,573
TOTAL EXPENSES	\$132,275	\$143,702	\$154,042	\$7,397	\$11,036	\$5,960	\$68,034	\$1,973	\$11,743	\$55,872	\$162,015	\$161,979
CAPITAL PROGRAM												
CSDLAC 4Rs	\$689	\$705	\$721	\$0	\$737	\$0	\$0	\$0	\$0	\$0	\$737	\$0
IERCA Investment	0	0	500	0	0	500	0	0	0	0	500	500
Capital Construction and Expansion	29,411	56,193	62,322	2,310	8,950	24,824	25,988	5,000	18,727	6,550	92,349	178,799
TOTAL CAPITAL PROGRAM	\$30,100	\$56,898	\$63,543	\$2,310	\$9,687	\$25,324	\$25,988	\$5,000	\$18,727	\$6,550	\$93,586	\$179,299
DEBT SERVICE												
Financial Expenses	\$524	\$206	\$224	\$18	\$1	\$139	\$0	\$67	\$3	\$0	\$228	\$403
Interest	8,161	6,386	6,183	0	280	3,017	655	461	2,657	0	7,071	6,876
Principal	62,008	15,259	15,360	0	305	9,370	756	739	5,367	0	16,537	17,720
Short Term Inter-Fund Loan	0	0	3,000	0	0	0	0	0	3,000	0	3,000	3,000
TOTAL DEBT SERVICE	\$70,693	\$21,851	\$24,767	\$18	\$586	\$12,526	\$1,412	\$1,267	\$11,027	\$0	\$26,835	\$27,998
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$0	\$0	\$1,286	(\$44)	\$3,399	(\$4,598)	\$44	(\$88)	\$0	\$0	\$0
Debt Service	0	0	0	0	0	(3,299)	265	633	2,400	0	0	(0)
Operation support	0	(0)	0	2,335	(79)	0	(2,176)	757	(836)	0	0	0
Capital - Connection Fees Allocation	0	0	0	975	2,292	(8,984)	5,717	0	0	0	(0)	0
One Water	0	0	0	49	0	0	0	25	(2,021)	1,947	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$684)	(\$0)	(\$0)	\$4,645	\$2,169	(\$8,883)	(\$792)	\$1,460	(\$545)	\$1,947	\$0	\$0
FUND BALANCE												
Net Increase (Decrease)	(\$2,415)	\$44,256	\$15,674	(\$1,403)	(\$2,938)	\$19,755	(\$10,519)	\$1,306	\$4,405	(\$3,472)	\$7,134	(\$407)
Beginning Fund Balance July 01	187,114	184,700	228,955	13,681	15,188	88,587	76,428	4,108	36,651	9,985	244,629	251,763
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$244,629	\$12,279	\$12,251	\$108,342	\$65,909	\$5,414	\$41,056	\$6,513	\$251,763	\$251,356
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$35,393	\$36,371	\$36,921	\$3,279	\$3,679	\$0	\$21,323	\$987	\$3,914	\$6,180	\$39,362	\$38,516
Capital Expansion & Replacement	29,013	20,969	27,652	0	7,249	16,617	0	2,883	15,511	0	42,259	92,198
CCRA Capital Construction	31,710	55,560	70,056	0	0	72,262	0	0	0	0	72,262	30,916
Water Connection	4,590	9,548	12,259	0	0	0	0	0	12,516	0	12,516	14,478
Rehabilitation/Replacement	19,624	18,094	10,783	0	0	0	10,783	0	0	0	10,783	12,283
CSDLAC Prepayment	689	705	721	0	737	0	0	0	0	0	737	0
Water Resource Capital	4,217	5,521	4,003	0	0	0	0	0	0	332	332	2,006
Debt Service & Redemption	16,757	31,839	27,175	0	586	19,463	1,412	1,545	9,116	0	32,121	32,511
Self Insurance Program	6,000	6,000	5,545	3,000	0	0	0	0	0	0	3,000	3,000
Employee Retirement Benefit	5,431	5,401	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Sinking Fund	31,275	38,948	43,513	0	0	0	32,390	0	0	0	32,390	19,448
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$244,629	\$12,279	\$12,251	\$108,342	\$65,909	\$5,414	\$41,056	\$6,513	\$251,763	\$251,356

*Numbers may not total due to rounding

Appendix D-1: Regional Wastewater Capital Improvement Fund Budget

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)

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Actual	Actual	Projected Actual	Proposed Budget	Proposed Budget	Forecast		
REVENUES								
Interest Revenue	\$240	\$456	\$497	\$790	\$826	\$592	\$700	\$838
TOTAL REVENUES	\$240	\$456	\$497	\$790	\$826	\$592	\$700	\$838
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$29,688	\$31,469	\$32,728	\$34,037	\$35,058	\$36,109	\$37,193	\$37,937
Regional System Connection Fees	30,508	32,850	26,496	27,820	28,655	29,514	26,600	27,398
State Loans	-	500	-	9,800	80,250	103,650	56,050	29,170
Sale of Assets	-	1,320	-	-	-	-	-	-
Other Revenues	101	19	11	1	1	1	1	1
Loan Transfer from Internal Fund	-	-	-	-	-	-	2,000	6,000
TOTAL OTHER FINANCING SOURCES	\$60,294	\$66,158	\$59,238	\$71,658	\$143,963	\$169,275	\$121,843	\$100,505
EXPENSES								
Employment Expenses	\$3,810	\$3,836	\$4,101	\$3,613	\$3,743	\$3,973	\$4,140	\$4,298
Contract Work/Special Projects	1,131	611	132	125	-	-	-	-
Operating Fees	259	254	260	267	275	283	292	301
Professional Fees and Services	370	339	375	407	420	429	438	447
Other Expenses	534	933	1,360	1,548	1,535	1,568	1,601	1,638
TOTAL EXPENSES	\$6,105	\$5,973	\$6,229	\$5,960	\$5,973	\$6,253	\$6,470	\$6,683
CAPITAL PROGRAM								
Work In Progress	\$11,425	\$20,316	\$27,374	\$24,824	\$102,243	\$125,119	\$66,210	\$36,054
IERCA investment	-	-	500	500	500	-	-	-
TOTAL CAPITAL PROGRAM	\$11,425	\$20,316	\$27,874	\$25,324	\$102,743	\$125,119	\$66,210	\$36,054
DEBT SERVICE								
Financial Expenses	\$268	\$140	\$136	\$139	\$256	\$139	\$131	\$132
Interest	4,712	3,004	2,655	3,017	2,656	2,272	1,993	5,127
Principal	57,274	8,791	8,922	9,370	9,630	10,081	5,145	8,475
Short Term Inter-Fund Loan	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE	\$62,255	\$11,935	\$11,714	\$12,526	\$12,543	\$12,493	\$7,269	\$13,735
TRANSFERS IN (OUT)								
Capital Contribution	(\$302)	\$51	\$4,735	\$3,399	\$10,426	\$3,880	\$2,401	\$1,414
Debt Service	(917)	(2,848)	(2,912)	(3,299)	(3,327)	(3,358)	(3,352)	(1,213)
Capital - Connection Fees Allocation	(957)	(811)	(6,765)	(9,094)	(8,656)	(2,131)	(2,707)	(4,046)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$2,177)	(\$3,608)	(\$4,942)	(\$9,600)	(\$1,556)	(\$1,609)	(\$3,658)	(\$3,845)
FUND BALANCE								
Net Income (Loss)	(\$21,427)	\$24,782	\$8,976	\$19,755	\$21,974	\$24,392	\$38,936	\$41,027
Beginning Fund Balance July 01	76,257	54,829	79,611	88,957	108,342	130,316	154,708	193,643
ENDING FUND BALANCE AT JUNE 30*	\$54,829	\$79,611	\$88,587	\$108,712	\$130,316	\$154,708	\$193,643	\$234,670
RESERVE BALANCE SUMMARY								
Capital Construction	\$15,680	\$4,588	\$2,647	\$16,617	\$79,906	\$119,788	\$166,995	\$210,629
CCRA Capital Construction	31,710	55,560	70,056	72,262	30,916	15,430	7,030	4,428
Debt Service & Redemption	7,440	19,463	15,884	19,463	19,494	19,489	19,619	19,613
ENDING BALANCE AT JUNE 30	\$54,829	\$79,611	\$88,587	\$108,342	\$130,316	\$154,708	\$193,643	\$234,670

*Numbers may not total due to rounding

**Regional Wastewater Capital Improvement Fund
Proposed Capital Project List**

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
RP-5 Expansion	\$11.00	\$90.00	\$119.00	\$304.90
CCWRF Asset Management Improvements	6.8	7.5	6	26.9
RP-1 Flare Improvements	5	-	-	5
Collection System Upgrades	0.5	0.5	1.5	5
RP-1 Solids & Liquid Treatment Expansion	0.2	-	-	80.5
All Other Capital Projects	1.8	4.7	100.9	92.3
Total	\$25.30	\$102.70	\$227.40	\$514.60

Appendix D-2: Regional Wastewater Operations & Maintenance Fund Budget

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	\$68,138	\$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	\$73,968	\$75,959	\$78,315	\$80,958	\$83,787
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital/R	\$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	\$11,719	\$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	5,800	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	4,277	4,231	4,322	4,422	4,524
TOTAL EXPENSES	\$63,684	\$59,710	\$65,922	\$68,034	\$70,020	\$70,570	\$72,831	\$76,444
CAPITAL PROGRAM								
Capital Construction & Expansion (WIP)	\$12,557	\$23,781	\$21,754	\$25,988	\$21,047	\$6,726	\$6,775	\$10,246
TOTAL CAPITAL PROGRAM	\$12,557	\$23,781	\$21,754	\$25,988	\$21,047	\$6,726	\$6,775	\$10,246
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	736	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	5,717	4,785	1,879	2,255	3,599
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$181)	(\$2,475)	(\$74)	(\$792)	(\$7,409)	(\$2,502)	(\$1,339)	(\$1,263)
FUND BALANCE								
Net Income (Loss)	\$13,712	\$5,113	(\$409)	(\$10,519)	(\$12,335)	\$7,564	\$9,058	\$4,862
Beginning Fund Balance July 01	58,012	71,724	76,837	76,428	65,909	53,574	61,137	70,195
ENDING FUND BALANCE JUNE 30*	\$71,724	\$76,837	\$76,428	\$65,909	\$53,574	\$61,137	\$70,195	\$75,057
RESERVE BALANCE SUMMARY								
Operating Contingies	\$20,038	\$18,590	\$20,720	\$21,323	\$21,931	\$22,058	\$22,753	\$23,896
Rehabilitation/Replacement	19,624	18,094	10,783	10,783	10,783	10,783	10,783	10,783
Debt Service	787	1,204	1,412	1,412	1,412	1,412	1,430	1,430
Sinking Fund	31,275	38,948	43,513	32,390	19,448	26,884	35,228	38,947
ENDING BALANCE AT JUNE 30	\$71,724	\$76,837	\$76,428	\$65,909	\$53,574	\$61,137	\$70,195	\$75,057

*Numbers may not total due to rounding

**Regional Wastewater Operations & Maintenance Fund
Proposed Capital Project List**

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
RP-1 Mechanical Restoration Upgrades	\$8.90	\$1.00		\$9.90
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	4		6
SCADA Enterprise System	2	3.5	3	8.5
RP-4 Process Improvements	1.9	1	3.2	6.1
All Other Capital Projects	5.5	11.5	17.5	71.7
Total	\$25.90	\$21.00	\$23.70	\$107.80

Appendix D-3: Recycled Water Fund Budget

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	2018/2019	2019/2020	2020/2021	2021/2022	2022/23	2023/24
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Interest Revenue	\$371	\$577	577	\$983	\$949	\$945	\$1,230	\$1,360
Water Sales	16,878	15,890	15,890	16,120	18,752	19,408	20,445	21,037
TOTAL REVENUES	\$17,343	\$16,467	\$16,467	\$17,103	\$19,701	\$20,353	\$21,675	\$22,397
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	7,889	6,416	6,416	7,915	8,032	8,025	8,019	8,011
State Loans	3,418	7,909	1,503	8,153	5,220	7,240	22,469	23,100
Grants	2,164	6,710	4,503	7,032	3,750	1,875	3,500	6,250
Capital Contract Reimbursement	202	72	663	2,075	702	6,824	7,220	3,473
Other Revenues	12	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$15,855	\$23,277	\$15,255	\$27,345	\$19,875	\$26,134	\$43,378	\$43,004
EXPENSES								
Employment Expenses	\$4,084	\$4,248	\$4,416	\$5,184	\$5,370	\$5,701	\$5,940	\$6,168
Contract Work/Special Projects	1,019	1,982	1,131	1,780	1,365	1,063	995	975
Utilities	1,833	2,028	2,512	2,801	2,885	2,971	3,061	3,152
Operating Fees	3	10	6	10	10	11	11	11
Chemicals	0	0	0	0	0	0	0	0
Professional Fees and Services	481	884	685	666	632	669	741	729
Office and Administrative expenses	2	3	3	3	3	3	3	3
Materials & Supplies	154	203	252	169	174	185	199	216
Other Expenses	728	934	980	1,132	1,122	1,146	1,170	1,197
TOTAL EXPENSES	\$8,304	\$10,293	\$9,983	\$11,743	\$11,562	\$11,750	\$12,121	\$12,452
CAPITAL PROGRAM								
Work In Progress	\$7,439	\$16,237	\$8,213	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
TOTAL CAPITAL PROGRAM	\$7,439	\$16,237	\$8,213	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
DEBT SERVICE								
Financial Expenses	\$1	\$3	\$3	\$3	\$3	\$4	\$3	\$3
Interest	2,715	2,657	2,800	2,657	2,881	2,846	2,877	2,577
Principal	5,159	5,256	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	3,000	5,000	6,000
TOTAL DEBT SERVICE	\$7,875	\$10,916	\$11,059	\$11,027	\$12,116	\$12,475	\$14,963	\$15,961
TRANSFERS IN (OUT)								
Capital Contribution	(\$80)	(\$1,052)	(\$1,020)	(\$88)	(\$21)	(\$13)	(\$21)	(\$134)
Debt Service	2,397	2,400	2,400	2,400	2,542	2,540	2,541	2,669
Operation support	(464)	(709)	(680)	(836)	(755)	(759)	(817)	(835)
Water Connection Allocation	(390)	(1,652)	(1,652)	(2,021)	(950)	(855)	(297)	(316)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,463	(\$1,014)	(\$951)	(\$545)	\$816	\$914	\$1,406	\$1,384
FUND BALANCE								
Net Income (Loss)	\$11,043	\$1,284	\$1,516	\$4,405	(\$7,086)	\$6,875	\$16,071	(\$5,629)
Beginning Fund Balance July 01	24,092	35,135	35,135	36,651	41,056	33,970	40,845	56,916
ENDING BALANCE AT JUNE 30	\$35,135	\$36,419	\$36,651	\$41,056	\$33,970	\$40,845	\$56,916	\$51,287
RESERVE BALANCE SUMMARY								
Operating Contingency	\$2,768	\$3,431	\$3,431	\$3,914	\$3,854	\$3,917	\$4,040	\$4,151
Capital Construction	12,831	12,702	12,934	15,511	4,664	8,456	23,284	16,947
Water Connection	9,548	12,259	12,259	12,516	14,478	16,509	17,130	17,462
Debt Service	9,988	8,027	8,027	9,116	9,475	9,963	9,961	9,726
ENDING BALANCE AT JUNE 30	\$35,135	\$36,419	\$36,651	\$41,056	\$33,970	\$40,845	\$56,916	\$51,287

* Numbers may not total due to rounding

**Recycled Water Fund
Proposed Capital Project List**

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	\$2.00	\$3.00	\$61.00	\$80.00
Recycled Water Intertie to Jurupa Community 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, CSI, Prologis)	1.6	0	0	1.6
All Other Capital Projects	3.7	2.3	10.8	81.1
Total	\$18.70	\$23.80	\$83.60	\$204.40

Appendix D-4: Recharge Water Fund Budget

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	\$1,137	\$1,237	\$1,076	\$1,108	\$1,141	\$1,175
Contract Cost reimbursement	(10)	0	1,544	69	0	0	0	0
Interest Revenue	16	23	85	115	160	190	195	195
TOTAL REVENUES	\$954	\$888	\$2,766	\$1,421	\$1,236	\$1,298	\$1,336	\$1,370
OTHER FINANCING SOURCES								
State Loans	\$0	\$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	1,026	565	662	937	1,059	1,188
Other Revenues	0	25	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$1,113	\$2,305	\$1,478	\$6,666	\$15,947	\$1,080	\$1,059	\$1,188
EXPENSES								
Employment Expenses	\$565	\$657	\$596	\$653	\$677	\$718	\$748	\$777
Contract Work/Special Projects	353	25	1,544	139	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	1,171	934	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	\$3,549	\$1,973	\$1,782	\$1,857	\$1,921	\$1,984
CAPITAL PROGRAM								
Capital Expansion/Construction	\$864	\$1,645	\$1,036	\$5,000	\$13,184	\$290	\$500	\$750
TOTAL CAPITAL PROGRAM	\$864	\$1,645	\$1,036	\$5,000	\$13,184	\$290	\$500	\$750
DEBT SERVICE								
Financial Expenses	\$73	\$71	\$68	\$67	\$125	\$63	\$62	\$61
Interest	95	148	245	461	430	527	491	454
Principal	647	683	710	739	769	916	944	988
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	\$44	\$0	\$0	\$10	\$113
Debt Service	408	451	512	633	662	694	688	690
Operation support	507	440	661	757	707	749	780	809
Property Tax Transfer	68	25	1,009	25	5	23	45	68
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,381	\$931	\$2,227	\$1,460	\$1,374	\$1,466	\$1,523	\$1,679
FUND BALANCE								
Net Income (Loss)	(\$196)	\$105	\$863	\$1,306	\$2,267	\$191	\$0	\$0
Beginning Fund Balance July 01	3,337	3,140	3,246	4,108	5,414	7,681	7,872	7,872
ENDING FUND BALANCE AT JUNE 30*	\$3,140	\$3,246	\$4,108	\$5,414	\$7,681	\$7,872	\$7,872	\$7,872
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,978	\$2,165	\$1,183	\$987	\$891	\$928	\$960	\$992
Capital Expansion / Construction	500	500	1,659	2,883	5,245	5,398	5,367	5,335
Debt Service & Redemption	662	581	1,267	1,545	1,545	1,545	1,545	1,545
ENDING BALANCE AT JUNE 30	\$3,140	\$3,246	\$4,108	\$5,414	\$7,681	\$7,872	\$7,872	\$7,872

* Numbers may not total due to rounding

**Recharge Water Fund
Proposed Capital Project List**

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Recharge Master Plan	\$5.00	\$9.80	\$0.00	\$14.80
All Other Capital Projects	0	3.4	8.3	11.7
Total	\$5.00	\$13.23	\$8.30	\$26.50

Appendix D-5: Water Resources Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 AND 2020/21 BUDGET
WATER RESOURCES 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 AND OTHER FINANCING SOURCES								
User Charges	\$4,775	\$5,344	\$6,165	\$6,757	\$7,397	\$8,042	\$8,545	\$8,732
Contract Cost reimbursement	60	380	142	683	734	734	434	434
Interest Revenue	53	100	128	202	166	207	285	324
Water Sales	29,908	45,999	43,528	44,724	46,236	47,796	49,464	51,024
Gas Sales	0	0	0	0	0	0	0	0
TOTAL REVENUES AND OTHER FINANCING SOURCES:	\$34,796	\$51,823	\$49,963	\$52,366	\$54,533	\$56,779	\$58,728	\$60,513
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$2,295	\$3,254	\$3,932	\$4,637	\$5,186	\$5,753	\$6,336	\$6,736
Grants	150	206	76	0	10	10	10	10
Other Revenues	9	34	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$2,454	\$3,495	\$4,007	\$4,637	\$5,196	\$5,763	\$6,346	\$6,746
EXPENSES								
Employment Expenses	\$2,074	\$1,780	\$2,340	\$2,868	\$2,971	\$3,154	\$3,286	\$3,412
Contract Work/Special Projects	1,422	1,814	4,359	4,498	2,751	2,109	1,313	1,313
Operating Fees	3,219	3,037	2,944	3,105	3,198	3,263	3,328	3,396
Professional Fees and Services	269	176	194	272	276	281	286	291
Office and Administrative expenses	8	3	5	64	64	64	64	64
MWD Water Purchases	29,908	46,001	43,528	44,724	46,236	47,796	49,464	51,024
Other Expenses	119	246	309	343	341	347	352	358
TOTAL EXPENSES	\$37,020	\$53,058	\$53,679	\$55,872	\$55,837	\$57,013	\$58,093	\$59,857
	37,020	53,058	53,679	55,872	55,837	57,013	58,093	59,857
CAPITAL PROGRAM								
Capital Construction & Expansion (WIP)	\$0	\$0	\$1,500	\$6,550	\$3,575	\$3,575	\$3,000	\$8,000
TOTAL CAPITAL PROGRAM	\$0	\$0	\$1,500	\$6,550	\$3,575	\$3,575	\$3,000	\$8,000
TRANSFERS IN (OUT)								
Water Connections	\$59	\$321	\$626	\$1,947	\$917	\$825	\$236	\$236
TOTAL INTERFUND TRANSFERS IN (OUT)	\$59	\$321	\$626	\$1,947	\$917	\$825	\$236	\$236
FUND BALANCE								
Net Income (Loss)	\$289	\$2,581	(\$583)	(\$3,472)	\$1,235	\$2,779	\$4,217	(\$361)
Beginning Fund Balance July 01	7,698	7,987	10,568	9,095	6,513	7,748	10,527	14,744
ENDING FUND BALANCE AT JUNE 30	\$7,987	\$10,568	\$9,985	\$6,513	\$7,748	\$10,527	\$14,744	\$14,382
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	\$3,770	\$5,047	\$5,982	\$6,180	\$5,742	\$5,723	\$5,744	\$5,920
Water Resources Capital	4,217	5,521	4,003	332	2,006	4,804	8,999	8,462
ENDING BALANCE AT JUNE 30	\$7,987	\$10,568	\$9,985	\$6,513	\$7,748	\$10,527	\$14,744	\$14,382

* Numbers may not total due to rounding

**Water Resources Fund
Proposed Capital Project List**

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Chino Basin Program Planning	\$6.60	\$2.60	\$2.60	\$11.70
All Other Capital Projects	0	1.0	12.0	13.0
Total	\$6.60	\$3.60	\$14.60	\$24.70

Appendix D-6: Non-Reclaimable Wastewater Fund Budget

INLAND EMPIRE UTILITIES AGENCY FISCAL YEARS 2019/20 AND 2020/21 BUDGET NON-RECLAIMABLE WASTEWATER 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	\$11,800	\$12,452	\$13,294	\$12,395	\$12,653	\$12,924	\$13,202	\$13,593
Interest Revenue	164	274	425	583	461	367	394	376
TOTAL REVENUES	\$11,964	\$12,725	\$13,719	\$12,978	\$13,114	\$13,290	\$13,597	\$13,969
OTHER FINANCING SOURCES								
Other Revenues	\$156	\$507	\$257	\$250	\$200	\$200	\$200	\$200
Loan Transfer from Internal Fund	0	0	3,000	3,000	3,000	3,000	3,000	0
TOTAL OTHER FINANCING SOURCES	\$156	\$507	\$3,257	\$3,250	\$3,200	\$3,200	\$3,200	\$200
EXPENSES								
Employment Expenses	\$2,018	\$2,030	\$2,223	\$2,517	\$2,608	\$2,769	\$2,885	\$2,995
Contract Work/Special Projects	38	88	150	600	100	100	100	100
Utilities	83	89	76	91	93	96	99	102
Operating Fees	6,649	7,315	7,185	6,929	7,134	7,348	7,568	7,796
Chemicals	79	105	130	130	134	138	142	146
Professional Fees and Services	87	114	122	191	197	202	208	214
Office and Administrative expenses	0	0	0	24	24	25	26	27
Biosolids Recycling	0	25	26	35	36	37	38	39
Materials & Supplies	37	65	93	84	86	89	92	94
Operation Contribution to IERCA	0	0	0	0	0	0	0	0
Other Expenses	65	276	403	460	455	464	474	485
TOTAL EXPENSES	\$9,056	\$10,106	\$10,408	\$11,061	\$10,868	\$11,268	\$11,632	\$11,998
CAPITAL PROGRAM								
CSDLAC 4Rs SRF Loan	\$689	\$705	\$721	\$737	\$0	\$0	\$0	\$0
Capital Expansion/Construction	186	359	785	8,950	13,750	600	700	800
TOTAL CAPITAL PROGRAM	\$875	\$1,064	\$1,506	\$9,687	\$13,750	\$600	\$700	\$800
DEBT SERVICE								
Financial Expenses	\$26	\$0	\$1	\$1	\$1	\$1	\$1	\$1
Interest	402	341	307	280	268	253	236	218
Principal	168	454	294	305	317	331	348	398
TOTAL DEBT SERVICE	\$596	\$795	\$602	\$586	\$586	\$586	\$585	\$617
TRANSFERS IN (OUT)								
Capital Contribution	(\$18)	(\$65)	(\$44)	(\$44)	(\$21)	(\$13)	(\$11)	(\$22)
Operation support	0	(24)	(19)	(79)	(48)	(10)	(37)	(26)
Property Tax Transfer	54	107	972	2,292	3,324	72	72	72
TOTAL INTERFUND TRANSFERS IN (OUT)	\$36	\$19	\$909	\$2,169	\$3,255	\$49	\$24	\$24
FUND BALANCE								
Net Income (Loss)	\$1,630	\$1,285	\$5,370	(\$2,937)	(\$5,634)	\$4,085	\$3,903	\$779
Beginning Fund Balance July 01	6,903	8,533	9,818	15,188	12,251	6,618	10,703	14,606
ENDING FUND BALANCE AT JUNE 30*	\$8,533	\$9,818	\$15,188	\$12,251	\$6,618	\$10,703	\$14,606	\$15,385
RESERVE BALANCE SUMMARY								
Capital/Operations Contingencies	\$3,938	\$5,461	\$3,469	\$3,687	\$3,622	\$3,756	\$3,877	\$3,999
Capital Construction	3,304	3,050	10,413	7,241	2,410	6,361	10,112	10,769
CSDLAC Prepayment	689	705	721	737	0	0	0	0
Debt Service	602	602	586	586	586	585	617	616
ENDING BALANCE AT JUNE 30	\$8,533	\$9,818	\$15,188	\$12,251	\$6,618	\$10,703	\$14,606	\$15,385

* Numbers may not total due to rounding

**Non-Reclaimable Wastewater Fund
Proposed Capital Project List**

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Philadelphia Lift Station Force Main Improvements	\$5.00	\$13.50	\$0.00	\$18.50
NRW Pipeline Relining along Cucamonga Creek	2.2			2.2
East End Flowmeter Replacement	1.6			1.6
NRWS Manhole Upgrades	0.2	0.2	0.6	2
All Other Capital Projects			1.5	6.2
Total	\$9.00	\$13.70	\$2.10	\$30.50

Appendix D-7: Administrative Services Fund Budget

INLAND EMPIRE UTILITIES AGENCY FISCAL YEARS 2019/20 and FISCAL YEAR 2020/21 BIENNIAL BUDGET ADMINISTRATIVE SERVICES 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								
Property Tax	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972
Cost Reimbursement from JPA	1,181	1,365	1,394	1,383	1,382	1,467	1,529	1,587
Interest Revenue	153	207	315	320	295	280	260	240
TOTAL REVENUES	\$3,306	\$3,547	\$3,682	\$3,675	\$3,649	\$3,719	\$3,761	\$3,799
OTHER FINANCING SOURCES								
Other Revenues	\$102	\$120	\$2	\$2	\$2	\$2	\$2	\$2
TOTAL OTHER FINANCING SOURCES	\$102	\$203	\$2	\$2	\$2	\$2	\$2	\$2
EXPENSES								
Employment Expenses	\$1,052	\$2,247	\$1,681	\$2,469	\$1,679	\$1,780	\$1,853	\$1,924
Contract Work/Special Projects	973	696	545	2,335	1,403	299	1,090	757
Utilities	445	496	601	806	830	852	875	899
Operating Fees	10	14	12	12	12	12	12	12
Professional Fees and Services	2,726	3,147	4,079	4,830	4,737	4,705	4,815	4,926
Office and Administrative expenses	2,048	1,548	2,238	2,571	2,798	2,623	2,954	2,696
Biosolids Recycling	22	23	10	0	0	0	0	0
Materials & Supplies	525	669	594	614	570	539	554	568
Other Expenses	(1,475)	(3,759)	(5,487)	(6,241)	(6,164)	(6,298)	(6,431)	(6,580)
TOTAL EXPENSES	\$6,326	\$5,080	\$4,272	\$7,397	\$5,864	\$4,512	\$5,722	\$5,201
CAPITAL PROGRAM								
Capital Expansion & Construction	\$1,444	\$2,652	\$1,660	\$2,310	\$1,200	\$559	\$718	\$1,028
TOTAL CAPITAL PROGRAM	\$1,444	\$2,652	\$1,660	\$2,310	\$1,200	\$559	\$718	\$1,028
DEBT SERVICE								
Financial Expenses	\$34	\$19	\$16	\$18	\$18	\$19	\$20	\$21
TOTAL DEBT SERVICE	\$34	\$19	\$16	\$18	\$18	\$19	\$20	\$21
TRANSFERS IN (OUT)								
Capital Contribution	\$519	\$1,905	\$1,304	\$1,286	\$626	\$371	\$323	\$641
Operation support	0	696	545	2,335	1,403	299	1,090	757
Capital - Connection Fees Allocation	904	703	339	975	547	180	380	375
One Water	22	44	17	49	27	7	16	12
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,444	\$3,348	\$2,204	\$4,645	\$2,603	\$858	\$1,808	\$1,784
FUND BALANCE								
Net Income (Loss)	(\$2,952)	(\$653)	(\$60)	(\$1,403)	(\$828)	(\$511)	(\$890)	(\$665)
Beginning Fund Balance July 01	17,345	14,394	13,741	13,681	12,279	11,450	10,940	10,050
ENDING FUND BALANCE AT JUNE 30*	\$14,394	\$13,741	\$13,681	\$12,279	\$11,450	\$10,940	\$10,050	\$9,385
RESERVE BALANCE SUMMARY								
Operating Contingency	\$2,963	\$2,340	\$1,936	\$2,266	\$1,755	\$1,304	\$1,707	\$1,534
Self-Insurance Program	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Employee Retirement Benefit	5,431	5,401	5,745	4,013	3,696	3,635	2,342	1,851
ENDING BALANCE AT JUNE 30	\$14,394	\$13,741	\$13,681	\$12,279	\$11,450	\$10,940	\$10,050	\$9,385

*Numbers may not total due to rounding

**Administrative Services Fund
Proposed Capital Project List**

Major Projects (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22 to FY 2023/24	TYCIP Total
Agency-wide Vehicle Replacement	\$0.50	\$0.30	\$1.00	\$3.50
Agency SCADA ¹ Integration with SAP	0.3	0.2		0.5
Headquarters Campus Driveway Improvements	0.4			0.4
BizNet Infrastructure Replacement Project	0.3	0.1		0.4
ICP ² Instrument	0.2			0.2
All Other Capital Projects	0.6	0.5	1.3	8.6
Total	\$2.30	\$1.20	\$2.30	\$13.60

Attachment 2

Budget Message



GENERAL MANAGER'S MESSAGE

The Honorable Board of Directors
Inland Empire Utilities Agency

June 19, 2019

I am pleased to submit the Inland Empire Utilities Agency (IEUA/Agency) biennial budget for Fiscal Years 2019/20 and 2020/21 (Budget) and the Ten-Year Capital Improvement Plan for Fiscal Years 2019/20 – 2028/29 (TYCIP). The Budget and TYCIP are balanced plans to effectively address the challenges ahead by prioritizing funding for cost-efficient operations, timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth, recruitment of critical positions to support succession planning, and continuing efforts to secure the \$207 million conditional funding award for the Chino Basin Program.

The Budget and TYCIP are consistent with the Agency's long-term planning documents and Board-adopted Business Goals of fiscal responsibility, work environment, business practices, water reliability, wastewater management, and environmental stewardship.

FISCAL RESPONSIBILITY

Sustainable cost containment continues to be the basis for the Budget of \$282 million in Total Uses of Funds for Fiscal Year (FY) 2019/20, with an overall increase of two percent compared to the current FY 2018/19 budget of \$276 million. Increases in employment expenses due to increases in pension contribution rates, benefit costs, cost of living adjustments and succession planning were offset by reductions in contract work and non-capital project costs as part of the Agency's commitment to cost containment.

- ◆ Total Uses of Funds for FY 2020/21 are projected to increase significantly to \$369 million primarily due to higher capital project costs of \$179 million compared to \$94 million planned for FY 2019/20.
- ◆ Over the two-year budget period, Total Revenues and Other Funding Sources are projected to be \$290 million in FY 2019/20 and \$369 million in FY 2020/21, primarily driven by the RP-5 Expansion Project and new debt needed to support construction costs.
- ◆ User charges are based on the multi-year rate adjustment adopted by the Board of Directors in 2015 for FYs 2015/16 – 2019/20. Any future rate adjustments will be based on the 2019 Rate Study Update slated for completion in early fall 2019.

WATER RELIABILITY

As a regional purveyor of potable water, ensuring water reliability and resiliency for the region is fundamental to the Agency's mission. In July 2018, the California Water Commission (CWC) awarded \$207 million in conditional funding to the Chino Basin Program (CBP). The CBP is a first-of-its-kind water program that will help the region move beyond traditional water management practices and into a new era of water optimization. The CBP closely aligns with regional planning

efforts, including Chino Basin Watermaster's Optimum Basin Management Plan and Integrated Water Resources Plan.

Also included in the TYCIP over the two-year budget period is over \$40 million to expand and improve the Agency's regional recycled water distribution system (RRWDS) and groundwater recharge capacity. Two capital projects included in 2020 are new recycled water connections with the city of Pomona and Jurupa Community Services District (JCSD). Upon completion, the new recycled water interties will provide a new source of recycled water supply to the Chino Basin.

WASTEWATER MANAGEMENT

Since 2014, the Agency's service area has recorded approximately of 5,000 new connections per year to its regional wastewater system. Although there are some signals of a possible U.S. economic slowdown in the next two years, forecasts from our contracting member agencies and the Building Industry Association point toward steady growth continuing over the next ten years in the Agency's service area. To ensure the Agency is ready to meet the future demand, a key focus of the Agency's FYs 2019/20 & 2020/21 budgets and FYs 2020-2029 TYCIP is expansion and improvement of facilities.


ENVIRONMENTAL STEWARDSHIP

The Agency is committed to protection of the environment through conservation and sustainable practices implemented on a regional and watershed basis. As one of ten agencies participating in the Santa Ana River Multiple Species Habitat Conservation Plan, the Agency works closely with the U.S. Fish and Wildlife Service to mitigate any potential impact to federally listed endangered, threatened or special status species from future water projects in the Upper Santa Ana River region.

CONCLUSION

The Agency is committed to sustainably enhancing the quality of life in the Inland Empire. We look forward to the future and will continue to demonstrate fiscal responsibility while implementing a strategic resource plan to maintain a clean, reliable and resilient water supply through pioneering stewardship initiatives for the region.

Respectfully submitted,



Shivaji Deshmukh, P.E.
General Manager

Attachment 3

Executive Summary



EXECUTIVE SUMMARY

The Agency's Operating Budget for Fiscal Year (FYs) 2019/20 – 2020/21 and FYs 2019/20-2028/29 Ten Year Capital Improvement Plan (FY 2020-2029 TYCIP) focuses on the following key areas:

- ◆ **Succession planning** – Nearly thirty percent of the Agency's workforce is eligible for retirement over the next five years. Timely recruitment will be essential to the transfer of knowledge and expertise to the next generation of employees. Included in the proposed biennial budget is a succession pool of ten positions to support timely recruitment of critical positions throughout the Agency;
- ◆ **Cost containment** – As part of the Agency's ongoing commitment to sustainable cost containment, the succession pool will be supported under the existing 290 authorized number of full-time equivalent positions. Operations and maintenance expenses such as chemicals, operating fees, and utilities remain relatively leveled over the next two fiscal years;
- ◆ **Cost of Service** – Continue implementation of multiyear rates and fees approved by the Board of Directors through FY 2019/20. Rates and fees for FY 2020/21 and future years will be adjusted as determined by the 2019 Rate Study and consistent with Board policy to fully recover the cost of providing the Agency services;
- ◆ **Upkeep of Agency Assets** – Continue the transition from "corrective" to "predictive and preventative" maintenance strategy of Agency assets to ensure regulatory compliance, avoid costly corrective maintenance, and over time reduce maintenance costs by only performing maintenance on equipment when warranted;
- ◆ **Optimize low interest debt and grants** – Continue to secure low cost financing and grants to support capital expansion and improvement of Agency's facilities to meet anticipated growth and increased service demands; and
- ◆ **Transparency** – Continue to provide a platform for transparent communication and timely reporting.

The Operating Budget for FYs 2019/20 - 2020/21 is the Agency's third biennial budget. The transition from a single to a two-year budget in FY 2015/16 supported a key objective of the IEUA Business Goals under Fiscal Responsibility to enhance financial planning for IEUA and its customers.

IEUA BUSINESS GOALS

The IEUA Business Goals align with the Agency's mission, vision, and values which are defined by the needs of the Agency's stakeholders and the public value provided to the communities served. The IEUA Business Goals, updated and adopted by the IEUA Board in 2016, are categorized into six main areas as indicated in Figure 1-1:

FIGURE 1-1: IEUA'S BUSINESS GOALS



Within each *Business Goal* are key *Objectives* which define the major areas of focus and guide the development of the Agency's Work Plan. The Work Plan provides Agency departments with clearer direction as they set the goals and objectives included in the Agency's biennial budget and TYCIP.

The biennial budget and TYCIP also incorporate the various planning documents, amongst them the Facilities Master Plan, Asset Management Plan, Integrated Water Resources Plan (IRP), Recycled Water Program Strategy, Energy Management Plan, and Urban Water Management Plan.

FY 2019/20– 2020/21 BUDGET OVERVIEW

Total uses of funds for \$282.4 million in FY 2019/20 and \$369.3 million in FY 2020/21 include the operational, capital, and debt service expenditures for all Agency programs necessary to support the Agency's mission to provide reliable essential services in a regionally planned and cost-effective manner.

Total operating expenses are budgeted at \$162.0 million in FY 2019/20, a decrease of \$2.5 million compared to the \$164.5 million amended budget in FY 2018/19, and \$162.0 million in FY 2020/21. The decrease from the FY 2018/19 amended budget is due to lower non-capital project costs offset by higher net employment expenses needed to support the Agency's succession planning efforts and an increase in professional fees and services as the Agency continues to shift focus from a corrective to a preventative maintenance strategy.

Non-operating expense, or other uses of funds, of \$120.4 million in FY 2019/20 and \$207.3 million in FY 2020/21 is comprised of debt service and capital improvement plan (CIP) expenditures. Debt service costs increased slightly from \$25.3 million in FY 2018/19 to \$26.8 million in FY 2019/20 and \$28.0 million in FY 2020/21. In addition to the increase in debt service costs, capital expenditures are also increasing in the coming years. FY 2019/20 CIP is budgeted at \$93.6 million, a \$7.4 million increase over the FY 2018/19 amended budget of \$86.2 million. In FY 2020/21, CIP is budgeted at \$179.3 million, or a 92 percent increase from the prior year. Included in the CIP over the next two years are improvements to non-reclaimable wastewater and recycled water pipelines and pump stations as well as the construction and expansion of the Regional Water Recycling Plant No. 5



EXECUTIVE SUMMARY

(RP-5 Expansion). Projected funding for CIP is a combination of pay-go, low interest State Revolving Fund (SRF) loans, grants, and contributions.

Total uses of funds are supported by total revenues and other funding sources of \$289.6 million in FYs 2019/20 and \$368.9 million in FY 2020/21. Included are operating revenues \$164.3 million in FY 2019/20 and \$169.1 million in FY 2020/21 with a projected increase of six percent in FY 2019/20 compared to the FY 2018/19 amended budget of \$154.6 million. This increase is due to higher pass-through sales of Metropolitan Water District of Southern California (MWD) imported water and rate adjustments for the Regional Wastewater, Recycled Water, and Water Resources programs approved by the IEUA Board and member agencies through FY 2019/20.

Non-operating revenue, or other sources of funds, of \$125.3 million in FY 2019/20 and \$199.8 million in FY 2020/21 include fees from new connections to the Agency's regional wastewater and regional water systems, property tax receipts, and proceeds from low interest state loans and grants. Increases of \$6.1 million in FY 2019/20 and \$80.6 million in FY 2020/21 compared to the FY 2018/19 amended budget are due to additional property tax receipts, and receipts from state loans and grant proceeds associated with the RP-5 Expansion and recycled water projects.

Based on total funding sources and uses of funds budgeted over the next two years, the total ending reserve balance is anticipated to increase from \$226.7 million in the FY 2018/19 amended budget to \$251.8 million at the end of FY 2019/20 and \$251.4 million projected at the end of FY 2020/21. An overview of total revenues and other funding sources, total operating expense and other uses of funds, and estimated ending fund balance beginning FY 2017/18 through FY 2023/24 are provided on Table 1-1.

TABLE 1-1: COMPARATIVE OF TOTAL SOURCES AND USES OF FUNDS, AND FUND BALANCE (\$MILLIONS)

Fiscal Year	Actual	Amended Budget	Biennial Budget		Forecast		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Operating Revenues	\$153.9	\$154.6	\$164.3	\$169.1	\$174.4	\$180.8	\$186.7
Operating Expense	(143.7)	(164.5)	(162.0)	(162.0)	(163.3)	(168.9)	(174.7)
Operating Net Increase (Decrease)	10.2	(9.9)	2.3	7.1	11.1	11.9	12.0
Other Sources of Funds	112.8	119.2	125.3	199.8	215.9	186.3	162.1
Debt Service	(21.9)	(25.3)	(26.8)	(28.0)	(28.5)	(25.7)	(33.3)
Capital Program	(56.9)	(86.2)	(93.6)	(179.3)	(153.1)	(101.2)	(100.9)
Non-Operating Increase (Decrease)	34.0	7.7	4.9	(7.5)	34.3	59.4	27.9
Total Increase (Decrease)	44.3	(2.2)	7.1	(0.4)	45.4	71.3	40.0

Fiscal Year	Actual	Amended Budget	Biennial Budget		Forecast		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Beginning Fund Balance	184.7	229.0	244.6	251.7	251.3	296.7	368.0
Ending Fund Balance	\$229.0	\$226.8	\$251.7	\$251.3	\$296.7	\$368.0	\$408.0

Totals may not tie due to rounding

REVENUES AND OTHER FUNDING SOURCES HIGHLIGHTS

Total revenues and other funding sources are budgeted at \$289.6 million in FY 2019/20 and \$368.9 million in FY 2020/21. The increase of \$15.8 million in FY 2019/20 compared to the FY 2018/19 amended budget of \$273.8 is due to the implementation of multiyear rate adjustments for the Regional Wastewater, Recycled Water, and Water Resources programs approved by the IEUA Board and member agencies through FY 2019/20.

An increase of \$79.3 million is budgeted in FY 2020/21 compared to FY 2019/20, due to additional increases in state loans and grant proceeds associated with the RP-5 Expansion project. Table 1-2 highlights the major funding sources.

TABLE 1-2: TOTAL REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Funding Sources	ACTUAL	AMENDED BUDGET	BIENNIAL BUDGET	
	2017/18	2018/19	2019/20	2020/21
User Charges	\$79.9	\$84.2	\$87.3	\$90.5
Property Taxes	48.4	47.9	52.4	53.9
Contract Cost Reimbursement*	6.8	6.9	7.5	7.5
Recycled Water Sales	16.9	15.9	18.1	18.8
Connection Fees	40.7	32.9	35.7	36.7
Water Sales	46.0	43.0	44.7	46.2
State Loans	15.2	20.8	19.2	89.2
Grants	5.6	14.8	13.1	16.4
Other**	7.2	7.4	11.5	9.6
Total	\$266.7	\$273.8	\$289.6	\$368.9

Totals may not tie due to rounding

*Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.

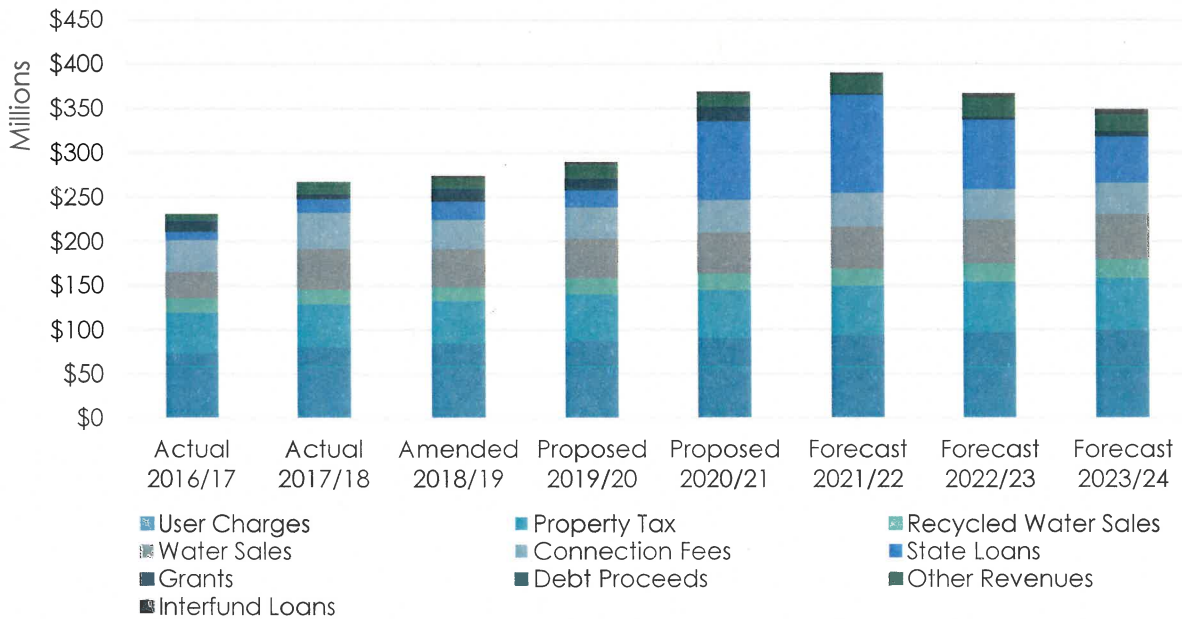
**Includes capital contract reimbursements from Chino Basin Watermaster for various joint recharge basin improvement projects, and lease revenues.



EXECUTIVE SUMMARY

Projected revenues for FYs 2021/22 through 2023/24 include additional SRF and grant funding support improvement and expansion of Agency facilities and infrastructure needed to meet increase in service demand from anticipated future growth. Figure 1-2 shows revenue trends from FYs 2014/15 to FY 2021/22.

FIGURE 1-2: TREND OF REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)



The primary sources of the \$289.6 million and \$368.9 million total revenues and other funding sources budgeted in FY 2019/20 and FY 2020/21 are summarized in Table 1-3:

TABLE 1-3: TOTAL REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Revenues	FY 2019/20	FY 2020/21	Description
User Charges	\$87.3	\$90.5	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; Imported potable water surcharge and monthly meter charges.
State and Other Loans	19.2	89.2	State Revolving Fund (SRF) loan proceeds for Recharge Water and Regional Wastewater projects.
Property Tax	52.4	53.9	San Bernardino County ad-valorem property taxes and pass-through incremental taxes.
Grants	13.1	16.4	Federal, state and local grants for regional recycled water distribution system, South Archibald TCE Plume Clean Up and support of water resource programs.

Revenues	FY 2019/20	FY 2020/21	Description
Recycled Water Sales	18.1	18.8	Direct and groundwater recharge recycled water sales and.
Connection Fees	35.7	36.7	New connection fees for the Regional Wastewater and Regional Water systems.
Water Sales	44.7	46.2	Sales of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Other Revenues	19.0	17.1	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	\$289.6	\$368.9	

Totals may not tie due to rounding.

EXPENSES AND OTHER USES OF FUNDS HIGHLIGHTS

Total uses of funds are \$282.4 million in FY 2019/20 and \$369.3 million in FY 2020/21, compared to the FY 2018/19 amended budget of \$276.0 million. The increase of \$6.4 million in FY 2019/20 is mainly due to higher capital expenditures. A comparison of the biennial budget major uses of funds to FY 2017/18 actuals and FY 2018/19 amended budget is shown on Table 1-4.

TABLE 1-4: TOTAL USES OF FUNDS (\$MILLIONS)

Uses of Funds	Actual	Amended Budget	Biennial Budget	
	2017/18	2018/19	2019/20	2020/21
Operational Expenses*	\$143.7	\$164.5	\$162.0	\$162.0
CIP	56.9	86.2	93.6	179.3
Debt Service	21.9	25.3	26.8	28.0
Total	\$222.5	\$276.0	\$282.4	\$369.3

Totals may not tie due to rounding.

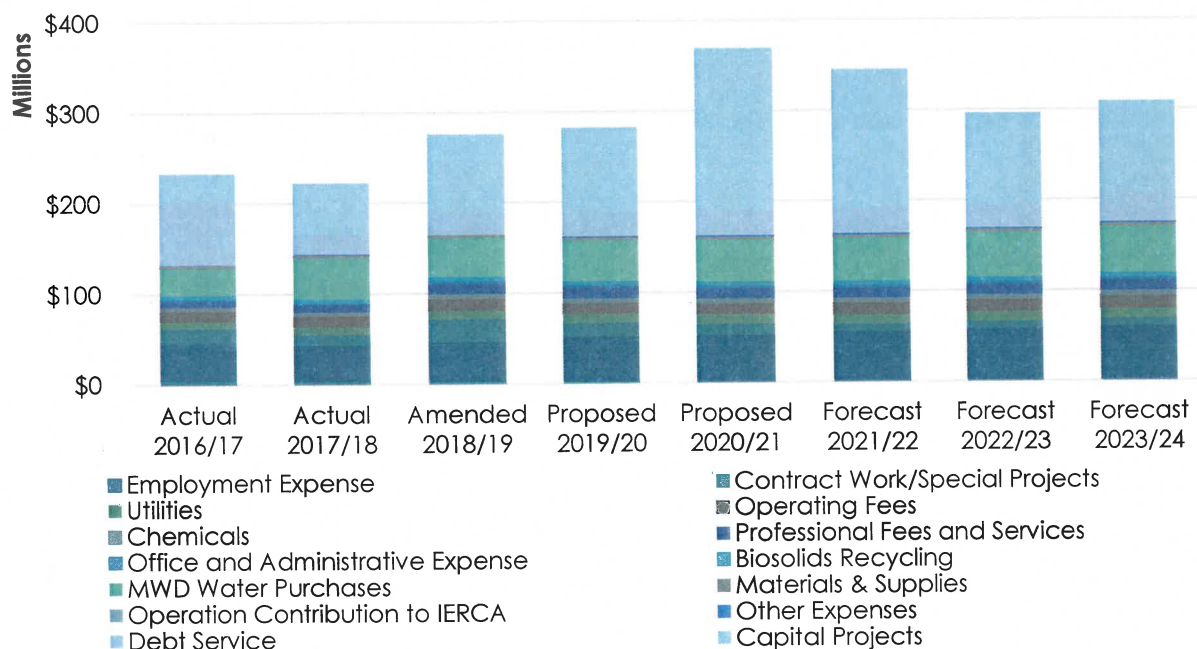
*Includes employment, chemicals, utilities, materials and supplies, biosolids recycling, operating fees, professional fees, office & admin, and imported water purchases.

Forecasted total expenses and other uses of funds for fiscal years subsequent to FY 2020/21 remain relatively stable, consistent with the Agency's continued commitment to sustainable cost containment. Overall, total uses of funds average \$316.5 million between FY 2021/22 and FY

EXECUTIVE SUMMARY

2023/24. Operational expenses increase on average three percent each year as shown in Figure 1-3. Capital project expenses (CIP) projected to reach a high of \$179.3 million in FY 2020/21 will average just \$118.4 million over the subsequent three fiscal years. The variation in capital expenditures is primarily due to the RP-5 Expansion project slated to begin construction in 2020.

FIGURE 1-3: TREND OF EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)



The major expenses and other uses of funds budgeted in FYs 2019/20 and 2020/21 are summarized on Table 1-5.

TABLE 1-5: TOTAL EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Expense Category	BIENNIAL BUDGET		Description
	2019/20	2020/21	
Employment Expenses	\$51.3	\$52.3	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation. Maintain 290 authorized full time equivalent (FTE) positions.
Utilities	9.8	10.1	Includes electricity, natural gas, telephone, potable water, and renewal energy costs.
Operating Fees	12.3	12.7	Includes pass-through charges from Sanitation District of Los Angeles County (SDLAC) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand (BOD) / chemical oxygen demand (COD).
Chemicals	5.0	5.1	Chemicals for wastewater treatment process compliance and sustainment of the high-quality recycled water.

Expense Category	BIENNIAL BUDGET		Description
	2019/20	2020/21	
Professional Fees	12.0	11.3	Includes contract services such as legal, external auditing, training, landscaping, security, janitorial services, etc.
Biosolids Recycling	4.4	4.6	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchase	44.7	46.2	Pass-through purchase of imported potable water from Metropolitan Water District of Southern California (MWD) budgeted at 60,000 AF per year.
Other Expenses	22.5	19.6	Includes non-capital (O&M) projects, office and administration expenses, contract services, and materials and supplies.
Capital Project	93.6	179.3	Capital improvement plan (CIP) expenditures consistent with the Ten-Year Capital Improvement Plan (TYCIP).
Debt Service	26.8	28.0	Includes principal, interest and financial payments of outstanding bonds, SRF loans and notes payable.
Total Expenses and Other Uses of Funds	\$282.4	\$369.3	

Totals may not tie due to rounding.

EMPLOYMENT EXPENSES

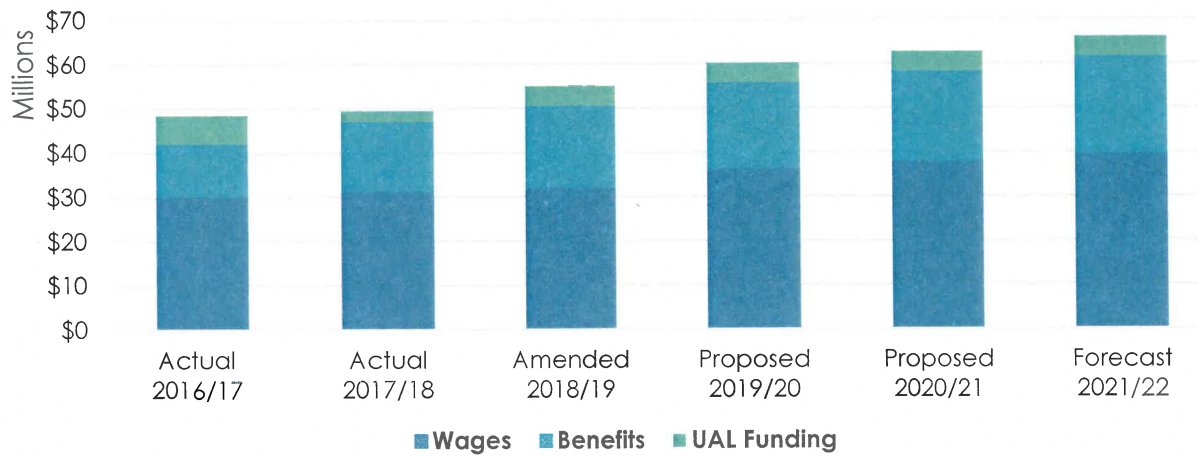
Total employment expenses of \$51.3 million in FY 2019/20 and \$52.3 million in FY 2020/21 (net of labor allocation to capital projects) make up approximately thirty percent of total operating expenses. Employment expenses include wages, benefits, and additional contributions of \$6.5 million to unfunded accrued liabilities for pension and other postemployment benefits (OPEB) benefits. Included in FYs 2019/20 and 2020/21 employment budget is a cost of living adjustment (COLA) of 3.0 percent as negotiated in the three-year Memorandums of Understanding (MOUs) with the various employee bargaining units in 2018 and an estimated 7.0 percent increase in the CalPERS rate.

Employment costs for FY 2019/20 are projected to be 11.0 percent, or \$5.1 million higher than amended budget for FY 2018/19. Approximately \$9.0 million in total employment costs annually are allocated to support CIP activities and are included in total employment expenses shown in Figure 1-4.



EXECUTIVE SUMMARY

FIGURE 1-4: TOTAL EMPLOYMENT COSTS (\$MILLIONS)



Over the next five years, approximately thirty percent of the current workforce is eligible for retirement. Included in the budget is continuation of a succession pool established in FY 2018/19. Consistent with the Agency's commitment to sustainable cost containment, the succession pool is supported by a reduction in the vacancy factor. There is no change in the 290 full time equivalent (FTE) authorized level included in the biennial budget. In addition to the 290 FTE staffing level, included in FY 2019/20 is an estimated 47 interns and 18 limited-term positions primarily to support operations, engineering, planning, external affairs, and contract administration activities.

CAPITAL IMPROVEMENT PROGRAM (CIP)

FY 2020 – 2029 TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies provide a ten-year forecast of expected growth in their area. The member agencies forecast, presented to the Board of Directors on October 2018, estimated over 52,000 new connections over the next ten years. Approximately sixty percent of the new connections are anticipated in the southern portion of the Agency's service area.

Based on these member agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth. Pursuant to the Regional Contract, the TYCIP is updated annually and presented to the Regional Technical and Policy Committees for review and comment, prior to approval by the IEUA Board of Directors.

The rehabilitation, replacement, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed FY 2020 TYCIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, amongst them:

- ◆ 2015 Wastewater Facilities Master Plan
- ◆ 2015 Recycled Water Program Strategy Update
- ◆ 2015 Energy Management Plan
- ◆ 2015 Regional Water Use Efficiency Business Plan
- ◆ 2016 Integrated Water Resources Plan

The proposed FY 2020 TYCIP of \$920.6 million (Includes execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements remains one of the primary focus of the TYCIP. Another key area is improvement and expansion of existing facilities and infrastructure to meet future growth forecasted by member agencies. Major projects include the RP-1 Capacity Recovery project, which is slated to begin construction in 2029, and the recycled water interties to the City of Pomona and Jurupa Community Services District (JCSD). The TYCIP is funded by a combination of pay-go, low interest SRF loans, grants, and contributions. A summary by fund is provided in Table 1-6.

TABLE 1-6: TEN YEAR CAPITAL IMPROVEMENT PLAN BY FUND (\$MILLIONS)

Fund (\$Millions)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 through 2028/29	TOTAL
Wastewater Capital*	\$24.8	\$102.2	\$125.1	\$66.2	\$36.1	\$158.7	\$513.1
Wastewater Operations*	26.0	21.0	6.7	6.8	10.2	37.1	107.8
Recycled Water	18.7	23.8	16.3	23.3	44.0	78.3	204.4
Non-Reclaimable Wastewater	9.0	13.7	0.6	0.7	0.8	5.7	30.5
Water Resources	6.5	3.6	3.6	3.0	8.0	0.0	24.7
Recharge Water	5.0	13.2	0.3	0.5	0.7	6.8	26.5
Administrative Services	2.3	1.2	0.6	0.7	1.0	7.8	13.6
Total	\$92.3	\$178.8	\$153.2	\$101.2	\$100.9	\$294.2	\$920.6

Totals may not tie due to rounding

*Regional Wastewater Capital Improvement Fund (excludes \$2.5 million capital investment in the IERCA)

**Regional Wastewater Operations & Maintenance Fund



EXECUTIVE SUMMARY

A more detailed discussion on the CIP and major projects of the FY 2019/20 – 2028/29 TYCIP is provided under the Capital section.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, and note payables. Debt service costs (net of interfund loan repayments) are budgeted at \$23.8 million in FY 2019/20 and \$24.9 million in FY 2020/21 and are primarily funded by property tax receipts, new connection fees and rates, consistent with the Agency's debt management policy adopted in May 2016. Table 1-7 shows the estimated biennial debt service costs by program.

TABLE 1-7: DEBT SERVICE COSTS BY PROGRAM (\$MILLIONS)

Program Fund	2019/20	2020/21
Non-Reclaimable Wastewater	\$0.6	\$0.6
Regional Wastewater Capital	12.5	12.5
Regional Wastewater Operations	1.4	1.4
Recharge Water	1.3	1.3
Recycled Water	8.0	9.1
Total Debt Service Costs	\$23.8	\$24.9

Totals may not tie due to rounding.

Total outstanding debt, net of inter fund loans and financial expense, at the end of FY 2019/20 is projected to be \$269.2 million. Included are \$132.1 million in bonds, \$132.4 million in low interest SRF loans, and \$4.7 million in other notes payable. It is anticipated the Agency will need to issue new debt to support major capital project expansions necessary to meet service demands associated with the anticipated growth over the next ten years. A major expansion projects included in the FY 2020-2029 TYCIP is the RP-5 expansion scheduled to begin construction in FY 2020/21 with projected costs of over \$330.0 million. Projections of total outstanding debt (principal and interest) and annual debt service payments by fiscal year ending beginning "15" for FY 2014/15 are shown in Figure 1-5 and Figure 1-6, respectively.

FIGURE 1-5: TOTAL OUTSTANDING DEBT WITH PROJECTED FUTURE DEBT (\$MILLIONS)

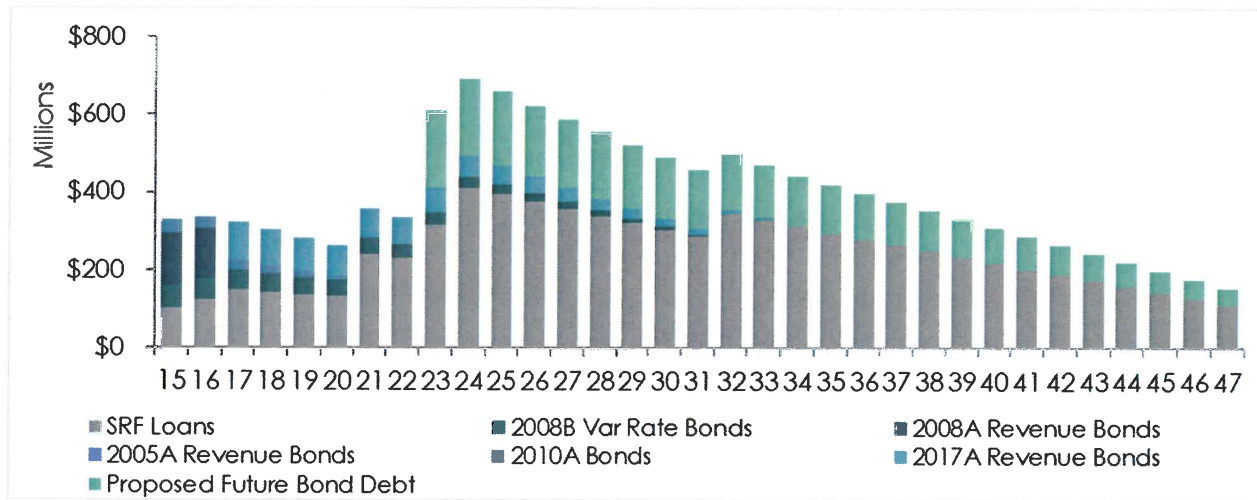
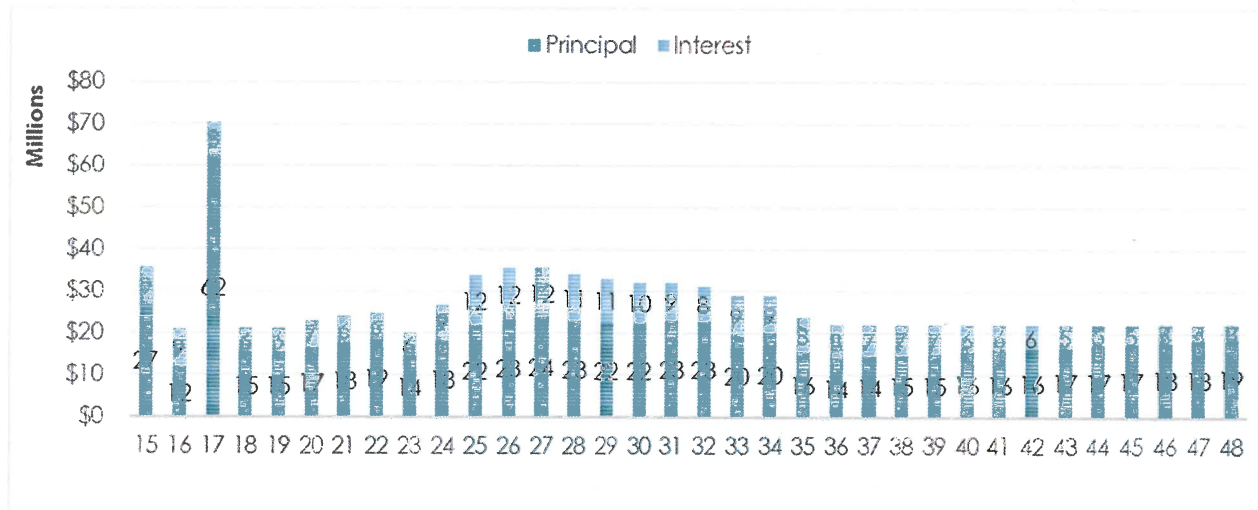


FIGURE 1-6: DEBT SERVICE COSTS WITH PROJECTED FUTURE DEBT (\$MILLIONS)



Included in FY 2016/17 is \$50 million in early retirement of 2008A Revenue Funds.

INTER-FUND TRANSFERS

Inter-fund transfers account for the inflows and outflows of financial resources from one Agency's fund to another and are reported as other financing sources and uses of funds. The Agency's inter-fund transfers included in each fund are needed to support operation, capital and debt service costs and are approved by the Board of Directors as part of the fiscal year budget. Connection fees and property taxes are a primary source of funding. An overview of the proposed inter-fund transfers for FYs 2019/20 and 2020/21 is provided in the following discussion.



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CAPITAL CONTRIBUTION

Capital contribution inter-fund transfers provide support for specific portions of the Agency's capital projects. The Non-Reclaimable Wastewater, Regional Wastewater Capital, and Recycled Water funds support the Administrative Services Fund's agency-wide capital projects. The Recycled Water fund transfers money to the Recharge Water fund for the Agency's share of the capital projects related to the groundwater recharge system. The Regional Wastewater Operations program transfers funds for its share for capital project expenditures recorded under the Wastewater Capital program. A summary of capital contribution inter-fund transfers is provided in Table 1-8.

TABLE 1-8: CAPITAL CONTRIBUTION INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2019/20		2020/21	
	In	Out	In	Out
Administrative Services	\$1.3	\$0	\$0.6	\$0
Non-Reclaimable Wastewater		(0.1)		
Regional Wastewater Capital	4.6	(1.2)	11.0	(0.6)
Regional Wastewater Operations		(4.6)		(11.0)
Recharge Water	0.1			
Recycled Water		(0.1)		
Total	\$6.0	(\$6.0)	\$11.6	(\$11.6)

DEBT SERVICE

Inter-fund transfers for debt service account for fund-specific portions of debt service costs related to the Agency's bonds and SRF loans used to support capital and non-capital projects. The Regional Wastewater Capital fund supports the Agency's share of 2008B Bond debt service costs in the Recharge Water fund and SRF Loan payments in the Regional Wastewater Operations and Recycled Water funds. Table 1-9 provides a summary of the debt service inter-fund transfers.

TABLE 1-9: DEBT SERVICE INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2019/20		2020/21	
	In	Out	In	Out
Regional Wastewater Capital	\$0	(\$3.3)	\$0	(\$3.3)
Regional Wastewater Operations	0.3		0.3	(0.2)
Recharge Water	0.6		0.7	
Recycled Water	2.4		2.5	
Total	\$3.3	(\$3.3)	\$3.5	(\$3.5)

OPERATION SUPPORT

Operation support in the form of inter-fund transfers is provided to the Agency's Administrative Services fund for agency-wide non-capital projects from the Regional Wastewater Operations, Recycled Water, and Non-Reclaimable Wastewater funds. The Recharge Water fund receives operational support from the Recycled Water fund for the Agency's pro-rata share of groundwater basin maintenance and other costs not reimbursed by Chino Basin Watermaster. Inter-fund transfers related to operation support are detailed in Table 1-10.

TABLE 1-10: OPERATION SUPPORT INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2019/20		2020/21	
	In	Out	In	Out
Administrative Services	\$2.3	\$0	\$1.4	\$0
Non-Reclaimable Wastewater		(0.1)		
Regional Wastewater Operations		(2.2)		(1.4)
Recharge Water	0.8		0.8	
Recycled Water		(0.8)		(0.8)
Total	\$3.1	(\$3.1)	\$2.2	(\$2.2)

CAPITAL – WASTEWATER CONNECTION FEES

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is collected in the Regional Wastewater Capital fund and then distributed via inter-fund transfer to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These transfers are outlined in Table 1-11.

TABLE 1-11: WASTEWATER CONNECTION FEES INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2019/20		2020/21	
	In	Out	In	Out
Administrative Services	\$1.0	\$0	\$0.5	\$0
Non-Reclaimable Wastewater	2.3		3.3	
Regional Wastewater Capital		(9.0)		(8.6)
Regional Wastewater Operations	5.7		4.8	
Total	\$9.0	(\$9.0)	\$8.6	(\$8.6)

ONE WATER CONNECTION FEES

One water connection fees are collected to support the expansion of the Agency's regional water system and investment in integrated regional water resources. The connection fee revenue is recorded in the Agency's Recycled Water fund and then allocated via inter-fund transfer to the Administrative Services, Recharge Water, and Water Resources funds proportionally to support projects that contribute to the regional water system. The one water connection fee inter-fund transfers are summarized in Table 1-12.



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TABLE 1-12: ONE WATER INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2019/20		2020/21	
	In	Out	In	Out
Administrative Services	\$0.05	\$0	\$0.03	\$0
Recharge Water	0.02			
Recycled Water		(2.02)		(0.95)
Water Resources	1.95		0.92	
Total	\$2.02	(\$2.02)	\$0.95	(\$0.95)

RESERVES

Reserves are a strong indicator of the Agency's financial health. Reserve balances are maintained at the Agency-wide level and at the individual fund level. The aggregate ending reserve fund balance in FY 2019/20 is estimated to be \$251.7 million, an increase of \$25.0 million compared to the projected ending balance of \$226.7 million in FY 2018/19 amended budget. The projected increase is primarily due to higher revenues in recycled water sales, monthly sewer service charges, new connection fees, and property tax receipts. In FY 2020/21, reserves are anticipated to decrease slightly by \$0.4 million to \$251.3, as indicated in Table 1-13.

TABLE 1-13: RESERVE FUND BALANCE (\$MILLIONS)

Description	Actual	Amended	Biennial Budget	
	2017/18	2018/19	2019/20	2020/21
Net Increase (Decrease) in Fund Balance	\$44.3	\$(2.2)	\$7.1	\$(0.4)
Beginning Fund Balance, July 1	184.7	229.0	244.6	251.7
Ending Fund Balance, June 30	\$229.0	\$226.8	\$251.7	\$251.3

Totals may not tie due to rounding.

Table 1-14 provides an overview of estimated reserve balances by fund for FYs 2018/19 through 2020/21.

TABLE 1-14: ENDING RESERVE BALANCE BY FUND (\$MILLIONS)

Fund	Amended 2018/19	Biennial Budget	
		2019/20	2020/21
Administrative Services	\$13.2	\$12.3	\$11.5
Regional Wastewater Capital Improvement	77.6	108.3	130.3
Regional Wastewater Operation & Maintenance	74.8	65.9	53.6
Non-Reclaimable Wastewater	10.9	12.3	6.6
Recharge Water	2.5	5.4	7.7
Recycled Water	36.4	41.1	34.0
Water Resources	11.3	6.5	7.7
Total	\$226.7	\$251.7	\$251.3

Totals may not tie due to rounding.

Fund reserves are designated for specific purposes, as defined in the Agency's Reserve Policy adopted in May 2019. The primary designations of reserves include:

- ◆ **Operating Contingency:** maintains a minimum of four months and target of six months of operating expenses for the fiscal year;
- ◆ **Debt Service:** with minimum as required by bond covenants and loan agreements and target equal to highest annual debt service during the life of the obligation;
- ◆ **Capital Construction:** with minimum equal to the ten-year average of CIP pay-go costs (costs net of bond or loan proceeds) and target equal to three times the minimum;
- ◆ **Replacement and Rehabilitation (R&R):** with minimum and target criteria mirroring that of the capital construction reserve;
- ◆ **Self-Insurance Program:** equal to a minimum of \$3.0 million and a target of \$6.0 million;
- ◆ **Employee Retirement Benefit:** with a minimum of \$6.0 million and a target equal to the Annual Required Contribution based on the actuarial valuation report from CalPERS or \$6.0 million, whichever is greater.

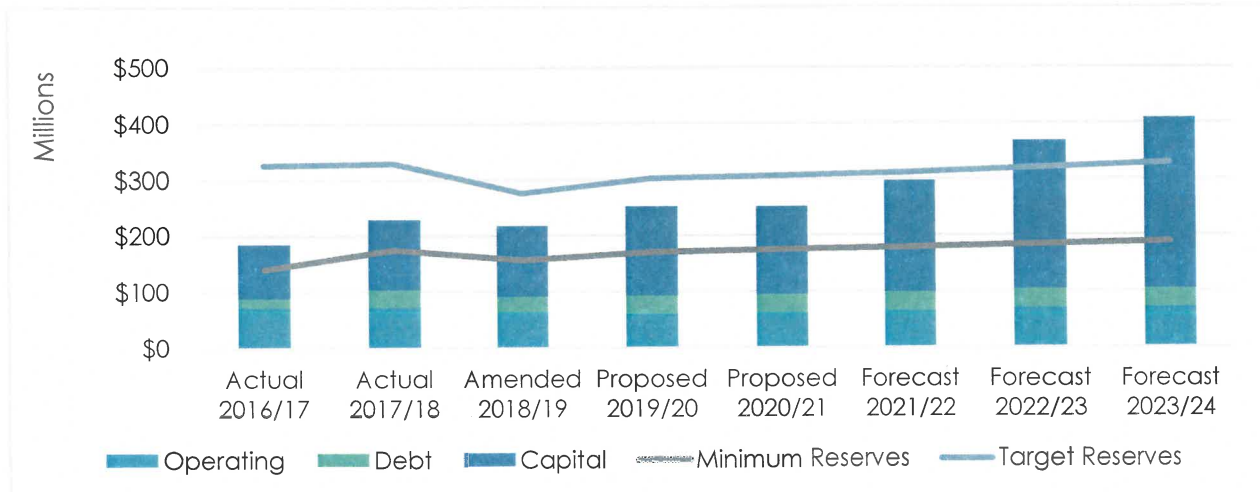
In addition, there are three other reserve categories that have no defined minimum or target level. These categories are the connection fee reserve, supplemental water resources, and sinking fund reserve.



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A comparison of the Agency's actual and projected total fund reserves to the minimum and target levels from FY 2016/17 through FY 2023/24 is provided in Figure 1-7. The declining trend beginning in FY 2016/17 through FY 2018/19 reflects the use of reserves to support planned capital project expenditures on a pay-go basis. The projected increase beginning in FY 2019/20 is due to receipts of SRF loans and grants needed to support expansion and improvement of regional wastewater and recycled water facilities and infrastructure to meet anticipated future growth.

FIGURE 1-7: TREND OF OPERATING, CAPITAL, AND DEBT RESERVE BALANCES (\$MILLIONS)



A forecast summary on the estimated fund balance is provided under the Programs/Fund section of this budget book. The criterion for each minimum and maximum target level by category varies by Agency fund and are further defined in the Agency's Reserve Policy included in the Appendix.

DEBT COVERAGE RATIO (DCR)

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal and interest). Credit agencies, such as Moody's Investor Services (Moody's) and Standard & Poors (S&P), assign credit ratings to organizations and specific debt issues to reflect their credit worthiness and serve as a notable reference to the investment community. The DCR is one of the financial ratios applied in the evaluation of an organization's overall credit rating that can affect market accessibility and the cost of future borrowings. In May 2016, S&P Global Ratings raised its long-term rating and underlying rating to AA+ from 'AA' for the Agency's outstanding revenue bonds. In June 2018 Moody's reaffirmed the Agency rating of Aa2.

The Agency's bond covenants require a legal DCR of at least 1.20 times for senior bonds and a coverage ratio of at least 1.25 times or higher for senior and subordinate debt combined. A DCR of 1.25 means the Agency will generate a minimum of 1.25 times more (or 25 percent more) net operating cash flow than is required to pay annual debt service costs. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no senior debt

currently outstanding, nor any legal debt limits imposed by state legislation. The annual variations of the DCR beginning in FY 2019/20 through FY 2021/22 is due to increasing debt service costs for planned capital improvements of the Agency's recycled water systems. In FY 2023/24 debt service begins for the projected new debt issues needed to finance major Regional wastewater plant expansion projects. New debt is assumed as a combination of bonds and low interest state loans. Corresponding annual debt service costs are included in the calculation of the DCR as shown in Table 1-15.

TABLE 1-15: DEBT COVERAGE RATIO PROJECTED TREND

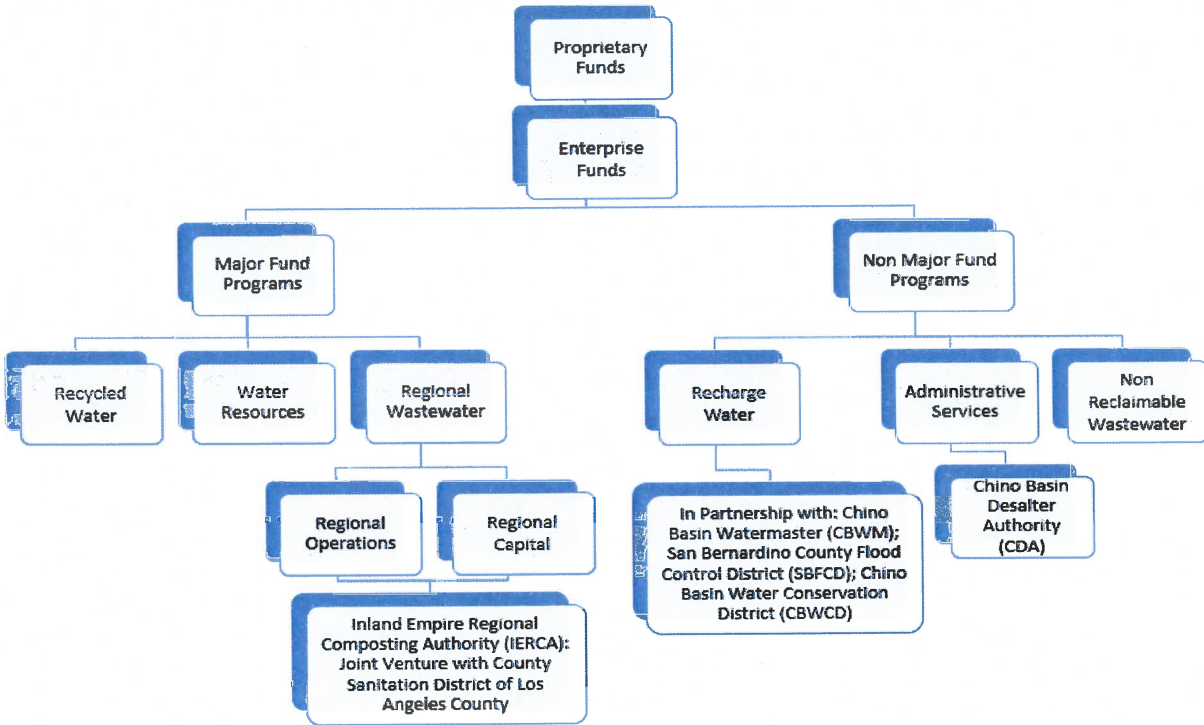
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	<i>Amended</i>	<i>Biennial Budget</i>		<i>Forecast</i>		
DCR	3.53x	3.65x	3.68x	3.78x	4.57x	3.50x

PROGRAMS

As a municipal water district, the Agency engages in primarily enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program comprised of the Regional Wastewater Operations & Maintenance (Regional Operations) and Regional Wastewater Capital Improvement (Regional Capital) funds and by extension the Inland Empire Regional Composting Authority. Figure 1-8 provides an overview of the Agency's fund structure.

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FIGURE 1-8: INLAND EMPIRE UTILITIES AGENCY (IEUA) FUND STRUCTURE



Each individual enterprise fund is classified in either a Major Fund or Non-Major Fund group. Each fund group is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, including related liabilities and residual equities or balances. Changes in the fund group are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-16 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency's audited FY 2017/18 Comprehensive Annual Financial Report (CAFR).

TABLE 1-16: DEFINITION OF MAJOR AND NON-MAJOR FUND GROUPS

Major Funds	Non-Major Funds
<p>The Major Fund Group accounts for:</p> <ul style="list-style-type: none"> ◆ the resources devoted to funding the operating, capital, and debt service costs associated with the operation; ◆ asset acquisition and capital construction, improvement and expansion of the Agency's domestic wastewater treatment plant facilities; ◆ the recycled water distribution system, and the recharge water basins; ◆ the management and distribution of wholesale and potable water, the development and implementation of regional water conservation initiatives, and water resource planning. <p>The following programs make up the Major Fund group:</p> <ul style="list-style-type: none"> ◆ Regional Wastewater ◆ Recycled Water ◆ Water Resources 	<p>The Non-Major Funds record:</p> <ul style="list-style-type: none"> ◆ capital and operating costs associated with the non-reclaimable wastewater system including the acquisition, expansion, and construction of the interceptors, and appurtenant facilities and treatment capacity; ◆ the administrative and overhead expenses for the various departments, the operational and administrative support for the Chino Basin Desalter; ◆ the purchase of common Agency assets. <p>The following funds/programs make up the Non-Major Funds group:</p> <ul style="list-style-type: none"> ◆ Administrative Services ◆ Non-Reclaimable Wastewater ◆ Recharge Water

Details of each programs' purpose, initiatives, rates, biennial budget, and forecasts for the next three fiscal years, as well as the programs' reflection of the Agency's mission, goals, and objectives to service the region are included in the Program/Fund section of this document.

PROGRAM RATES AND FEES

In 2015, Carollo Engineering completed a comprehensive analysis of the Agency's Regional Wastewater, Recycled Water, and Water Resources user charges and fees. A key objective of the engineering study was to ensure user charges and fees were structured to equitably recover costs from those benefiting from the services, as legally mandated. Another key objective, and key policy principal for the Agency's Board of Directors, was to set rates and fees that fully recover the cost of providing the service. Historically, the Agency has used property tax receipts to subsidize the cost of providing services and supporting capital investments needed to maintain and improve existing facilities and infrastructure not recovered by rates and fees. Completion of the engineering studies by Carollo in 2015 resulting in the adoption of multiyear rates for the Agency's Regional Wastewater, Recycled Water, and Water Resources programs, including the establishment of a water connection fee for new connections or upgrades to the Agency's



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regional water system. Another significant change was the restructuring of the potable water rates to equitably recover associated costs, including the pass-through charges from the Metropolitan Water District of Southern California (MWD). In collaboration with member agencies and the building industry, rate adjustments were implemented over a multiyear period to lessen the impact to ratepayers.

In January 2019, the Board approved the contract for a rate study to address changes in key assumptions since the update of the 2015 rate studies; such as growth projections in the Agency's service areas over the next twenty years and the capital projects needed to meet future demand, including expansion of the Regional Plant No.5 (RP-5) Solids and Liquid facilities, rehabilitation and improvement of RP-1, and the Chino Basin Program (CBP). The rate study will provide rate analysis and recommendations on wastewater and water connection fees, and monthly service fees and rates for sewage, recycled water, and water to ensure they appropriately recover the cost of service for each of the programs, as well as support the Agency's long-term improvement plan. Part of the rate study also includes evaluation of the CBP estimated impact to rates and fees.

Following is a summary of the major user charges and fees that support the Agency's various programs.

WASTEWATER VOLUMETRIC RATES

The Agency's wastewater volumetric rates support the operations and maintenance of the regional wastewater system which includes the collection, treatment, and disposal of municipal wastewater. The Agency utilizes equivalent dwelling units (EDUs) as a unit of measure and for forecasting the amount of water used by an average household.

The Agency's Board of Directors adopted five-year EDU volumetric rates in 2015 intended to achieve full cost of providing the service. Table 1-17 shows the FY 2019/20 and FY 2020/21 adopted rates of \$20.00 and \$20.60 per EDU effective July 1. 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 to ensure they appropriately recover the cost of service for each of the program, as well as support the Agency's long-term capital improvement plan. Projected growth in number of monthly EDUs is estimated at 0.25 percent each year.

TABLE 1-17: ADOPTED EDU VOLUMETRIC RATES FYS 2016/17 – 2020/21

Rate Description	2016/17	2017/18	2018/19	2019/20	2020/21*
EDU Volumetric Rate	\$17.14	\$18.39	\$19.59	\$20.00	\$20.60
Effective Date	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20
EDU Units	3,295,508	3,372,992	3,381,425	3,389,878	3,398,353

*FY 2020/21 Fee will be based on the 2019 Rate Study.

WASTEWATER CONNECTION FEES

The wastewater connection fee is restricted to support the acquisition, construction, improvement, and expansion of the Agency's regional wastewater system. System growth and available capacity are measured by Equivalent Dwelling Units (EDUs). Revenues from wastewater connection fees in FY 2017/18 are estimated to be to \$18.9 million and increase just under \$1.0 million to \$19.9 million in FY 2018/19. Table 1-18 shows the adopted multi-year fees through FY 2019/20 and projected number of new connections per fiscal year.

TABLE 1-18: ADOPTED WASTEWATER CONNECTION FEES FYS 2015/16 – 2019/20

Rate Description	2016/17	2017/18	2018/19	2019/20	2020/21*
Wastewater Connection Fee	\$5,712	\$6,309	\$6,624	\$6,955	\$7,164
Effective Date	1/01/17	7/01/17	7/01/18	7/01/19	7/01/20
Wastewater Connection Units	5,155	5,223	4,000	4,000	4,000

*FY 2020/21 Fee will be based on the 2019 Rate Study.

WATER CONNECTION FEE

A water connection fee was established in 2015 to support future capital investment and expansion of the Agency's regional water system. The Agency's regional water system is comprised of potable water, recycled water, and groundwater recharge facilities. Included in IEUA's long term planning documents is the expansion of the Agency's regional recycled water distribution system and groundwater recharge facilities, as well as continual development of local water supplies.

Water connection fee revenue for FY 2019/20 is 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 size of a residential meter). Shown in Table 1-19 are the adopted water connection fees through FY 2019/20 and historical, budgeted, and projected new connections by fiscal year.



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TABLE 1-19: ADOPTED WATER CONNECTION FEES FYS 2015/16 – 2020/21

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
Water Connection Fee (for 5/8" and 3/4" meter size)	\$693	\$1,455	\$1,527	\$1,604	\$1,684	\$1,735
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19	7/01/20
New Equivalent Meter Units (MEUs)	1,346	4,984	5,455	4,800	4,700	4,630

*FY 2020/21 Fee will be based on the 2019 Rate Study.

RECYCLED WATER PROGRAM RATES

The recycled water volumetric rates support the costs associated with the operations and maintenance of the Agency's water recycling facilities, operating costs for the groundwater recharge basins not reimbursed by Chino Basin Watermaster (Watermaster), including the Agency's pro-rata share for basins recharged with recycled water, and debt service costs related to the financing of existing facilities and infrastructure. Total recycled water sales in FY 2019/20 are projected to be \$18.1 million and \$18.8 million in FY 2020/21. Adopted recycled water rates through FY 2019/20, along with historical, budgeted, and forecasted deliveries by fiscal year are summarized on Table 1-20.

TABLE 1-20: RECYCLED WATER PROGRAM RATES FYS 2015/16 – 2019/20

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490	\$505
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550	\$565
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19	7/01/20
AF Deliveries	32,331	33,146	34,335	32,000	35,800	36,000

*FY 2020/21 Fee will be based on the 2019 Rate Study.

NON-RECLAIMABLE WASTEWATER (NRW) RATES

The Agency operates a non-reclaimable wastewater system (NRWS) collections system which includes pipelines and pump stations to export the high-salinity industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean. The NRWS is comprised of two separate collection systems independent of the Agency's regional wastewater system: The North System which discharges to the Sanitation District of Los Angeles County (CSDLAC) treatment facility in the city of Carson, and the South System which discharges to the Santa Ana Watershed Project Authority (SAWPA) and the Orange County Sanitation District (OCSD) facility in Fountain Valley. The treated brine is then discharged to the Pacific Ocean. The NRW rates are primarily based on pass-through charges from CSDLAC and SAWPA for volumetric, capacity, and strength as summarized in Table 1-21.

TABLE 1-21: NRW SYSTEM RATES FYS 2018/19 AND 2019/20

Rate Description	2018/19	2019/20
Effective Date	7/1/2018	07/01/19
North System CSDLAC		
Flow/mg	14,258 CU	14,005 CU
COD/klb	\$912	\$940
TSS/klb	\$161	\$166
Peak/mg	\$456	\$470
South System (SAWPA)	2018/19	2019/20
Capacity/cu	\$406.60	\$418.67
Flow/mg	\$946.00	\$979.00
BOD/klb	\$307.00	\$316.00
TSS/klb	\$429.00	\$442.00

POTABLE WATER RATES

A comprehensive analysis of the potable water rates was a key part of the engineering rate study completed by Carollo Engineering in 2015. The IEUA 2015 Water Rate Study issued in March 2015 identified some structural deficiencies in the existing rate structure and recommended significant restructuring of the rates to better align the collection and incurrence of program costs.

Following a year of close collaboration with water member agencies, in June 2016 the IEUA Board of Directors approved changes in water rates structure and adopted a seven-year implementation period for the full recovery of the MWD Readiness to Serve (RTS) pass-through fees. The new water rates are applied to monthly meter equivalent units (MEUs), similar to the



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structure used by water member agencies. The Readiness to Serve (RTS) Pass-Through costs are prorated amongst the water agencies based on their average water use over the last ten years, consistent with the methodology used by MWD. Revenue generated from these rates is recorded in the Agency's Water Resources fund. Some of the significant changes include:

- MEU rate will support the water resource program costs,
- A seven-year phased implementation of the Metropolitan Water District (MWD) readiness to serve Ten Year Rolling Average (RTS TYRA) direct charge to member agencies, and
- Use of property taxes to support pass-through RTS fees not recovered through the TYRA direct charge during the seven-year implementation period.

The adopted MEU rate through FY 2019/20 and the RTS Recovery percentage rate through FY 2022/23 are summarized on Table 1-22.

TABLE 1-22: WATER RATES MULTI-YEAR RATES

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
RTS Recovery	15%	30%	45%	60%	75%	90%	100%
Effective Date	10/01/16	07/01/17	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22
Meter Equivalent Units (MEU)	\$0.90	\$0.95	\$0.99	\$1.04	Adjustments based on 2019 Rate Study		

Total imported water deliveries of 50,000 AF are budgeted in FY 2017/18 and FY 2018/19. The “pass-through” sale of imported water deliveries is estimated at \$34.2 million in FY 2017/18 and \$36.0 million in FY 2018/19.

DEPARTMENTS

The Agency's Work Plan serves as the basis for the goals and objectives developed by each department and included in the FYs 2019/20 and 2020/21 biennial Operating Budget. Each department updates their respective goals and objectives and develops measurable Key Performance Indicators (KPIs). These departmental KPIs serve as criteria for policy makers, management, and other stakeholders to measure the degree of goal attainment. The departmental budgets delineate the assignment and management of responsibilities and the human, financial, and capital resources necessary to support the Agency's mission, vision, and policy goals. Details on department budgets, goals and objectives, staffing, major initiatives, and performance and workload indicators are presented by division and department in the Department section.

JOINT POWERS AUTHORITIES (JPAS)

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

The Inland Empire Regional Composting Authority (IERCA) was formed February 2002 as a Joint Power Authority (JPA) to divert organic solids from landfill disposal and to become a consumer of recycled organic products generated from within the community. The JPA was entered into by the Agency and the Sanitation District No. 2 of Los Angeles County (CSDLAC) to implement their shared goal of developing a sustainable biosolids management project.

In 2007, the two joint powers agencies completed construction of the 410,000 square feet facility called the Inland Empire Regional Composting Facility (IERCF) on approximately 22 acres of land in the City of Rancho Cucamonga. The property is ideally situated in an industrial area adjacent to the Agency's Regional Water Recycling Plant No. 4 (RP-4). The proximity of the facility to the RP-4 provides opportunities to improve staffing options and optimize energy usage at the locations.

In 2013, IERCF was honored with the Governor's Environmental and Economic Leadership Award (GEELA) award for the design and construction of North America's largest, fully enclosed composting facility, which produces approximately 230,000 cubic yards of compost per year. The facility utilizes aerated static pile composting technology to process a mixture of biosolids, green waste, and wood waste to generate Class A exceptional quality compost for use in local agriculture and/or horticulture markets. The facility's emissions are processed through a biofilter to meet air quality requirements.

The Agency is responsible for the operational and administrative activities of the IERCF and employs the staff assigned to the facility. Employment costs for IERCF staff are recorded in the Agency's Regional Wastewater Operations and Maintenance Fund. Labor costs are fully reimbursable to the Agency. IERCA costs by and equally shared by the JPA partners.

Starting in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2019/20 will be \$56.0 per wet ton of biosolids and is budgeted to pay for operating expenses and a portion of capital replacement and rehabilitation (R&R) costs. The fee is projected to generate revenue of \$9.3 million based on budgeted tonnage of 145,000. The Agency's share of the IERCA tipping fee revenue is budgeted in the Regional Wastewater Operations & Maintenance fund under biosolids recycling costs. The annual budget of nearly \$4.4 million assumes that 100 percent of the biosolids generated from the Agency's regional water recycling plants will be transported to the IERCA composter for processing.



EXECUTIVE SUMMARY

CHINO BASIN DESALTER AUTHORITY

The Chino Basin Desalter Authority (CDA) was formed in September 2001 as a Joint Power Authority (JPA) to manage and operate the Chino Desalter No. 1 (CDA 1). Chino Desalter No. 2 (CDA 2) is being managed and operated by Jurupa Community Services District (JCSD). The members of the JPA include the cities of Chino, Chino Hills, Ontario and Norco, the JCSD, the Santa Ana River Water Company, the Inland Empire Utilities Agency, and the Western Municipal Water District. There are eight directors, one from each entity, on the CDA Board. As an ex-officio member of the JPA, the Agency has appointed one of its Board of Directors to sit on the JPA Board as a non-voting member to participate in all discussions concerning issues before the CDA Board of Directors.

The Agency manages the day to day operations of the Chino Desalter No. 1 facility (CDA 1) located in the southern part of the city of Chino. Since it started operations in September 2000, CDA 1 was originally designed to produce 9,200-acre feet per year (AFY) of desalinated water. The Desalter has since been expanded to a capacity of 14,200 AFY. The Agency also administers some grants related to the CDA Expansion Projects (collectively called Phase 3 Expansion Project) which include a \$53.9 million grant awarded by the State Water Resources Control Board (SWRCB), \$26.0 million United States Bureau of Reclamation Title XVI grants for the Lower Chino Dairy Area Desalination Demonstration, and Reclamation Project, and \$11.4M for the Chino Basin Improvement and Groundwater Clean-Up Project awarded by the SWRCB. The Phase 3 Expansion Project will continue with the addition of the Chino Basin Groundwater Clean-Up Project through the end of the fiscal year 2020/2021.

The Agency's CDA 1 related costs, primarily comprised of employment costs, are recorded in the Administrative Service fund. Included in the FYs 2019/20 and 2020/21 Administrative Services Fund budget is an estimated CDA contract cost reimbursement budget of approximately \$1.4 million per year.

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

	FY 2016/17	FY 2017/18	2018/2019	FY 2019/20 PROPOSED BUDGET							FY 2020/21	
				Administrative Services Program	Non- Reclaimable Wastewater Program	Regional Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources		TOTAL
	ACTUAL	ACTUAL	AMENDED									
REVENUES												
User Charges	\$73,173	\$79,940	\$84,208	\$0	\$12,370	\$0	\$68,158	\$0	\$0	\$6,757	\$87,285	\$90,491
Property Tax	1,972	1,972	1,972	1,972	0	0	0	0	0	0	1,972	1,972
Cost Reimbursement JPA	5,804	6,210	6,232	1,383	0	0	4,065	1,237	0	0	6,684	6,685
Contract Cost reimbursement	120	542	703	0	0	0	66	69	0	683	818	800
Interest Revenue	1,399	2,396	2,596	320	583	790	1,700	115	983	202	4,693	4,157
Recycled Water Sales	16,385	16,878	15,890	0	0	0	0	0	18,120	0	18,120	18,752
Water Sales	29,908	45,999	42,996	0	0	0	0	0	0	44,724	44,724	46,236
TOTAL REVENUES	\$128,760	\$153,937	\$154,598	\$3,675	\$12,953	\$790	\$73,988	\$1,421	\$19,103	\$52,366	\$164,296	\$169,093
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$43,702	\$46,441	\$45,916	\$0	\$0	\$34,037	\$9,549	\$0	\$2,170	\$4,637	\$50,392	\$51,963
Regional System Connection Fees	35,923	40,739	32,912	0	0	27,820	0	0	7,915	0	35,735	36,687
State Loans	9,271	15,229	20,818	0	0	9,800	0	1,256	8,153	0	19,209	89,234
Grants	12,295	5,595	14,782	0	0	0	1,261	4,845	7,032	0	13,137	16,416
Capital Cost Reimbursement	1,454	2,482	874	0	0	0	0	565	2,075	0	2,640	1,364
Other Revenues	(752)	964	898	2	250	1	909	0	0	0	1,162	1,112
Loan Transfer from Internal Fund	0	0	3,000	0	3,000	0	0	0	0	0	3,000	3,000
TOTAL OTHER FINANCING SOURCES	\$101,893	\$112,770	\$119,200	\$2	\$3,250	\$71,656	\$11,718	\$6,665	\$27,345	\$4,637	\$125,275	\$199,776
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$230,653	\$266,707	\$273,798	\$3,677	\$16,203	\$72,447	\$85,707	\$8,086	\$46,448	\$57,003	\$289,570	\$368,869
EXPENSES												
Employment Expenses	\$46,171	\$43,351	\$46,208	\$2,469	\$2,517	\$3,613	\$33,985	\$653	\$5,184	\$2,868	\$51,289	\$52,309
Contract Work/Special Projects	15,699	11,797	25,285	2,335	600	125	5,800	139	1,780	4,498	15,276	12,043
Utilities	7,907	8,323	9,143	806	91	0	6,022	68	2,801	0	9,788	10,144
Operating Fees	11,587	12,149	13,444	12	6,905	267	1,953	13	10	3,105	12,265	12,726
Chemicals	4,259	3,985	4,947	0	130	0	4,867	0	0	0	4,997	5,147
Professional Fees and Services	6,967	8,435	12,024	4,830	191	407	4,723	934	666	272	12,023	11,347
Office and Administrative expenses	2,071	1,564	2,618	2,571	24	0	3	15	3	64	2,680	2,908
Biosolids Recycling	4,094	4,092	4,637	0	35	0	4,384	0	0	0	4,419	4,551
Materials & Supplies	3,012	2,963	3,134	614	84	0	2,019	98	169	0	2,983	2,995
MWD Water Purchases	29,908	46,001	42,996	0	0	0	0	0	0	44,724	44,724	46,236
Other Expenses	599	1,044	80	(6,241)	460	1,548	4,277	53	1,132	343	1,571	1,573
TOTAL EXPENSES	\$132,275	\$143,702	\$164,517	\$7,397	\$11,036	\$5,960	\$68,034	\$1,973	\$11,743	\$55,872	\$162,015	\$161,979
CAPITAL PROGRAM												
CSDLAC 4Rs	\$689	\$705	\$721	\$0	\$737	\$0	\$0	\$0	\$0	\$0	\$737	\$0
IERCA investment	0	0	500	0	0	500	0	0	0	0	500	500
Capital Construction and Expansion	29,411	56,193	85,012	2,310	8,950	24,824	25,988	5,000	18,727	6,550	92,349	178,799
TOTAL CAPITAL PROGRAM	\$30,100	\$56,898	\$86,232	\$2,310	\$9,687	\$25,324	\$25,988	\$5,000	\$18,727	\$6,550	\$93,586	\$179,299
DEBT SERVICE												
Financial Expenses	\$524	\$206	\$293	\$18	\$1	\$139	\$0	\$67	\$3	\$0	\$228	\$403
Interest	8,161	6,386	6,621	0	280	3,017	655	461	2,657	0	7,071	6,876
Principal	62,008	15,259	15,360	0	305	9,370	756	739	5,367	0	16,537	17,720
Short Term Inter-Fund Loan	0	0	3,000	0	0	0	0	0	3,000	0	3,000	3,000
TOTAL DEBT SERVICE	\$70,693	\$21,851	\$25,274	\$18	\$586	\$12,526	\$1,412	\$1,267	\$11,027	\$0	\$26,835	\$27,998
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$0	\$0	\$1,286	(\$44)	\$3,399	(\$4,598)	\$44	(\$88)	\$0	\$0	\$0
Debt Service	0	0	0	0	0	(3,299)	265	633	2,400	0	0	(0)
Operation support	0	(0)	0	2,335	(79)	0	(2,176)	757	(836)	0	0	0
Capital - Connection Fees Allocation	0	0	0	975	2,292	(8,984)	5,717	0	0	0	(0)	0
One Water	0	0	0	49	0	0	0	25	(2,021)	1,947	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$684)	(\$0)	\$0	\$4,645	\$2,169	(\$8,883)	(\$792)	\$1,460	(\$545)	\$1,947	\$0	\$0
FUND BALANCE												
Net Increase (Decrease)	(\$2,415)	\$44,256	(\$2,226)	(\$1,403)	(\$2,938)	\$19,755	(\$10,519)	\$1,306	\$4,405	(\$3,472)	\$7,134	(\$407)
Beginning Fund Balance July 01	187,114	184,700	228,955	13,681	15,188	88,587	76,428	4,108	36,651	9,985	244,629	251,763
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$226,730	\$12,279	\$12,251	\$108,342	\$65,909	\$5,414	\$41,056	\$6,513	\$251,763	\$251,356
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$35,393	\$36,371	\$40,089	\$3,279	\$3,679	\$0	\$21,323	\$987	\$3,914	\$6,180	\$39,362	\$38,516
Capital Expansion & Replacement	29,013	20,969	21,092	0	7,249	16,617	0	2,883	15,511	0	42,259	92,198
CCRA Capital Construction	31,710	55,560	59,500	0	0	72,262	0	0	0	0	72,262	30,916
Water Connection	4,590	9,548	12,259	0	0	0	0	0	12,516	0	12,516	14,478
Rehabilitation/Replacement	19,624	18,094	16,785	0	0	0	10,783	0	0	0	10,783	12,283
CSDLAC Prepayment	689	705	721	0	737	0	0	0	0	0	737	0
Water Resource Capital	4,217	5,521	4,966	0	0	0	0	0	0	332	332	2,006
Debt Service & Redemption	16,757	31,839	26,406	0	586	19,463	1,412	1,545	9,116	0	32,121	32,511
Self Insurance Program	6,000	6,000	6,000	3,000	0	0	0	0	0	0	3,000	3,000
Employee Retirement Benefit	5,431	5,401	5,220	6,000	0	0	0	0	0	0	6,000	6,000
Sinking Fund	31,275	38,948	33,692	0	0	0	32,390	0	0	0	32,390	19,448
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$226,730	\$12,279	\$12,251	\$108,342	\$65,909	\$5,414	\$41,056	\$6,513	\$251,763	\$251,356

*Numbers may not total due to rounding

EXECUTIVE SUMMARY

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

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST	FORECAST	FORECAST
REVENUES								
User Charges	\$73,173	\$79,940	\$84,208	\$87,285	\$90,491	\$93,684	\$96,831	\$99,853
Property Tax - O&M	1,972	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Cost Reimbursement from JPA	5,804	6,210	6,232	6,684	6,685	6,971	7,242	7,517
Contract Cost reimbursement	120	542	703	818	800	800	500	500
Interest Revenue	1,399	2,396	2,596	4,693	4,157	3,780	4,364	4,832
Recycled Water Sales	16,385	16,878	15,890	18,120	18,752	19,408	20,445	21,037
Water Sales	29,908	45,999	42,996	44,724	46,236	47,796	49,464	51,024
TOTAL REVENUES	\$128,760	\$153,937	\$154,598	\$164,296	\$169,093	\$174,411	\$180,819	\$186,736
OTHER FINANCING SOURCES								
Property Tax - Debt, Capital, Reserves	\$43,702	\$46,441	\$45,916	\$50,392	\$51,963	\$53,581	\$55,247	\$56,392
Connection Fees	35,923	40,739	32,912	35,735	36,687	37,539	34,619	35,409
State Loans	9,271	15,229	20,818	19,209	89,234	111,033	78,519	52,270
Grants	12,295	5,595	14,782	13,137	16,416	1,885	3,510	6,260
Sale of Assets	0	1,320	0	0	0	0	0	0
Capital Contract Reimbursement	1,454	2,482	874	2,640	1,364	7,761	8,279	4,661
Other Revenues	(752)	964	898	1,162	1,112	1,112	1,112	1,112
Loan Transfer from Internal Fund	0	0	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL OTHER FINANCING SOURCES	\$101,893	\$112,770	\$119,200	\$125,275	\$199,776	\$215,911	\$186,286	\$162,103
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$230,653	\$266,707	\$273,798	\$289,570	\$368,869	\$390,322	\$367,105	\$348,839
EXPENSES								
Employment Expense	\$46,171	\$43,351	\$46,208	\$51,289	\$52,309	\$55,529	\$57,856	\$60,068
Contract Work/Special Projects	15,699	11,797	25,285	15,276	12,043	7,586	7,438	8,360
Utilities	7,907	8,323	9,143	9,788	10,144	10,414	10,693	10,980
Operating Fees	11,587	12,149	13,444	12,265	12,726	13,070	13,426	13,792
Chemicals	4,259	3,985	4,947	4,997	5,147	5,301	5,460	5,624
Professional Fees and Services	6,967	8,435	12,024	12,023	11,347	11,524	11,835	12,127
Office and Administrative Expense	2,071	1,564	2,618	2,680	2,908	2,735	3,068	2,811
Biosolids Recycling	4,094	4,092	4,637	4,419	4,551	4,688	4,829	4,973
Materials & Supplies	3,012	2,963	3,134	2,983	2,995	3,043	3,142	3,245
MWD Water Purchases	29,908	46,001	42,996	44,724	46,236	47,796	49,464	51,024
Other Expenses	599	1,044	80	1,571	1,573	1,603	1,643	1,677
TOTAL EXPENSES	\$132,275	\$143,702	\$164,517	\$162,015	\$161,979	\$163,289	\$168,854	\$174,682
CAPITAL PROGRAM								
CSDLAC 4Rs	\$689	\$705	\$721	\$737	\$0	\$0	\$0	\$0
IERCA investment	0	0	500	500	500	0	0	0
Capital Construction & Expansion	29,411	56,193	85,012	92,349	178,799	153,169	101,209	100,877
TOTAL CAPITAL PROGRAM	\$30,100	\$56,898	\$86,232	\$93,586	\$179,299	\$153,169	\$101,209	\$100,877
DEBT SERVICE								
Financial Expenses	\$524	\$206	\$293	\$228	\$403	\$228	\$217	\$219
Interest	8,161	6,386	6,621	7,071	6,876	6,518	6,195	8,949
Principal	62,008	15,259	15,360	16,537	17,720	18,744	14,334	18,099
Short Term Inter-Fund Loan	0	0	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL DEBT SERVICE	\$70,693	\$21,851	\$25,274	\$26,835	\$27,998	\$28,490	\$25,746	\$33,268
FUND BALANCE								
Net Increase (Decrease)	(\$2,415)	\$44,256	(\$2,226)	\$7,134	(\$407)	\$45,374	\$71,296	\$40,013
Beginning Fund Balance July 01	\$187,114	\$184,700	\$228,955	\$244,629	\$251,763	\$251,356	\$296,730	\$368,026
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$226,730	\$251,763	\$251,356	\$296,730	\$368,026	\$408,039
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$35,393	\$36,371	\$40,089	\$39,362	\$38,516	\$38,343	\$39,304	\$40,713
Capital Expansion & Replacement	29,013	20,969	21,092	42,259	92,198	139,982	205,736	243,660
CCRA Capital Construction	31,710	55,560	59,500	72,262	30,916	15,430	7,030	4,428
Water Connection	4,590	9,548	12,259	12,516	14,478	16,509	17,130	17,462
Rehabilitation/Replacement	19,624	18,094	16,785	10,783	12,283	12,783	13,283	13,783
CSDLAC Prepayment	689	705	721	737	0	0	0	0
Water Resource Capital	4,217	5,521	4,966	332	2,006	4,804	8,999	8,462
Debt Service & Redemption	16,757	31,839	26,406	32,121	32,511	32,994	33,172	32,931
Self Insurance Program	6,000	6,000	6,000	3,000	3,000	3,000	3,000	3,000
Employee Retirement Benefit	5,431	5,401	5,220	6,000	6,000	6,000	5,142	4,651
Sinking Fund	31,275	38,948	33,692	32,390	19,448	26,884	35,228	38,947
ENDING BALANCE AT JUNE 30	\$184,700	\$228,955	\$226,730	\$251,763	\$251,356	\$296,730	\$368,026	\$408,039

*Numbers may not total due to rounding

Attachment 4

Resolution Nos. 2019-6-1 to
2019-6-8, and 2019-6-10

RESOLUTION NO. 2019-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2019/20

WHEREAS, it is necessary to establish service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and wastewater haulers permitted by IEUA, and service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency (Agency)'s Regional Wastewater System;

WHEREAS, it is necessary to establish application fees for processing and issuing of wastewater discharge permits to industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 97, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2019:

Section 1 That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follow:

Initial Permit Application Fee	\$250.00
Permit Renewal Fee	\$125.00

Section 2 That wastewater volumetric fee for domestic and industrial wastewater hauler is as follow:

For each load up to 2,000 gallons	\$ 76.05
Loads in excess of 2,000 gallons	\$ 0.038 per one (1) gallon

Section 3 That a rate schedule effective July 1, 2019, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Biochemical Oxygen Demand (BOD) in excess of 395 mg/L	\$ 327.01 per 1,000 lb (dry weight)

Suspended Solids (SS) in excess of 402 mg/L \$ 332.10 per 1,000 lb (dry weight)

Section 4 A Non-Compliance fee of \$150.00 shall be assessed to reinstate elapsed or expired insurance requirements.

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

**Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):**

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

**Initial Wastewater Discharge Permit Application Fees:
(Ownership Change with Process Changes included)**

Categorical Industrial User	\$2,750.00
with Combined Waste Stream Formula, add	\$1,063.00

with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$1,625.00
Non-Categorical, Non-Significant Industrial User	\$1,063.00

Permit Renewal Fees:

Categorical Industrial User	\$2,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 That IEUA will pass on to wastewater permit holder any other charges, such as, but not limited to, excessive strength charges, laboratory analysis charges, inspection activity charges, etc.

Section 10 Miscellaneous processing fees that do not fall under any of the above

sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11 That all provisions of the Regional Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 12 That upon the effective date of this Resolution, Resolution No. 2018-6-1 is hereby rescinded in its entirety.

* * *

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2019-6-1
Regional Rates
Page 5 of 5

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-1 as adopted at
a regular Board meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2019-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR (FY) 2019/20

WHEREAS, *Etiwanda Wastewater Line Disposal Agreement* (Agreement) was entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate industries with Etiwanda Wastewater Line Capacity Unit (EWLCU), in order to collect such charges;

WHEREAS, one EWLCU for the EWL is defined as an equalized discharge not to exceed a flow rate of 15 gallons per minute;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Agency's EWL;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost; and

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2019

Section 1 That the acquisition of capacity rights shall be as follows:

(A) CAPACITY RIGHT ACQUISITION RATE

That the purchase rate for the right to discharge one (1) EWLCU for the EWL shall be \$215,000.00 per an equalized flow rate not to exceed 15 gallons per minute. This charge shall be paid in full upon the execution of the Capacity Right Agreement.

Section 2 That the monthly charges for discharge to the EWL are as follows:

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the CSDLAC, the monthly Capacity Charge is \$80.00 per month per each EWLCU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for EWL is \$90.00 per month per each EWLCU.

(C) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$760.00 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less per each EWLCU per month is \$76.00 per month per each EWLCU.

(D) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the EWL. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$135.00 per 1,000 pounds (dry weight)
TSS	\$380.00 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(E) AGENCY CIP AND O&M CHARGES

Agency CIP and O&M Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2019/20, the Recycled Water Usage Credit is \$222.51 per million gallons of recycled water used.

Section 3 OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the EWL, such as, but not limited to, flow and strength imbalances charges, permit fees, inspection fees, analytical fees, etc.

Section 4 That Application fees for an EWL Capacity Right Agreement shall be: \$250.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the EWL sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:
(Ownership Change with Process Changes included)

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10 That all provisions of the Etiwanda Wastewater Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 11 That upon the effective date of this Resolution, the Resolution No. 2018-6-2 pertaining to the EWL is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

RESOLUTION NO. 2019-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR (FY) 2019/20

WHEREAS, NRWS *Wastewater Disposal Agreement No. 4830 (Agreement)* has been adopted between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate User with Non Reclaimable Wastewater System Capacity Unit (NRWSCU), in order to collect such charges;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Solids Discrepancy at East End (SD_{EE}) monitoring facility determined by the *Fractional Solids Discrepancy (FSD_i)* formula;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Volumetric, Chemical Oxygen Demand (COD), and NRWSCU discrepancies at East End monitoring facility as determined by the preceding fiscal year's monitoring data;

WHEREAS, it is necessary to establish application fees for processing applications for NRWSCU Allocations and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s NRWS;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost; and

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2019:

Section 1 That the acquisition of wastewater discharge right shall be as follows:

(A) NRWSCU ACQUISITION RATES

1. A NRWSCU for the NRWS is determined by the following formula:

$$NRWSCU = \left(0.6513 \times \frac{Flow_{gpd}}{260} \right) + \left(0.1325 \times \frac{COD_{ppd}}{1.22} \right) + \left(0.2162 \times \frac{TSS_{ppd}}{0.59} \right)$$

Where:

gpd = gallons per day

ppd = pounds per day

2. The minimum number of NRWSCU shall be 25 NRWSCU.
3. The **purchase rate** for the right to discharge one (1) NRWSCU shall be as established by CSDLAC or \$4,172.00 per NRWSCU.
4. The optional **annual lease rate** for the right to discharge one (1) NRWSCU shall be 5% per year of the purchase rate, i.e. \$208.60 per NRWSCU per each year.

The above charges shall be paid in full upon the execution of the NRWSCU purchase or lease.

Section 2 That the monthly charges for discharge to the NRWS are:

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is \$940.00 per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be \$357.00 per million gallons of volumetric discharge.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the NRWS. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$166.00 per 1,000 pounds (dry weight)
TSS	\$470.00 per 1,000 pounds (dry weight)

Strength charges for the NRWS discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(D) AGENCY O&M Charge

The Agency's O&M charge shall be \$20.25 per NRWSCU per month.

(E) AGENCY CIP CHARGE

The Agency's capital improvement program charge shall be \$8.00 per NRWSCU per month.

(F) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2019/20, the Recycled Water Usage Credit is \$222.51 per million gallons of recycled water used.

Section 3 IMBALANCE CHARGES

(A) SOLIDS DISCREPANCY CHARGES for NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

$$SDC_i = (FSD_i) \times (TSD_{EE}) \times (TSS \text{ rate})$$

Individual industry's FSD_i for the NRWS is determined by the FSD_i formula to allocate the individual industry's solids contribution to the total solids discrepancy, based on their contribution to the overall loading of Alkalinity, Biological Oxygen Demand (BOD), Dissolved Calcium, and Flow.

$$FSD_i = 0.061 x \left[\frac{Alk_i}{Alk_T} \right] + 0.543 x \left[\frac{BOD_i}{BOD_T} \right] + 0.040 x \left[\frac{Ca_i}{Ca_T} \right] + 0.356 x \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

- FSD_i* = Fractional Solids Discrepancy for individual discharger (*i*)
- Alk_i* = Individual dissolved alkalinity loading to the NRWS for discharger (*i*)
- Alk_T* = Combined dissolved alkalinity loading from all dischargers to the NRWS
- BOD_i* = Individual BOD₅ loading to the NRWS for discharger (*i*)
- BOD_T* = Combined BOD₅ loading from all dischargers to the NRWS
- Ca_i* = Individual dissolved calcium loading to the NRWS for discharger (*i*)
- Ca_T* = Combine dissolved calcium loading from all dischargers to the NRWS
- Flow_i* = Individual flow contribution to the NRWS from discharger (*i*)
- Flow_T* = Combined flow from all dischargers to the NRWS

(B) OTHER IMBALANCE CHARGES

IEUA will pass to NRWS dischargers any other charges from CSDLAC invoiced to the Agency as a result of imbalance in the NRWS, including volumetric, COD, and NRWSCU imbalance charges. The charges shall be calculated on pro rata share for each component and invoiced on a quarterly basis.

Section 4 OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the NRWS, such as, but not limited to, permit fees, inspection fees, analytical fees, etc.

Section 5 That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$250.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:
(Ownership Change with Process Changes included)

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 10 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11 That all provisions of the Non-Reclaimable Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 12 That upon the effective date of this Resolution, the Resolution No. 2018-6-3 pertaining to the NRWS is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-3 as adopted at a regular Board meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2019-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR (FY) 2019/20

WHEREAS, it is necessary to establish initial and monthly capacity charges, volumetric flow charges, CIP charges, trucked wastewater delivery charges and excessive strength charges;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s Brine Line;

WHEREAS, one Agency Capacity Unit (CU) is defined as an equalized discharge at the flow rate of 15 gallons per minute (GPM);

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost; and

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 106, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2019

Section 1 That the Initial Capacity Charge for the purchase of Agency Capacity Rights shall be set at \$215,000.00 per CU.

Section 2 That the monthly charges for discharge to the Brine Line are as follows:

(A) CAPACITY CHARGES:

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$418.67 per CU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for Brine Line is \$90.00 per CU per month.

(C) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$979.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$97.90 per CU per month.

(D) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the Brine Line, via pipeline or hauled by truck, for excessive Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$316.00 per 1,000 pounds (dry weight)
TSS	\$442.00 per 1,000 pounds (dry weight)

Strength charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(E) AGENCY ADMINISTRATIVE CHARGES

Agency Administrative Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) RECYCLED WATER USAGE CREDIT FOR BRINE LINE

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For FY 2019/20, the Recycled Water Usage Credit is \$222.51 per million

gallons of recycled water used.

(G) Other Charges

IEUA will pass on any other charges from SAWPA invoiced to the Agency to dischargers to the Brine Line, such as, but not limited to, flow and strength imbalances charges, permit fees, inspection fees, analytical fees, etc.

Section 3 For trucked discharges to the Brine Line, the wastewater discharge rate shall be based on the applicable Tiered Schedule as established by the higher concentration value for BOD or TSS. The Brine Line Tiered Rate Schedule for Trucks is shown in Table 1.

Table 1 – Brine Line Tiered Rate Schedule for Trucks

Tiered Schedule	BOD / TSS Concentration	Volumetric Charge Up to 5,000 gallons	Incremental Charge above 5,000 gallons, \$ per one (1) gallon	Concentrations over 100 mg/L	
				BOD Charge \$ per lb	TSS Charge \$ per lb
Brine	BOD and TSS Less than 100 mg/L	\$300.92	\$0.015		
Non-Brine	BOD or TSS 100 mg/L and higher	\$300.92	\$0.015	\$0.750	\$0.716

Section 4 That Application fees for a Capacity Right Agreement shall be: \$250.00

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00

with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 6 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:

(Ownership Change with Process Changes included)

Categorical Industrial User	\$2,750.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$1,625.00
Non-Categorical, Non-Significant Industrial User	\$1,063.00

Permit Renewal Fees:

Categorical Industrial User	\$2,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 7 That initial Wastewater Hauler Permit application and Permit Renewal fees for the North NRWS shall be:

Initial Permit Application for Wastewater Hauler	\$250.00
Permit Renewal for Wastewater Hauler	\$125.00

South NRWS Wastewater Hauler Permit Application and Permit Renewal are processed and administered by Santa Ana Watershed Project Authority (SAWPA).

Section 8 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 9 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 10 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12 That all provisions of the Brine Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, the Resolution No. 2018-6-4 pertaining to the Inland Empire Brine Line (also known as South NRWS) is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

Resolution No. 2019-6-4

IEBL Rates

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ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-4 as adopted at
a regular Board meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2019-6-5

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY
ANALYSES FOR FISCAL YEAR 2019/20**

WHEREAS, The Agency occasionally enters into agreements with other local governmental agencies to perform laboratory analyses; and

WHEREAS, the most efficient and practical method of charging for this work is through the establishment of a price for each analysis.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS, that, effective July 1, 2019, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto.

Upon the effective date of this Resolution, Resolution No. 2018-6-5 is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-5, was adopted at a
regular meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**INLAND EMPIRE UTILITIES AGENCY
LABORATORY PRICES - FY 2019/20**

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$15.00
Ammonia as Nitrogen	EPA 350.1	\$15.00
Anion Sum	SM 1050	\$2.50
BOD, Soluble	SM 5210	\$44.00
BOD, Total	SM 5210	\$39.00
Bromide	EPA 300.0	\$11.00
Cation Sum	SM 1050	\$2.50
Chlorate	EPA 300.0	\$47.50
Chloride	EPA 300.0	\$9.50
Chlorite	EPA 300.0	\$47.50
COD	SM 5220D	\$33.50
Color	SM 2120B	\$10.00
Conductivity	SM 2510	\$9.50
Corrosivity	SM 2330B	\$42.50
<i>If Alkalinity, Ca, EC, or pH are requested on the Corrosivity cost is reduced by their respective</i>		
Cyanide, Available	EPA OIA-1677	\$50.00
Cyanide, Free	ASTM D7237	\$28.00
Cyanide, Total	ASTM D7284	\$31.00
Dissolved Organic Carbon	SM 5310B	\$40.00
Dissolved Organic Carbon	SM 5310C	\$35.00
Dissolved Oxygen	EPA 360.1	\$12.50
Fluoride	EPA 300.0	\$9.50
Fluoride	SM 4500-F C	\$17.00
Hardness, Total (Calculation)	EPA 200.7	\$22.50
<i>If Ca and Mg is requested, calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$18.50
Mercury	EPA 245.2	\$40.00
Metals Digestion (liquid)		\$17.00
Metals Digestion (solid)		\$45.00
Metals by ICP	EPA 200.7	\$10.00
Metals by ICP/MS	EPA 200.8	\$10.00
Nitrate as Nitrogen	EPA 300.0	\$9.50
Nitrite as Nitrogen	EPA 300.0	\$9.50
Nitrogen, Organic	Various	\$65.00
Oil & Grease, Polar (FOG)	EPA1664B	\$75.00
Oil & Grease, Non-polar	EPA1664B	\$40.00
Oil & Grease, Total	EPA1664B	\$35.00
pH	SM 4500-H+ B	\$6.00
Phosphorus, Ortho	EPA 300.0	\$9.50
Phosphorus, Total	EPA 200.7	\$10.00

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$10.00
Sulfate	EPA 300.0	\$9.50
Sulfide, Dissolved	SM 4500-S D	\$20.00
Sulfide, Total	SM 4500-S D	\$16.00
Surfactants (MBAS)	SM 5540C	\$50.00
TDS	SM 2540C	\$15.00
TDS, Fixed/Volatile	SM 2540E	\$22.50
TKN	EPA 351.2	\$40.00
TOC	SM 5310B	\$35.00
TOC	SM 5310C	\$30.00
Total Solids	SM 2540B	\$11.50
TSS	SM 2540D	\$15.00
Turbidity	EPA 180.1	\$9.00
Uranium pCi/L	EPA 200.8	\$28.00
Volatile Solids	SM 2540E	\$16.50
Volatile Suspended Solids	SM 2540E	\$22.50

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Chronic	EPA 1002	\$1,200.00
Coliform, Coliert P/A	SM 9223 B	\$10.00
Coliform, Coliert Total Enumeration	SM 9223 B	\$20.00
Coliform, Fecal	SM 9221E	\$25.00
Coliform, Total (15 Tube)	SM 9221B	\$25.00
Heterotrophic Plate Count	SM 9215B	\$20.00

Organic Chemistry		
Test	Method	Price
1,4-Dioxane	EPA 624	\$75.00
Acrolein & Acrylonitrile	EPA 624	\$75.00
MTBE	EPA 524.2	\$100.00
Pesticides	EPA 608	\$250.00
Pesticides w/ PCBs	EPA 608	\$325.00
PCBs	EPA 608	\$250.00
Semi-Volatiles (Short list DW)	EPA 525	\$325.00
Semi-Volatiles (Acid Extractable)	EPA 625	\$225.00
Semi-Volatiles (Base/Neutrals)	EPA 625	\$225.00
Semi-Volatiles (BNA)	EPA 625	\$300.00
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$150.00
Thiobencarb	EPA 525	\$300.00
Volatiles, DW	EPA 524.2	\$150.00
Volatiles, WW	EPA 624	\$190.00

RESOLUTION NO. 2019-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR (FY) 2019/20

WHEREAS, it is necessary to establish an extra-territorial monthly sewer service charge for system user whose property served is located outside the boundaries of Improvement District "C" of the Inland Empire Utilities Agency (the Agency);

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the Agency before July 1 and will be set at the amount of certain sewer taxes per EDU being received from the taxable area within Improvement District "C";

WHEREAS, these taxes are to be the Improvement District "C" portion of taxes plus the portion of the Agency's General Taxes applied each year to the Regional Wastewater Systems and the General Administrative expenditures for the Regional Wastewater Systems; and

WHEREAS, modification to this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2019:

Section 1. That the monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2018/19 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2018/19 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the extra-territorial monthly sewer service charge should be set at a rate of \$16.48 per month per Equivalent Dwelling Unit (EDU) in addition to the FY 2019/20 adopted monthly EDU rate of \$20.00.

Section 3. That upon the effective date of this Resolution, Resolution No. 2018-6-6 is hereby rescinded in its entirety.

ADOPTED this 19th day of June, 2019.

Paul Hofer
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-6 was adopted at a Board
Meeting on June 19, 2019, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2019/20
CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE**

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2018/19. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2018/19 Agency Assessed Value -	=	\$	111,694,757,588
FY 2019/20 Projected number of EDU's within Agency	=		282,490 EDU per month
<i>\$111,694,757,588 divided by 282,490</i>	=	\$	395,394

Annual tax obligation is calculated by:

<i>\$395,394 multiply by 0.000499</i>	=	\$	197.30 per year
<i>(adjusted Agency tax rate)</i>	=	\$	16.44 per month

RESOLUTION NO. 2019-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency* (Agency) establishes, from time to time, rates for water sold or delivered by direct connections to Metropolitan Water District of Southern California (MWD) facilities; and

WHEREAS, the Board of Directors of the Agency establishes rates for delivery of imported water supplies; and the rates are based on the approved and adopted biennial budget rates by the MWD Board on April 10, 2018.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** the following to be effective July 1, 2019, and January 1, 2020:

Section 1. That the rates of sales of imported water are direct pass-through charged by Metropolitan for each class of water. The rates, by class of water are as follows:

- (a) **FOR TIER 1 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

01/1/2019 – 12/31/2019 \$731.00 per acre foot
01/1/2020 – 12/31/2020 \$755.00 per acre foot

- (b) **FOR TIER 2 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

01/1/2019 – 12/31/2019 \$817.00 per acre foot
01/1/2020 – 12/31/2020 \$842.00 per acre foot

(c) FOR GROUND WATER STORAGE PROGRAM

REPLENISHMENT WATER UNTREATED – This rate is available contingent upon the requirements of Metropolitan’s Administrative Code, and includes water delivered for groundwater replenishment and storage, by direct or in-lieu methods.

01/1/2019 – 12/31/2019 (NO RATE AVAILABLE)

01/1/2020 – 12/31/2020 (NO RATE AVAILABLE)

- (d) METROPOLITAN WATER SUPPLY ALLOCATION PLAN (WSAP) PENALTY RATES – Reduced imported water allocations caused by the adoption of a WSAP will reduce a member agencies Tier 1 allocation pursuant to Resolution 2016-9-1. Penalty rates will be applied in accordance to Metropolitan’s WSAP to IEUA and its member agencies if IEUA exceeds its imported water allocation from MWD and is invoiced by MWD for WSAP penalty rates, during FY 2019/20. Any such penalty rates shall be “passed through” to the appropriate agency that caused the imposition of a penalty rate by MWD.

Section 2. That IEUA will impose any Metropolitan rates and charges, applicable to each service connection, if invoiced by Metropolitan to IEUA during FY 2019/20.

Section 3. That the Metropolitan levied Capacity Charge (\$/cfs) shall be as follows:

01/1/2019 – 12/31/2019 \$ 8,600 per cubic foot per second (cfs)

01/1/2020 – 12/31/2020 \$ 8,800 per cubic foot per second (cfs)

Section 4. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full service industrial connection beginning 7/1/2019 through 6/30/2020.

Section 5. That upon the effective date of this Resolution, Resolution No. 2018-6-7 is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-7, was adopted at a regular
meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2019-6-8

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR
FISCAL YEAR 2019/2020**

WHEREAS, the Board of Directors of Inland Empire Utilities Agency* is required by Agency Ordinance No. 28, Section 3, to establish, from time to time, rates for rental of maintenance and construction equipment.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, pursuant to Ordinance No. 28, that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2019.

Upon the effective date of this Resolution, Resolution No. 2018-6-8 is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-8 was adopted at a regular
meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

EXHIBIT 1

**INLAND EMPIRE UTILITIES AGENCY*
MAINTENANCE EQUIPMENT RENTAL RATES
FISCAL YEAR 2019/20**

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	\$98.07
With two operators	per hour portal-to-portal	\$171.47
Jetter Vactor		
With one operator	per hour portal-to-portal	\$90.91
With two operators	per hour portal-to-portal	\$164.31
Gap Vactor Truck		
With one operator	per hour portal-to-portal	\$107.68
With two operators	per hour portal-to-portal	\$181.09
Safety Van		
With one operator	per hour portal-to-portal	\$69.49
With two operators	per hour portal-to-portal	\$133.32
Water Truck		
With one operator	per hour portal-to-portal	\$81.60
With two operators	per hour portal-to-portal	\$155.01

RESOLUTION NO. 2019-6-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL YEARS 2019/2020 and 2020/2021.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That this Board of Directors hereby approves and adopts the biennial budget for Fiscal Years 2019/20 and 2020/21, subject to any regulatory reform, or action of the State legislature that would have negative impact on the Agency's revenues and expenditures.

Section 2. Upon adoption of this resolution, Resolution No. 2017-6-10 is hereby rescinded in its entirety.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-10 was adopted at a regular meeting on June 19, 2019, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

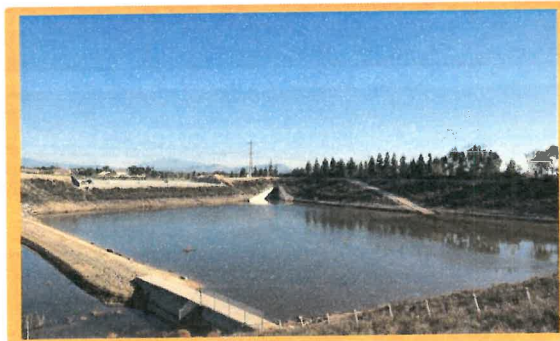
* A Municipal Water District

Attachment 5

PowerPoint

Fiscal Years 2019/20 and 2020/21 Biennial Budget Adoption

Board Meeting



Key Areas of Focus Over the Next Two Years

No Changes to Adopted Rates and Fees

Succession Planning

Cost Containment

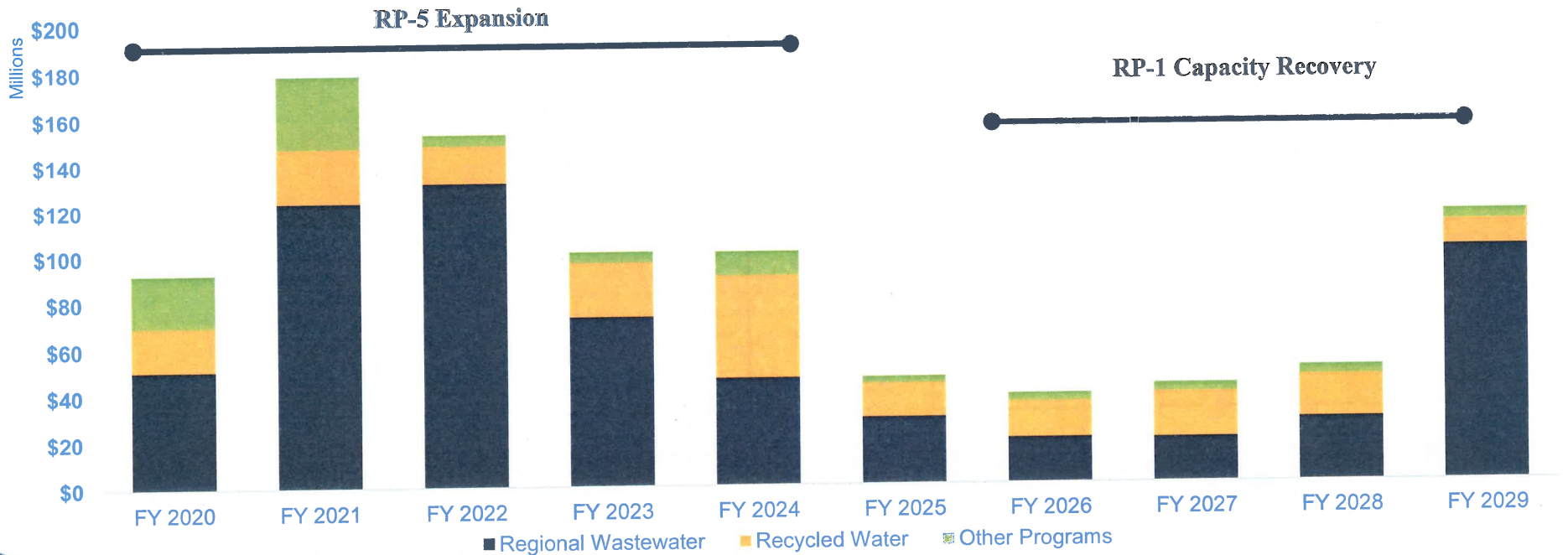
Upkeep of Agency Assets

Leverage Low Interest Debt

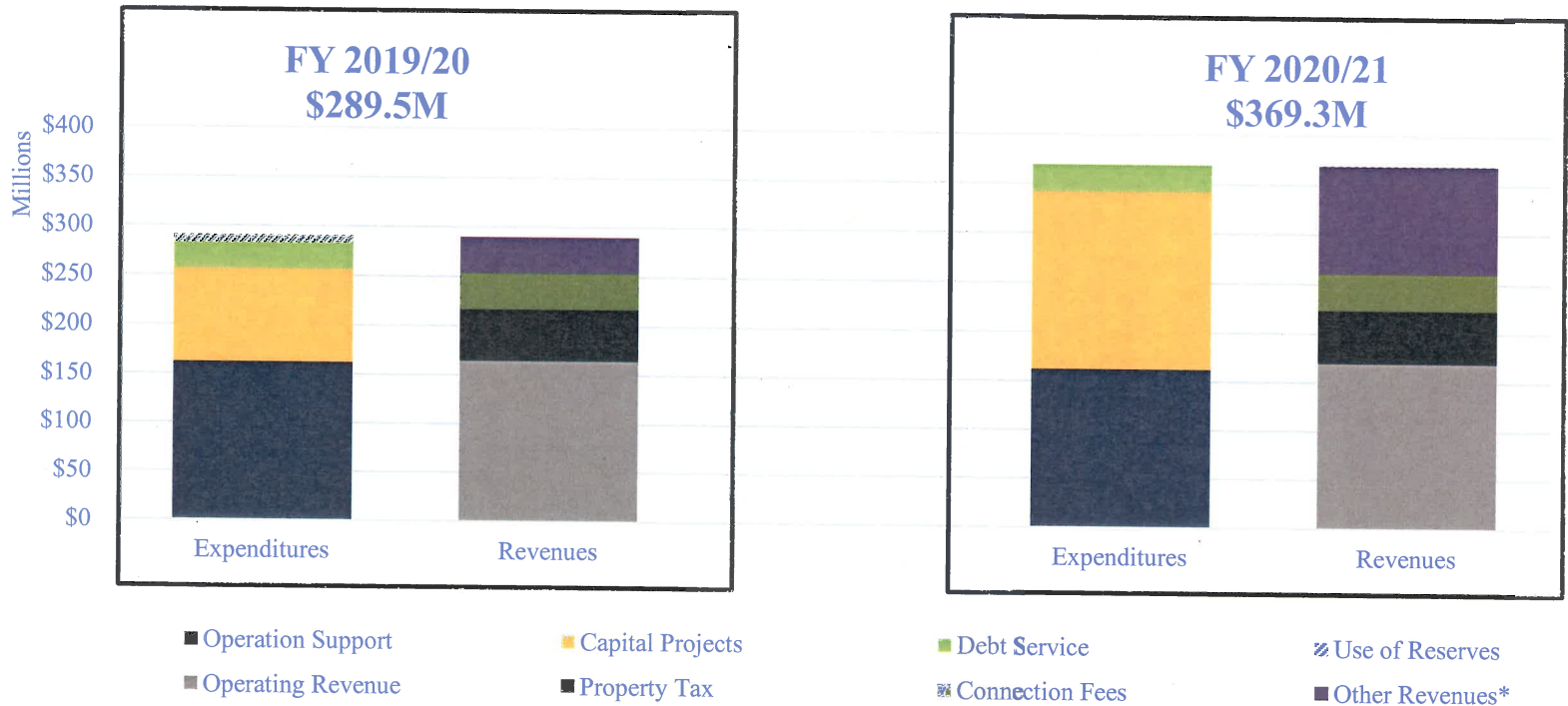
Transparency

Proposed TYCIP \$921M

- Nearly 68% planned over the first five years
- Over \$325M for Expansion & Recovery



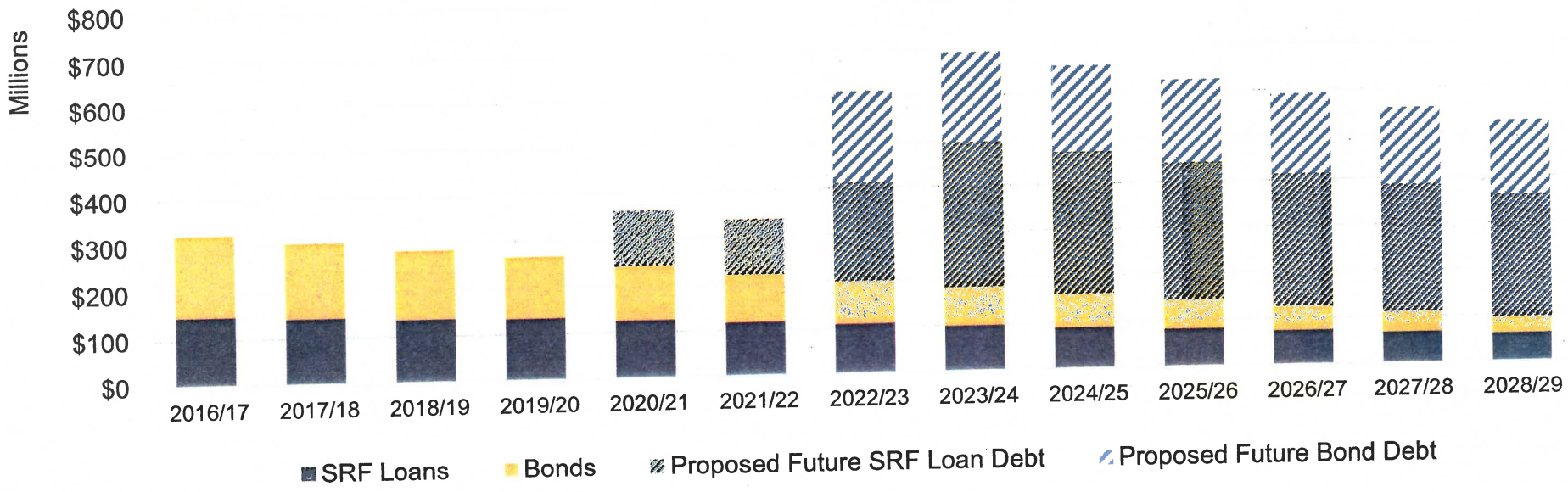
Sources and Uses of Funds



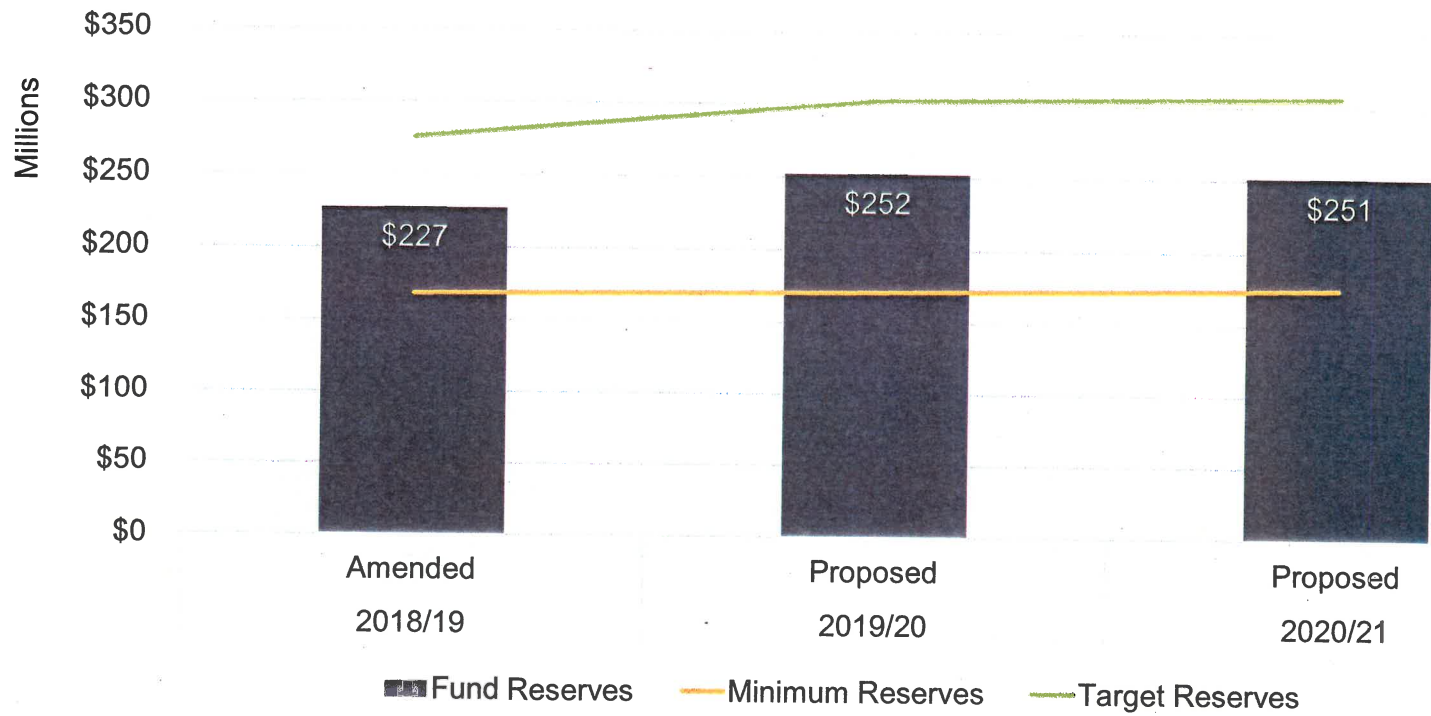
*Other Revenues include state loans, grants, interest revenue, and contract cost reimbursements

Outstanding Debt and Debt Coverage Ratio (DCR)

FY	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Projected	Biennial Budget			Forecast	
DCR	3.92x	3.65x	3.68x	3.78x	4.57x	3.50x



Consolidated Fund Reserve (\$M)



FY 2019/20 Inter Fund Transfers (\$M)

Fund In/(Out)	Capital	Debt Service	Operating	Connection Fee	Net Transfers in/(Out)
Wastewater Capital	\$3.40	(\$3.30)	-	(\$9.00)	(\$8.90)
Wastewater Operations	(\$4.60)	\$0.30	(\$2.20)	\$5.70	(\$0.80)
Recycled Water	(\$0.09)	\$2.40	(\$0.80)	(\$2.00)	(\$0.49)
Recharge Water	\$0.04	\$0.60	\$0.80	\$0.02	\$1.46
Non-Reclaimable Wastewater	(\$0.04)	-	(\$0.08)	\$2.30	\$2.18
General Administration	\$1.30	-	\$2.30	\$1.02	\$4.62
Water Resources	-	-	-	\$1.95	\$1.95
Net Transfer	\$0.00	\$0.00	\$0.00	\$0.00	

Totals may not tie due to rounding

Recycled Water Fund Inter Fund Loan Repayment Plan

Inter Fund Loans Issued	Due to	Loan Amount (\$M)	Repayment Plan
FY 2007/08	Non-Reclaimable Wastewater (NRW) Fund	\$9.0	2018/19 \$3.0 2020/21-2021/22 \$6.0 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		\$28.5	\$28.5

RATE RESOLUTIONS

Resolution No.	Description
2019-6-1	Service Rates and Excessive Strength Charges for Regional or Industrial Wastewater Discharge
2019-6-2	Service Rates on Capacity, Volumetric, Strength, Capital Improvement, and Application Fees for the Etiwanda Wastewater Line (EWL)
2019-6-3	Service Rates on Capacity, Volumetric, Strength, and Application Fees for the Non-Reclaimable Wastewater System (NRWS) East End
2019-6-4	Service Rates on Capacity, Volumetric, Strength, Capital Improvement, and Application Fees for the Inland Empire Brine Line (IEBL)
2019-6-5	Laboratory Rates
2019-6-6	Extra-Territorial Sewer Charges
2019-6-7	Imported Water Rates
2019-6-8	Equipment Rental Fees

Recommendation

Close the public hearing

Adopt Resolution No. 2019-6-10, approving the Agency's Biennial Budget for FYs 2019/20 and 2020/21 including:

- Inter-fund transfers
- Inter-fund loan repayments
- Agency-wide department goals and objectives
- Rate Resolution Nos. 2019-6-1 through 2019-6-8 for the Non-Reclaimable Wastewater System (NRW) fund and other service fees
- Regional Committee review and recommendation of any related future third-party agreements

Adopt FYs 2020-2029 TYCIP

The Biennial Budget is consistent with the Agency's business goal of fiscal responsibility and prudent financial planning.

CONSENT
CALENDAR
ITEM

2A



**MINUTES OF THE
WORKSHOP/MEETING OF
THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, MAY 1, 2019
10:00 A.M.**

DIRECTORS PRESENT:

Paul Hofer, President
Jasmin A. Hall, Vice President
Kati Parker, Secretary/Treasurer
Michael Camacho
Steven J. Elie

DIRECTORS ABSENT:

None

STAFF PRESENT:

Shivaji Deshmukh, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Andrea Carruthers, Manager of External Affairs
Warren Green, Manager of Contracts & Procurement
Sylvie Lee, Manager of Planning & Environmental Resources
Cathleen Pieroni, Manager of Government Relations
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Steve Ashton, City of Victorville
Amy Bonczewski, City of Ontario
Jean Cihigoyenette, JC Law Firm
Danielle Coats, Eastern Municipal Water District
Martha Davis
Kelley Donaldson, Monte Vista Water District
Kristeen Farlow, San Bernardino Valley Municipal Water District
Eric Grubb, Cucamonga Valley Water District
Rich Haller, Santa Ana Watershed Project Authority
Anne Larsen, Office of Assemblymember James C. Ramos
Susan Longville, San Bernardino Valley Municipal Water District
Doug Matthews, City of Victorville
Jonathan Nelson, Community Water Center

Darrin Polhemus, State Water Resources Control Board
Taylor Quan, Office of Senator Ling Ling Chang
Ghazal Seino, Office of Assemblymember Phillip Chen
Kathy Tiegs, Cucamonga Valley Water District
Cindy Tuck, Associations of California Water Agencies
Rick Whetsel, Santa Ana Watershed Project Authority

A meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. B, Chino, California on the above date.

President Hofer called the meeting to order at 10:03 a.m. and led the pledge of allegiance to the flag. A quorum was present.

President Hofer stated that members of the public may address the Board. There was no one desiring to do so. He stated that if time allowed, there would be an opportunity for the public to ask questions after the presentations.

President Hofer asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

President Hofer acknowledged the elected officials, their representatives, and staff members from the different agencies in the basin who were in the audience. President Hofer stated that General Manager Shivaji Deshmukh will introduce the four speakers.

WORKSHOP

CURRENT LEGISLATIVE PROPOSALS FOR ASSURING SAFE, ACCESSIBLE AND AFFORDABLE DRINKING WATER STATEWIDE

General Manager Shivaji Deshmukh introduced Mr. Darrin Polhemus from the State Water Resources Control Board. Mr. Polhemus gave a presentation on re-imagining safe and affordable drinking water through partnerships. He gave an overview of California's water systems, drinking water goals, water partnerships, and various tools available.

Mr. Shivaji Deshmukh introduced Ms. Danielle Coats from the Eastern Municipal Water District. Ms. Coats gave a presentation on statistics of non-compliant systems in California, the implementation and benefits of the Small System Water Authority Act.

Mr. Deshmukh introduced Mr. Jonathan Nelson from Community Water Center. Mr. Nelson gave a presentation of safe, accessible and affordable drinking water challenges and proposed solutions to the challenges.

Mr. Deshmukh introduced Ms. Cindy Tuck from the Association of California Water Agencies (ACWA). Ms. Tuck gave an overview of the challenges and proposed solutions to providing safe, accessible and affordable drinking water in California especially in legislation.

Mr. Deshmukh thanked the panelists for their presentations and opened it up to the Board of Directors for any questions.

Discussion ensued regarding the trust proposed, school's participation in water testing, and members of ACWA.

President Hofer opened it up to the public for any questions.

Cucamonga Valley Water District Board member Kathy Tiegs expressed her respect for the presenters, their positions, and acknowledged the problem that needs to be solved. She stated that the only other member agency in the audience is the city of Ontario. She stated that this issue does not impact IEUA directly but its retailers. She asked the Board to keep all the member agencies at the table for discussion regarding issues that will impact them.

DIRECTORS' COMMENTS

President Hofer stated that this workshop served to further inform some members of the Board on this legislation. He stated he understood Director Tiegs concern and the Agency will inform the member agencies that this meeting was solely to gather more information for the IEUA Board member. Moving forward, if there are other member agencies will be noticed or mailed. He thanked Ms. Tiegs for her input.

Mr. Deshmukh stated that IEUA staff will take note of Director Tiegs comment. He stated that the Agency will review its communication protocol to ensure that all contract agencies are informed of these meetings.

Director Hall echoed the statements of President Hofer stating that this meeting is a workshop for the Board. She stated she had requested this information to better understand this matter now that she is the Chair of the Community & Legislative Affairs Committee. She stated she represents many constituents in her community that is served by the Fontana Water Company. A better understanding of legislative bills would assist her when working with the retailers. This meeting was the beginning of becoming educated for better outreach to the Board's service areas. The Board will make other attempts to bring in more of the public. She stated that she appreciates all those who took the time to attend the meeting.

Director Elie stated that having chaired the Community & Legislative Affairs Committee for eight years and having been involved in this issue and other related issues for ten years, he was surprised that member agencies were not represented on the panel as this issue directly impacts them. As a service wholesaler, the Agency should have been aware of what the member agencies wanted prior to today's presentation.

Director Hall stated that this time served to inform some of the new members of the Board of legislation by local and state representatives. She stated she learned and benefited from the meeting. As the new Chair of the Community & Legislative Affairs Committee and the Metropolitan Water District of Southern California representative for the Agency, it was very informational.

President Hofer stated that with each meeting, the Agency will make an effort to improve. He stated that he is the President of the Board and he holds the responsibility of the meeting.

Director Camacho thanked Director Tiegs for attending the meeting and stated he appreciated her comments and shared her feelings. He thanked the guests for their presentation. He stated he also agreed with Director Elie and that this item should have been handled through the Community & Legislative Affairs Committee and not in this forum.

Director Elie stated that these issues are clearly complex and require in depth knowledge. He stated he appreciated what the State Board has done, but this issue is complicated.

He stated he doesn't want anyone leaving believing that if the legislation passes, the problem has been solved.

President Hofer thanked everyone in the audience for taking the time out of their day to listen. Water in California always has been and will continue to be an enormous issue.

Director Parker thanked the guest speakers for coming. She stated that she is grateful to have the opportunity to hear this conversation at the Board workshop and that it was not limited to the two Board members who sit on the Community & Legislative Committee. She stated that the Board of Directors at IEUA understands that the member agencies are IEUA's customers, invitations went out to inform them of this meeting. She stated she would like to continue to work closely with the member agencies.

President Hofer agreed with Director Parker, stating that the Board values the relationships with all the member agencies and by that all the people in the basin. The Board diligently works to set policies to carry out safe and effective work. In doing so, it is incredibly important to work closely with the member agencies. He thanked the speakers for taking the time to share this information with the Board.

With no further business, President Hofer adjourned the meeting at 11:36 a.m.

Kati Parker, Secretary/Treasurer

APPROVED: JUNE 19, 2019



**MINUTES OF THE
MEETING OF
THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, MAY 15, 2019
10:00 A.M.**

DIRECTORS PRESENT:

Paul Hofer, President
Jasmin A. Hall, Vice President
Kati Parker, Secretary/Treasurer
Michael Camacho
Steven J. Elie

DIRECTORS ABSENT:

None

STAFF PRESENT:

Shivaji Deshmukh, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Joshua Aguilar, Senior Engineer
Jerry Burke, Deputy Manager of Engineering
Pietro Cambiaso, Deputy Manager of Planning & Environmental Resources
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Andrea Carruthers, Manager of External Affairs
Tina Cheng, Budget Officer
Elizabeth Hurst, Environmental Resources Planner II
Sylvie Lee, Manager of Planning & Environmental Resources
Cathleen Pieroni, Manager of Government Relations
Craig Proctor, Source Control/Environmental Resources Supervisor
John Scherck, Senior Project Manager
Travis Sprague, Senior Associate Engineer
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager
Jeff Ziegenbein, Manager of Regional Compost Operations

OTHERS PRESENT:

Shabhab Azizi, Lincus, Inc.
Marla Matime, Conservation Lands Foundation
Jean Cihigoyenetché, JC Law Firm
Lauren Seymour, The Energy Coalition
Karen Williams, SAWPA

A meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

President Hofer called the meeting to order at 10:02 a.m. and led the Pledge of Allegiance to the flag. A quorum was present.

President Hofer stated that members of the public may address the Board.

Ms. Marla Matime from the Conservation Lands Foundation asked the Board of Directors and its member agencies to refrain from signing for Cadiz Water in order to protect California deserts.

President Hofer asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

PRESENTATION

Executive Manager of Engineering/AGM Chris Berch introduced Deputy Manager of Planning & Environmental Resources Pietro Cambiaso. Mr. Cambiaso presented some impacts of some decisions made regarding the Agency's Energy Efficiency Project in the last couple years and on the progress made, differential cost benefits, history of the project, and various completed projects. Mr. Cambiaso introduced Ms. Lauren Seymour from The Energy Coalition and Mr. Shabab Azizi from Lincus, Inc. Mr. Azizi stated he has been working with the Agency since 2015 to implement these projects and provide incentive for completion. He thanked the Agency for the opportunity and Pietro Cambiaso for working with them. Ms. Seymour thanked Pietro Cambiaso and Sarah Recinto for working with them and thanked the Board for their support.

Ms. Seymour and Mr. Azizi presented a check to the Board of Directors.

PUBLIC HEARING

General Counsel Jean Cihigoyenette stated that the Board of Director's Compensation is brought to the Board annually. Each year the Board of Directors decides if they want to modify the compensation for the Board of Directors. Today for consideration is the adoption of the proposed Ordinance 107. He stated that the current Ordinance is Ordinance 105. The aspect of the Ordinance, which is being considered today for adoption, is the Board's compensation for attendance at compensable events such as Board meetings, Committee meetings, and other items delineated within the terms of the Ordinance. Under California law, the Board of Directors may increase their compensation by 5 percent every year from the most recent amendment. In this instance, the Board last acted on this Ordinance in 2017. Therefore, the Board of Directors have the authority and discretion to adjust the compensation by 5 percent for the year of 2018 and 5 percent for the year of 2019. This matter is discussed annually during the first quarter of each year for Board direction. The Board suggested to increase the Board compensation by \$2.50 to \$250.00 per days service, an increase of 1.01 percent. Since that time, there has been an additional suggestion to have it be adjusted to \$260.00 per days service. The remainder of the Ordinance will be remaining as is.

President Hofer opened the Public Hearing at 10:19 a.m., and receiving no comments, he closed the Public Hearing at 10:20 a.m.

Discussion ensued regarding the Board compensation amount.

Upon motion by Director Hall, seconded by Director Parker, and unanimously carried:

M2019-5-1

MOVED, to:

1. Receive public comments for the Board to adopt Ordinance No. 107, establishing compensation of \$260.00 and benefits, and authorizing reimbursement of expenses for the Board of Directors and their appointed representative to the Metropolitan Water District of Southern California Board of Directors, and outside Committee members; and
2. After closing the Public Hearing, by roll call vote, adopted Ordinance No. 107.

ORDINANCE 107

ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING COMPENSATION/BENEFITS AND AUTHORIZING REIMBURSEMENT OF EXPENSES FOR THE BOARD OF DIRECTORS AND THEIR APPOINTED REPRESENTATIVES TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BOARD OF DIRECTORS AND OUTSIDE COMMITTEE MEMBERS (for full text, see Ordinance Book)

With the following roll call vote:

Ayes:	Hall, Parker, Elie, Hofer
Noes:	Camacho
Absent:	None
Abstain:	None

CONSENT ITEMS

President Hofer asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. There was no one desiring to do so.

Upon motion by Director Camacho, seconded by Director Elie, and unanimously carried:

M2019-5-2

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the April 17, 2019 Board Meeting.
- B. The Board approved the total disbursements for the month of March 2019, in the amount of \$16,266,952.02.
- C. The Board adopted Resolution No. 2019-5-5, approving the updated Reserve Policy for FY 2019/20.

Continued...

M2019-5-2, continued

**RESOLUTION 2019-5-5
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE AGENCY RESERVE POLICY (for
full text, see Resolution Book)**

D. The Board:

1. Ratified the Santa Ana Watershed Project Authority (SAWPA) adopted budget for FYs 2019/20 and 2020/21, as submitted; and
2. Adopted Resolution No. 2019-5-3, approving the SAWPA general and specific project budgets for FYs 2019/20 and 2020/21.

**RESOLUTION 2019-5-3
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA
WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2019/20
AND FISCAL YEAR 2020/21 (for full text, see Resolution Book)**

E. The Board adopted Resolution No. 2019-5-4, approving the amendment to the Agency's Salary Schedule/Matrix for all groups.

**RESOLUTION 2019-5-4
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE AMENDMENT TO THE
AGENCY'S SALARY SCHEDULE/MATRIX (for full text, see
Resolution Book)**

F. The Board:

1. Approved a consultant services contract amendment for the RW System Cathodic Protection Improvements; Project No. EN17080, to Corpro Companies Inc. for the not-to-exceed amount of \$67,450; and
2. Authorized the General Manager to execute the contract, amendment, subject to non-substantive changes.

G. The Board:

1. Approved Contract No. 4600002733 to Jeremy Harris Construction, Inc. for the Ely Basin Infiltration Restoration Services for a not-to-exceed amount of \$248,550;
2. Approved a budget amendment for FY 2018/19 Groundwater Recharge professional fees budget in the amount of \$248,550 to support the proposed cost of the Ely Basin cleaning; and

M2019-5-2, continued

3. Authorized the General Manager to execute the contract.
- H. The Board adopted Resolution No. 2019-5-2, nominating General Manager Shivaji Deshmukh as the Agency's representative to the five-member Santa Ana Watermaster Committee.

**RESOLUTION 2019-5-2
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, NOMINATING AN AGENCY REPRESENTATIVE TO
THE SANTA ANA RIVER WATERMASTER COMMITTEE IN THE
MATTER OF ORANGE COUNTY V. CITY OF CHINO, ET AL. (for
full text, see Resolution Book)**

- I. The Board:
1. Approved the amendment extending the term of the IEUA O&M agreement RAKB04001-002 with IERCA for an additional ten years;
 2. Authorized the extension of the Agreement for two additional ten-year terms upon written agreement by the Authority's Project Manager and Agency's General Manager; and
 3. Authorized the General Manager and Authority's Project Manager to execute the contract amendment.

Director Hall asked if the contracts in the Board package for the Board approval should be signed already. General Counsel Jean Cihigoyenatche responded that there is a written policy that contracts presented to the Board for approval are signed by the other party of the contract. Contracts will not be signed by our Agency until the Board approves for signature. That cannot always happen because of certain circumstance and timing of events, but staff strives to get the contracts signed by the other party, so the Board is sure that their approval is the final act that consummates the contract.

ACTION ITEMS

ADOPTION OF RESOLUTION NO. 2019-5-1, DECLARING ITS INTENT TO ADOPT THE FISCAL YEARS 2019/20 AND 2020/21 BUDGETS

Executive Manager of Finance & Administration/AGM Christina Valencia stated that this item is pursuant to the Regional Contract, requiring the Board of Directors to adopt a Resolution of intent to adopt the budget and set a date and time for a public hearing. Staff is recommending the June 19, 2019 Board meeting as the hearing date and time for the public hearing. Upon approval of the resolution, the Agency will distribute the Resolution of intent to adopt the budget to our contract member agencies pursuant to the Regional Contract.

Discussion ensued about the cost benefit analysis by the contracting agencies.

Upon motion by Director Elie, seconded by Director Hall, and unanimously carried:

M2019-5-3

MOVED, to:

1. Adopt Resolution No. 2019-5-1, declaring its intent to adopt the Fiscal Years (FYs) 2019/20 and 2020/21 budgets for the Agency's Regional Wastewater, Recycled Water, Non-Reclaimable Waster, and Water Resources programs and fixing time and place of hearing thereon for Fiscal Year 2019/20; and

**RESOLUTION 2019-5-1
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS
FOR THE REGIONAL SEWAGE, RECYCLED WATER, NON-
RECLAIMABLE WASTEWATER, AND WATER RESOURCES
PROGRAMS AND FIXING TIME AND PLACE OF HEARING
THEREON (for full text, see Resolution Book)**

2. Set a hearing date, and direct staff to distribute the Resolution to the appropriate agencies in compliance with the Regional Sewage Service Contract.

JURUPA COMMUNITY SERVICES DISTRICT (JCSD) WATER RESOURCES MANAGEMENT PARTNERSHIP

Manager of Planning & Environmental Resources Sylvie Lee gave an update on the Chino Basin Program. With Jurupa Community Services District, there are 15 partner agencies that will be participating in the process. Ms. Lee described the Agency's goals for the next steps.

Discussion ensued regarding the specifics of the agreements and memorandum of understanding.

Upon motion by Director Parker, seconded by Director Hall, and unanimously carried:

M2019-5-4

MOVED, to:

1. Endorse the IEUA and JCSD Water Resources Management Partnership; and
2. Authorize staff to continue discussions with JCSD using the Guiding Principles in the Partnership Document.

PROJECT CONTROLS MASTER SERVICE CONTRACT AWARDS

Acting Executive Manager of Engineering/AGM Shaun Stone gave an overview of the scope of service, consultant selection, and staff recommendations for the Project Controls Master Service Contract Awards.

Discussion ensued about the management of the dashboard.

Upon motion by Director Elie, seconded by Director Parker, and unanimously carried:

M2019-5-5

MOVED, to:

1. Award a three-year master service contract, with the option for up to four, one-year time extensions to CAPO Projects Group and KRD Management for an aggregate not-to-exceed amount of \$1,250,000; and
2. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

INFORMATION ITEMS

REVIEW OF PROPOSED BIENNIAL BUDGET FOR FISCAL YEAR 2019/20 AND 2020/21 FOR ADMINISTRATIVE SERVICES, NON-RECLAIMABLE WASTEWATER, AND WATER RESOURCES FUNDS

Manager of Finance & Accounting Javier Chagoyen-Lazaro gave an overview of the proposed biennial budget for the Agency's Administrative Services, Non-Reclaimable Wastewater, and Water Resources Funds.

Director Camacho left the meeting at 11:07 a.m.

Director Camacho returned to the meeting at 11:09 a.m.

CONSTRUCTION INDUSTRY TRENDS

Acting Executive Manager of Engineering/AGM Shaun Stone presented an overview of the current construction industry situation, social issues in construction, overall project cost trends, construction bid trends, average number of bids received, engineer's estimate data, what this information means for the Agency, and the actions the Agency is taking.

Discussion ensued regarding Agency policies that may limit bids and about potential competition from the private sector and federal projects.

MWD UPDATE

Manager of Government Relations Cathleen Pieroni provided an update on the Special Committee on the Bay Delta Meeting held on April 23. She gave an update on the potential emergency conditions in the existing Bay Delta conveyance system, water resources, and the pilot water conservation program in disadvantaged communities.

Discussion ensued regarding the pilot water conservation program in disadvantaged communities and the salinity in the Bay Delta in case of an earthquake.

CBWM UPDATE

Executive Manager of Engineering/AGM Chris Berch gave an update on the April 25 Board meeting. He stated that there were no business items at the meeting. He stated that Mr. Andy Malone from Wildermuth spoke about the maximum benefit annual report during his engineering report. CBWM General Manager Peter Kavounas also spoke about the Optimum Basin Management Program (OBMP) process. Mr Berch stated that the fourth meeting of a series of workshops is scheduled to go over the OBMP update. He reported that the draft storage management program is scheduled for the end of May and the OBMP report should be completed by the end of this year.

SAWPA UPDATE

Source Control/Environmental Resources Supervisor Craig Proctor stated that the May 7 Commission meeting was cancelled due to the ACWA Conference and the next Commission meeting is scheduled for May 21.

THE FOLLOWING INFORMATION ITEMS WERE RECEIVED AND FILED BY THE BOARD:

TREASURER’S REPORT OF FINANCIAL AFFAIRS

PUBLIC OUTREACH AND COMMUNICATION

STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS

FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FY 2019/20 ADOPTED BUDGET FOR THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

AGENCY REPRESENTATIVES’ REPORTS

SAWPA REPORT

Director Parker stated there was nothing to report.

MWD REPORT

Director Hall reported that for the pilot water conservation program in disadvantaged communities. She noted that 65 percent of the 120 applications did not go to the disadvantaged communities. IEUA had ten non disadvantaged communities and one disadvantaged community. MWD is reevaluating the process to make a better effort of outreach to disadvantaged communities.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker stated there was nothing additional to report.

CHINO BASIN WATERMASTER REPORT

Director Elie stated that after the CBWM Board meeting, the Executive Director of the Building Industry Association Baldy View Chapter Mr. Carlos Rodriguez and their Chair Phil Burum spoke about the relations between water and the building industry.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Camacho stated there was nothing to report.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

President Hofer stated that the IERCA Board meeting was routine in nature.

GENERAL MANAGER’S REPORT

General Manager Shivaji Deshmukh congratulated Executive Manager of Engineering/AGM Chis Berch on accepting a job as the General Manager of the Jurupa Community Services District. He stated that it is evident that Mr. Berch has had an impact on many of the successes at the Agency. Mr. Deshmukh congratulated Mr. Berch on behalf of staff and stated he looked forward to continue working with Mr. Berch. He stated that it was International Compost Awareness Week and the Agency had a Compost Giveaway on May 12. He stated that the MWD Solar Cup event is taking

place on May 17 through May 19 with three schools within the Agency's service area participating: Chino Hills High School, Los Osos High School, and Upland High School. Board members and staff members will be in attendance and the Agency social media site will be updated throughout the weekend. He stated that the third Rate Study Workshop will be taking place on May 30 and the Water Resources fund budget will be discussed at the Water Managers meeting on May 22. He stated that the Agency is also hosting the Santa Ana River Basin Section Conference today.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

Director Hall requested that the strategic plan of the Agency be brought to the Board. General Manager Shivaji Deshmukh stated that staff has been working on the strategic plan and it will be brought to the Board of Directors in the next few months.

DIRECTORS' COMMENTS

Director Camacho stated he attended the P3 Water Summit from April 23 through April 24, Village of Heritage Recycled Water Groundbreaking Event on May 2; and the 2019 ACWA Spring Conference from May 7 through May 10.

Director Parker stated she attended the Garden in Every School Dedication Ceremony at Hillside High School on April 19; EMWD Facilities Tour on April 29; Village of Heritage Recycled Water Groundbreaking Event on May 2; MWD Colorado River Aqueduct Tour hosted by the City of Anaheim & City of Pasadena from May 2 through May 5; IEUA Career Management Program's Community Day on May 8; and Solar Cup Shirt Distribution at Upland High School on May 13.

Director Hall stated she attended the IEUA's Student Earth Day on April 17; MWD VIP Reception with Senator Connie Leyva and Assemblymember Freddie Rodriguez on April 26; EMWD Facilities Tour on April 29; Fontana Days Parade on May 4; the 2019 Legacy of Service Award on May 6; and the 2019 ACWA Spring Conference from May 7 through May 9.

Director Hall stated that the Agency is entering into many partnerships with our member agencies and it is critical that the Board members spend the time to review the packages and information provided to create the best policies in the best interest of the Agency's residents and customers.

She also stated on June 6 there will be an outreach sponsored by MWD called Connect-2-MET at the Sheraton Hotel Conference Center in Pomona. This event will outreach to local contractors to familiarize them with the bidding process

Director Elie stated he attended IEUA's Community Earth Day on April 18; the SCWC Quarterly Luncheon on April 26; the San Bernardino County Supervisor Curt Hagman's VIP Air Show Reception on May 3; and the 2019 ACWA Spring Conference from May 7 through May 9.

Director Elie stated that he was disappointed to not see any items on the agenda of the Board taking a position on issues such as the water tax and trust funds, which would allow the Board to enter into the conversation with other related water officials.

Director Hofer congratulated Executive Manager of Engineering/AGM Chris Berch on his new position.

CLOSED SESSION

The Board went into Closed Session at 12:06 p.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010 (2) Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812; B. PURSUANT TO GOVERNMENT CODE

SECTION 54956.9(d)4 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: One case

The meeting resumed at 12:52 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Case #1

The Board took no reportable action.

With no further business, President Hofer adjourned the meeting at 12:53 p.m.

Kati Parker, Secretary/Treasurer

APPROVED: JUNE 19, 2019



**MINUTES OF THE
WORKSHOP/MEETING OF
THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, JUNE 5, 2019
10:00 A.M.**

DIRECTORS PRESENT:

Paul Hofer, President
Jasmin A. Hall, Vice President
Kati Parker, Secretary/Treasurer
Michael Camacho
Steven J. Elie

DIRECTORS ABSENT:

None

STAFF PRESENT:

Shivaji Deshmukh, General Manager
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Andrea Carruthers, Manager of External Affairs
Andy Campbell, Groundwater Recharge Coordinator/Hydrogeologist
Tina Cheng, Budget Officer
Francis Concemino, Senior Associate Engineer
Connie Gibson, Executive Assistant
David Malm, Deputy Manager of Integrated Systems Services
Kanes Pantayatiwong, Manager of Business Information Services
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Amanda Coker, City of Chino
Courtney Jones, City of Ontario
John Monsen, National Parks Conservation Association
Mary Ann Ruiz, City of Chino resident
Hector Ruiz, GHD

A special meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

President Hofer called the meeting to order at 10:02 a.m. and led the pledge of allegiance to the flag. A quorum was present.

President Hofer stated that members of the public may address the Board.

Mr. John Monsen from the National Parks Conservation Association stated that he had presented the scientific findings on the Cadiz Water Mining Project in October 2018. He stated that he was surprised to see the Agency take a position of 'oppose' SB 307. He asked the Board to reconsider the Agency's position on SB 307 at the next Board meeting.

President Hofer thanked Mr. John Monsen for his comments. He stated if Mr. Monsen had any documents for the Board to please give them to the Board Secretary/Office Manager.

Ms. Mary Ann Ruiz stated that she is a 30-year resident of the city of Chino. She stated her concern for the Cadiz Water Mining Project. She stated her reasons for her support of SB 307. She requested to have a public discussion of SB 307 at the next Board meeting and to support and not oppose this bill.

President Hofer thanked Ms. Ruiz for her comments. He stated if Ms. Ruiz had any documents for the Board to provide them to the Board Secretary/Office Manager.

President Hofer asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

WORKSHOP

ASSET MANAGEMENT PROGRAM UPDATE

Acting Executive Manager of Engineering/AGM Shaun Stone gave a presentation on the Asset Management Program Update. Mr. Stone gave an overview of the program, assessment preliminary outcomes, implementation outcomes, and the Agency's next steps.

Discussion ensued regarding the 2024 goal and recommendation, the Agency's contract with the consultant, value of asset management, cost of high level participation and low level of participation, and next steps.

Director Elie advised to take this item to the Regional Technical & Policy Committee meetings.

VIDEO PRESENTATION

SANTA ANA RIVER WATERMASTER VIDEO

General Manager Shivaji Deshmukh gave a short background of Santa Ana River Watermaster and spoke about the 50th Year Celebration held on April 12. He stated that this video was shown at the event.

Director Camacho left the meeting at 10:49 a.m.

DIRECTORS' COMMENTS

There were no comments from the Board of Directors.

Director Camacho returned to the meeting at 10:50 a.m.

CLOSED SESSION

The Board went into Closed Session at 10:50 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)4 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, INITIATION OF LITIGATION

The meeting resumed at 11:00 a.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Anticipated Litigation, Initiation of Litigation:

Case #1

The Board took no reportable action.

With no further business, President Hofer adjourned the meeting at 11:10 a.m.

Kati Parker, Secretary/Treasurer

APPROVED: JUNE 19, 2019

CONSENT
CALENDAR
ITEM

2B



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

Committee: Finance & Administration

ASD
06/12/19

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

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of April 2019 were \$13,025,357.43. Disbursement activity included check payments of \$3,074,663.82 to vendors and \$1,249.03 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$5,038,767.06 and wire transfers (excluding payroll) of \$3,187,521.58. Total payroll was \$1,716,337.56 for employees and \$6,818.38 for the Board of Directors.

Staff's Recommendation:

Approve the total disbursements for the month of April 2019, in the amount of \$13,025,357.43.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

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

Prior Board Action:

On May 15, 2019, the Board of Directors approved the March 2019 Report on General Disbursements totaling \$16,266,952.02.

Environmental Determination:

Not Applicable

Business Goal:

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

Attachments:

Attachment 1 - Background

Attachment 2 - Details of General Disbursements

Attachment 1 - Background

Subject: Report on General Disbursements

Table 1 summarizes the disbursements detailed in each of the six attachments affixed to this letter. Table 2 lists the disbursements in excess of an aggregated \$500,000 per vendor, and is presented in largest to smallest dollar value.

Table 1: Disbursement Details

Attachment	Payment Type	Amount
2A	Vendor Checks	\$ 3,074,663.82
2B	Workers' Comp Checks	\$ 1,249.03
2C	Vendor ACHs	\$ 5,038,767.06
2D	Vendor Wires (excludes Payroll)	\$ 3,187,521.58
2E	Payroll-Net Pay-Directors	\$ 6,818.38
2F	Payroll-Net Pay-Employees	\$ 1,716,337.56
Total Disbursements		\$13,025,357.43

Table 2: Disbursements in Excess of \$500,000 per Vendor

Vendor	Amount	Description
PARSONS WATER & INFRASTRUCTURE	\$ 1,967,847.25	02/2019 Professional Svc's for: EN19001-RP-5 Expansion to 30 mgd; EN19006- RP-5 Biosolids Facility.
MWD	\$ 1,180,927.97	February 2019 Water Purchases
IRS	\$ 1,046,232.25	P/R 07, 08, 09, 108: Dir 04 Payroll Taxes
PERS	\$ 673,959.11	04/19 Health Ins / P/R 07, 08, 09 Def Comp

Attachment 2A

Vendor Checks

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 CEB Disbursement Account-April 2019

05/21/2019 / 15:09:44
 User: CCAMPBELL
 Page: 1

Bank		CEB CITIZENS BUSINESS BANK		ONTARIO CA 917610000			
Bank Key		122234149					
Acct number		CHECK 231167641					
Check							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
228161	2200098245	04/04/2019	USD	51.66	ACCUSTANDARD INC NEW HAVEN CT		04/10/2019
228162	2200098244	04/04/2019	USD	964.94	AGILENT TECHNOLOGIES, INC. CHICAGO IL		04/08/2019
228163	2200098304	04/04/2019	USD	114.52	AGUILAR, JOSHUA CHINO HILLS CA		04/24/2019
228164	2200098234	04/04/2019	USD	998.74	AIRGAS WEST INC PASADENA CA		04/08/2019
228165	2200098266	04/04/2019	USD	8,402.16	ALLIED UNIVERSAL SECURITY SERVONSHOCKEN PA		04/08/2019
228166	2200098267	04/04/2019	USD	1,034.99	ALTA FOODCRAFT COFFEE LONG BEACH CA		04/09/2019
228167	2200098269	04/04/2019	USD	246.19	ASAP INDUSTRIAL SUPPLY FONTANA CA		04/09/2019
228168	2200098249	04/04/2019	USD	31.00	ASBCSD HESPERIA CA		04/18/2019
228169	2200098275	04/04/2019	USD	1,282.15	AUTOZONE INC ATLANTA GA		04/09/2019
228170	2200098240	04/04/2019	USD	187.80	BLAZE CONE COMPANY PORTLAND OR		04/09/2019
228171	2200098279	04/04/2019	USD	17,339.00	BRIGHTVIEW LANDSCAPE SERVICES PASADENA CA		04/08/2019
228172	2200098255	04/04/2019	USD	7,070.00	CALIFORNIA HAZARDOUS SERVICES SANTA ANA CA		04/09/2019
228173	2200098280	04/04/2019	USD	7,405.76	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA		04/08/2019
228174	2200098306	04/04/2019	USD	8.18	CAMACHO, MICHAEL CHINO HILLS CA		04/26/2019
228175	2200098238	04/04/2019	USD	7,222.94	CDM SMITH INC LOS ANGELES CA		04/08/2019
228176	2200098241	04/04/2019	USD	1,575.00	CHINO BASIN WATER CONSERVATION MONTCLAIR CA		04/19/2019
228177	2200098239	04/04/2019	USD	4,005.44	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA		04/10/2019
228178	2200098263	04/04/2019	USD	2,690.50	CINTAS CORPORATION LOCK#150 PHOENIX AZ		04/09/2019
228179	2200098251	04/04/2019	USD	405.94	CINTAS FIRST AID & SAFETY LOCINCINNATI OH		04/09/2019
228180	2200098297	04/04/2019	USD	1,048.72	CITY OF CHINO CHINO CA		04/08/2019
228181	2200098270	04/04/2019	USD	612.51	CODESP HUNTINGTON BEACH CA		04/29/2019
228182	2200098272	04/04/2019	USD	22,451.80	CONSERV CONSTRUCTION INC MENIFEE CA		04/09/2019
228183	2200098298	04/04/2019	USD	621.98	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA		04/09/2019
228184	2200098281	04/04/2019	USD	312.91	D & H WATER SYSTEMS INC OCEANSIDE CA		04/11/2019
228185	2200098268	04/04/2019	USD	865.00	DAVID WHEELER'S PEST CONTROL, NORCO CA		04/08/2019
228186	2200098254	04/04/2019	USD	2,338.95	DELL MARKETING L P PASADENA CA		04/08/2019
228187	2200098289	04/04/2019	USD	3,631.39	DORGAN LEGAL SERVICES LLP PASADENA CA		04/10/2019
228188	2200098287	04/04/2019	USD	13,415.75	ECOTECH SERVICES INC MONROVIA CA		04/11/2019
228189	2200098274	04/04/2019	USD	462.32	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA		04/09/2019
228190	2200098273	04/04/2019	USD	2,156.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX		04/10/2019
228191	2200098231	04/04/2019	USD	1,792.48	FISHER SCIENTIFIC LOS ANGELES CA		04/08/2019
228192	2200098301	04/04/2019	USD	860.98	FONTANA WATER COMPANY FONTANA CA		04/10/2019
228193	2200098302	04/04/2019	USD	2,119.30	FRONTIER COMMUNICATIONS CORP CINCINNATI OH		04/11/2019
228194	2200098261	04/04/2019	USD	6,664.10	GEI CONSULTANTS INC BOSTON MA		04/09/2019
228195	2200098236	04/04/2019	USD	7,512.11	GRAINGER PALATINE IL		04/10/2019
228196	2200098296	04/04/2019	USD	849.67	I D SYSTEMS & SUPPLIES INC LOMITA CA		04/23/2019
228197	2200098259	04/04/2019	USD	636.00	INSIDE PLANTS INC CORONA CA		04/10/2019
228198	2200098265	04/04/2019	USD	1,194.85	JB'S POOLS & PONDS INC UPLAND CA		04/09/2019
228199	2200098285	04/04/2019	USD	500.00	JUAN F ZAMORA MURRIETA CA		04/08/2019
228200	2200098292	04/04/2019	USD	6,639.59	JWC ENVIRONMENTAL LLC LOS ANGELES CA		04/08/2019
228201	2200098294	04/04/2019	USD	26,452.62	KIRBY BRILL BOZEMAN MT		04/08/2019
228202	2200098295	04/04/2019	USD	6,208.54	KLARANLAGEN BERATUNG KOPP D-38268 LENGEDE 03		05/16/2019
228203	2200098243	04/04/2019	USD	3,477.81	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA		04/08/2019
228204	2200098290	04/04/2019	USD	11,260.00	KRD MANAGEMENT CONSULTING LLC TEMECULA CA		04/08/2019

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228210	2200098307	04/04/2019	USD	61.13	ORTIZ, BRIAN CHINO HILLS CA		04/12/2019
228211	2200098235	04/04/2019	USD	737.21	PETE'S ROAD SERVICE FULLERTON CA		04/12/2019
228212	2200098291	04/04/2019	USD	1,500.00	PRUFTECHNIK INC PITTSBURGH PA		04/09/2019
228213	2200098246	04/04/2019	USD	782.57	RED WING BUSINESS ADVANTAGE DALLAS TX		04/08/2019
228214	2200098257	04/04/2019	USD	9,087.94	RMC WATER AND ENVIRONMENT BOSTON MA		04/09/2019
228215	2200098232	04/04/2019	USD	12,386.68	ROYAL INDUSTRIAL SOLUTIONS LOS ANGELES CA		04/08/2019
228216	2200098260	04/04/2019	USD	426.59	RSD LAKE FOREST CA		04/08/2019
228217	2200098250	04/04/2019	USD	2,390.80	SAN BERNARDINO COUNTY SAN BERNARDINO CA		04/10/2019
228218	2200098252	04/04/2019	USD	30,699.14	SANCON ENGINEERING INC HUNTINGTON BEACH CA		04/09/2019
228219	2200098299	04/04/2019	USD	45,938.85	SO CALIF EDISON ROSEMEAD CA		04/08/2019
228220	2200098300	04/04/2019	USD	407.84	SO CALIF GAS MONTEREY PARK CA		04/10/2019
228221	2200098277	04/04/2019	USD	1,198.00	STAFFING NETWORK LLC ITASCA IL		04/09/2019
228222	2200098237	04/04/2019	USD	1,627.15	SUNRISE COLLISION CENTER FONTANA CA		04/23/2019
228223	2200098303	04/04/2019	USD	41.76	SWEZEY, TOM CHINO HILLS CA		04/15/2019
228224	2200098283	04/04/2019	USD	672.00	TECHNICAL SAFETY SERVICES INC SAN FRANCISCO CA		04/11/2019
228225	2200098247	04/04/2019	USD	2,670.05	TELEDYNE INSTRUMENTS INC CHICAGO IL		04/08/2019
228226	2200098284	04/04/2019	USD	500.00	THE HABIT RESTAURANT, LLC IRVINE CA		04/10/2019
228227	2200098293	04/04/2019	USD	1,788.00	THE SOLIS GROUP PASADENA CA		04/15/2019
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228230	2200098264	04/04/2019	USD	13,252.13	U S BANK ST LOUIS MO		04/11/2019
228231	2200098271	04/04/2019	USD	3,649.34	UPS PROTECTION INC ANAHEIM CA		04/09/2019
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228236	2200098258	04/04/2019	USD	2,457.60	WINCHESTER SYSTEMS INC BILLERICA MA		04/10/2019
228237	2200098256	04/04/2019	USD	749.45	WORLDWIDE EXPRESS PASADENA CA		04/09/2019
228238	2200098253	04/04/2019	USD	2,941.00	XYLEM DEWATERING SOLUTIONS INCHICAGO IL		04/11/2019
228239	2200098288	04/04/2019	USD	4,563.25	YORKE ENGINEERING LLC SAN JUAN CAPISTRANO CA		04/15/2019
228241	2200098315	04/04/2019	USD	3,885.20	ALLIED UNIVERSAL SECURITY SERVCONSHOCKEN PA		04/08/2019
228242	2200098317	04/04/2019	USD	50,765.37	BEST CONTRACTING SERVICES INC GARDENA CA		04/09/2019
228243	2200098316	04/04/2019	USD	3,834.12	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA		04/08/2019
228244	2200098313	04/04/2019	USD	6,607.76	CASC ENGINEERING AND CONSULTINCOLTON CA		04/09/2019
228245	2200098311	04/04/2019	USD	247.83	FISHER SCIENTIFIC LOS ANGELES CA		04/08/2019
228246	2200098318	04/04/2019	USD	100.83	IGNACIO, JOEL CHINO HILLS CA		04/15/2019
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228248	2200098314	04/04/2019	USD	2,478.60	NFG CORPORATION FERRIS CA		04/10/2019
228249	2200098402	04/11/2019	USD	1,528.70	ACCOUNTEMPS SAN RAMON CA		04/19/2019

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228253	2200098370	04/11/2019	USD	1,023.58	AUTO AIR SPECIALISTS ONTARIO CA	04/16/2019	
228254	2200098386	04/11/2019	USD	58.14	AUTOZONE INC ATLANTA GA	04/18/2019	
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228258	2200098349	04/11/2019	USD	758.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	04/29/2019	
228259	2200098375	04/11/2019	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	04/18/2019	
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228263	2200098420	04/11/2019	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	04/19/2019	
228264	2200098368	04/11/2019	USD	2,242.50	CASC ENGINEERING AND CONSULTING COLTON CA	04/23/2019	
228265	2200098354	04/11/2019	USD	204.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	04/17/2019	
228266	2200098373	04/11/2019	USD	3,986.12	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/16/2019	
228267	2200098364	04/11/2019	USD	552.06	CINTAS FIRST AID & SAFETY LOC CINCINNATI OH	04/22/2019	
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228269	2200098347	04/11/2019	USD	2,000.00	CITY OF CHINO HILLS CHINO HILLS CA	04/25/2019	
228270	2200098382	04/11/2019	USD	12,500.00	CIVIC PUBLICATIONS INC LA VERNE CA	05/02/2019	
228271	2200098390	04/11/2019	USD	5,697.50	CIVILTEC ENGINEERING, INC. MONROVIA CA	04/17/2019	
228272	2200098378	04/11/2019	USD	458.15	CPS HR CONSULTING SAN FRANCISCO CA	04/18/2019	
228273	2200098377	04/11/2019	USD	127.50	CRB SECURITY SOLUTIONS WESTMINSTER CA	04/15/2019	
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228275	2200098397	04/11/2019	USD	1,583.93	EBIX INC ATLANTA GA	04/17/2019	
228276	2200098385	04/11/2019	USD	3,100.00	EPI-USE AMERICA INC ATLANTA GA	04/22/2019	
228277	2200098383	04/11/2019	USD	2,846.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	04/16/2019	
228278	2200098342	04/11/2019	USD	135.55	FIRST AID 2000 HUNTINGTON BEACH CA	04/17/2019	
228279	2200098337	04/11/2019	USD	165.82	FISHER SCIENTIFIC LOS ANGELES CA	04/15/2019	
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228282	2200098372	04/11/2019	USD	83,306.51	GEI CONSULTANTS INC BOSTON MA	04/16/2019	
228283	2200098346	04/11/2019	USD	7,933.72	GRAINGER PALATINE IL	04/19/2019	
228284	2200098376	04/11/2019	USD	879.15	GRAPHIC DETAILS INC CHINO CA	04/16/2019	
228285	2200098421	04/11/2019	USD	135.00	HAMLETT, DONALD CHINO HILLS CA	04/22/2019	
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228287	2200098361	04/11/2019	USD	328.69	HORIZON TECHNOLOGY SALEM NH	04/22/2019	
228288	2200098414	04/11/2019	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	04/22/2019	
228289	2200098384	04/11/2019	USD	3,491.10	INSTRUMART SOUTH BURLINGTON VT	04/16/2019	
228290	2200098396	04/11/2019	USD	29,728.67	KEARNS & WEST SAN FRANCISCO CA	04/18/2019	
228291	2200098403	04/11/2019	USD	6,603.05	KIRBY BRILL BOZEMAN MT	04/23/2019	
228292	2200098352	04/11/2019	USD	214.60	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	04/15/2019	
228293	2200098408	04/11/2019	USD	913.84	LEVEL 3 COMMUNICATIONS LLC DENVER CO	04/15/2019	

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228297	2200098358	04/11/2019	USD	893.25	MIDPOINT BEARING ONTARIO CA	04/15/2019
228298	2200098362	04/11/2019	USD	193.36	MINUTEMAN PRESS RANCHO CUCAMONGA CA	04/22/2019
228299	2200098365	04/11/2019	USD	643.01	NAUMANN HOBES MATERIAL HANDLINLOS ANGELES CA	04/17/2019
228300	2200098371	04/11/2019	USD	1,030.70	NEW RESOURCES GROUP INC FAIRFIELD CT	04/16/2019
228301	2200098428	04/11/2019	USD	50.00	Ng, Terri Upland CA	04/29/2019
228302	2200098404	04/11/2019	USD	304.00	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/15/2019
228303	2200098398	04/11/2019	USD	660.00	ORWICK SUB SHOPS LLC FONTANA CA	04/19/2019
228304	2200098427	04/11/2019	USD	125.00	SALTER, KIMBER CHINO HILLS CA	04/15/2019
228305	2200098360	04/11/2019	USD	996.04	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/18/2019
228306	2200098363	04/11/2019	USD	15,001.00	SCAP ENCINITAS CA	04/19/2019
228307	2200098422	04/11/2019	USD	56.26	SCHERCK, JOHN CHINO HILLS CA	04/24/2019
228308	2200098410	04/11/2019	USD	828.77	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	04/19/2019
228309	2200098405	04/11/2019	USD	91,565.97	SO CALIF EDISON ROSEMEAD CA	04/16/2019
228310	2200098341	04/11/2019	USD	4,354.50	SOUTHWEST ALARM SERVICE UPLAND CA	04/16/2019
228311	2200098387	04/11/2019	USD	3,051.18	STAFFING NETWORK LLC CAROL STREAM IL	04/17/2019
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228313	2200098345	04/11/2019	USD	2,075.50	TRANSCAT INC BALTIMORE MD	04/17/2019
228314	2200098392	04/11/2019	USD	475.00	VARIGREEN MECHANICAL SERVICES CERRITOS CA	04/16/2019
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228317	2200098525	04/18/2019	USD	4,589.00	ACCOUNTIEMPS SAN RAMON CA	04/26/2019
228318	2200098526	04/18/2019	USD	618.83	ADVANCED POWER PRODUCTS SAN DIMAS CA	
228319	2200098481	04/18/2019	USD	2,023.28	AGILENT TECHNOLOGIES INC LOS ANGELES CA	04/22/2019
228320	2200098474	04/18/2019	USD	1,013.42	AIRGAS WEST INC PASADENA CA	04/22/2019
228321	2200098512	04/18/2019	USD	9,434.64	ALLISON MECHANICAL, INC. REDLANDS CA	04/23/2019
228322	2200098502	04/18/2019	USD	150.00	AMERICAN SOCIETY OF CIVIL ENGRIVERSIDE CA	05/20/2019
228323	2200098517	04/18/2019	USD	100.00	ARMENDAREZ III, JESUS M FONTANA CA	05/20/2019
228324	2200098500	04/18/2019	USD	2,751.94	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/23/2019
228325	2200098490	04/18/2019	USD	265.00	AIMAA INC CALABASAS CA	04/23/2019
228326	2200098491	04/18/2019	USD	934.87	AUTO AIR SPECIALISTS ONTARIO CA	04/23/2019
228327	2200098516	04/18/2019	USD	5,196.18	BANNER BANK CARLSBAD CA	04/23/2019
228328	2200098519	04/18/2019	USD	5,462.50	BEST CONTRACTING SERVICES INC GARDENA CA	04/25/2019
228329	2200098501	04/18/2019	USD	49,732.50	BIG SKY ELECTRIC INC UPLAND CA	04/25/2019
228330	2200098521	04/18/2019	USD	525.00	BOLSA CHICA CONSERVANCY HUNTINGTON BEACH CA	05/10/2019
228331	2200098487	04/18/2019	USD	366.95	BOOT BARN INC IRVINE CA	04/23/2019
228332	2200098494	04/18/2019	USD	100.00	BOWMAN, JIM W ONTARIO CA	05/15/2019
228333	2200098513	04/18/2019	USD	13,619.69	BUSINESS CARD WILMINGTON DE	04/22/2019
228334	2200098509	04/18/2019	USD	15,742.07	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	04/23/2019
228335	2200098538	04/18/2019	USD	129.07	CAMACHO, MICHAEL CHINO HILLS CA	04/25/2019
228336	2200098535	04/18/2019	USD	45.47	CAMPBELL, ANDREW CHINO HILLS CA	04/29/2019
228337	2200098524	04/18/2019	USD	46,153.63	CASCADE DRILLING LP BOIHHELL WA	04/30/2019
228338	2200098479	04/18/2019	USD	8,798.50	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	04/24/2019

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228343	2200098544	04/18/2019	USD	80.00	CORREIA, DAVID CHINO HILLS CA	04/22/2019
228344	2200098510	04/18/2019	USD	20,841.03	D & H WATER SYSTEMS INC OCEANSIDE CA	04/25/2019
228345	2200098499	04/18/2019	USD	790.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/24/2019
228346	2200098478	04/18/2019	USD	11,584.68	DELL MARKETING L P PASADENA CA	04/22/2019
228347	2200098493	04/18/2019	USD	117.00	DETECTION INSTRUMENTS CORP PHOENIX AZ	05/02/2019
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228350	2200098515	04/18/2019	USD	14,035.51	FACILITY SOLUTIONS GROUP INC PLACENTIA CA	04/29/2019
228351	2200098471	04/18/2019	USD	5,686.54	FISHER SCIENTIFIC LOS ANGELES CA	04/22/2019
228352	2200098472	04/18/2019	USD	5,503.88	FLO SYSTEMS INC ANAHEIM HILLS CA	04/26/2019
228353	2200098477	04/18/2019	USD	438.83	FLW INC HUNTINGTON BEACH CA	04/23/2019
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228355	2200098476	04/18/2019	USD	280.00	GOVERNMENT FINANCE OFFICERS ASCHICAGO IL	04/25/2019
228356	2200098492	04/18/2019	USD	1,500.00	GOVERNMENTJOBS.COM INC EL SEGUNDO CA	04/29/2019
228357	2200098475	04/18/2019	USD	3,831.76	GRAINGER PALATINE IL	04/23/2019
228358	2200098518	04/18/2019	USD	12,122.39	HENKELS & MC COY INC BLUE BELL PA	04/26/2019
228359	2200098539	04/18/2019	USD	121.80	HEREDIA, JOSE CHINO HILLS CA	04/29/2019
228360	2200098473	04/18/2019	USD	4,388.79	HOME DEPOT CREDIT SERVICES PHOENIX AZ	04/22/2019
228361	2200098545	04/18/2019	USD	50.00	Hsu, Mimi Ontario CA	05/07/2019
228362	2200098488	04/18/2019	USD	8,409.59	INLAND WATER WORKS SUPPLY CO SAN BERNARDINO CA	04/23/2019
228363	2200098483	04/18/2019	USD	130.00	ISA RESEARCH TRIANGLE PARK NC	04/24/2019
228364	2200098523	04/18/2019	USD	275,785.00	KIEWIT INFRASTRUCTURE WEST CO SANTA FE SPRINGS CA	04/29/2019
228365	2200098480	04/18/2019	USD	3,620.70	KONICA MINOLTA PASADENA CA	04/22/2019
228366	2200098536	04/18/2019	USD	131.30	LETULLE, CHANDER CHINO HILLS CA	04/29/2019
228367	2200098543	04/18/2019	USD	316.05	LIN, EDDIE CHINO HILLS CA	04/23/2019
228368	2200098511	04/18/2019	USD	677.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	04/24/2019
228369	2200098522	04/18/2019	USD	4,725.00	LITTLER MENDELSON PC SAN FRANCISCO CA	04/23/2019
228370	2200098541	04/18/2019	USD	55.97	MANTILLA, LAURA CHINO HILLS CA	04/23/2019
228371	2200098498	04/18/2019	USD	3,018.26	MARS ENVIRONMENTAL INC ANAHEIM CA	05/02/2019
228372	2200098507	04/18/2019	USD	5,215.20	MICROAGE PHOENIX AZ	04/24/2019
228373	2200098484	04/18/2019	USD	74.29	MIDPOINT BEARING ONTARIO CA	04/22/2019
228374	2200098520	04/18/2019	USD	559.00	MOBILE ZOO OF SOUTHERN CALIFORDESERT HOT SPRINGS CA	04/23/2019
228375	2200098527	04/18/2019	USD	1,650.00	NV MEDIA LLC RIVERSIDE CA	04/26/2019
228376	2200098529	04/18/2019	USD	5,758.10	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/22/2019
228377	2200098540	04/18/2019	USD	280.00	PARKER, STEPHEN CHINO HILLS CA	04/24/2019
228378	2200098533	04/18/2019	USD	2,946.42	PUBLIC EMPLOYEES RETIREMENT SYSACRAMENTO CA	05/06/2019
228379	2200098542	04/18/2019	USD	143.00	RECINTO, SARAH CHINO HILLS CA	
228380	2200098497	04/18/2019	USD	100.00	ROGERS, PETER J CHINO HILLS CA	04/22/2019
228381	2200098537	04/18/2019	USD	212.83	RUCKER, JOYCE CHINO HILLS CA	04/30/2019
228382	2200098530	04/18/2019	USD	158,991.25	SO CALIF EDISON ROSEMEAD CA	04/22/2019

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228385	2200098505	04/18/2019	USD	100.00	TIEGS, KATHLEEN ALTA LOMA CA		05/15/2019
228386	2200098486	04/18/2019	USD	12,000.00	USAGE FINANCE CENTER MILLINGTON TN		05/06/2019
228387	2200098531	04/18/2019	USD	458.17	VERIZON BUSINESS ALBANY NY		04/23/2019
228388	2200098514	04/18/2019	USD	100.00	VINCENT, TRISHA LYNN MONTECLAIR CA		05/01/2019
228389	2200098489	04/18/2019	USD	280,772.50	W A RASIC CONSTRUCTION CO INC LONG BEACH CA		04/23/2019
228390	2200098508	04/18/2019	USD	12,841.16	YELLOW JACKET DRILLING SERVICEPHOENIX AZ		04/23/2019
228391	2200098534	04/18/2019	USD	170.00	ZIEGENBEIN, JEFF CHINO HILLS CA		04/26/2019
228392	2200098551	04/18/2019	USD	3,899.56	ALTA PACIFIC BANK TEMECULA CA		04/23/2019
228393	2200098554	04/18/2019	USD	1,975.00	BIESIADA, JOSH CHINO HILLS CA		04/24/2019
228394	2200098555	04/18/2019	USD	520.00	DELGADO, ROBERTO CHINO HILLS CA		04/30/2019
228395	2200098553	04/18/2019	USD	20,745.75	GILLIS + PANICHAPAN ARCHITECTSCOOSTA MESA CA		04/23/2019
228396	2200098549	04/18/2019	USD	10,735.00	HDR INC CHICAGO IL		04/24/2019
228397	2200098552	04/18/2019	USD	52,038.72	SOUTHERN CONTRACTING COMPANY SAN MARCOS CA		04/23/2019
228398	2200098550	04/18/2019	USD	4,718.21	U S BANK ST PAUL MN		04/25/2019
228399	2200098565	04/18/2019	USD	1,422.15	BURRTEC WASTE INDUSTRIES INC FONTANA CA		04/24/2019
228400	2200098566	04/18/2019	USD	334.26	COLONIAL LIFE & ACCIDENT INSURCOOLUMBIA SC		04/25/2019
228401	2200098567	04/18/2019	USD	205.38	PERS LONG TERM CARE PROGRAM PASADENA CA		04/23/2019
228402	2200098563	04/18/2019	USD	4,800.00	POLITICO LLC BOSTON MA		04/23/2019
228403	2200098559	04/18/2019	USD	1,500.00	SACRAMENTO RIVER WATERSHED PROSAN DIEGO CA		05/02/2019
228404	2200098558	04/18/2019	USD	420.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA		04/30/2019
228405	2200098556	04/18/2019	USD	33,251.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA		04/25/2019
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228410	2200098557	04/18/2019	USD	1,283.40	WORLDWIDE EXPRESS ALBANY NY		04/22/2019
228411	2200098814	04/25/2019	USD	1,739.82	4IMPRINT INC CHICAGO IL		04/29/2019
228412	2200098718	04/25/2019	USD	436.38	AIRGAS WEST INC PASADENA CA		04/29/2019
228413	2200098835	04/25/2019	USD	525.00	ALL GOD'S CREATURES CHINO HILLS CA		04/26/2019
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228415	2200098844	04/25/2019	USD	511.48	ANDERSON, JOHN CHINO CA		04/30/2019
228416	2200098783	04/25/2019	USD	11,638.93	AQUA-AEROBIC SYSTEMS INC LOVES PARK IL		04/30/2019
228417	2200098787	04/25/2019	USD	2,544.56	ASAP INDUSTRIAL SUPPLY FONTANA CA		04/30/2019
228418	2200098752	04/25/2019	USD	270.00	BABCOCK LABORATORIES, INC RIVERSIDE CA		04/29/2019
228419	2200098840	04/25/2019	USD	187.74	BREIG, ANNA VICTORVILLE CA		05/07/2019
228420	2200098797	04/25/2019	USD	4,961.47	BRIGHTVIEW LANDSCAPE SERVICES PASADENA CA		04/29/2019
228421	2200098733	04/25/2019	USD	328.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA		05/09/2019
228422	2200098800	04/25/2019	USD	1,207.50	CAMET RESEARCH, INC. GOLETA CA		05/15/2019
228423	2200098855	04/25/2019	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL		04/30/2019
228424	2200098784	04/25/2019	USD	12,500.00	CARRIER CORPORATION CHICAGO IL		04/30/2019
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228426	2200098828	04/25/2019	USD	2,901.54	CAUSEY CONSULTING WALNUT CREEK CA		05/01/2019

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228429	2200098853	04/25/2019	USD	394.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	04/30/2019	
228430	2200098832	04/25/2019	USD	5,874.30	COLUMBIA WEATHER SYSTEMS INC HILLSBORO OR	05/07/2019	
228431	2200098859	04/25/2019	USD	122.01	CONCEMNO, FRANCIS CHINO HILLS CA	05/02/2019	
228432	2200098860	04/25/2019	USD	48.58	CORREIA, DAVID CHINO HILLS CA	04/26/2019	
228433	2200098786	04/25/2019	USD	790.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	05/07/2019	
228434	2200098766	04/25/2019	USD	1,650.72	DELL MARKETING L P PASADENA CA	04/29/2019	
228435	2200098793	04/25/2019	USD	1,250.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	04/30/2019	
228436	2200098705	04/25/2019	USD	879.05	FISHER SCIENTIFIC LOS ANGELES CA	04/29/2019	
228437	2200098706	04/25/2019	USD	14,528.60	FLO SYSTEMS INC ANAHEIM HILLS CA	04/30/2019	
228438	2200098726	04/25/2019	USD	199.15	FONTANA HERALD NEWS FONTANA CA	04/30/2019	
228439	2200098852	04/25/2019	USD	100.00	FRANCHISE TAX BOARD SACRAMENTO CA	05/10/2019	
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228441	2200098791	04/25/2019	USD	17,792.24	GHD PASADENA CA	04/29/2019	
228442	2200098858	04/25/2019	USD	82.59	GIBSON, CONNIE CHINO HILLS CA	04/30/2019	
228443	2200098764	04/25/2019	USD	270.00	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	05/10/2019	
228444	2200098724	04/25/2019	USD	4,202.44	GRAINGER PALATINE IL	04/30/2019	
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228446	2200098843	04/25/2019	USD	511.48	HOBBS, DIANA APPLE VALLEY CA	04/30/2019	
228447	2200098708	04/25/2019	USD	923.24	HOME DEPOT CREDIT SERVICES PHOENIX AZ	04/30/2019	
228448	2200098747	04/25/2019	USD	328.80	HORIZON TECHNOLOGY SALEM NH	05/01/2019	
228449	2200098841	04/25/2019	USD	511.48	HORNE, WILLIAM YUCCA VALLEY CA	05/01/2019	
228450	2200098792	04/25/2019	USD	1,010.91	ICE QUEBEC INC GREENSBURG PA	05/01/2019	
228451	2200098849	04/25/2019	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	05/01/2019	
228452	2200098769	04/25/2019	USD	8,010.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	05/01/2019	
228453	2200098822	04/25/2019	USD	363.87	JWC ENVIRONMENTAL LLC LOS ANGELES CA	04/29/2019	
228454	2200098790	04/25/2019	USD	2,455.41	KIM'S MASTER AUTO REPAIR CHINO CA	04/30/2019	
228455	2200098746	04/25/2019	USD	7,115.00	LEE & RO INC CITY OF INDUSTRY CA	04/30/2019	
228456	2200098856	04/25/2019	USD	82.67	LEE, SYLVIE CHINO HILLS CA		
228457	2200098834	04/25/2019	USD	202.80	LOS ANGELES TIMES PHOENIX AZ	04/30/2019	
228458	2200098824	04/25/2019	USD	3,430.68	MEANS CONSULTING LLC NEWPORT BEACH CA	04/29/2019	
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228461	2200098756	04/25/2019	USD	640.00	MIELE INC PRINCETON NJ	05/01/2019	
228462	2200098842	04/25/2019	USD	806.38	MILLER, ELMER L BLUE JAY CA	05/07/2019	
228463	2200098731	04/25/2019	USD	3,042.48	MISCO WATER FOOTHILL RANCH CA	05/01/2019	
228464	2200098825	04/25/2019	USD	1,118.00	MOBILE ZOO OF SOUTHERN CALIFORNIA DESERT HOT SPRINGS CA	04/30/2019	
228465	2200098857	04/25/2019	USD	42.51	MORGAN-PERALES, LISA CHINO HILLS CA	05/02/2019	
228466	2200098816	04/25/2019	USD	68,917.00	MWH CONSTRUCTORS INC BROOMFIELD CO	05/02/2019	
228467	2200098765	04/25/2019	USD	13,000.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	04/30/2019	
228468	2200098757	04/25/2019	USD	834.73	O I ANALYTICAL CORPORATION COLLEGE STATION TX	05/01/2019	
228469	2200098734	04/25/2019	USD	480.61	O RINGS & THINGS FONTANA CA	05/02/2019	
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228474	2200098755	04/25/2019	USD	730.00	PANTHER PROTECTION ORANGE CA	05/06/2019
228475	2200098709	04/25/2019	USD	4,291.40	PAITON SALES CORP ONTARIO CA	04/30/2019
228476	2200098710	04/25/2019	USD	122,789.48	PERKINELMER HEALTH SCIENCES INCHICAGO IL	04/29/2019
228477	2200098721	04/25/2019	USD	2,770.98	PETE'S ROAD SERVICE FULLERTON CA	05/01/2019
228478	2200098723	04/25/2019	USD	725.27	PETTY CASH EXPENDITURES CHINO CA	04/30/2019
228479	2200098761	04/25/2019	USD	287.39	PONTON INDUSTRIES INC YORBA LINDA CA	05/06/2019
228480	2200098806	04/25/2019	USD	1,501.12	PREMIUM PROMOTIONALS UPLAND CA	05/03/2019
228481	2200098813	04/25/2019	USD	37,011.54	PRIORITY BUILDING SERVICES LLCBREA CA	04/30/2019
228482	2200098810	04/25/2019	USD	75.00	PUBLIC AGENCY SAFETY ORANGE CA	05/13/2019
228483	2200098712	04/25/2019	USD	989.76	RAMONA TIRE & SERVICE CENTERS HEMET CA	05/07/2019
228484	2200098713	04/25/2019	USD	110.50	RAYNE WATER CONDITIONING COVINA CA	04/29/2019
228485	2200098703	04/25/2019	USD	429.66	REM LOCK & KEY ONTARIO CA	05/07/2019
228486	2200098748	04/25/2019	USD	624.38	RESTEK CORP LANCASTER PA	04/30/2019
228487	2200098714	04/25/2019	USD	6,966.90	RMA GROUP RANCHO CUCAMONGA CA	05/02/2019
228488	2200098773	04/25/2019	USD	774.97	RSD LAKE FOREST CA	04/29/2019
228489	2200098745	04/25/2019	USD	5,768.22	SAN BERNARDINO COUNTY SAN BERNARDINO CA	05/01/2019
228490	2200098820	04/25/2019	USD	5,428.55	SHAW HR CONSULTING INC NEWBURY PARK CA	04/30/2019
228491	2200098845	04/25/2019	USD	102.70	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	05/03/2019
228492	2200098754	04/25/2019	USD	1,068.32	SIERRA INSTRUMENTS INC MONTEREY CA	04/30/2019
228493	2200098798	04/25/2019	USD	25.00	SIGNATURE SCUBA RANCHO CUCAMONGA CA	05/15/2019
228494	2200098829	04/25/2019	USD	13,780.00	SNELL INFRARED/THE SNELL GROUPEPBARRE VT	05/01/2019
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228496	2200098722	04/25/2019	USD	3,293.40	SPARLING INSTRUMENTS LLC IRVINE CA	04/30/2019
228497	2200098802	04/25/2019	USD	578.10	SPORT PINS INTERNATIONAL INC UPLAND CA	04/30/2019
228498	2200098794	04/25/2019	USD	3,753.93	STAFFING NETWORK LLC CAROL STREAM IL	05/01/2019
228499	2200098771	04/25/2019	USD	68,194.30	STANTEC CONSULTING INC CHICAGO IL	04/29/2019
228500	2200098727	04/25/2019	USD	736.00	STATE WATER RESOURCES CNTRL BOSACRAMENTO CA	05/02/2019
228501	2200098817	04/25/2019	USD	500.88	STORETRIEVE LLC PASADENA CA	04/29/2019
228502	2200098831	04/25/2019	USD	387.50	SULZER ELECTRO-MECHANICAL SERVCOLTON CA	04/29/2019
228503	2200098753	04/25/2019	USD	6,049.17	SYSTEMS SOURCE INC NEWPORT BEACH CA	04/29/2019
228504	2200098735	04/25/2019	USD	871.21	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/29/2019
228505	2200098741	04/25/2019	USD	2,758.72	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/29/2019
228506	2200098719	04/25/2019	USD	1,068.12	TELL STEEL INC LONG BEACH CA	04/30/2019
228507	2200098725	04/25/2019	USD	593.18	TG SCIENTIFIC GLASS FABRICATIOLAGUNA HILLS CA	04/30/2019
228508	2200098826	04/25/2019	USD	3,669.00	THE SOLIS GROUP PASADENA CA	05/07/2019
228509	2200098781	04/25/2019	USD	3,196.25	THOMAS HARDER & CO INC ANAHEIM CA	05/13/2019
228510	2200098729	04/25/2019	USD	14,124.60	THOMPSON INDUSTRIAL SUPPLY INC RANCHO CUCAMONGA CA	04/30/2019
228511	2200098740	04/25/2019	USD	40.00	THREE VALLEYS MWD CLAREMONT CA	
228512	2200098815	04/25/2019	USD	26,342.25	TONY PAINTING GARDEN GROVE CA	04/30/2019
228513	2200098780	04/25/2019	USD	1,500.00	TOTALFUNDS BY HASLER CAROL STREAM IL	04/30/2019
228514	2200098720	04/25/2019	USD	2,280.66	TRANSCAT INC BALTIMORE MD	04/30/2019

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228518	2200098770	04/25/2019	USD	12,090.91	TRUSSELL TECHNOLOGIES INC PASADENA CA	05/02/2019	
228519	2200098742	04/25/2019	USD	42.35	U S HOSE INC ONTARIO CA	04/30/2019	
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228521	2200098768	04/25/2019	USD	26.94	URIMAGE BLOOMINGTON CA	05/03/2019	
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228523	2200098796	04/25/2019	USD	11,151.75	UTILIQUEST LLC ATLANTA GA	04/29/2019	
228524	2200098801	04/25/2019	USD	6,223.75	V3IT CONSULTING INC NAPERVILLE IL	04/30/2019	
228525	2200098819	04/25/2019	USD	665.59	VECTORUSA TORRANCE CA	04/29/2019	
228526	2200098744	04/25/2019	USD	225.61	VERIZON WIRELESS DALLAS TX	04/30/2019	
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228528	2200098760	04/25/2019	USD	20,156.09	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/30/2019	
228529	2200098812	04/25/2019	USD	31,599.00	WALLACE & ASSOCIATES CONSULTINPARK CITY UT	04/30/2019	
228530	2200098827	04/25/2019	USD	41,596.02	WATER SYSTEMS CONSULTING INC SAN LUIS OBISPO CA	04/30/2019	
228531	2200098717	04/25/2019	USD	6,983.33	WEST VALLEY MOSQUITO AND ONTARIO CA	04/29/2019	
228532	2200098807	04/25/2019	USD	6,851.63	WESTERN AUDIO VISUAL ORANGE CA	04/30/2019	
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Separate Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
228240	2200098248	04/04/2019	USD	1,011.87	ASSOC SAN BERNARDINO CNTY SPECSAN BERNARDINO CA	05/16/2019
228315	2200098355	04/11/2019	USD	51.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	
* Payment method Separate Check			USD	1,062.87		

Total of all entries

Check Register
CBB Disbursement Account-April 2019

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	3,074,663.82		

Attachment 2B

Workers' Comp Checks

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 CBB Workers Comp Account-April 2019

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Bank	CBB	CITIZENS BUSINESS BANK				CANTARIO CA 917610000
Bank Key	122234149					
Acct number	WCMP	231159290				
Checks created manually						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
05123	2200098449	04/03/2019	USD	238.59	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/08/2019
05124	2200098450	04/10/2019	USD	181.54	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/15/2019
05125	2200098451	04/10/2019	USD	85.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/15/2019
05126	2200098452	04/10/2019	USD	145.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/15/2019
05127	2200098861	04/17/2019	USD	420.20	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/23/2019
05128	2200098862	04/17/2019	USD	178.70	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/22/2019
* Payment method Checks created manually			USD	1,249.03		

Total of all entries

Check Register
CEB Workers Comp Account-April 2019

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	1,249.03		

Attachment 2C

Vendor ACHs

Check	Payee / Description	Amount
ACH	AQUA BEN CORPORATION	
	DAFT-4,600 Lbs Hydrofloc 748E 38566	4,361.72
	RP1-23,000 Lbs Hydrofloc 750E 38567	28,499.88
	DAFT-2,300 Lbs Hydrofloc 748E 38549	2,180.86
	RP1-27,600 Lbs Hydrofloc 750E 38550	34,199.85
	RP1-27,600 Lbs Hydrofloc 750E 38550	34,199.85
	RP1-27,600 Lbs Hydrofloc 750E 38550	34,199.85-
		- - - - -
	AQUA BEN CORPORATION \$	69,242.31
ACH	UNIVAR USA INC	
	RP5-12,942 Lbs Sodium Bisulfite LA708724	3,017.77
		- - - - -
	UNIVAR USA INC \$	3,017.77
ACH	WAXIE SANITARY SUPPLY	
	Cups 78076239	709.00
		- - - - -
	WAXIE SANITARY SUPPLY \$	709.00
ACH	R F MACDONALD	
	RP1 Hurst Boiler Control Failure 1/5 Svc 271207	1,048.15
		- - - - -
	R F MACDONALD \$	1,048.15
ACH	CAROLLO ENGINEERS	
	EN17043/EN17110-1/2019-Professional Srvs 0174676	140,750.91
	EN17043/EN17110-1/2019-Professional Srvs 0174676	140,750.91-
	EN17043/EN17110-1/2019-Professional Srvs 0174676	140,750.91
		- - - - -
	CAROLLO ENGINEERS \$	140,750.91
ACH	MCMaster-CARR SUPPLY CO	
	Fixed Work Platform 88302934	3,129.55
		- - - - -
	MCMaster-CARR SUPPLY CO \$	3,129.55
ACH	PARSONS WATER & INFRASTRUCTURE	
	EN19001/EN19006-1/5-2/1 Prof Svcs 1902B524	1,069,581.95
		- - - - -
	PARSONS WATER & INFRASTRUCTURE\$	1,069,581.95
ACH	HACH COMPANY	
	TP1-Calibration Kit-Stablcal Amplule 11357868	245.55
	RP1Mnt-Orp Soln 600MV 11342844	217.66
	TP5/CCWTP-Portable Handheld Analyzers 11357896	6,314.91
	RP4Ops-Ammonia TNT+,Nitrate TNT+ 11357782	1,212.07
	TP5-DPD TOT Chlorine 11368370	185.19
	RP4Ops-Nitrate TNT+ 11362511	437.47
	GWRLab-Lab Turbidimeter 11362563	2,772.07
		- - - - -
	HACH COMPANY \$	11,384.92
ACH	OLIN CORP	
	CCWRP-3,044 Gals Sodium Hypochlorite 2651189	2,550.87
		- - - - -
	OLIN CORP \$	2,550.87

Check	Payee / Description	Amount
	AQUA BEN CORPORATION	\$ 54,670.20
ACH	HASCO OIL COMPANY, INC. RP5-Mobilgear 600 XP 150 0224938-IN	500.63
	HASCO OIL COMPANY, INC.	\$ 500.63
ACH	SANTA ANA WATERSHED February 2019 Truck Discharge 9467	3,526.52
	January 2019 Inland Bioenergy Supplement 9464	32,745.08
	February 2019 Service 9473	154,772.12
	February 2019 Inland Bioenergy Supplemen 9465	88,597.40
	SANTA ANA WATERSHED	\$ 279,641.12
ACH	WAXIE SANITARY SUPPLY Towels, Paper Towels, Liners, Toilet Paper, 78133879	2,674.28
	WAXIE SANITARY SUPPLY	\$ 2,674.28
ACH	R F MACDONALD RP2 Boiler #2 Annual Cleaning & Tune Up 272365	5,542.00
	RP2 Boiler #1 Annual Cleaning & Tune Up 271243	6,264.00
	R F MACDONALD	\$ 11,806.00
ACH	CAROLLO ENGINEERS EN24001/EN24002-2/2019 Professional Svcs 0175190	98,653.26
	EN16060-2/2019 Professional Services 0175574	1,640.10
	EN19001/EN19006-2/2019 Professional Svcs 0175173	28,459.20
	CAROLLO ENGINEERS	\$ 128,752.56
ACH	MCMaster-CARR SUPPLY CO Connectors, Tubing, Clamps, Plugs 90894219	814.46
	31 Polyurethane Tie Downs 91191095	256.76
	V-Belts, Bushing 90925022	120.22
	SS Pipe, PVC Tubing, Fittings 91053286	762.07
	MCMaster-CARR SUPPLY CO	\$ 1,953.51
ACH	HACH COMPANY TP5-Controller 11376634	1,553.76
	HACH COMPANY	\$ 1,553.76
ACH	GK & ASSOCIATES 46-2054-2/19 Prof Svcs 19-008	21,956.00
	46-2054-2/19 Prof Svcs 19-009	11,790.00
	46-2054-2/19 Prof Svcs 19-011	11,720.00
	46-2054-2/19 Prof Svcs 19-010	25,100.00
	GK & ASSOCIATES	\$ 70,566.00
ACH	DANRAE INC EN14019-2/2019 Professional Services 151064	1,916.25
	EN14042-2/2019 Professional Services 151063	3,027.50
	EN15012-2/2019 Professional Services 151062	1,968.75

Check	Payee / Description	Amount
	DANRAE INC	\$ 6,912.50
ACH	DOWNS ENERGY CCWRF-1007.2 Gals Dyed Diesel Fuel 0247496-IN	2,789.49
	DOWNS ENERGY	\$ 2,789.49
ACH	JC LAW FIRM 2/19 Watermaster 00556 7,800.00 2/19 RCA Legal 00555 1,140.00 2/19 General Legal 00554 54,980.00 2/19 San Bernardino Transit Auth vs IEUA 00557 2,190.00	
	JC LAW FIRM	\$ 66,110.00
ACH	AMAZON BUSINESS Labelmaker Tape 1CV1-GPN4-VHL 47.59 Carb Kit,Fuel Pump,Fuel Filtr,Air Filtr, 16CC-9NPW-D77 65.46 12 Clear Sealant 1WPW-VTX9-6VV 60.85 Hazmat Diamond Label Sign 1CV1-GPN4-N33 14.00 Phone Chrager,Phone Cable 1LNT-CC3C-RYC 184.20	
	AMAZON BUSINESS	\$ 372.10
ACH	AMERICAN OFFICE PROFESSIONALS Service Call HP 600/601, Rollers (\$89.95 2059	145.87
	AMERICAN OFFICE PROFESSIONALS	\$ 145.87
ACH	TEREX USA LLC Boom Truck Crane 6918271	311,889.22
	TEREX USA LLC	\$ 311,889.22
ACH	VARIDESK LLC Return 2 Dual Monitor Arms - Inv #IVC-2- CM-5-63929 378.20- 2 Corner AdjustableDesks,2 DualMonitor A IVC-2-1065237 1,435.23	
	VARIDESK LLC	\$ 1,057.03
ACH	SHELL ENERGY NORTH AMERICA LP 2/19 Gas Cmmnty-Core,12/18 Adj 1100002880302	5,678.65
	SHELL ENERGY NORTH AMERICA LP	\$ 5,678.65
ACH	SOLAR STAR CALIFORNIA V LLC RP1-2/1-2/28 2450 Phila St E02M0615-2627 12,278.52 RP1-2/1-2/28 2450 Phila St E02M0616-2627 2,208.01 RP5/TP5/HQA/B-2/1-2/28 6075 Kimball Ave E02M0614-2627 8,147.24	
	SOLAR STAR CALIFORNIA V LLC	\$ 22,633.77
ACH	IEUA EMPLOYEES' ASSOCIATION P/R DIR 4 4/12 Employee Ded HR 0077600 12.00 P/R 8 4/12 Employee Ded HR 0077700 222.00	
	IEUA EMPLOYEES' ASSOCIATION	\$ 234.00
ACH	IEUA SUPERVISORS UNION ASSOCIA	

Check	Payee / Description	Amount
	P/R 8 4/12 Employee Ded	HR 0077700 330.00
	IEUA SUPERVISORS UNION ASSOCIA\$	330.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 8 4/12 Employee Ded	HR 0077700 1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 8 4/12 Employee Ded	HR 0077700 510.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	510.00
ACH	DISCOVERY BENEFITS INC P/R 8 4/12 Cafeteria Plan	HR 0077700 4,037.40
	DISCOVERY BENEFITS INC \$	4,037.40
ACH	PATRICK W HUNTER P/R 8 4/12	HR 0077700 248.50
	PATRICK W HUNTER \$	248.50
ACH	ELIE, STEVE MlgReim-3/19 Meetings-Elie,S	MLG 3/19 47.27
	ELIE, STEVE \$	47.27
ACH	HALL, JASMIN MlgReim-3/19 Meetings-Hall,J MlgReim-3/19 Meetings-Hall,J	MLG 3/19A 273.35 MLG 3/19B 34.10
	HALL, JASMIN \$	307.45
ACH	PARKER, KATI MlgReim-3/19 Meetings-Parker,K	MLG 3/19 76.73
	PARKER, KATI \$	76.73
ACH	UNIVAR USA INC TP1-14,236 Lbs Sodium Bisulfite TP1-13,830 Lbs Sodium Bisulfite TP1-14,303 Lbs Sodium Bisulfite	LA709015 3,319.53 LA709761 3,224.69 LA710141 3,335.12
	UNIVAR USA INC \$	9,879.34
ACH	R F MACDONALD RP1 Hurst Boiler #1 Tube Replacement RP1 Rental Boiler Installation RP1 Boiler #2 Annual Cleaning & Tune Up RP1 Replace Burner Elements f/2 Hurst Bo RP1 Rental Boiler Installation Additiona RP1 Rental Boiler Delivery & Return	271504 40,732.42 272417 12,400.00 272778 5,542.00 272825 78,563.26 273413 5,887.00 273416 5,000.00
	R F MACDONALD \$	148,124.68
ACH	OLIN CORP RP4-4,896 Gals Sodium Hypochlorite	2644953 3,789.50

Check	Payee / Description		Amount
	TP1-4,970 Gals Sodium Hypochlorite	2653655	3,846.78
	TP1-4,898 Gals Sodium Hypochlorite	2653226	3,791.05
	RP5-4,910 Gals Sodium Hypochlorite	2652842	3,800.34
	CCWRP-2,982 Gals Sodium Hypochlorite	2652841	2,498.92
	TP1-4,936 Gals Sodium Hypochlorite	2652840	3,820.46
	TP1-4,884 Gals Sodium Hypochlorite	2652242	3,780.22
	RP4-4,916 Gals Sodium Hypochlorite	2651719	3,804.98
	RP5-4,944 Gals Sodium Hypochlorite	2651718	3,826.66
	TP1-4,956 Gals Sodium Hypochlorite	2651717	3,832.85
	RP2-4,902 Gals Sodium Hypochlorite	2650425	3,794.15

	OLIN CORP	\$	40,585.91
ACH	TRIBOLOGIK CORPORATION Oil Analysis	54462	240.00

	TRIBOLOGIK CORPORATION	\$	240.00
ACH	DISCOVERY BENEFITS INC March 2019 Admin Fees	0000997568-IN	223.25

	DISCOVERY BENEFITS INC	\$	223.25
ACH	AQUA BEN CORPORATION RP1-23,000 Lbs Hydrofloc 750E	38603	28,499.88
	RP1-23,000 Lbs Hydrofloc 750E	38603	28,499.88
	DAFT-2,300 Lbs Hydrofloc 748E	38602	4,361.72
	DAFT-2,300 Lbs Hydrofloc 748E	38602	4,361.72
	RP1-23,000 Lbs Hydrofloc 750E	38603	28,499.88
	DAFT-2,300 Lbs Hydrofloc 748E	38602	4,361.72

	AQUA BEN CORPORATION	\$	32,861.60
ACH	HASCO OIL COMPANY, INC. RP5-Mobil SHC 630,Shell Turbo T 46	0224984-IN	5,479.83

	HASCO OIL COMPANY, INC.	\$	5,479.83
ACH	NAPA GENUINE PARTS COMPANY Air Filters,Oil Filters,Fuel Filters,15W 4584-275113		852.56

	NAPA GENUINE PARTS COMPANY	\$	852.56
ACH	UNIVAR USA INC CCWRP-14,309 Lbs Sodium Bisulfite	LA710381	3,336.42
	TP1-14,041 Lbs Sodium Bisulfite	LA710672	3,274.06
	RP5-113,696 Lbs Sodium Bisulfite	LA711928	3,193.51
	TP1-14,253 Lbs Sodium Bisulfite	LA712302	3,323.43
	TP1-14,192 Lbs Sodium Bisulfite	LA712972	3,309.13
	CCWRP-13,590 Lbs Sodium Bisulfite	LA713180	3,168.82

	UNIVAR USA INC	\$	19,605.37
ACH	CAROLLO ENGINEERS EN19051-2/2019 Professional Svcs	0175576	8,626.50

	CAROLLO ENGINEERS	\$	8,626.50
ACH	MCMMASTER-CARR SUPPLY CO		

Check	Payee / Description	Amount
	Y Strainer, Mesh Screens, Brass Valve, Nipp 91404521	1,061.60
	Flowmeter 91571778	1,070.05
	Threaded PVC 91788799	106.03
	Brass Valve 91803574	153.54
	Flowmeters, Threaded PVC 91476877	1,654.35
	Milwaukee Battery, Couplings, Retriever, Sa 91422051	464.90
	MCMaster-CARR SUPPLY CO \$	4,510.47
ACH	PARSONS WATER & INFRASTRUCTURE EN19001/EN19006-2/2-3/1 Prof Svcs 1903B617	898,265.30
	PARSONS WATER & INFRASTRUCTURE\$	898,265.30
ACH	OLIN CORP CCWRP-4,998 Gals Sodium Hypochlorite 2656098	3,868.45
	TP1-4,964 Gals Sodium Hypochlorite 2658164	3,842.14
	TP1-4,920 Gals Sodium Hypochlorite 2660308	3,808.08
	CCWRP-3,016 Gals Sodium Hypochlorite 2654258	2,527.41
	TP1-4,952 Gals Sodium Hypochlorite 2659779	3,832.85
	TP1-4,926 Gals Sodium Hypochlorite 2659394	3,812.72
	RP1-4,894 Gals Sodium Hypochlorite 2654259	3,787.96
	TP1-4,904 Gals Sodium Hypochlorite 2654963	3,795.70
	TP1-4,924 Gals Sodium Hypochlorite 2658730	3,811.18
	TP1-4,912 Gals Sodium Hypochlorite 2655539	3,801.89
	RP5-4,902 Gals Sodium Hypochlorite 2658165	3,794.15
	TP1-4,890 Gals Sodium Hypochlorite 2656979	3,784.86
	TP1-4,846 Gals Sodium Hypochlorite 2656097	3,750.80
	OLIN CORP \$	48,218.19
ACH	ARCADIS U.S., INC. WR18028-1/2019 Professional Services 0963833	55,806.95
	WR18028-1/2019 Professional Services 0963833	55,806.95
	WR18028-1/2019 Professional Services 0963833	55,806.95
	ARCADIS U.S., INC. \$	55,806.95
ACH	FERREIRA COASTAL CONSTRUCTION EN19015-3/19 Pay Est 2 PE 2-EN19015	267,355.88
	FERREIRA COASTAL CONSTRUCTION \$	267,355.88
ACH	NAVEX GLOBAL INC 4/19-4/20 US Hotline/Subscription Renewa INV-194004	1,529.86
	NAVEX GLOBAL INC \$	1,529.86
ACH	AMAZON BUSINESS Pressure Switch 1GFT-JYRX-X3D	65.86
	Pressure Switch 1GFT-JYRX-X3D	65.86
	Pressure Switch 1GFT-JYRX-X3D	65.86
	Wireless Keyboards, Portable Chargers, Wir 1K9F-7WKP-PWR	325.13
	SS Tube Fittings 143N-6NG7-QQX	28.47
	AMAZON BUSINESS \$	419.46
ACH	CDM CONSTRUCTORS INC EN13016.03-3/19 Pay Est 14 PE 14-EN13016	266,820.42

Check	Payee / Description	Amount
	EN13016.04-3/19 Pay Est 18 PE 18-EN13016	37,667.50
	CDM CONSTRUCTORS INC \$	304,487.92
ACH	T E ROBERTS INC EN14043-3/19 Pay Est 3 PE 3-EN14043	50,939.95
	T E ROBERTS INC \$	50,939.95
ACH	SCHULER CONSTRUCTORS INC EN17045-3/19 Pay Est 1 PE 1-EN17045	7,600.00
	SCHULER CONSTRUCTORS INC \$	7,600.00
ACH	HALL, JASMIN Hall,J-ExpRpt-4/4-4/6/19 CA Wtr Policy C 4/4/19 WTR PL	622.32
	HALL, JASMIN \$	622.32
ACH	GENESIS CONSTRUCTION PA17006.02-3/19 Pay Est 11 PE 11-PA17006	74,091.62
	GENESIS CONSTRUCTION \$	74,091.62
ACH	ICMA RETIREMENT TRUST 457 P/R 9 4/26/19 Deferred Comp Ded HR 0077800	19,349.17
	ICMA RETIREMENT TRUST 457 \$	19,349.17
ACH	LINCOLN NATIONAL LIFE INS CO P/R 9 4/26/19 Deferred Comp Ded HR 0077800	21,618.36
	LINCOLN NATIONAL LIFE INS CO \$	21,618.36
ACH	ICMA RETIREMENT TRUST 401 P/R 9 4/26/19 Deferred Comp Ded HR 0077800	5,466.35
	ICMA RETIREMENT TRUST 401 \$	5,466.35
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem HEALTH PREM	511.48
	ESTRADA, JIMMIE J \$	511.48
ACH	LICHTI, ALICE Reim Monthly Health Prem HEALTH PREM	187.74
	LICHTI, ALICE \$	187.74
ACH	MORASSE, EDNA Reim Monthly Health Prem HEALTH PREM	187.74
	MORASSE, EDNA \$	187.74
ACH	NOWAK, THEO T Reim Monthly Health Prem HEALTH PREM	511.48
	NOWAK, THEO T \$	511.48

Check	Payee / Description	Amount
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	HEALTH PREM 187.74
	SONNENBURG, ILSE	\$ 187.74
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	HEALTH PREM 187.74
	DYKSTRA, BETTY	\$ 187.74
ACH	TORRES, ROBERT G Reim Monthly Health Prem	HEALTH PREM 187.74
	TORRES, ROBERT G	\$ 187.74
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	HEALTH PREM 187.74
	MUELLER, CAROLYN	\$ 187.74
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM 187.74
	GRIFFIN, GEORGE	\$ 187.74
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM 187.74
	CANADA, ANGELA	\$ 187.74
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 187.74
	CUPERSMITH, LEIZAR	\$ 187.74
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 323.74
	DELGADO-ORAMAS JR, JOSE	\$ 323.74
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 161.87
	GRANGER, BRANDON	\$ 161.87
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 161.87
	GADDY, CHARLES L	\$ 161.87
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 25.87
	BAKER, CHRIS	\$ 25.87
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 136.00
	WEBB, DANNY C	\$ 136.00

Check	Payee / Description	Amount
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 161.87
	HUMPHREYS, DEBORAH E	\$ 161.87
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 161.87
	MOUAT, FREDERICK W	\$ 161.87
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 136.00
	MORGAN, GARTH W	\$ 136.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 25.87
	ALLINGHAM, JACK	\$ 25.87
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 476.19
	MAZUR, JOHN	\$ 476.19
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 25.87
	RUDDER, LARRY	\$ 25.87
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 136.00
	HAMILTON, MARIA	\$ 136.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 187.74
	PICENO, TONY	\$ 187.74
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 25.87
	RAMOS, CAROL	\$ 25.87
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 136.00
	FISHER, JAY	\$ 136.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 25.87
	KING, PATRICK	\$ 25.87
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 25.87

Check	Payee / Description		Amount
	HOWARD, ROBERT JAMES	\$	25.87
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM	136.00
	DIETZ, JUDY	\$	136.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM	25.87
	DAVIS, GEORGE	\$	25.87
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM	25.87
	MONZAVI, TAGHI	\$	25.87
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM	187.74
	PETERSEN, KENNETH	\$	187.74
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM	187.74
	TRAUTERMAN, HELEN	\$	187.74
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM	942.38
	TIEGS, KATHLEEN	\$	942.38
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM	511.48
	DIGGS, GEORGE	\$	511.48
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM	511.48
	HAYES, KENNETH	\$	511.48
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM	161.87
	HUNTON, STEVE	\$	161.87
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM	161.87
	RODRIGUEZ, LOUIS	\$	161.87
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM	476.19
	VARBEL, VAN	\$	476.19
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM	335.19

Check	Payee / Description	Amount
	CLIFTON, NEIL	\$ 335.19
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 618.64
	WELLMAN, JOHN THOMAS	\$ 618.64
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 25.87
	SPEARS, SUSAN	\$ 25.87
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 187.74
	TROXEL, WYATT	\$ 187.74
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 476.19
	CORLEY, WILLIAM	\$ 476.19
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 25.87
	CALLAHAN, CHARLES	\$ 25.87
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 187.74
	LESNIAKOWSKI, NORBERT	\$ 187.74
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 482.34
	VER STEEG, ALLEN J	\$ 482.34
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 476.19
	HACKNEY, GARY	\$ 476.19
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 25.87
	CAREL, LARRY	\$ 25.87
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 187.74
	TOL, HAROLD	\$ 187.74
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 492.63
	BANKSTON, GARY	\$ 492.63
ACH	ATWATER, RICHARD	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	136.00
	ATWATER, RICHARD	\$	136.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM	476.19
	FIESTA, PATRICIA	\$	476.19
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM	647.48
	DIGGS, JANET	\$	647.48
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM	173.32
	CARAZA, TERESA	\$	173.32
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM	804.23
	SANTA CRUZ, JACQUELYN	\$	804.23
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM	25.87
	HECK, ROSELYN	\$	25.87
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM	323.74
	SOPICKI, LEO	\$	323.74
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM	136.00
	GOSE, ROSEMARY	\$	136.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM	136.00
	KEHL, BARRETT	\$	136.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM	136.00
	RITCHIE, JANN	\$	136.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM	482.64
	LONG, ROCKWELL DEE	\$	482.64
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM	136.00
	FATTAHI, MIR	\$	136.00

Check	Payee / Description	Amount
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 323.74
	VERGARA, FLORENTINO	\$ 323.74
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 187.74
	ROGERS, SHIRLEY	\$ 187.74
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 309.32
	WALL, DAVID	\$ 309.32
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 161.87
	CHUNG, MICHAEL	\$ 161.87
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 25.87
	ADAMS, PAMELA	\$ 25.87
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 482.64
	BLASINGAME, MARY	\$ 482.64
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 161.87
	ANDERSON, KENNETH	\$ 161.87
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 25.87
	MOE, JAMES	\$ 25.87
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 804.23
	POLACEK, KEVIN	\$ 804.23
ACH	ELROD, SONDRAL Reim Monthly Health Prem	HEALTH PREM 161.87
	ELROD, SONDRAL	\$ 161.87
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 178.32
	FRAZIER, JACK	\$ 178.32
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 136.00
	HOAK, JAMES	\$ 136.00

Check	Payee / Description	Amount
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 178.32
	DEZHAM, PARIVASH	\$ 178.32
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 173.32
	FOLEY III, DANIEL J.	\$ 173.32
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 136.00
	CLEVELAND, JAMES	\$ 136.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 632.25
	LANGNER, CAMERON	\$ 632.25
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 25.87
	HAMILTON, LEANNE	\$ 25.87
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 136.00
	HOOSHMAND, RAY	\$ 136.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 136.00
	SCHLAPKOHL, JACK	\$ 136.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 173.32
	POOLE, PHILLIP	\$ 173.32
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 161.87
	ADAMS, BARBARA	\$ 161.87
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 520.78
	RUESCH, GENECE	\$ 520.78
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 492.63
	VANDERPOOL, LARRY	\$ 492.63
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 471.19

Check	Payee / Description	Amount
	AMBROSE, JEFFREY	\$ 471.19
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 482.34
	MERRILL, DIANE	\$ 482.34
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 644.21
	HOUSER, ROD	\$ 644.21
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 173.32
	RUSSO, VICKI	\$ 173.32
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 828.68
	HUSS, KERRY	\$ 828.68
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 668.23
	BINGHAM, GREGG	\$ 668.23
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 136.00
	CHARLES, DAVID	\$ 136.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 136.00
	YEBOAH, ERNEST	\$ 136.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 335.19
	ALVARADO, ROSEMARY	\$ 335.19
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 136.00
	BARELA, GEORGE	\$ 136.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 804.23
	FETZER, ROBERT	\$ 804.23
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 173.32
	SPAETH, ERIC	\$ 173.32
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 173.32

Check	Payee / Description	Amount
	DAVIS, MARTHA	\$ 173.32
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 173.32
	BRULE, CHRISTOPHER	\$ 173.32
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 482.64
	ROOS, JAMES	\$ 482.64
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 309.32
	MULLANEY, JOHN	\$ 309.32
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 482.64
	VALENZUELA, DANIEL	\$ 482.64
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 482.64
	PACE, BRIAN	\$ 482.64
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 136.00
	KING, JOSEPH	\$ 136.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 173.32
	VILLALOBOS, HECTOR	\$ 173.32
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 309.32
	BAXTER, KATHLEEN	\$ 309.32
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 482.64
	PENMAN, DAVID	\$ 482.64
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 482.64
	ANGIER, RICHARD	\$ 482.64
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 340.19
	MERRILL, DEBORAH	\$ 340.19
ACH	O'DEA, KRISTINE	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 161.87
	O'DEA, KRISTINE	\$ 161.87
ACH	OAKDEN, LISA Reim Monthly Health Prem	HEALTH PREM 817.22
	OAKDEN, LISA	\$ 817.22
ACH	LAUGHLIN, JOHN Reim Monthly Health Prem	HEALTH PREM 136.00
	LAUGHLIN, JOHN	\$ 136.00
ACH	HUGHBANKS, ROGER Reim Monthly Health Prem	HEALTH PREM 173.32
	HUGHBANKS, ROGER	\$ 173.32
ACH	SPENDLOVE, DANNY Reim Monthly Health Prem	HEALTH PREM 161.87
	SPENDLOVE, DANNY	\$ 161.87
ACH	HOULIHAN, JESSE Reim Monthly Health Prem	HEALTH PREM 173.32
	HOULIHAN, JESSE	\$ 173.32
ACH	WARMAN, EVELYN Reim Monthly Health Prem	HEALTH PREM 25.87
	WARMAN, EVELYN	\$ 25.87
ACH	HERNANDEZ, DELIA Reim Monthly Health Prem	HEALTH PREM 173.32
	HERNANDEZ, DELIA	\$ 173.32
ACH	AVILA, ARTHUR L Reim Monthly Health Prem	HEALTH PREM 173.32
	AVILA, ARTHUR L	\$ 173.32
ACH	GUARDIANO, GARY Reim Monthly Health Prem	HEALTH PREM 161.87
	GUARDIANO, GARY	\$ 161.87
ACH	POMERLEAU, THOMAS Reim Monthly Health Prem	HEALTH PREM 178.32
	POMERLEAU, THOMAS	\$ 178.32
ACH	BARRER, SATURNINO Reim Monthly Health Prem	HEALTH PREM 309.32
	BARRER, SATURNINO	\$ 309.32

Check	Payee / Description		Amount
ACH	LACEY, STEVEN Reim Monthly Health Prem	HEALTH PREM	668.23
	LACEY, STEVEN	\$	668.23
ACH	MILLS, JOHN Reim Monthly Health Prem	HEALTH PREM	173.32
	MILLS, JOHN	\$	173.32
ACH	REED, RANDALL Reim Monthly Health Prem	HEALTH PREM	618.64
	REED, RANDALL	\$	618.64
ACH	RAMIREZ, REBECCA Reim Monthly Health Prem	HEALTH PREM	314.32
	RAMIREZ, REBECCA	\$	314.32
ACH	RAZAK, HALLA Reim Monthly Health Prem	HEALTH PREM	136.00
	RAZAK, HALLA	\$	136.00
ACH	OSBORN, CINDY L Reim Monthly Health Prem	HEALTH PREM	309.32
	OSBORN, CINDY L	\$	309.32
ACH	ROYAL INDUSTRIAL SOLUTIONS		
	Short Body Timer, Power Supply	6046-668828	337.53
	LED Driver	6046-668250	132.40
	DeviceNet Adapter, Relay DSA	6046-667953	1,057.76
	Wire, Receptacle	6046-668279	121.26
	Ballasts	6046-668670	96.65
	Emergency Lites, Cord Connectors, Flex Con	6046-668341	639.23
	Strut Straps	6046-668417	1,312.43
	Lamps	6046-668278	64.43
	Overload Relay	6046-664839	1,194.57
	Emergency Lite	6046-668410	49.88
	Conduit, Bodies, Hubs, Clamps	6046-668356	2,196.24
	Overload Relay	6046-667559	95.92
	Limit Switches, Rod Arms	6046-668662	907.86
	Relays, Mounting Rails	6046-668935	518.77
	EN13016-3/12-3/14 FTVP Configuration & R	6046-668681	19,456.00
	Overload Relay, Heater Elements	6046-668762	437.11
	2 UPSs	6046-668476	1,554.83
	Timing Relays	6046-668756	521.24
	Photoelectric Sensor	6046-668899	210.16
	ROYAL INDUSTRIAL SOLUTIONS	\$	30,904.27
ACH	UNIVAR USA INC		
	TP1-14, 186 Lbs Sodium Bisulfite	LA714901	3,307.84
	TP1-14, 186 Lbs Sodium Bisulfite	LA714273	3,307.84
	UNIVAR USA INC	\$	6,615.68

Check	Payee / Description	Amount
ACH	STANDARD & POOR'S 08B Bnds-4/19-3/20 Analytical Svcs-Stand 11368830	5,000.00
	STANDARD & POOR'S \$	5,000.00
ACH	THATCHER COMPANY OF CALIFORNIA TP1-45,440 Lbs Aluminum Sulfate 262612	3,662.27
	THATCHER COMPANY OF CALIFORNIA \$	3,662.27
ACH	MCMASTER-CARR SUPPLY CO SS Chain,SS Shackle,SS Eyebolt,SS Cotter 92315249 Alum Couplings,PVC Flange,Hole Saws 92269620	462.26 1,314.78
	MCMASTER-CARR SUPPLY CO \$	1,777.04
ACH	TOM DODSON & ASSOCIATES GWR-2/16-3/12 Prof Svcs IE-317 19-1 EN18006-1/1-1/30 Prof Svcs IE-314 19-1 PL19005-2/19-2/28 Prof Svcs IE-311 19-2 GWR-6/1-11/23 Prof Svcs IE-309 19-1 P&EC-2/23 Prof Svcs IE-236 19-1 RW15003-6/29-12/28 Prof Svcs IE-305 19-1	950.00 950.00 1,800.00 8,830.52 600.00 1,400.28
	TOM DODSON & ASSOCIATES \$	14,530.80
ACH	INLAND EMPIRE REGIONAL 3/19 Biosolids 90023864	318,946.32
	INLAND EMPIRE REGIONAL \$	318,946.32
ACH	HACH COMPANY EP19002-Extension Poles-RP1Mnt 11388838 EP19002-Extension Pole-RP1Mnt 11394067	1,692.87 323.25
	HACH COMPANY \$	2,016.12
ACH	O S T S INC 3/6,13,20,27 CPR/First Aid/AED/BBP Class 49963 3/20-3/22 CCO ReCert Prep Class & Writte 50013	3,400.00 990.00
	O S T S INC \$	4,390.00
ACH	NATIONAL CONSTRUCTION RENTALS 3/22/19-4/18/19 Potty/Handicap Potty/Sin 5321927 RP1-3/28/19-4/24/19 Toilet,Handwash 5328741	994.80 211.55
	NATIONAL CONSTRUCTION RENTALS \$	1,206.35
ACH	PEST OPTIONS INC March 2019 Weed Abatement Services 321440	4,005.00
	PEST OPTIONS INC \$	4,005.00
ACH	SUNGARD AVAILABILITY SERVICES 5/19 Disaster Recovery Svc 152712669	4,152.00
	SUNGARD AVAILABILITY SERVICES \$	4,152.00

Check	Payee / Description	Amount
ACH	OLIN CORP	
	TP1-4,978 Gals Sodium Hypochlorite 2663646	3,852.97
	TP1-4,910 Gals Sodium Hypochlorite 2662750	3,800.34
	RP4-4,876 Gals Sodium Hypochlorite 2662751	3,774.02
	TP1-4,916 Gals Sodium Hypochlorite 2662181	3,804.98
	TP1-4,916 Gals Sodium Hypochlorite 2661581	3,804.98
	RP4-4,888 Gals Sodium Hypochlorite 2660309	3,783.31
	RP4-4,946 Gals Sodium Hypochlorite 2658166	3,828.20
	RP4-4,606 Gals Sodium Hypochlorite 2654961	3,859.83
	TP1-4,936 Gals Sodium Hypochlorite 2663200	3,820.46

	OLIN CORP \$	34,329.09
ACH	ADVANCED ENVIRONMENTAL COMPLIA	
	1st Quarter Odor Study 2019 7578	800.00

	ADVANCED ENVIRONMENTAL COMPLIA\$	800.00
ACH	YORK RISK SERVICES GROUP INC	
	4/19-6/19 W/C Adm Fee - 2Q19 500018608	4,762.20

	YORK RISK SERVICES GROUP INC \$	4,762.20
ACH	DOWNS ENERGY	
	RP2-400.80 Gals Red Dyed Diesel Fuel 0248121-IN	1,172.36

	DOWNS ENERGY \$	1,172.36
ACH	CALIFORNIA WATER TECHNOLOGIES	
	Phills-16,851 lbs Ferric Chloride Soluti 35021	3,671.32
	RP2-18,939 lbs Ferric Chloride Solution 35023	4,126.37
	RP4-17,857 lbs Ferric Chloride Solution 35015	3,890.51

	CALIFORNIA WATER TECHNOLOGIES \$	11,688.20
ACH	EVOQUA WATER TECHNOLOGIES LLC	
	4/1/19-6/30/19 DI Tank Rental 903951972	111.55

	EVOQUA WATER TECHNOLOGIES LLC \$	111.55
ACH	ARCADIS U.S., INC.	
	EN13016-1/28/19-2/24/19 Professional Ser 0964708	26,107.32

	ARCADIS U.S., INC. \$	26,107.32
ACH	WEST COAST ADVISORS	
	4/19 Prof Svcs 12390	9,800.00

	WEST COAST ADVISORS \$	9,800.00
ACH	AMAZON BUSINESS	
	LED Low Voltag Light Bulbs 1Y7G-KTJY-3KN	33.38

	AMAZON BUSINESS \$	33.38
ACH	REDWOOD ENERGY STORAGE LLC	
	3/19 RP1/RP5/CCWRP Energy Storage System 5	12,708.33

	REDWOOD ENERGY STORAGE LLC \$	12,708.33

Check	Payee / Description	Amount
ACH	ECO PROMOTIONAL PRODUCTS INC 2,000 Water Bottles with Flip Straw 19615	4,369.19
	ECO PROMOTIONAL PRODUCTS INC \$	4,369.19
ACH	SHELL ENERGY NORTH AMERICA LP RP2/RP5-3/1-3/31 16400 El Prado Rd 12/1- 2044 3/19 CCWRP/TP/RWP-3/1-3/31 14950 Tlphn 12/1-1 2046 3/19 RP1-3/1-3/31 16400 2450 Phila St 12/1-12 2042 3/19	7,369.35 34,826.71 88,122.81
	SHELL ENERGY NORTH AMERICA LP \$	130,318.87
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 9 4/26/19 Employee Ded HR 0077800	222.00
	IEUA EMPLOYEES' ASSOCIATION \$	222.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 9 4/26/19 Employee Ded HR 0077800	330.00
	IEUA SUPERVISORS UNION ASSOCIA\$	330.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 9 4/26/19 Employee Ded HR 0077800	1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 9 4/26/19 Employee Ded HR 0077800	510.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	510.00
ACH	DISCOVERY BENEFITS INC P/R 9 4/26/19 Cafeteria Plan HR 0077800	4,037.40
	DISCOVERY BENEFITS INC \$	4,037.40
ACH	PATRICK W HUNTER P/R 9 4/26/19 HR 0077800	248.50
	PATRICK W HUNTER \$	248.50

Grand Total Payment Amount: \$ 5,038,767.06

Attachment 2D

Vendor Wires
(excludes Payroll)

Check	Payee / Description	Amount
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Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 7 3/29/19 Taxes	HR 0077400	55,559.57
	P/R 7 3/29/19 Taxes	HR 0077400	11,975.94

	EMPLOYMENT DEVELOPMENT DEPARTM\$		67,535.51
Wire	INTERNAL REVENUE SERVICE P/R 7 3/29/19 Taxes	HR 0077400	313,465.16

	INTERNAL REVENUE SERVICE	\$	313,465.16
Wire	STATE DISBURSEMENT UNIT P/R 7 3/29/19	HR 0077400	198.00
	P/R 7 3/29/19	HR 0077400	2,184.90

	STATE DISBURSEMENT UNIT	\$	2,382.90
Wire	SUMITOMO MITSUI BANKING CORP 08B 1/1/19-3/31/19 LOC Fees	NY-091282 031	39,786.51

	SUMITOMO MITSUI BANKING CORP	\$	39,786.51
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 7 3/29/19 PERS	HR 0077400	172,191.08
	P/R 7 3/29/18 PERS Adj	P/R 7 3/29 AD	0.01

	PUBLIC EMPLOYEES RETIREMENT SY\$		172,191.09
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 108 4/11/19 Vacation Buy Back Taxes	HR 0077500	10,615.56
	P/R 108 4/11/19 Vacation Buy Back Taxes	HR 0077500	1,943.50

	EMPLOYMENT DEVELOPMENT DEPARTM\$		12,559.06
Wire	INTERNAL REVENUE SERVICE P/R 108 4/11/19 Vacation Buy Back Taxes	HR 0077500	54,413.85

	INTERNAL REVENUE SERVICE	\$	54,413.85
Wire	PUBLIC EMPLOYEES' RETIREMENT S 4/19 Health Ins-Retirees, Employees	15617406 4/19	255,845.78
	4/19 Health Ins-Board	15617419 4/19	6,629.97

	PUBLIC EMPLOYEES' RETIREMENT S\$		262,475.75
Wire	STATE BOARD OF EQUALIZATION 3/19 Sales Tax Deposit	23784561 3/19	10,017.00

	STATE BOARD OF EQUALIZATION	\$	10,017.00
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 9 4/26/19 Taxes	HR 0077800	12,072.73
	P/R 9 4/26/19 Taxes	HR 0077800	55,326.78

	EMPLOYMENT DEVELOPMENT DEPARTM\$		67,399.51
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 9 4/26/19 Deferred Comp Ded	HR 0077800	32,175.49

Check	Payee / Description	Amount
	PUBLIC EMPLOYEE'S RETIREMENT S\$	32,175.49
Wire	INTERNAL REVENUE SERVICE P/R 9 4/26/19 Taxes	HR 0077800 315,143.76
	INTERNAL REVENUE SERVICE	\$ 315,143.76
Wire	STATE DISBURSEMENT UNIT P/R 9 4/26/19	HR 0077800 2,184.90
	P/R 9 4/26/19	HR 0077800 198.00
	STATE DISBURSEMENT UNIT	\$ 2,382.90
Wire	METROPOLITAN WATER DISTRICT February 2019 Water Purchase	9639 1,180,927.97
	METROPOLITAN WATER DISTRICT	\$ 1,180,927.97
Wire	STATE DISBURSEMENT UNIT P/R 8 4/12	HR 0077700 198.00
	P/R 8 4/12	HR 0077700 2,184.90
	STATE DISBURSEMENT UNIT	\$ 2,382.90
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 4 4/12 Taxes	HR 0077600 404.78
	P/R 8 4/12 Taxes	HR 0077700 68,221.41
	P/R 8 4/12 Taxes	HR 0077700 13,329.77
	EMPLOYMENT DEVELOPMENT DEPARTM\$	81,955.96
Wire	INTERNAL REVENUE SERVICE P/R DIR 4 4/12 Taxes	HR 0077600 2,614.22
	P/R 8 4/12 Taxes	HR 0077700 360,595.26
	INTERNAL REVENUE SERVICE	\$ 363,209.48
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 8 4/12 Deferred Comp Ded	HR 0077700 33,349.39
	PUBLIC EMPLOYEE'S RETIREMENT S\$	33,349.39
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 8 4/12 PERS Adj	P/R 8 4/12 AD 0.03
	P/R 8 4/12 PERS	HR 0077700 173,767.36
	PUBLIC EMPLOYEES RETIREMENT SY\$	173,767.39

Grand Total Payment Amount: \$ 3,187,521.58

Attachment 2E

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

Ratification of Board of Directors

Payroll for April 12 ,2019
Presented at Board Meeting on June 19, 2019

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
Jasmin Hall	\$3,141.57	\$2,000.45
Katherine Parker	\$4,178.66	\$1,669.23
Michael Camacho	\$4,260.79	\$1,579.67
Steven J. Elie	\$4,846.16	\$1,569.03
Paul Hofer	\$0.00	\$0.00
TOTALS	\$16,427.18	\$6,818.38

	Count	Amount
TOTAL EFTS PROCESSED	3	\$5,238.71
TOTAL CHECKS PROCESSED	1	\$1,579.67
CHECK NUMBERS USED	110394 - 110394	

IEUA DIRECTOR PAYSHEET

MICHAEL CAMACHO
 EMPLOYEE NO. 1140
 ACCOUNT NO. 10200 110100 100000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-05-19	State Legislation Reception – Water Agencies of IE & OC	Yes	\$247.50
03-06-19	ACWA Legislative Symposium	Yes	\$247.50
03-12-19	MWD mtg. w/Legal Counsel Kelli Shoup re: Form 700	Yes	\$247.50
03-13-19	IEUA Engineering, Operations, & Water Resources Committee Meeting	Yes	\$247.50
03-14-19	Big Charity Check Presentation to Home Strong USA	Yes	\$247.50
03-18-10	IEUA hosted ASBCSD Dinner Meeting	Yes	\$247.50
03-20-19	IEUA Board Meeting	Yes	\$247.50
03-25-19	SCWC Legislative Task Force Conference Call Meeting	Yes	\$247.50
03-26-19	CVWD Board Meeting	Yes	\$247.50
03-28-19	WELL Conference	Yes (10 mtg. max.)	\$-0-
03-29-19	WELL Conference	Yes (10 mtg. max.)	\$-0-
TOTAL REIMBURSEMENT			\$2,227.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			11
Total No. of Meetings Paid			9

DIRECTOR
SIGNATURE

*Michael Woodruff for
Director Camacho*

Approved by:

Paul Hofer
 Paul Hofer
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY**

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10900 110100 500000 50125

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-07-19	Chino Basin Desalter	Yes	247.50
TOTAL REIMBURSEMENT			
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17). Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency. Record full amount on timesheet. CDA pays both primary and alternate for attendance			\$247.50
Total No. of CDA Meetings Attended			1
Total No. of CDA Meetings Paid			1

DIRECTOR Opal Woodruff Jr
SIGNATURE Vice President Hall

Approved by: Paul Hofer
Paul Hofer
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON WATERMASTER BOARD (ALTERNATE)**

MICHAEL CAMACHO
EMPLOYEE NO. 1362
ACCOUNT NO. 10107 1101115 110000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-28-19	Chino Basin Watermaster Board Meeting	Yes (10 mtgs.max)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1.b, c, e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting. Record full amount on timesheet for attendance by alternates			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

DIRECTOR *April Woodell*
SIGNATURE *Vice President Hall*

Approved by: *Chris Paul*
Paul Hofer
President, Board of Directors

IEUA DIRECTOR PAYSHEET

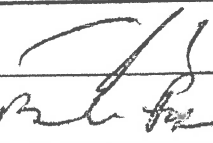
STEVEN J. ELIE
 EMPLOYEE NO. 1175
 ACCOUNT NO. 10200 110100 100000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-19	Meeting/Tour w/Ms. Gili Elkin Senior Advisor to Israel Govan.	Yes	\$247.50
03-04-19	SCWC Legislative Task Force Conference Call Meeting	Yes	\$247.50
03-11-19	IEUA Audit Committee Meeting	Yes	\$247.50
03-12-19	Chino Hills Council Meeting Presentation on IEUA services	Yes	\$247.50
03-14-19	Chino Valley Chamber Salute to Public Safety Appreciation Plaque Presentation	Yes	\$247.50
03-14-19	Chino Basin Project Conference Call w/S. Lee and H. Tichenor/WSC Consulting	Yes (same day)	\$-0-
03-18-19	IEUA hosted ASBCSD Dinner Meeting	Yes	\$247.50
03-19-19	Chino Council Meeting Presentation	Yes	\$247.50
03-19-19	Meeting w/Lewis to discuss Agency business	Yes (same day)	\$-0-
03-20-19	IEUA Board Meeting	Yes	\$247.50
03-25-19	SCWC Legislative Task Force Conference Call Meeting	Yes	\$247.50
03-27-19	WaterNow Alliance 4 th Annual Summit	Yes	\$247.50
03-28-19	WaterNow Alliance 4th Annual Summit	Yes (10 mtgs. max.)	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$2,475.00
Total No. of Meetings Attended			13
Total No. of Meetings Paid			10

DIRECTOR
SIGNATURE

Approved by:



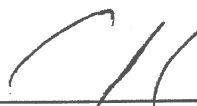
 Paul Hofer
 President, Board of Directors


**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY (ALTERNATE)**

STEVEN J. ELIE
EMPLOYEE NO. 1175
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-07-19	CDA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$97.50 – difference between CDA (\$150.00 and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet.			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR SIGNATURE 

Approved by: 
Paul Hofer
President, Board of Directors


**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO BASIN WATER BANK**

STEVEN J. ELIE
EMPLOYEE NO. 1175
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
	None		
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105. (i.e., \$147.50 – difference between CBWB (\$100.00 and Agency meetings \$247.50 (eff.7/01/17), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.			
Total No. of CBWB Meetings Attended			0
Total No. of CBWB Meetings Paid			0

DIRECTOR SIGNATURE 

Approved by: 
Paul Hofer
President, Board of Directors

IEUA DIRECTOR PAYSHEET

(Page 1 of 2)

JASMIN A. HALL
 EMPLOYEE NO. 1256
 ACCOUNT NO. 10200 110100 100000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-04-19	SCWC Leg. Task Force Conference Call	Yes	\$247.50
03-05-19	State Legislation Reception - Water Agencies of the Inland Empire & Orange County	Yes	\$247.50
03-06-19	2019 ACWA Legislative Symposium	Yes	\$247.50
03-13-19	IEUA Community & Legislative Affairs Committee	Yes	\$247.50
03-13-19	IEUA Finance & Administration Committee	Yes (same day)	\$-0-
03-14-19	CASA Board Meeting Conference Call	Yes	\$247.50
03-17-19	WaterReuse Calif. Annual Conference	Yes	\$247.50
03-18-19	WaterReuse Calif. Annual Conference	Yes	\$247.50
03-19-19	WaterReuse Calif. Annual Conference	Yes	\$247.50
03-20-19	IEUA Board Meeting	Yes	\$247.50
03-20-19	One-on-One Meeting w/Interim General Manager Kirby Brill	Yes (staff)	\$-0-
03-20-19	Ontario State of the City	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			<i>(Grand totals provided on Page 2)</i>
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			
Total No. of Meetings Paid			

DIRECTOR *Paul Hofer for*
 SIGNATURE *Jia President Hall*

Approved by: *Paul Hofer for*
 Paul Hofer, President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON MWD BOARD
(Page 1 of 1)**

JASMIN HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10700 110100 110000 511010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-07-19	Southern Coalition/Inland Caucus	Yes (10 mtgs. max.)	\$-0-
03-08-19	MWD Event, Mission Inn	Yes (10 mtgs. max.)	\$-0-
03-11-19	MWD Finance & Insurance Committee	Yes (10 mtgs. max.)	\$-0-
03-11-10	MWD Water Planning & Stewardship Committee	Yes (10 mtgs. max.)	\$-0-
03-11-19	MWD Engineering & Operations Committee	Yes (10 mtgs. max.)	\$-0-
03-11-19	MWD Legal & Claims Committee	Yes (10 mtgs. max.)	\$-0-
03-12-19	**MWD Legal & Claims Committee	Yes (10 mtgs. max.)	\$-0-
03-12-19	**MWD Conservation & Local Resources Committee	Yes (same day)	\$-0-
03-12-19	**MWD Board Meeting	Yes (same day)	\$-0-
03-22-19	MWD - California African American Museum, "Intimate Conversation with the Honorable Congresswoman Maxine Waters" and Chairwoman Gray	Yes (10 mtgs. max)	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17).			(Grand totals provided on Page 2)
Total No. of Meetings Attended			
Total No. of Meetings Paid			

DIRECTOR SIGNATURE

Opal Woodruff Jr
Vice Pres. Hall

Approved by:

Paul Hofer
Paul Hofer
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON MWD BOARD
(Page 2 of 2)**

JASMIN HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10700 110100 110000 511010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-26-19	MWD Board Workshop on Delta Water Conveyance	Yes (10 mtgs. max)	\$-0-
03-26-19	MWD Executive Committee	Yes (10 mtgs. max)	\$-0-
03-26-19	MWD Audit and Ethic Committee	Yes (10 mtgs. max)	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17).			\$-0-
Total No. of Meetings Attended			13
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE

*Joseph Woodruff for
Vice Pres Hall*

Approved by:

Paul Hofer
Paul Hofer
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION (ALTERNATE)**

JASMIN A. HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10500 110100 165000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-29-19	OWOW Santa Ana Watershed Conference	Yes (10 mtgs. max.)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105), i.e., \$37.50 – difference between SAWPA (\$210.00 (eff. 01/19) and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
Total No. of SAWPA Meetings Attended			1
Total No. of SAWPA Meetings Paid			0

DIRECTOR SIGNATURE *April Woodruff for*
Via Pres. Hall

Approved by: *Paul Hofer*
Paul Hofer
President, Board of Directors

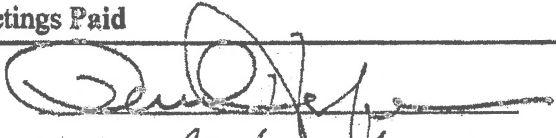
IEUA DIRECTOR PAYSHEET

PAUL HOFER
 EMPLOYEE NO. 1349
 ACCOUNT NO. 10200 110100 100000 501010


MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-13-19	IEUA Community & Legislative Affairs Committee	Yes	\$-0-
03-13-19	IEUA Finance & Administration Committee	Yes (same day)	\$-0-
03-20-19	IEUA Board Meeting	Yes	\$-0-
03-27-19	Meeting w/Interim General Manager Kirby Brill	Yes (staff)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			4
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE:



Approved by:


 Kati Parker
 Secretary/Treasurer


Director Hofer has waived all stipend payments.


IEUA DIRECTOR PAYSHEET

KATI PARKER
 EMPLOYEE NO. 1362
 ACCOUNT NO. 10200 1100100 100000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-04-19	Montclair City Council Meeting	Yes	\$247.50
03-11-19	Audit Committee Meeting	Yes	\$247.50
03-11-19	Upland City Council	Yes (same day)	\$-0-
03-12-19	Upland Public Works Committee	Yes	\$247.50
03-13-19	IEUA Engineering, Ops, and Water Resources Committee	Yes	\$247.50
03-13-19	Garden in Every School Program Meeting w/A Carruthers, K Besser, K Brill	Yes (staff)	\$-0-
3-18-19	IEUA hosted Special District Dinner	Yes	\$247.50
03-20-19	IEUA Board of Directors Meeting	Yes	\$247.50
03-20-19	Water is Life Poster Judging	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$1,485.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			9
Total No. of Meetings Paid			6

DIRECTOR SIGNATURE 

Approved by: 
 Paul Hofer
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE**

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10900 110100 500000 501215

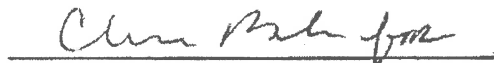
MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-07-19	Policy Committee Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members (total amount of \$247.50, should reflect on timesheet))			\$247.50
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR
SIGNATURE**



Approved by:



Paul Hofer
President, Board of Directors

DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10500 110100 165000 501010

MARCH 2019

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-05-19	SAWPA Commission Meeting Workshop	Yes	\$37.50
03-19-19	SAWPA Regular Commission Meeting	Yes	\$37.50
TOTAL REIMBURSEMENT			\$75.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$37.50 – difference between SAWPA (\$210.00 (eff. 1/19) and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE Kati Parker

Approved by: Paul Hofer
Paul Hofer
President, Board of Directors

Attachment 2F

Payroll-Net Pay-Employees

Non-Board Members	PP 8 Checks	PP 8 EFTs	PP 9 Checks	PP 9 EFTs	April
NET PAY TO EE	\$142,243.95	\$823,142.30	\$0.00	\$750,951.31	\$1,716,337.56

INLAND EMPIRE UTILITIES AGENCY

Payroll for April 12, 2019

Presented at Board Meeting on June 19, 2019

GROSS PAYROLL COSTS			\$1,664,062.58
DEDUCTIONS			(\$698,676.33)
NET PAYROLL			965,386.25
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED	110348 - 110393		
TRANSACTION PROCESSED	46	356	402
AMOUNT	\$142,243.95	\$823,142.30	<u>\$965,386.25</u>

INLAND EMPIRE UTILITIES AGENCY

Payroll for April 26, 2019

Presented at Board Meeting on June 19, 2019

GROSS PAYROLL COSTS			\$1,342,899.72
DEDUCTIONS			(\$591,948.41)
NET PAYROLL			750,951.31
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED		357	357
AMOUNT	\$0.00	\$750,951.31	<u>\$750,951.31</u>

**CONSENT
CALENDAR
ITEM**

2C



Date: June 19, 2019

To: The Honorable Board of Directors

Committee: Finance & Administration

From: Shivaji Deshmukh, General Manager

06/12/19

ASD

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

Subject: Adoption of Resolution No. 2019-6-9, Establishing the Appropriations Limit for Fiscal Year (FY) 2019/20

Executive Summary:

In accordance with State Legislation Proposition 4 and Proposition 111, the Agency annually adopts an appropriations limit, or limit to the amount of property tax proceeds that can be spent each year.

To calculate the annual appropriations limit, the Agency applies population growth and per capita personal income tax (PIT) growth factors to the prior year's appropriations limit. For FY 2019/20, San Bernardino County population increased by 0.90% and the State of California PIT index was 1.0385. As a result, the Agency's total appropriations limit for FY 2019/20 is \$195 million, an increase of \$9 million, or 4.8 percent, compared to the limit of \$186 million for the current fiscal year. The expenses that will utilize anticipated property tax revenue of \$52 million are well below the FY 2019/20 calculated appropriations limit.

The calculation of the FY 2019/20 appropriations limit has been affirmed by the external auditors, and the state required minimum 15-day notice of the Agency's intent to adopt the appropriations limit and documentation of staff's determination of the limit has been met.

Staff's Recommendation:

Adopt Resolution No. 2019-6-9, establishing the appropriations limit for Fiscal Year 2019/20.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The appropriations limit will not affect the Agency's proposed spending levels or reserves, as the proposed expenditures are projected to be supported primarily by non-ad valorem tax revenue sources, such as user fees and rates. Expenses that will utilize tax revenue are expected to be well below the FY 2019/20 appropriations limit.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On June 20, 2018, the Board of Directors adopted Resolution No. 2018-6-9, establishing the appropriations limit for FY 2018/19.

Environmental Determination:

Not Applicable

Business Goal:

Establishing the appropriations limit for FY 2019/20 is consistent with the Agency's business goal of Fiscal Responsibility in funding and appropriation.

Attachments:

Attachment 1 - Background

Attachment 2 - Resolution No. 2019-6-9

Background

Subject: Adoption of Resolution No. 2019-6-9, Establishing the Appropriations Limit for Fiscal Year (FY) 2019-20

One year after the adoption of Proposition 13 (People's Initiative to Limit Property Taxation), the State Legislature adopted Proposition 4 (Gann Limit Initiative) in November 1979 to place a limit (Appropriations Limit) on the amount of property tax proceeds that the state and local government can authorize to expend (appropriate) during any fiscal year.

The purpose of Proposition 4 (1979), created under Article XI11B of the California Constitution, and later amended by Proposition 111 (1990), was to hold government expenditures at their 1978-79 level, adjusted for changes in cost of living and population. Proposition 111 reset the base year from 1978-79 to 1986-87 and allowed local jurisdictions to choose among measures of population growth, inflation, or per capita personal income tax (PIT) index to calculate appropriations limits.

In the FY 2018/19 adopted resolution, the change in population factor that the Agency reported was 0.91 based on the information that was received from the State Controller's office at that time. However, a revised version of the letter available on the State Controller's Office website indicated a revised change in population factor of 0.95. The change in price-population letter resulted in a minor difference of \$74,763 between the FY 2018/19 approved appropriation limit of \$186,218,352 compared to the recalculated appropriation limit of \$186,293,115 which is reflected in the FY 2019/20 calculation.

Accordingly, the Agency's appropriations limit 1978-79 base year calculation was retroactively modified each year for changes in one of two factors. The Agency applies the population and PIT factors to calculate its annual appropriations limit (Exhibit II of Resolution No. 2019-6-9). For FY 2019/20, both factors changed as follows: San Bernardino population increased by 0.90%, and the State of California PIT index was 3.85%.

Based on the change in population and PIT index, the Agency's total appropriations limit for FY 2019/20 is \$195 million, an increase of \$9 million compared to \$186 million for FY 2018/19. The Agency's FY 2019/20 budget subject to the appropriations limit is \$52 million, equal to the projected amount of property tax proceeds. This is well below the fiscal year calculated limit.

RESOLUTION NO. 2019-6-9

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019/20

WHEREAS, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

WHEREAS, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriations may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

WHEREAS, Article XIII B and its implementing legislation were modified by Proposition 111 and SB88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriations Limit;

WHEREAS, Inland Empire Utilities Agency*, as a local government, is required under Article XIII B to annually establish an appropriations limit for the following fiscal year;

WHEREAS, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of the Agency;

WHEREAS, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

WHEREAS, it is Inland Empire Utilities Agency's* intent to establish this year's Appropriations Limit, following the California League of Cities Uniform Guidelines dated March 1991; and

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2019/20 Appropriation Limits are now available.

NOW, THEREFORE, the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

Section 3. Appropriations Limit. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriations Limit for Fiscal Year 2019/20 is \$195,207,240

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriations Limit and the Total Appropriations Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 45-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon adoption of this Resolution, Resolution No. 2018-6-9 is hereby rescinded in its entirety.

Adopted this 19th day of June 2019

Paul Hofer
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-9, was adopted at a regular meeting on June 19, 2019, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

EXHIBIT I

APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriations Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2019/20 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2019/20. The change in the limit is based upon population change of 0.90% within the county and a per capita personal income change of 3.85%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2014/15	\$150,204,136	\$ 40,203,474
2015/16	\$159,570,580	\$ 41,156,629
2016/17	\$169,703,311	\$ 44,704,800
2017/18	\$178,006,894	\$ 46,046,000
2018/19	\$186,293,115	\$ 47,887,800
2019/20	\$195,207,240	\$ 52,364,002

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriations limit and has been in compliance.

EXHIBIT II

INLAND EMPIRE UTILITIES AGENCY
 Proposed Budget Fiscal Year 2019/20
 Appropriations Limit Calculation

	Agency Total
2018/19 Appropriations Limit	\$186,293,115
2019/20 Change in Per Capital Personal income 1.03850	
2019/20 Change in Population 1.00900	
Ratio of Change (1.03850 x 1.00900)	1.04785
2019/20 APPROPRIATIONS LIMIT	\$195,207,240

	Agency Total
Total Expenses	\$162,015,059
Net Change in Capital Outlay	93,586,172
Debt Service	<u>26,835,104</u>
Subtotal of Appropriations	\$282,436,334
Increase/(Decrease) in Working Capital Reserves	<u>7,108,178</u>
Total Appropriations	\$289,544,513
Less: Non-Tax Proceeds	<u>(237,180,511)</u>
APPROPRIATIONS SUBJECT TO LIMITATION	\$52,364,002

CONSENT
CALENDAR
ITEM

2D



Date: May 15, 2019

To: The Honorable Board of Directors
Committee:

ASD

From: Shivaji Deshmukh, General Manager

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

Subject: Contacts Update to the Mutual Aid Agreement

Executive Summary:

In 2004, the Inland Empire Utilities Agency (IEUA) Board of Directors approved a Mutual Aid Agreement between IEUA, the Cucamonga Valley Water District, the Cities of Ontario, Fontana, Chino, Chino Hills, Montclair, and Upland. This agreement was developed at the request of the Regional Water Quality Control Board under provisions of the National Pollution Discharge Elimination System (NPDES) program to provide a unified Response Plan for Sanitary Sewer Overflow (SSO) under the County of San Bernardino Municipal Separate Storm Sewer Systems.

In 2014, Amendment No. 1 restated the original Mutual Aid Agreement and added the Jurupa Community Services District (JCSD) as a member. The amendment also provided that the rates for such mutual aid services are to be current internal rates within the respective agency at the time of the response.

Amendment No. 2 is to update member contact information only. Amendment No. 2 reiterates the original Mutual Aid Agreement and current internal rate information covered in Amendment No. 1. This amendment requires the signature of the President of the Board of Directors and includes a statement authorizing non-substantive changes to be approved by IEUA's General Manager or designated representative for any future amendments.

Staff's Recommendation:

Approve the Mutual Aid Agreement Amendment No. 2.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On April 21, 2004, the IEUA Board of Directors authorized execution of the Mutual Aid Agreement between the Cucamonga Valley Water District, the Cities of Ontario, Fontana, Chino, Chino Hills, Montclair, and Upland.

On January 15, 2014, Amendment No. 1 added the Jurupa Community Services District as a member.

Environmental Determination:

Not Applicable

Business Goal:

This mutual agreement relates to IEUA's business practices goal that IEUA will be ethical, cost-effective and apply environmentally sustainable, regional planning principles in all aspects of business and public service.

Attachments:

Attachment 1 - Mutual Aid Agreement Amendment No. 2

Mutual Aid Agreement Update 2019

Contact updates only
No Content change from 2014 Amendment

**AMENDMENT UPDATE TO
MUTUAL AID AGREEMENT**

THIS AGREEMENT AMENDMENT UPDATE is by and between Inland Empire Utilities Agency, the Regional Contracting Agencies consisting of Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, Cucamonga Valley Water District, and Jurupa Community Services District, henceforth referred to as "party" or "parties."

RECITALS

Whereas, Inland Empire Utilities Agency, the Regional Contracting Agencies, and Jurupa Community Services District (JCSD) are public agencies and each has certain equipment and personnel under its management and control; and

Whereas, the equipment and personnel may be available to assist each agency and JCSD in the event of a disruption which would affect the water service, sewer service or sewage treatment service provided by each agency and JCSD to its customers; and

Whereas, no party should be placed in a position of depleting unreasonably its own resources, facilities, or services in providing such mutual aid; and

Whereas, Inland Empire Utilities Agency, the Regional Contracting Agencies, and JCSD desire to cooperate in providing and sharing available equipment upon request of the other party under the terms of this Agreement.

NOW, THEREFORE, the undersigned parties hereto agree as follows:

1.
 - a. In the event of any disruption or damage to the ability of either the Inland Empire Utilities Agency, the Regional Contracting Agencies, or JCSD to continue to serve the public or its customers with water service, sewage service or sewage treatment service, the other parties ,vill cooperate to a maximum extent possible, as determined in its discretion, to provide mutual aid assistance as requested.
 - b. Each party's obligation hereunder shall be expressly contingent upon its manpower and equipment availability, as determined by the responding party in its sole and absolute discretion. Each party's response within the jurisdictional limits of the other party may not interfere ""the responding party's responsibility or ability to respond to emergencies or other calls within its own jurisdictional area. Each party shall endeavor to notify the other party in advance when it knows that its equipment or manpower will not be available to respond within the jurisdictional limits of the other party.
2. In the context of this Agreement, "natural or man-made disaster" shall mean a situation or set of circumstances in which property damage or personal injury has occurred or is likely to occur, the occurrence of which will disrupt the services provided by the Inland Empire Utilities Agency, the Regional Contracting Agencies, and JCSD.

3.
 - a. Each party to this Agreement shall provide the name(s), address(es), telephone number(s), and title(s) of the responsible employee(s) authorized to request or respond to requests for mutual aid assistance on or before thirty (30) days have elapsed from the date of approval of this Agreement by the last party to approve this Agreement. Only employees of each respective party are eligible. No contract workers shall be assigned.
 - b. The requesting party agrees to pay as allowed by applicable law, all direct, indirect, administrative and contracted costs of assisting the requesting party incurred by the responding party as a result of providing assistance pursuant to this Agreement, based upon responding party's internal rates or charges for material, equipment, and personnel. Payment shall be made within sixty (60) days after receipt of a detailed invoice. The detailed invoice shall include personnel assigned, classification, dates and hours worked, hourly billing rate and equipment used. The requesting party shall not assume any liability for the direct payment of any salary or wages to any officer or employee of the responding party.
 - c. The party requesting assistance shall specify the type and duration of assistance required.
 - d. The party responding to the request shall designate the person responsible for the direction and supervision of the personnel and equipment provided to the requesting party, and the requesting party shall direct the disposition and utilization of personnel, equipment and materials furnished in response to such request only through the person so designated.
 - e. The personnel, equipment, and materials furnished in response to the request for mutual aid shall be released by the requesting party when no longer needed or when the responding party requires return or as required by law.
4. Should the responsible managing employees change from those listed in Section 3 above, the respective agency shall update the personnel list and provide a copy to each party hereto.
5. It is agreed by the parties hereto that protection, maintenance, and repair of their own systems and facilities will receive priority in responding to any request for mutual aid assistance.
 - a. Each party to this Agreement shall maintain in full force and effect workers compensation insurance without cost to the other party which covers the personnel involved in a response to provide mutual assistance, and therefore each party to this Agreement waives all claims against the other for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this Agreement to the extent that such liability is caused by the other party or its employees, directors commissioners, officials, officers, agents, and volunteers. Failure to provide adequate workers compensation insurance by a party shall obligate that party for any and all liabilities that may arise. Each party shall defend, indemnify and hold harmless, pursuant to Section 5 (b) below, the other party with respect to workers' compensation claims filed by their own employees.

- b. The requesting party shall hold harmless, indemnify, and defend the responding party, its elected officials, officers, agents employees, contractors, volunteers and agencies, against all liability, claims, losses, demands or actions for injury to, or death of, a person or persons, or damages to property arising out of, or alleged to arise out of or in consequence of, this Agreement, except to the extent that such liability is caused by the negligence or willful misconduct of the responding party, its elected officials, officers, agents, employees, contractors or volunteers.
 - c. The requesting party will pay for any damage to the equipment and material provided by the responding party that occurs during the requested assistance period, unless such damage is caused by the sole negligence of the responding party.
6. No provision of this Agreement and no action taken, or personnel, equipment or material furnished pursuant to any such provision shall be construed to make the officer, employee, or agent of either party to this Agreement, the officer, employee or agent of the other party to this Agreement. Furthermore, the parties shall pay all wages, salaries, and other amounts due to their own personnel in connection with any and all services under the Agreement, as well as that which may be required by law. Each party shall be responsible for all reports and obligations respecting their own personnel, including, but not limited to, social security taxes, income tax withholding, unemployment insurance, benefits and workers' compensation insurance. Employees or agents of one party shall not be deemed employees of the other for any purpose.
7. This Agreement shall be effective as of the date all parties have executed the Agreement and shall continue to be in force with respect to all parties signing hereunder, unless terminated by consent of all the parties. Notwithstanding the foregoing, any party may terminate its participation in this agreement upon sixty (60) days written notice of termination to the remaining parties. Termination by any party or parties shall not affect the rights and obligations of any of the remaining parties under this agreement.
8. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

INLAND EMPIRE UTILITIES AGENCY

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708
Attn: Shivaji Deshmukh, General Manager

CITY OF CHINO

City of Chino
P.O. Box 667
Chino, CA 91708-0667
Attn: Matt Ballantyne, City Manager

CITY OF CHINO HILLS

City of Chino Hills
2001 Grand Avenue
Chino Hills, CA 91709
Attn: Benjamin Montgomery, City Manager

CITY OF FONTANA

City of Fontana
16489 Orange Way
Fontana, CA 92335
Attn: Kenneth R. Hunt, City Manager

CITY OF MONTCLAIR

City of Montclair
5111 Benito Street
Montclair, CA 91763
Attn: Edward C. Starr, City Manager

CITY OF ONTARIO

City of Ontario
1425 South Bon View Avenue
Ontario, California 91761
Attn: Scott Ochoa, City Manager

CITY OF UPLAND

City of Upland
460 North Euclid Avenue
Upland, CA 91786
Attn: Jeannette Vagnozzi, City Manager

CUCAMONGA VALLEY WATER DISTRICT

Cucamonga Valley Water District
10440 Ashford Street
Rancho Cucamonga, CA 91730
Attn: John Bosler, General Manager/ CEO

JURUPA COMMUNITY SERVICES DISTRICT

Jurupa Community Services District
11201 Harrel Street
Jurupa Valley, CA 91752
Attn: Chris Berch, General Manager

Any notice required to be given hereunder to either party shall be given by personal delivery or by depositing such notice in the US Mail to the address listed with first class postage pre-paid. Such notice shall be deemed made when personally delivered or when mailed. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

9. Inland Empire Utilities Agency and the Regional Contracting Agencies, and JCSD agree that the provisions of this Agreement are not intended to create or clarify any rights in third parties not a party to this Agreement. In addition, no third party shall have the right of action hereunder. This Agreement shall not be enforceable by any parties other than Inland Empire Utilities Agency, the Regional Contracting Agencies, and JCSD.
10. All privileges and immunities of Inland Empire Utilities Agency, the Regional Contracting Agencies, and JCSD provided by state or federal law shall remain in full force and effect.
11. If a party or parties commences an action against the other party or parties, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party or parties in such litigation shall be entitled to have and recover from the losing party or parties' reasonable attorney's fees and all other costs of such action.
12. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by all parties.
13. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County.
14. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by either party without the prior written consent of the other.
15. This Agreement may be executed in counterparts, each of which shall constitute an original.
16. In the event that any provision or portion of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable for any reason, such provision or portion shall be severable from this Agreement. Such invalidity, legality or unenforceability shall not be construed to have any effect on the validity, legality or enforceability of the remaining provisions or portions of this Agreement.

[Balance of This Page Intentionally Left Blank]

WHEREFORE, the parties hereto have caused this Agreement to be executed in counterpart as the dates indicated.

INLAND EMPIRE UTILITIES AGENCY

I HEREBY CERTIFY that the foregoing amendment update was duly executed pursuant to authorization by the Inland Empire Utilities Agency Board of Directors, at a regular meeting thereof held on the _____ day of _____, 2019.

I HEREBY AUTHORIZE that future amendments with administrative corrections or adjustments may be approved by the Inland Empire Utilities Agency General Manager or designated representative.

Paul Hofer
President, Board of Directors

Date

ATTEST:

April Woodruff
Board Secretary/Office Manager

Date

CITY OF CHINO

I **HEREBY CERTIFY** that the foregoing amendment was duly executed pursuant to authorization by the City Council of the City of Chino, at a regular meeting thereof held on the _____ day of _____, 2019.

Matt Ballantyne
City Manager

Date

ATTEST:

Amer Jakher
Public Works Director

Date

CITY OF CHINO HILLS

I **HEREBY CERTIFY** that the foregoing agreement was duly executed pursuant to authorization by City Council of the City of Chino Hills, at a regular meeting thereof held on the _____ day of _____, 2019.

Benjamin Montgomery
City Manager

Date

ATTEST:

Nadeem Majaj
Public Works Director

Date

CITY OF FONTANA

I **HEREBY CERTIFY** that the foregoing agreement was duly executed pursuant to authorization by the City Council of the City of Fontana, at a regular meeting thereof held on _____ day of _____, 2019.

Kenneth R. Hunt
City Manager

Date

ATTEST:

Chuck Hayes
Public Works Director

Date

CITY OF MONTCLAIR

I **HEREBY CERTIFY** that the foregoing agreement was duly executed pursuant to authorization by the City Council of the City of Montclair, at a regular meeting thereof held on _____ day of _____, 2019.

Edward C. Starr
City Manager

Date

ATTEST:

Noel Castillo
Public Works Director

Date

CITY OF ONTARIO

I HEREBY CERTIFY that the foregoing agreement was duly executed pursuant to authorization by the City Council of the City of Ontario, at a regular meeting thereof held on _____ day of _____, 2019.

Scott Ochoa
City Manager

Date

ATTEST:

Tito Haes
Public Works Director

Date

CITY OF UPLAND

I **HEREBY CERTIFY** that the foregoing agreement was duly executed pursuant to authorization by the City Council of the City of Upland, at a regular meeting thereof held on _____ day of _____, 2019.

Jeannette Vagnozzi
City Manager

Date

ATTEST:

Rosemary Hoerning
Public Works Director

Date

CUCAMONGA VALLEY WATER DISTRICT

I **HEREBY CERTIFY** that the foregoing agreement was duly executed pursuant to authorization by the Board of Directors of the Cucamonga Valley Water District at a regular meeting thereof held on _____ day of _____, 2019.

James V. Curatalo, Jr.
President, Board of Directors

Date

ATTEST:

Taya Victorino
Executive Assistant to the Board of Directors

Date

JURUPA COMMUNITY SERVICES DISTRICT

I **HEREBY CERTIFY** that the foregoing agreement was duly executed pursuant to authorization by the Board of Directors of the Jurupa Community Services District. at a regular meeting thereof held on the _____ day of _____, 2019.

Jane Anderson
President, Board of Directors

Date

ATTEST:

Julie Saba
Board Secretary

Date

CONSENT
CALENDAR
ITEM

2E



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager JSD

Committee: Community & Legislative Affairs

06/12/19

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Support of Federal Legislation

Executive Summary:

HR 1162 - The Water Recycling Investment and Improvement Act, introduced by Rep. Grace Napolitano (CA), would increase the funding authorization for the US Bureau of Reclamation's Title XVI water recycling grant program to \$500 million from its current \$50 million authorization. It would also make the Title XVI program permanent, as it currently expires in 2021. IEUA has been the recipient of \$46 million in grant funding from this program, and is seeking additional authorization for the Chino Basin Program.

HR 1764 - To amend the Federal Water Pollution Control Act with respect to permitting terms, introduced by Rep. John Garamendi (CA), would extend the maximum term for National Pollutant Discharge Elimination System (NPDES) permits from 5 to 10 years.

HR 2313 - The Water Conservation Rebate Tax Parity Act, introduced by Rep. Jared Huffman (CA), would amend Federal tax law so that homeowners who receive rebates from water utilities for water conservation improvements will not pay income tax on the rebates.

Staff's Recommendation:

Adopt a support position on:

1. HR 1162 (Napolitano) - The Water Recycling Investment and Improvement Act;
2. HR 1764 (Garamendi) - To amend the Federal Water Pollution Control Act with respect to permitting terms; and
3. HR 2313 (Huffman) - Water Conservation Rebate Tax Parity Act.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

Taking a support position adheres to the Board-passed 2019 Legislative Policy Principles:

- Support efforts to increase funding for Title XVI/WIIN grant program.
- Support administrative and legislative actions for environmental compliance that provide for regulatory compliance flexibility.
- Support funding and incentive programs to promote water use efficiency, including tax exemptions.

Environmental Determination:

Not Applicable

Business Goal:

Approving the support of HR 1162, HR 1764 and HR 2313 is in line with IEUA's business practices goal of advocating for development of policies, legislation and regulations that benefit the region.

Attachments:

Attachment 1 - HR 1162 (Napolitano) - Bill Text, Summary, MWD Support Letter

Attachment 2 - HR 1764 (Garamendi) - Bill Text, Summary, MWD Support Letter, CASA Coalition Support Letter

Attachment 3 - HR 2313 (Huffman) - Bill Text and Summary

116TH CONGRESS
1ST SESSION

H. R. 1162

To establish a grant program for the funding of water recycling and reuse projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2019

Mrs. NAPOLITANO (for herself, Ms. JOHNSON of Texas, Ms. ROYBAL-ALLARD, Mr. MCNERNEY, Mr. HUFFMAN, Mr. ROUDA, Ms. BROWNLEY of California, Mr. LOWENTHAL, Mr. VELA, Mrs. TORRES of California, Mr. CARBAJAL, Ms. HILL of California, Ms. TITUS, Mr. CISNEROS, Mr. HARDER of California, Ms. ESHOO, Ms. SÁNCHEZ, and Mr. SIRES) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To establish a grant program for the funding of water recycling and reuse projects, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water Recycling In-
5 vestment and Improvement Act”.

1 **SEC. 2. COMPETITIVE GRANT PROGRAM FOR THE FUNDING**
2 **OF WATER RECYCLING AND REUSE**
3 **PROJECTS.**

4 (a) COMPETITIVE GRANT PROGRAM FOR THE FUND-
5 ING OF WATER RECYCLING AND REUSE PROJECTS.—Sec-
6 tion 1602(f) of the Reclamation Wastewater and Ground-
7 water Study and Facilities Act (title XVI of Public Law
8 102–575; 43 U.S.C. 390h et seq.) is amended by striking
9 paragraphs (2) and (3) and inserting the following:

10 “(2) PRIORITY.—When funding projects under
11 paragraph (1), the Secretary shall give funding pri-
12 ority to projects that meet one or more of the fol-
13 lowing criteria:

14 “(A) Projects that are likely to provide a
15 more reliable water supply for States and local
16 governments.

17 “(B) Projects that are likely to increase
18 the water management flexibility and reduce
19 impacts on environmental resources from
20 projects operated by Federal and State agen-
21 cies.

22 “(C) Projects that are regional in nature.

23 “(D) Projects with multiple stakeholders.

24 “(E) Projects that provide multiple bene-
25 fits, including water supply reliability, eco-sys-

1 tem benefits, groundwater management and en-
2 hancements, and water quality improvements.”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
4 1602(g) of the Reclamation Wastewater and Groundwater
5 Study and Facilities Act (title XVI of Public Law 102–
6 575; 43 U.S.C. 390h et seq.) is amended—

7 (1) by striking “\$50,000,000” and inserting
8 “\$500,000,000”; and

9 (2) by striking “if enacted appropriations legis-
10 lation designates funding to them by name,”.

11 (c) DURATION.—Section 4013 of the WIIN Act (43
12 U.S.C. 390b(2)) is amended—

13 (1) in paragraph (1), by striking “and”;

14 (2) in paragraph (2), by striking the period and
15 inserting “; and”; and

16 (3) by adding at the end the following:

17 “(3) section 4009(c).”.

18 (d) LIMITATION ON FUNDING.—Section 1631(d) of
19 the Reclamation Wastewater and Groundwater Study and
20 Facilities Act (43 U.S.C. 390h–13(d)) is amended by
21 striking “\$20,000,000 (October 1996 prices)” and insert-
22 ing “\$30,00,000 (January 2019 prices)”.

○

Napolitano Introduces the Water Recycling Investment and Improvement Act

February 13, 2019 | Press Release

(WASHINGTON, DC) Today, Rep. Grace F. Napolitano (CA-32) introduced H.R. 1162, the Water Recycling Investment and Improvement Act, to assist water agencies with the expansion, planning, design, and building of water recycling plants and modernizing water infrastructure in California and other western states.

“Strains on our water supplies due to climate change, drought, and population growth have increased steadily in Southern California and across the nation over the past few decades, underscoring the critical need for greater federal assistance,” Napolitano said. “The Bureau of Reclamation’s Title XVI water recycling programs have been proven to be the most cost-effective in improving water supply, by providing long-term savings while boosting job growth and lowering our reliance on imported water. As we work to explore new ways to expand our water portfolio and safeguard our local communities from future water shortages and drought, it is imperative that we continue to adequately fund, promote, and expand water recycling infrastructure projects.”

“The Title XVI Water Reclamation and Reuse competitive grants program supports game-changing innovations in water reuse, and helps communities build economic and environmental resilience for the future,” said Pat Sinicropi, Executive Director of the WaterReuse Association. “We are delighted to endorse the Water Recycling Investment and Improvement Act of 2019, and thank Congresswoman Napolitano for being a steadfast champion of water reuse and the Title XVI competitive grants program.”

Napolitano introduced H.R with Reps. Eddie Bernice Johnson (TX-30), Lucille

Roybal-Allard (CA-40), Jerry McNerney (CA-09), Harley Rouda (CA-48), Jared Huffman (CA-02), Alan S. Lowenthal (CA-47), Julia Brownley (CA-26), Filemon Vela (TX-34), Norma J. Torres (CA-35), Salud O. Carbajal (CA-24), Dina Titus (NV-01), Katie Hill (CA-25), Gilbert R. Cisneros Jr. (CA-39), Josh Harder (CA-10), Anna Eshoo (CA-18), and Linda T. Sanchez (CA-38).

Summary of H.R. 1162

- Increases funding Authorization for the Bureau of Reclamation's Title XVI water recycling competitive grant program to \$500 million from \$50 million.
 - Makes the program permanent as it currently expires in 2021.
 - Funds water recycling and reuse projects for 17 western states.

#



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

April 1, 2019

The Honorable Grace Napolitano
U.S. House of Representatives
1610 Longworth House Office Building
Washington, D.C. 20510

RE: Metropolitan Water District of Southern California's SUPPORT for H.R. 1162: the Water Recycling and Investment Act of 2019

Dear Representative Napolitano:

On behalf of the Metropolitan Water District of Southern California, I am writing to express our support for H.R. 1162, the Water Recycling and Investment Act of 2019. We applaud your bold leadership on these milestone policy goals.

Metropolitan is the regional wholesaler to 26 member agencies, which along with their retail suppliers collectively serve quality drinking water to over 19 million Southern Californians – one out of every two Californians – throughout the 5,200 square-mile, six-county service area. Many of our member agencies rely on the funding provided by federal programs to enable them to implement innovative water supply solutions throughout our service area in ways that are responsive to their local supply conditions. Robust, diverse funding sources are essential to ensure continued reliability and resiliency needed to protect California's vibrant economy and quality of life in the face of changing hydrology due to shifting climate conditions.

This timely and thoughtful legislation, if enacted, would expand the Bureau of Reclamation's Title XVI Grant Program through the Water Infrastructure Improvements for the Nation (WIIN) Act to a funding level of \$500 million, increase the federal cost share to \$30 million, remove the requirements for projects to be in drought or disaster areas and to be specifically named in legislation. H.R.1162 would remove the sunset for the WIIN Act, making that landmark legislation permanent. Metropolitan supports all of these policy changes. Additionally, we encourage you to consider clarifying language to ensure that eligible projects which meet multiple policy priorities and/or deliver benefits across multiple jurisdictions, receive the highest funding priority.

It is our hope that H.R. 1162 will be scheduled for prompt action in the 116th Congress. As always, Metropolitan stands at the ready to be a resource to you and your staff as this important measure moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Kightlinger".

Jeffrey Kightlinger
General Manager

116TH CONGRESS
1ST SESSION

H. R. 1764

To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2019

Mr. GARAMENDI introduced the following bill; which was referred to the
Committee on Transportation and Infrastructure

A BILL

To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. NATIONAL POLLUTANT DISCHARGE ELIMI-**
4 **NATION SYSTEM (NPDES) TERMS.**

5 Section 402(b)(1)(B) of the Federal Water Pollution
6 Control Act (33 U.S.C. 1342(b)(1)(B)) is amended to read
7 as follows:

8 “(B) are for fixed terms—

9 “(i) not exceeding 10 years, for a permit
10 issued to a State or municipality; and

1 “(ii) not exceeding 5 years, for a permit
2 issued to any person not described in clause (i);
3 and”.

○

Garamendi Introduces Bill to Support California Water Infrastructure Projects



March 14, 2019 | Press Release

Garamendi Introduces Bill to Support California Water Infrastructure Projects

Washington, DC—Today, Congressman John Garamendi (D-CA) introduced bipartisan legislation (H.R.1764 (<https://www.congress.gov/bill/116th-congress/house-bill/1764>)) to support local water infrastructure projects. Congressmen Ken Calvert (R-CA) and Rob Woodall (R-GA) are cosponsors.

Congressman Garamendi's legislation (H.R.1764 (<https://www.congress.gov/bill/116th-congress/house-bill/1764>)) would extend the maximum term for National Pollutant Discharge Elimination System (NPDES) (<https://www.epa.gov/npdes>) permits issued under the federal Clean Water Act from 5 to 10 years, to better reflect the construction schedules for public agencies.

"Every American deserves clean water. Our bill upholds Clean Water Act protections and ensures federal permitting requirements accurately reflect the time it takes to construct a public water project," said Congressman Garamendi. "This bill supports upgrades on aging water treatment plants to ensure projects are built on time and on budget. I will do everything in my power to pass this critical legislation for California and the nation."

"The Association of California Water Agencies (ACWA) commends Rep. Garamendi for his leadership in introducing this vital Clean Water Act permitting legislation. The bill brings certainty to ratepayers and long-term efficiency to water suppliers. ACWA is pleased to support this legislation" said Dave Eggerton, executive director of the Association of California Water Agencies.

"We thank Congressman Garamendi for introducing this important legislation to modernize the Clean Water Act. H.R.1764 implements a commonsense approach to permitting, and will allow public clean water agencies to focus on the business of protecting public health and the environment through efficient long-term planning. We appreciate that this bill acknowledges the complexity of today's clean water infrastructure realities, and we look forward to working with the Congressman on this issue going forward," said Roberta Larson, executive director of the California Association of Sanitation Agencies.

Current federal law only provides for 5-year NPDES permits terms, which do not reflect construction schedules for public water and wastewater treatment projects. The American Society of Civil Engineers (<https://www.infrastructurereportcard.org/wp-content/uploads/2017/01/Wastewater-Final.pdf>) rates our nation's wastewater infrastructure at D+ grade, requiring \$271 billion in public investment over the next 25 years. According to the U.S. Conference of Mayors, 95% of spending on water infrastructure is made at the local level.

Congressman Garamendi's legislation (H.R.1764 (<https://www.congress.gov/bill/116th-congress/house-bill/1764>)) is endorsed by the: National Association of Clean Water Agencies, National Association of Counties, United States Conference of Mayors, National Association of Counties, National League of Cities, National Water Resources Association, Association of California Water Agencies, California Association of Sanitation Agencies, WateReuse Association, and Water Environment Federation.

The full text of H.R.1764 (<https://www.congress.gov/bill/116th-congress/house-bill/1764>) can be viewed here (/sites/garamendi.house.gov/files/GARAME_017_xml.pdf).



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

April 22, 2019

The Honorable John Garamendi
U.S. House of Representatives
2368 Rayburn House Office Building
Washington, D.C. 20515

RE: SUPPORT– H.R. 1764: To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes (Garamendi)

Dear Representative Garamendi:

I am writing to express Metropolitan Water District's support for your legislation to modernize the National Pollutant Discharge Elimination System (NPDES) permit terms under the Clean Water Act.

H.R. 1764, once enacted, would provide the U.S. Environmental Protection Agency, along with state counterpart agencies, a clearly-defined new authority to issue an expanded permit term of up to ten years to reward those public agencies that have demonstrated compliance with existing permit conditions.

It is our hope that your legislation will advance with bi-partisan support during the 116th Congress. Metropolitan is currently considering the development of a regional water recycling plant that may involve the joint participation of the Los Angeles Sanitation Districts. An improved federal regulatory and permitting process is likely to encourage this and other local water supply development to increase resiliency in the region and to help reduce reliance on imported water.

The authority to extend NPDES permit terms up to a fixed period of ten years would better reflect today's clean water infrastructure reality as recently illustrated before the Subcommittee on Water Resources and Environment's hearing into water infrastructure needs.

Please let us know if Metropolitan can be a resource to you and your staff as H.R.1764 moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Kightlinger".

Jeff Kightlinger
General Manager



March 14, 2019

The Honorable John Garamendi
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Garamendi:

On behalf of the above organizations dedicated to protection of public health and the environment, we write in strong support of your legislation to modernize National Pollutant Discharge Elimination System (NPDES) permit terms under the Clean Water Act. This is a commonsense approach to provide the U.S. Environmental Protection Agency or a delegated state with the discretionary authority to consider providing a permit term of up to ten years to reward those public agencies that have demonstrated compliance with existing permit conditions. We urge expeditious consideration of this legislation and look forward to working with you and your colleagues on the Committee on Transportation & Infrastructure.

Today's water quality needs are becoming more complex as public wastewater agencies continually face new challenges to ensuring improved water quality and a safe and reliable water supply. Meeting these challenges requires innovative approaches. Modern wastewater treatment often involves substantial investment of capital with construction terms that stretch out beyond the existing five-year permit term horizon. In some cases, a project construction timeline for clean water infrastructure can extend more than a decade as public agencies try to meet the requirements of extensive environmental reviews, project design, scheduling, and labor and construction agreements. The current NPDES permit term of five years simply does not align with today's water infrastructure complexities.

The Honorable John Garamendi
March 14, 2019
Page Two

The authority to extend NPDES permit terms up to a fixed period of ten years would better reflect today's clean water infrastructure reality as recently illustrated before the Subcommittee on Water Resources and Environment's hearing into water infrastructure needs. Extending permit terms would:

- Enhance the planning and efficiency of facility permitting;
- Give agencies the necessary time to comply with existing regulatory requirements prior to the imposition of new mandates, allowing agencies to better plan and construct new technologies and facilities; and
- Allows states to direct more resources to stormwater, nonpoint and watershed-based solutions.

At the same time, existing permit reopener provisions would allow for new conditions to be inserted where needed prior to permit expiration and protects the public's involvement in the permitting process.

Thank you again for your support on this important issue that is affecting the nation's public water and wastewater agencies.

Sincerely yours,

Association of California Water Agencies
California Association of Sanitation Agencies
National Association of Clean Water Agencies
National Association of Counties
National League of Cities
National Water Resources Association
U.S. Conference of Mayors
WaterReuse Association
Water Environment Federation

116TH CONGRESS
1ST SESSION

H. R. 2313

To amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 2019

Mr. HUFFMAN (for himself and Mr. GOSAR) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water Conservation
5 Rebate Tax Parity Act”.

1 **SEC. 2. MODIFICATIONS TO INCOME EXCLUSION FOR CON-**
2 **SERVATION SUBSIDIES.**

3 (a) **IN GENERAL.**—Subsection (a) of section 136 of
4 the Internal Revenue Code of 1986 is amended—

5 (1) by striking “any subsidy provided” and in-
6 serting “any subsidy—

7 “(1) provided”,

8 (2) by striking the period at the end and insert-
9 ing a comma, and

10 (3) by adding at the end the following new
11 paragraphs:

12 “(2) provided (directly or indirectly) by a public
13 utility to a customer, or by a State or local govern-
14 ment to a resident of such State or locality, for the
15 purchase or installation of any water conservation or
16 efficiency measure, or

17 “(3) provided (directly or indirectly) by a storm
18 water management provider to a customer, or by a
19 State or local government to a resident of such State
20 or locality, for the purchase or installation of any
21 storm water management measure.”.

22 (b) **CONFORMING AMENDMENTS.**—

23 (1) **DEFINITION OF WATER CONSERVATION OR**
24 **EFFICIENCY MEASURE AND STORM WATER MANAGE-**
25 **MENT MEASURE.**—Section 136(c) of the Internal
26 Revenue Code of 1986 is amended—

1 (A) by striking “ENERGY CONSERVATION
2 MEASURE” in the heading thereof and inserting
3 “DEFINITIONS”,

4 (B) by striking “IN GENERAL” in the
5 heading of paragraph (1) and inserting “EN-
6 ERGY CONSERVATION MEASURE”, and

7 (C) by redesignating paragraph (2) as
8 paragraph (4) and by inserting after paragraph
9 (1) the following:

10 “(2) WATER CONSERVATION OR EFFICIENCY
11 MEASURE.—For purposes of this section, the term
12 ‘water conservation or efficiency measure’ means any
13 evaluation of water use, or any installation or modi-
14 fication of property, the primary purpose of which is
15 to reduce consumption of water or to improve the
16 management of water demand with respect to one or
17 more dwelling units.

18 “(3) STORM WATER MANAGEMENT MEASURE.—
19 For purposes of this section, the term ‘storm water
20 management measure’ means any installation or
21 modification of property primarily designed to re-
22 duce or manage amounts of storm water with re-
23 spect to one or more dwelling units.”.

24 (2) DEFINITION OF PUBLIC UTILITY.—Section
25 136(c)(4) of such Code (as redesignated by para-

1 graph (1)(C)) is amended by striking subparagraph
2 (B) and inserting the following:

3 “(B) PUBLIC UTILITY.—The term ‘public
4 utility’ means a person engaged in the sale of
5 electricity, natural gas, or water to residential,
6 commercial, or industrial customers for use by
7 such customers.

8 “(C) STORM WATER MANAGEMENT PRO-
9 VIDER.—The term ‘storm water management
10 provider’ means a person engaged in the provi-
11 sion of storm water management measures to
12 the public.

13 “(D) PERSON.—For purposes of subpara-
14 graphs (B) and (C), the term ‘person’ includes
15 the Federal Government, a State or local gov-
16 ernment or any political subdivision thereof, or
17 any instrumentality of any of the foregoing.”.

18 (3) CLERICAL AMENDMENTS.—

19 (A) The heading of section 136 of such
20 Code is amended—

21 (i) by inserting “**AND WATER**” after

22 “**ENERGY**”, and

23 (ii) by striking “**PROVIDED BY PUB-
24 LIC UTILITIES**”.

1 (B) The item relating to section 136 in the
2 table of sections of part III of subchapter B of
3 chapter 1 of such Code is amended—

4 (i) by inserting “and water” after
5 “energy”, and

6 (ii) by striking “provided by public
7 utilities”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts received after Decem-
10 ber 31, 2019.

11 (d) NO INFERENCE.—Nothing in this Act or the
12 amendments made by this Act shall be construed to create
13 any inference with respect to the proper tax treatment of
14 any subsidy received directly or indirectly from a public
15 utility, a storm water management provider, or a State
16 or local government for any water conservation measure
17 or storm water management measure before January 1,
18 2020.

○

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JARED HUFFMAN
US CONGRESSMAN
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Reps. Huffman and Gosar Introduce Bipartisan Legislation To Ease Tax Burden on Homeowners Making Water-Efficient Choices

Apr 12, 2019 | Press Release

Washington, D.C.- Reps. Jared Huffman (D-CA) and Paul Gosar (R-AZ) introduced the Water Conservation Rebate Tax Parity Act today, bipartisan legislation ahead of Tax Day to amend Federal tax law to clarify that homeowners do not need to pay income tax when they receive rebates from water utilities for water conservation and water runoff management improvements that they have made.

Water utilities around the country—especially in drought-prone areas like California and Arizona—are increasingly offering rebates and incentives to homeowners who make investments to reduce their water use, reduce stormwater runoff, and ease the strain on public infrastructure.

“Americans should not be penalized for doing the right thing and installing water-saving technologies to make their homes and communities more resilient in the face of future droughts,” said Rep. Huffman. **“House-by-house changes can add up to millions of gallons in water savings, and the tax code should support homeowners who replace water-thirsty lawns or reduce stormwater runoff in the same way the federal government already incentivizes energy conservation rebates. The Water Conservation Rebate Tax Parity Act is a bipartisan, smart solution to ensure our constituents are not taxed for improving their water footprint.”**

“I am pleased to join Water, Oceans and Wildlife Subcommittee Chairman Jared Huffman in introducing the Water Conservation Rebate Tax Parity Act and appreciate his leadership on this legislation,” said **Rep. Gosar, D.D.S.** “This bill is important to homeowners, municipalities and water users in my district and throughout the country. Mr. Huffman’s bill provides parity in order to ensure reliable and sustainable water supplies that are

critical to local communities. As the Mohave County Water Authority stated when passing Resolution No. 16-019, 'taxing conservation and stormwater rebates is a disincentive to the millions of Americans who may invest in water conservation and stormwater management ... Such rebates are not income, but defray upfront costs as an incentive to spur private investment in improvements to increase efficiency reduce demand, and improve stormwater management.'"

"We applaud Congressmen Huffman and Gosar for their leadership and vision in introducing the Water Conservation Rebate Tax Parity Act. Local rebate programs are often the most cost-effective way for communities to increase water efficiency, manage runoff and improve water quality. Penalizing people with a tax bill for doing the right thing discourages participation in the very programs we need to meet our conservation objectives," said **Cynthia Koehler Executive Director of WaterNow Alliance, a network of over 400 local water decision makers nationwide.** "This legislation is essential to provide clarity and certainty for thousands of cities, towns and water utilities across the country, enabling them to provide incentives to local business and residential consumers for programs to secure water supply and enhance local water quality."

"Metropolitan, the nation's largest drinking water wholesaler, fully supports legislation that removes water conservation rebates from consideration as taxable income," said **Jeffrey Kightlinger, the General Manager of the Metropolitan Water District of Southern California.** "Rebate programs are a cost-effective way to increase water efficiency and help adapt to a changing climate. We appreciate the efforts of Representatives Huffman, Gosar and other House Members to advance this important legislation."

The Water Conservation Rebate Tax Parity Act clarifies that these rebates, which are growing in number and size across the nation, are not taxable income, but rather an effort to defray upfront consumer costs for a public benefit. Encouraging residents to reduce water usage by installing "gray water" capture systems or purchasing new water-efficient appliances and plumbing fixtures can provide significant water yield benefits, protecting public health, the environment, and local economies. These rebates provide a net benefit to the public and utilities.

This would ensure that the IRS treats water conservation rebates in the same manner as the Agency treats energy conservation rebates, including insulation, Energy Star-certified windows and doors, and energy efficient appliances, which are not taxable.

The Water Conservation Rebate Tax Parity Act is supported by the California State Association of Counties, Western Urban Water Coalition, Natural Resources Defense Council (NRDC), Bay Area Council, National Association of Clean Water Agencies (NACWA), Arizona Municipal Water Users Association, Bay Planning Coalition, Coalition to Promote Water Conservation, Rural County Representatives of California (RCRC), Alliance for Water Efficiency, Metropolitan Water District, Los Angeles Department of Water and Power, Olivehain Municipal Water District, Carlsbad Municipal Water District, Otay Water District, Rincon Water, Valley Center Municipal Water District, Vista Irrigation District, City of Poway, Elsinore Valley Municipal Water District, Yuima Municipal Water District, Three Valleys Municipal Water District, Calleguas Municipal Water District, Irvine Ranch Water District, and Santa Clara Valley Water District, Las Virgenes Municipal Water District, City of Anaheim Public Utilities Department City of Camarillo, Sacramento Suburban Water District.

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Media Center

**CONSENT
CALENDAR
ITEM**

2F



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager ASD

Committee: Engineering, Operations & Water Resources

06/12/19

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Regional Contract Facilitation Contract Amendment

Executive Summary:

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 Committees requested IEUA to contract with Kearns & West (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 time-line 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).

To date, the Agencies and IEUA have met numerous 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 additional topics that are in progress or have yet to be discussed. Consequently, the Technical Committee requested K&W submit a new scope and budget to support continued negotiations through fiscal year 2019/20 (Phase 2C). On April 25th and May 2nd, the Regional Committees unanimously approved the Phase 2C contract amendment with K&W for a not-to-exceed amount of \$393,831.

Staff's Recommendation:

1. Approve the budget amendment of \$393,831 for the Regional Contract Facilitation, Project No. PL19002;
2. Authorize the contract amendment for \$393,831 to Kearns & West for a not-to-exceed maximum of \$898,676; and
3. Authorize the General Manager to execute the contract amendment, subject to non-substantive changes.

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

Account/Project Name:

PL19002/Regional Contract Facilitation

Fiscal Impact (explain if not budgeted):

None

Prior Board Action:

On June 20, 2018, the Board of Directors approved a professional services contract amendment for \$390,000 to Kearns and West for the not-to-exceed maximum of \$504,845.

Environmental Determination:

Not Applicable

Business Goal:

The contract amendment supports the IEUA's Business Goal of Business Practices specifically the Efficiency and Effectiveness objective that IEUA will apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.

Attachments:

Attachment 1 - Contract Amendment 4600002416-003
Attachment 2 - PowerPoint



**CONTRACT AMENDMENT NUMBER: 4600002416-003
FOR PROFESSIONAL SERVICES AS
REGIONAL CONTRACT FACILITATOR**

THIS CONTRACT AMENDMENT THREE is made and entered into this ____ day of _____, 2019, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "IEUA" and "Agency"), and Kearns & West, Inc. with offices in San Francisco, CA, Davis, CA, and Washington, DC (hereinafter referred to as "Consultant") for professional services related to Local Services as a Regional Contract Facilitator, and shall revise the Contract as herein amended:

SECTION 2., SCOPE OF WORK AND SERVICES, IS CHANGED TO ADD THE FOLLOWING PARAGRAPH: Consultant shall be responsible for additional Phase 2C professional services and responsibilities which shall include and be in accordance with the Regional Contract Facilitation Scope and Budget, attached hereto, referenced herein, and made a part hereof as **Exhibit 1.**

SECTION 3., TERM, IS CHANGED TO READ: The term of this Contract shall extend from the date of the Notice to Proceed and terminate on June 30, 2020, unless otherwise agreed to by both parties, reduced to writing, and amended to this contract.

SECTION 3.B., PAYMENT, INVOICING, AND COMPENSATION, ADDS THE FOLLOWING PARAGRAPH:

B.1 As compensation for the additional Work performed under this Contract Amendment, Agency shall pay Consultant a total **NOT-TO-EXCEED MAXIMUM OF \$898,676.00** for all services satisfactorily provided during the term of this Contract, which is increased by \$393,831.00 in accordance with the Regional Contract Facilitation Scope and Budget, affixed hereto, referenced herein, and made a part hereof as **Exhibit 1.**

ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.

(Signature Page Immediately Follows)

WITNESSETH, that the parties hereto have mutually covenanted and agreed as per the above amendment items, and in doing so have caused this document to become incorporated into the Contract documents.

**INLAND EMPIRE UTILITIES AGENCY:
(A MUNICIPAL WATER DISTRICT)**

KEARNS & WEST, INC:

Shivaji Deshmukh (Date)
General Manager



J. Michael Harty (Date) 5/16/2019
Principal and Senior Mediator

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Exhibit 1

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:

- Neutral, third party expertise in conflict resolution and collaborative problem solving, including process design;
- Neutral, third-party technical expertise related to key issues requiring negotiation;
- A broad spectrum of process support services for structured contract negotiations that build on prior phases;
- 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, 2019, 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 <i>(Items with an asterisk reflect hourly estimates per month.)</i>	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	\$225.00	\$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	\$7,580			\$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		\$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		\$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		\$3,576	Assumes \$100 per person/month
Meeting materials	1	\$200.00	12		\$2,400	Includes flip charts, printing, and basic equipment cost per month
Per diem meals	9.28	\$61.00	12		\$6,793	Assumes 2019 federal GSA per diem rate of \$61/day for 4 people (with three of those attending 2/3 of meetings)

Phase 2C KW Estimate of Services_to IEUA_rev

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	\$51,986	
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.

Regional Contract Facilitation

History and Proposed Contract Amendment



Background

- Regional Committees/IEUA agreed to hire facilitator to assist with Regional Contract Negotiations
- IEUA and Member Agencies met with multiple facilitators
- Recommendation
 - Kearns and West (Michael Harty) - principal facilitator
 - Dennis Diemer & Michael Rudinica – subject matter experts
- Contract executed in September 2017

Phase 1 – Assessment (September 2017 to February 2018)

- Several 1:1 meetings with IEUA and Member Agencies
- Understanding and definition of key interests & issues
 - Qualitative (trust, communication, etc.)
 - Policy, Technical, Administrative
- Technical/Policy Committee Workshop
 - Build on positive momentum and enhanced trust
 - Unanimous support to continue facilitated negotiations

Phase 2A – Assessment (March 2018 to May 2018)

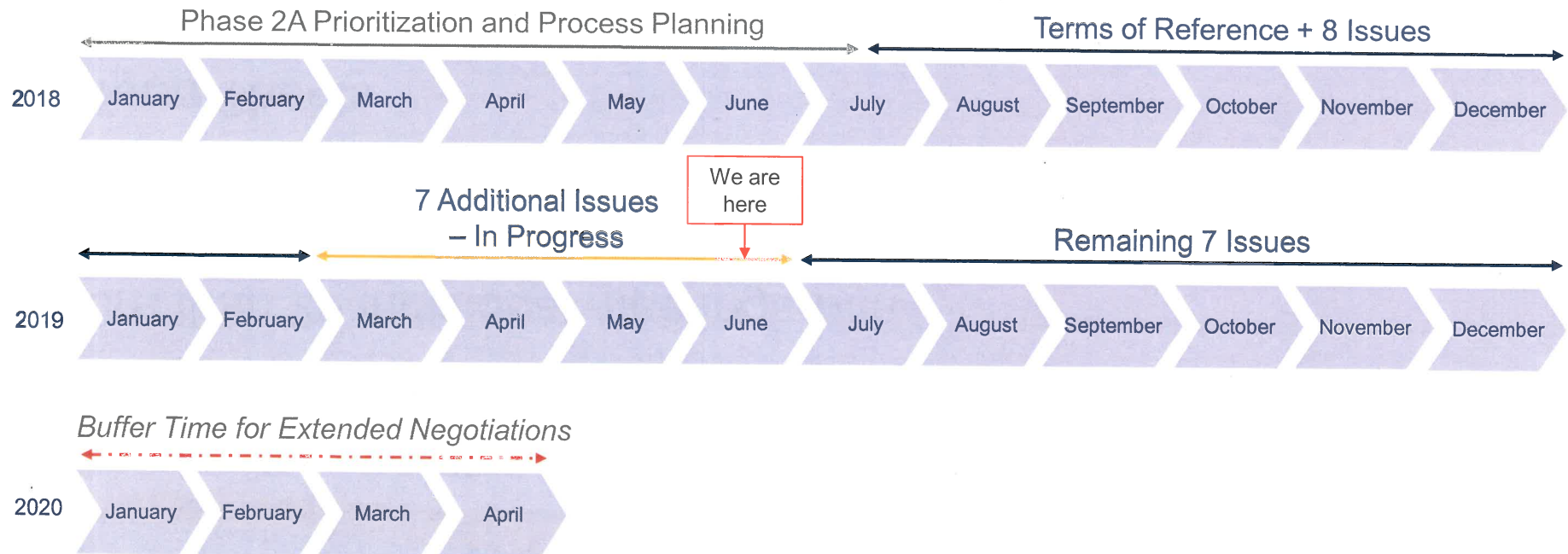
- Technical Committee Workshops
- Issues for Negotiation
 - Prioritized/Ranked based on
 - Importance of issue
 - Ease to address/implement
 - Identify win-win opportunities
- Negotiation Process (structure & schedule)
 - Commitments
 - Milestones/Offramps
- Regional Committees support initial year of negotiations

Phase 2B – Contract Negotiation

(July 2018 to June 2019)

- 22 topics for negotiation
- 23 negotiation sessions
- More than 20 individual meetings with Contract Agencies and IEUA
- 11 Scoping Documents
- 7 Term Sheets

Negotiation Timeline



Phase 2C – Contract Negotiation

(July 2019 to June 2020)

- Regional Technical and Policy Committee Unanimous Approval
 - Contract Amendment Phase 2C
 - Not-to-exceed amount of \$390,000
- Staff Recommendation:
 1. Approve the budget amendment of \$393,831 for the Regional Contract Facilitation, Project No. PL19002;
 2. Authorize the contract amendment for \$393,831 to the Kearns & West for a not-to-exceed maximum amount of \$898,676; and
 3. Authorize the General Manager to execute the contract, subject to non-substantive changes.

CONSENT
CALENDAR
ITEM

2G



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager SDM

Committee: Engineering, Operations & Water Resources

06/12/19

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Project Agreement 24 for the Inland Empire Brine Line

Executive Summary:

The Santa Ana Watershed Project Authority (SAWPA) Joint Powers Agreement (JPA) provides for SAWPA's exercise of the shared powers of the Member Agencies, and recognizes that SAWPA shall function through the implementation of specific projects. The JPA establishes that such specific projects will be administered through individual project agreements when less than all of the SAWPA member agencies are participating. SAWPA formed a number of project agreements pursuant to the JPA for the study, design, and construction of the Inland Empire Brine Line (Brine Line). Currently none of these project agreements remain active.

The Project Agreement 24 (PA24) is between SAWPA and all the member agencies except Orange County Water District and will address all aspects of Brine Line operations, maintenance, planning, administration, implementation, and improvements. The PA24 will supersede and replace Project Agreement 21, which was originally executed on December 21, 2010. The PA24 needs to be approved by each of the four participating member agency Board of Directors. At the May 21, 2019 SAWPA Commission meeting, the PA24 for the Brine Line was approved.

Staff's Recommendation:

1. Approve Project Agreement 24 for the Inland Empire Brine Line; and
2. Authorize the General Manager to execute the Agreement.

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

Account/Project Name:

None

Fiscal Impact (explain if not budgeted):

None

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The Project Agreement 24 for the Inland Empire Brine Line is consistent with IEUA's business goals of Fiscal Responsibility and Business Practices by maintaining service rates and fees that support cost of service for IEUA programs in a cost effective, efficient and reliable manner.

Attachments:

Attachment 1 - Project Agreement 24

SANTA ANA WATERSHED PROJECT AUTHORITY

PROJECT AGREEMENT 24

INLAND EMPIRE BRINE LINE

THIS AGREEMENT is made on _____, 2019, by and between the **SANTA ANA WATERSHED PROJECT AUTHORITY ("SAWPA")**, a joint powers agency created pursuant to Government Code Section 6500 et seq., and the following Member Agencies of SAWPA, referred to hereinafter as Project Agreement 24 ("PA24") Committee Members: **EASTERN MUNICIPAL WATER DISTRICT ("EASTERN"); INLAND EMPIRE UTILITIES AGENCY ("IEUA"); SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ("VALLEY");** and **WESTERN MUNICIPAL WATER DISTRICT ("WESTERN")**. The PA24 Committee members and SAWPA are jointly referred to herein as the "Parties."

RECITALS

- A. The PA24 Committee Members are all special districts with broad authority over water resources, including powers to develop, protect, and enhance water supply and reliability within the region and to protect and preserve the quality of the surface and subsurface water supplies within their respective boundaries.
- B. The SAWPA Joint Powers Agreement, as amended, provides for SAWPA's exercise of the shared powers of the Member Agencies, and recognizes SAWPA shall function through the identification and implementation of specific projects. The JPA establishes that such specific projects will be administered through individual project agreements and by project committees ("Project Committees") when less than all of the SAWPA member agencies are participating.
- C. SAWPA owns and operates the Inland Empire Brine Line ("BRINE LINE"). The BRINE LINE is a wastewater pipeline conveyance system and was constructed for the transmission of non-reclaimable wastewater. The pipeline extends from its connection to the Orange County Sanitation District's ("OCSD") Santa Ana River Interceptor ("SARI") at the Riverside County-Orange County boundary into the upper Santa Ana River watershed. As of the date of this Agreement SAWPA owns a 30-million gallons per day capacity right in the SARI that is subject to certain payment obligations and other terms and conditions including a Waste Water Interceptor Capacity Agreement with OCSD dated April 12, 1972 and subsequently amended.
- D. SAWPA member agencies formed a number of separate project agreements pursuant to Section 18 of the SAWPA Joint Powers Agreement for the study, design, or construction of parts of the BRINE LINE. Some of those project agreements also purported to address maintenance. In practice, SAWPA has operated the BRINE LINE as one infrastructure system as components were completed and added on, and currently none of the earlier project agreements or project committees related to BRINE LINE development remain active.

- E. As of the date of this Agreement SAWPA also owns a treatment and disposal capacity right of 17 million gallons per day, with a right to purchase additional capacity, in certain wastewater treatment and disposal facilities owned by OCSD. This treatment and disposal right is subject to certain payment obligations and other terms and conditions including a Treatment and Disposal Capacity Agreement with OCSD dated July 24, 1996.
- F. Since the early 1980s, SAWPA has entered into various written agreements with EASTERN, IEUA, VALLEY, WESTERN, and Orange County Water District (OCWD) regarding purchase and sale of pipeline capacity rights and treatment and disposal rights in the SARI and BRINE LINE.
- G. BRINE LINE policies are established by Ordinances and Resolutions that have been adopted by the SAWPA Commission, including Ordinance No. 8: "An Ordinance of the Santa Ana Watershed Project Authority Establishing Regulations for the Use of the Inland Empire Brine Line." Current Resolutions establish local limits on discharges, establish the purchase price for treatment and disposal capacity rights, and establish rates. SAWPA implements a comprehensive pretreatment program and issues or directly oversees issuance of permits to all dischargers. SAWPA complies with its agreements with OCSD through implementation of a 1991 MOU, which clarified roles and responsibilities in that relationship. In terms of water quality compliance, SAWPA's program documents clearly recognize OCSD as the Control Authority for discharges to the BRINE LINE, and SAWPA as the Delegated Control Authority. SAWPA and OCSD formed a Joint Policy Committee in 2013 to provide a regular forum to discuss and coordinate policy positions and avoid or manage conflicts. Two SAWPA Commissioners are appointed by SAWPA to serve on the Joint Policy Committee.
- H. SAWPA complies with the State Water Resources Control Board Order No. 2006-0003, a General Waste Discharge Requirement for all publicly owned sanitary sewer collection systems in California with more than one mile of sewer pipe. One component of Order No. 2006-0003 is the development and implementation of a Sewer System Management Plan ("SSMP") that defines provisions for management of the system to limit Sanitary Sewer Overflows. SAWPA adopted its SSMP in April 2009 and has been implementing its provisions since then.
- I. SAWPA maintains insurance policies covering BRINE LINE operations, including risks of wastewater spills and property damage.
- J. Operating the BRINE LINE is complex, requiring short- and long-term planning regarding future use and flows, capital improvements, financial modeling, recurring and nonrecurring operations and maintenance, regulatory compliance, relations with OCSD, marketing and community relations, and other evolving issues. Consistent with the requirements of the SAWPA Joint Powers Agreement, a Project Committee is required to oversee the administration and implementation of these and other project-related activities for the BRINE LINE.

- K. By this Agreement, the Parties wish to supersede and replace Project Agreement 21, originally executed on December 21, 2010, per Section 18 of the SAWPA Joint Powers Agreement. The Parties hereto desire to create Project Committee 24 to provide policy direction and oversight of the BRINE LINE.

COVENANTS

Based on the foregoing facts, and in consideration of the mutual covenants of the PA24 Committee Members and SAWPA, it is agreed that:

1. The PA24 Committee is hereby established for the purpose of establishing policy and providing oversight of the BRINE LINE operations, maintenance, planning, administration, implementation, and improvement of the BRINE LINE, including but not limited to rate-setting and revenue collection, permit issuance and enforcement, and usage of the Brine Line Enterprise Fund. In accordance with Section 18 of the SAWPA Joint Powers Agreement, a PA24 Committee Member may appoint at its sole discretion any member of its governing board or its general manager as its representative and/or alternate to the PA 24 Committee. The PA24 Committee will appoint SAWPA's two Commissioners to the Joint Policy Committee with OCSD.
2. Facilities constructed for the purposes of this Project Agreement will be owned by SAWPA for the benefit of the PA24 Committee. The PA24 Committee shall approve any necessary agreements that specify how existing BRINE LINE infrastructure and all future facility improvements will be financed, designed, constructed, operated, and maintained.
3. The PA24 Committee will be operated as a distinct account within SAWPA's accounting system for the administration by SAWPA of Brine Line Enterprise Funds and for any other funds that may be made available to the PA24 Committee for actions within the Committee's purpose.
4. The PA24 Committee will constitute the executive authority through which SAWPA shall act for purposes of this Project Agreement.
5. All budget and operating decisions of the PA24 Committee will be made by unanimous consent of the PA24 Committee Members. The Parties agree that "operating decisions" are those that involve significant, system-wide decisions about how the BRINE LINE will function, including decisions concerning: physical repairs or alterations that could result in an impairment of use of the BRINE LINE. "Operating decisions" are not intended to include those involving day-to-day functioning, implementing the provisions of the SSMP, or matters mandated by law, regulation, or permits, or in response to emergencies. Authority is hereby delegated to the SAWPA General Manager, up to the expenditure authority provided by SAWPA's Procurement Policy, to take such actions.
6. The PA24 Committee will have, without further ratification by the PA24 Committee Members or SAWPA, such authority as may be necessary to implement the provisions of this Project Agreement so long as expenditures are within the PA24 budget. Consistent with Section 26 of the SAWPA Joint Powers Agreement, any expenditure or contractual commitment which exceeds the PA24 budget must be approved by unanimous consent of the PA 24 Committee Members. Any expenditures or contractual commitments within the designations and

limitations of the approved PA24 budget shall be made on the authorization of a majority of the PA24 Committee. This section does not limit the authority the SAWPA General Manager has to respond to emergencies.

7. SAWPA funds all aspects of BRINE LINE operations, maintenance, planning, administration, and improvements through rates set as described herein that are paid by the Parties and other contractual dischargers as a fee for service. SAWPA has used debt financing for some BRINE LINE improvements that is guaranteed by a pledge of rate revenue for repayment. Rates that are established by the PA24 Committee and approved by a majority of SAWPA commissioners representing PA24 members, take effect upon approval and are not dependent on the approval of the PA24 budget. OCWD is not a member of PA24 and will not vote on Brine Line rates at the Commission. With four members voting, a split vote of two members in favor and two members in opposition is insufficient for approval as it does not represent a majority. Under such circumstances the proposed rates will be returned to the PA24 Committee for additional study and development of a revised rate recommendation. Approval of the proposed rates shall not be unreasonably withheld by the SAWPA commissioners representing PA24 members. Should rates not be approved by a majority of SAWPA commissioners representing PA24 members, the most recently approved rates shall stay in effect.
8. In conjunction with each SAWPA budget, SAWPA shall prepare a budget for the PA24 BRINE LINE project (PA24 budget) that shall address the sources and uses of funds and the respective financial obligations and functions of the PA24 Committee Members, including the matching funds included in any grant agreements. The budget shall include costs for SAWPA support of the PA24 Committee. If any PA24 Committee Member fails or refuses to approve any PA24 budget, said budget shall be returned to the PA24 Committee for restudy and revision. In the event a budget acceptable to all of the PA24 Committee members is not obtained prior to the start of the fiscal year, SAWPA shall continue to operate the BRINE LINE at the level of total expenditure authorized by the last approved PA24 budget for administrative, operations and maintenance activities, and shall continue with the construction of contractually authorized capital improvement projects included in the last approved PA24 budget. The PA24 Committee Members shall be obligated to fund such administrative, operations and maintenance activities to the same extent as in the previously approved budget, and to fund capital improvement projects under contract at previously authorized expenditure and contracting limits. For administrative convenience, the PA24 budget shall be included with the SAWPA budget for approval by the PA 24 Committee Members' governing boards per the SAWPA Joint Powers Agreement. Approval of the proposed PA24 budget shall not be unreasonably withheld by the SAWPA PA 24 Committee Members. SAWPA shall provide a quarterly report to the PA24 Committee of actual expenses relative to the approved budget.
9. The PA24 Committee Members shall be solely financially responsible for all liabilities and expenses, including administrative, consultant and legal expenses incurred in connection with PA24 activities, and to the extent necessary shall reimburse SAWPA for any and all such costs and expenses that are incurred on behalf of the PA24 Committee to the extent not otherwise covered by PA24 revenues or funds, or SAWPA's liability insurance. Unless otherwise specified by unanimous Committee action, PA24 Committee Members shall have an equal share in such financial obligation.

10. The PA24 Committee Members will indemnify and hold harmless SAWPA and any SAWPA member agency not then participating as a member of the PA24 Committee from any and all financial liability, including claims or disputes, arising from or in connection with the operation, maintenance, or repair of the BRINE LINE and other PA24 facilities, and any project-related contracts or actions, to the extent such liability is not fully covered by budgeted PA24 revenues or funds, or SAWPA's insurance.
11. PA24 Committee Members may withdraw from this Project Agreement at any time upon not less than 60 days written notice to the other members. Obligations of the withdrawing agency, including any liabilities related to any grant agreement or other financing commitment associated with PA24, will be determined according to the PA24 budget then in effect or by the PA24 Committee. Pursuant to Section 8 of the SAWPA Joint Powers Agreement, no withdrawal shall relieve the withdrawing agency from financial obligations theretofore incurred by it under this Agreement.
12. No right, duty, or obligation of whatever kind or nature created herein will be assigned by any party to this Project Agreement without the prior written consent of SAWPA.
13. This Project Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.
14. Each signatory hereto warrants that the execution of this Project Agreement represents the approval of that Agency's board of directors of this Agreement.
15. This Project Agreement may be executed in counterparts.
16. The Recitals are incorporated herein and made an operative part of this Agreement.
17. Except as otherwise specifically provided for in this Agreement, the provisions of the SAWPA Joint Powers Agreement, as amended, shall be controlling in regard to the performance of this Agreement.

IN WITNESS WHEREOF, the signatories hereto have executed this Project Agreement to be effective as of the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

By _____

Its _____

EASTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

INLAND EMPIRE UTILITIES AGENCY

By _____

Its _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By _____

Its _____

WESTERN MUNICIPAL WATER DISTRICT

By _____

Its _____

CONSENT
CALENDAR
ITEM

2H



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager ADD

Committee: Engineering, Operations & Water Resources

06/12/19

Executive Contact: Shaun Stone, Acting Executive Manager of Engineering/AGM

Subject: Pavement Management Master Services Contract Award

Executive Summary:

IEUA has approximately 30 acres of pavement at various facilities which require maintenance. To properly rehabilitate the existing pavement, Engineering is implementing a multi-year Pavement Asset Management Program. To prioritize work and develop the most cost-effective repair alternatives, a consultant will need to perform an evaluation of the current facilities and develop a replacement program.

A request for proposal was posted on PlanetBids. On April 25, 2019, three proposals were received. An evaluation team comprised of IEUA staff from the Engineering and Construction and Contracts and Procurement department, conducted a thorough review, evaluation, and interviews of the proposals and consulting firms. The evaluation committee recommends Bucknam Infrastructure Group be awarded a five-year master service contract with the option for up to two, one-year time extensions, for a not-to-exceed amount of \$500,000. Bucknam Infrastructure Group has successfully provided pavement management services to numerous local public agencies.

Staff's Recommendation:

1. Award a five-year master service contract, with the option for up to two, one-year time extensions to Bucknam Infrastructure Group for a not-to-exceed amount of \$500,000; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

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

Account/Project Name:

Multiple capital project and department O&M budgets.

Fiscal Impact (explain if not budgeted):

There is no direct impact on IEUA's fiscal year budget as a result of this action. These contracts are for work which will be required on various project and department operation and maintenance budgets. Thus, no separate funding is needed for these contracts.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

None.

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project will be implemented will be subject to future environmental evaluation.

Business Goal:

The Pavement Management Master Service Contract is consistent with IEUA's Business Goal of Wastewater Management, specifically the Water Quality Objective that IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the environment, and meet anticipated regulatory requirements.

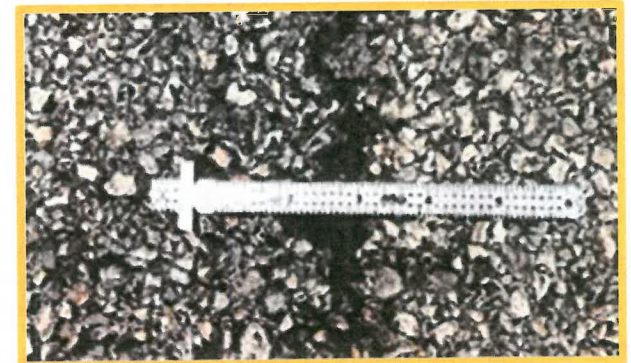
Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Contract

Attachment 1

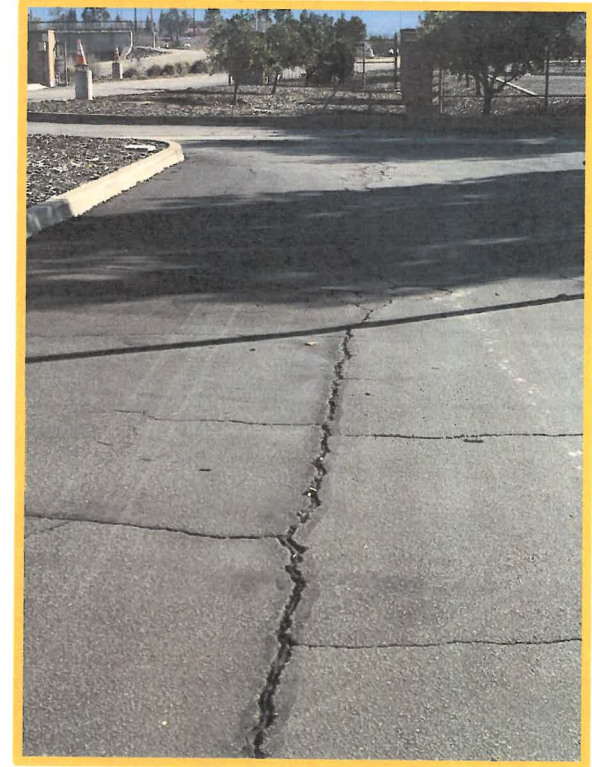
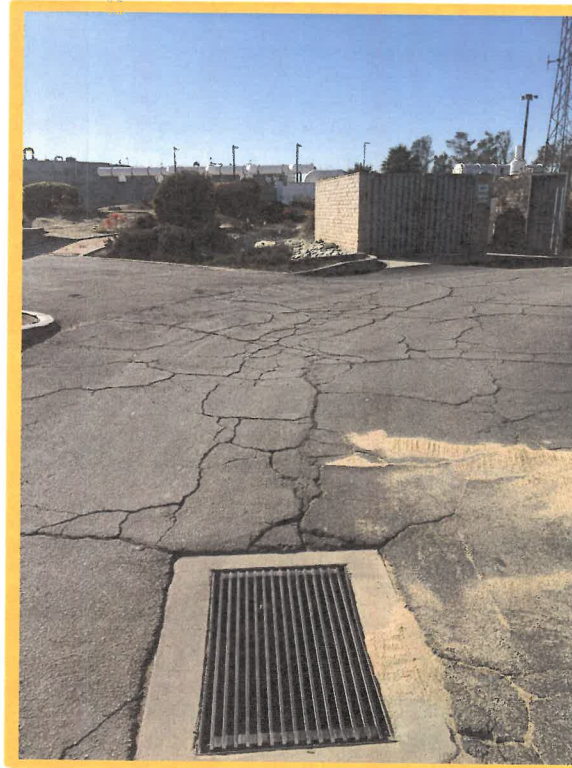
Master Service Contract Award Pavement Management Services



Matthew A. Poeske, P.E.
June 2019

Background

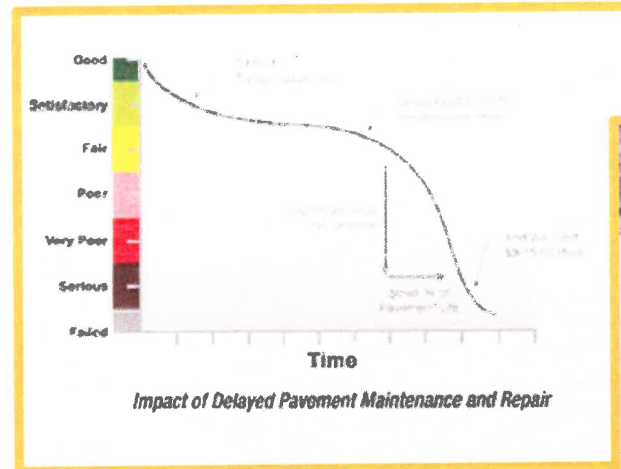
- Pavement Master Service Contract
 - Pavement hardscapes are past their service life
 - Need to assess and prioritize future work
 - Need to track work in Asset Management layer of GIS for future budgeting CIP needs
 - Need to coordinate all work with future projects



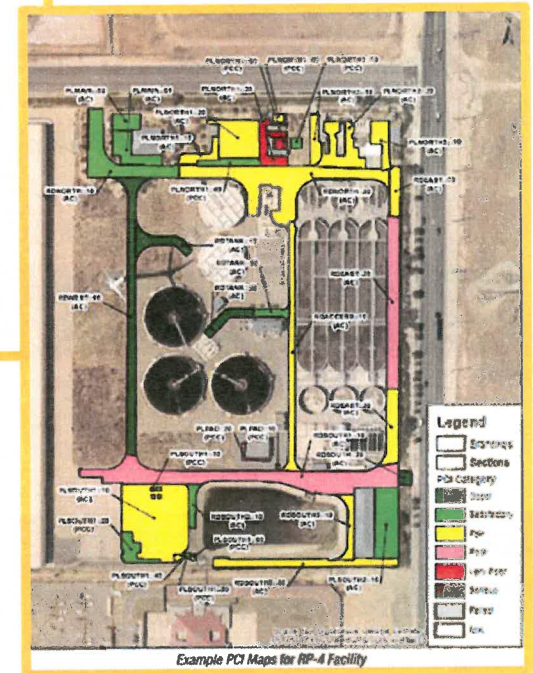
Examples of Pavement Areas Past Service Life

Scope of Services

- Pavement Management Services may include but not limited to the following:
 - Assessment of all Agency hardscape and appendices
 - Prioritize, schedule/cost replacement
 - Recommend rehabilitation type
 - Prepare/Update GIS Asset Management layer
 - Prepare programmatic specifications for phased work



Example of Assessment Evaluation



Consultant Selection

- Evaluation and Selection Committee
 - Engineering Department
 - Contracts & Procurement Department
- Evaluation criteria for selection:
 - Past Experience
 - References
 - Resume's
 - Approach
 - Proposal Content/Format
 - Fee Schedule

Proposals Received

Bucknam Infrastructure Group, Inc.

Kimley-Horn

Cal Vada Surveying, Inc.

Recommendation

- Award a five-year master service contract, with the option for up to two, one-year time extensions, to Bucknam Infrastructure Group, Inc., for a not-to-exceed amount of \$500,000; and,
- Authorize the General Manager to execute the contract, subject to non-substantive changes.

The Pavement Management Master Service Contract is consistent with the **IEUA's Business Goal of Wastewater Management**, specifically the Water Quality Objective that IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the environment, and meet anticipated regulatory requirements.

Attachment 2



**MASTER SERVICES CONTRACT NUMBER: 4600002738
FOR PROVISION OF
PAVEMENT MANAGEMENT SERVICES**

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2019, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "IEUA" and "Agency") and Bucknam Infrastructure Group, Inc, with offices located in Oceanside, California (hereinafter referred to as "Consultant"), in order to establish mutually acceptable terms and conditions which shall hold for and govern all "Task Order" releases subsequently issued under this Master Services Contract.
RECITALS

Whereas Agency anticipates future needs to retain the services of Consultant to provide architectural services on an "as-needed" Task Order assignment basis;

Whereas Consultant is willing to undertake performance of such Task Order assignments for which the terms and conditions set forth herein shall apply;

THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereby agree as follows:

Project Manager Assignment: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Matthew Poeske, Senior Engineer
Address: 6075 Kimball Avenue, HQ-B
Chino, CA 91708
Telephone: (909) 993-1723
Facsimile: (909) 993-1982
Email: mpoeske@ieua.org

Consultant Assignment: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Consultant: Peter Bucknam
Address: 3548 Seagate Way, Suite 230
Oceanside, CA 92056
Telephone: (760) 216-6529
Email: steve@bucknam.net

1. ORDER OF PRECEDENCE: The documents referenced below constitute the Agreement Documents and are each hereby incorporated herein. In the event of any conflicts or inconsistencies between any of the Contract Documents, the governing order of precedence shall be as follows:

- A. Amendments to Task Order releases under this Master Services Contract.
- B. Task Order releases under this Master Services Contract.
- C. Amendments to this Master Services Contract No. 4600002738
- D. Master Services Contract Number 4600002738, General Terms and Conditions.
- E. Exhibit A - Consultant's Proposal and Standard Hourly Rate Schedule dated April 25, 2019
- F. Exhibit B - Agency's Request for Proposals Number RFQ-SM-19-002

2. SCOPE OF WORK AND SERVICES: Consultant services and responsibilities shall be in accordance with the Agency's scope of work and services which is attached hereto as Exhibit B and Consultant's proposal attached as Exhibit A . Consultant shall provide all labor, materials, tools, machinery, equipment, and other items and services necessary to properly perform the work (hereinafter referred to as the "Work") as set for in each individual Task Order agreed to and released under this Master Services Contract, including exhibits and amendments hereto. The Work shall be carried out in accordance with the Contract Documents in a diligent and workman-like manner, utilizing qualified personnel and good and sufficient materials and equipment. Further, Consultant shall perform only those work assignments authorized by Task Orders issued in conjunction with this Contract.

A. Ordering Provisions and Understandings:

1. Negotiation of Task Orders: Agency and Consultant each reserve and retain the right to negotiate the Work, price, and term of any specific Task Order. However, both parties agree that the various proposed labor and expense rates used to develop each Task Order's price shall be consistent with those specified within the Schedule of Rates.
2. Task Order Price: The firm fixed or not-to-exceed price for each Task Order shall be addressed and authorized via the content of each specific Task Order.
3. Task Order Format: Each Task Order issued under this Master Services Contract shall be of similar form to the Sample Task Order contained in RFQ-SM-19-002 Attachment D – Sample Task Order.
4. Task Order Assignment Method: As the need for work arises, specific Statements of Work will be forwarded to the Consultant in possession of the Master Services Contract. If the Consultant desires to propose for award of the work, the Consultant shall respond no-later-than the specified proposal submittal

date/time, (which shall be not less than 5 working days after solicitation issuance unless the task order is issued as emergency work per section 5 – On Call/Time and Material Protocol/Emergency Task Orders) with submittal of a price and technical proposal (if applicable) to perform the requested services. This proposal will be reviewed and, if selected by the Agency, negotiated (if required) to develop mutually- agreed-upon Task Order content and price. Each Task Order will designate a specific scope of work, schedule, firm-fixed or not-to-exceed compensation, and other specifications and terms particular to the Work. Upon agreement and execution by both parties, the Task Order will be released, a written notice-to-proceed order will be issued, and the Consultant may then begin performance of the Work provided for under the executed Task Order. There is neither a maximum nor minimum number of Task Orders that may be issued under this Contract. Further, there is no guarantee that any Task Orders will be released against this Contract. Conversely, multiple Task Orders may be issued requiring work in support of concurrent projects.

5. On-Call/Emergency Task Orders Protocol: In some cases, on-call/emergency services may be requested by IEUA. For any directed, on-call/emergency work, IEUA will direct the Consultant to proceed on time and material at a not-to-exceed cost. Upon completion of work, Consultant will submit all billing at which point, IEUA will prepare a Task Order for the specific cost and work performed. A fully executed Task Order will be required to finalize payment for all on-call/Emergency Task Orders. The Consultant shall be reimbursed the hourly rates as shown in the Proposal Rate/Fee Schedule to perform services awarded under this solicitation.
 6. Completion Timeframe: Any Task Order executed during the term of this Contract, and not completed within the term of this Contract, shall nevertheless be completed within the time specified in the Task Order. This Contract shall govern the rights and obligations of the parties with respect to that Task Order to the same extent as if it were being completed within the Contract's term.
 7. Execution: Each Task Order executed hereunder, including any changes to or terminations of such Task Orders, shall be automatically incorporated into this Contract, and therefore shall be subject to the terms and conditions of this Contract.
3. TERM: The term of this Contract shall extend from the date of the contract execution and terminate on June 30, 2024, unless agreed to by both parties, reduced to writing, and formally incorporated as an amendment to this Contract. Agency hereby reserves the right to exercise two (2) one-year optional extensions to the Contract term. In the event the Agency desires to exercise the Contract extension option provided for in this Section, the Agency shall provide written notice to the Consultant, prior to the expiration of the original Contract term. If such option is exercised, the rates established within the fee schedule shall cease to be effective as of the first day of the "option" term.

4. SCHEDULE: Consultant shall complete the Work specified by each Task Order in accordance with the schedule established within said Task Order. All Work shall be fully finished no later than the date specified in said Task Order, unless terminated sooner or extended as provided for herein.
5. COMPENSATION AND CHANGES: Compensation for the satisfactory completion of the work represented by this Contract, Agency shall pay Consultant invoices up to a NOT-TO-EXCEED total authorized amount of **\$500,000** for all services provided throughout the term of this Contract. The Consultant shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, nor for work completed beyond the expiration date without an Amendment to the Contract.

As compensation for the Work satisfactorily performed against Task Order releases under this Contract, Agency shall pay Consultant in accordance with Consultant's approved rate schedule for task orders or, alternately, the established lump-sum or fixed price milestones in the case of firm, fixed price Task Orders. Any additional services/costs must be approved in advance by the Agency's Contract Administrator and a subsequent Task Order, or Task Order Change Order, for the additional work must be issued and bi-laterally executed. Throughout the term of this Contract, Consultant's invoices issued in conjunction with Task Orders may be submitted monthly and shall be calculated in accordance with the labor and expense rates specified within Consultant's Schedule of Rates. Unless a given Task Order establishes its own milestone payment schedule, invoices in conjunction with "firm fixed price" Task Orders shall be submitted upon completion of all Task Order scope requirements as one-time, "lump sum" invoices valued at the total price established for that Task Order.

Agency shall pay the full/approved invoice amount within thirty (30) days following receipt of the invoice. Payment shall be withheld for any service which does not meet the requirements of this Contract or the associated Task Order, until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Consultant's invoices shall include reference to "Contract Number 4600002710" and the associated Task Order Number. All original invoices shall be submitted to the below-listed address via email, with a copy of each invoice forwarded concurrently to the Agency's assigned Project Manager for the given task order:

Contractor's invoices shall be submitted, if by mail, as follows:

Inland Empire Utilities Agency
Re: Contract Number: 4600002710
P.O. Box 9020
Chino Hills, CA 91709

Contractor's invoices shall be submitted, if by e-mail, as follows:

To: APGroup@ieua.org

1. Scan the invoice as a PDF file
2. Attach the scanned file to an email
3. A/P staff will acknowledge receipt of the invoice.

7. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Task Order-specified Work Schedule. If performance of the Work falls behind schedule, Consultant shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule for consideration by the Project Manager.
8. **FITNESS FOR DUTY:**
 - A. **Fitness:** Consultant's personnel on the Jobsite:
 1. Shall report for work in a manner fit to do their job;
 2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
 3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.
9. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.
 - A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:
 1. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
 2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
 - b. Primary Coverage: The Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Consultant's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer hereby grants to Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency.

- D. Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus: VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Consultant shall furnish the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District
Attn: Angela Witte, Risk Specialist, email awitte@ieua.org
P.O. Box 9020
Chino Hills, California 91709

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Consultant: Consultant is retained as an independent Consultant only, for the sole purpose of rendering the services described herein and is not an employee of the Agency.
- C. Observing Laws and Ordinances: Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Consultant shall observe and comply with all such existing and future laws, ordinances, regulations, orders, and decrees at all times; and shall protect and indemnify, as required herein, Agency, its officers, employees, and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Consultant or its employees.
- D. Subcontracted Services: Any subcontracts for the performance of any services under this Contract shall be subject to the prior written approval of the Project Manager.
- E. Grant-Funded Projects: Consultant shall be responsible to comply with all grant requirements or State Revolving Fund ("SRF") conditions related to any Task Order assignments. These may include but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Records Retention and Public Access to Records, and Compliance Review. If a Federally-funded (ARRA) project, or predecessor, Contract Task Order shall have separate, additional reporting accountability on the use of funds.
- Consultant and IEUA staff shall inquire for each Task Order issued if work is grant-funded.
- G. Liens: Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against Agency. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification, Consultant: Consultant shall indemnify the IEUA, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or

willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.

Indemnification, Design Professional: Consultant's Design Professional agrees to indemnify, including the cost to defend, entity and its officers, officials, employees, and volunteers from and against any and all claims, demands, costs, or liability that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Design Professional (Consultant) and its employees or agents in the performance of services under this contract, but this indemnity does not apply to liability for damages arising from the sole negligence, active negligence, or willful acts of the IEUA; and does not apply to any passive negligence of the IEUA unless caused at least in part by the Design Professional (Consultant).

- I. Conflict of Interest: No official of Agency who is authorized in such capacity and on behalf of Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- J. Equal Opportunity: During the performance of this Contract, Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- K. Extra Work: If at any time during the Task Order assignment, Consultant receives a direction which Consultant feels is outside the Task Order's Scope of Work, Consultant shall immediately notify Agency's Project Manager and obtain written direction. The Consultant shall receive no extra compensation for extra work unless Agency receives timely notification of Consultant's opinion that the work is outside of the contracted scope. If the nature of the direction is such that an investigation is required to determine if the work is outside Consultant's agreed upon scope, Consultant must immediately notify Agency's Project Manager that the directed work appears to be outside the scope. Consultant shall not receive extra compensation for extra work performed. Extra work performed without authorization shall be at Consultant's sole cost.
- L. Non-Conforming Work: Consultant represents that the Work and Documentation shall meet the standard of care of Consultant's profession. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all agreed-to errors in the Work or Documentation, regardless of whether any such errors are brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven

(7) calendar days after Consultant's receipt of notice of the error. If the Construction Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Consultant shall notify the Construction Manager, in writing, detailing the dispute and reason for Consultant's position. Any dispute that cannot be resolved between the Construction Manager and Consultant shall be resolved in accordance with the provisions of this Contract.

M. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. Consultant shall pursue the work to completion in accordance with the instruction of Agency's Construction Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to mediation.
2. Any and all disputes during the pendency of the work shall be subject to resolution by Agency Construction Manager and Consultant shall comply, pursuant to Agency Construction Manager instructions. If Consultant is not satisfied with any such resolution by Agency Project Manager, they may file a written protest with Agency Construction Manager within seven (7) calendar days after receiving written notice of Agency's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of Agency Construction Manager's resolution. Agency's Construction Manager shall submit Consultant's written protests to the General Manager, together with a copy of Agency Construction Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with Agency Construction Manager within ten (10) calendar days after receipt of said protest(s). If Consultant is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of mediation, the parties hereto agree that there shall be a single neutral Mediator who shall be selected in the following manner:
 - a. The Demand for a Mediator shall include a list of five names of persons acceptable to Consultant to be appointed as Mediator. Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Mediator.
 - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Mediator selected in

Step (a) is unable to serve, Agency shall submit to Consultant a list of five (5) names of persons acceptable to Agency for appointment as Mediator. Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

4. Joinder in Mediation/Arbitration: Agency may join Consultant in mediation or arbitration commenced by an agreement mediator on the Project pursuant to Public Contract Code Sections 20104 et seq. Such joinder shall be initiated by written notice from Agency's representative to Consultant.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS / CONFIDENTIALITY: Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by Consultant and/or the Consultant's subconsultant(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to Agency from the moment of their preparation, and Consultant shall deliver same to Agency whenever requested to do so by the Construction Manager and/or Agency. Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of Agency. Any reuse of such documents for other than the specific purpose, intended as stated herein, shall be at the sole risk of the user, and without liability or legal exposure to Consultant.

Notwithstanding any provision to the contrary contained in this Contract, Consultant shall retain sole ownership to its preexisting information including but not limited to computer programs, software, standard details, figures, templates and specifications.

When transferring data in electronic media format, Consultant makes no representation as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by Consultant at the beginning of the Project.

Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it shall perform acceptance tests or procedures within sixty (60) days of receipt, after which Agency shall have deemed to have accepted the data transferred. Any errors detected within the sixty (60) days shall be corrected by Consultant at no additional cost to Agency. Consultant shall not be responsible to maintain documents stored in electronic media format after acceptance by Agency. The original hard copy of the documents containing the professional engineer's seal shall take precedence over the electronic documents.

12. PUBLIC RECORDS POLICY: Information made available to Agency may be subject to the California Public Records Act ("CPRA") Government Code Section 6250 et seq. Agency's use and disclosure of its records are governed by this Act. Agency shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a CPRA request for any of the information Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the CPRA.

13. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Consultant shall dispose of items to which Agency has title as directed in writing by the Contract Administrator and/or Agency.

14. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Consultant prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Consultant shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
 - 3. If the Work or Documentation includes the Proprietary Rights of others, Consultant shall procure, at no additional cost to Agency, all necessary

licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

- B. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.
15. INFRINGEMENT: Consultant represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Consultant shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

16. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency, a Municipal Water District
P.O. Box 9020
Chino Hills, CA 91709

Consultant: Peter Bucknam
President
Bucknam Infrastructure Group., Inc
3548 Seagate Way, Suite 230
Oceanside, CA 92056

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon Agency, Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of Agency shall be null, void and of no legal effect whatsoever.
18. RIGHT TO AUDIT: Agency reserves the right to review and/or audit all Consultants' records related to the work assigned by subsequent Task Orders. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. Consultant shall make all records and related documentation available within three (3) working days after said records are requested by Agency.
19. INTEGRATION: The Contract Documents represent the entire agreement of Agency and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by Agency and Consultant.
20. GOVERNING LAW: This Agreement is to be governed by and constructed in accordance with the laws of the State of California.
21. TERMINATION FOR CONVENIENCE: Agency reserves and has the right to immediately suspend, cancel or terminate this Agreement at any time upon written notice to Consultant. In the event of such termination, Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination.
22. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etc.
23. CHANGES: The Agency may, at any time, make changes to a given Task Order's Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing via a Task Order Change Order issued by the Agency and executed by both Parties. The Task Order Change Order will, if warranted, convey any associated change to the established Task Order price and/or performance schedule.
24. NOTICE TO PROCEED: No services shall be performed or furnished under this Master Services Contract unless and until an associated Task Order has been issued, properly signed by the responsible parties, and a Notice to Proceed order has been issued to

Consultant. No services shall be performed or furnished under this Master Services Contract for Emergency work unless and until a Notice to Proceed has been issued to Consultant.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:
(a Municipal Water District)**

**BUCKNAM INFRASTRUCTURE GROUP
INC.:**

Shivaji Deshmukh
General Manager

Date



Peter Bucknam
President

Date

5-21-19

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**CONSENT
CALENDAR
ITEM**

21



Date: June 19, 2019

To: The Honorable Board of Directors

From: Teresa Velarde, Manager of Internal Audit

Committee: Audit

06/10/19

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: FY 2019/20 Annual Audit Plan

Executive Summary:

The Board-approved Audit Committee Charter requires the Audit Committee to approve a flexible Annual Audit Plan of proposed audit projects, and recommend the plan and periodic updates to the Board of Directors for review and approval.

The Board-approved Internal Audit Department (IA) Charter requires that IA submit a flexible Annual Audit Plan of proposed audit projects, with the goal of targeting for audit the activities and business units depending on the assessed risk, level of priority, and/or specific requests.

The Institute of Internal Auditors (IIA) audit standards require that periodic risk assessments be performed to ensure information captured is relevant, timely, and aligned with the Agency's changing environment, goals, and objectives. IA performs the required risk assessment, prepares the Annual Audit Plan, and submits quarterly status reports and amendments, as required. The audit projects proposed for FY 2019/20 include: Human Resources Operational Audit, Recycled Revenue Water Audit, Computer Loan Program Review, Travel Policy Review, and follow-up reviews to evaluate the implementation status of prior audit recommendations provided and miscellaneous on-going audit projects and responsibilities.

Staff's Recommendation:

1. Approve the FY 2019/20 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to implement the FY 2019/20 Annual Audit Plan.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

Only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On December 19, 2018, the Board of Directors reconfirmed the approved Audit Committee and the IA Department Charters. Both Charters require the Manager of IA to complete and present the Annual Audit Plan.

Environmental Determination:

Not Applicable

Business Goal:

The Annual Audit Plan is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that audits and recommendations evaluate and promote a strong internal control environment, evaluate efficiency and effectiveness of processes and operations and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - FY 2019/20 Internal Audit Department Annual Audit Plan



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

***Fiscal Year
2019-2020***

*Internal Audit Department
Annual Audit Plan*

Submitted by:
Teresa V. Velarde
Manager of Internal Audit Department
June 19, 2019

The Annual Audit Plan is a plan of audit projects that is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that audits and recommendations evaluate and promote a strong control environment and assist management in achieving organizational goals.

Annual Audit Plan Contents

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Purpose of the Internal Audit Department

According to the Board-approved Charter, the purpose of the Internal Audit Department (Internal Audit or IA) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations.

The purpose of the Internal Audit Department is also to provide consulting services, analyses, recommendations and information concerning the operations of the Agency as a service to management and as a way of adding value to improve the operations of the Agency. Internal Audit assists management and staff in achieving organizational goals and objectives by providing recommendations and advisory services based on results of analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations.

The Internal Audit Department follows the guidance of the globally accepted *International Standards for the Professional Practice of Internal Auditing (Standards)* as documented in the International Professional Practices Framework (IPPF) and the Code of Ethics issued by the Institute of Internal Auditors (IIA) (<https://theiia.org>). This guidance is documented in the Internal Audit Department Charter and a requirement in the Internal Audit Department Standard Operating Procedures, as all auditors are required to follow.

The Internal Audit Department reports directly to the Board of Directors through the Audit Committee. The Internal Audit Department has a dotted line reporting relationship to the General Manager and works in cooperation with the Executive Management Team to coordinate audit projects and resources. As described in the Charter and according to the IIA *Standards* and best practices, Internal Audit is an independent function from Agency management, to provide objective analysis and recommendations, as a value-added service for the Board and Agency Management. Independence is essential to the effectiveness of internal auditing and is emphasized by the Institute of Internal Auditors (IIA). The authority and responsibilities of the Internal Audit Department are specifically defined in the Internal Audit Department Charter approved by the Board of Directors.

Mission Statement

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve accountability and integrity, improve operations and instill confidence among its employees and the citizens it serves by:

- *Promoting a sound control environment.*
- *Providing independent, objective assurance and consulting services.*
- *Improving Agency risk management, control and governance.*
- *Promoting the Agency's vision and mission with a high degree of professionalism.*

Internal Audit Department Values

The Internal Audit Department has adopted the following value statements that form the foundation for the Internal Audit Department:

Independence

As documented in the Charter, the Internal Audit Department is an independent function of the Agency for the purpose of providing independent, objective, unbiased opinions.

Integrity

The Internal Audit Department staff is required to maintain the highest degree of integrity in conducting its audit work.

Professionalism

The Internal Audit Department will perform its work with professionalism at all times.

Collaboration

The Internal Audit Department will foster collaboration with all Agency personnel to promote teamwork within the various business units.

Purpose of the Annual Audit Plan

The Annual Audit Plan (Audit Plan) has been prepared in accordance with recommendations and best practices provided by the Institute of Internal Auditors (IIA). The Audit Plan allows the Manager of Internal Audit to carry out the responsibilities of the Internal Audit Department by prioritizing projects and allocating necessary resources where audit efforts are deemed appropriate and necessary. The Audit Plan is created to assist management and the Board in achieving organization goals and objectives.

The Audit Plan is a flexible plan of internal audit activities and was developed using an appropriate risk-based methodology, including any risks or control concerns identified or communicated by Management, the Internal Audit Department, External Auditors, the Audit Committee's Independent Advisor, the Audit Committee or Board. Additionally, IA discussed with the Agency's legal counsel information that came through the Agency's anonymous hotline, Ethics-Point, to determine if any of the reported items are under the responsibility and scope of IA's activities or should be considered in planning audit projects. The overall objective is to develop a plan consistent with the Agency's goals and objectives, to address the highest risk areas within the Agency and to evaluate and contribute to the improvement of risk management, control and governance processes, additionally to add value by recommending opportunities for improvements to increase effectiveness and efficiency of operations.

To provide practical guidance and an authoritative framework for the development of the Annual Audit Plan, the Internal Audit Department recognizes the following items: Achieving one hundred percent audit coverage each year is not practical or achievable. It should be noted that audit resources are limited; therefore, a system for prioritizing audits has been employed. The Annual Audit Plan must be a flexible plan and should be amended periodically as deemed necessary to reprioritize areas that require attention. In preparing the Annual Audit Plan, consideration is given to the work performed by other auditors, regulatory authorities, established rules, laws and ordinances and the Agency's system of controls. Auditable areas are ranked by knowledge of known or perceived areas of risk and understanding of the systems of internal controls. It should be noted that there are inherent risks, residual risks and limitations with any methodology applied when prioritizing risks and ranking audit projects; risk factors exist with any system of controls.

As stated in the Internal Audit Department Charter, the Manager of Internal Audit will set audit frequencies, select the subjects and set objectives, determine the scope of work and apply the techniques required to accomplish the audit objectives. The Manager of Internal Audit has the authority to deviate from the approved annual Audit Plan, when necessary, and if warranted by unforeseen issues that require immediate attention. The Manager of Internal Audit will use professional discretion and judgment in response to such unforeseen issues and resolve them according to the requirements of the Charter. Significant changes to or deviations from the approved Annual Audit Plan shall be reported to the Audit Committee and to the Board at the next regularly scheduled Audit Committee meeting.

Both the IAD Charter and the IIA's Code of Ethics have strict standards of ethical conduct for internal auditors. Internal auditors have a responsibility to maintain independence, ensure integrity, objectivity, confidentiality and competency in work performed.

Annual Audit Plan Methodology

In planning for the Internal Audit projects the following were also considered:

- The Internal Audit Department Charter
- The Audit Committee Charter
- Communications with the Audit Committee and the Board of Directors
- Communications with Executive Management and key Agency personnel
- Communications with the External Financial Auditors
- Communications with the Audit Committee Independent Advisor
- Prior audit findings and recommendations
- Assessed risks in business practices and operations
- Agency's goals and objectives, including activities, developments and changes
- Agency policies & procedures
- Key areas that affect revenue and expenses
- Identified opportunities to improve operations and add value to services
- New audit requirements, audit trends and leading practices
- Audit Department resources

For the Fiscal Year 2019/2020 Annual Audit Plan, the audits were selected based on all things considered as discussed above, the results of audits completed, risks identified, discussions with key individuals and auditor judgement. Significant deviations and changes to the Audit Plan will be communicated to the Audit Committee through an Amended Audit Plan and progress information is provided through Quarterly Status Reports presented to the Audit Committee.

FY 2019/20 Annual Audit Plan:

Human Resources Operational Audit

To evaluate all processes and operations of the Human Resources Department. To evaluate whether department standard operating procedures, policies and guidelines are implemented and followed. To evaluate the department's published mission statement, department purpose, business goals, key performance indicators and workload indicators to determine that those are met effectively and efficiently. To evaluate key functions and compare with other similar agencies. And finally, to follow up on any outstanding recommendations previously provided through other audit reports. The Human Resources Department and the Finance and Accounting Department will be the primary contact departments.

Recycled Water Program – Revenue

Recycled water revenue in FY 2017/18 was approximately \$16.9 million. An audit of this area would determine the accuracy of revenues and identify any additional revenue due the Agency. Additionally, the audit would evaluate that policies and procedures are being followed. The audit would also evaluate whether all reports presented provide complete information that is useful and reliable to the readers. The Finance and Accounting and the Planning departments will be the primary contact departments.

Personal Computer Loan Program and Policy Compliance

Review Agency policies and internal controls as they relate to the employee personal computer loan program and reimbursements to ensure adequate controls and that policy requirements are followed. The Finance and Accounting Department and the Integrated Systems Services Department will be the primary contact department.

Travel Expenses and Policy Compliance

Review Agency policies and internal controls as they relate to employee travel expenses and reimbursements to ensure adequate procurement methods are followed and policy requirements for appropriate approvals, limits and reimbursements are followed. The Finance and Accounting Department will be the primary contact department.

Follow-up Reviews to evaluate the status of outstanding recommendations

As required by the Charters and audit standards, IA will follow up on the status of outstanding recommendations to determine if corrective actions or alternate internal controls were implemented. There are currently 116 outstanding audit recommendations, 85 of which require follow-up action and 31 of which are associated with the renegotiation of the Regional Contract and are deferred. Follow-up reviews are scheduled as noted in the chart on Page 9.

On-Going Projects for FY 2019/20

- ❖ Internal Audit Department Quality Assurance and Improvement Program
- ❖ Assist with annual CAFR Review and Filing
- ❖ Review and update IA Department and Committee Charters
- ❖ Continue to assist with SAP internal control inquiries
- ❖ Continue to participate with the Enterprise Content Management System (ECMS) Committee, Safety Committee and the Technology/Cybersecurity Committee.
- ❖ Provide needed support related to audit topics, internal controls, Agency policies and procedures and compliance items
- ❖ Further utilize capabilities of SAP to enhance IA functions
- ❖ On-going required administrative reporting, such as budget, goals/objectives, staff appraisals, and other administrative items.
- ❖ Conduct special requests and/or unforeseen projects
- ❖ Provide recommendations to strengthen/streamline policies and procedures
- ❖ Update IA Annual Audit Plan and corresponding Risk Assessment
- ❖ Continue to work with auditees to resolve outstanding recommendations
- ❖ Assist with requests for internal controls questions, discussions and evaluations
- ❖ Continue to review, update and document IA Policies and Procedures
- ❖ Continuous Professional Development of all auditors
- ❖ Plan, prepare and coordinate Audit Committee Meetings
- ❖ Utilize the IA site on AIM as an Agency-wide communication tool
- ❖ Unannounced Petty Cash Audits
- ❖ Provide "audit approach" presentations to requesting departments and/or for/within professional associations as a guest speaker

Outstanding Recommendations

The Internal Audit Department Charter requires follow-up action be taken to ensure that management has effectively implemented recommendations or alternate controls have been incorporated to mitigate the risks identified. Follow-up audit work includes detailed testing and verification by Internal Audit staff. Below is a table of the Outstanding Recommendations:

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Payroll Audit	August 24, 2010	1	Annually
Accounts Payable Follow-Up	August 29, 2013	9	FY 2019
Vehicle Security Procedures	March 3, 2014	2	FY 2020
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2020
Master Trade Contracts	September 1, 2016	6	FY 2020
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2020
Audit of Master Services Contracts	December 5, 2016	3	FY 2020
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2021
Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2021
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2021
Payroll Operations Audit	August 30, 2017	6	FY 2021
Procurement Card Audit	March 1, 2018	7	FY 2022
Wire Transfers Audit	March 1, 2018	5	FY 2022
Garden in Every School®	May 31, 2018	7	FY 2022
Warehouse Annual Physical Inventory – IA Inventory Observation Report	August 22, 2018	4	FY 2022
Inter-fund Transactions Audit	August 30, 2018	3	FY 2022
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	November 29, 2018	3	FY 2022
Water Connection Fees Audit	February 25, 2019	7	FY 2023
Total Outstanding Audit Recommendations		85	
Recommendations related to the Regional Contract Review <small>(these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these unless requested to do so or after the new contract is executed.)</small>			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

**See the Report of Open Recommendations under separate cover.*

During FY 2018/19, IA reviewed and verified the implementation status of 30 open recommendations related to 7 different audits. The list reports there are 85 open recommendations, of which 24 recommendations relate to audits completed recently. An additional separate 31 recommendations stem from the Regional Contract Review, which will most likely be implemented through the renegotiation of the Regional Contract. Because all audit resources were utilized primarily for this effort, follow-up activities were temporarily on hold. Audit guidelines suggest that an adequate amount of time be granted to provide auditees with sufficient time to implement corrective action plans. Follow-up audit work for some of the open recommendations will be incorporated and completed along with the proposed projects. Required follow-up audit work will include a desk review of supporting documentation, follow-up discussions with the auditee, and/or the application of testing procedures to verify implementation.

Long Range Audit Planning - Additional / Possible Audit Areas

Internal Audit has identified additional audit areas. This list has been compiled as a preliminary list of future potential audits and as a list of additional, important audit areas where audit resources and efforts could be utilized. This is not a comprehensive/complete list. These audit areas have been selected based on identified risks at the time of completing this Audit Plan. If the risk/priority in any of the identified auditable areas increases, IA would perform the required audit/evaluation.

Duplicate Payments/Late Payments/Fees and Penalties

This area was covered during the previous Accounts Payable audit. The goal for this audit is to make this a recurring evaluation to check for the three types of payments (duplicates, late payments or preventable fees and penalties). This audit would cover a greater sample and would implement an audit program to periodically check for these types of payments.

Data Analytics

Fully utilize existing technology to gather additional data and analytical information to assist auditing. In addition, explore and expand utilizing new technology and tools to build and customize dashboards, reports and other analytics tools to assist with audit reviews and monitoring of transactions in various areas, such as payments, payroll, contract payments, etc.

Accounts Payable Audit – Review of Agency Credit Cards

Select a specific vendor or types of payments, for example travel credit cards and gas credit cards to ensure that transactions do not bypass the required procurement processes.

- Review financial transactions and supporting documents
- Evaluate internal controls
- Compliance with policies and procedures

Capital Projects

The external financial auditors have in the past noted deficiencies with the process for closing completed capital projects. Projects were left open long after the project had been completed, therefore, impacting the accounting value of capital assets. This audit would focus on evaluating when open capital projects have been completed and examining when the construction in progress balances are closed to capital assets. The departments primarily engaged are the Finance and Accounting and the Engineering departments.

Various or Other Agreements

Evaluate the variety of special and/or other types of agreements the Agency may have with other agencies or vendors that may or may not be formalized under an official Agency contract. This audit would also evaluate whether the special agreements provide preferential treatment or significant discounts/credits when compared to similar agencies for similar services.

Telephone Expense

The Agency pays for telephone services provided by landline phones, smartphones, and for data connections. Audit areas include the following:

- Determine efficiencies that could be achieved through consolidating billings
- Identify ways to streamline billing processes
- Comparison of charges on different bills to ensure consistency and accuracy
- Identify opportunities for savings
- Evaluate whether phones issued to employees are used for the intended purpose according to Agency policies

Bid and Selection Process for Construction Contracts

To review the bid and selection process to ensure all legal and regulatory requirements are considered in the process, including grant requirements, where applicable, and that all contracts include required language. Additionally, to evaluate the process to award contracts and projects to pre-qualified contractors/vendors and ensure processes conform to legal and Board-approved requirements and are documented in formal operating procedures.

Asset Management

The Agency currently has \$1.1 billion in total assets. An audit of this area would evaluate the accountability and controls to ensure assets are properly recorded in the Agency's financial records. Additionally, to determine if periodic inventories or other valuation processes are performed to validate the amount of assets reported in accounting records.

Operations

Facility Operations, Groundwater Recharge and Organics Management are programs under Operations Administration. The audit scope of any of these areas would focus on permit compliance requirements, preventive maintenance of plants, staff training and staff certifications to operate plants/facilities, chemical and equipment use, and customer service to the service area, where applicable.

Payroll Operations Audit

Payroll Operations Audits were performed in 2010, 2012 and again in 2017. This is a sensitive area that should be continuously monitored and evaluated. This review would be a new audit focusing on any current changes in payroll requirements or Agency policy changes as well as test to ensure employee requested changes took effect. This audit would also focus on any outstanding recommendations that resulted from the prior audits.

Risk Assessment Strategy

The IIA IPPF standard 2120 states that Internal Audit must evaluate the effectiveness and contribute to the improvement of risk management processes.

The IIA IPPF defines Risk as follows:

- **Risk** – The possibility of an event occurring that will have an **impact on the achievement of objectives**. Risk is measured in terms of impact and likelihood and;
- **Residual Risks** – As the risk remaining **after management acts to reduce the impact and likelihood** of an adverse event, including control activities in response to a risk.

The risk assessment is a general assessment performed using best practice guidance, professional judgment and consideration for the impact on the Agency's operations if the targeted units fail to function in the most effective and efficient manner or neglect to comply with required policies. In performing the Risk Assessment for this FY 2018/19 Annual Audit Plan, the following were considered:

- Agency Policies and Procedures
- Communication with the External Auditors
- Communication with the Audit Committee and Board
- Communications with key Agency personnel
- Assessing risks and exposures that may affect the organization
- New Agency activities, developments and major changes
- Key areas that affect revenue and expenses
- Observations resulting from previous audits and reviews
- New audit requirements and trends
- Opportunities to improve operations

Audit Universe

The IIA PPF defines Universe as all possible auditable areas. For the purposes of this Annual Audit Plan, the universe includes all Agency Departments, operations, contracts, transactions, processes, and activities.

Quality Assurance and Improvement Program

The Institute of Internal Auditing (IIA), International Professional Practices Framework (IPPF) defines a Quality Assurance and Improvement Program: “A quality assurance and improvement Program is designed to enable an evaluation of internal audit activity’s conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.”

Standard 1311 of the IPPF requires that internal assessments include ongoing monitoring of the performance of internal audit activity; and periodic reviews performed through self-assessments.

Standard 1312 of the IPPF requires that external assessments be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

As part of IA’s commitment for continued quality audit services, beginning FY 2019/20, IAD will perform internal assessments of the IAD. An external assessment by an independent reviewer is planned for FY 2020/21. Results will be presented and discussed at the regularly scheduled Audit Committee meetings.

**CONSENT
CALENDAR
ITEM**

2J



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager SSD

Committee: Community & Legislative Affairs

06/12/19

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Adopt Positions on State Legislation - Consent

Executive Summary:

The following remaining bills have the potential to impact the Agency and fall within Board-adopted Legislative Policy Principles.

1. AB 756 (C. Garcia, Bell Gardens) - Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances.
2. AB 841 (Ting, San Francisco) - Drinking water: contaminants: perfluoroalkyl and polyfluoroalkyl substances.
3. AB 1588 (Gloria, San Diego) - Drinking water and wastewater operator certification programs.
4. SB 667 (Hueso, Logan Heights) - Greenhouse gases: recycling infrastructure and facilities.

Staff's Recommendation:

Adopt the following positions:

1. Oppose for AB 756 (C. Garcia);
2. Support for AB 841 (Ting);
3. Support for AB 1588 (Gloria); and
4. Support if Amended for SB 667 (Hueso).

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

Adoption of 2019 Legislative Policy Principles.

Environmental Determination:

Not Applicable

Business Goal:

Taking legislative positions is in line with IEUA's business practices goal of advocating for the development of policies, legislation and regulations that benefit the region.

Attachments:

Attachment 1 - Background

Attachment 2 - AB 756 (C. Garcia): Fact Sheet and Bill language

Attachment 3 - AB 841 (Ting): Bill language

Attachment 4 - AB 1588 (Gloria): Fact Sheet and Bill language

Attachment 5 - SB 667 (Hueso): Fact Sheet and Bill language

Attachment 6 - PowerPoint

Background

Subject: Adopt positions on State Legislation

TESTING FOR PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

PFAS are a group of man-made chemicals which are generally resistant to heat, water, and oil. They have been used extensively in consumer products such as carpets, clothing, fabrics for furniture, paper packaging for food, fire-fighting foams, and other materials designed to be waterproof, stain-resistant or non-stick. PFAS can move through the ground, getting into groundwater that may be used for water supplies or private drinking water wells. Such contamination is typically localized and associated with a specific facility, such as an industrial facility where these chemicals were manufactured or used in other products, or an airfield which used the chemicals for firefighting.

IEUA is committed to assuring public health and supports the regulatory approach for establishing PFAS detection levels for drinking water. AB 841 provides a reasonable approach for achieving this goal and AB 756 does not.

AB 841 (Ting): Drinking Water: Contaminants: Perfluoroalkyl and Polyfluoroalkyl Substances – Recommend SUPPORT.

As amended on March 20, 2019, this bill would require the State to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be identified as a potential risk to human health. The bill adds that there needs to be an assessment to consider which substances have the potential to be detected in California waters based on the prevalence of manufacturing of, manufacturing products with, or use of, PFAS in California and which substances are technically feasible to detect based on current detection methodologies.

AB 756 (C. Garcia): Drinking water: contaminants: perfluoroalkyl and poly-flouroalkyl substances – Recommend OPPOSE.

AB 756 would require that a public water system monitor for the entire family of PFAS chemicals and would establish new notification criteria for customers. By legislating this approach, it circumvents the normal regulatory, science-based approach for establishing detection limits. Moreover, reliable testing for the vast majority of PFAS chemicals does not currently exist, making this an unsupportable proposal.

FUNDING POLICY OPTION

IEUA generally support options for reducing the cost of financing water infrastructure projects. The following bill provides a potential funding source for IEUA.

SB 667 (Hueso): Greenhouse gasses: recycling infrastructure and facilities – Recommend SUPPORT IF AMENDED.

This bill would require the Department of Resources Recycling and Recovery to develop, by 2021, a 5-year investment strategy to drive innovation and support technological

development and infrastructure, in order to meet specified organic waste reduction and recycling targets. The bill would require, on or before June 1, 2021, the department to develop financial incentive mechanisms, including, but not limited to, loans and incentive payments, to fund organic waste recycling infrastructure, in accordance with the investment strategy.

IEUA has previously considered the possibility of expanding digestion to include food waste but ultimately could not cost-justify the investment. This bill could potentially help fund infrastructure at RP-5 and the Inland Empire Regional Composting Facility, which could potentially be expanded to accept more organic waste and possibly also accept food waste for composting, if cost-effective to do so.

IEUA would seek amendments to assure that the development of the Department's 5-7 year investment strategy would be accomplished with collaboration from stakeholders like IEUA.

WORKFORCE DEVELOPMENT

IEUA is supportive of initiatives promoting workforce development.

AB 1588 (Gloria and Gray): Drinking water and wastewater operator certification programs – Recommend SUPPORT.

This bill would allow military veterans to apply relevant experience and education towards obtaining water and wastewater system operator certifications from the SWRCB.

SUMMARY OF OTHER AGENCY POSITIONS TAKEN ON SLATE OF BILLS

The following table provides a summary of current positions taken by the Metropolitan Water District of Southern California (MWD) and five of IEUA's membership organizations for the Board's reference.

Bill	Recommended IEUA Position	MWD	CASA	CSDA	SCWC	ACWA	ACP
AB 756 (C. Garcia)	Oppose			Watch	Watch	Oppose	
AB 841 (Ting)	Support					Support	
AB 1588 (Gloria/Gray)	Support	Support	Support	Support	Support	Support	
SB 667 (Hueso)	Support if Amended		Support				Support

Membership Organization Acronyms:

- CASA: California Association of Sanitation Agencies
- CSDA: California Special Districts Association
- SCWC: Southern California Water Coalition
- ACWA: Association of California Water Agencies
- ACP: Association of Compost Producers

AMENDED IN SENATE MAY 24, 2019
AMENDED IN ASSEMBLY APRIL 24, 2019
AMENDED IN ASSEMBLY MARCH 13, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 756

Introduced by Assembly Member Cristina Garcia

February 19, 2019

An act to add Section 116378 to the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

AB 756, as amended, Cristina Garcia. Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. Under the California Safe Drinking Water Act, the implementing regulations are required to include, but are not limited to, monitoring of contaminants and requirements for notifying the public of the quality of the water delivered to customers.

This bill would authorize the state board to order a public water system to monitor for perfluoroalkyl substances and polyfluoroalkyl substances. *The bill would require a community water system or a nontransient*

noncommunity water system, upon a detection of these substances, to report that detection, as specified. The bill would require a community water system or a nontransient noncommunity water system where a detected level of these substances exceeds the response level to take a water source where the detected levels exceed the response level out of use or provide a prescribed public notification.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 116378 is added to the Health and Safety
2 Code, to read:
3 116378. (a) The state board may order a public water system
4 to monitor for perfluoroalkyl substances and polyfluoroalkyl
5 substances, in accordance with conditions set by the state board.
6 A laboratory that has accreditation or certification pursuant to
7 Article 3 (commencing with Section 100825) of Chapter 4 of Part
8 1 of Division 101 shall perform the analysis of any material
9 required by an order to monitor for these substances. The order
10 shall identify the analytical test methods to be used by laboratories
11 and provide for the electronic submission of monitoring results to
12 the state board.
13 (b) An order issued pursuant to subdivision (a) may apply to an
14 individual public water system, specific groups of public water
15 systems, or to all public water systems. Chapter 3.5 (commencing
16 with Section 11340) of Part 1 of Division 3 of Title 2 of the
17 Government Code does not apply to an order issued pursuant to
18 subdivision (a) to specific groups of public water systems or to all
19 public water systems.
20 (c) (1) *If any monitoring undertaken pursuant to an order issued*
21 *under subdivision (a) results in a confirmed detection, a community*
22 *water system or a nontransient noncommunity water system shall*
23 *report that detection in the water system's annual consumer*
24 *confidence report. If a water source is taken out of use pursuant*
25 *to paragraph (3) or new data shows that the response level is no*
26 *longer being exceeded, the community water system or nontransient*
27 *noncommunity water system shall provide notice of the exceedance*
28 *of the response level for the following five years in the water*
29 *system's consumer confidence report.*

- 1 (2) *In addition to the notification pursuant to paragraph (1),*
2 *for perfluoroalkyl substances and polyfluoroalkyl substances with*
3 *notification levels, a community water system or a nontransient*
4 *noncommunity water system shall report the detection if the level*
5 *exceeds the notification level as required by Section 116455.*
- 6 (3) *For perfluoroalkyl substances and polyfluoroalkyl substances*
7 *with response levels where detected levels of a substance exceeds*
8 *the response level, a community water system or a nontransient*
9 *noncommunity public water system shall take a water source where*
10 *detected levels exceed the response level out of use or provide*
11 *public notification within 30 days of the confirmed detection. For*
12 *the purposes of this paragraph, notice shall be provided as follows:*
- 13 (A) *A community water system shall do the following:*
- 14 (i) *Mail or directly deliver notice to each customer receiving a*
15 *bill, including those that provide drinking water to others, and to*
16 *other service connections to which water is delivered by the water*
17 *system.*
- 18 (ii) *Email notice to each customer of the water system with an*
19 *email address known by the water system.*
- 20 (iii) *Post the notice on the internet website of the water system.*
- 21 (iv) *Use one or more of the following methods to reach persons*
22 *not likely to be reached by the notice provided in clause (i):*
- 23 (I) *Publish notice in a local newspaper for at least seven days.*
- 24 (II) *Post notice in conspicuous public places served by the water*
25 *system for at least seven days.*
- 26 (III) *Post notice on an appropriate social media site for at least*
27 *seven days.*
- 28 (IV) *Deliver notice to community organizations.*
- 29 (B) *A nontransient noncommunity water system shall do both*
30 *of the following:*
- 31 (i) *Post notice in conspicuous locations throughout the area*
32 *served by the water system.*
- 33 (ii) *Use one or more of the following methods to reach persons*
34 *not likely to be reached by the notice provided in clause (i):*
- 35 (I) *Publish notice in a local newspaper for at least seven days.*
- 36 (II) *Publish notice in a newsletter distributed to customers.*
- 37 (III) *Send notice by email to employees or students.*
- 38 (IV) *Post notice on the internet website of the water system and*
39 *an appropriate social media site for at least seven days.*
- 40 (V) *Deliver notice directly to each customer.*

- 1 (C) A notice shall contain all of the following information:
- 2 (i) A statement that there was a confirmed detection above the
3 response level, the numeric level of the applicable response level,
4 and the level of the confirmed detection.
- 5 (ii) A description of the potential adverse health effects as
6 identified by the state board in establishing the notification level
7 or response level.
- 8 (iii) The population at risk, including subpopulations
9 particularly vulnerable from exposure.
- 10 (iv) The name, business address, and phone number of the water
11 system owner, operator, or designee, as a source of additional
12 information concerning the notice.
- 13 (v) A statement to encourage the notice recipient to distribute
14 the notice to other persons served, using the following standard
15 language: "Please share this information with all of the other
16 people who drink this water, especially those who may not have
17 received this public notice directly (for example, people in
18 apartments, nursing homes, schools, and businesses). You can do
19 this by posting this notice in a public place or distributing copies
20 by hand or mail."
- 21 (vi) Information in Spanish regarding the importance of the
22 notice or a telephone number or address where Spanish-speaking
23 residents may contact the water system to obtain a translated copy
24 of the notice or assistance in Spanish.
- 25 (vii) If a non-English speaking group other than a
26 Spanish-speaking group exceeds 1,000 residents or 10 percent of
27 the residents served by the water system, either of the following:
- 28 (I) Information in the appropriate language regarding the
29 importance of the notice.
- 30 (II) A telephone number or address where a resident may contact
31 the water system to obtain a translated copy of the notice or
32 assistance in the appropriate language.
- 33 (D) The following requirements apply to a notice provided by
34 a water system:
- 35 (i) The notice shall be displayed so that it catches people's
36 attention when printed or posted.
- 37 (ii) The message in the notice should be understandable at the
38 eighth grade reading level.
- 39 (iii) The notice shall not contain technical language beyond an
40 eighth grade reading level or print smaller than 12-point type.

- 1 (iv) *The notice shall not contain language that minimizes or*
- 2 *contradicts the information provided in the notice.*
- 3 (d) *This section is not a substitute for compliance with any*
- 4 *requirements of Chapter 17.5 (commencing with Section 7290) of*
- 5 *Division 7 of Title 1 of the Government Code that apply to a*
- 6 *community water system or nontransient noncommunity water*
- 7 *system.*

O

Assembly Bill 756

PFAS

Assemblymember C. Garcia (D – 58)

BACKGROUND

Per- and polyfluoroalkyl substances (PFAS) are a group of man-made chemicals that includes PFOA, PFOS, GenX, and many other chemicals. PFAS have been manufactured and used in a variety of industries around the globe, including in the United States since the 1940s. PFOA and PFOS have been the most extensively produced and studied of these chemicals. Both chemicals are very persistent in the environment and in the human body – meaning they don't break down and they can accumulate over time. There is evidence that exposure to PFAS can lead to adverse human health effects.¹

PFAS chemicals are good at repelling oil and water. That makes them useful in a lot of products including non-stick cookware, fast food wrappers, pizza boxes, water-repellent fabrics and fire-fighting foam. Manufacturers have agreed to stop using two forms of PFAS in the U.S. These chemicals take a long time to break down in the environment, which is why they remain a problem now.²

The Environmental Working Group (EWG) compiled a map of contamination location throughout the nation. A cluster of contamination sites are located with the 58th Assembly District.³ While there is some data available, it's not really known how severe or widespread contamination really is- the information available is just the tip of the iceberg. In addition, no Public Health Goal (PHG) or Maximum Contaminant Level (MCL) for PFAS have

¹ <https://www.epa.gov/pfas/basic-information-pfas>

² <https://www.npr.org/2018/10/02/651180024/decades-old-chemicals-new-angst-over-drinking-water>

³ <https://www.ewg.org/research/update-mapping-expanding-pfas-crisis>

been established. Interim Notification Levels (NL) have been adopted, however testing, reporting and notification while recommended, are not required by law.

THIS BILL

AB 756 will require water systems to test for PFAS chemicals, providing information to water purveyors so should there be contamination, proactive measures can be taken to address the problem. The measure will also update and expand notification requirements so that in the event a water system detects levels of PFAS that exceed notification levels, or any other level that may be established in the future, water customers can be notified in an efficient and effective manner. Giving this information to customers is vital so that individuals can make educated decision about if and how they use water.

PREVIOUS LEGISLATION

AB 252 (Lowenthal) (2004) requires the operator of wholesale or retail public water systems, as defined, to provide notice relating to contamination of any drinking water that exceeds the maximum containment level, a response level, or a notification level, as defined, including, but not limited to, notification to the Public Utilities Commission if the public water system is a regulated public utility.

STATUS

Passed out of ESTM on 3/26 (6-0-3). Referred to Asm. Approps Committee.

CONTACT

Mandi Strella

Office of Assemblymember Garcia

mandi.strella@asm.ca.gov : 916-319-2058

AMENDED IN ASSEMBLY MARCH 20, 2019

CALIFORNIA LEGISLATURE—2019—20 REGULAR SESSION

ASSEMBLY BILL

No. 841

Introduced by Assembly Member Ting

February 20, 2019

An act to add Section 116365.3 to the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

AB 841, as amended, Ting. Drinking water: contaminants: perfluoroalkyl and polyfluoroalkyl substances.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act requires the board to adopt primary drinking water standards for contaminants in drinking water and requires the Office of Environmental Health Hazard Assessment to prepare and publish an assessment of the risks to public health posed by each contaminant for which the board proposes a primary drinking water standard.

The act requires a public water system to provide prescribed notices within 30 days after it is first informed of a confirmed detection of a contaminant found in drinking water delivered by the public water system for human consumption that is in excess of a maximum

contaminant level, a notification level, or a response level established by the state board.

This bill would require the office to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be ~~tested as a~~ *identified as a potential risk to human ~~health~~ health, as provided*. The bill would require the office, as part of those assessments, to determine which of the substances are appropriate candidates for notification levels to be adopted by the state board. *The bill would require the office, by January 1, 2022, to provide to the Legislature an update on the assessment. The bill would require the office to assess annually those substances as new information, scientific research, and detection methodologies become available.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 116365.3 is added to the Health and
- 2 Safety Code, to read:
- 3 116365.3. (a) On or before January 1, 2021, the Office of
- 4 Environmental Health Hazard Assessment shall adopt a work plan
- 5 to assess which substances in the class of perfluoroalkyl and
- 6 polyfluoroalkyl substances should be ~~tested as a~~ *identified as a*
- 7 *potential risk to human ~~health~~ health, taking into account which*
- 8 *substances have the potential to be detected in California waters*
- 9 *based on prevalence of manufacturing of, manufacturing products*
- 10 *with, or use of, a perfluoroalkyl and polyfluoroalkyl substance in*
- 11 *California and which substances are technically feasible to detect*
- 12 *based on current detection methodologies.*
- 13 (b) (1) On or before January 1, 2022, the office shall ~~complete~~
- 14 ~~the assessments included in the work plan.~~ *provide an update to*
- 15 *the Legislature, in accordance with Section 9795 of the*
- 16 *Government Code, on its preliminary assessments included in the*
- 17 *work plan.*
- 18 (2) *The office shall continue to assess annually perfluoroalkyl*
- 19 *and polyfluoroalkyl substances pursuant to subdivision (a) as*
- 20 *information, scientific research, and detection methodologies*
- 21 *become available.*

1 (c) As part of the assessments, the office shall determine which
2 of the perfluoroalkyl and polyfluoroalkyl substances are appropriate
3 candidates for notification levels to be adopted by the state board
4 in accordance with paragraph (3) of subdivision (c) of Section
5 116455.

6 (d) *The office may use scientific data and research from other*
7 *state or federal agencies and authoritative bodies that have*
8 *scientific literature on perfluoroalkyl and polyfluoroalkyl*
9 *substances.*

10 (e) *The office shall coordinate with the State Water Resources*
11 *Control Board to collect water monitoring data on perfluoroalkyl*
12 *and polyfluoroalkyl substances, as provided by the federal*
13 *Unregulated Contaminant Monitoring Rule, established by the*
14 *United States Environmental Protection Agency pursuant to the*
15 *federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) or*
16 *the state board's investigative order authority pursuant to Section*
17 *13267 of the Water Code.*



**San Diego County
Water Authority**
Our Region's Trusted
Water Leader

AB 1588 (Gloria/Gray)



Objective: Ensure military veterans transitioning into civilian water and wastewater operator occupations receive appropriate crediting for experience and education gained during military service.

Support:

- Irvine Ranch Water District
- Otay Water District
- San Diego County Water Authority

AB 1588

AB 1588 would:

- Provide a path of reciprocity to military veterans to apply their advanced skills and experience toward state and industry-supplied certifications, or positions within the public or private sectors that specify certifications, within the water and wastewater treatment and distribution operator fields.
- Ensure that advanced water treatment operators and recycled distribution system operators of potable reuse and recycled water facilities have a career advancement path as certified water and/or wastewater treatment plant operators.

BACKGROUND

In 1971, laws and regulations governing the certification of potable water treatment facility operations were enacted. The regulations establish at what level water treatment facilities should be staffed, the minimum qualifications for testing at each of the five grade levels of water treatment system operator, and the criteria for the renewal and revocation of operator certificates. The Drinking Water



Operator Certification Program, under the State Water Resources Control Board (SWRCB), is responsible for the testing and certification of approximately 35,000 water treatment and water distribution operators throughout the state of California. The SWRCB also administers the Wastewater Operator Certification program, which provides for Wastewater Treatment Plant Certification examinations, certifications, and certification renewals. There are approximately 6,000 active certified wastewater treatment plant operators in California.

Water and wastewater treatment is an essential and well-established industry with an aging infrastructure and workforce. Replacement of critical infrastructure components, like 100-year-old pipes and pumps, while maintaining service to customers, is one of the greatest challenges in the industry today. In addition, the high level of retirements, new technologies, and increased demand for safe drinking water also contribute to the pressure on the industry to adapt.

At the same time that the water and wastewater industries are experiencing an aging and retiring workforce, more than 250,000 U.S. military members leave military service each year,

according to the Department of Defense. Dozens of offices and agencies and thousands of private organizations are focused on assisting service members, veterans, and their families to successfully reintegrate after military service. Despite the abundance of available resources, there continue to be missed opportunities – particularly within the water and wastewater treatment operator field – to find, educate, certify, and employ veterans transitioning to civilian employment.

Projections of demand for water operators are fueled by a high level of expected retirements among the experienced workforce and the continued increase in demand for water by both residential and commercial customers. According to recent industry reports, thousands of water workers are aging and expected to retire from their positions in coming years, leading to a huge gap to fill for utilities and other water employers. New entrants to the industry need education and training to obtain state certification and incumbent workers need additional credits when they seek a higher level of state certification.

Several states – including Washington, Texas, North Carolina, and Pennsylvania – provide paths for military veterans to navigate the civilian water system operator certification process and allow the application of equivalency standards to credit military experiences toward state or industry certifications in the water and wastewater treatment and distribution fields. However, there is no similar pathway or equivalency standard process for military veterans in California. The California water industry and other similar skilled trade industries would have a much larger pool of highly skilled, motivated, and talented individuals eager to continue their service to the public and the community at large if military veterans were offered experience credit toward state or industry certifications.



**San Diego County
Water Authority**
Our Region's Trusted
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sdcwa.org



otaywater.gov

CONTACTS

CO-SPONSORS

Glenn Farrel

San Diego County Water Authority
Office: (916) 840-5634
Cell: (916) 216-1747
gfarrel@sdcwa.org

Bob Giroux

Lang, Hansen, O'Malley & Miller
(916) 441-6222
bgiroux@lhom.com

Ivy Ridderbusch

San Diego County Water Authority
(916) 840-5631
iridderbusch@sdcwa.org

Mark Watton, General Manager

Otay Water District
Office: (619) 670-2280
mwatton@otaywater.gov

Steve Cruz

Cruz Strategies
(916) 307-7741
steve@cruzstrategies.com

Tenille Otero, Communications Officer

Otay Water District
Office: (619) 670-2256
totero@otaywater.gov

Audrey Ratajczak

Cruz Strategies
(530) 300-5953
audrey@cruzstrategies.com

Rosanna Carvacho

Brownstein, Hyatt, Farber & Schreck
(916) 594-9700
rcarvacho@bhfs.com



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AMENDED IN ASSEMBLY MAY 8, 2019

AMENDED IN ASSEMBLY APRIL 2, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1588

Introduced by Assembly Members Gloria and Gray
(Coauthors: Assembly Members ~~Maienschein~~ Boerner Horvath,
Maienschein, Patterson, and Voepel)
(Coauthors: Senators Bates, Chang, Dodd, Nielsen, Stone, and Wilk)

February 22, 2019

An act to amend Sections 106897 and 106898 of, and to add ~~Section~~ Sections 106911 and 106912 to, the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1588, as amended, Gloria. Drinking water and wastewater operator certification programs.

Existing law requires the State Water Resources Control Board to examine and certify persons as to their qualifications to operate water treatment plants and water distribution systems. Existing law requires the certification to indicate the classification of water treatment plant or water distribution system that the person is qualified to operate. Existing law requires the board to classify types of wastewater treatment plants for the purpose of determining the levels of competence necessary to operate them. Existing law requires a person who operates a nonexempt wastewater treatment plant to possess a valid, unexpired wastewater certificate or water treatment operator certificate of the appropriate grade.

This bill, when applying for certification by the board as a water treatment operator, distribution system operator, or wastewater operator, would require operators of complex industrial facilities, including members of the military and military service veterans, to receive ~~full~~ *appropriate* equivalent experience credit and education credit for work and tasks performed that are directly related to the operation of water or wastewater facilities, as specified.

Existing law requires the board to issue a water treatment operator certificate and water distribution operator certificate by reciprocity to any person holding a valid, unexpired, comparable certification issued by another state, the United States, prescribed territories or tribal governments, or a unit of any of these.

This bill would extend this reciprocity to a *comparable military* qualification. *The bill would authorize the board to establish appropriate equivalency standards for issuing a water treatment operator certificate and water distribution operator certificate by reciprocity.*

Existing law requires the board to appoint an advisory committee of 10 members, as prescribed, to assist it in carrying out its responsibilities to examine and certify people to operate water treatment plants and water distribution systems. Existing law requires the advisory committee to review all proposed regulations and make recommendations to the board.

This bill would add an additional member to the advisory committee who is an active or former member of the United States military with water or wastewater treatment operations *or distribution operations* experience within their ~~military service~~ *service, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 106897 of the Health and Safety Code
- 2 is amended to read:
- 3 106897. The state board shall issue a water treatment operator
- 4 certificate and water distribution operator certificate by reciprocity
- 5 to any person holding a valid, unexpired, comparable certification
- 6 or *comparable military* qualification issued by another state, the
- 7 United States, a territory or tribal government that has been
- 8 designated as the primacy agency by the United States
- 9 Environmental Protection Agency, or a unit of any of these. The

1 state board may, by regulations, prescribe the procedures and
2 requirements *and establish appropriate equivalency standards* for
3 issuing a water treatment operator certificate and water distribution
4 operator certificate by reciprocity.

5 SEC. 2. Section 106898 of the Health and Safety Code is
6 amended to read:

7 106898. (a) The state board shall appoint an advisory
8 committee to assist it in carrying out its responsibilities pursuant
9 to this article. The advisory committee shall review all proposed
10 regulations and make recommendations to the state board before
11 the adoption of a regulation or an amendment to a regulation.

12 (b) The advisory committee shall consist of the following
13 members:

14 (1) Two persons from a statewide organization representing
15 medium to large water systems.

16 (2) Two persons from a statewide organization representing
17 small water systems.

18 (3) One person from a local primacy agency.

19 (4) One person who is employed as an operator at a water
20 recycling treatment plant.

21 (5) One person from an educational institution's school or
22 division of engineering.

23 (6) One person who is a member of an organized labor union
24 that represents water treatment operators and water distribution
25 operators.

26 (7) One person who is employed by an educational institution,
27 professional association, public agency, or private agency to
28 provide water treatment or water distribution courses of instruction.

29 (8) One person who is a professional engineer specializing in
30 sanitary engineering.

31 (9) One person who is an active or former member of the United
32 States military who is *either*:

33 (A) *Is working or who has previously worked in a water or*
34 *wastewater treatment operations classification within their military*
35 *service.*

36 (B) *Is working or who has previously worked in a water or*
37 *wastewater distribution operations classification within their*
38 *military service.*

39 SEC. 3. Section 106911 is added to the Health and Safety Code,
40 to read:

1 106911. The Legislature finds and declares as follows:

2 (a) Water and wastewater treatment and operation is a
3 well-established industry with an aging workforce.

4 (b) To encourage water operator advancement and cross-training
5 and to attract skilled workers to the water and wastewater industry
6 fields, California operator certification requirements should
7 recognize a broad range of experience and qualifications, including
8 experience and education gained during active military service,
9 that provide the needed skill sets, while ensuring high standards
10 for water and wastewater operators.

11 SEC. 4. Section 106912 is added to the Health and Safety Code,
12 to read:

13 106912. (a) When applying for certification by the state board
14 as a water treatment operator, distribution system operator, or
15 wastewater operator, operators of complex industrial facilities,
16 including members of the military and military service veterans,
17 shall receive ~~full~~ *appropriate* equivalent experience credit and
18 education credit for work and tasks performed that are directly
19 related to the operation of water or wastewater facilities.

20 (b) Experience credit includes work during military service that
21 is applicable to work performed by a certified operator in
22 California. Applicable work may include, but is not limited to, the
23 following:

24 (1) Operation of similar water treatment ~~processes~~ *processes*
25 *or distribution systems*.

26 (2) Operation and management of supervisory control and data
27 acquisition (SCADA) systems and automation.

28 (3) Troubleshooting equipment failures.

29 (4) Management of water quality.

30 (5) Operation and maintenance of equipment such as pumps,
31 motors, compressors, chemical feed systems, valves, actuators,
32 and meters.

33 (6) Calibration of on-line analyzers.

34 (c) Education credit translated to the equivalent college semester
35 unit, continuing education units, education points, or any
36 combination of these, shall be ~~given~~ *considered* for military
37 veterans who ~~obtained and served in military occupational~~
38 ~~specialties, including, but not limited to, the following:~~ *the military*.

39 *The following represent examples of military occupational*

1 *specialities for the state board to consider in the equivalency and*
2 *crediting process:*

3 (1) United States Air Force Specialty Code: 3E4X1 – Water
4 and Fuel Systems Maintenance.

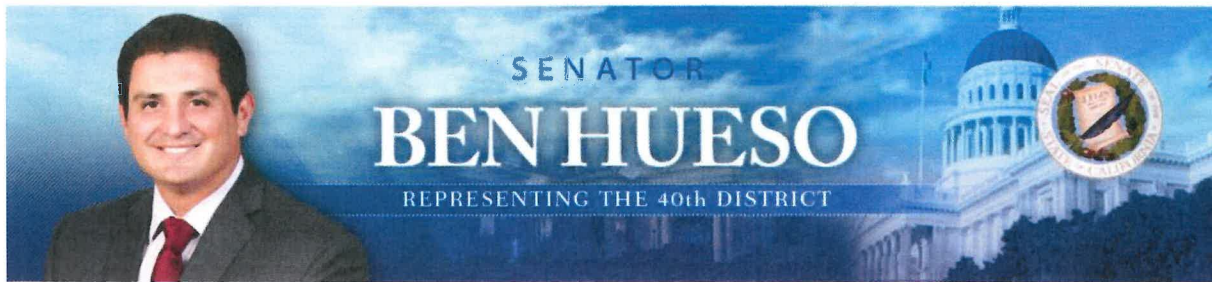
5 (2) United States Army military occupational specialty: 92W
6 Water Treatment Specialist.

7 (3) United States Coast Guard Ratings: Damage Controlman,
8 Machinery Technician, or Marine Science Technician.

9 (4) United States Navy Rating: Machinist Mate, Machinist Mate
10 (Nuclear), or Utilitiesman.

11 (5) United States Marines military occupational specialty: 1171
12 Water Support Technician.

13 *(d) In implementing this section, the state board may prescribe*
14 *the procedures and requirements and establish appropriate*
15 *equivalency standards for determining equivalent experience credit*
16 *and education credit based on guidance and input by the American*
17 *Water Works Association, California Water Environment*
18 *Association, and other water and wastewater industry experts.*



SB 667 – Organic Waste and Recycling Infrastructure Investment Act of 2019

Summary

This bill would require CalRecycle on or before January 1, 2020, to develop an innovative five-year strategy to meet the state's organic waste and diversion goals by supporting organic waste infrastructure development. It would require CalRecycle and the Treasurer's Office to coordinate, on or before June 1, 2021, on developing financial incentives for in-state recycling infrastructure. It would also require the CalRecycle and the Treasurer to coordinate with the States of Nevada, Oregon, and Washington on infrastructure financing to support regional recycling needs, support development of interstate recycling infrastructure and markets for recyclable materials.

Background

California is facing a crisis due to a lack of infrastructure for local jurisdictions to meet our solid and organic waste diversion goals. In 2016, the Legislature passed SB 1383 (Lara), which set an organic disposal reduction target of 50% percent by 2020 and 75% by 2020. By 2020, Californians must dispose of no more than 2.7 pounds per day in order to meet the statewide 75% recycling goals. That's a reduction of almost **24 million tons per year**. CalRecycle estimates the direct statewide cost to implement the SB 1383 regulations is \$20 billion. Currently, only \$25 million has been allocated to CalRecycle to reduce Short-Lived Climate Pollutants.

The lack of organic waste infrastructure is only one part of the equation. In 2018, China enacted strict contamination limits and an import ban on various types of solid waste, plastics and unsorted mixed papers. This has led to the stockpiling of materials at solid waste and recycling facilities in California. Previously, our recycling policies were built around the idea that China would buy our recyclable materials, but now California must take the necessary steps to address this decline and ensure we have the necessary tools to meet our recycling needs.

Local jurisdictions do not have the resources to effectively handle these compounding issues. California needs to invest in domestic markets as well as partner with local and private entities to address this crisis.

Why this bill is needed

As our recycling needs increase, California will need the necessary infrastructure to properly manage all of our waste. SB 667 seeks to address this by requiring CalRecycle to develop a five-year investment strategy necessary to meet our organic waste reduction goals. The bill would set a goal from the Greenhouse Gas Reduction Fund to fund organic waste infrastructure.

It would also require CalRecycle, in coordination with the Treasurer, to develop financial incentive mechanisms to fund recycling infrastructure. The bill directs the State Treasurer to work with the states of Washington, Oregon, and Nevada to develop infrastructure necessary to support the recycling needs of the region. By collaborating with other jurisdictions, California can pool our resources together to limit the financial impact to the state and improve environmental outcomes.

Staff Contact

Alexis Castro, Consultant

Alexis.Castro@sen.ca.gov

Capitol Office: (916) 651 – 4040

AMENDED IN SENATE APRIL 29, 2019

AMENDED IN SENATE APRIL 10, 2019

SENATE BILL

No. 667

Introduced by Senator Hueso

February 22, 2019

An act to amend Section 26002 of, and to add Section 42999.5 to, the Public Resources Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 667, as amended, Hueso. Greenhouse gases: recycling infrastructure and facilities.

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as a part of the market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.

Existing law establishes the CalRecycle Greenhouse Gas Reduction Revolving Loan Program, administered by the Department of Resources Recycling and Recovery, to provide loans to reduce the emissions of greenhouse gases by promoting in-state development of infrastructure to process organic and other recyclable materials into new value-added products.

Existing law requires the department, with additional moneys from the Greenhouse Gas Reduction Fund that may be appropriated to the department, to administer a grant program to provide financial assistance, in the form of grants, incentive payments, contracts, or other

funding mechanisms, to reduce the emissions of greenhouse gases by promoting in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products.

This bill would require the department to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year investment strategy to drive innovation and support technological development and infrastructure, in order to meet specified organic waste reduction and recycling targets, as provided. The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer, to develop financial incentive mechanisms, including, but not limited to, loans and incentive payments, to fund organic waste diversion and recycling infrastructure. The bill would create the California Recycling Infrastructure Investment Account in the State Treasury, to be administered by the Treasurer. The bill would require the ~~Treasurer~~ *Treasurer, in coordination with the department*, to coordinate with the States of Nevada, Oregon, and Washington on infrastructure financing to support the recycling needs of the region and to create an advisory stakeholder committee to support development of interstate recycling infrastructure and markets for recyclable materials.

(2) The California Alternative Energy and Advanced Transportation Financing Authority Act creates the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance for the development and deployment of alternative energy and renewable energy technologies, and provides that it is the purpose of the act to advance the state's goals of reducing the levels of greenhouse gas emissions and increasing the deployment of sustainable and renewable energy sources, among other things.

This bill would additionally provide that it is the purpose of the act to provide an alternative method of financing in providing and promoting the establishment of facilities needed to develop organic waste diversion technologies.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

1 (1) Organic waste is a key source of methane emissions, a
2 powerful climate forcer for greenhouse gases and short-lived
3 climate pollutants that significantly impact air quality, public
4 health, and climate change.

5 (2) The state has been a leader in advancing policies that
6 drastically divert organic waste from landfills and recycle it,
7 including by mandating a 40-percent reduction in methane
8 emissions by 2030, compared to 2013 levels.

9 (3) The state is facing a crisis due to international dynamics that
10 have critically impacted our traditional recycling markets.

11 (4) The state, in coordination with the States of Nevada, Oregon,
12 and Washington, requires a stable, multiyear incentive program
13 that leverages private and other additional public funds to build
14 infrastructure to meet the needs of the state's organic waste
15 diversion mandate and recycling market crisis.

16 (b) It is the intent of the Legislature that moneys subsequently
17 appropriated for the Organic Waste Diversion Infrastructure Act
18 of 2019, including, but not limited to, any moneys appropriated
19 from the Greenhouse Gas Reduction Fund, established pursuant
20 to Section 16428.8 of the Government Code, be expended for
21 grants pursuant to Section 42999 of the Public Resources Code,
22 and, notwithstanding subdivision (a) of Section 42999 of the Public
23 Resources Code, for loans pursuant to Section 42997 of the Public
24 Resources Code.

25 SEC. 2. Section 26002 of the Public Resources Code is
26 amended to read:

27 26002. It is the purpose of this division to advance the state's
28 goals of reducing the levels of greenhouse gas emissions, increasing
29 the deployment of sustainable and renewable energy sources,
30 implementing measures that increase the efficiency of the use of
31 energy, creating high quality employment opportunities, and
32 lessening the state's dependence on fossil fuels and to that end to
33 provide an alternative method of financing in providing and
34 promoting the establishment of all of the following:

35 (a) Facilities utilizing alternative methods and sources of energy.

36 (b) Facilities needed for the development and commercialization
37 of advanced transportation technologies.

38 (c) Facilities needed to develop organic waste diversion
39 technologies.

1 SEC. 3. Section 42999.5 is added to the Public Resources Code,
2 to read:

3 42999.5. (a) This section shall be known, and may be cited,
4 as the Organic Waste Diversion Infrastructure Investment Act of
5 2019.

6 (b) The department shall support technology advancement and
7 infrastructure to meet the state's 2025 organic waste reduction
8 target pursuant to Section 39730.6 of the Health and Safety Code
9 and the state's recycling goals pursuant to Section 41780.01.

10 (c) The department shall develop, on or before January 1, 2021,
11 and may amend, a five-year investment strategy to drive innovation
12 and support technological development and infrastructure, in order
13 to meet the state's 2025 organic waste reduction target pursuant
14 to Section 39730.6 of the Health and Safety Code and the state's
15 recycling goals pursuant to Section 41780.01. The investment
16 strategy shall do all of the following:

17 (1) (A) Set forth a five-year plan for the expenditure of moneys
18 appropriated for purposes of this section.

19 (B) An eligible expenditure may occur over multiple fiscal
20 years.

21 (C) The department may make multiyear funding commitments
22 over a period of more than one fiscal year.

23 (2) Assess the amount of money needed to build the
24 infrastructure necessary to achieve the waste reduction target
25 pursuant to Section 39730.6 of the Health and Safety Code.

26 (3) Identify priorities and strategies for financial incentive
27 mechanisms to help achieve the organic waste reduction target
28 pursuant to Section 39730.6 of the Health and Safety Code and
29 the state's recycling goals pursuant to Section 41780.01.

30 (d) On or before June 1, 2021, the department, in coordination
31 with the Treasurer, shall develop financial incentive mechanisms,
32 including, but not limited to, loans and incentive payments, to fund
33 organic waste diversion and recycling infrastructure.

34 (e) (1) There is hereby established in the State Treasury the
35 California Recycling Infrastructure Investment Account, which
36 the Treasurer shall administer.

37 (2) In providing any financial incentives pursuant to this
38 subdivision, the Treasurer, in coordination with the department,
39 shall do all of the following:

1 (A) Ensure that a recipient of a financial incentive leverages
2 local, state, federal, and private funding sources to maximize
3 investment in organic waste diversion and recycling infrastructure.

4 (B) Prioritize projects that have multiple benefits, including,
5 but not limited to, reducing greenhouse gas emissions, increasing
6 solid waste diversion, increasing workforce training and
7 development, reducing collection and recycling costs to local
8 governments, and creating jobs.

9 (C) Prioritize projects that maximize benefits while minimizing
10 negative consequences to disadvantaged communities, as identified
11 pursuant to Section 39711 of the Health and Safety Code.

12 (D) Seek to achieve a portfolio approach to funding pursuant
13 to this subdivision that supports a diverse set of projects.

14 (f) ~~The Treasurer~~ *Treasurer, in coordination with the*
15 *department,* shall coordinate with the States of Nevada, Oregon,
16 and Washington on infrastructure financing to support the recycling
17 needs of the region and shall create an advisory stakeholder
18 committee to support development of interstate recycling
19 infrastructure and markets for recyclable materials.

Review: MWD & Membership Agency Positions on Bills

Bill	Recommended IEUA Position	MWD	CASA	CSDA	SCWC	ACWA	ACP
AB 756 (C. Garcia)	Oppose			<i>Watch</i>	<i>Watch</i>	<i>Oppose</i>	
AB 841 (Ting)	Support					<i>Support</i>	
AB 1588 (Gloria/Gray)	Support	<i>Support</i>	<i>Support</i>	<i>Support</i>	<i>Support</i>	<i>Support</i>	
SB 667 (Hueso)	Support if Amended		<i>Support</i>				<i>Support</i>

**ACTION
ITEM**

3A



Date: June 19, 2019

To: The Honorable Board of Directors
Committee:

From: Shivaji Deshmukh, General Manager 

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Adoption of Resolution No. 2019-6-12, for IEUA Support of the Update to the Chino Basin Optimum Basin Management Program

Executive Summary:

The 2000 Optimum Basin Management Program (OBMP) in the Chino Basin was developed to establish a groundwater management program that enhances safe yield and water quality of the basin, enabling all groundwater uses to produce water from the basin in a cost-effective manner. The successful implementation of the OBMP over the past 19 years has led to the development and expansion of the groundwater recharge program, recycled water program, and achievement of hydraulic control by managing discharge from the Chino Basin to the Santa Ana River.

Currently, the Chino Basin Watermaster is in the process of updating the OBMP. As the guiding document for basin management, the OBMP update is necessary for all groundwater storage and recovery applications. The timely adoption of the OBMP update will facilitate the various regional planning initiatives underway such as the Chino Basin Program, Integrated Water Resources Plan, and the Chino Basin Water Bank. The OBMP Update is intended to be completed by 2020, with the associated Programmatic Environmental Impact Report to be completed by 2021.

Staff's Recommendation:

1. Adopt Resolution No. 2019-6-12, supporting the timely completion of the Optimum Basin Management Program update; and
2. Direct the General Manager to update the Board with its progress on a regular basis.

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

Account/Project Name:

Not Applicable.

Fiscal Impact (explain if not budgeted):

No impact.

Prior Board Action:

On May 21, 2008, the IEUA Board approved the Addendum to the OBMP Programmatic Environmental Impact Report (PEIR) and the Facilities Master Plan PEIR.

On June 22, 2002, the IEUA Board approved and certified the Facilities Master Plans PEIR for the Wastewater Facilities Master Plan, Recycled Water Master Plan, and Organics Management Plan.

In July 2000, the IEUA Board approved the OBMP PEIR.

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project is implemented, it will be subject to future environmental evaluation.

Business Goal:

The update of the Chino Basin Optimum Basin Management Program supports IEUA's business goal of Water Reliability, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Attachments:

Attachment 1 - Resolution No. 2019-6-12

RESOLUTION NO. 2019-6-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, SUPPORTING THE UPDATE TO THE CHINO BASIN OPTIMUM BASIN MANAGEMENT PROGRAM

WHEREAS, the Inland Empire Utilities Agency was created in 1950 with the objective to provide clean, safe and reliable water to the Community it serves in western San Bernardino County;

WHEREAS, the Community that the Inland Empire Utilities Agency serves depends on Clean, Safe and Reliable water to sustain economic development and growth, foster a healthy community and preserve the environment for future generations;

WHEREAS, the Community that Inland Empire Utilities Agency serves' Water Portfolio relies on a combination of imported water, surface, groundwater and recycled water to satisfy the demands of the region;

WHEREAS, a reliable water supply is a necessary element for economic development, growth, and prosperity, and according to state laws must be verified before new development is approved;

WHEREAS, a safe water supply ensures the daily wellbeing and health of the community the Inland Empire Utilities Agency serves, by providing water that is safe to drink, cook, bathe in, and use for all other human necessities;

WHEREAS, a clean water supply helps preserve the environmental health of our Community, by ensuring there are adequate resources to meet environmental needs such as habitat for fish and birds;

WHEREAS, the IEUA and Chino Basin parties' past investments in local water supply development in recycled water, groundwater recharge, and hydraulic control have had a profound impact in protecting and ensuring the community's current and future access to water supplies;

WHEREAS, there is value to further enhance the reliability and resiliency of the Community to weather future events (such as drought/emergency storage loss) by understanding and maximizing the use and flexibility of storage within the Chino Basin;

WHEREAS, maintaining a resilient water supply portfolio in the Chino Basin is directly dependent on maintaining groundwater reserves and identifying ways to store supplemental water—surface, imported, external recycled water—when it is available;

WHEREAS, groundwater is an essential part of such portfolio since it is local and less dependent of temporal and seasonal variations;

WHEREAS, the Chino Groundwater Basin is a vital resource for achieving the Inland Empire Utilities Agency's mission of providing clean, safe and reliable water;

WHEREAS, the Parties to the Chino Basin Judgement have collaborated on the development and implementation of the Optimum Basin Management Program ("OBMP") for the past 20 years;

WHEREAS, the OBMP has enabled the region to manage the Chino Groundwater Basin to guarantee a reliable water supply for the buoyant economy of the area;

WHEREAS, the Chino Basin region has experienced rapid economic and population growth;

WHEREAS, the scientific understanding of the Chino Basin has improved significantly;

WHEREAS, the imported water supplies to the region have become more scarce over time;

WHEREAS, the OBMP is a planning document that has guided the management of the Chino Basin through the challenges facing the region for the past 20 years, with the goals of [1] enhance Basin water supplies; [2] protect and enhance water quality; [3] enhance management of the Basin; and [4] equitably finance the OBMP; and has been implemented over the same time to enhance the reliability of groundwater resources;

WHEREAS, the region now faces new challenges and, while the goals of the OBMP remain the same, there is a need to reconsider the implementation activities;

WHEREAS, the region has experienced unprecedented economic growth, the surface water supplies are becoming less reliable, seasonal variability is becoming more extreme, there are new emerging constituents that degrade groundwater quality;

WHEREAS, the OBMP Implementation Plan update will be the document where all stakeholders that rely on the Chino Basin to meet their needs will collaborate to solve the challenges aforementioned;

WHEREAS, the 2015 IEUA Integrated Water Resources Plan (IRP) Phase I identified conceptual regional projects to help achieve the OBMP objectives;

WHEREAS, the IRP Phase II which is currently under development is refining, modeling and identifying regional priorities and projects in support of long-term water resources management and consistent with the Chino Basin OBMP and OBMP Update;

WHEREAS, in 2017 the Chino Basin Program (CBP) concept was developed to help fund future water resources based on the projects, goals and objectives established in the OBMP and IRP Phase I;

WHEREAS, the CBP received a conditional funding award of \$206.9 million contingent upon the adoption of a completed Programmatic Environmental Impact Report (PEIR) documents by 2021;

WHEREAS, the completion of the CBP PEIR documents requires an approved CBP Storage and Recovery Application; and

WHEREAS, the completion of new Storage and Recovery Applications are contingent upon the timely adoption of the Optimum Basin Management Plan Update;

NOW, THEREFORE, LET BE IT RESOLVED, that the Board of Directors of the Inland Empire Utilities Agency fully support the development of an update to the Optimum Basin Management Program.

LET IT BE FURTHER RESOLVED, that the Board of Directors of The Inland Empire Utilities Agency considers the timely completion of the Optimum Basin Management Program update critical to the future development of the region and directs its General Manager to update this Board with the progress of the OBMP update on a regular basis.

ADOPTED this 19th day of June 2019.

Paul Hofer
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:

Kati Parker
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)

COUNTY OF) SS
SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2019-6-12, was adopted at a regular
Board Meeting on June 19, 2019, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

:

Kati Parker
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

(SEAL)


**ACTION
ITEM**

3B



Date: June 19, 2019

To: The Honorable Board of Directors
Committee:

From: Shivaji Deshmukh, General Manager 

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM
Subject: Approval to Participate in a Citibank Settlement Agreement

Executive Summary:

On May 10, the Agency was notified of its eligibility to share in a \$100 million settlement fund established pursuant to an out-of-court settlement between Citibank and 42 State Attorney Generals. The documents indicate Citibank, a Contributor Panel Bank for the USD London Interbank Offered Rate (LIBOR), may have manipulated certain benchmark interest rates by submitting artificially low interest rates to avoid the bad publicity of higher rates. This, in turn, may have adversely affected the return the Agency received on the 1994 and 2005A Revenue Bond swap agreements with Citibank. There is evidence to support the allegations, but Citibank has chosen to settle the case.

Following a review of the settlement documents by the Agency's general counsel, it is recommended the Agency join the settlement and not join the other court cases presently underway. By joining this settlement, the Agency would release Citibank from any related future liability. In consideration, the Agency would receive restitution payment estimated at \$480,633. The deadline to file the settlement agreement is July 9, 2019.

Staff's Recommendation:

1. Approve the Agency's participation in a settlement agreement between 42 state attorney generals and Citibank; and
2. Authorize the General Manager to execute and submit the Election to Participate Release and Claim Form prior to July 9, 2019.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

None.

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

Prior Board Action:

On February 17, 2010, the Board approved Resolution 2010-2-4 to execute Termination agreement for the 1994 and 2005 Interest Swap Agreements with Citibank, N.A.

On May 4, 2005, the Board approved a basis swap with the 1994 Revenue Bonds.

On April 20, 2005, the Board approved the Swap Policy and a basis swap with the refunding of the 1999 series A Revenue Bonds (2005 Series A Revenue Bonds).

Environmental Determination:

Not Applicable

Business Goal:

The updated Reserve Policy supports the IEUA Business Goal of fiscal responsibility with the commitment to safeguard the Agency's assets and financial position.

Attachments:

Attachment 1 - Background

Attachment 2 - Notice Letter

Attachment 3 - Questions and Answer Pamphlet

Attachment 4 - Election to Participate, Release and Claim Form by Participating Counterparty

Background

Subject: Approval to Participate in Citibank Settlement Agreement

On April 20, 2005, the Board approved the Swap Policy and a fixed basis point swap agreement with the refunding of the 1999 Series A Revenue Bonds, (2005 Series A Revenue Bonds). A similar basis swap agreement was approved for the 1994 Series A Revenue Bonds on May 4, 2005. The Agency's counterparty in both swap agreements was Citibank, N.A. As of January 2010, both agreements had generated approximately \$1.4 million of cash flow to the Agency. Despite the cumulative net favorable performance, there were times the Agency was in a negative position due to rising interest rates and market disruptions following the sub-prime mortgage crisis. Given the uncertainty of future performance and the Agency's favorable termination value at that time, the Board approved to terminate both swap agreements on February 17, 2010. The Agency paid Citibank a net amount of \$48,000 to terminate both agreements.

On May 10, the Agency was notified of our eligibility to share in a \$100 million settlement fund established pursuant to an out-of-court settlement between Citibank and 42 State Attorney Generals. The documents show Citibank, a Contributor Panel Bank for the USD London Interbank Offered Rate (LIBOR), may have manipulated certain benchmark interest rates by submitting artificially low interest rates to avoid the bad publicity of higher rates. This, in turn, may have adversely affected the return the Agency received on the 1994 and 2005A Revenue Bond swap agreements with Citibank. There is evidence to support the allegations, but Citibank has chosen to settle the case.

Following a review of the settlement documents by the Agency's general counsel, it is recommended the Agency join the settlement and not join the other court cases presently underway. By joining this settlement, the Agency would release Citibank from any related future liability. In consideration, the Agency's would receive restitution payment estimated at \$480,633.

The deadline to file the settlement agreement is July 9, 2019.

NOTICE LETTER

May 10, 2019

Re: A \$100,000,000 settlement between various State Attorneys General and Citibank, N.A.

Dear Eligible Counterparty:

This letter and the accompanying forms contain important information about your eligibility to share in a \$95,000,000 settlement fund ("the Fund") established pursuant to an out-of-court settlement between Citibank, N.A. ("Citibank") and 42 State Attorneys General to resolve matters more specifically explained in "An Agreement By and Between the Attorneys General of the States and Commonwealths of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin, and Citibank, dated June 13, 2018" (referred to herein as either the "Settlement Agreement" or the "Settlement"). A full copy of the Settlement Agreement is available at www.CitibankSAGLIBORSettlement.com. Capitalized terms used herein and the accompanying forms and Question and Answer Pamphlet shall have the same meanings as specified in the Settlement Agreement, unless otherwise noted. Pursuant to the terms of the Settlement Agreement, Citibank has agreed to pay a total of \$100 million to the State Attorneys General, out of which an escrow fund of \$95,000,000 ("Fund") has been established to make payments to Participating Counterparties.

This Notice Packet does not provide legal advice about whether you should participate in the Settlement. You should consult a licensed attorney for legal advice about your possible participation in the Settlement and the consequences of doing so.

What this Packet Includes: This packet includes: (1) This Notice Letter; (2) an Election to Participate, Release and Claim Form ("Release Form"); and (3) a Question and Answer Pamphlet. All of these documents have been reviewed and approved by the Attorneys General who are parties to the Settlement Agreement.

Your Eligibility: You have been identified as an Eligible Counterparty because you (1) are a Benchmark Interest Rate Financial Instrument Counterparty; (2) were party to one or more U.S. Dollar London Interbank Offered Rate ("LIBOR") Benchmark Interest Rate Financial Instrument transactions; (3) where the other party to the transaction was Citibank or any of its parents, subsidiaries, affiliates or agents; and (4) your U.S. Dollar LIBOR Benchmark Interest Rate Financial Instrument has been alleged by the Attorneys General to have been impacted by the Relevant Conduct described in the Settlement Agreement.

Requirements: In order to receive a share of the \$95,000,000 Fund, you must complete and submit to the Claims Administrator the Release Form. Your submission must be postmarked no later than July 9, 2019.

Your Share: As identified in the Release Form and paragraph 12 of the Release, if you elect to participate in the Settlement you will receive a payment identified in the Release Form.

Release: By signing the Release Form, you give up your right to sue Citibank for certain claims relating to the Relevant Conduct and any alleged misconduct with respect to other IBORs during the period January 1, 2007 through December 31, 2010, which include claims being brought against Citibank in certain class and non-class actions consolidated in *In re LIBOR-Based Financial Instruments Antitrust Litigation* (No. 11-md-2282); *Laydon v. Mizuho Bank, Ltd. et al.* (No. 12-cv-3419); *Sonterra Capital Master Fund Ltd. et al. v. UBS AG et al.* (No. 15-cv-05844); *Sullivan et al. v. Barclays PLC et al.* (No. 13-cv-2811); or *FrontPoint Asian Event Driven Fund, L.P., et al. v. Citibank, N.A., et al.* (No. 16-cv-05263) (S.D.N.Y.) (collectively, "the Class Actions"), described further below. A recovery, if any, against Citibank in a lawsuit could be greater or less than Your Share under the Settlement Agreement. To the extent a settlement between Citibank or its affiliates in any of the Class Actions received preliminary or final court approval before June 13, 2018, the Release does not prevent you from participating in such class action settlement.

As noted above, the Settlement Agreement is available for review in its entirety at www.CitibankSAGLIBORSettlement.com. What follows is (1) a brief summary of the Settlement Agreement; (2) a brief description of the Class Actions; and (3) instructions on how to receive payment under the Settlement Agreement and other information. You may also refer to the enclosed Question and Answer Pamphlet for more information.

General Description and Summary of the Settlement Agreement

The Settlement Agreement describes the details of an investigation conducted by certain Attorneys General concerning alleged violations of various state and federal antitrust laws, unfair and deceptive acts and practices laws, false claims statutes, commodities and securities laws, and fraud statutes by Citibank and others regarding LIBOR and financial instruments referencing that rate. The State Attorneys General have alleged in the Settlement Agreement that: (a) Citibank, at times, made USD LIBOR submissions to avoid negative publicity and protect the reputation of the bank; (b) Citibank's USD LIBOR submitters, on occasion, asked Citibank personnel in other units of the bank to avoid offering higher rates than Citibank's USD LIBOR submissions; (c) expressed belief that other banks, at times, made USD LIBOR submissions that were inconsistent with their borrowing rates and contributed to inaccurate LIBORS; and (d) Citibank failed to disclose the foregoing to its counterparties. As discussed more fully in the Settlement Agreement, Citibank cooperated in the investigation, including by making disclosure of its conduct to the Attorneys General.

Following an investigation, Citibank and the Attorneys General entered into the Settlement Agreement whereby, among other things, Citibank agreed to establish the Fund to pay restitution to Eligible Counterparties in return for a Release of claims against Citibank. By claiming from the Fund, you will not give up your rights as to any other entity that may also be responsible for injuries to you related to the Relevant Conduct. You will also not give up your right to sue Citibank for the time period prior to January 1, 2007 or after December 31, 2010. You will, however, give up your right to sue Citibank for claims arising out of the Relevant Conduct or any alleged misconduct with respect to other IBORs during the period of January 1, 2007 to December 31, 2010, including claims alleged in the Class Actions. This means you cannot sue Citibank for certain claims that are currently being pursued on your behalf in the Class Actions, described in the next section, except to the extent a class action settlement with Citibank received preliminary or final approval before June 13, 2018.

Any variance between this Notice Letter and the Settlement Agreement will be controlled by the Settlement Agreement.

Related Pending Civil Actions

Beginning in 2011, Citibank was named as a defendant along with numerous other financial institutions in civil suits filed in various state and federal courts. The plaintiffs in those complaints are counterparties to various financial transactions that reference a benchmark interest rate such as LIBOR (various currencies), EURIBOR, TIBOR or SIBOR, or, in the case of *Galope v. Citibank National Trust Company et al.*, mortgage borrowers who took out a mortgage with a floating rate linked to LIBOR. Some of the cases have been brought as nationwide putative class actions, and others as individual actions.

The complaints allege that the defendants, including Citibank, violated various federal and certain state laws by suppressing and/or manipulating benchmark interest rates. The lawsuits seek damages and other relief.

Most of the cases regarding U.S. Dollar LIBOR-linked financial transactions have been filed in or transferred to the U.S. District Court for the Southern District of New York and consolidated for pretrial proceedings under the caption *In re LIBOR-Linked Financial Instruments Antitrust Litigation*, No. 11-md-2262 (S.D.N.Y.) ("*LIBOR MDL*"). The actions consolidated in the *LIBOR MDL* include individual and class actions, and the cases include claims against Citibank.

Citibank has entered into settlements in four cases in the *LIBOR MDL* and in three other cases involving other IBORs. As explained above, the Release generally releases any claims you may have in these actions, except to the extent a class settlement in these actions received preliminary or final approval from the court before June 13, 2018. For class settlements that received preliminary or final approval prior to that date, you retain the right to participate in those class settlements. The following settlements with Citibank received court approval before June 13, 2018:

1. USD LIBOR OTC Case. The class in this case includes certain parties who purchased U.S. Dollar LIBOR-based instruments directly from Citibank or another defendant and owned them between August 2007 and May 2010. This settlement received preliminary approval from the Court on August 31, 2017 and final approval on August 1, 2018. (*Mayor and City Council of Baltimore et al. v. Credit Suisse AG et al.*, S.D.N.Y. Case No. 11-cv-5450.)

2. Yen LIBOR/TIBOR Cases. The classes in these cases include certain parties to financial instruments linked to Yen LIBOR or the Tokyo Interbank Offered Rate (TIBOR). The settlement of these cases received preliminary approval on June 22, 2016 and final approval on November 10, 2016. (*Laydon v. Mizuho Bank, Ltd. et al.*, S.D.N.Y. Case No. 12-cv-3418, and *Sonterra Capital Master Fund Ltd. et al. v. UBS AG et al.*, S.D.N.Y. Case No. 15-cv-05844.)

Citibank has entered into the following additional settlements, which did not receive preliminary or final court approval by June 13, 2018:

1. USD LIBOR Exchange-Based Case. The class in this case includes certain parties who purchased exchange-traded U.S. Dollar LIBOR-based instruments. This settlement has not yet been approved by the court. (*Matzler Investment GmbH et al. v. Credit Suisse Group AG et al.*, S.D.N.Y. Case No. 11-cv-2613.)

2. USD LIBOR Lender Case. The class in this case includes lending institutions headquartered in the U.S. that originated, held, purchased or sold loans or interest in loans with interest rates based on U.S. Dollar LIBOR. This settlement received preliminary approval on July 19, 2018, and final approval on December 20, 2018. (*The Berkshire Bank and Government Development Bank for Puerto Rico v. Bank of America et al.*, S.D.N.Y. Case No. 12-cv-5723.)

3. USD LIBOR Indirect Bondholder Case. The class in this case includes certain parties who owned U.S. Dollar LIBOR-based debt securities that were not issued by panel banks. This settlement received preliminary approval on December 8, 2018. (*Gelboim v. Credit Suisse Group AG et al.*, S.D.N.Y. Case No. 12-cv-1025.)

4. SIBOR Case. The class in this case includes certain parties to financial instruments linked to the Singapore Interbank Offered Rate (SIBOR) and the Singapore Swap Offered Rate (SOR). An application for preliminary approval of this settlement was filed on November 16, 2018. (*Frontpoint Asian Event Driven Fund, L.P. v. Citibank, N.A. et al.*, S.D.N.Y. Case No. 16-cv-5263.)

5. Euribor Case. The class in this case includes certain parties to financial instruments linked to the Euro Interbank Offered Rate (Euribor). This settlement received preliminary approval on December 19, 2018, and a final settlement hearing was set for May 17, 2019. (*Sullivan et al. v. Barclays PLC et al.*, S.D.N.Y. Case No. 13-cv-2811.)

In order to participate in this Settlement reached by the Attorneys General, you will be required to sign the Release Form, which gives up your right to sue Citibank for certain claims arising out of the Relevant Conduct during the period of January 1, 2007 through December 31, 2010, including but not limited to claims being brought in the Class Actions, except to the extent a class action settlement with Citibank received preliminary or final approval before June 13, 2018. Your share of the Fund is based only on U.S. Dollar LIBOR-referencing transactions you had with Citibank. The Release does not apply to or cover any claims brought by you or on your behalf against the other defendants named in the civil class actions.

As with any class action in court, any settlements in the Class Actions must be approved by a judge. Your allocated share of any recovery resulting from a class resolution, should it occur and be approved by the court, or from the resolution of litigation you institute, may be greater or less than your eligible share under this Settlement.

This Settlement is different from a class action settlement. First, the Settlement is pursuant to the sovereign authority of the 42 State Attorneys General who entered into the Settlement Agreement. Second, the Settlement is an out-of-court settlement and thus has not been subject to preliminary and final court approval proceedings, a fairness hearing or objections.

The accompanying Question and Answer Pamphlet contains additional detail regarding the Class Actions and the contact information for interim class counsel in those cases.

Instructions on How You May Receive Payment

To receive a payment from the Fund, you must timely submit to the Claims Administrator the enclosed Release Form. You should carefully read through the materials.

The Release Form must be postmarked **NO LATER THAN JULY 9, 2019**. It should be returned to the following address:

Citibank SAG LIBOR
c/o A.B. Data, Ltd.
P.O. Box 173070
Milwaukee, WI 53217

Election to Not Participate or Otherwise Not Respond

If you elect not to participate or otherwise do not respond to this Notice Letter, the Settlement Agreement shall have no effect on the claims or causes of action for damages, disgorgement, restitution or any other relief that you may have against Citibank for the Relevant Conduct, including whether you may participate in any of the Class Actions. It is recommended that you consult with an attorney licensed in your jurisdiction for legal advice as to your options.

Additional information

For more information please refer to the Question and Answer Pamphlet enclosed with this Notice Letter. You may also:

- Visit the website: www.CitibankSAGLIBORSettlement.com
- Write the Claims Administrator, A.B. Data, Ltd. at:

Citibank SAG LIBOR
c/o A.B. Data, Ltd.
P.O. Box 173070
Milwaukee, WI 53217

Sincerely,

The Claims Administrator

Question and Answer Pamphlet

1. What is the purpose of this Notice Packet?

The purpose of this Notice Packet is to inform you of a \$95,000,000 settlement fund ("Fund") established pursuant to an out-of-court settlement between Citibank, N.A. ("Citibank") and 42 State Attorneys General to resolve allegations that Citibank engaged in violations of state and federal antitrust laws, unfair and deceptive acts and practices laws, false claims statutes, commodities and securities laws, and fraud statutes. The allegations and terms of the settlement are set forth in "An Agreement By and Between the Attorneys General of the States and Commonwealths of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin, and Citibank, dated June 13, 2018" (referred to herein as the "Settlement Agreement" or the "Settlement"). A full copy of the Settlement Agreement is available at www.CitibankSAGLIBORSettlement.com. This Notice Packet provides an overview of the Settlement Agreement along with your rights and steps you must take in order to receive your share of the Fund as an Eligible Counterparty.

This Notice Packet does not provide legal advice about whether you should participate in the Settlement. You should consult a licensed attorney for legal advice about your possible participation in the Settlement and the consequences of doing so.

2. Why did I receive this Notice Packet?

You have received this Notice Packet because you have been identified as an "Eligible Counterparty," as defined in the Settlement Agreement, who may elect to participate in the Settlement as indicated in this Notice Packet. Based on the investigation conducted by the Attorneys General, with cooperation from Citibank, the Attorneys General believe that one or more U.S. Dollar LIBOR Benchmark Interest Rate Financial Instrument(s) you transacted with Citibank was impacted by the Relevant Conduct outlined in the Settlement Agreement.

3. What is the Relevant Conduct?

In summary, the Relevant Conduct involves Citibank's alleged misrepresentation of the integrity of the U.S. Dollar LIBOR benchmark interest rate, from 2007 to 2010, and Citibank's alleged failure to disclose this to certain of its counterparties.

More specifically, the State Attorneys General have alleged that: (a) Citibank at times, made USD LIBOR submissions to avoid negative publicity and protect the reputation of the bank; (b) Citibank's USD LIBOR submitters, on occasion, asked Citibank personnel in other units of the bank to avoid offering higher rates than Citibank's USD LIBOR submissions; (c) Citibank expressed belief that other banks, at times, made USD LIBOR submissions that were inconsistent with their borrowing rates and contributed to inaccurate LIBORS; and (d) Citibank failed to disclose the foregoing to its counterparties.

Citibank and its affiliates Citibank Japan Ltd. and Citigroup Global Markets Japan Inc. ("CGMJ") previously settled an investigation relating to the Relevant Conduct instituted by the Commodities Futures Trading Commission ("CFTC"). That settlement describes alleged conduct relating to the U.S. Dollar LIBOR, Euroyen LIBOR and Yen TIBOR interest rate benchmarks. CGMJ also previously settled an investigation relating to the Relevant Conduct instituted by the Financial Services Agency of Japan. That settlement describes conduct relating to the Euroyen LIBOR and Yen TIBOR interest rate benchmarks.

The Settlement Agreement with Citibank is part of a broad and ongoing six-year investigation of interest rate benchmark manipulation by the Attorneys General. Citibank is the third financial institution to settle with the Attorneys General. As part of its obligations under the Settlement Agreement, Citibank has agreed to continue to cooperate with the Attorneys General's ongoing investigation.

The Settlement Agreement contains a more detailed explanation of the Relevant Conduct. A full copy of the Settlement Agreement is available online at www.CitibankSAGLIBORSettlement.com.

4. What is an "Eligible Counterparty"?

"Eligible Counterparty" means a Benchmark Interest Rate Financial Instrument Counterparty (see below) that engaged in a transaction involving one or more Benchmark Interest Rate Financial Instruments with Citibank or any of its parents,

subsidiaries, affiliates or agents, and that the Attorneys General have determined is eligible for compensation as a result of the Relevant Conduct.

5. What is a "Benchmark Interest Rate Financial Instrument Counterparty"?

"Benchmark Interest Rate Financial Instrument Counterparty" means any (i) not-for-profit entity; (ii) municipality, state, state agency, political subdivision or substate entity, including but not limited to state or local authority, office, bureau or agency; and (iii) pension funds and credit unions affiliated with any of the foregoing that purchased, sold, held or otherwise obtained, maintained or disposed of one or more Benchmark Interest Rate Financial Instruments.

6. What are "Benchmark Interest Rate Financial Instruments"?

"Benchmark Interest Rate Financial Instruments" means any and all financial instruments or transactions in which the interest rate, settlement amount or any other payment term references LIBOR, including but not limited to interest rate swaps, forward rate agreements, futures, options, structured products, auction rate securities, collateralized debt obligations, fixed income instruments, floating rate notes, mortgage-backed securities and variable rate bonds.

7. What are the benefits of the Settlement?

Pursuant to the Settlement, Citibank has agreed to pay a total of \$95,000,000 into a fund that will be used to compensate Eligible Counterparties, including you. The Settlement Agreement provides a simple process for you to receive your share of the Fund specified in this Notice Packet.

To receive a payment pursuant to this Settlement all you need to do is sign and return the Election to Participate, Release and Claim Form ("Release Form") included in this packet. No other documentation is required.

8. What do I give up if I choose to participate in the Settlement?

To participate in this Settlement, you will be required to sign the Release Form included in this packet. By signing the Release Form, you would be giving up your right to sue Citibank for claims for damages or other relief against Citibank relating to the Relevant Conduct, and specifically giving up claims asserted on your behalf against Citibank in certain enumerated class action lawsuits relating to US Dollar LIBOR, EURIBOR, Singapore Interbank Offered Rate ("SIBOR"), or Yen LIBOR/Tokyo Offered Interbank Rate ("TIBOR"), or in any suit against Citibank you bring on your own.

The Release requires you to give up your right to sue Citibank for Relevant Conduct or any alleged misconduct with respect to other IBORs (as defined in the Release Form) that may have occurred between January 1, 2007 and December 31, 2010. The Release will not affect your ability to sue with respect to Relevant Conduct before 2007 or after 2010. Also, the Release does not affect any claims you may have against financial institutions other than Citibank and its affiliates with respect to Benchmark Interest Rate Financial Instruments.

The Release does not limit your ability to participate in any class action settlement with Citibank relating to the Relevant Conduct that received preliminary or final court approval prior to June 13, 2018.

In determining whether you should participate in the Settlement, it is recommended that you consult with counsel of your own choosing. THESE QUESTIONS AND ANSWERS ARE NOT LEGAL ADVICE. They are provided for informational purposes only. Actual legal advice can only be provided after consultation with a licensed attorney.

9. What are the details of the related pending civil class actions?

Beginning in 2011, numerous plaintiffs began filing civil lawsuits against Citibank (and/or its affiliates) and other defendants in various state and federal courts nationwide based on the Relevant Conduct. The plaintiffs in those complaints are counterparties to various financial transactions that reference a benchmark interest rate such as LIBOR (in various currencies), EURIBOR, TIBOR or SIBOR.

The complaints allege that the defendants, including Citibank, violated certain federal and state laws by suppressing and/or manipulating benchmark interest rates. The lawsuits seek damages and other relief.

Most of the cases regarding U.S. Dollar LIBOR-linked financial transactions have been filed in or transferred to the U.S. District Court for the Southern District of New York and consolidated for pretrial proceedings under the caption *In re LIBOR-Linked Financial Instruments Antitrust Litigation*, No. 11-md-2262 (S.D.N.Y.) ("*LIBOR MDL*"). The actions consolidated in the *LIBOR MDL* include individual and class actions, and the cases include claims against Citibank.

Citibank is also a defendant in class actions involving transactions referencing EURIBOR, Yen LIBOR/TIBOR, and SIBOR, as set forth below.

Citibank has entered into settlements in four cases in the LIBOR MDL and in three other cases involving other IBORs. As explained above, the Release generally releases any claims you may have in these actions, except to the extent a class settlement in these actions received preliminary or final approval from the court on or before June 13, 2018. For class settlements that received preliminary or final approval prior to that date, you retain the right to participate in those class settlements. The following settlements with Citibank received court approval on or before June 13, 2018:

1. **USD LIBOR OTC Case.** The class in this case includes certain parties who purchased U.S. Dollar LIBOR-based instruments directly from Citibank or another defendant and owned them between August 2007 and May 2010. This settlement received preliminary approval from the Court on August 31, 2017 and final approval on August 1, 2018. (*Mayor and City Council of Baltimore et al. v. Credit Suisse AG et al.*, S.D.N.Y. Case No. 11-cv-5450.)

2. **Yen LIBOR/TIBOR Cases.** The classes in these cases include certain parties to financial instruments linked to Yen LIBOR or the Tokyo Interbank Offered Rate (TIBOR). The settlement of these cases received preliminary approval on June 22, 2016 and final approval on November 10, 2016. (*Laydon v. Mizuho Bank, Ltd. et al.*, S.D.N.Y. Case No. 12-cv-3419, and *Sonterra Capital Master Fund Ltd. et al. v. UBS AG et al.*, S.D.N.Y. Case No. 15-cv-05844.)

Citibank has entered into the following additional settlements, which did not receive preliminary or final court approval by June 13, 2018:

1. **USD LIBOR Exchange-Based Case.** The class in this case includes certain parties who purchased exchange-traded U.S. Dollar LIBOR-based instruments. This settlement has not yet been approved by the court. (*Matzler Investment GmbH et al. v. Credit Suisse Group AG et al.*, S.D.N.Y. Case No. 11-cv-2613.)

2. **USD LIBOR Lender Case.** The class in this case includes lending institutions headquartered in the U.S. that originated, held, purchased or sold loans or interest in loans with interest rates based on U.S. Dollar LIBOR. This settlement received preliminary approval on July 19, 2018, and final approval on December 20, 2018. (*The Berkshire Bank and Government Development Bank for Puerto Rico v. Bank of America et al.*, S.D.N.Y. Case No. 12-cv-5723.)

3. **USD LIBOR Indirect Bondholder Case.** The class in this case includes certain parties who owned U.S. Dollar LIBOR-based debt securities that were not issued by panel banks. This settlement received preliminary approval on December 6, 2018. (*Gelbain v. Credit Suisse Group AG et al.*, S.D.N.Y. Case No. 12-cv-1025.)

4. **SIBOR Case.** The class in this case includes certain parties to financial instruments linked to the Singapore Interbank Offered Rate (SIBOR) and the Singapore Swap Offered Rate (SOR). An application for preliminary approval of this settlement was filed on November 15, 2018. (*Frontpoint Asian Event Driven Fund, L.P. v. Citibank, N.A. et al.*, S.D.N.Y. Case No. 16-cv-5263.)

5. **Euribor Case.** The class in this case includes certain parties to financial instruments linked to the Euro Interbank Offered Rate (Euribor). This settlement received preliminary approval on December 19, 2018, and a final settlement hearing was set for May 17, 2019. (*Sullivan et al. v. Barclays PLC et al.*, S.D.N.Y. Case No. 13-cv-2811.)

10. What are the differences between this Settlement and a settlement in a class action if one were to be reached?

This Settlement has not been the subject of preliminary or final court approval proceedings, court approval of the allocation formula, a fairness hearing or objections. In a class action settlement, the parties would have to present evidence to a court to justify its fairness, and the settlement terms would be subject to a hearing, court approval and certification of a settlement class.

11. Which class action settlements with Citibank received preliminary or final approval before June 13, 2018?

The following class action settlements received preliminary or final approval before June 13, 2018:

- *In re LIBOR-Linked Financial Instruments Antitrust Litigation*, MDL No. 2262 (No. 11-md-2262)
- *Laydon v. Mizuho Bank, Ltd. et al.* (No. 12-cv-3419)
- *Sonterra Capital Master Fund Ltd. et al. v. UBS AG et al.* (No. 15-cv-05844)

12. What State Attorneys General are parties to the Settlement?

The Attorneys General of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia and Wisconsin have elected to participate in the Settlement Agreement. Please see Addendum A or visit www.CitibankSAGLiborSettlement.com for a complete listing of the contact information for the participating State Attorneys General.

13. If I reside in a State where the Attorney General is not a party to the Settlement Agreement can I still participate?

Yes. You can participate because you are an Eligible Counterparty. That the Attorney General for the State in which you reside is not a party to the Settlement Agreement does not affect your ability to claim from the Fund. You should be guided by the Notice Packet and follow the instructions for filing a Release Form. If you have any questions you can contact the Claims Administrator or a representative of the Attorneys General, and/or counsel of your own choosing (see Question 21, below).

14. How can I participate?

In order to participate and receive payment from the Fund, you must submit a timely and signed Release Form. Your Release Form must be postmarked no later than 60 days from the date of the letter accompanying this Notice Packet. No other documentation is required.

15. Do I have to participate?

No. If you decide you do not want to participate in this Settlement you do not have to take any affirmative action. That is, if you do not return the Release Form you will be excluded from the Settlement and will not be giving up the rights described therein. Also, you will retain whatever rights you may have to bring claims against Citibank for the Relevant Conduct, either through your own litigation or the civil class actions.

16. What is my share of the Fund?

The total amount of your distribution is set forth in the Release Form. This amount has been determined to be your share and, should you elect to participate in the Settlement, is not subject to any further approval process beyond that set out in this Notice Packet.

17. How was my share calculated?

Your share was based on a formula developed by the Attorneys General with the assistance of an independent economic expert hired by the Attorneys General, and applied to the U.S. Dollar LIBOR transactions identified in your Release Form. The Settlement Agreement provides that the Attorneys General have the right to adopt a formula they deem appropriate for payments from the Fund. The Attorneys General's economic expert was retained early in the Attorneys General's investigation to review and analyze data obtained by the Attorneys General as part of their investigation, and to assist in identifying the estimated impact caused by the Relevant Conduct on the Eligible Counterparties. Once the Attorneys General and Citibank reached agreement on the amount of the Fund (\$95,000,000), the Attorneys General asked their economic expert to develop a formula and plan to allocate the Fund. The entire \$95,000,000 will be available for distribution to Eligible Counterparties.

There will be no deductions whatsoever from the Fund for attorneys' fees, expenses or administrative costs. For additional information, see Question 18, below.

By participating in this Settlement, you are giving up your right to pursue a different formula for recovery against Citibank. You may be able to pursue a different formula only if you decided not to participate in the Settlement and instead brought your own action or participated in one or more of the Class Actions.

18. What happens to any money left in the Fund after all participating Eligible Counterparties are paid?

If any money remains in the Fund after all Eligible Counterparties who want to participate ("Participating Counterparties") are paid their full allocation, the Fund can be used to make payments to Eligible Counterparties who could not be

Identified in a timely manner, to make an additional distribution to Participating Counterparties, for the training of deputy and assistant Attorneys General, for the funding of antitrust or consumer protection enforcement, education and training programs, or paid as otherwise determined by the Attorneys General in their discretion consistent with state laws. Under no circumstances will any money be returned to Citibank.

19. Do I have to pay attorneys' fees or administrative costs?

No. You do not need to pay any attorneys' fees to the State Attorneys General in order to participate in this Settlement. In addition, the Settlement Agreement establishes a separate account, funded by Citibank, to pay all of the costs of administering the Settlement. To the extent such funds are not sufficient to pay for costs of administration, Citibank will pay the additional costs. No costs will be paid from the Fund.

Citibank has made a separate Additional Payment of \$4.65 million to a separate fund that will be used for (a) payment of attorneys' fees and expenses; (b) antitrust, consumer protection or other law enforcement; (c) to cover additional expenses relating to the ongoing Attorneys General's investigation and any related litigation; (d) for deposit into a state antitrust or consumer protection or other law enforcement account (e.g., a revolving account or trust account), for use in accordance with the state laws governing that account; (e) for deposit into a fund exclusively dedicated to assisting state attorneys general to defray the costs of experts, economists and consultants in multi-state investigations and litigation; or (f) for such other purpose as the Attorneys General deem appropriate, consistent with state laws.

20. Does the Settlement Agreement have any provisions relating to conduct by Citibank?

Yes. Pursuant to the Settlement Agreement, Citibank has agreed that it, and its subsidiaries and affiliates, and directors, officers, managers, agents and employees, will not, in conjunction with the submission of LIBOR, make misrepresentations of material facts or omit material facts. Citibank has also agreed that it and its subsidiaries and affiliates, and directors, officers, managers, agents and employees, will not, directly or indirectly, maintain, solicit, suggest, advocate, discuss or carry out any unlawful combination, conspiracy, agreement, arrangement, understanding, plan or program to make false LIBOR submissions, including but not limited to submissions intended to make a Benchmark Interest Rate Financial Instrument more profitable than it would be otherwise. As part of the Settlement Agreement, Citibank has also certified that Citibank has complied with the undertakings set forth in the Order dated May 25, 2016 issued by the CFTC and has established policies, procedures and controls intended to satisfy the undertakings on an ongoing basis for as long as the undertakings remain in effect.

21. Whom can I contact if I have additional questions?

You are free to consult with counsel of your own choosing.

You or your counsel may contact A.B. Data, Ltd., the third-party Claims Administrator, by writing to:

Citibank SAG LIBOR
c/o A.B. Data, Ltd.
P.O. Box 173070
Milwaukee, WI 53217

or

info@CitibankSAGLiborSettlement.com

You or your counsel may also contact your Attorney General's Office. Please see Addendum A or visit www.CitibankSAGLiborSettlement.com for a complete listing of the contact information for the participating State Attorneys General. If you would like to speak to your Attorney General but the State in which you are located does not have a participating Attorney General, we ask that you e-mail us at info@CitibankSAGLiborSettlement.com.

With respect to questions about the civil class actions, please see Addendum B for contact information for Lead Counsel in the various class actions.

ADDENDUM A
State Attorneys General

STATE	CONTACT INFORMATION	STATE	CONTACT INFORMATION
Alabama	Bill Garrett Office of the Alabama Attorney General 501 Washington Avenue Montgomery, AL 36130 (334) 242-7248 bgarrett@ago.state.al.us	Idaho	John K. Olson Office of the Idaho Attorney General 954 W. Jefferson, 2 nd Floor Boise, ID 83720-0010 (208) 332-3549 john.olson@ag.idaho.gov
Alaska	Margaret Paton-Walsh Special Litigation Section Office of the Attorney General of Alaska 1031 W. Fourth Avenue Anchorage, AK 99501-1994 (907) 269-6612 margaret.paton-walsh@alaska.gov	Illinois	Elizabeth L. Maxeiner Office of the Illinois Attorney General 100 W. Randolph Street Chicago, IL 60601 (312) 814-5470 emaxeiner@atg.state.il.us
Arizona	Dana Vogel Antitrust Unit Office of the Attorney General of Arizona 2005 N. Central Avenue Phoenix, AZ 85004 (602) 542-7748 Dana.Vogel@azag.gov	Indiana	Amanda Gallagher Office of the Indiana Attorney General 302 West Washington St., 5 th Floor IGCS – 5 th Floor Indianapolis, IN 46204 (317) 233-8297 amanda.lee@atg.in.gov
Arkansas	Johnathan Carter Office of Arkansas Attorney General 323 Center Street, Suite 200 Little Rock, AR 72201 (501) 682-8063 Johnathan.Carter@arkansasag.gov	Iowa	Max Miller Office of the Attorney General of Iowa Hoover State Office Building, 2 nd Floor 1305 East Walnut Street Des Moines, IA 50319 (515) 725-1018 Max.Miller@ag.iowa.gov
California	Nathaniel Spencer-Mork Deputy Attorney General California Department of Justice 455 Golden Gate Ave., Suite 11000 San Francisco, CA 94102-7004 (415) 510-3526 Nathaniel.SpencerMork@doj.ca.gov	Kansas	Lynette R. Bakker Office of the Kansas Attorney General Consumer Protection & Antitrust Division 120 SW 10 th Avenue, Suite 430 Topeka KS 66612 (785) 368-8451 lynette.bakker@ag.ks.gov
Colorado	Jennifer Hunt Colorado Department of Law 1300 Broadway, 7 th Floor Denver, CO 80203 (720) 508-6215 Jennifer.hunt@coag.gov	Louisiana	L. Christopher Styron Section Chief – Consumer Protection Louisiana Department of Justice 1885 N. Third Street Baton Rouge, LA 70802 (225) 326-6468 styronl@ag.louisiana.gov
Connecticut	Michael Cole Office of the Connecticut Attorney General 55 Kim Street P. O. Box 120 Hartford, CT 06141 (860) 808-5040 michael.cole@ct.gov	Maine	Christina Moylan Maine Office of the Attorney General 6 State House Station Augusta, ME 04333-0006 (207) 626-3800 christina.moylan@maine.gov

ADDENDUM A
State Attorneys General

Delaware	Michael A. Underf Delaware Department of Justice Carvel State Building 820 N. French Street, 5 th Floor Wilmington, DE 19801 (302) 577-8924 michael.underf@delaware.gov	Maryland	John Tennis Office of the Maryland Attorney General 200 St. Paul Place Baltimore, MD 21202 (410) 576-6470 jtennis@oag.state.md.us
District of Columbia	Elizabeth G. Arthur Public Advocacy Division Office of the Attorney General for the District of Columbia 441 Fourth Street, N.W., Suite 630 South Washington, DC 20001 (202) 724-6514 elizabeth.arthur@dc.gov	Massachusetts	Madonna E. Cournoyer Office of the Massachusetts Attorney General One Ashburton Place Boston, MA 02108 (617) 727-2200, ext. 2965 madonna.cournoyer@mass.gov
Florida	Greg Slomp Office of the Florida Attorney General FL-01 The Capitol Tallahassee, FL 32399-1050 (850) 414-3860 greg.slomp@myfloridalegal.com	Michigan	D.J. Pascoe Michigan Department of Attorney General P. O. Box 30736 Lansing, MI 48909 (517) 335-7632 PascoeD1@michigan.gov
Georgia	Monica Sullivan Niles Office of the Georgia Attorney General 40 Capitol Square, SW Atlanta, GA 30334-1300 (404) 651-7675 msullivan@law.ga.gov	North Carolina	K.D. Sturgis North Carolina Department of Justice PO Box 629 Raleigh, NC 27602 (919) 716-6011 ksturgis@ndcrj.gov
Minnesota	Joseph Meyer Office of the Minnesota Attorney General 445 Minnesota Street, Suite 1400 St. Paul, MN 55101-2131 (651) 757-1433 joseph.meyer@ag.state.mn.us	North Dakota	Elin S. Alm, AAG Office of the Attorney General of North Dakota Gateway Professional Center 1050 E. Interstate Ave., Suite 200 Bismarck, ND 58503-5574 (701) 328-5570 ealm@nd.gov
Missouri	Joe Schlotzhauer Office of the Missouri Attorney General P. O. Box 861 St. Louis, MO 63188 (314) 340-7945 joseph.schlotzhauer@ago.mo.gov	Ohio	Edward J. Oleszewski Ohio Attorney General's Office 150 East Gay St., 22 nd Floor Columbus, OH 43215 (614) 466-4328 Edward.Oleszewski@ohioattorneygeneral.gov
Montana	Chuck Munson Montana Department of Justice 555 Puller Avenue Helena, MT 59601 (406) 444-4500 cmunson@mt.gov	Oklahoma	Caleb Smith, AAG Office of the Oklahoma Attorney General 313 N.E. 21 st Street Oklahoma City, OK 73105 (405) 522-1014 Caleb.Smith@oag.ok.gov

ADDENDUM A
State Attorneys General

Nebraska	Collin Kessner Office of the Nebraska Attorney General 2115 State Capitol Building Lincoln, NE 68509 (402) 471-1928 collin.kessner@nebraska.gov	Oregon	Tim Nord Oregon Department of Justice 1162 Court Street NE Salem, OR 97301-4096 (503) 934-4400 tim.d.nord@doj.state.or.us
Nevada	Lucas J. Tucker Office of the Nevada Attorney General Bureau of Consumer Protection 8945 W. Russell Road, Suite 204 Las Vegas, NV 89148 (702) 486-3256 L.Tucker@ag.nv.gov	Pennsylvania	Joseph S. Betko Pennsylvania Office of Attorney General Strawberry Square, 14 th Floor Harrisburg, PA 17120 (717) 787-4530 jbetko@attorneygeneral.gov
New Hampshire	Robert F. Adams Office of the New Hampshire Attorney General 33 Capitol Street Concord, NH 03301-6397 (603) 271-3643 robert.adams@doj.nh.gov	Rhode Island	Michael W. Field Office of the Rhode Island Attorney General 150 South Maine Street Providence, RI 02903 (401) 274-4400 ext. 2380 mfield@riag.ri.gov
New Jersey	Brian McDonough Office of the New Jersey Attorney General 124 Halsey Street – 5 th Floor Newark, NJ 07101 (973) 648-2500 Brian.McDonough@law.njoag.gov	South Carolina	Ian P. Weschler Office of the South Carolina Attorney General P. O. Box 11549 Columbia, SC 29211 (803) 734-3718 iweschler@scag.gov
New Mexico	Nicholas M. Sydow Office of the New Mexico Attorney General 201 Third Street NW, Suite 300 Albuquerque, NM 87102 (505) 717-3571 nsydow@nmag.gov	Tennessee	Travis Brown Office of the Tennessee Attorney General P. O. Box 20207 Nashville, TN 37202 (615) 741-3533 travis.brown@ag.tn.gov
New York	Elinor R. Hoffmann Office of the New York Attorney General Antitrust Bureau 28 Liberty Street, 20 th Floor New York, NY 10005 (212) 416-8262 elinor.hoffmann@ag.ny.gov	Utah	Edward T. Vasquez, AAG Office of the Utah Attorney General 160 East 300 South, 5 th Floor P. O. Box 140874 Salt Lake City, UT 84114-0874 Ph: (801) 366-0324 Fax: (801) 366-0315 evasquez@agutah.gov
		Virginia	Sarah Oxenham Allen Office of the Virginia Attorney General 202 North 9 th Street Richmond, VA 23219 (804) 786-6557 SOAllen@oag.state.va.us

ADDENDUM A
State Attorneys General

Washington **Lumi Nodit**
Washington Attorney General's Office
Antitrust Division
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 254-0568
Luminitan@atg.wa.gov

West Virginia **Douglas Davis**
Office of the Attorney General of West Virginia
P. O. Box 1789
Charleston, WV 25326
(304) 558-8986
Douglas.L.Davis@wvago.gov

Wisconsin **Gwendolyn Cooley**
Wisconsin Department of Justice
P. O. Box 7857
17 W. Main Street
Madison, WI 53707-7857
(608) 261-5810
coolsygi@doj.state.wi.us

Wyoming **Ben Burningham**
Office of the Wyoming Attorney General
Kendrick Building
2320 Capitol Avenue
Cheyenne, WY 82002
(307) 777-7847
ben.burningham@wyo.gov

ADDENDUM B
Civil Action Lead Counsel

In re LIBOR-Based Financial Instruments Antitrust Litigation (S.D.N.Y., No. 11-md-2262)

Interim Class Counsel for Exchange-Based Class Plaintiffs

KIRBY MCINERNEY LLP
David E. Kovel
825 Third Avenue, 16th Floor
New York, NY 10022
Telephone: (212) 371-6600
Fax: (212) 751-2540
Email: dkovel@kmlp.com

LOVELL STEWART HALEBIAN JACOBSON LLP
Christopher Lovell
61 Broadway, Suite 501
New York, NY 10006
Telephone: (212) 608-1900
Fax: (212) 719-4775
Email: clovell@lshllp.com

Interim Class Counsel for Over-the-Counter Class Plaintiffs

HAUSFELD LLP
Michael D. Hausfeld
1700 K St. NW, Suite 650
Washington, DC 20006
Telephone: (202) 540-7200
Fax: (202) 540-7201
Email: mhausfeld@hausfeldllp.com

SUSMAN GODFREY LLP
William C. Carmody
1301 Avenue of the Americas, 32nd Floor
New York, NY 10019
Telephone: (212) 336-3330
Fax: (212) 336-8340
Email: bcarmody@susmangodfrey.com

Interim Lead Counsel for Indirect Bondholder Class Plaintiffs

WEINSTEIN KITCHENOFF & ASHER LLC
David H. Weinstein
Robert S. Kitchenoff
100 South Broad Street, Suite 705
Philadelphia, PA 19110
Telephone: (215) 545-7200
Fax: (215) 545-6535
Email: weinstein@wka-law.com; kitchenoff@wka-law.com

ADDENDUM E
Civil Action Lead Counsel

MORRIS AND MORRIS LLC COUNSELORS AT LAW

Karen L. Morris
Patrick F. Morris
R. Michael Lindsey
4023 Kennett Pike, No. 254
Wilmington, DE 19807
Telephone: (302) 426-0400
Fax: (302) 426-0406
Email: kmorris@morrisandmorrislaw.com; pmorris@morrisandmorrislaw.com;
rmlindsey@morrisandmorrislaw.com

Lead Counsel for Lender Class Plaintiffs

POMERANTZ LLP

Jeremy A. Lieberman
600 Third Avenue, 20th Floor
New York, New York 10016
Telephone: (212) 661-1100
Fax: (212) 661-8665
Email: jalieberman@pomlaw.com

Liason Counsel of Direct Action (Non-Class) Plaintiffs

ZELLE LLP

James R. Martin
1775 Pennsylvania Avenue NW, Suite 375
Washington, DC 20006
Telephone: (202) 899-4101
Fax: (612) 336-9100
Email: jmartin@zelle.com

Layden v. Mizuho Bank, Ltd. (S.D.N.Y., No. 12-cv-3419) and *Sonterra Capital Master Fund Ltd. v. UBS AG* (S.D.N.Y., No. 15-cv-05844)

Class Counsel

LOWEY DANNENBERG COHEN & HART, P.C.

Vincent Briganti
Geoffrey M. Horn
White Plains Plaza
44 South Broadway, Suite 1100
White Plains, NY 10601
Telephone: (914) 997-0500
Fax: (914) 997-0035
Email: vbriganti@lowey.com; ghorn@lowey.com

ADDENDUM B
Civil Action Lead Counsel

Additional Counsel for Plaintiff Jeffrey Laydon and the Class

LOVELL STEWART HALEBIAN JACOBSON LLP

Christopher Lovell
61 Broadway, Suite 501
New York, NY 10006
Telephone: (212) 608-1900
Fax: (212) 719-4677
Email: clovell@lshllp.com

BERMAN TABACCO

Todd A. Seaver
Joseph Tabacco, Jr.
One California Street, Suite 900
San Francisco, CA 94111
Telephone: (415) 433-3200
Fax: (415) 433-6282
Email: tseaver@bermantabacco.com; jtabacco@bermantabacco.com

***Sullivan v. Barclays PLC* (S.D.N.Y., No. 13-cv-2811)**

Co-Lead Counsel for Plaintiffs and Class

LOWEY DANNENBERG COHEN & HART, P.C.

Peter Dexter St. Phillip, Jr.
White Plains Plaza
44 South Broadway, Suite 1100
White Plains, NY 10601
Telephone: (914) 997-0500
Fax: (914) 997-0035
Email: pstphillip@lowey.com

LOVELL STEWART HALEBIAN JACOBSON LLP

Christopher Lovell
61 Broadway, Suite 501
New York, NY 10006
Telephone: (212) 608-1900
Fax: (212) 719-4677
Email: clovell@lshllp.com

Additional Counsel for Plaintiffs and Class

BERMAN TABACCO

Todd A. Seaver
44 Montgomery Street, Suite 650
San Francisco, CA 94104
Telephone: (415) 433-3200
Fax: (415) 433-6382
Email: tseaver@bermantabacco.com

ADDENDUM B
Civil Action Lead Counsel

BERMAN TABACCO

Patrick T. Egan
One Liberty Square
Boston, MA 02109
Telephone: (617) 542-8300
Fax: (617) 542-1194
Email: pegan@bermantabacco.com

KIRBY MCINERNEY LLP

David E. Kovel
Karen M. Lerner
825 Third Avenue, 16th Floor
New York, NY 10022
Telephone: (212) 371-6600
Fax: (212) 751-2540
Email: dkovel@kmlp.com; klerner@kmlp.com

GLANCY PRONGAY & MURRAY LLP

Brian Murray
230 Park Avenue, Suite 530
New York, NY 10169
Telephone: (212) 682-5340
Fax: (212) 682-0988
Email: bmurray@glancylaw.com

FrontPoint Asian Event Driven Fund, Ltd. v. Citibank, N.A. (S.D.N.Y., No. 16-cv-05263)

Counsel for Plaintiffs and Proposed Class

LOWEY DANNENBERG COHEN & HART, F.C.

Vincent Briganti
Geoffrey M. Horn
White Plains Plaza
44 South Broadway, Suite 1100
White Plains, NY 10601
Telephone: (914) 997-0500
Fax: (914) 997-0035
Email: vbriganti@lowey.com; ghorn@lowey.com



Citibank LIBOR AG Settlement
c/o A.B. Data, Ltd.
P.O. Box 173070
Milwaukee, WI 53217

INLAND EMPIRE UTILITIES AGENCY
Joe Grindstaff, General Manager
6075 KIMBALL AVENUE, BUILDING A
CHINO, CA 91720

YOUR SUBMISSION MUST BE POSTMARKED NO LATER THAN JULY 9, 2019

ELECTION TO PARTICIPATE, RELEASE AND CLAIM FORM BY PARTICIPATING COUNTERPARTY

This release executed this ____ day of _____, 2019, by the Releasor (as defined below) in favor of the Releasee (as defined below).

DEFINITIONS

1. "Releasor" shall mean INLAND EMPIRE UTL AG and any of its divisions, affiliates, subsidiaries, groups, associates, general or limited partners or partnerships, predecessors, successors or assigns, including, without limitation, any of their respective present officers, trustees, employees, agents, attorneys, representatives and shareholders, affiliates, associates, general or limited partners or partnerships, heirs, executors, administrators, predecessors, successors, assigns or insurers acting on behalf of Releasor.
2. "Releasee" shall mean Citl and any and all of its parents, subsidiaries, divisions, groups, affiliates and partnerships, and any of their respective current or former officers, directors, employees and agents (collectively, "Citl").
3. "Relevant Conduct" shall mean the conduct set forth in the Allegations in the Settlement Agreement.
4. "Benchmark Interest Rate Financial Instrument" shall mean any and all financial instruments or transactions in which the interest rate, settlement amount, or any other payment term references LIBOR, including but not limited to interest rate swaps, forward rate agreements, futures, options, structured products, auction rate securities, collateralized debt obligations, fixed income instruments, floating rate notes, mortgage-backed securities, and variable rate bonds.
5. "IBOR" shall mean the Japanese Yen London Interbank Offered Rate ("Yen LIBOR"), Euroyen Tokyo Interbank Offered Rate ("Euroyen TIBOR"), Euro Interbank Offered Rate ("Euribor"), and/or Singapore Offered Interbank Rate ("SIBOR").
6. "Euribor-Related Claims" shall mean all claims that have been or could be asserted in *Sullivan et al. v. Barclays PLC et al.*, No. 13-cv-2811 (S.D.N.Y.).
7. "Yen LIBOR/Euroyen TIBOR-Related Claims" shall mean all claims that have been or could be asserted in *Laydon v. Mizuho Bank, Ltd. et al.*, No. 12-cv-3418 (S.D.N.Y.), and/or *Scnterra Capital Master Fund Ltd. et al. v. UBS AG et al.*, No. 15-cv-05844 (S.D.N.Y.).
8. "SIBOR-Related Claims" shall mean all claims that have been or could be asserted in *FrontPoint Asian Event Driven Fund, L.P., et al. v. Citibank, N.A., et al.*, No. 16-cv-05263 (S.D.N.Y.).

9. "USD LIBOR-Related Claims" shall mean all claims that have been or could be asserted as part of the multidistrict litigation *in re LIBOR-Based Fin. Instruments Antitrust Litig.*, No. 11-md-2262 (S.D.N.Y.).
10. "Settlement Agreement" shall mean the Settlement Agreement by and between Citi and the Attorneys General of the States and Commonwealths of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin, and of all other states, territories and commonwealths who join the Settlement Agreement as provided for therein, dated June 13, 2018.
11. "Effective Date" shall mean the Effective Date of the Settlement Agreement.

RELEASE

12. In consideration of the receipt by Releasor of a restitution payment of \$ 480,632.60 in connection with one or more Benchmark Interest Rate Financial Instruments, payment of which is made by Citi in accordance with the terms of the Settlement Agreement, Releasor hereby releases Releasee from all civil claims, counterclaims, cross-claims, setoffs, civil causes of action of any type (whether common law, equitable, statutory, regulatory or administrative, class, individual or otherwise in nature, and whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured) and claims for damages, restitution, disgorgement, or rescission, and liabilities of any nature, including, but not limited to, costs, fines, debts, expenses, penalties and attorneys' fees, known or unknown, that it has against the Releasee, arising out of the Relevant Conduct or any alleged misconduct with respect to other IBORs during the period of January 1, 2007 through December 31, 2010, including, but not limited to, any and all claims that have been or could be asserted in (a) any action that has been transferred to the U.S. District Court for the Southern District of New York for coordination or consolidation in *In re LIBOR-Based Financial Instruments Antitrust Litigation* (No. 11-md-2262); *Laydon v. Mizuho Bank, Ltd. et al.* (No. 12-cv-3419); *Sonterra Capital Master Fund Ltd. et al. v. UBS AG et al.* (No. 15-cv-05844); *Sullivan et al. v. Barclays PLC et al.* (No. 13-cv-2811); or *FrontPoint Asian Event Driven Fund, L.P., et al. v. Citibank, N.A., et al.*, No. 16-cv-05263 (S.D.N.Y.); (b) any action that is subsequently transferred to the U.S. District Court for the Southern District of New York for coordination with or consolidation in any of the actions set forth in subsection (a) of this paragraph; or (c) any other action wherever filed that asserts claims based on the Relevant Conduct.
13. Notwithstanding that the release described in Paragraph 12 above operates to extinguish any and all claims arising out of the Relevant Conduct or any alleged misconduct with respect to other IBORs during the period of January 1, 2007 through December 31, 2010, including, but not limited to, all Euribor-Related Claims, all Yen LIBOR/Euroyen TIBOR-Related Claims, all USD LIBOR-Related Claims, and all SIBOR-Related Claims, the Releasee hereby agrees that, if the Releasor is a member of any settlement class set forth in a class action settlement agreement between Citi (including any affiliate of Citi) and plaintiffs in any of the actions enumerated in Paragraph 12(a) above that receives from the court with jurisdiction over the action either preliminary approval or final approval before the Effective Date (a "Class Settlement"), the release set forth in Paragraph 12 above shall not prohibit the Releasor from making a claim to participate in the settlement fund established by that Class Settlement. For the avoidance of doubt, this paragraph shall not apply to any Releasor that opts out of any Class Settlement; should any Releasor opt out of any Class Settlement, the release described in Paragraph 12 shall be given full effect, which will extinguish the Releasor's claims relating to the Relevant Conduct, including those claims that were or could have been asserted in the action(s) to which the Class Settlement relates. Similarly, and also for avoidance of doubt, if a Class Settlement does not receive final approval from the court with jurisdiction over the action(s), the release described in Paragraph 12 shall be given full effect, which will extinguish all Releasors' claims relating to the Relevant Conduct, including those claims that were or could have been asserted in the action(s) to which the Class Settlement relates.
14. The Releasor intends by this Release to settle with and release only Releasee and does not intend this Release to extend to, to release or otherwise to affect in any way any rights that the Releasor has or may have against any other party or entity whatsoever, other than Releasee.
15. The Releasor hereby waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code Section 1542, which provides: "A GENERAL RELEASE DOES NOT EXTEND

TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR." This provision shall not be deemed to turn a specific release into a general release.

- 16. The Releasor represents and warrants that the released claims have not been sold, assigned or hypothecated, in whole or in part.
- 17. The Releasor and Releasee understand and agree that this agreement and any disputes arising out of this agreement shall be governed by the laws of the State of New York without regard to its conflict of laws principles.

The Releasor and Releasee understand and agree that this agreement and any disputes arising out of this agreement shall be governed by the laws of the State of New York without regard to its conflict of laws principles.

By signing below, I am confirming that: (1) I have authority to act on behalf of the Eligible Counterparty; and (2) the Eligible Counterparty was the counterparty to each of the Benchmark Interest Rate Financial Instruments listed in Attachment A.

Print of Type Name of Counterparty

Signature

Date

(Print your name here)

Title and Capacity of Person Signing

Address

City

State

Zip Code

Telephone Number

Email Address

**ACTION
ITEM**

3C



Date: July 17, 2019

To: The Honorable Board of Directors
Committee:

From: Shivaji Deshmukh, General Manager

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

Subject: California Special Districts Association (CSDA) Call for Election for Seat B, Southern Network

Executive Summary:

IEUA, as a CSDA Regular Member in good standing, received an official electronic ballot to cast one vote in CSDA's 2019 Board of Directors' election for Seat B, Southern Network.

There are seven candidates running for CSDA's 2019 Board of Directors' election for Seat B, Southern Network. Nomination letters, letters in request for support, and candidate information sheets that the Agency has received have been attached.

1. Mr. Ronald Coats, East Valley Water District
2. Mr. Dennis LaMoreaux, Palmdale Water District
3. Mr. Michael Mack, Rainbow Municipal Water District
4. Mr. Greg Mills, Serrano Water District
5. Ms. Kelly Rivers, Orange County Cemetery District (no materials received)
6. Ms. Kathy Tiegs, Cucamonga Valley Water District
7. Ms. Lindsay Woods, Hesperia Recreation and Park District

The deadline to cast a vote is at 5:00 p.m. on August 9, 2019.

Staff's Recommendation:

The Board cast one vote on behalf of the Inland Empire Utilities Agency for CSDA's 2019 Board of Directors' election for Seat B, Southern Network.

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

Account/Project Name:

None.

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

Environmental Determination:

Not Applicable

Business Goal:

Attachments:

Attachment 1 - CSDA Call for Nomination Letter

Attachment 2 - Mr. Ronald Coats - Nomination Letter; Letter in Request for Support

Attachment 3 - Mr. Dennis LaMoreaux - Nomination Letter; Candidate Information Sheet

Attachment 4 - Mr. Michael Mack - Nomination Letter; Candidate Information Sheet

Attachment 5 - Mr. Greg Mills - Letter in Request for Support; Candidate Information Sheet

Attachment 6 - Ms. Kathleen Tiegs, Nomination Letter; Candidate Information Sheet

Attachment 7 - Ms. Lindsay Woods - Letter in Request for Support



**California Special
Districts Association**
Districts Stronger Together

DATE: February 15, 2019

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT B**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2020 - 2022 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network that they seek to represent. (See attached CSDA Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
*(CSDA does **not** reimburse expenses for the two conferences even if a Board or committee meeting is held in conjunction with the event)*
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.
*(CSDA does **not** reimburse expenses for the Academy classes even if a Board or committee meeting is held in conjunction with the event).*

Nomination Procedures: Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is April 17, 2019. Nominations and supporting documentation may be mailed, faxed, or emailed.**

Mail: 1112 I Street, Suite 200, Sacramento, CA 95814
Fax: 916.442.7889
E-mail: amberp@csda.net

Once received, nominees will receive a candidate's letter in the mail. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.

CSDA will begin electronic voting on June 17, 2019. All votes must be received through the system no later than 5:00 p.m. August 9, 2019. The successful candidates will be notified no later than August 13, 2019. All selected Board Members will be introduced at the Annual Conference in Anaheim, CA in September 2018.

Expiring Terms

(See enclosed map for Network breakdown)

Northern Network Seat B-Greg Orsini, GM, McKinleyville Community Services District*
Sierra Network Seat B-Ginger Root, GM, Lincoln Rural County Fire Protection District *
Bay Area Network Seat B-Ryan Clausnitzer, SDA, GM, Alameda County Mosquito Abatement District*
Central Network Seat B-Tim Ruiz, GM, West Niles Community Services District
Coastal Network Seat B-Jeff Hodge, SDA, GM, Santa Ynez Community Services District*
Southern Network Seat B-Bill Nelson, Director, Orange County Cemetery District
(* = Incumbent is running for re-election)

AGAIN, THIS YEAR!

This year we will be using a web-based online voting system, allowing your district to cast your vote easily and securely. Electronic Ballots will be emailed to the main contact in your district June 17, 2019. All votes must be received through the system no later than 5:00 p.m. August 9, 2019.

*Districts can opt to cast a paper ballot instead; but you must contact Amber Phelen by e-mail Amberp@csda.net by **April 17, 2019** in order to ensure that you will receive a paper ballot on time.*

CSDA will mail paper ballots on June 17 per district request only. ALL ballots must be received by CSDA no later than 5:00 p.m. August 9, 2019.

The successful candidates will be notified no later than August 14, 2019. All selected Board Members will be introduced at the Annual Conference in Anaheim, CA in September 2019.

If you have any questions, please contact Amber Phelen at amberp@csda.net.



**California Special
Districts Association**
Districts Stronger Together

2019 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet by fax, mail, or email to:

CSDA
Attn: Amber Phelen
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

amberp@csda.net

DEADLINE FOR RECEIVING NOMINATIONS – April 17, 2019



2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

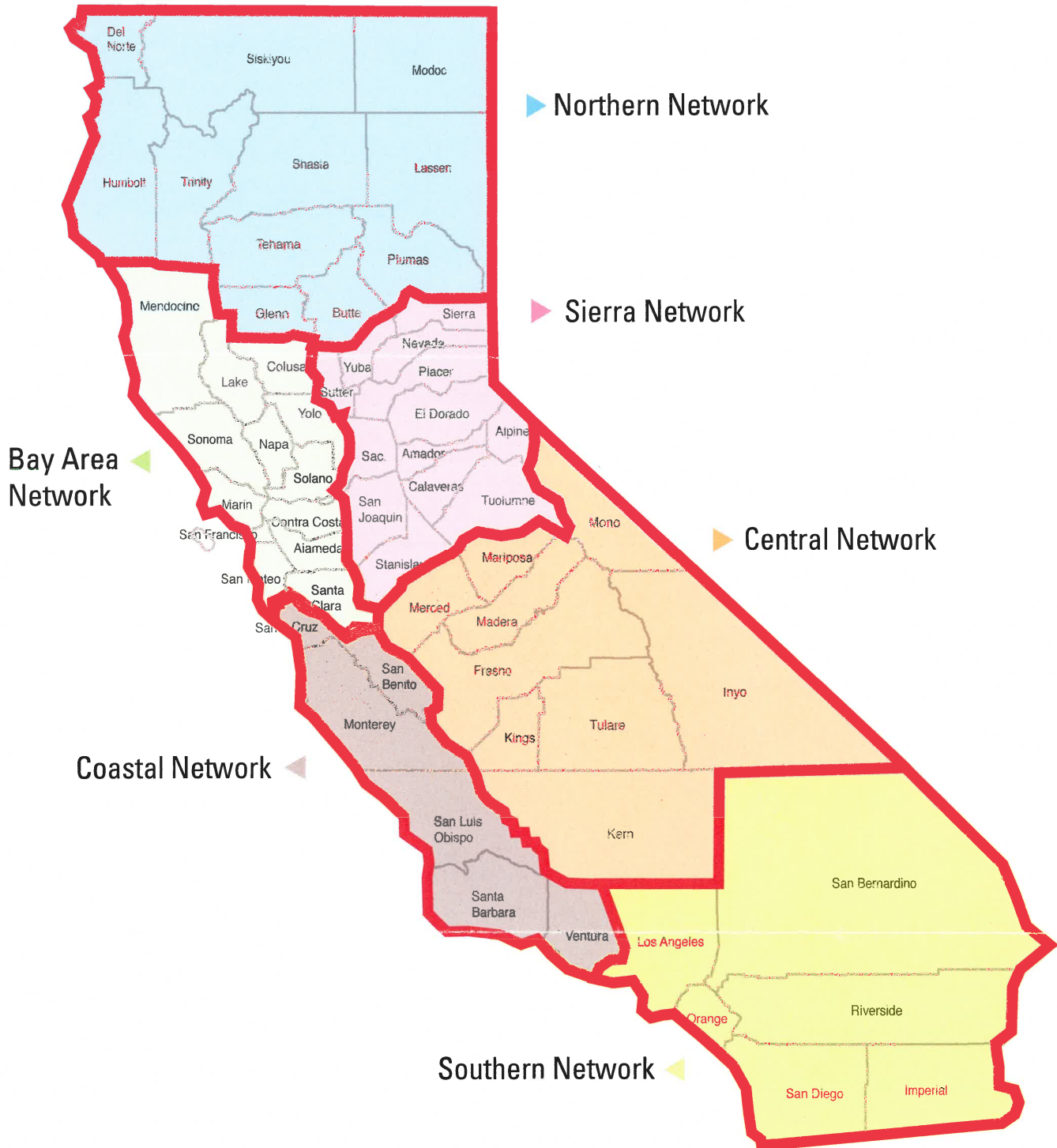
3. List local government involvement (such as LAFCo, Association of Governments, etc.):

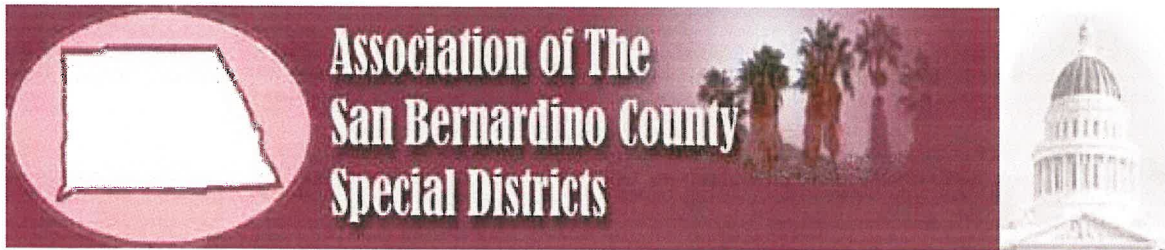
4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**



California Special Districts Association
DISTRICT NETWORKS





April 17, 2019

Dear Association Member,

It is my pleasure to inform you that Association of The San Bernardino County Special Districts (ASBCSD) took action at our April 15, 2019 board meeting to support Director Ronald Coats in his bid for the Southern Network Seat B, of California Special Districts Association (CSDA).

I have had the opportunity to work alongside Director Coats for a number of years. His commitment to the water industry is tireless. He has a high level of integrity and excellent leadership skills that build coalitions and collaboration; which is evident from his many years of service on the East Valley Water District Board of Directors. Ronald has served on both the CSDA's Member Services and Personal Development Committees.

The ASBCSD Board of Directors is contacting you to request your agency's support of Director Ronald Coats by adopting a resolution endorsing his nomination for Southern Network Seat B, of California Special Districts Association.

The ASBCSD Board of Directors thanks you for your consideration. Should you have any questions, please contact Natalie Chamberland Hall at (760) 680-9666.

Sincerely,

Randall J. Reed
President

Sally H. Lee

From: Ronald Coats via California Special Districts Association
<Mail@ConnectedCommunity.org>
Sent: Friday, May 24, 2019 3:02 PM
To: Sally H. Lee
Subject: Ronald Coats has sent you a message from www.csd.net

Ronald Coats has sent you a message from the California Special Districts Association website www.csd.net

Subject: Upcoming CSDA election

Message:
May 23, 2019

Fellow Southern Network CSDA Members,

It is my honor to request your consideration and support in the upcoming election for Seat B in the Southern Network of California Special Districts Association (CSDA) Board of Directors.

I currently serve on the East Valley Water District Board as director and have also had the opportunity to serve as Vice-Chairman and Chairman. During my six-year tenure, I've been actively involved in District's strategic planning by providing guidance on topics of interest to our community, like the construction of the Sterling Natural Resource Center (SNRC). The SNRC will create a sustainable source of water supply for over 600,000 local residents in the region by recycling up to 10 million gallons of water per day. In addition, the SNRC will also provide many benefits to the local community in the form of an Administrative Center that will serve as a resource for residents of all ages.

It is through the District's progressive initiatives and collaborative approach that East Valley Water District has accomplished several achievements including, earning the District of Distinction Gold Level accreditation from the Special District Leadership Foundation. I would like to use my experience to encourage and help others create their own path to success.

In addition to my service at the District, I am involved in the Association of California Water Agencies (ACWA) and currently serve on CSDA's Professional Development and Member Services Committees. It is my intention to join the CSDA Board of Directors to be part of the efforts to enhance the future of all special districts.

In my dedication to a lifetime of public service, I take great pride in having served my country in the United States Army and with my involvement with the community through numerous organizations including, school and college districts, the Association of San Bernardino Special Districts, chamber of commerce and many, many more.

Soon you will be receiving your ballots for the upcoming election. I ask for your support during the election and look forward to representing you in the Southern Network.

If you should have any questions, concerns, or ideas, please contact me. I welcome any input that you may have. You can reach me any time through e-mail me at rcoats@eastvalley.org or by phone at (909) 648-0028.

Thank you in advance for your consideration.

Respectfully,

Ronald L. Coats
East Valley Water District, Director

View and Reply:

<http://www.csd.net/network/members/profile/myaccount/inbox?MailMessageKey=83b72b7f-ffce-44e4-be39->



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

June 3, 2019

BOARD OF DIRECTORS

ROBERT E. ALVARADO
Division 1

DON WILSON
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

Inland Empire Utilities Agency
ATTN: Ms. April Woodruff
Board Secretary / Office Manager
PO Box 9020
Chino Hills, CA 91709

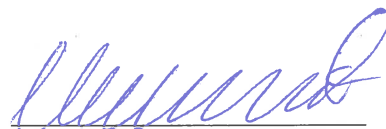
RE: SUPPORT FOR CSDA SEAT "B" IN SOUTHERN NETWORK

Dear Ms. Woodruff:

Palmdale Water District is honored to nominate Dennis LaMoreaux to serve on the Southern Network Board of Directors for the California Special Districts Association (CSDA). We respectfully request your support and vote in the upcoming election for Dennis to represent you. Enclosed is his candidate statement explaining his background and extensive qualifications that are critical for the continued success of the CSDA Board.

Dennis fully understands the important role special districts play to efficiently and responsibly provide services for the people of California. He is fully committed to strengthening the understanding of our role and helping to ensure we remain viable in California. Dennis' dedication, loyalty, knowledge and work ethic have made him a stellar leader for Palmdale Water District. We are confident that he will be a true asset to the Southern Network Board with your support.

Very truly yours,


VINCENT DINO,
President


KATHY MAC LAREN,
Vice-President

Enclosure

cc: PWD Board of Directors

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys



VOTE FOR DENNIS D. LaMOREAUX CSDA SOUTHERN NETWORK BOARD SEAT "B"

Fellow Southern Network CSDA Members,

I respectfully ask for your support to be the Seat "B" Board member for our area. I have worked with special districts in California for more than three decades and am confident that I have the skills, experience and commitment to be a strong proponent for our Network. There were several challenges and changes to special districts during my tenure. These include Little Hoover Commission reports, gaining representation on Local Agency Formation Commissions, and multiple efforts to better inform and educate State legislators. These challenges were handled successfully and made us stronger and more unified. My involvement with these matters will be helpful for both our Network and the entire Association as new issues arise.

My 30-plus years with special districts have been with Palmdale Water District and Rosamond Community Services District. Palmdale Water District celebrated 100 years of serving the community in 2018. It is a medium-sized water district with about 27,000 water service connections. It is a State Water Contractor that operates in an adjudicated groundwater basin and owns two surface water reservoirs and dams. Rosamond Community Services District was formed in 1966 to provide services in its area. It is a smaller district with 5,103 water and 4,738 sewer connections. It also operates streetlights and provides graffiti abatement. My experience in these different types of districts is valuable and gives a well-rounded background to understand and advocate for our Network.

The Southern Network has a large area and nearly 200 member agencies. I am fully committed to representing the entire Network as a board director. With your votes, I will be honored to work with current Southern Network Directors Arlene Schafer and Jo MacKenzie to make sure our needs are met and are well represented within the full CSDA Board.



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE



Dennis D. LaMoreaux

Dennis D. LaMoreaux





May 22, 2019

Ms. April Woodruff
Inland Empire Utilities Agency
PO Box 9020
Chino Hills, CA 91709

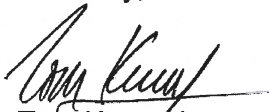
Dear Ms. Woodruff,

It is with great pleasure that I forward for your consideration a candidate statement for Director Michael Mack who is seeking your support for the Southern Network (Seat B) of the California Special Districts Association Board of Directors.

Director Mack has served on the Rainbow Municipal Water District Board of Directors since 2016. He is actively involved in CSDA, serving on the Elections and Bylaws Committee, as well as with the Association of California Water Agencies.

Attached you will find a candidate's statement summarizing some of his many accomplishments. I encourage you to forward this information to your Board of Directors and consider supporting his candidacy for the 2019 elections which will take place June 17th to August 9th. Please do not hesitate to contact me, if you need additional information or if you would like him to contact your Board of Directors.

Sincerely,



Tom Kennedy
General Manager

ENDLESS POSSIBILITIES



My name is Michael Mack and I am honored to be seeking election to be on the Board of Directors of California Special Districts Association.

I was elected to the Rainbow Municipal Water District Board of Directors in December 2016 and appointed to serve as the District's representative at both ACWA and CSDA. My background includes a degree in horticulture and worked for the City of San Marcos for over thirty years. As the Parks Department Supervisor, I had many responsibilities including reviewing plans and inspection of new park and street median installations. I was both a Certified Playground Inspector and Irrigation Auditor. One of my main responsibilities was ensuring efficient usage of water resources. I calculated, determined, and programmed water requirements for the plant material for all parks and street medians within the City.

I have learned the importance of CSDA is we are the support system to help ensure efficient and productive services to both small and large communities throughout California at the local level of city governments. As your CSDA Board Member, I see endless possibilities and promise to tackle and meet the challenges our districts face. We all must work together for present and future needs for our special districts and by doing so we can and will achieve our goals. We must be proactive with our legislators and with this energy and commitment we can make the difference between success and failure.

I am very honored to have this chance to serve all of you and given this opportunity. I feel extensive service and experience in the public sector, I will work effortlessly to make those endless possibilities become reality.



**SERRANO WATER DISTRICT
18021 EAST LINCOLN STREET
VILLA PARK, CA 92861-6446
714-538-0079**

Directors

C.L. "Larry" Pharris, Jr., President
Greg Mills, Vice President
Frank O. Bryant
Jerry L. Haight
Brad Reese

Jerry Vilander, General Manager

May 6, 2019

Dear President and/or General Manager:

It is my honor to request your agency's support and vote for election to CSDA Seat B (California Special Districts Association) for the 2020-2022 term. Please disseminate this letter and attached candidate statement of experience to your agency's governing board.

I have served on the Serrano Water District Board for over three years and am currently the Board Vice President providing solid leadership and guidance with the District's Finance and Insurance Committees. Additionally, I have served as the District's representative for the ACWA-JPIA Insurance Committee for the past year.

Previously, I served on the Villa Park City Council for a four-year term including one term as Mayor and another as Mayor Pro-Tem. During my tenure with the City of Villa Park, I was very involved and an active participant in many sensitive community issues including the Community Development Committee, shortening the permitting process. Additionally, I served on the Orange County Sanitation District as a Board Member for two years proactively involved in many of the improvements that residents benefit from today. I also served a three-year term on the Orange County Vector Control District.

During my tenure here at Serrano Water District, I have been instrumental in spearheading financial programs, planning and fiscal analysis including capital improvement programs and ensuring that the District is providing high-quality water to its constituents in the most cost-effective manner. My personal commitment to the Serrano Water Districts ratepayer is emblematic of the successful stewardship towards ensuring that all assets are maintained and replaced within best industry practices.

Additionally, I have been fundamentally involved with the District's long-term planning including common sense initiatives for maximum rate payer benefit at minimum cost. I possess a solid understanding of Special Districts and believe that they provide better governance and

May 6, 2019

Page 2

improved local control. Also, I am actively involved with attending LAFCO meetings which provides me with the knowledge and skills necessary to work collaboratively in the best interest of Special Districts. Again, I am requesting your vote for the CSDA Seat B position. I am committed to working with all of the voting agencies to accomplish their goals. My statement of qualifications is attached for your perusal.

If you have any questions, kindly contact our General Manager, Jerry Vilander, at (714) 538-0079 or through email at jerryv@serranowater.org. Thank you for considering me for the CSDA Seat B position.

Sincerely,

A handwritten signature in cursive script that reads "Greg Mills".

Greg Mills
Serrano Water District, Vice President

cc: Board of Directors
Jerry Vilander, General Manager

Attachment

Greg Mills

Seat B CSDA

EXPERIENCE

BUSINESS

- Small business owner – fifteen years
- Analytical Chemist – six years
- Process Engineer – six years
- Technical Marketing Manager – three years
- Marketing Director – three years
- Marketing Executive – five years

COMMUNITY INVOLVEMENT

- Board Member (Vice President) - Serrano Water District three years
- Villa Park City Councilman – four years; One term Mayor and one term Mayor Pro-Tem (one year each)
- Orange County Sanitation District - Director two years
- Orange County Vector Control District - Director three years
- ACWA-JPIA - Representative Serrano Water District
- Villa Park Family Picnic – five years
 - Chair – three years
- Eagle Scout
- Villa Park Rotary - Board member twenty-one years.
 - Club President; Paul Harris Fellow
- Indian Princess YMCA - seven years
- Orange Elks Lodge – seven years

PROFFESIONAL

- American Chemical Society – thirty years
- CS Mantech – eleven years
- PDA (Parenteral Drug Association)– five years
- ISPE (International Society of Pharmaceutical Engineering – eight years
- SEMI (Semiconductor Equipment and Manufacturer Institute – nine years
- Optical Society of America – four years
- MEPTEC
- AVS (American Vacuum Society)
 - ICMCTF

EDUCATION

- B.A., Chemistry – Illinois College
 - Phi Alpha President/Vice President
- M.S., Engineering Management – Santa Clara University

PERSONAL

- Married – 25 years. Wife: Journalist and active member of the community. One daughter currently at university.





10440 Ashford Street, Rancho Cucamonga, CA 91730-2799
P.O. Box 638, Rancho Cucamonga, CA 91729-0638
(909) 987-2591 Fax (909) 476-8032

John Bosler
Secretary/General Manager/CEO

April 19, 2019

Ms. April Woodruff
Inland Empire Utilities Agency
PO Box 9020
Chino Hills, CA 91709

Dear Ms. Woodruff,

It is with great pleasure that I forward for your consideration a candidate statement for Director Kathleen Tieg who is seeking your support for the Southern Network (Seat B) of the California Special Districts Association Board of Directors.

Director Tieg has served admirably on the Cucamonga Valley Water District Board of Directors since 2005. She is actively involved in CSDA, as well as with the Association of California Water Agencies, and has served in numerous leadership positions with both organizations.

Attached you will find a candidate's statement summarizing some of her many accomplishments. You will also get a true sense of her integrity as a leader and her passion as an advocate for special districts throughout California. Also, Director Tieg will attend Special Districts Legislative Days being held in Sacramento May 21-22, 2019 if you would like to meet her in person and discuss her commitment to serving you and your district.

I encourage you to forward this information to your Board of Directors and consider supporting her candidacy for the 2019 elections which will take place June 17th to August 9th. Please do not hesitate to contact me, if you need additional information or if you would like her to contact your Board of Directors. Thank you for your consideration in this matter.

Sincerely,

John Bosler
General Manager/CEO

James V. Curatalo Jr.
President

Luis Cetina
Vice President

Oscar Gonzalez
Director

Randall James Reed
Director

Kathleen J. Tieg
Director

Kathleen J. Tiegs

2020-2022 California Special Districts Association
Board of Directors, Southern Network, Seat B



I am pleased to share with you my interest in serving as the Southern Network, Seat B, representative for the California Special Districts Association (CSDA) Board of Directors. Through my involvement with CSDA since 2011, I have served with great passion and commitment on the Board of Directors, and the Membership, Legislative, and By-laws Committees.

My experience on the Cucamonga Valley Water District (CVWD) Board of Directors has provided me with a solid foundation to lead. Elected to the CVWD in November 2005, I have served as the Board President and currently serve on the Legislative and Outreach, and Human Resources/Risk Management Committees. From 2014 to 2017 I was honored to serve in the capacity of President and Vice President of the Association of California Water Agencies (ACWA). My duties at ACWA provided me the extremely valuable opportunity to effectively dialogue with special districts across the state on the important issues they are facing and how we can solve them.

I also served on the Association of San Bernardino County Special Districts Board of Directors from 2010 – 2015 where I developed a network of colleagues in a variety of agencies with a common goal of serving the needs of our constituents. There are numerous critical issues that confront special districts today; these challenges will require strong, experienced leadership, as well as a commitment to preserving the special district's mission to make communities better by providing core local services and taking action through community collaboration.

Thank you for allowing me to share with you my experience, leadership and knowledge. I look forward to serving you and the entire CSDA organization.

With Best Regards,

Kathleen J. Tiegs



Post Office Box 401055 • Hesperia, California 92340-1055 • (760) 244-5488

February 26, 2019

April Woodruff
Inland Empire Utilities Agency
PO Box 9020
Chino Hills, CA 91709

Dear April:

I want to share my interest in serving you and your District as the Southern Network (Seat B) representative on the CSDA Board of Directors. In order to accomplish this I am asking for your consideration and hopefully your District's vote. Once the nominations close, April 17th, the ballots will be emailed to each district's CSDA contact person. The deadline for returning the ballot to CSDA's office is August 9th.

It has been a privilege and honor to be active with CSDA by serving at the committee level as a representative of the California Special Districts Association's Southern Network. I have served the Hesperia Recreation and Park District (HRPD) since 1987 in a variety of capacities which has given me a well-rounded foundation in the special district governance. HRPD was established in 1957 and now serves a diverse population of over 90,000. Our District provides a wide range of recreational, educational, social and other vital community services to our residents.

With your support I will serve you, your agency, and the other member districts of CSDA with the same high level of professionalism, dedication, service, and innovation that I have provided to the residents of Hesperia and HRPD. If elected, I will work cooperatively with the other CSDA Board of Directors to advance the work we do throughout the state as well as work with other organizations to protect our districts and the vital services we provide to our communities. We are all facing many of the same challenges and I want to be an active part of the future of CSDA as we work to educate, strengthen, and defend special districts both now and in the future. Lastly, I am committed to working hard to keep our Districts intact.

I would greatly appreciate your board of director's support in the coming election. Thank you for your consideration.

Sincerely,

HESPERIA RECREATION AND PARK DISTRICT

Lindsay Woods
General Manager

/ldw

**ACTION
ITEM**

3D



Date: June 19, 2019

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

Committee: Community & Legislative Affairs

ASD
06/12/19

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Adopt Positions on State Legislation - Action

Executive Summary:

The following remaining bills have the potential to impact the Agency and fall within Board-adopted Legislative Policy Principles.

Bills Related to Safe and Affordable Drinking Water:

1. SB 200 (Monning, Carmel): Safe and Affordable Drinking Water Fund; and
2. SB 414 (Caballero, Salinas): Small System Water Authority Act of 2019.

Constitutional Amendment and Ballot Initiative:

3. ACA 1 (Aguiar-Curry, Winters): Local government financing: affordable housing and public infrastructure: voter approval; and
4. SB 45 (Allen, Santa Monica): Wildfire, Drought, and Flood Protection Bond Act of 2020.

Regulatory:

5. SB 1 (Atkins, San Diego; Portantino, La Canada Flintridge; and Stern, Agoura Hills): California Environmental, Public Health, and Workers Defense Act of 2019.

Staff's Recommendation:

Adopt the following positions:

1. Support for SB 200 (Monning);
2. Support for SB 414 (Caballero);
3. Support for ACA 1 (Aguiar-Curry);
4. Support if Amended for SB 45 (Allen); and
5. Oppose Unless Amended for SB 1 (Atkins, Portantino, and Stern).

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

Adoption of 2019 Legislative Policy Principles.

Environmental Determination:

Not Applicable

Business Goal:

Taking legislative positions is in line with IEUA's business practices goal of advocating for the development of policies, legislation and regulations that benefit the region.

Attachments:

Attachment 1 - Background

Attachment 2 - SB 200 (Monning): Bill language

Attachment 3 - SB 414 (Caballero): Fact sheet and Bill language

Attachment 4 - ACA 1 (Aguiar): Fact sheet and Bill language

Attachment 5 - SB 45 (Allen): MWD Board Letter and Bill language

Attachment 6 - SB 1 (Atkins, Portantino, and Stern): MWD Board Letter and Bill language

Attachment 7 - PowerPoint

Background

Subject: Adopt Positions on State Legislation

SAFE AND AFFORDABLE DRINKING WATER (SADW)

On Sunday, June 9, the Budget Conference Committee voted to fund SADW through General Fund and Greenhouse Gas Reduction Funds (GGRF) as follows:

2019-2020 Budget:

- \$100 million GGRF for Safe Drinking Water
- \$30 million General Fund for Safe Drinking Water
- \$3.4 million General Fund for SWRCB administrative costs

Trailer Bill:

- 5 percent GGRF continuous appropriation beginning 2020-21
- Cap of \$130 million
- Provide General Fund backstop to fill Safe Drinking Water Fund should the 5 percent of GGRF be lower than \$130 million, beginning 2023-24 and sunsets 2030.

The compromise will be voted on by both houses when they take up the entire budget on June 13, 2019, ending action to adopt a water tax this year. IEUA staff makes the following recommendations for SADW legislation still working its way through the legislature and mindful that a water tax proposal could resurface next year.

SB 414 (Caballero): Small Systems Water Authority Act of 2019 – Recommend SUPPORT.

SB 414 is Eastern Municipal Water District's re-introduction of AB 2050 (Caballero) from 2018. The bill seeks to address the drinking water issue by enhancing long-term sustainable systems. SB 414 looks at how to manage districts with failing water systems and establish a new category of public water agency by way of merging formerly non-compliant drinking water systems in order to sustainably provide the technical, managerial, and financial capabilities necessary to ensure the consistent delivery of safe drinking water. A similar measure was vetoed in 2018.

SB 200 (Monning): Safe and Affordable Drinking Water Fund – Recommend SUPPORT.

This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury to provide the mechanism by which funds could be collected and distributed to failing water systems. This bill, as currently written, does not institute any fees or taxes. It is unclear if this bill will be necessary or if the trailer bill will contain similar language.

FUNDING POLICY OPTIONS

IEUA generally supports options for reducing the cost of financing water infrastructure projects. The following two bills provide a financial tool and a potential funding source for IEUA or its member agencies. Staff recommends that the first bill be considered by the full Board.

ACA 1 (Aguiar-Curry): Local government financing: affordable housing and public infrastructure: voter approval – Recommend SUPPORT.

Currently, the California Constitution requires a two-thirds vote at the local level for both General Obligation (G.O.) bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for. ACA 1 creates a new constitutional vote threshold of 55 percent for both G.O. bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing. IEUA generally does not issue GO bonds nor is it likely that IEUA would assess a special tax in the near future. However, it is believed that ACA 1 would benefit IEUA's member agencies that have the ability and need for these funding alternatives, thereby strengthening the region's ability to provide water services.

SB 45 (Allen): Wildfire, Drought, and Flood Protection Bond Act of 2020 – Recommend SUPPORT IF AMENDED.

SB 45 would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,300,000,000 to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources. As currently written, there is little funding for water infrastructure projects. However, it is believed that the author is willing to expand the bill to include funding for water infrastructure projects. The Metropolitan Water District of Southern California (MWD) is seeking amendments that will add funding for recycled water projects and disadvantaged community assistance. Staff proposes that IEUA take a "Support if Amended" position seeking amendments in line with those sought by MWD.

Proposition 68, a \$4 billion parks and water bond, was passed in June of 2018 with 57% of the statewide vote. Proposition 3, which was on the 2018 general election ballot in November, was narrowly defeated. The need for funding for the projects outlined in Proposition 1 still exists, and SB 45 may represent an opportunity to address those needs.

REGULATORY

SB 1 (Atkins, Portantino, and Stern): California Environmental Public Health, and Workers Defense Act of 2019 – Recommend OPPOSE UNLESS AMENDED.

SB 1 is intended to prevent weakening of California environmental and worker safety standards that may result from weakening federal law during the tenure of the Trump Administration. However, SB 1 is unnecessary given existing legal, legislative, and administrative remedies available in California to address weakening of any specific standard, and it may have significant unintended consequences in several policy areas relevant to imported water supplies managed by MWD.

MWD’s Board of Directors has taken an “Oppose Unless Amended” position, seeking amendments protecting State Water Project operations, address inconsistencies between federal and State regulations, and protect the Voluntary Agreements being sought related to the Water Quality Control Plan update for the Sacramento-San Joaquin Delta.

Given the importance of imported water to the IEUA service area, staff recommends that IEUA adopt a position of “Oppose unless Amended”, seeking amendments consistent with those being sought by MWD.

SUMMARY OF OTHER AGENCY POSITIONS TAKEN ON SLATE OF BILLS

The following table provides a summary of current positions taken by the Metropolitan Water District of Southern California (MWD) and five of IEUA’s membership organizations for the Committee’s reference.

Bill	Recommended IEUA Position	MWD	CASA	CSDA	SCWC	ACWA
SB 200 (Monning)	Support					Support
SB 414 (Caballero)	Support	Support				Support
ACA 1 (Aguilar-Curry)	Support		Support	Support		
SB 45 (Allen)	Support if Amended	S/A				S/A
SB 1 (Atkins, Portantino, and Stern)	Oppose unless Amended	O/A			Oppose	O/A

Membership Organization Acronyms:

- CASA: California Association of Sanitation Agencies
- CSDA: California Special Districts Association
- SCWC: Southern California Water Coalition
- ACWA: Association of California Water Agencies

AMENDED IN SENATE MAY 17, 2019

AMENDED IN SENATE MAY 7, 2019

AMENDED IN SENATE APRIL 29, 2019

AMENDED IN SENATE MARCH 11, 2019

SENATE BILL

No. 200

Introduced by Senator Monning
(Principal coauthor: Assembly Member Eduardo Garcia)

January 31, 2019

An act to add Chapter 4.6 (commencing with Section 116765) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 200, as amended, Monning. Safe and Affordable Drinking Water Fund.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. The bill would authorize the board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to fund grants, loans, contracts, or services to assist eligible recipients. The bill

would require the board to adopt a fund implementation plan with specified contents and would require expenditures of the fund to be consistent with the plan. The bill would require, by January 1, 2021, the board, in consultation with local health officers and other relevant stakeholders, to make publicly available, as specified, a map of aquifers that are used or likely to be used as a source of drinking water that are at high risk of containing contaminants that exceed safe drinking water standards. For purposes of the map, the bill would require local health officers and other relevant local agencies to provide all results of, and data associated with, water quality testing performed by certified laboratories to the board, as specified. By imposing additional duties on local health officers and local agencies, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.6 (commencing with Section 116765)
2 is added to Part 12 of Division 104 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 4.6. SAFE AND AFFORDABLE DRINKING WATER

6
7 Article 1. Safe and Affordable Drinking Water Fund

8
9 116765. (a) The Safe and Affordable Drinking Water Fund is
10 hereby established in the State Treasury to help water systems
11 provide an adequate and affordable supply of safe drinking water
12 in both the near and long terms. All moneys deposited in the fund
13 pursuant to paragraph (1) of subdivision (a) of Section 116771 are
14 available, upon appropriation by the Legislature, to the board to
15 fund the following:

- 1 (1) Operation and maintenance costs to help deliver an adequate
2 supply of safe drinking water in both the near and long terms.
- 3 (2) Consolidation costs for public water systems, community
4 water systems, and state small water systems.
- 5 (3) Replacement water to provide the systems with safe drinking
6 water as a short-term solution.
- 7 (4) The provision of administrative and managerial services
8 under Section 116686 for purposes of helping the systems become
9 self-sufficient in the long term.
- 10 (b) Consistent with subdivision (a), the board shall expend
11 moneys in the fund for grants, loans, contracts, or services to assist
12 eligible recipients.
- 13 (c) (1) Eligible recipients of funding under this chapter are
14 public agencies, nonprofit organizations, public utilities, mutual
15 water companies, federally recognized Indian tribes, state Indian
16 tribes listed on the Native American Heritage Commission's
17 California Tribal Consultation List, and administrators.
- 18 (2) To be eligible for funding under this chapter, grants, loans,
19 contracts, or services provided to a public utility that is regulated
20 by the Public Utilities Commission or a mutual water company
21 shall have a clear and definite public purpose and shall benefit the
22 customers of the water system and not the investors.
- 23 (d) An expenditure from the fund shall be consistent with the
24 fund implementation plan.
- 25 (e) The board may expend moneys from the fund for reasonable
26 costs associated with the administration of this chapter, not to
27 exceed 5 percent of the annual deposits into the fund.
- 28 (f) In administering the fund, the board shall make reasonable
29 efforts to ensure that funds are used to secure the long-term
30 sustainability of drinking water service and infrastructure,
31 including, but not limited to, requiring adequate technical,
32 managerial, and financial capacity of eligible applicants as part of
33 funding agreement outcomes.

34
35 Article 2. Definitions

- 36
37 116766. For the purposes of this chapter:
38 (a) "Adequate supply" has the same meaning as defined in
39 Section 116681.

- 1 (b) "Administrator" has the same meaning as defined in Section
2 116686.
- 3 (c) "Board" means the State Water Resources Control Board.
- 4 (d) "Community water system" has the same meaning as defined
5 in Section 116275.
- 6 (e) "Consistently fails" has the same meaning as defined in
7 Section 116681.
- 8 (f) "Disadvantaged community" has the same meaning as
9 defined in Section 79505.5 of the Water Code.
- 10 (g) "Domestic well" has the same meaning as defined in Section
11 116681.
- 12 (h) "Fund" means the Safe and Affordable Drinking Water Fund
13 established pursuant to Section 116765.
- 14 (i) "Fund implementation plan" means the fund implementation
15 plan adopted pursuant to Article 3 (commencing with Section
16 116767).
- 17 (j) "Low-income household" means a single household whose
18 income is less than 200 percent of the federal poverty level.
- 19 (k) "Mutual water company" means a mutual water company,
20 as defined in Section 14300 of the Corporations Code, that operates
21 a public water system or a state small water system.
- 22 (l) "Nonprofit organization" means an organization qualified
23 to do business in California and qualified under Section 501(c)(3)
24 of Title 26 of the United States Code.
- 25 (m) "Public agency" means a state agency or department, special
26 district, joint powers authority, city, county, city and county, or
27 other political subdivision of the state.
- 28 (n) "Public utility" has the same meaning as defined in Section
29 216 of the Public Utilities Code.
- 30 (o) "Public water system" has the same meaning as defined in
31 Section 116275.
- 32 (p) "Replacement water" includes, but is not limited to, bottled
33 water, vended water, point-of-use, or point-of-entry treatment
34 units.
- 35 (q) "Safe drinking water" has the same meaning as defined in
36 Section 116681.
- 37 (r) "Service connection" has the same meaning as defined in
38 Section 116275.
- 39 (s) "State small water system" has the same meaning as defined
40 in Section 116275.

1 (t) “Vended water” has the same meaning as defined in Section
2 111070.

3
4 Article 3. Fund Implementation Plan
5

6 116767. The purposes of the fund implementation plan are as
7 follows:

8 (a) To identify public water systems, community water systems,
9 and state small water systems that consistently fail to provide an
10 adequate supply of safe drinking water, including the cause or
11 causes of the failure and appropriate measures to remedy the
12 failure.

13 (b) To determine the amount and type of funding necessary to
14 implement appropriate measures to remedy a failure to provide an
15 adequate supply of safe drinking water.

16 (c) To identify public water systems, community water systems,
17 and state small water systems that are at significant risk of failing
18 to provide an adequate supply of safe drinking water, including
19 the source or sources of the risk and appropriate measures to
20 eliminate the risk.

21 (d) To determine the amount and type of funding necessary to
22 implement appropriate measures to eliminate the risk of failing to
23 provide an adequate supply of safe drinking water.

24 (e) To identify gaps in the provision of safe drinking water, in
25 furtherance of Section 106.3 of the Water Code, and to determine
26 the amount and type of funding necessary to minimize or eliminate
27 those gaps.

28 (f) To prioritize available funding provided by this chapter for
29 measures identified in subdivisions (a), (c), and (e).

30 116768. (a) On or before July 1, 2020, the board shall develop
31 and adopt a policy for developing the fund implementation plan
32 that includes all of the following elements:

33 (1) A requirement that the board consult with an advisory group
34 to aid in meeting the purposes of the fund implementation plan as
35 established in Section 116767. The advisory group shall include
36 representatives of the following:

37 (A) Entities paying into the fund.

38 (B) Public water systems.

39 (C) Technical assistance providers.

40 (D) Local agencies.

- 1 (E) Nongovernmental organizations.
- 2 (F) Residents served by community water systems in
3 disadvantaged communities, state small water systems, and
4 domestic wells.
- 5 (G) The public.
- 6 (2) Identification of key terms, criteria, and metrics, and their
7 definitions.
- 8 (3) A description of how proposed remedies will be identified,
9 evaluated, prioritized, and included in the fund implementation
10 plan.
- 11 (4) The establishment of a process by which members of a
12 disadvantaged community may petition the state board to consider
13 ordering consolidation.
- 14 (5) A requirement that the board hold at least one public hearing
15 before adopting a fund implementation plan.
- 16 (b) The board shall annually adopt a fund implementation plan.
17 The board may adopt a policy handbook and update it at least once
18 every three years.
- 19 (c) On or before January 10, 2021, and every January 10
20 thereafter, the board shall provide to the Joint Legislative Budget
21 Committee and the chairpersons of the fiscal committees in each
22 house of the Legislature the most recently adopted fund
23 implementation plan. The board may submit the fund
24 implementation plan as required by this subdivision either in the
25 Governor's Budget documents or as a separate report.
- 26 116769. (a) The fund implementation plan shall contain the
27 following:
- 28 (1) A report of expenditures from the fund for the prior fiscal
29 year and planned expenditures for the current fiscal year.
- 30 (2) A list of systems that consistently fail to provide an adequate
31 supply of safe drinking water. The list shall include, but is not
32 limited to, all of the following:
- 33 (A) Any public water system that consistently fails to provide
34 an adequate supply of safe drinking water.
- 35 (B) Any community water system that serves a disadvantaged
36 community that must charge fees that exceed the affordability
37 threshold established by the board in order to supply, treat, and
38 distribute potable water that complies with federal and state
39 drinking water standards.

1 (C) Any state small water system that consistently fails to
2 provide an adequate supply of safe drinking water.

3 (3) A list of public water systems, community water systems,
4 and state small water systems that may be at risk of failing to
5 provide an adequate supply of safe drinking water.

6 (4) An estimate of the number of households that are served by
7 domestic wells or state small water systems in high-risk areas
8 identified pursuant to Article 5 (commencing with Section 116772).
9 The estimate shall identify approximate locations of households,
10 without identifying exact addresses or other personal information,
11 in order to identify potential target areas for outreach and assistance
12 programs.

13 (5) An estimate of the funding needed for the next fiscal year
14 based on the amount available in the fund, anticipated funding
15 needs, other existing funding sources, and other relevant data and
16 information.

17 (6) A list of programs to be funded that assist or will assist
18 households supplied by a domestic well that consistently fails to
19 provide an adequate supply of safe drinking water.

20 (7) A list of programs to be funded that assist or will assist
21 households and schools whose tap water contains contaminants,
22 such as lead or secondary contaminants, at levels that exceed
23 recommended standards.

24 (b) The fund implementation plan shall be based on data and
25 analysis drawn from the drinking water needs assessment funded
26 by Chapter 449 of the Statutes of 2018 as that assessment may be
27 updated and as information is developed pursuant to Article 5
28 (commencing with Section 116772).

29 (c) The fund implementation plan shall prioritize funding for
30 all of the following:

31 (1) Assisting disadvantaged communities served by a public
32 water system and low-income households served by a state small
33 water system or a domestic well.

34 (2) The consolidation or extension of service, or both.

35 (3) Funding costs other than those related to capital construction
36 costs, except for capital construction costs associated with
37 consolidation and service extension to reduce the ongoing unit
38 cost of service and to increase sustainability of drinking water
39 infrastructure and service delivery.

- 1 116770. The fund implementation plan may include
2 expenditures for the following:
- 3 (a) The provision of replacement water, as needed, to ensure
4 immediate protection of health and safety as a short-term solution.
- 5 (b) The development, implementation, and sustainability of
6 long-term drinking water solutions, including, but not limited to,
7 the following:
- 8 (1) (A) Technical assistance, planning, construction, repair,
9 and operation and maintenance costs associated with any of the
10 following:
- 11 (i) Replacing, blending, or treating contaminated drinking water.
12 (ii) Repairing or replacing failing water system equipment,
13 pipes, or fixtures.
14 (iii) Operation and maintenance costs associated with
15 consolidated water systems, extended drinking water services, or
16 reliance on a substituted drinking water source.
- 17 (B) Technical assistance and planning costs may include, but
18 are not limited to, analyses to identify and efforts to further
19 opportunities to reduce the unit cost of providing drinking water
20 through organizational and operational efficiency improvements,
21 and other options and approaches to reduce costs.
- 22 (2) Creating and maintaining natural means and green
23 infrastructure solutions that contribute to sustainable drinking
24 water.
- 25 (3) Consolidating water systems.
- 26 (4) Extending drinking water services to other public water
27 systems, community water systems, and state small water systems,
28 or domestic wells.
- 29 (5) Satisfying outstanding long-term debt obligations of public
30 water systems, community water systems, and state small water
31 systems where the board determines that a system's lack of access
32 to capital markets renders this solution the most cost effective for
33 removing a financial barrier to the system's sustainable, long-term
34 provision of drinking water.
- 35 (c) Identifying and providing outreach to persons who are
36 eligible to receive assistance from the fund.
- 37 (d) Testing the drinking water quality of domestic wells serving
38 low-income households, prioritizing those in high-risk areas
39 identified pursuant to Article 5 (commencing with Section 116772).

1 (e) Providing administrative and managerial services under
2 Section 116686.

3
4 Article 4. Miscellaneous Provisions
5

6 116771. (a) The board may undertake any of the following
7 actions to implement the fund:

8 (1) Provide for the deposit of both of the following moneys into
9 the fund:

10 (A) Federal contributions.

11 (B) Voluntary contributions, gifts, grants, or bequests.

12 (2) Enter into agreements for contributions to the fund from the
13 federal government, local or state agencies, and private
14 corporations or nonprofit organizations.

15 (3) Direct portions of the fund to a subset of eligible applicants
16 as required or appropriate based on funding source and consistent
17 with the annual fund implementation plan.

18 (4) Direct moneys described in subparagraph (B) of paragraph
19 (1) towards a specific project, program, or study.

20 (b) The board may set appropriate requirements as a condition
21 of funding, including, but not limited to, the following:

22 (1) A system technical, managerial, or financial capacity audit.

23 (2) Improvements to reduce costs and increase efficiencies.

24 (3) An evaluation of alternative treatment technologies.

25 (4) A consolidation or service extension feasibility study.

26 (5) Requirements for a domestic well with nitrate contamination
27 where ongoing septic system failure may be causing or contributing
28 to contamination of a drinking water source, to have conducted an
29 investigation and project to address the septic system failure, if
30 adequate funding sources are identified and accessible.

31 (c) Actions taken to implement, interpret, or make specific this
32 chapter, including, but not limited to, the adoption or development
33 of any plan, handbook, or map, are not subject to the
34 Administrative Procedure Act (Chapter 3.5 (commencing with
35 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
36 Code).

1 Article 5. Information on High-Risk Areas

2
3 116772. (a) (1) By January 1, 2021, the board, in consultation
4 with local health officers and other relevant stakeholders, shall use
5 available data to make available a map of aquifers that are at high
6 risk of containing contaminants that exceed safe drinking water
7 standards that are used or likely to be used as a source of drinking
8 water for a state small water system or a domestic well. The board
9 shall update the map annually based on new and relevant data.

10 (2) The board shall make the map of high-risk areas, as well as
11 the data used to make the map, publicly accessible on its internet
12 website in a manner that complies with the Information Practices
13 Act of 1977 (Chapter 1 (commencing with Section 1798) of Title
14 1.8 of Part 4 of Division 3 of the Civil Code). The board shall
15 notify local health officers and county planning agencies of
16 high-risk areas within their jurisdictions.

17 (b) (1) By January 1, 2021, a local health officer or other
18 relevant local agency shall provide to the board all results of, and
19 data associated with, water quality testing performed by certified
20 laboratories for a state small water system or domestic well that
21 was collected after January 1, 2014, and that is in the possession
22 of the local health officer or other relevant local agency.

23 (2) By January 1, 2022, and by January 1 of each year thereafter,
24 all results of, and data associated with, water quality testing
25 performed by a certified laboratory for a state small water system
26 or domestic well that is submitted to a local health officer or other
27 relevant local agency shall also be submitted directly to the board
28 in electronic format.

29 *SEC. 2. (a) Implementation of Chapter 4.6 (commencing with*
30 *Section 116765) of Part 12 of Division 104 of the Health and Safety*
31 *Code is contingent upon an appropriation for its purposes in the*
32 *annual Budget Act.*

33 *(b) This act does not impose a levy, charge, or exaction of any*
34 *kind, such as a tax or fee.*

35 ~~SEC. 2.~~

36 *SEC. 3. If the Commission on State Mandates determines that*
37 *this act contains costs mandated by the state, reimbursement to*
38 *local agencies and school districts for those costs shall be made*

1 pursuant to Part 7 (commencing with Section 17500) of Division
2 4 of Title 2 of the Government Code.

O



SB 414 (Caballero) The Small System Water Authority Act of 2019

**A Solution to Providing Safe Drinking Water to Communities
Served by Chronically Non-Compliant Systems**

Background

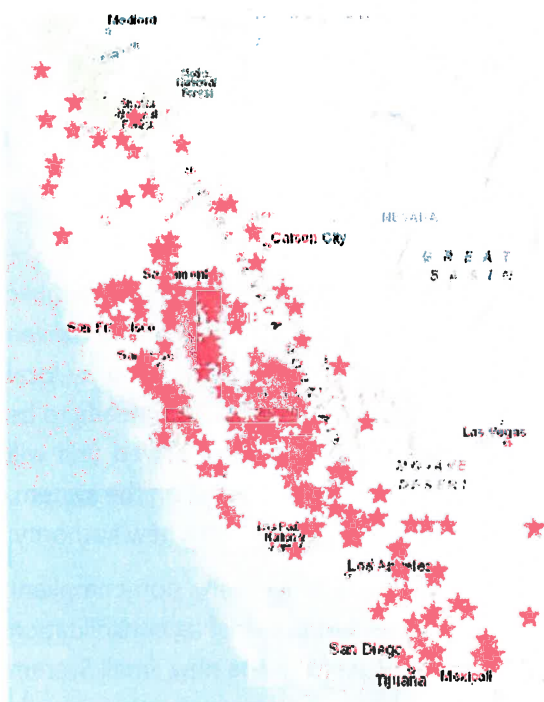
In 2012, Governor Jerry Brown signed into law Assembly Bill 685 (Eng), establishing the Human Right to Water—declaring that it is the policy of the state that every Californian has a human right to safe, clean, affordable, and accessible drinking water.

Water Accessibility and Safety Concerns in California

Nearly 800,000 people in California lack access to safe and reliable drinking water on a daily basis. The State Water Resources Control Board (State Board) has identified 329 (as of November 2017) systems statewide that chronically serve

contaminated drinking water or cannot provide reliable water service due to unsound infrastructure or because they lack the local financial, managerial, and technical resources to do so.

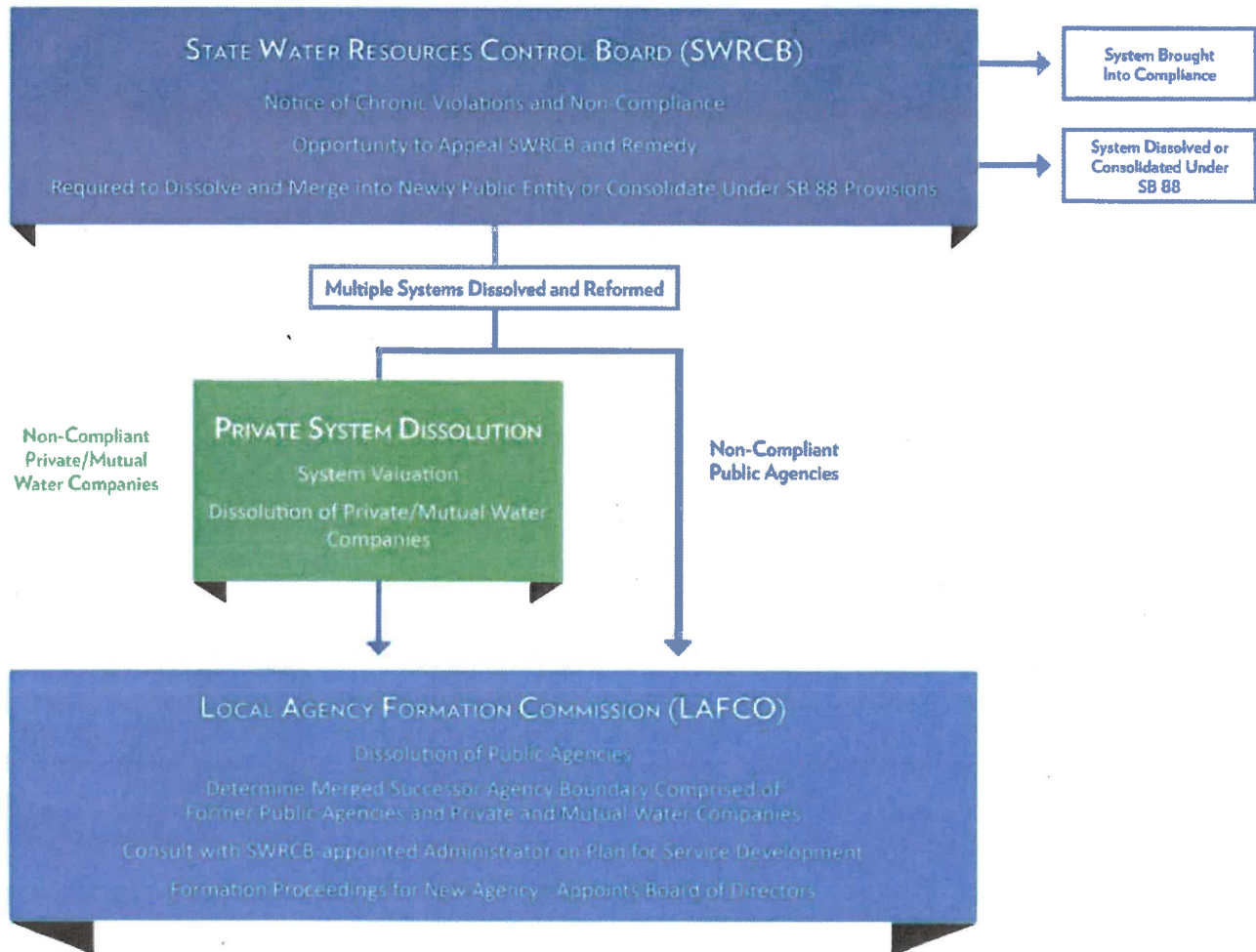
The vast majority of these systems are small, rural systems that typically serve less than 10,000 people. A sustainable solution is necessary to address this drastic health and safety crisis.



To date, laws have been passed that address various elements of the water accessibility issue including voluntary and forced consolidations, supplying resources and technical support, and limiting the development of new unsustainable water systems. While these efforts have created a portfolio of options to address this critical issue of water accessibility in California, immediate and lasting changes to the governance structure of chronically non-compliant small systems are still needed to protect public health and safety.

The Small System Water Authority Act of 2019

SB 414 would create the Small System Water Authority Act of 2019, providing yet another valuable tool to prevent chronically non-compliant water systems from serving contaminated water to Californians. SB 414 proposes to merge non-compliant water systems into a larger and more robust public water system that can take advantage of improved economies of scale, streamlined managerial functions and enhanced financial capacity.



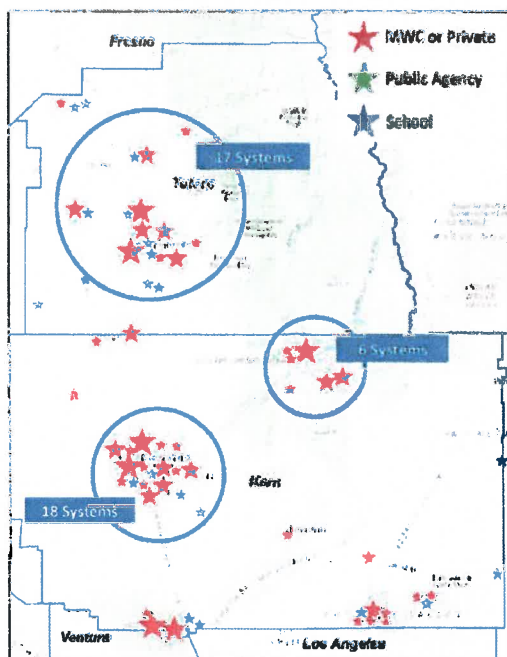
This bill authorizes the State Board to notify chronically non-compliant systems that they are in violation of public health and safety. Each system is then provided with an opportunity to develop a compliance plan within a given time period. If a system is unable to develop an approved plan, the State Board will then notify the county local agency formation commission (LAFCO) that it has determined the chronically non-compliant system needs to be dissolved and consolidated into an authority. Private and mutual water companies will be dissolved and will receive compensation through a distressed business valuation process, if there is remaining value on the system. At this time any existing water systems also will have an opportunity to voluntarily consolidate with a new authority.

The State Board will appoint an Administrator in regions that have five or more chronically non-compliant systems. In regions that have less than five systems, the State Board will be directed to use existing consolidation authorities and funding to bring those systems into compliance. The LAFCO will then form the new Small System Water Authority (Authority), which will have the unique powers to absorb, improve, and consolidate currently

non-compliant public water systems with either contiguous or noncontiguous boundaries. Each Authority will be required to submit a conceptual formation plan to the State Board. The Administrator will identify and hire critical staff and will ultimately complete a Final Plan for Service that will be approved, through a local public hearing process, at the LAFCO.

The new system will be formed as an independent special district, provided with new internal and external financing opportunities, increased transparency including an elected Board of Directors, and the system will be scaled to a size to develop, coordinate, or contract through regional agreements, the necessary infrastructure to treat contamination issues. This in turn will lead to more sustainable water systems that can effectively deliver safe and affordable drinking water to its residents.

SAMPLE Grouping of Non-Compliant Systems For demonstration purposes only.



Larger stars denote proportionately larger populations of small systems noted as "Out of Compliance" in State Water Board Database.

For more information regarding the Small System Water Authority Act of 2019

OFFICE OF SENATOR
ANNA M. CABALLERO
Peter Ansel, Senior Policy Advisor
916.651.4012
peter.ansel@sen.ca.gov

NIEMELA PAPPAS & ASSOC
Erin Niemela
Emily Pappas
Jaime Minor
961.661.5365

CALIFORNIA MUNICIPAL
UTILITIES ASSOCIATION
Danielle Blacet
916.326.5802
dblacet@cmua.org

Small System Water Authority Act of 2019 Support/Opposition

SUPPORT

California Municipal Utilities Association (Co-Sponsor)

Eastern Municipal Water District (Co-Sponsor)

OPPOSITION

AMENDED IN SENATE MAY 17, 2019

AMENDED IN SENATE APRIL 4, 2019

SENATE BILL

No. 414

Introduced by Senator Caballero

February 20, 2019

An act to amend Sections 56017.1, 56017.2, 56069, 56653, 56658, and 56895 of, and to add Section 56666.5 to, the Government Code, and to add Division 23 (commencing with Section 78000) to the Water Code, relating to small system water authorities.

LEGISLATIVE COUNSEL'S DIGEST

SB 414, as amended, Caballero. Small System Water Authority Act of 2019.

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, as defined, consistently fails to provide an adequate supply of safe drinking water. The act, if consolidation is either not appropriate or not technically and economically feasible, authorizes the state board to contract with an administrator to provide administrative and managerial services to designated public water systems and to order the designated public water system to accept administrative and managerial services, as specified.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of

organization and reorganization for cities and districts, except as specified.

This bill would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified. The bill would require the state board to provide a copy of the notice, in the case of a water corporation, to the Public Utilities Commission and would require the Public Utilities Commission to be responsible with the state board for ensuring compliance with the provisions of the bill. The bill would require an entity receiving the notice to respond to the state board, and, if appropriate, the Public Utilities Commission, as to whether the violations of drinking water standards are remedied and the basis for that conclusion, as specified. The bill would require an entity reporting a continuing violation of drinking water standards to have 180 days from the date of a specified response filed with the state board to prepare and submit a plan to the state board to permanently remedy a violation of drinking water standards within a reasonable time that is not later than January 1, 2025. The bill would require the state board to review the plan and accept, accept with reasonable conditions, or reject the plan, as prescribed. The bill would require an entity with an accepted plan to provide quarterly reports to the state board on progress towards a permanent remedy for violations of drinking water standards and would require the state board to annually hold a public hearing to consider whether the progress is satisfactory. The bill would require the state board, if it rejects the plan or if a plan is not submitted by the prescribed deadline, to cause, after a certain period to allow for a petition for reconsideration, the formation of an authority by the applicable local agency formation commission to serve the customers of the public water system or to remedy the failure to meet the applicable drinking water standards, as specified.

The bill would require the state board, no later than July 1, 2021, to provide written notice to each county, city, water district, private water

company, or mutual water company located within a county where an entity receiving a notice to cure from the state board is located stating that the state board may consider the formation of an authority within that county and inviting other public water suppliers to consider a voluntary dissolution and subsequent inclusion into the authority that may be formed. The bill would require an entity wishing to consolidate into a proposed authority to provide a written statement opting into an authority to the administrator of the authority on or before December 31, 2021. The bill would authorize an entity wishing to join an authority after the formation of an authority to do so by a proposal or petition to the local agency formation commission and would require an entity to join a proposed authority upon the petition of the entity's customers, as prescribed. The bill would require any county or city receiving a notice to cure from the state board to determine, not later than November 1, 2021, whether any county service areas, county waterworks districts, or other dependent special districts providing water service or water and sewer service located within the county that provide water service or water and sewer service only in the proposed area of the authority should be included within the proposed authority, as prescribed. The bill would authorize an authority to include areas that are not contiguous.

The bill would require the state board, no later than 30 days after determining that an authority shall be formed, to notify a local agency formation commission of a county where the public water system that submitted the plan is located, and if appropriate, the Public Utilities Commission, that it has determined that the public water system shall be consolidated into an authority. The bill would require the state board, no later than 60 days after determining that an authority shall be formed, to notify the local agency formation commission, and if appropriate, the Public Utilities Commission, of the public water systems that will be consolidated into an authority and to appoint an administrator for each proposed authority. The bill would require an administrator to be responsible for the interim administration and management of the authority and would require the state board to bear the cost of the administrator, as specified. The bill would require the administrator, after consultation with the executive officer of the local agency formation commission, to submit to the state board a conceptual formation plan, with specified components. The bill would require the state board to provide comments on the conceptual formation plan to the administrator and applicable local agency formation commission within 60 days of its receipt.

The bill would require the administrator, within 180 days after the state board provides comments on the draft conceptual formation plan, to submit an application for formation and proposed plan for service to the local agency formation commission for review and would require the commission to hold a hearing on the plan and approve or deny it, as prescribed. The bill would require an authority to file a statement, under penalty of perjury, with the executive office of the local agency formation commission certifying that the authority will take the appropriate actions to comply with an approved plan. By expanding the application of the crime of perjury, this bill would impose a state-mandated local program. The bill would require the executive officer of the commission, within 30 days of the filing of a statement, to issue a notice of completion to the authority and send a copy of that notice to the state board. The bill would authorize the state board, in the event that the authority fails to timely file a statement certifying compliance with the plan, to issue an order to the authority requiring the filing of a statement certifying compliance with the plan or other remedial action as may be appropriate. The bill would require, annually for the first 3 years after the date of an authority's formation by a local agency formation commission, an authority to file a certain report with the local agency formation commission and the state board. The bill would require a local agency formation commission to hold a public hearing within 90 days of receipt of the report to review the authority's performance during the previous year and would authorize the state board to order an authority to remedy any failures to comply with conditions imposed by the state board or the plan for service. The bill would authorize the state board to impose a civil penalty on an authority of up to \$500 per day for each violation if an authority fails to timely comply with a remedial order by the state board, up to a maximum of \$10,000 per year for each particular violation.

The bill would require the Public Utilities Commission to order the dissolution of a public water system and the transfer of all assets of a subject water corporation to an authority formed by the local agency formation commission, as prescribed. The bill would require the state board to petition a court for an order dissolving any mutual water company, water corporation, or private corporation that has been operating a public water system and transferring the assets of that company or corporation to the authority formed by the local agency formation commission. The bill would provide for an owner or shareholder of a dissolved public water system to be compensated, as

specified, in accordance with a distressed business valuation issued by the state board. The bill would authorize an authority to receive financing from the state to pay all liabilities assumed from a public water system and would require an authority to issue bonds to repay the state with interest.

The bill would require the Controller, ~~no later than January 1, 2026, to prepare and submit to the Legislature a report regarding the fiscal and operational health of the authorities that includes a recommendation regarding the need for supplemental state funding, if any, and the potential sources of that funding.~~ *following the formation of the authorities, to perform an audit of the fiscal and operational health of each authority, and to submit the results of the audits to the Legislature in the form of a report no later than January 1, 2026.* The bill would require the state board, no later than January 1, 2026, to prepare and submit to the Legislature a report specifying the number of public water systems that, at any time between July 1, 2018, and January 1, 2025, were out of compliance with one or more state or federal primary drinking water standards, as specified.

The bill would provide for the appointment of an initial board of an authority, and the election of subsequent boards of an authority. The bill would require a director to be a resident of the area served by the authority and, to the extent practicable, to represent a division with equal population being served by the authority. The bill would require a director to receive compensation in an amount not to exceed \$250 per day, not to exceed a total of 10 days in any calendar month, together with any expenses incurred in the performance of the director's duties required or authorized by the board. The bill would require the board to hold meetings, exercise and perform all powers, privileges, and duties of an authority, designate a depository to have custody of the funds of the authority, appoint officers, and hire employees, as specified. The bill would require the board to file a certain certificate with the Secretary of State within 180 days of its initial meeting after formation. The bill would require a person convicted of an infraction for a violation of any local ordinance or regulation adopted by an authority to be punished upon a first conviction by a fine not exceeding \$50 and for a 2nd conviction within a period of one year by a fine of not exceeding \$100 and for a 3rd or any subsequent conviction within a period of one year by a fine of not exceeding \$250. By creating new crimes, this bill would impose a state-mandated local program.

The bill would specify the powers of an authority, including that an authority is authorized to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and stormwater, for the beneficial use of the authority. The bill would authorize the authority to fix a water standby assessment or availability charge, as prescribed. The bill would require a board of supervisors to levy the standby charge in the amounts for the respective parcels fixed by the board of the authority. The bill would require all county officers charged with the duty of collecting taxes to collect authority standby charges with the regular tax payments to the county and would require the charges to be paid to the authority. The bill would authorize an authority to restrict the use of authority water, as specified, and would provide that it is a misdemeanor, punishable as specified, for any person to use or apply water received from the authority contrary to or in violation of any restriction or prohibition specified in the authority's ordinance. By creating a new crime, this bill would impose a state-mandated local program. The bill would authorize an authority to conduct inspections and would authorize an authority to obtain an inspection warrant. Because the willful refusal of an inspection lawfully authorized by an inspection warrant is a misdemeanor, this bill would impose a state-mandated local program by expanding the application of a crime. The bill would require an authority to notify the county or city building inspector, county health inspector, or other affected county or city employee or office, in writing, within a reasonable time if an actual violation of an authority, city, or county ordinance is discovered during the investigation.

The bill would require the administrator to prepare and submit a capital improvement plan to the state board no later than one year after the date upon which an authority is formed. The bill would require the plan to bring the authority into full compliance with drinking water standards within 3 years, which time may be extended by the state board for good cause. The bill would require the state board, upon appropriation by the Legislature from the General Fund, or, to the extent funds are available from bond revenues or other sources, including federal, state, academic, or other public or private entities, to provide funding for the administrator and for formation and startup costs for up to 3 fiscal years after formation of the authority, as specified. The bill would provide for the state board, upon appropriation by the Legislature from the General Fund, or, to the extent funds are available from bond revenues or other sources, including federal, state, academic, or other

public or private entities, to receive up to an unspecified amount for the preparation of distressed business valuations to determine the net fair market value of the water corporation or mutual water company. The bill would require, if those moneys are not sufficient to meet the statewide needs of the authorities, funding to be made available upon appropriation from the Safe Drinking Water State Revolving Fund.

By imposing new duties or a higher level of service on cities, counties, and local agency formation commissions, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 56017.1 of the Government Code is
2 amended to read:

3 56017.1. "Applicant" means a local agency or person or persons
4 that submits an application, as defined by Section 56017.2, or the
5 State Water Resources Control Board where an application is
6 submitted by its appointed administrator pursuant to Section 78038
7 of the Water Code.

8 SEC. 2. Section 56017.2 of the Government Code is amended
9 to read:

10 56017.2. "Application" means any of the following:

11 (a) A resolution of application or petition initiating a change of
12 organization or reorganization with supporting documentation as
13 required by the commission or executive officer.

14 (b) A request for a sphere of influence amendment or update
15 pursuant to Section 56425.

1 (c) A request by a city or district for commission approval of
2 an extension of services outside the agency's jurisdictional
3 boundaries pursuant to Section 56133.

4 (d) A request by a public agency for commission approval of
5 an extension of services outside the agency's jurisdictional
6 boundaries pursuant to Section 56134.

7 (e) A request by the State Water Resources Control Board that
8 includes the formation of a small system water authority made
9 pursuant to Section 78038 of the Water Code.

10 SEC. 3. Section 56069 of the Government Code is amended
11 to read:

12 56069. "Proposal" means a desired change of organization or
13 reorganization initiated by a petition, by resolution of application
14 of a legislative body or school district, or by order of the State
15 Water Resources Control Board in the case of an application
16 including the formation of a small system water authority submitted
17 pursuant to Section 78038 of the Water Code, for which a
18 certificate of filing has been issued.

19 SEC. 4. Section 56653 of the Government Code, as amended
20 by Section 1 of Chapter 43 of the Statutes of 2017, is amended to
21 read:

22 56653. (a) If a proposal for a change of organization or
23 reorganization is submitted pursuant to this part, the applicant shall
24 submit a plan for providing services within the affected territory.

25 (b) The plan for providing services shall include all of the
26 following information and any additional information required by
27 the commission or the executive officer:

28 (1) An enumeration and description of the services currently
29 provided or to be extended to the affected territory.

30 (2) The level and range of those services.

31 (3) An indication of when those services can feasibly be
32 extended to the affected territory, if new services are proposed.

33 (4) An indication of any improvement or upgrading of structures,
34 roads, sewer or water facilities, or other conditions the local agency
35 would impose or require within the affected territory if the change
36 of organization or reorganization is completed.

37 (5) Information with respect to how those services will be
38 financed.

39 (c) (1) In the case of a change of organization or reorganization
40 initiated by a local agency that includes a disadvantaged,

1 unincorporated community as defined in Section 56033.5, a local
2 agency may include in its resolution of application for change of
3 organization or reorganization an annexation development plan
4 adopted pursuant to Section 99.3 of the Revenue and Taxation
5 Code to improve or upgrade structures, roads, sewer or water
6 facilities, or other infrastructure to serve the disadvantaged,
7 unincorporated community through the formation of a special
8 district or reorganization of one or more existing special districts
9 with the consent of each special district's governing body.

10 (2) The annexation development plan submitted pursuant to this
11 subdivision shall include information that demonstrates that the
12 formation or reorganization of the special district will provide all
13 of the following:

14 (A) The necessary financial resources to improve or upgrade
15 structures, roads, sewer or water facilities, or other infrastructure.
16 The annexation development plan shall also clarify the local entity
17 that shall be responsible for the delivery and maintenance of the
18 services identified in the application.

19 (B) An estimated timeframe for constructing and delivering the
20 services identified in the application.

21 (C) The governance, oversight, and long-term maintenance of
22 the services identified in the application after the initial costs are
23 recouped and the tax increment financing terminates.

24 (3) If a local agency includes an annexation development plan
25 pursuant to this subdivision, a local agency formation commission
26 may approve the proposal for a change of organization or
27 reorganization to include the formation of a special district or
28 reorganization of a special district with the special district's
29 consent, including, but not limited to, a community services district,
30 municipal water district, or sanitary district, to provide financing
31 to improve or upgrade structures, roads, sewer or water facilities,
32 or other infrastructure to serve the disadvantaged, unincorporated
33 community, in conformity with the requirements of the principal
34 act of the district proposed to be formed and all required formation
35 proceedings.

36 (4) Pursuant to Section 56881, the commission shall include in
37 its resolution making determinations a description of the annexation
38 development plan, including, but not limited to, an explanation of
39 the proposed financing mechanism adopted pursuant to Section
40 99.3 of the Revenue and Taxation Code, including, but not limited

1 to, any planned debt issuance associated with that annexation
2 development plan.

3 (d) This section shall not preclude a local agency formation
4 commission from considering any other options or exercising its
5 powers under Section 56375.

6 (e) A plan for providing services accompanying an application
7 that includes the formation of a small system water authority
8 submitted pursuant to subdivision (a) of Section 78038 of the Water
9 Code shall meet the requirements set forth in subdivision (b) of
10 Section 78038 of the Water Code.

11 (f) This section shall remain in effect only until January 1, 2025,
12 and as of that date is repealed.

13 SEC. 5. Section 56658 of the Government Code is amended
14 to read:

15 56658. (a) Any petitioner or legislative body desiring to initiate
16 proceedings shall submit an application to the executive officer of
17 the principal county.

18 (b) (1) Immediately after receiving an application and before
19 issuing a certificate of filing, the executive officer shall give mailed
20 notice that the application has been received to each affected local
21 agency, the county committee on school district organization, and
22 each school superintendent whose school district overlies the
23 affected territory. The notice shall generally describe the proposal
24 and the affected territory. The executive officer shall not be
25 required to give notice pursuant to this subdivision if a local agency
26 has already given notice pursuant to subdivision (c) of Section
27 56654.

28 (2) It is the intent of the Legislature that a proposal for
29 incorporation or disincorporation shall be processed in a timely
30 manner. With regard to an application that includes an
31 incorporation or disincorporation, the executive officer shall
32 immediately notify all affected local agencies and any applicable
33 state agencies by mail and request the affected agencies to submit
34 the required data to the commission within a reasonable timeframe
35 established by the executive officer. Each affected agency shall
36 respond to the executive officer within 15 days acknowledging
37 receipt of the request. Each affected local agency and the officers
38 and departments thereof shall submit the required data to the
39 executive officer within the timelines established by the executive
40 officer. Each affected state agency and the officers and departments

1 thereof shall submit the required data to the executive officer within
2 the timelines agreed upon by the executive officer and the affected
3 state departments.

4 (3) If a special district is, or as a result of a proposal will be,
5 located in more than one county, the executive officer of the
6 principal county shall immediately give the executive officer of
7 each other affected county mailed notice that the application has
8 been received. The notice shall generally describe the proposal
9 and the affected territory.

10 (c) Except when a commission is the lead agency pursuant to
11 Section 21067 of the Public Resources Code, the executive officer
12 shall determine within 30 days of receiving an application whether
13 the application is complete and acceptable for filing or whether
14 the application is incomplete.

15 (d) The executive officer shall not accept an application for
16 filing and issue a certificate of filing for at least 20 days after giving
17 the mailed notice required by subdivision (b). The executive officer
18 shall not be required to comply with this subdivision in the case
19 of an application that meets the requirements of Section 56662 or
20 in the case of an application for which a local agency has already
21 given notice pursuant to subdivision (c) of Section 56654.

22 (e) If the appropriate fees have been paid, an application shall
23 be deemed accepted for filing if no determination has been made
24 by the executive officer within the 30-day period. An executive
25 officer shall accept for filing, and file, any application submitted
26 in the form prescribed by the commission and containing all of
27 the information and data required pursuant to Section 56652.

28 (f) When an application is accepted for filing, the executive
29 officer shall immediately issue a certificate of filing to the
30 applicant. A certificate of filing shall be in the form prescribed by
31 the executive officer and shall specify the date upon which the
32 proposal shall be heard by the commission. From the date of
33 issuance of a certificate of filing, or the date upon which an
34 application is deemed to have been accepted, whichever is earlier,
35 an application shall be deemed filed pursuant to this division.

36 (g) If an application is determined not to be complete, the
37 executive officer shall immediately transmit that determination to
38 the applicant specifying which parts of the application are
39 incomplete and the manner in which they can be made complete.

1 (h) Following the issuance of the certificate of filing, the
2 executive officer shall proceed to set the proposal for hearing and
3 give published notice thereof as provided in this part. The date of
4 the hearing shall be not more than 90 days after issuance of the
5 certificate of filing or after the application is deemed to have been
6 accepted, whichever is earlier. In the case of an application
7 submitted pursuant to subdivision (a) of Section 78038 of the Water
8 Code by an administrator appointed by the State Water Resources
9 Control Board, the date of the hearing shall be not more than 180
10 days after issuance of the certificate of filing or after the application
11 is deemed to have been accepted, whichever is earlier.
12 Notwithstanding Section 56106, the date for conducting the
13 hearing, as determined pursuant to this subdivision, is mandatory.

14 SEC. 6. Section 56666.5 is added to the Government Code, to
15 read:

16 56666.5. (a) This section applies only to a proposal that
17 includes the formation of a small system water authority submitted
18 pursuant to subdivision (a) of Section 78038 of the Water Code.

19 (b) At the hearing described in Section 56666, the commission
20 shall approve the plan and the formation of the authority, approve
21 the plan and the formation of the authority with modifications, or
22 disapprove the plan and request resubmittal by the administrator.

23 (c) If the commission disapproves the plan, the commission
24 shall, within 30 days of the hearing, provide the administrator with
25 written comments identifying the changes that the administrator
26 must make in order to submit an acceptable plan. If the
27 administrator concurs with those changes, the administrator may
28 provide a written statement of concurrence to the commission and
29 the commission shall deem approved the commission's proposed
30 changes upon receipt of the written statement of concurrence. If
31 the administrator disagrees with those changes, the administrator
32 shall provide a revised plan for service to the commission no later
33 than 90 days after the date on which the commission provides the
34 administrator with comments disapproving the plan.

35 (d) The commission shall hold a hearing no later than 90 days
36 after the date the administrator provides a revised plan for service
37 to the commission, during which the commission shall approve
38 the revised plan for service, either as proposed by the administrator
39 or with the modifications the commission believes best serve the
40 public interest.

1 SEC. 7. Section 56895 of the Government Code is amended
2 to read:

3 56895. (a) When a commission has adopted a resolution
4 making determinations, any person or affected agency may file a
5 written request with the executive officer requesting amendments
6 to or reconsideration of the resolution. The request shall state the
7 specific modification to the resolution being requested and shall
8 state what new or different facts that could not have been presented
9 previously are claimed to warrant the reconsideration. If the request
10 is filed by a school district that received notification pursuant to
11 Section 56658, the commission shall consider that request at a
12 public hearing.

13 (b) Notwithstanding Section 56106, the deadlines set by this
14 section are mandatory. The person or agency shall file the written
15 request within 30 days of the adoption of the initial or superseding
16 resolution by the commission making determinations. If no person
17 or agency files a timely request, the commission shall not take any
18 action pursuant to this section.

19 (c) Upon receipt of a timely request, the executive officer shall
20 not take any further action until the commission acts on the request.

21 (d) Upon receipt of a timely request by the executive officer,
22 the time to file any action, including, but not limited to, an action
23 pursuant to Section 21167 of the Public Resources Code and any
24 provisions of Part 4 (commencing with Section 57000) governing
25 the time within which the commission is to act shall be tolled for
26 the time that the commission takes to act on the request.

27 (e) The executive officer shall place the request on the agenda
28 of the next meeting of the commission for which notice can be
29 given pursuant to this subdivision. The executive officer shall give
30 notice of the consideration of the request by the commission in
31 the same manner as for the original proposal. The executive officer
32 may give notice in any other manner as the executive officer deems
33 necessary or desirable.

34 (f) At that meeting, the commission shall consider the request
35 and receive any oral or written testimony. The consideration may
36 be continued from time to time but not to exceed 35 days from the
37 date specified in the notice. The person or agency that filed the
38 request may withdraw it at any time prior to the conclusion of the
39 consideration by the commission.

1 (g) At the conclusion of its consideration, the commission may
2 approve with or without amendment, wholly, partially, or
3 conditionally, or disapprove the request. If the commission
4 disapproves the request, it shall not adopt a new resolution making
5 determinations. If the commission approves the request, with or
6 without amendment, wholly, partially, or conditionally, the
7 commission shall adopt a resolution making determinations that
8 shall supersede the resolution previously issued.

9 (h) The determinations of the commission shall be final and
10 conclusive. No person or agency shall make any further request
11 for the same change or a substantially similar change, as
12 determined by the commission.

13 (i) Notwithstanding subdivision (h), clerical errors or mistakes
14 may be corrected pursuant to Section 56883.

15 (j) This section does not apply to commission determinations
16 for a proposal that includes the formation of a small system water
17 authority submitted pursuant to subdivision (a) of Section 78038
18 of the Water Code.

19 SEC. 8. Division 23 (commencing with Section 78000) is added
20 to the Water Code, to read:

21
22 DIVISION 23. SMALL SYSTEM WATER AUTHORITY
23 ACT OF 2019

24
25 PART 1. SHORT TITLE

26
27 78000. This division shall be known, and may be cited, as the
28 Small System Water Authority Act of 2019.

29
30 PART 2. FINDINGS AND DECLARATIONS

31
32 78001. The Legislature finds and declares all of the following:

33 (a) As of November 2017, according to the state board, there
34 are approximately 300 public water systems in the State of
35 California that are chronically serving contaminated water to their
36 customers and are operationally deficient in violation of public
37 health regulations.

38 (b) The vast majority of those systems are small, only serving
39 a population of less than 10,000 people, with deficiencies that
40 range from natural contaminants, manmade contaminants, and

1 failing infrastructure. These systems are located throughout
2 California, with a greater percentage of these failing systems
3 primarily located in economically distressed or rural counties.

4 (c) These chronically out of compliance systems lack the
5 financial, managerial, and technical resources to adequately serve
6 their communities and face higher costs per customer to provide
7 adequate service because of their small size, rural location, and
8 aging infrastructure.

9 (d) There is an inefficient deployment of existing local system
10 financial resources and potential funding shortfalls, largely due to
11 duplication of overhead and the inability to access state and other
12 funding streams necessary for modern water service.

13 (e) A new category of public water agency is needed to absorb
14 and consolidate failing small public water systems to provide
15 technical, managerial, and financial capabilities to ensure the
16 provision of safe, clean, affordable, and accessible water and local
17 governance.

18 (f) This act authorizes the creation of small system water
19 authorities that will have unique powers to absorb, improve, and
20 competently operate currently noncompliant public water systems
21 with either contiguous or noncontiguous boundaries.

22 (g) Existing public water systems, whether public agencies,
23 investor-owned utilities, water corporations regulated by the Public
24 Utilities Commission, private mutual water companies, or other
25 private unregulated water systems, that are currently providing
26 adequate water service but that are located in a county where an
27 authority may be formed will have the option of voluntarily
28 consolidating with a new authority.

29
30 PART 3. DEFINITIONS

31
32 78005. Unless the context otherwise requires, the provisions
33 of this part govern the construction of this division.

34 78006. "Affected county" means any county in which the land
35 of a proposed authority is situated.

36 78007. "Authority" means a small system water authority
37 formed pursuant to this division.

38 78008. "Board" means the board of directors of an authority.

39 78009. "Board of supervisors" means the board of supervisors
40 of the principal county.

- 1 78010. "City" means any chartered or general law city.
2 78011. "County clerk" means the county clerk of the principal
3 county.
4 78012. "Local agency formation commission" means a local
5 agency formation commission of the principal county in which
6 the proposed authority is located.
7 78013. "President" means the president of the board of directors
8 of an authority.
9 78014. "Principal county" means the county in which the
10 greater portion of the land of a proposed authority is situated.
11 78015. "Private corporation" means any private corporation
12 organized under the laws of the United States or of this or any
13 other state.
14 78016. "Public agency" means the state or any department or
15 agency thereof, and a county, city, public corporation, or public
16 district of the state, including an authority formed pursuant to this
17 division.
18 78017. "Public water system" has the same meaning as defined
19 in Section 116275 of the Health and Safety Code.
20 78018. "Secretary" means the secretary of an authority.
21 78019. "State board" means the State Water Resources Control
22 Board.
23 78020. "Voter" means a voter as defined in Section 359 of the
24 Elections Code.
25 78021. "Water" includes potable water and nonpotable water.
26 78022. "Water corporation" has the same meaning as defined
27 in Section 241 of the Public Utilities Code.
28

29 PART 4. FORMATION

30 CHAPTER 1. IN GENERAL

- 31
32
33 78025. The area proposed to be served by a proposed authority
34 may consist of the service areas of one or more public agencies,
35 private water companies, or mutual water companies that need not
36 be contiguous. The area proposed to be served by a proposed
37 authority may also include one or more parcels that need not be
38 contiguous, either with each other or with the service areas of the
39 public agencies, private water companies, or mutual water
40 companies that will be served through the proposed authority.

CHAPTER 2. FORMATION PROCEEDINGS

1
2
3 78030. (a) No later than March 1, 2020, the state board shall
4 provide written notice to cure to all public agencies, private water
5 companies, or mutual water companies that meet both of the
6 following criteria:

7 (1) Operate a public water system that has either less than 3,000
8 service connections or that serves less than 10,000 people.

9 (2) Are not in compliance with one or more state or federal
10 primary drinking water standard maximum contaminant levels
11 based on a running average for the period from July 1, 2018,
12 through December 31, 2019.

13 (b) In the case of a water corporation, the state board shall
14 provide a copy of the notice to the Public Utilities Commission
15 and the Public Utilities Commission shall be responsible with the
16 state board for ensuring compliance with this part.

17 78031. An entity receiving a notice pursuant to subdivision (a)
18 of Section 78030 shall respond to the state board and, if
19 appropriate, the Public Utilities Commission, within 60 days of
20 receiving the notice as to whether the violations of drinking water
21 standards are remedied and the basis for that conclusion.

22 78032. (a) (1) If an entity receiving a notice pursuant to
23 subdivision (a) of Section 78030 reports pursuant to Section 78031
24 that a violation of drinking water standards is continuing, the entity
25 shall have 180 days from the date of the response filed with the
26 state board pursuant to Section 78031 to prepare and submit a plan
27 to the state board to permanently remedy a violation of drinking
28 water standards within a reasonable time that is not later than
29 January 1, 2025.

30 (2) The state board shall review a plan submitted pursuant to
31 paragraph (1) and, within 60 days of receipt, shall accept, accept
32 with reasonable conditions, or reject the plan.

33 (3) The state board shall not accept the plan with reasonable
34 conditions or reject the plan without meeting with the entity at
35 least 15 days before the acceptance with reasonable conditions or
36 rejection of the plan. The state board may extend the 60-day period
37 described in paragraph (2) by no more than 180 days in order to
38 allow for full consultation and collaboration between the state
39 board and the entity, with the goal of that full consultation and
40 collaboration being a mutually agreeable plan to remedy the

1 violations of drinking water standards in a timely manner. The
2 state board shall not unreasonably withhold or delay approval of
3 a plan or impose unreasonable conditions on a plan.

4 (b) If an entity receiving a notice pursuant to subdivision (a) of
5 Section 78030 has begun a remediation plan under the authority
6 of the state board, a California regional water quality control board,
7 the Public Utilities Commission, or a local agency formation
8 commission, the state board shall deem the remediation plan
9 acceptable without additional conditions.

10 (c) (1) If the state board accepts the plan or accepts the plan
11 with conditions, the entity shall provide quarterly reports to the
12 state board on progress towards a permanent remedy for the
13 violations of drinking water standards and the state board shall
14 hold an annual public hearing to consider whether progress is
15 satisfactory.

16 (2) If the state board rejects the plan or if a plan is not filed by
17 the deadline specified in paragraph (1) of subdivision (a), the state
18 board shall initiate action to do one of the following within 30
19 days:

20 (A) Cause the formation of an authority, subject to the provisions
21 of subdivision (d), by the applicable local agency formation
22 commission, in accordance with Section 78034.

23 (B) Exercise its authority to promptly cause the consolidation
24 of the entity with a public water system or take other actions to
25 remedy the failure to meet applicable drinking water standards
26 pursuant to Article 9 (commencing with Section 116650) of
27 Chapter 4 of Part 12 of Division 104 of the Health and Safety
28 Code. Consolidation or other action taken pursuant to this
29 subparagraph shall bring the water delivered to customers of the
30 public water system into full compliance with all applicable water
31 quality standards within two years of the date on which the state
32 board rejects the plan or the date the deadline specified in paragraph
33 (1) of subdivision (a) is missed. The two-year period may be
34 extended for a reasonable time to allow for the construction of
35 new or improved infrastructure only upon an affirmative vote of
36 a majority of the members of the state board after notice and public
37 hearing.

38 (C) Use existing funding sources and existing legal authority
39 to remedy the failure to meet applicable drinking water standards.

1 (3) Before initiating action pursuant paragraph (2), the state
2 board shall make all of the following findings:

3 (A) The continued operation of the public water system in its
4 current condition is a threat to public health and safety.

5 (B) The public water system lacks the financial, managerial, or
6 technical resources required to remedy the violation of state or
7 federal primary drinking water standards, which results in the
8 entity's inability to remain operationally viable as a public water
9 system.

10 (C) There is no reasonable alternative that would protect the
11 public drinking water supplies of the public water system.

12 (d) Before causing the formation of an authority by the
13 applicable local agency formation commission, the state board
14 shall provide the entity with a period of 15 business days from the
15 date on which the state board issues a written determination
16 rejecting the plan to file a petition for reconsideration. The state
17 board shall, if so requested by the entity, hold an evidentiary
18 hearing under the provisions of the Administrative Procedure Act
19 that shall commence within 90 days of the date on which the
20 petition for reconsideration is filed with the state board and shall
21 issue a final order not later than 60 days after the close of the
22 evidentiary hearing. If the entity does not request an evidentiary
23 hearing, the state board shall issue a final order not later than 60
24 days after the date on which the entity files its petition for
25 reconsideration.

26 (e) If the state board and the Public Utilities Commission reject
27 the plan of a water corporation regulated by the commission, the
28 commission shall proceed with the consolidation or receivership,
29 or both, under the commission's existing programs, or, in
30 consultation with the state board, the commission shall cause the
31 dissolution and transfer of assets of the water corporation into an
32 authority pursuant to paragraph (2) of subdivision (a) of Section
33 78037.

34 78033. (a) (1) No later than July 1, 2021, the state board shall
35 provide written notice to each county, city, water district, private
36 water company, or mutual water company located within a county
37 where an entity receiving a notice under subdivision (a) of Section
38 78030 is located stating that the state board may consider the
39 formation of an authority within that county and inviting other

1 public water suppliers to consider a voluntary dissolution and
2 subsequent inclusion into the authority that may be formed.

3 (2) (A) An entity wishing to consolidate into a proposed
4 authority shall provide a written statement opting into an authority
5 to the administrator of the authority on or before December 31,
6 2021. After the formation of an authority, an entity wishing to join
7 an authority may do so by means of a proposal or petition to the
8 local agency formation commission pursuant to the
9 Cortese-Knox-Hertzberg Local Government Reorganization Act
10 of 2000 (Division 3 (commencing with Section 56000) of Title 5
11 of the Government Code).

12 (B) (i) The customers of an entity identified in paragraph (1)
13 may submit a petition to the administrator of a proposed authority
14 on or before December 31, 2021, that their public water system
15 be included in the proposed authority by filing a petition containing
16 the signatures of either of the following, whichever is less:

17 (I) One thousand residents of the area served by the public water
18 system

19 (II) Ten percent of the service connections of the public water
20 system.

21 (ii) If a petition is timely submitted under this subparagraph,
22 the administrator shall deem that petition to be a request by the
23 entity to be included within the authority. The administrator may
24 deny the request if the administrator determines that including the
25 entity would substantially increase the costs for other anticipated
26 customers of the authority or if the administrator determines that
27 the consolidation of the water systems cannot be accomplished in
28 a successful manner in a reasonable period of time, taking into
29 account economic, environmental, legal, social and technological
30 factors.

31 (b) On or before November 1, 2021, a county or city receiving
32 notice from the state board pursuant to subdivision (a) shall
33 determine whether any county service areas, county waterworks
34 districts, or other dependent special districts providing water
35 service or water and sewer service located within the county that
36 provide water service or water and sewer service only in the
37 proposed area of the authority should be included within the
38 proposed authority. If the governing board of the county or city
39 determines that the dependent special district should be included
40 within the proposed authority, the county or city shall provide a

1 written statement on behalf of the dependent special district opting
2 into an authority to the administrator of the authority on or before
3 December 1, 2021. After the formation of an authority, a county
4 or city that concludes that a dependent special district should be
5 consolidated into an authority shall make a proposal or petition to
6 the local agency formation commission for the consolidation
7 pursuant to the Cortese-Knox-Hertzberg Local Government
8 Reorganization Act of 2000 (Division 3 (commencing with Section
9 56000) of Title 5 of the Government Code).

10 (c) An authority may include areas that are not contiguous.

11 (d) No later than November 1, 2021, the administrator for an
12 authority shall consult with all entities identified pursuant to
13 subdivision (a) to provide advice as to the advantages and
14 disadvantages of opting into being included in the authority.

15 78034. (a) No later than 30 days after determining that an
16 authority shall be formed pursuant to Section 78032, the state board
17 shall notify a local agency formation commission of a county where
18 the public water system that submitted the plan is located, and, if
19 appropriate given the governance of the public water system, the
20 Public Utilities Commission, that it has determined that the public
21 water system shall be consolidated into an authority.

22 (b) No later than 60 days after determining that an authority
23 shall be formed, the state board shall do both of the following:

24 (1) Notify the appropriate state agency identified in subdivision
25 (a) of the public water systems that will be consolidated into an
26 authority.

27 (2) Appoint an independent administrator pursuant to Section
28 ~~78035~~ 78036 for each proposed authority who shall be responsible
29 for the preparation of a plan for service and interim administration
30 and management of the authority.

31 78035. (a) On or before March 1, 2022, the administrator,
32 after consultation with the executive officer of the local agency
33 formation commission, shall submit to the state board a conceptual
34 formation plan that includes all of the following:

35 (1) The public water system service areas to be served by the
36 authority.

37 (2) The population to be served by the authority.

38 (3) The available infrastructure to be used by the authority and
39 any known deficiencies.

- 1 (4) The recorded violations of drinking water standards and the
2 nature of the threat to public health and safety.
- 3 (5) Financial and operational provisions to be addressed in the
4 plan for service pursuant to Section 78038.
- 5 (6) A plan for the provision of safe and clean water supplies to
6 the customers of the public water system being included in the
7 authority from the date of submission until the date upon which
8 all infrastructure repair, construction, rehabilitation, or
9 reconstruction needed to provide safe and clean drinking water is
10 completed.
- 11 (b) The state board shall provide comments on the conceptual
12 formation plan to the administrator and applicable local agency
13 formation commission within 60 days of its receipt.
- 14 (c) The state board or an authority may determine the legality
15 of the existence of the authority or validate the financial provisions
16 of an interim plan in an action brought pursuant to Chapter 9
17 (commencing with Section 860) of Title 10 of Part 2 of the Code
18 of Civil Procedure.
- 19 78036. (a) On or before March 1, 2021, the state board shall
20 establish and publish a list of individuals who meet the
21 qualifications in subdivision (e) to serve as administrators pursuant
22 to this division.
- 23 (b) A single administrator may provide services to several
24 authorities if, in the judgment of the state board, the services can
25 be provided in a manner that achieves the purposes of this division.
- 26 (c) An administrator, who may be an employee of a consulting
27 firm, shall provide or contract for administrative and managerial
28 service to establish the authority, retain staff and consultants, and
29 commence the remediation of the violations of drinking water
30 standards.
- 31 (d) The state board shall bear the cost of the administrator and
32 be responsible for all compensation of and reasonable expenses
33 incurred by the administrator for the duration of the period that
34 the administrator serves the authority.
- 35 (e) The minimum qualifications and selection process for an
36 administrator appointed by the state board pursuant to this division
37 shall be consistent with the minimum qualifications and selection
38 process for administrators appointed in accordance with paragraph
39 (1) of subdivision (m) of Section 116686 of the Health and Safety
40 Code.

1 (f) An administrator shall serve at the pleasure of the state board
2 until whichever of the following dates occurs earlier:

3 (1) The local agency formation commission issues a notice of
4 completion of the plan for service pursuant to Section 78038.

5 (2) Three years from the date that the local agency formation
6 commission forms an authority.

7 (3) No sooner than 30 days after the appointment of a general
8 manager by the board of the authority, at which date the services
9 of the administrator shall be terminated.

10 78037. (a) (1) No later than 240 days after the state board
11 issues a notice pursuant to paragraph (1) of subdivision (b) of
12 Section 78034, the Public Utilities Commission shall order the
13 dissolution of the public water system and the transfer of all assets
14 of the water corporation subject to this paragraph to the authority
15 formed by the local agency formation commission.

16 (2) No later than 240 days after the state board issues a notice
17 pursuant to paragraph (1) of subdivision (b) of Section 78034, the
18 state board shall petition a court of competent jurisdiction for an
19 order dissolving any mutual water company, water corporation,
20 or private corporation that has been operating a public water system
21 identified in subdivision (a) of Section 78034 and transferring the
22 assets of that company or corporation to the authority formed by
23 the local agency formation commission.

24 (b) An owner or shareholder of a water corporation or a mutual
25 water company consolidated into an authority pursuant to
26 subdivision (a) shall be compensated as follows:

27 (1) Within 180 days of the dissolution, the state board shall
28 cause to be prepared a distressed business valuation to determine
29 the net fair market value of the corporation or company, calculated
30 as follows: *follows, with repayment by an authority as described*
31 *in paragraph (4):*

32 (A) The assets of the water corporation or mutual water company
33 shall be calculated by estimating the net book value of all assets,
34 including, but not limited to, cash and investments, receivables,
35 prepaid expenses, water in storage, real property, water rights,
36 structures and improvements, equipment, general facilities, and
37 other assets.

38 (B) Notwithstanding subparagraph (A), water rights shall be
39 appraised at their market value if both of the following
40 requirements are met:

1 (i) The water rights provide for the extraction of groundwater
2 in a groundwater basin that has been fully adjudicated and wherein
3 the production right of the water corporation or mutual water
4 company has been determined in that adjudication.

5 (ii) The market valuation is calculated so as to exclude any
6 capital or operating costs that may be required to bring the water
7 being produced under the water right into full compliance with all
8 state and federal law.

9 (C) The liabilities of the water corporation or mutual water
10 company shall be calculated by estimating the financial liabilities,
11 including, but not limited to, accounts payable, unfunded pension
12 or other benefit liabilities, notes payable, bonds payable, as well
13 as outstanding fines, fees, or other assessments for drinking water
14 or other public health violations, estimated costs for outstanding
15 litigation and other anticipated liabilities, and the estimated costs
16 to bring all structures and works into good repair and in compliance
17 with contemporary water infrastructure and drinking water
18 standards.

19 (2) Upon issuance by the state board of the distressed business
20 valuation determining the net fair market value, the authority may
21 seek an order for immediate possession of all of the assets and
22 liabilities of the corporation or company using the procedures set
23 forth in Article 3 (commencing with Section 1255.410) of Chapter
24 6 of Title 7 of Part 3 of the Code of Civil Procedure. A court shall
25 grant immediate possession if the court determines that the
26 procedures in this section have been followed. Judicial review of
27 the determinations by the state board shall be based on substantial
28 evidence in the record before the state board.

29 (3) If an owner or shareholder disputes the distressed business
30 valuation of the state board, the owner or shareholder may file an
31 action pursuant to Section 1094.5 of the Code of Civil Procedure
32 seeking a writ of mandate overturning the valuation. An action
33 pursuant to this paragraph shall have preference in the civil
34 calendar.

35 (4) Payment of the net fair market value of the water corporation
36 or mutual water company, with interest accruing from the effective
37 date of dissolution, shall be paid by the authority within two years
38 of the authority's formation from the proceeds of bond sales or
39 other available funds derived from rates, fees, charges, taxes, or
40 other revenue sources.

1 (5) The authority shall assume all obligations and liabilities of
2 the public water system. After paying the net fair market value to
3 the owners or shareholders of a water corporation or mutual water
4 company, the authority may receive financing from the state to
5 pay all liabilities. The authority shall issue bonds to repay the state
6 with interest for those liabilities pursuant to Part 8 (commencing
7 with Section 78100).

8 (c) At the time a water corporation or a mutual water company
9 is dissolved and consolidated into an authority pursuant to
10 subdivision (a), if there is pending any action in state or federal
11 court or other judicial proceeding brought or maintained by the
12 water corporation or mutual water company for damages to
13 property associated with contamination or pollution of its water
14 supply against one or more responsible parties, both of the
15 following apply:

16 (1) The water corporation's or mutual water company's rights,
17 interests, claims, and causes of action in the action or proceeding
18 shall be deemed transferred, as that term is used in Section 954 of
19 the Civil Code and Section 368.5 of the Code of Civil Procedure,
20 to the authority.

21 (2) The authority shall assume any and all contractual
22 obligations of the water corporation or mutual water company
23 owed to any attorney or law firm in connection with the attorney's
24 or firm's representation of the water corporation or mutual water
25 company in connection with the action or proceeding.

26 78038. (a) Within 180 days after the state board provides
27 comments on the draft conceptual formation plan pursuant to
28 subdivision (b) of Section 78035, the administrator shall submit
29 an application for the dissolution and formation and proposed plan
30 for service to the local agency formation commission for review
31 and potential approval pursuant to Part 3 (commencing with
32 Section 56650) of Division 3 of Title 5 of the Government Code.
33 An application to form an authority shall include at least five public
34 water systems, unless the administrator determines that the
35 authority would be financially and operationally viable with fewer
36 than five public water systems, and may include the following:

37 (1) A public water system from a county service area or other
38 dependent special district.

39 (2) A public water system that has been meeting drinking water
40 standards and that wishes to join the proposed authority.

- 1 (3) A public water system identified by the state board as
2 chronically serving water that fails to meet drinking water standards
3 in the county in which the proposed authority will be formed.
- 4 (4) A public water system for which a petition was submitted
5 to the administrator pursuant to subparagraph (B) of paragraph (2)
6 of subdivision (a) of Section 78033 and not denied by the
7 administrator.
- 8 (b) A proposed plan for service shall include all of the following
9 information, as well as any additional information required or
10 requested by the local agency formation commission or its
11 executive officer:
- 12 (1) In the case of the formation of an authority that does not
13 involve the dissolution of an existing special district, the plan for
14 service shall include all of the following:
- 15 (A) An enumeration and description of the services currently
16 provided and to be extended to the affected territory, including the
17 level and range of those services and an indication of when those
18 services can feasibly be extended to the affected territory.
- 19 (B) An indication of any improvement or upgrading of water
20 facilities, or other conditions the authority would impose or require
21 within the affected territory.
- 22 (C) Information with respect to how the services to be provided
23 by the authority will be financed, in accordance with Articles XIII,
24 XIII A, XIII C, and XIII D and any other applicable provisions of
25 the California Constitution, that shall include all of the following:
- 26 (i) The necessary financial resources to improve or upgrade
27 water facilities or other infrastructure identified in the formation
28 application.
- 29 (ii) A discussion of the economies of scale that accrue when
30 several small organizations are consolidated into a single authority.
- 31 (iii) An estimated timeframe for constructing and delivering the
32 services identified in the formation application.
- 33 (iv) The operation and maintenance needs of the authority.
- 34 (v) Financial plans for the financing of capital improvements,
35 operation and maintenance of facilities, and operation of the
36 authority.
- 37 (vi) The governance, oversight, and long-term maintenance of
38 the services identified in the formation application after the initial
39 costs are recouped and any tax increment financing terminates.

1 (D) Information showing how the area currently being serviced
2 by a public water system that will be included within an authority
3 will be served with water during the period when the authority is
4 being formed until the completion of all capital improvement
5 projects needed to provide safe and clean drinking water.

6 (2) In the case of the formation of an authority that includes
7 dissolution of an existing special district, the plan for services shall
8 include all of the following:

9 (A) All of the elements required pursuant to subparagraphs (A)
10 to (C), inclusive, of paragraph (1).

11 (B) An enumeration and description of the services currently
12 provided by the special district proposed for dissolution and
13 identification of the authority proposed to be formed by the
14 successor to assume responsibility for the services following
15 completion of the dissolution.

16 (C) An enumeration and description of each service proposed
17 to be discontinued or transferred, the current financing of each
18 service, and any method of financing proposed by the successor.

19 (D) A delineation of any existing financing of services currently
20 provided to include, but not be limited to, bonds, assessments,
21 general taxes, special taxes, other charges, and joint powers
22 authorities or agreements.

23 (E) Information about any current bankruptcy proceeding,
24 including, but not limited to, the status and exit plan.

25 (F) Information about any current order relating to services
26 provided by the special district proposed for dissolution by any
27 agency, department, office, or other division of the state, including,
28 but not limited to, a cease and desist order or water prohibition
29 order.

30 (G) Information showing how the area currently being serviced
31 by a public water system that will be included within an authority
32 will be served with water during the period when the authority is
33 being formed until the completion of all capital improvement
34 projects needed to provide safe and clean drinking water.

35 (H) Any other information that the local agency formation
36 commission or its executive officer may deem necessary to evaluate
37 the plan for services submitted.

38 (3) A statement by the administrator that the administrator has
39 consulted with representatives of the entities whose customers will
40 be served by the authority to consider the plan for service.

- 1 (c) (1) If the administrator determines that the formation of an
2 authority would be infeasible for financial, technical, or operational
3 reasons, or would not provide the necessary economies of scale
4 or operating benefits, the administrator may set forth those
5 conclusions in a report to the state board in lieu of submitting a
6 plan for service to the local agency formation commission.
- 7 (2) The report to the state board shall be submitted at the same
8 time that the administrator would have submitted the application
9 for consolidation to the local agency formation commission.
- 10 (3) If the state board receives notice from the administrator
11 pursuant to paragraph (1), the state board shall, based on substantial
12 evidence, determine whether the following conditions are present:
- 13 (A) The continued operation of the public water system in its
14 current condition is a threat to public health and safety.
- 15 (B) The public water system lacks the financial, managerial, or
16 technical resources required to remedy the violation of state or
17 federal primary drinking water standards, which results in the
18 entity's inability to remain operationally viable as a public water
19 system.
- 20 (4) If the state board makes both of the findings in paragraph
21 (3), the state board shall do either of the following:
- 22 (A) Exercise its authority to remedy the failure to meet
23 applicable drinking water standards pursuant to Article 9
24 (commencing with Section 116650) of Chapter 4 of Part 12 of
25 Division 104 of the Health and Safety Code.
- 26 (B) Use existing funding sources and existing legal authority
27 to remedy the failure to meet applicable drinking water standards.
- 28 (d) (1) If the local agency formation commission approves the
29 plan and the formation of the authority, the authority shall take the
30 appropriate actions to comply with the plan, subject to Articles
31 XIII, XIII A, XIII C, and XIII D and any other applicable
32 provisions of the California Constitution.
- 33 (2) If the local agency formation commission approves the plan
34 and the formation of the authority with modifications, the authority
35 shall take the appropriate actions to comply with the modifications
36 within 180 days of the plan's approval with modifications in
37 accordance with Articles XIII, XIII A, XIII C, and XIII D and any
38 other applicable provisions of the California Constitution.
- 39 (3) An authority subject to paragraph (1) or (2) shall file a
40 statement, under penalty of perjury, with the executive officer of

1 the local agency formation commission certifying compliance with
2 the plan. An authority shall take the appropriate actions to comply
3 with Articles XIII, XIII A, XIII C, and XIII D and any other
4 applicable provisions of the California Constitution and shall file
5 a statement, under penalty of perjury, with the executive officer
6 of the local agency formation commission certifying the
7 compliance. Within 30 days of filing a statement, the executive
8 officer of the local agency formation commission shall issue a
9 notice of completion to the authority and send a copy of that notice
10 to the state board. In the event that the authority fails to timely file
11 a statement certifying compliance with the plan, the state board
12 may issue an order to the authority requiring the filing or other
13 remedial action as may be appropriate.

14 (e) An authority is deemed to be a successor agency to an entity
15 identified in subdivision (a) of Section 78030. An action described
16 in this chapter shall not affect an authority's eligibility or priority
17 for a state loan or grant.

18 78039. Division 13 (commencing with Section 21000) of the
19 Public Resources Code does not apply to either of the following:

20 (a) The formation of an authority pursuant to this chapter.

21 (b) The dissolution of a public water system pursuant to this
22 chapter.

23 78040. (a) Annually for the first three years after the date of
24 an authority's formation by the local agency formation commission,
25 an authority shall file a report with the local agency formation
26 commission and state board as follows:

27 (1) The report shall contain both of the following:

28 (A) A description of operations over the past year.

29 (B) Details of any violations of drinking water standards and
30 the actions taken to remediate a violation.

31 (2) The administrator or, after the discharge of the administrator,
32 the general manager of the authority shall submit the report.

33 (3) A certificate stating that the report consists of a true, full,
34 and complete description of the activities of the authority during
35 the past year shall accompany the report.

36 (b) A local agency formation commission shall hold a public
37 hearing within 90 days of receipt of a report pursuant to subdivision
38 (a) to review the authority's performance during the previous year.
39 If a report states that an authority has failed to comply with any
40 conditions imposed by the commission on either the original

1 formation or the plan for service adopted pursuant to Section
2 78038, the state board may order the authority to remedy the
3 violations within a reasonable period of time. If an authority fails
4 to timely comply with a remedial order by the state board, the state
5 board may impose a civil penalty on the authority in an amount
6 not to exceed five hundred dollars (\$500) per day for each violation
7 and not to exceed ten thousand dollars (\$10,000) per year for each
8 particular violation.

9 ~~78041. (a) No later than January 1, 2026, the Controller shall~~
10 ~~prepare, or cause the preparation of, and submit to the Legislature~~
11 ~~a report that does all of the following:~~

12 ~~(1) Reviews and evaluates the startup operations of the~~
13 ~~authorities, in terms of timeliness and cost-effective provision of~~
14 ~~safe and clean water.~~

15 ~~(2) Evaluates the fiscal and operational health of the authorities.~~

16 ~~(3) Makes a recommendation regarding the need for~~
17 ~~supplemental state funding, if any, and the potential sources of~~
18 ~~that funding.~~

19 ~~(b) In preparing the report, the Controller may consult with any~~
20 ~~individual or organization the Controller deems appropriate,~~
21 ~~including, but not limited to, the state board, the Association of~~
22 ~~California Water Agencies, the California Association of Local~~
23 ~~Agency Formation Commissions, the California Municipal Utilities~~
24 ~~Association, the California Association of Mutual Water~~
25 ~~Companies, or the California State Association of Counties.~~

26 ~~(c) (1) A report to be submitted pursuant to subdivision (a)~~
27 ~~shall be submitted in compliance with Section 9795 of the~~
28 ~~Government Code.~~

29 ~~(2) Pursuant to Section 10231.5 of the Government Code, the~~
30 ~~requirement for submitting a report imposed under subdivision (a)~~
31 ~~is inoperative on January 1, 2030.~~

32 *78041. (a) (1) Following the formation of the authorities, the*
33 *Controller shall perform an audit of the fiscal and operational*
34 *health of each authority. The Controller shall prepare and submit*
35 *the results of the audits to the Legislature, no later than January*
36 *1, 2026, in the form of a report.*

37 *(2) An authority shall make sufficient records available, as*
38 *necessary, for the Controller to complete the audit. These records*
39 *shall include, but are not limited to, financial statements prepared*

1 *in accordance with generally accepted accounting principles and*
2 *related source documents.*

3 (3) *Each authority shall reimburse the Controller for all costs*
4 *associated with conducting the fiscal and operational audit of that*
5 *authority.*

6 (b) (1) *A report submitted pursuant to paragraph (1) of*
7 *subdivision (a) shall be submitted in compliance with Section 9795*
8 *of the Government Code.*

9 (2) *Pursuant to Section 10231.5 of the Government Code, the*
10 *requirement for submitting a report imposed under paragraph (1)*
11 *of subdivision (a) is inoperative on January 1, 2030.*

12 78042. (a) No later than January 1, 2026, the state board shall
13 prepare and submit to the Legislature a report specifying the
14 number of public water systems that, at any time between July 1,
15 2018, and January 1, 2025, were out of compliance with one or
16 more state or federal primary drinking water standards on a running
17 annual average. The report shall identify the public water systems
18 that satisfy any of the following conditions:

19 (1) Were brought into compliance with the applicable drinking
20 water standards through the creation of an authority pursuant to
21 this division.

22 (2) Were brought into compliance with the applicable drinking
23 water standards pursuant to Article 9 (commencing with Section
24 116650) of Chapter 4 of Part 12 of Division 104 of the Health and
25 Safety Code.

26 (3) Remain out of compliance with the applicable drinking water
27 standards.

28 (b) For those public water systems that remain out of compliance
29 with those standards as of January 1, 2025, the report shall propose
30 one or more plans that will, using financial and other resources
31 then available to the state board to the greatest extent feasible,
32 bring those public water systems into compliance with the
33 applicable drinking water standards by January 1, 2029.

34 (c) (1) A report to be submitted pursuant to subdivision (a)
35 shall be submitted in compliance with Section 9795 of the
36 Government Code.

37 (2) Pursuant to Section 10231.5 of the Government Code, the
38 requirement for submitting a report imposed under subdivision (a)
39 is inoperative on January 1, 2030.

1 PART 5. INTERNAL ORGANIZATION

2
3 CHAPTER 1. DIRECTORS

4
5 78045. (a) The initial board of an authority shall consist of an
6 odd number of directors composed as follows:

7 (1) One representative from each entity consolidated into the
8 authority appointed by the entity before its dissolution.

9 (2) One representative from the board of supervisors.

10 (3) Additional directors, as needed, appointed by the board of
11 supervisors to comprise at least a five-member board of directors,
12 if one of the entities does not appoint a director.

13 (b) The public water system representatives in consultation with
14 the administrator shall determine the final number of directors that
15 will compose the initial board if it will consist of more than five
16 members because of the number of former public water systems
17 included in the authority. If the number of directors cannot be
18 agreed upon by the representatives of the public water systems
19 that will become part of the authority in a timely manner, the local
20 agency formation commission shall determine the number of
21 directors that will compose the initial board.

22 (c) If the initial board consists of five members, the directors
23 shall classify themselves by lot so that two of them shall hold office
24 until the qualification of their successors after the first general
25 district election and three of them shall hold office until the election
26 and qualification of their successors and the second general district
27 election. If the initial board of directors consists of more than five
28 members, the local agency formation commission shall provide
29 for the classification of directors so as to provide that not more
30 than a majority of the directors stand for election every two years.

31 (d) If the initial board consists of more than five members, the
32 administrator shall include, as part of the plan for service, after
33 consultation with the representatives of public water systems, and
34 the local agency formation commission shall include, as part of
35 the order forming the authority, a transitional plan that will bring
36 the number of directors to five within a reasonable period of time.
37 To the extent practicable, the transitional plan shall ensure that
38 each director represents a division with equal population being
39 served by the authority and that the final divisions are drawn so

1 as to ensure that each director represents a division with equal
2 population being served by the authority.

3 78046. (a) A director shall be a resident of the area served by
4 the authority. To the extent practicable, a director shall represent
5 a division with equal population being served by the authority. If
6 a director moves residence, as defined in Section 244 of the
7 Government Code, outside of the area served by the authority, the
8 director shall have 180 days after the move to reestablish a place
9 of residence within the area served by the authority. If a director
10 cannot establish a place of residence, it shall be presumed that a
11 permanent change of residence has occurred and that a vacancy
12 exists on the board of directors pursuant to Section 1770 of the
13 Government Code.

14 (b) Each elected director shall hold office for a term of four
15 years. A director elected to office shall take office at noon on the
16 first Friday in December succeeding the director's election.

17 (c) Whenever a vacancy occurs in the office of director it shall
18 be filled pursuant to Section 1780 of the Government Code by a
19 qualified person.

20 78047. Notwithstanding Section 20201, a director shall receive
21 compensation in an amount not to exceed two hundred fifty dollars
22 (\$250) per day for each day's attendance at meetings of the board
23 or for each day's service rendered as a director by request of the
24 board, not exceeding a total of 10 days in any calendar month,
25 together with any expenses incurred in the performance of the
26 director's duties required or authorized by the board. For purposes
27 of this section, the determination of whether a director's activities
28 on any specific day are compensable shall be made pursuant to,
29 and reimbursement for these expenses is subject to, Article 2.3
30 (commencing with Section 53232) of Chapter 2 of Part 1 of
31 Division 2 of Title 5 of the Government Code. The board may
32 adjust the compensation for directors pursuant to Chapter 2
33 (commencing with Section 20200) of Division 10.

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36

CHAPTER 2. THE BOARD

37 78050. (a) The board is the governing body of the authority.

38 (b) The board shall hold its first meeting as soon as possible
39 after the selection of the first board of directors and not later than
40 the sixth Monday after the date of the formation.

1 (c) At its first meeting, the board shall provide for the time and
2 place of holding its meetings and the manner in which its special
3 meetings may be called.

4 (d) At its first meeting, and its first meeting in the month of
5 January of each odd-numbered year, the board shall elect one of
6 its members as president. The board may, at any meeting, elect
7 one of its members as vice president. If the president is absent or
8 unable to act, the vice president shall exercise the powers of the
9 president granted in this division.

10 (e) A majority of the board shall constitute a quorum for the
11 transaction of business. However, no ordinance, motion, or
12 resolution may become effective without the affirmative vote of
13 a majority of the members of the board.

14 (f) The board shall act only by ordinance, resolution, or motion.
15 Votes of the members of the board shall not be cast or exercised
16 by proxy.

17 (g) On all ordinances the roll shall be called and the ayes and
18 noes shall be recorded in the journal of the proceedings of the
19 board.

20 (h) The board may adopt resolutions or motions by voice vote,
21 but on demand of any member of the board, the roll shall be called.

22 (i) The board may destroy a record pursuant to Chapter 7
23 (commencing with Section 60200) of Division 1 of Title 6 of the
24 Government Code.

25 78051. (a) The board shall exercise and perform all powers,
26 privileges, and duties of an authority.

27 (b) Any executive, administrative, and ministerial powers may
28 be delegated and redelegated by the board to any of the offices
29 created by this division or by the board.

30 (c) The board may fix the time and place or places at which its
31 regular meetings will be held and shall provide for the calling and
32 holding of special meetings.

33 (d) The board may fix the location of the principal place of
34 business of the authority and the location of all offices and
35 departments maintained under this division.

36 (e) The board may, by ordinance, prescribe a system of business
37 administration.

38 (f) The board may create any necessary offices and establish
39 and reestablish the powers, duties, and compensation of all officers
40 and employees.

- 1 (g) The board may require and fix the amount of all official
2 bonds necessary for the protection of the funds and property of
3 the authority.
- 4 (h) The board may, by ordinance, prescribe a system of civil
5 service.
- 6 (i) The board may, by ordinance, delegate and redelegate to the
7 officers of the authority the power to employ clerical, legal, and
8 engineering assistants and labor.
- 9 (j) The board may prescribe a method of auditing and allowing
10 or rejecting claims and demands.
- 11 (k) The board shall designate a depository or depositories to
12 have the custody of the funds of the authority, all of which
13 depositories shall give security sufficient to secure the authority
14 against possible loss, and who shall pay the warrants drawn by the
15 authority's treasurer for demands against the authority under any
16 rules the directors may prescribe.
- 17 (l) An authority may issue bonds, borrow money, and incur
18 indebtedness as authorized by law.
- 19 (m) An authority may refund bonds, loans, or indebtedness by
20 the issuance of the same obligations following the same procedure
21 or retire any indebtedness or lien that may exist against the
22 authority or its property.
- 23 (n) An authority may insure its directors, officers, assistants,
24 employees, agents, and deputies for injury, death, or disability
25 incurred while engaged in the business of the authority and the
26 cost of the insurance is a proper charge against the authority. The
27 insurance is in addition to any compensation secured under the
28 provisions of Division 4 (commencing with Section 3200) of the
29 Labor Code and insuring to the benefit of the director, officer,
30 deputy, assistant, employee, or agent, or their beneficiary or heir.
31 78052. Within 180 days of its initial meeting after formation,
32 the board shall file a certificate with the Secretary of State that
33 includes all of the following:
- 34 (a) The name of the authority.
- 35 (b) The date of formation.
- 36 (c) Any county in which the authority is located and a legal
37 description of the boundaries of the authority, a reference to a map
38 showing the boundaries of the authority, or a reference to a map
39 on file with a county recorder's office showing the boundaries of
40 the authority.

1 (d) An identification of all of the public agencies, water
2 corporations, or mutual water companies that were consolidated
3 into the authority.

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5 CHAPTER 3. OFFICERS AND EMPLOYEES
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7 78055. (a) At its first meeting, or as soon as practicable, the
8 board shall appoint, by a majority vote, a secretary, treasurer,
9 attorney, general manager, and auditor. The board, at any meeting,
10 may appoint a deputy secretary and a deputy treasurer. The board
11 shall define the duties of these officers and fix their compensation.
12 Each officer shall serve at the pleasure of the board. A deputy
13 director, deputy secretary, attorney, general manager, and auditor
14 shall not be directors, but the secretary and treasurer may be
15 directors.

16 (b) The officers appointed pursuant to subdivision (a) shall,
17 until such time as the local agency formation commission issues
18 a notice of completion, pursuant to Section 78038, take direction
19 from the administrator appointed by the state board.

20 (c) The board may employ additional assistants, contractors,
21 and employees as the board deems necessary to efficiently maintain
22 and operate the authority.

23 (d) The board may consolidate the offices of secretary and
24 treasurer.

25 78056. (a) The president and secretary, in addition to the duties
26 imposed on them by law, shall perform any duties that may be
27 imposed on them by the board.

28 (b) The treasurer, or other person as may be authorized by the
29 board, shall draw checks or warrants to pay demands when the
30 demands have been audited and approved in the manner prescribed
31 by the board.

32 (c) Subject to the approval of the board, the general manager
33 shall have full charge and control of the maintenance, operation,
34 and construction of the waterworks or waterworks system of the
35 authority, with full power and authority to employ and discharge
36 all employees and assistants, other than those described in
37 subdivision (a) of Section 78055, at pleasure, prescribe their duties,
38 and fix their compensation.

39 (d) The general manager shall perform duties as may be imposed
40 on the general manager by the board. The general manager shall

1 report to the board in accordance with the rules and regulations
2 adopted by the board.

3 (e) The attorney shall be the legal adviser of the authority and
4 shall perform any other duties that may be prescribed by the board.

5 (f) The general manager, secretary, and treasurer, and other
6 employees or assistants of the authority designated by the board,
7 shall give any bonds to the authority conditioned for the faithful
8 performance of their duties that the board from time to time may
9 provide. The premiums on the bonds shall be paid by the authority.

10

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PART 6. ELECTIONS

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13 78060. Elections shall be conducted pursuant to the provisions
14 of the Uniform District Election Law (Part 4 (commencing with
15 Section 10500) of Division 10 of the Elections Code).

16

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PART 7. POWERS AND PURPOSES

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CHAPTER 1. POWERS GENERALLY

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21 78065. An authority may exercise the powers that are expressly
22 granted by this division or are necessarily implied.

23 78066. An authority may have perpetual succession. An
24 authority may adopt a seal and alter it at pleasure.

25 78067. An authority may make contracts, employ labor, and
26 do all acts necessary for the full exercise of its powers.

27 78068. (a) An authority may provide by ordinance for the
28 pensioning of officers or employees, for the terms and conditions
29 under which the pensions shall be awarded, and for the time and
30 extent of service of officers or employees before the pensions shall
31 be available to them.

32 (b) An authority may contract with any insurance corporation,
33 the Public Employees' Retirement System, or any other insurance
34 carrier for the maintenance of a service covering the pension of
35 the authority officers or employees and for their health and accident
36 insurance coverage.

37 78069. An authority may disseminate information concerning
38 the rights, properties, and activities of the authority. The power
39 shall not be construed as an exception to the California Public

1 Records Act (Chapter 3.5 (commencing with Section 6250) of
2 Division 7 of Title 1 of the Government Code).

3 78070. An authority may, by resolution, obtain membership
4 in an association having for its purpose the furtherance of a subject
5 relating to the powers and duties of the authority and for the
6 interchange of information relating to those powers and duties. An
7 authority may appropriate the funds necessary for these purposes.

8 78071. An authority may, by resolution of the board of directors
9 spread on its minutes, change the name of the authority. Certified
10 copies of the resolution changing the name of the authority shall
11 be recorded in the office of the county recorder of every affected
12 county and sent to the county clerk of every affected county and
13 to the state board.

14 78072. Every person convicted of an infraction for a violation
15 of any local ordinance or regulation adopted pursuant to this
16 division shall be punished upon a first conviction by a fine not
17 exceeding fifty dollars (\$50) and for a second conviction within a
18 period of one year by a fine of not exceeding one hundred dollars
19 (\$100) and for a third or any subsequent conviction within a period
20 of one year by a fine of not exceeding two hundred fifty dollars
21 (\$250).

22 78073. (a) In order to enforce the provisions of any ordinance
23 of the authority, including an ordinance fixing charges for the
24 furnishing of commodities or services, the authority may correct
25 any violation of an ordinance of the authority. The authority may
26 also petition the superior court for the issuance of a preliminary
27 or permanent injunction, or both, as may be appropriate, restraining
28 any person from the continued violation of any ordinance of the
29 authority or for the issuance of an order stopping or disconnecting
30 a service if the charges for that service are unpaid at the time
31 specified in the ordinance.

32 (b) The authority may enter upon the private property of any
33 person within the jurisdiction of the authority in order to investigate
34 possible violations of an ordinance of the authority. The
35 investigation shall be made with the consent of the owner or tenant
36 of the property or, if consent is refused, with a warrant duly issued
37 pursuant to the procedures set forth in Title 13 (commencing with
38 Section 1822.50) of Part 3 of the Code of Civil Procedure, except
39 that, notwithstanding Section 1822.52 of the Code of Civil
40 Procedure, the warrant shall be issued only upon probable cause.

1 (c) The authority shall notify the county or city building
2 inspector, county health inspector, or other affected county or city
3 employee or office, in writing, within a reasonable time if an actual
4 violation of an authority, city, or county ordinance is discovered
5 during the investigation.

6
7 CHAPTER 2. WATER
8

9 78075. (a) An authority may acquire, control, distribute, store,
10 spread, sink, treat, purify, recycle, recapture, and salvage any water,
11 including sewage and stormwater, for the beneficial use of the
12 authority.

13 (b) An authority may undertake a water conservation program
14 to reduce water use and may require, as a condition of new service,
15 that reasonable water-saving devices and water reclamation devices
16 be installed to reduce water use.

17 (c) An authority may sell water under its control, without
18 preference, to cities, other public corporations, agencies, and
19 persons, within the authority for use within the authority.

20 (d) An authority may fix the rates at which water shall be sold.
21 Different rates may be established for different classes or conditions
22 of service, but rates shall be uniform throughout the authority for
23 like classes and conditions of service. Rates fixed by an authority
24 shall result in revenues that will do all of the following:

25 (1) Pay the operating expenses of the authority.

26 (2) Provide for repairs and depreciation of works.

27 (3) Provide a reasonable surplus for improvements, extensions,
28 and enlargements.

29 (4) Pay the interest on any bonded debt.

30 (5) Provide a sinking or other fund for the payment of the
31 principal of the bonded debt as it becomes due.

32 (e) An authority furnishing water for residential use to a tenant
33 shall not seek to recover any charge or penalty for the furnishing
34 of water to or for the tenant's residential use from any subsequent
35 tenant on account of nonpayment of charges by a previous tenant.
36 The authority may require that service to subsequent tenants be
37 furnished on the account of the landlord or property owner.

38 78076. (a) Pursuant to the notice, protest, and hearing
39 requirements imposed by Section 53753 of the Government Code,
40 an authority, by ordinance on or before the third Monday in August

1 in each fiscal year, may fix a water standby assessment or
2 availability charge in the authority or in any portion of the authority
3 to which the authority makes water available, whether the water
4 is actually used or not.

5 (b) The standby assessment or availability charge shall not
6 exceed one hundred dollars (\$100) per acre per year for each acre
7 of land on which the charge is levied or one hundred dollars (\$100)
8 per year for a parcel less than one acre.

9 (c) The ordinance fixing a standby assessment or availability
10 charge shall be adopted by the board pursuant to the notice, protest,
11 and hearing procedures in Section 53753 of the Government Code
12 and only after adoption of a resolution setting forth the particular
13 schedule or schedules of charges or assessments proposed to be
14 established by ordinance and after a hearing on the resolution.

15 (d) If the procedures set forth in this section were followed, the
16 board may, by ordinance, continue the standby assessment or
17 availability charge pursuant to this chapter in successive years at
18 the same rate. If new, increased, or extended assessments are
19 proposed, the board shall comply with the notice, protest, and
20 hearing procedures in Section 53753 of the Government Code.

21 (e) An ordinance fixing a standby assessment or availability
22 charge may establish a schedule varying the charges according to
23 land uses, water uses, and degree of water availability.

24 (f) On or before the third Monday in August, the board shall
25 furnish in writing to the board of supervisors and the county auditor
26 of each affected county a description of each parcel of land within
27 the authority upon which a standby charge is to be levied and
28 collected for the current fiscal year, together with the amount of
29 standby charge fixed by the authority on each parcel of land.

30 (g) The board shall direct that, at the time and in the manner
31 required by law for the levying of taxes for county purposes, the
32 board of supervisors shall levy, in addition to any other tax it levies,
33 the standby charge in the amounts for the respective parcels fixed
34 by the board.

35 (h) All county officers charged with the duty of collecting taxes
36 shall collect authority standby charges with the regular tax
37 payments to the county. The charges shall be collected in the same
38 form and manner as county taxes are collected, and shall be paid
39 to the authority.

1 (i) Charges fixed by the authority shall be a lien on all the
2 property benefited by the charges. Liens for the charges shall be
3 of the same force and effect as other liens for taxes, and their
4 collection may be enforced by the same means as provided for the
5 enforcement of liens for state and county taxes.

6 78077. (a) An authority may restrict the use of authority water
7 during any emergency caused by drought, or other threatened or
8 existing water shortage, and may prohibit the wastage of authority
9 water or the use of authority water during periods for any purpose
10 other than household uses or other restricted uses as the authority
11 determines to be necessary. An authority may also prohibit use of
12 authority water during these periods for specific uses that it finds
13 to be nonessential.

14 (b) An authority may prescribe and define by ordinance the
15 restrictions, prohibitions, and exclusions referred to in subdivision
16 (a). The ordinance is effective upon adoption; but, within 10 days
17 after its adoption, the ordinance shall be published pursuant to
18 Section 6061 of the Government Code in full in a newspaper of
19 general circulation that is printed, published, and circulated in the
20 authority. If there is no newspaper of general circulation printed,
21 published, and circulated in the authority, the ordinance shall be
22 posted within 10 days after its adoption in three public places
23 within the authority.

24 (c) A finding by the board upon the existence, threat, or duration
25 of an emergency or shortage, or upon the matter of necessity or of
26 any other matter or condition referred to in subdivision (a), shall
27 be made by resolution or ordinance. The finding is prima facie
28 evidence of the fact or matter so found, and the fact or matter shall
29 be presumed to continue unchanged unless and until a contrary
30 finding is made by the board by resolution or ordinance.

31 (d) The finding made by the board pursuant to subdivision (c)
32 shall be received in evidence in any civil or criminal proceeding
33 in which it may be offered, and shall be proof and evidence of the
34 fact or matter found until rebutted or overcome by other sufficient
35 evidence received in the proceeding. A copy of any resolution or
36 ordinance setting forth the finding shall, when certified by the
37 secretary of the authority, be evidence that the finding was made
38 by the authority as shown by the resolution or ordinance and
39 certification.

1 (e) From and after the publication or posting of any ordinance
2 pursuant to subdivision (b), and until the ordinance has been
3 repealed or the emergency or threatened emergency has ceased, it
4 is a misdemeanor for any person to use or apply water received
5 from the authority contrary to or in violation of any restriction or
6 prohibition specified in the ordinance. Upon conviction, such a
7 person shall be punished by imprisonment in the county jail for
8 not more than 30 days, or by fine not exceeding six hundred dollars
9 (\$600), or by both.

10

11

CHAPTER 3. PROPERTY

12

13 78080. An authority may, within or without the authority, take
14 real and personal property of every kind by grant, purchase, gift,
15 device, or lease, and hold, use, enjoy, lease, or dispose of real and
16 personal property of every kind.

17

78081. An authority may do all of the following:

18

(a) Acquire, or contract to acquire, waterworks or a waterworks
19 system, waters, water rights, lands, rights, and privileges.

20

(b) Construct, maintain, and operate conduits, pipelines,
21 reservoirs, works, machinery, and other property useful or
22 necessary to store, convey, supply, or otherwise make use of water
23 for a waterworks plant or system for the benefit of the authority.

24

(c) Complete, extend, add to, repair, or otherwise improve any
25 waterworks or waterworks system acquired by the authority.

26

(d) Carry on and conduct waterworks or a waterworks system.

27

78082. An authority may lease from any person, or public
28 corporation or agency, with the privilege of purchasing or
29 otherwise, all or any part of water storage, transportation, or
30 distribution facilities, existing waterworks, or a waterworks system.

31

78083. An authority may exercise the right of eminent domain
32 to take any property necessary to supply the authority or any
33 portion of the authority with water. The authority, in exercising
34 the power, shall, in addition to the damage for the taking, injury,
35 or destruction of property, also pay the cost of removal,
36 reconstruction, or relocation of any structure, railways, mains,
37 pipes, conduits, wires, cables, or poles of any public utility that is
38 required to be removed to a new location.

39

78084. An authority may construct works along and across
40 any stream of water, watercourse, street, avenue, highway, canal,

1 ditch, or flume, or across any railway that the route of the works
2 may intersect or cross. The works shall be constructed in such a
3 manner as to afford security for life and property, and the authority
4 shall restore the crossings and intersections to their former state
5 as near as may be, or in a manner so as not to have impaired
6 unnecessarily their usefulness.

7
8 CHAPTER 4. CONTRACTS
9

10 78085. Contracts mentioned in this chapter include those made
11 with the United States under the Federal Reclamation Act of June
12 17, 1902, and all acts amendatory thereof or supplementary thereto,
13 or any other act of Congress heretofore or hereafter enacted
14 permitting cooperation.

15 78086. An authority may join with one or more public agencies,
16 private corporations, or other persons for the purpose of carrying
17 out any of the powers of the authority, and for that purpose may
18 contract with any other public agencies, private corporations, or
19 persons to finance acquisitions, construction, and operations.

20 78087. The contracts with other public agencies, private
21 corporations, or persons may provide for contributions to be made
22 by each party to the contract, for the division and apportionment
23 of the expenses of the acquisitions and operations, and for the
24 division and apportionment of the benefits, services, and products
25 from the contract. The contracts may also provide for an agency
26 to effect the acquisitions and to carry on the operations, and shall
27 provide in the powers and methods of procedure for the agency
28 the method by which the agency may contract. The contracts may
29 contain other and further covenants and agreements as may be
30 necessary or convenient to accomplish the purposes of the contract.

31
32 CHAPTER 5. CONTROVERSIES
33

34 78090. An authority may sue and be sued, except as otherwise
35 provided in this division or by law, in all actions and proceedings
36 in all courts and tribunals of competent jurisdiction.

37 78091. An authority may commence, maintain, intervene in,
38 and compromise, in the name of the authority, any action or
39 proceeding involving or affecting the ownership or use of water
40 or water rights within the authority, used or useful for any purpose

1 of the authority, or a common benefit to lands within the authority
2 or inhabitants of the authority.

3 78092. An action to determine the validity of any contract
4 authorized by Chapter 4 (commencing with Section 78085) and
5 any bonds, notes, or other evidences of indebtedness may be
6 brought pursuant to Chapter 9 (commencing with Section 860) of
7 Title 10 of Part 2 of the Code of Civil Procedure.

8 78093. All claims for money or damages against the authority
9 are governed by Part 3 (commencing with Section 900) and Part
10 4 (commencing with Section 940) of Division 3.6 of Title 1 of the
11 Government Code except as provided therein, or by other statutes
12 or regulations expressly applicable to the authority.

13 78094. To carry out the purposes of this division, an authority
14 shall have the power to commence, maintain, intervene in, defend,
15 and compromise, in the name of the authority, or as a class
16 representative of the inhabitants, property owners, taxpayers, water
17 producers, or water users within the authority, or otherwise, and
18 to assume the costs and expenses of any and all actions and
19 proceedings now or hereafter begun to determine or adjudicate all
20 or substantially all of the water rights of a basin or other hydrologic
21 unit overlain, in whole or in part, by the authority, as between
22 owners of or claimants to those rights, to prevent any interference
23 with water or water rights used or useful to the lands, inhabitants,
24 owners, operators, or producers within the authority, or to prevent
25 the diminution of the quantity or quality of the water supply of the
26 authority or the basin, or to prevent unlawful exportation of water
27 from the authority or basin.

28 78095. An authority may employ counsel to defend any action
29 brought against it or against any of its officers, agents, or
30 employees on account of any claimed action or inaction involving
31 any claimed injury, taking, damage, or destruction, and the fees
32 and expenses involved in the defense shall be a lawful charge
33 against the authority.

34 78096. If any officer, agent, or employee of the authority is
35 held liable for any act or omission in their official capacity, except
36 in case of actual fraud or actual malice, and any judgment is
37 rendered, the authority shall pay the judgment without obligation
38 for repayment by the officer, agent, or employee.

PART 8. FINANCIAL PROVISIONS

CHAPTER 1. POWERS

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78100. Article 4 (commencing with Section 53500) and Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code apply to an authority for the purpose of providing funds for the acquisition, construction, improving, or financing of any public improvement authorized by this division. For the purposes of Article 4 (commencing with Section 53500) and Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, "property" shall refer to both land and improvements with the effect that ad valorem taxes or assessments levied by an authority to repay a general obligation bond may be levied upon both land and improvements if approved by the electorate.

78101. Any money belonging to an authority may be deposited or invested and drawn out as provided in Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, as that article may be amended. References in that article to "auditor" shall mean, for the purposes of an authority, the secretary of an authority.

78102. (a) An improvement district may be formed in an authority in the same manner as an improvement district is formed in an irrigation district pursuant to Part 7 (commencing with Section 23600) of Division 11. When formed, an improvement district shall be governed and have the same powers as an improvement district in an irrigation district pursuant to Part 7 (commencing with Section 23600) of Division 11.

(b) A board shall have the same rights, powers, duties, and responsibilities with respect to the formation and government of an improvement district as the board of directors of an irrigation district has with respect to an improvement district in an irrigation district pursuant to Division 11 (commencing with Section 20500).

(c) An assessment in an improvement district in an authority shall be levied, collected, and enforced at the same time and in as nearly the same manner as practicable as annual taxes for purposes of the authority in which formed, except that the assessment shall be made in the same manner as provided with respect to an

1 improvement district in an irrigation district pursuant to Part 7
2 (commencing with Section 23600) of Division 11.

3 (d) All powers and duties of an authority may be exercised on
4 behalf of or within any improvement district formed pursuant to
5 this section.

6 (e) An authority may issue revenue bonds in accordance with
7 the Revenue Bond Law of 1941 (Chapter 6 (commencing with
8 Section 54300) of Part 1 of Division 2 of Title 5 of the Government
9 Code) on behalf of any portion of the authority created as an
10 improvement district pursuant to this section, except that the
11 issuance of revenue bonds by an authority shall not be subject to
12 the election procedures of Article 3 (commencing with Section
13 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the
14 Government Code. The board shall authorize undertaking the
15 improvement and the issuance of revenue bonds for that purpose
16 by ordinance or resolution of the board, which shall be subject to
17 referendum. If an authority issues revenue bonds on behalf of an
18 improvement district, the issuance of the revenue bonds is limited
19 to the area of the improvement district. The proceeds of any
20 revenue bonds issued on behalf of an improvement district shall
21 not be used to finance public improvements to provide service
22 outside the service area of the improvement district. Only revenue
23 derived from rates or charges for providing the service within the
24 service area of the improvement district shall be pledged or used
25 to pay for any revenue bonds issued on behalf of an improvement
26 district.

27 (f) For the purposes of subdivision (e), "service area of the
28 improvement district" means the territory of an improvement
29 district as it existed at the time of revenue bond issuance plus lands
30 outside of the improvement district, if any, being served at the
31 time of the bond issuance by the improvement district facilities,
32 and additional territory, if any, annexed to the improvement district
33 as the improvement district existed at the time of the issuance
34 election, not exceeding, in the aggregate, 40 percent by area of the
35 improvement district as the improvement district existed at the
36 time of the bond issuance.

37 78103. The authority may exercise the powers granted pursuant
38 to Division 10 (commencing with Section 8500) of the Streets and
39 Highways Code.

1 CHAPTER 2. FINANCIAL PLAN AND IMPLEMENTATION

2
3 78110. No later than one year after the date upon which an
4 authority is formed, the administrator shall prepare and submit a
5 capital improvement plan to the state board. The plan shall bring
6 the authority into full compliance with drinking water standards
7 within three years, which time may be extended by the state board
8 for good cause.

9 78111. No later than 18 months after the date upon which an
10 authority is formed, the authority shall levy an assessment, fee,
11 charge, or special tax, in accordance with Articles XIII, XIII A,
12 XIII C, and XIII D of the California Constitution, and any other
13 applicable law, to fund the ongoing operations and maintenance
14 of the public water system.

15
16 CHAPTER 3. FISCAL PROVISIONS

17
18 78115. (a) Upon appropriation by the Legislature from the
19 General Fund, or, to the extent funds are available from bond
20 revenues or other sources, including federal, state, academic, or
21 other public or private entities, the state board shall provide funding
22 for an administrator pursuant to subdivision (d) of Section 78036,
23 and for formation and startup costs of an authority for up to three
24 fiscal years after formation of the authority, as follows:

25 (1) The state board shall provide to the local agency formation
26 commission in the counties in which one or more authorities are
27 to be formed up to a total of ____ dollars (\$____) for staffing and
28 consulting resources and other reasonable expenses to implement
29 Sections 78035, 78038, ~~78040, and 78041.~~ and 78040. This amount
30 shall be for all formations of authorities pursuant to this division.

31 (2) The state board shall provide, for the administrator and
32 consulting resources under Section 78036, funding of up to a total
33 of ____ dollars (\$____). This amount shall be for all formations
34 of authorities pursuant to this division.

35 (3) The state board shall provide funding assistance to each
36 authority for three consecutive fiscal years after formation based
37 upon the plan for service approved by the local agency formation
38 commission pursuant to Section 78038 in an amount not to exceed
39 33 percent of an authority's annual projected rate revenue in the
40 first fiscal year, 20 percent of an authority's projected rate revenue

1 in the second fiscal year, and 10 percent of an authority's projected
2 rate revenue in the third fiscal year. The total funding requirement
3 for this paragraph shall not exceed _____ dollars (\$_____).

4 (4) The state board shall provide funding assistance to each
5 authority in its first fiscal year equivalent to 25 percent of an
6 authority's projected rate revenue to function as a working capital
7 reserve fund. The total funding requirement for this paragraph
8 shall not exceed _____ dollars (\$_____).

9 (b) Upon appropriation by the Legislature from the General
10 Fund, or, to the extent funds are available from bond revenues or
11 other sources, including federal, state, academic, or other public
12 or private entities, the state board shall receive up to _____ dollars
13 (\$_____) for the preparation of distressed business valuations to
14 determine the net fair market value of the water corporations or
15 mutual water companies pursuant to Section 78037.

16 (c) If the moneys specified in subdivisions (a) and (b) are not
17 sufficient to meet the statewide needs of the authorities created
18 pursuant to this division, funding shall be made available for the
19 purposes of this division upon appropriation from the Safe Drinking
20 Water State Revolving Fund created by Section 116760.30 of the
21 Health and Safety Code as follows, to the extent permitted by
22 federal law:

23 (1) Grants or loans, as applicable, for capital improvements
24 shall be deemed to be within the highest funding priority within
25 the state revolving fund. Loans shall, until January 1, 2030, be
26 awarded to an authority without interest. On and after ~~July~~ *January*
27 1, 2030, the interest on loans shall be at the lowest possible rate
28 then available.

29 (2) Grants or loans, as applicable, for technical assistance,
30 planning, or other nonconstruction-related matters other than
31 staffing or the operation and maintenance of facilities shall, until
32 January 1, 2030, be deemed to be within the highest funding
33 priority within the state revolving fund and, on and after January
34 1, 2030, shall be deemed to be within the second-highest priority
35 within the state revolving fund.

36
37 PART 9. CHANGES IN ORGANIZATION

38
39 78120. Provided that a change in organization is consistent
40 with this division, a change in organization shall be carried out as

1 set forth in the Cortese-Knox-Hertzberg Local Government
2 Reorganization Act of 2000 (Division 3 (commencing with Section
3 56000) of Title 5 of the Government Code).

4 SEC. 9. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution for certain
6 costs that may be incurred by a local agency or school district
7 because, in that regard, this act creates a new crime or infraction,
8 eliminates a crime or infraction, or changes the penalty for a crime
9 or infraction, within the meaning of Section 17556 of the
10 Government Code, or changes the definition of a crime within the
11 meaning of Section 6 of Article XIII B of the California
12 Constitution.

13 However, if the Commission on State Mandates determines that
14 this act contains other costs mandated by the state, reimbursement
15 to local agencies and school districts for those costs shall be made
16 pursuant to Part 7 (commencing with Section 17500) of Division
17 4 of Title 2 of the Government Code.

O



ACA 1 – 55% Vote for Local Affordable Housing and Public Infrastructure

SUMMARY

ACA 1 will lower the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation (GO) bonds and special taxes for affordable housing and public infrastructure projects.

ACA 1 is targeted to the urgent needs of local communities. This measure gives local governments a more realistic financing option to fund an increase in the supply of affordable housing, and to address the numerous local public infrastructure challenges cities, counties, and special districts are facing.

BACKGROUND

The California Constitution requires a two-thirds vote at the local level for both GO bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for.

However, local school districts must only achieve 55 percent voter approval for school bonds to fund construction, reconstruction, rehabilitation, replacement of school facilities, furnishing of schools, or the acquisition or lease of real property.

From 2001 to 2013, over 2,200 local revenue measures have been placed before voters concerning school, city, county, or special district taxes or bonds. Majority vote tax measures have proven to be much more likely to pass, while just half of two-thirds vote measures succeeded. School bonds with a 55 percent have been the most successful, with four out of every five passing. In contrast, just half of two-thirds vote measures succeeded. A 55 percent voter threshold for special taxes would have made a dramatic difference. Nearly 80 percent of all two-thirds supermajority measures garnered more than 55 percent of “yes” votes.

1) AFFORDABLE HOUSING NEED

According to the Department of Housing & Community Development (HCD), in the last 10 years California has built an average of 80,000 homes per year, while the need to keep up with the housing need is approximately 180,000 homes per year. There is a shortfall of over one million rental homes affordable to extremely low and very low-income households.

2) LACK OF FUNDING FOR PUBLIC INFRASTRUCTURE

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects, including:

Water. Much of the state’s water supply, wastewater, and flood control infrastructure is aging. Rebuilding typically requires costly upgrades to meet increasingly high standards for water quality and infrastructure safety. In the last few decades, new mandates on managing stormwater runoff and climate change have added increased costs and heightened levels of management complexity. The water sector has historically relied heavily on locally generated revenues, which means that Proposition 13 (1978), Proposition 218 (1996), and Proposition 26 (2010), have made it increasingly difficult for local agencies to raise funds.

Parks and Recreation. According to the Statewide Comprehensive Outdoor Plan of 2015, 62 percent of Californians live in areas with less than 3 acres of parkland per 1,000 residents (the recognized standard for adequate parks). Additionally, 9 million people do not have a park within a half mile of their home.

Other Local Needs. Our local governments across the state know best what specific priorities matter most in their communities. For some, funding the costs of a new library or other public building is a means to create local engagement and encourage learning. For others, funding the expansion of broadband is a concern that can seem financially impossible. Strained public safety and emergency response resources in many regions could also benefit from much needed investment. Plus, with discussions underway in Washington D.C. about a possible federal infrastructure initiative, the ability to provide matching-dollars for federal grants is critical to being competitive for new grants.

3) IMPACT OF TWO-THIRDS VOTER REQUIREMENT

The California Constitution limits the opportunity for communities to decide to tax themselves to provide funding for local projects that meet goals and laws approved by the majority. One-third of local voters have the power to overrule fiscal decisions.

THIS BILL:

ACA 1 will lower the constitutional vote threshold to 55 percent for both GO bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or supportive housing. The bill will also specify requirements for voter protection, public notice, and financial accountability.

In practice, local officials propose a local bond or special tax, and then the voters in that community decide whether they support the idea or not. The voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts and cities, counties, and special districts, so that all local governments have a viable financing tool to address community needs.

ACA 1 defines "public infrastructure" to include:

- Projects to provide water or protect water quality, sanitary sewer, treat wastewater or reduce pollution from storm water runoff;
- Protect property from impacts of sea level rise;
- Public buildings, including fire and police facilities;
- Parks, open space, and recreation facilities;
- Improvements to transit and streets and highways;
- Flood control;
- Public library facilities;
- Broadband expansion in underserved areas;
- Local hospital construction;
- Public safety buildings, facilities, and equipment;
- Public library facilities.

ACA 1 defines "affordable housing" and "supportive housing" to include:

- Housing developments that provide workforce housing affordable to households earning up to 150% of countywide median income;
- Housing developments that provide housing affordable to lower, low, or very low-income households, as those terms are defined in state law;
- Targeted housing that is linked to services that assist residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

This bill proposes an amendment to the California Constitution, which means that if passed by the Legislature, the proposal would then go to the ballot for voter approval during the next statewide election.

SUPPORT:

California Professional Firefighters (cosponsor)
Housing California (cosponsor)
State Building and Construction Trades Council (cosponsor)
American Planning Association California
Association of Bay Area Governments
Association of California Healthcare Districts
Bay Area Council
California Association of Council of Governments
California Association of Housing Authorities (CAHA)
California Association of Sanitation Agencies
California Coalition for Rural Housing
California Contract Cities
California Fire Chiefs Association
California Housing Consortium
California Housing Partnership
California Housing Partnership
California Labor Federation
California Library Association
California Park & Recreation Society
California Special Districts Association
California State Association of Counties
California State Association of Electrical Workers
California State Council of Laborers
California State Pipe Trades Council
California Transit Association
City of Camarillo
City of Davis
City of Goleta
City of Gustine
City of Laguna Beach
City of Lathrop
City of Lodi
City of Long Beach
City of Moorpark
City of Napa
City of Placentia
City of San Luis Obispo
City of Stockton
City/County Association of Governments of San Mateo
County of Napa
County of Santa Clara
EAH Housing
East Bay for Everyone
East Bay Municipal Utilities District
East Bay Regional Park District
Eden Housing
Environmental Defense Fund
Fire Districts Association of California
Greater Merced Chamber of Commerce
Habitat for Humanity East Bay/Silicon Valley
International Union of Elevator Constructors
International Union of Operating Engineers
League of California Cities
Metropolitan Transportation Commission
Midpeninsula Regional Open Space District
Non-Profit Housing Association of Northern California

ACA 1 SUPPORT (Continued):

Professional Engineers in California Government (PECG)
Santa Clara Valley Water District
Silicon Valley @ Home
Solano Transportation Authority
Southern California Association of NonProfit Housing
SPUR (San Francisco Bay Area Planning and Urban Research
Association)
Urban Counties of California
Ventura Council of Governments
Western Center on Law and Poverty
Western States Council of Sheet Metal Workers

Assembly Constitutional Amendment

No. 1

Introduced by Assembly Member Aguiar-Curry
(Principal coauthor: Assembly Member Chiu)
(Principal coauthor: Senator Wiener)

(Coauthors: Assembly Members ~~Chiu~~, Berman, Bloom, Bonta, Burke, Cooper, Eggman, Frazier, Eduardo Garcia, Gipson, Gloria, Gonzalez, Grayson, Holden, Jones-Sawyer, Kalra, Levine, Low, McCarty, Mullin, Nazarian, Quirk, Luz Rivas, Robert Rivas, Blanca Rubio, Santiago, and ~~Ting~~ Mark Stone, Ting, Weber, Wicks, Wood, and Chu)
(Coauthors: Senators Beall, Hill, and Skinner)

December 3, 2018

Assembly Constitutional Amendment No. 1—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 1 and 4 of Article XIII A thereof, by amending Section 2 of, and by adding Section 2.5 to, Article XIII C thereof, by amending Section 3 of Article XIII D thereof, and by amending Section 18 of Article XVI thereof, relating to local finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 1, as amended, Aguiar-Curry. Local government financing: affordable housing and public infrastructure: voter approval.

(1) The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

This measure would create an additional exception to the 1% limit that would authorize a city, county, ~~or city and county~~ city and county,

or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public ~~infrastructure~~ or infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure.

(2) The California Constitution conditions the imposition of a special tax by a local government upon the approval of $\frac{2}{3}$ of the voters of the local government voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.

This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax, as defined, for the purposes of funding the construction, rehabilitation, or replacement of public ~~infrastructure~~ or infrastructure, affordable housing, or permanent supportive housing if the proposition proposing that tax is approved by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements. This measure would also make conforming changes to related provisions. *The measure would specify that these provisions apply to any local measure imposing, extending, or increasing a sales and use tax, transactions and use tax, or parcel tax for these purposes that is submitted at the same election as this measure.*

(3) The California Constitution prohibits specified local government agencies from incurring any indebtedness exceeding in any year the income and revenue provided in that year, without the assent of $\frac{2}{3}$ of the voters and subject to other conditions. In the case of a school district, community college district, or county office of education, the California Constitution permits a proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, to be adopted

upon the approval of 55% of the voters of the district or county, as appropriate, voting on the proposition at an election.

This measure would *expressly prohibit a special district, other than a board of education or school district, from incurring any indebtedness or liability exceeding any applicable statutory limit, as prescribed by the statutes governing the special district. The measure would also similarly lower to 55% the voter approval threshold for a require the approval of 55% of the voters of the city, county, or city and county city and county, or special district, as applicable, to incur bonded indebtedness, exceeding in any year the income and revenue provided in that year, that is in the form of general obligation bonds issued to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or infrastructure, affordable housing housing, or permanent supportive housing projects, if the proposition proposing that bond includes specified accountability requirements. The measure would specify that this 55% threshold applies to any proposition for the incurrence of indebtedness by a city, county, city and county, or special district for these purposes that is submitted at the same election as this measure.*

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

- 1 *Resolved by the Assembly, the Senate concurring, That the*
- 2 *Legislature of the State of California at its ~~2017-18~~ 2019-20*
- 3 *Regular Session commencing on the ~~fifth~~ third day of December*
- 4 *~~2016~~, 2018, two-thirds of the membership of each house*
- 5 *concurring, hereby proposes to the people of the State of California,*
- 6 *that the Constitution of the State be amended as follows:*
- 7 *First—That Section 1 of Article XIII A thereof is amended to*
- 8 *read:*
- 9 *SECTION 1. (a) The maximum amount of any ad valorem*
- 10 *tax on real property shall not exceed 1 percent of the full cash*
- 11 *value of that property. The 1 percent tax shall be collected by the*
- 12 *counties and apportioned according to law to the districts within*
- 13 *the counties.*
- 14 *(b) The limitation provided for in subdivision (a) shall not apply*
- 15 *to ad valorem taxes or special assessments to pay the interest and*
- 16 *redemption charges on any of the following:*
- 17 *(1) Indebtedness approved by the voters before July 1, 1978.*

1 (2) Bonded indebtedness to fund the acquisition or improvement
2 of real property approved on or after July 1, 1978, by two-thirds
3 of the votes cast by the voters voting on the proposition.

4 (3) Bonded indebtedness incurred by a school district,
5 community college district, or county office of education for the
6 construction, reconstruction, rehabilitation, or replacement of
7 school facilities, including the furnishing and equipping of school
8 facilities, or the acquisition or lease of real property for school
9 facilities, approved by 55 percent of the voters of the district or
10 county, as appropriate, voting on the proposition on or after
11 November 8, 2000. This paragraph shall apply only if the
12 proposition approved by the voters and resulting in the bonded
13 indebtedness includes all of the following accountability
14 requirements:

15 (A) A requirement that the proceeds from the sale of the bonds
16 be used only for the purposes specified in this paragraph, and not
17 for any other purpose, including teacher and administrator salaries
18 and other school operating expenses.

19 (B) A list of the specific school facilities projects to be funded
20 and certification that the school district board, community college
21 board, or county office of education has evaluated safety, class
22 size reduction, and information technology needs in developing
23 that list.

24 (C) A requirement that the school district board, community
25 college board, or county office of education conduct an annual,
26 independent performance audit to ensure that the funds have been
27 expended only on the specific projects listed.

28 (D) A requirement that the school district board, community
29 college board, or county office of education conduct an annual,
30 independent financial audit of the proceeds from the sale of the
31 bonds until all of those proceeds have been expended for the school
32 facilities projects.

33 (4) (A) Bonded indebtedness incurred by a city, county, ~~or city~~
34 ~~and county~~ *city and county, or special district* for the construction,
35 reconstruction, rehabilitation, or replacement of public
36 ~~infrastructure or infrastructure~~, affordable housing, *or permanent*
37 *supportive housing for persons at risk of chronic homelessness,*
38 *including persons with mental illness,* or the acquisition or lease
39 of real property for public ~~infrastructure or infrastructure~~,
40 affordable housing, *or permanent supportive housing for persons*

1 *at risk of chronic homelessness, including persons with mental*
2 *illness, approved by 55 percent of the voters of the city, county,*
3 *or city and county city and county, or special district, as*
4 *appropriate, voting on the proposition on or after the effective date*
5 *of the measure adding this paragraph. This paragraph shall apply*
6 *only if the proposition approved by the voters and resulting in the*
7 *bonded indebtedness includes all of the following accountability*
8 *requirements:*

9 (i) A requirement that the proceeds from the sale of the bonds
10 be used only for the purposes specified in this paragraph, and not
11 for any other purpose, including city, county, ~~or city and county~~
12 *city and county, or special district* employee salaries and other
13 operating expenses.

14 (ii) A list of the specific projects to be funded, and a certification
15 that the city, county, ~~or city and county~~ *city and county, or special*
16 *district* has evaluated alternative funding sources.

17 (iii) A requirement that the city, county, ~~or city and county~~ *city*
18 *and county, or special district* conduct an annual, independent
19 performance audit to ensure that the funds have been expended
20 only on the specific projects listed.

21 (iv) A requirement that the city, county, ~~or city and county~~ *city*
22 *and county, or special district* conduct an annual, independent
23 financial audit of the proceeds from the sale of the bonds until all
24 of those proceeds have been expended for the public infrastructure
25 or affordable housing projects, as applicable.

26 (v) A requirement that the city, county, ~~or city and county~~ *city*
27 *and county, or special district* post the audits required by clauses
28 (iii) and (iv) in a manner that is easily accessible to the public.

29 (vi) A requirement that the city, county, ~~or city and county~~ *city*
30 *and county, or special district* appoint a citizens' oversight
31 committee to ensure that bond proceeds are expended only for the
32 purposes described in the measure approved by the voters.

33 (B) For purposes of this paragraph, *“affordable paragraph:*

34 (i) *“Affordable housing”* shall include housing developments,
35 or portions of housing developments, that provide workforce
36 housing affordable to households earning up to 150 percent of
37 countywide median income, and housing developments, or portions
38 of housing developments, that provide housing affordable to lower,
39 low-, or very low income households, as those terms are defined
40 in state law.

- 1 (ii) "At risk of chronic homelessness" includes, but is not limited
2 to, persons who are at high risk of long-term or intermittent
3 homelessness, including persons with mental illness exiting
4 institutionalized settings, including, but not limited to, jail and
5 mental health facilities, who were homeless prior to admission,
6 transition age youth experiencing homelessness or with significant
7 barriers to housing stability, and others, as defined in program
8 guidelines.
- 9 (iii) "Permanent supportive housing" means housing with no
10 limit on length of stay, that is occupied by the target population,
11 and that is linked to onsite or offsite services that assist residents
12 in retaining the housing, improving their health status, and
13 maximizing their ability to live and, when possible, work in the
14 community. "Permanent supportive housing" includes associated
15 facilities, if those facilities are used to provide services to housing
16 residents.
- 17 ~~(C) For purposes of this paragraph, "public~~
18 (iv) "Public infrastructure" shall include, but is not limited to,
19 projects that provide any of the following:
- 20 (i)
21 (I) Water or protect water quality.
- 22 (ii)
23 (II) Sanitary sewer.
- 24 (iii)
25 (III) Treatment of wastewater or reduction of pollution from
26 stormwater runoff.
- 27 (iv)
28 (IV) Protection of property from impacts of sea level rise.
- 29 ~~(v) Parks.~~
30 (V) Parks and recreation facilities.
- 31 ~~(vi)~~
32 (VI) Open-space and recreation facilities: space.
- 33 ~~(vii)~~
34 (VII) Improvements to transit and streets and highways.
- 35 ~~(viii)~~
36 (VIII) Flood control.
- 37 ~~(ix)~~
38 (IX) Broadband-Internet internet access service expansion in
39 underserved areas.
- 40 ~~(x)~~

- 1 (X) Local hospital construction.
- 2 (XI) *Public safety buildings or facilities, equipment related to*
3 *fire suppression, emergency response equipment, or interoperable*
4 *communications equipment for direct and exclusive use by fire,*
5 *emergency response, policy or sheriff personnel.*
- 6 (XII) *Public library facilities.*
- 7 (v) *“Special district” has the same meaning as provided in*
8 *subdivision (c) of Section 1 of Article XIII C and specifically*
9 *includes a transit district, except that “special district” does not*
10 *include a school district, redevelopment agency, or successor*
11 *agency to a dissolved redevelopment agency.*
- 12 (C) *This paragraph shall apply to any city, county, city and*
13 *county, or special district measure imposing an ad valorem tax to*
14 *pay the interest and redemption charges on bonded indebtedness*
15 *for those purposes described in this paragraph that is submitted*
16 *at the same election as the measure adding this paragraph.*
- 17 (c) (1) Notwithstanding any other provisions of law or of this
18 Constitution, a school district, community college district, or
19 county office of education may levy a ~~55-percent~~ 55-percent vote
20 ad valorem tax pursuant to paragraph (3) of subdivision (b).
- 21 (2) Notwithstanding any other provisions of law or this
22 Constitution, a city, county, ~~or city and county~~ city and county, or
23 special district may levy a ~~55-percent~~ 55-percent vote ad valorem
24 tax pursuant to paragraph (4) of subdivision (b).
- 25 ~~Second—That Section 4 of Article XIII A thereof is amended~~
26 ~~to read:~~
- 27 ~~SEC. 4. Except as provided by Section 2.5 of Article XIII C,~~
28 ~~a city, county, or special district, by a two-thirds vote of its voters~~
29 ~~voting on the proposition, may impose a special tax within that~~
30 ~~city, county, or special district, except an ad valorem tax on real~~
31 ~~property or a transactions tax or sales tax on the sale of real~~
32 ~~property within that city, county, or special district.~~
- 33 ~~Second—That Section 4 of Article XIII A thereof is amended to~~
34 ~~read:~~
- 35 ~~Section 4.~~
- 36 ~~SEC. 4. Cities, Counties and special districts, Except as~~
37 ~~provided by Section 2.5 of Article XIII C, a city, county, or special~~
38 ~~district, by a two-thirds vote of the qualified electors of such~~
39 ~~district, its voters voting on the proposition, may impose special~~
40 ~~taxes on such district, a special tax within that city, county, or~~

1 *special district, except an ad valorem taxes tax on real property*
2 *or a ~~transaction~~ transactions tax or sales tax on the sale of real*
3 *property within such City, County that city, county, or special*
4 *district.*

5 Third—That Section 2 of Article XIII C thereof is amended to
6 read:

7 SEC. 2. Notwithstanding any other provision of this
8 Constitution:

9 (a) Any tax imposed by a local government is either a general
10 tax or a special tax. A special district or agency, including a school
11 district, has no authority to levy a general tax.

12 (b) A local government may not impose, extend, or increase
13 any general tax unless and until that tax is submitted to the
14 electorate and approved by a majority vote. A general tax is not
15 deemed to have been increased if it is imposed at a rate not higher
16 than the maximum rate so approved. The election required by this
17 subdivision shall be consolidated with a regularly scheduled general
18 election for members of the governing body of the local
19 government, except in cases of emergency declared by a unanimous
20 vote of the governing body.

21 (c) Any general tax imposed, extended, or increased, without
22 voter approval, by any local government on or after January 1,
23 1995, and before the effective date of this article, may continue to
24 be imposed only if that general tax is approved by a majority vote
25 of the voters voting in an election on the issue of the imposition,
26 which election shall be held no later than November 6, 1996, and
27 in compliance with subdivision (b).

28 (d) Except as provided by Section 2.5, a local government may
29 not impose, extend, or increase any special tax unless and until
30 that tax is submitted to the electorate and approved by a two-thirds
31 vote. A special tax is not deemed to have been increased if it is
32 imposed at a rate not higher than the maximum rate so approved.

33 Fourth—That Section 2.5 is added to Article XIII C thereof, to
34 read:

35 SEC. 2.5. (a) The imposition, extension, or increase of a sales
36 and use tax imposed in accordance with the Bradley-Burns Uniform
37 Local Sales and Use Tax Law (Part 1.5 (commencing with Section
38 7200) of Division 2 of the Revenue and Taxation Code) or a
39 successor law, a transactions and use tax imposed in accordance
40 with the Transactions and Use Tax Law (Part 1.6 (commencing

1 with Section 7251) of Division 2 of the Revenue and Taxation
2 Code) or a successor law, or a parcel tax imposed by a local
3 government for the purpose of funding the construction,
4 reconstruction, rehabilitation, or replacement of public
5 ~~infrastructure or infrastructure~~, affordable housing, or permanent
6 *supportive housing for persons at risk of chronic homelessness,*
7 *including persons with mental illness*, or the acquisition or lease
8 of real property for public ~~infrastructure or infrastructure~~,
9 affordable housing, or permanent *supportive housing for persons*
10 *at risk of chronic homelessness, including persons with mental*
11 *illness*, is subject to approval by 55 percent of the voters in the
12 local government voting on the proposition, if both of the following
13 conditions are met:

14 (1) The proposition is approved by a majority vote of the
15 membership of the governing board of the local government.

16 (2) The proposition contains all of the following accountability
17 requirements:

18 (A) A requirement that the proceeds of the tax only be used for
19 the purposes specified in the proposition, and not for any other
20 purpose, including general employee salaries and other operating
21 expenses of the local government.

22 (B) A list of the specific projects that are to be funded by the
23 tax, and a certification that the local government has evaluated
24 alternative funding sources.

25 (C) A requirement that the local government conduct an annual,
26 independent performance audit to ensure that the proceeds of the
27 special tax have been expended only on the specific projects listed
28 in the proposition.

29 (D) A requirement that the local government conduct an annual,
30 independent financial audit of the proceeds from the tax during
31 the lifetime of that tax.

32 (E) A requirement that the local government post the audits
33 required by subparagraphs (C) and (D) in a manner that is easily
34 accessible to the public.

35 (F) A requirement that the local government appoint a citizens'
36 oversight committee to ensure the proceeds of the special tax are
37 expended only for the purposes described in the measure approved
38 by the voters.

39 (b) For purposes of this section, the following terms have the
40 following meanings:

1 (1) “Affordable housing” shall include housing developments,
2 or portions of housing developments, that provide workforce
3 housing affordable to households earning up to 150 percent of
4 countywide median income, and housing developments, or portions
5 of housing developments, that provide housing affordable to lower,
6 low-, or very low income households, as those terms are defined
7 in state law.

8 (2) *“At risk of chronic homelessness” includes, but is not limited*
9 *to, persons who are at high risk of long-term or intermittent*
10 *homelessness, including persons with mental illness exiting*
11 *institutionalized settings, including, but not limited to, jail and*
12 *mental health facilities, who were homeless prior to admission,*
13 *transition age youth experiencing homelessness or with significant*
14 *barriers to housing stability, and others, as defined in program*
15 *guidelines.*

16 ~~(2)~~
17 (3) “Parcel tax” means a special tax imposed upon a parcel of
18 real property at a rate that is determined without regard to that
19 property’s value and that applies uniformly to all taxpayers or all
20 real property within the jurisdiction of the local government.
21 “Parcel tax” does not include a tax imposed on a particular class
22 of property or taxpayers.

23 (4) *“Permanent supportive housing” means housing with no*
24 *limit on length of stay, that is occupied by the target population,*
25 *and that is linked to onsite or offsite services that assist residents*
26 *in retaining the housing, improving their health status, and*
27 *maximizing their ability to live and, when possible, work in the*
28 *community. “Permanent supportive housing” includes associated*
29 *facilities, if those facilities are used to provide services to housing*
30 *residents.*

31 ~~(3)~~
32 (5) “Public infrastructure” shall include, but is not limited to,
33 the projects that provide any of the following:

34 (A) Water or protect water quality.

35 (B) Sanitary sewer.

36 (C) Treatment of wastewater or reduction of pollution from
37 stormwater runoff.

38 (D) Protection of property from impacts of sea level rise.

39 ~~(E) Parks.~~

40 (E) Parks and recreation facilities.

- 1 (F) ~~Open space and recreation facilities.~~ *space.*
- 2 (G) Improvements to transit and streets and highways.
- 3 (H) Flood control.
- 4 (I) ~~Broadband-Internet~~ *internet* access service expansion in
- 5 underserved areas.
- 6 (J) Local hospital construction.
- 7 (K) *Public safety buildings or facilities, equipment related to*
- 8 *fire suppression, emergency response equipment, or interoperable*
- 9 *communications equipment for direct and exclusive use by fire,*
- 10 *emergency response, police or sheriff personnel.*
- 11 (L) *Public library facilities.*

12 (c) *This section shall apply to any local measure imposing,*

13 *extending, or increasing a sales and use tax imposed pursuant to*

14 *the Bradley-Burns Uniform Local Sales and Use Tax Law, a*

15 *transactions and use tax imposed in accordance with the*

16 *Transactions and Use Tax Law, or a parcel tax imposed by a local*

17 *government for those purposes described in subdivision (a) that*

18 *is submitted at the same election as the measure adding this*

19 *section.*

20 Fifth—That Section 3 of Article XIII D thereof is amended to

21 read:

22 SEC. 3. (a) An agency shall not assess a tax, assessment, fee,

23 or charge upon any parcel of property or upon any person as an

24 incident of property ownership except:

25 (1) The ad valorem property tax imposed pursuant to Article

26 XIII and Article XIII A.

27 (2) Any special tax receiving a two-thirds vote pursuant to

28 Section 4 of Article XIII A or *receiving a 55-percent approval*

29 *pursuant to Section 2.5 of Article XIII C.*

30 (3) Assessments as provided by this article.

31 (4) Fees or charges for property-related services as provided by

32 this article.

33 (b) For purposes of this article, fees for the provision of electrical

34 or gas service are not deemed charges or fees imposed as an

35 incident of property ownership.

36 Sixth—That Section 18 of Article XVI thereof is amended to

37 read:

38 SEC. 18. (a) A county, city, town, township, board of

39 education, or school district, shall not incur any indebtedness or

40 liability in any manner or for any purpose exceeding in any year

1 the income and revenue provided for that year, without the assent
2 of two-thirds of the voters of the public entity voting at an election
3 to be held for that purpose, except that with respect to any such
4 public entity ~~which~~ *that* is authorized to incur indebtedness for
5 public school purposes, any proposition for the incurrence of
6 indebtedness in the form of general obligation bonds for the
7 purpose of repairing, ~~reconstructing~~ *reconstructing*, or replacing
8 public school buildings determined, in the manner prescribed by
9 law, to be structurally unsafe for school use, shall be adopted upon
10 the approval of a majority of the voters of the public entity voting
11 on the proposition at ~~such~~ *the* election; nor unless before or at the
12 time of incurring such indebtedness provision shall be made for
13 the collection of an annual tax sufficient to pay the interest on such
14 indebtedness as it falls due, and to provide for a sinking fund for
15 the payment of the principal thereof, on or before maturity, which
16 shall not exceed forty years from the time of contracting the
17 indebtedness. *A special district, other than a board of education*
18 *or school district, shall not incur any indebtedness or liability*
19 *exceeding any applicable statutory limit, as prescribed by the*
20 *statutes governing the special district as they currently read or*
21 *may thereafter be amended by the Legislature.*

22 (b) (1) Notwithstanding subdivision (a), any proposition for
23 the incurrence of indebtedness in the form of general obligation
24 bonds for the purposes described in paragraph (3) or (4) of
25 subdivision (b) of Section 1 of Article XIII A shall be adopted
26 upon the approval of 55 percent of the voters of the school district,
27 community college district, county office of education, city, county,
28 ~~or city and county,~~ *city and county, or other special district,* as
29 appropriate, voting on the proposition at an election. This
30 subdivision shall apply to a proposition for the incurrence of
31 indebtedness in the form of general obligation bonds for the
32 purposes specified in this subdivision only if the proposition meets
33 all of the accountability requirements of paragraph (3) or (4) of
34 subdivision (b), as appropriate, of Section 1 of Article XIII A.

35 (2) *The amendments made to this subdivision by the measure*
36 *adding this paragraph shall apply to any proposition for the*
37 *incurrence of indebtedness in the form of general obligation bonds*
38 *pursuant to this subdivision for the purposes described in*
39 *paragraph (4) of subdivision (b) of Section 1 of Article XIII A that*

1 *is submitted at the same election as the measure adding this*
2 *paragraph.*

3 (c) When two or more propositions for incurring any
4 indebtedness or liability are submitted at the same election, the
5 votes cast for and against each proposition shall be counted
6 separately, and if two-thirds or a majority or 55 percent of the
7 voters, as the case may be, voting on any one of those propositions,
8 vote in favor thereof, the proposition shall be deemed adopted.

9

10

11 **REVISIONS:** _____

12 **Heading—Line 5.**

13 _____



• **Board of Directors**
Communications and Legislation Committee

6/11/2019 Board Meeting

8-4

Subject

Express support and seek amendments to SB 45 (Allen, D-Santa Monica): Wildfire, Drought, and Flood Protection Bond Act of 2020; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

SB 45 (Allen, D-Santa Monica) (**Attachment 1**) would place the Wildfire, Drought, and Flood Protection Bond Act of 2020 on the ballot for voter approval. If approved, it would authorize \$4.3 billion in general obligation bonds to finance projects to restore fire damaged areas; reduce wildfire risk; create healthy forests and watersheds; reduce climate impact on urban areas and vulnerable populations; protect water supply and water quality; protect rivers, lakes and streams; reduce flood risk; protect fish and wildlife from climate impacts; improve climate resilience of agricultural lands; and protect coastal lands and resources. Subsequent voter approval would enact SB 45 as Division 46 of the Public Resources Code. The impetus for this bond is the severe wildfires, drought, flooding, and mudslides experienced by California in the past several years.

Details

Background

As currently amended, SB 45 would authorize the issuance of \$4.3 billion in general obligation bonds with funding, contingent upon approval by California voters, to be allocated as follows:

SB 45 (Allen), As Amended April 4, 2019		
Chapter	Chapter Title	Amount
2	Restoring Areas Impacted by Fire, Flood, Drought, and Other Climate Impacts	\$200,000,000
3	Reducing Wildfire Risk in Wildland Urban Interface	\$1,000,000,000
4	Reducing Fire Risk Through the Creation of Healthy Forests and Watersheds	\$600,000,000
5	Reducing Climate Risks in Urban Areas and on Vulnerable Populations	\$300,000,000
6	Protecting Water Supply and Water Quality	\$600,000,000
7	Protecting Rivers, Lakes, and Streams	\$300,000,000
8	Flood Management Projects	\$300,000,000
9	Protecting Fish and Wildlife from Climate Impacts	\$300,000,000
10	Improving Climate Resilience of Agricultural Lands	\$200,000,000
11	Protecting Coastal Lands, Resources, Water, and Wildlife	\$300,000,000
12	Planning for Fire, Flood, Drought, and Other Climate Impacts	\$150,000,000
13	Climate Resilience Workforce Development	\$50,000,000
	Total	\$4,300,000,000

Attachment 2 provides a summary and analysis of each these funding chapters of SB 45 as currently amended.

Impacts to Metropolitan

SB 45 would provide the necessary funding to help California become more resilient to climate change. If passed by the voters, SB 45 investments would reduce the impacts and severity of natural disasters resulting from climate change, including catastrophic wildfire, floods, mudslides, and drought. The measure would do this by investing in projects to reduce fire risk and restore already damaged areas; restore and protect impacted wetlands, watersheds, waterways, coastal resources, and fish and wildlife populations; reduce climate change impacts in local communities and on vulnerable populations; and improve the resiliency of the state's water supplies and agricultural lands.

Metropolitan and its member agencies would benefit from provisions in SB 45 including:

- Protection and restoration of watersheds, wet meadows, floodplains, and wetlands, including efforts to prevent increased sedimentation in streams which could assist with the restoration of projects in the Delta and Sacramento watersheds;
- Multi-benefit flood protection projects that restore habitat for fish and provide downstream flood control, vegetation management, and recreation enhancements;
- Source water conservation and restoration activities in watersheds integral to California's water infrastructure;
- Funding for projects pursuant to the Salton Sea Management Program to address environmental and local needs;
- Development of local water supplies through stormwater capture and water use efficiency to reduce reliance on imported water supplies;
- Funding to extend service, consolidation and new treatment for chronically non-compliant water systems serving disadvantaged communities; and
- Funding to improve water quality that could assist in controlling quagga mussels and studying the environmental significance of constituents of emerging concern.

These are all worthy provisions that Metropolitan should support. In light of the Governor's priorities to ensure safe and affordable drinking water for all Californians, ecosystem restoration in the Delta and its tributaries, and greater regional water supplies through projects like recycling, adequate funding in the bond should be set aside for these priorities.

Recommended Amendments

Staff recommends that funding priorities within Chapter 6 should be further refined. Of the \$600 million of funds in Chapter 6, adequate funds should be designated for safe drinking water projects benefiting disadvantaged communities to bridge the historic funding gap such communities face to solve ongoing safe drinking water problems.

Additionally, staff recommends adding funds to Chapter 6 for competitive funding for recycled water projects. This recommendation would be in line with one of Metropolitan's state priorities in its 2019 State Legislative Priorities and Principles, which states: "Support actions to initiate, expedite and secure funding of the proposed Regional Recycled Water Program and related projects."

For implementing voluntary agreements, staff recommends that some of the funding in Chapter 9 be designated to support habitat projects. These projects will contribute to species recovery and viability due to changes from climate change and sea level rise.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities.

By Minute Item 51418, dated December 11, 2018, the Board adopted the State Legislative Priorities and Principles for 2019, as amended.

By Minute Item 50611, dated October 11, 2016, the Board adopted the Legislative Policy Principle on Watershed Management.

By Minute Item 49165, dated August 21, 2012, the Board adopted the amended Source Water Quality Protection Policy Principle.

By Minute Item 46191, dated April 12, 2005, the Board adopted Drinking Water Quality Policy Principles.

By Minute Item 46637, dated April 11, 2006, the Board adopted policy principles regarding long-term actions for the Sacramento-San Joaquin River Delta as described in the Revised Board Letter 8-3, as described in the revised letter signed by the General Manager on April 4, 2006.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Public Resources Code Section 21065 and Section 15378(b)(1) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required.

Board Options

Option #1

Authorize the General Manager to express support and seek amendments to SB 45.

Fiscal Impact: If approved by the voters, the wide variety of projects to be funded by the state have the potential to increase the reliability of local and imported water supplies to Metropolitan's service area, thereby potentially reducing future Metropolitan expenditures to achieve similar levels of reliability.

Business Analysis: If approved by the voters, state funding would be available for various water projects and projects to protect and restore habitat, ecosystem functions, and flood protection facilities supporting Metropolitan's imported water supplies.

Option #2

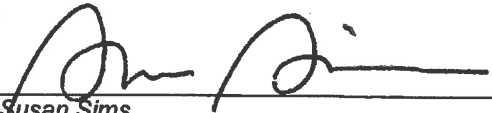
Take no position on SB 45.

Fiscal Impact: If not approved by the voters, Metropolitan may need to expend additional fiscal resources in the future to maintain its needed level of water supply reliability.

Business Analysis: If not approved by the voters, there would be less funding for water supply, water quality, flood management, habitat restoration and protection, drought resiliency, and climate resiliency.


Staff Recommendation

Option #1



Susan Sims
External Affairs, Manager

6/6/2019
Date



Jeffrey Nightlinger
General Manager

6/6/2019
Date

Attachment 1 – Senate Bill 45 as amended on April 4, 2019

Attachment 2 – Summary and Analysis of Senate Bill 45

Ref# ea12663043

AMENDED IN SENATE APRIL 4, 2019

AMENDED IN SENATE MARCH 5, 2019

SENATE BILL

No. 45

Introduced by Senator Allen
(Coauthor: Senator Stern)

December 3, 2018

An act to add Division 46 (commencing with Section 80200) to the Public Resources Code, relating to public resources, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 45, as amended, Allen. Wildfire, Drought, and Flood Protection Bond Act of 2020.

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide primary direct election, authorizes the issuance of bonds in ~~an amount of \$4,000,000,000~~ *the amount of \$4,100,000,000* pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

This bill would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in ~~an~~ *the* amount of \$4,300,000,000 pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable

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populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

This bill would provide for the submission of these provisions to the voters at the ____, 2020, ____ election.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 46 (commencing with Section 80200)
2 is added to the Public Resources Code, to read:

3

4 DIVISION 46. WILDFIRE, DROUGHT, AND FLOOD
5 PROTECTION BOND ACT OF 2020

6

7 CHAPTER 1. GENERAL PROVISIONS

8

9 80200. This division shall be known, and may be cited, as the
10 Wildfire, Drought, and Flood Protection Bond Act of 2020.

11 80201. The people of California find and declare all of the
12 following:

13 (a) California’s changing climate creates increased risk of
14 catastrophic wildfire, drought, floods, severe heat events, intense
15 rain events, sea level rise, as well as impacts to agriculture, water
16 supply and water quality, and the health of the forests, watersheds,
17 and wildlife.

18 (b) These risks and impacts vary by region and can overwhelm
19 the resources of local governments that must cope with severe
20 climate change-related events.

21 (c) Reducing vulnerability to fire, flood, drought, and other
22 climate-change related events require a statewide investment to
23 increase climate resilience of communities and natural systems.

24 80202. For purposes of this division, the following definitions
25 apply:

26 (a) “Committee” means the Wildfire, Drought, and Flood
27 Protection Finance Committee created pursuant to Section 80402.

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1 (b) "Conservation actions on private lands" means actions
2 undertaken on private land with the consent of the landowner that
3 involve the ~~adaptative~~ *adaptive* flexible management ~~of and~~
4 protection of natural resources in response to changing conditions
5 and threats to habitat and wildlife and that result in habitat
6 conditions on private lands that, when managed dynamically over
7 time, contribute to the long-term health and resiliency of vital
8 ecosystems and enhanced wildlife populations. The actions
9 undertaken may include the acquisition of conservation interest
10 or fee interests in the private land.

11 (c) "Disadvantaged community" means a community with a
12 median household income less than 80 percent of the statewide
13 average.

14 (d) "Fund" means the Wildfire, Drought, and Flood Protection
15 Fund created pursuant to Section 80210.

16 (e) "Natural infrastructure project" means a project for the
17 preservation or restoration of ecological systems, or utilization of
18 engineered systems that use ecological processes, to increase
19 resiliency to climate change, contribute to the long-term health
20 and resiliency of ~~vital~~ ecosystems, and enhance wildlife
21 populations.

22 (f) (1) "Protection" means any of the following:

23 (A) Actions necessary to prevent harm or damage to persons,
24 property, or natural, cultural, or historic resources.

25 (B) Actions to improve access to public open-space areas.

26 (C) Actions to allow for the continued use and enjoyment of
27 property or natural, cultural, or historic resources.

28 (2) For purposes of ~~the~~ *this* subdivision, "actions" include, but
29 are not limited to, site monitoring, development, restoration,
30 preservation, interpretation, and acquisition, including both ~~fee-title~~
31 *fee title* and easements.

32 (g) (1) "Restoration" means the improvement of physical
33 structures or facilities, and, in the case of natural systems and
34 landscape features, includes, but is not limited to, any of the
35 following:

36 (A) The control of erosion.

37 (B) Stormwater capture and storage, or to otherwise reduce
38 stormwater pollution.

39 (C) The control and elimination of invasive species.

40 (D) The planting of native species.

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- 1 (E) The removal of waste and debris.
2 (F) Prescribed burning.
3 (G) Fuel hazard reduction.
4 (H) Fencing out threats to existing or restored natural resources.
5 (I) Road elimination.
6 (J) Improving instream, riparian, or managed wetland habitat
7 conditions.
8 (K) Other plant and wildlife habitat improvement to increase
9 the natural system value of the property, or coastal or ocean
10 resources.
- 11 (2) "Restoration" includes activities described in subdivision
12 (b) of Section 79737 of the Water Code.
- 13 (3) "Restoration" also includes activities, such as the planning,
14 monitoring, and reporting that are necessary to ensure successful
15 implementation of the restoration objectives.
- 16 (h) "Socially disadvantaged farmer or rancher" has the same
17 meaning as set forth in Section 512 of the Food and Agricultural
18 Code.
- 19 (i) "State board" means the State Air Resources Board.
- 20 (j) "Tribe" means a federally recognized Native American tribe
21 or a nonfederally recognized Native American tribe listed on the
22 California Tribal Consultation List maintained by the Native
23 American Heritage Commission.
- 24 (k) "Vulnerable population" means a subgroup of population
25 within a region or community that faces a significantly greater
26 likelihood of injury from extreme climate events or natural
27 disasters, including, but not limited to, wildfire, extreme heat, and
28 flood, than the general population of that region or community.
- 29 (l) "Water board" means the State Water Resources Control
30 Board.
- 31 80203. An amount that equals not more than 5 percent of the
32 funds allocated for a grant program pursuant to this division may
33 be used to pay the administrative costs of that program.
- 34 80204. (a) Except as provided in subdivision (b), up to 10
35 percent of funds allocated for each program funded by this division
36 may be expended, including, but not limited to, by grants, for
37 planning and monitoring necessary for the successful design,
38 selection, and implementation of the projects authorized under that
39 program. This section shall not otherwise restrict funds ordinarily
40 used by an agency for "preliminary plans," "working drawings,"

1 and “construction” as defined in the annual Budget Act for a capital
 2 outlay project or grant project. Planning may include feasibility
 3 studies for environmental site cleanup that would further the
 4 purpose of a project that is eligible for funding under this division.
 5 Monitoring may include measuring greenhouse gas emissions
 6 reductions and carbon sequestration associated with program
 7 expenditures under this division.

8 (b) Funds used for planning projects that benefit disadvantaged
 9 communities or socially disadvantaged farmers or ranchers may
 10 exceed 10 percent of the funds allocated if the state agency
 11 administering the moneys determines that there is a need for the
 12 additional funding.

13 80205. (a) Moneys allocated pursuant to this division shall
 14 not be used to fulfill any environmental mitigation requirements
 15 imposed by law.

16 (b) Subdivision (a) does not preclude the use of moneys awarded
 17 pursuant to this division for purposes of providing safe drinking
 18 water or improving water quality.

19 80206. Funds provided pursuant to this division, and any
 20 appropriation or transfer of those funds, shall not be deemed to be
 21 a transfer of funds for the purposes of Chapter 9 (commencing
 22 with Section 2780) of Division 3 of the Fish and Game Code.

23 80207. For grants awarded for projects that serve a
 24 disadvantaged community or socially disadvantaged farmers or
 25 ranchers, the administering entity may provide advanced payments
 26 in the amount of 25 percent of the grant award to the recipient to
 27 initiate the project in a timely manner. The administering entity
 28 shall adopt additional requirements for the recipient of the grant
 29 regarding the use of the advanced payments to ensure that the
 30 moneys are used properly.

31 80208. (a) The proceeds of bonds issued and sold pursuant to
 32 this division, exclusive of refunding bonds issued and sold pursuant
 33 to Section 80412, shall be deposited in the Wildfire, Drought, and
 34 Flood Protection Fund, which is hereby created in the State
 35 Treasury.

36 (b) Proceeds of bonds issued and sold pursuant to this division
 37 shall be allocated according to the following schedule:

38 (1) Two hundred million dollars (\$200,000,000) for restoring
 39 areas impacted by wildfire, flood, drought, or other natural disasters
 40 ~~resulting from climate change: disasters.~~

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- 1 (2) One billion dollars (\$1,000,000,000) for reducing wildfire
- 2 risk.
- 3 (3) Six hundred million dollars (\$600,000,000) for creating
- 4 healthy forests and watersheds.
- 5 (4) Three hundred million dollars (\$300,000,000) for reducing
- 6 climate impacts on urban areas and vulnerable populations.
- 7 (5) Six hundred million dollars (\$600,000,000) for protecting
- 8 water supply and water quality.
- 9 (6) Three hundred million dollars (\$300,000,000) for protecting
- 10 rivers, lakes, and streams.
- 11 (7) Three hundred million dollars (\$300,000,000) for
- 12 multibenefit flood management projects.
- 13 (8) Three hundred million dollars (\$300,000,000) for protecting
- 14 fish and wildlife and natural resources from climate impacts.
- 15 (9) Two hundred million dollars (\$200,000,000) for improving
- 16 climate resilience of agricultural lands.
- 17 (10) Three hundred million dollars (\$300,000,000) for protecting
- 18 coastal lands, waters, natural resources, and wildlife.
- 19 (11) One hundred fifty million dollars (\$150,000,000) for
- 20 improving regional climate resilience.
- 21 (12) Fifty million dollars (\$50,000,000) for enhancing workforce
- 22 development.

23 80209. The Legislature may enact legislation necessary to
24 implement programs funded by this division.

25

26 CHAPTER 2. RESTORING AREAS IMPACTED BY FIRE, FLOOD,
27 DROUGHT, AND OTHER CLIMATE IMPACTS

28

29 80220. The sum of two hundred million dollars (\$200,000,000)
30 shall be available for appropriation by the Legislature to the Office
31 of Emergency Services for the restoration of areas impacted by
32 wildfire, flood, drought, or other natural ~~disasters resulting from~~
33 ~~climate change.~~ *disasters*. Eligible projects include, but are not
34 limited to, grants to public agencies for revegetation and other
35 projects to reduce erosion, flood, and mudslide risk, ~~clean up~~
36 *cleanup* of damaged or hazardous sites, upgrades to damaged or
37 destroyed infrastructure to *enhance public safety and* make the
38 infrastructure more resilient to future fire, flood, and other natural
39 disasters, and habitation restoration on both public and private
40 lands. Funds authorized by this chapter may be used to meet

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1 matching grant requirements for the Federal Emergency
2 Management Agency or other federal mitigation and resiliency
3 grant programs.

4

5 CHAPTER 3. REDUCING WILDFIRE RISK IN WILDLAND URBAN
6 INTERFACE

7

8 80230. The sum of one billion dollars (\$1,000,000,000) shall
9 be available for appropriation by the Legislature for the reduction
10 in the risk of wildfire threat to lives, properties, and natural habitats.

11 80231. Of the funds made available by Section 80230, the sum
12 of ____ dollars (\$____) shall be available to the Office of
13 Emergency Services for a prehazard mitigation grant program.
14 The grant program shall be allocated to assist local and state
15 agencies to leverage additional funds, including matching grants
16 from federal agencies. Eligible projects include, but are not limited
17 to, the following:

18 (a) Grants to local and state agencies for projects that reduce
19 wildfire risks to people and property consistent with approved
20 local hazard mitigation plans.

21 (b) Grants to local and state agencies for improvements to
22 warning and evacuation systems and improvements in fire and
23 disaster response communication and infrastructure.

24 (c) Grants to fire safe councils for development and
25 implementation of community wildfire protection plans that
26 promote and incentivize structural and community retrofit projects,
27 defensible space, fuel breaks, and other projects to improve fire
28 resilience.

29 80232. (a) Of the funds made available by Section 80230, the
30 sum of ____ dollars (\$____) shall be available to the Natural
31 Resources Agency and to its departments, boards, and
32 conservancies for projects to reduce the risk of wildfire spreading
33 into populated areas from wildlands and to support the development
34 and implementation of ~~regional priority plans~~ *the Regional Fire
35 and Forest Capacity Program* to improve forest health and fire
36 resiliency. The Natural Resources Agency shall identify the highest
37 risk areas *that are near communities* and recommend to the
38 Legislature allocations by region based on wildfire risk and affected
39 population. Eligible projects include, but are not limited to, ~~either~~
40 of the following:

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1 (a)

2 (1) Restoration of natural ecosystem functions in high fire hazard
3 areas with preference given to those projects that provide multiple
4 benefits, including, but not limited to, protection of agricultural
5 lands, habitat protection, watershed improvement, and
6 science-based vegetation treatment programs that provide long-term
7 reduction of wildfire risk and protect lives and properties.

8 (b)

9 (2) Other projects that reduce wildfire risk to populated areas,
10 protect habitat, ~~wildfire~~, *wildlife*, or watershed resources, and
11 increase wildfire resilience through enhancing the long-term
12 ecological health of natural systems.

13 (3) *Grants to fire safe councils and resource conservation*
14 *districts for development and implementation of community wildfire*
15 *protection plans that promote and create incentives for structural*
16 *and community retrofit projects, defensible space, and other*
17 *projects to improve fire resilience.*

18 (b) *Grants made for the purposes of fire risk reduction shall be*
19 *secured with management plans, conservation easements, or other*
20 *agreements that ensure the benefits of the proposed project persist*
21 *longer than the debt incurred pursuant to this division. Granting*
22 *agencies shall incorporate a preference for projects that maintain*
23 *permanent benefits.*

24

25 CHAPTER 4. REDUCING FIRE RISK THROUGH THE CREATION
26 OF HEALTHY FORESTS AND WATERSHEDS
27

28 80240. (a) The sum of six hundred million dollars
29 (\$600,000,000) shall be available for appropriation by the
30 Legislature to the Natural Resources Agency and its departments,
31 boards, and conservancies for the protection, restoration, and
32 improvement of forests, including redwoods, conifers, oak
33 woodlands, chaparral, deserts, coastal forests, and other habitat
34 types to ensure the long-term ecological health of these natural
35 systems, to reduce risk of extreme wildfires, floods, and other
36 climate impacts, and to improve water supply and water quality,
37 carbon sequestration, community access, and other public benefits.
38 ~~Projects shall be consistent with the California Forest Carbon Plan;~~
39 based on the best available science regarding forest and ecosystem
40 restoration, and shall be undertaken to protect and restore

1 ecological values and to promote conditions that are more resilient
2 to wildfire, climate change, and other disturbances. Eligible
3 projects include, but are not limited to, grants to assist with the
4 following:

5 (a)
6 (1) Protection and restoration of large, intact forests and other
7 natural landscape, prevention of forest fragmentation through
8 subdivision, and restoration of natural fire regimes and climate
9 resilient conditions.

10 (b)
11 (2) Protection and restoration of watersheds, wet meadows,
12 floodplains, flood plains, and wetlands, including efforts to prevent
13 increased sedimentation in streams, and loss of groundwater
14 retention capacity. *Funds expended pursuant to this paragraph on
15 the central valley flood plain restoration shall be dedicated to the
16 implementation of multibenefit flood management projects that
17 reduce risks to public safety and provide improvements to wildlife
18 habitat.*

19 (c)
20 (3) Improvement of forest and ecosystem resilience, and
21 reduction of ~~tree-pest tree~~ mortality *from pests* and impacts from
22 invasive species.

23 (d)
24 (4) Infrastructure investments consistent with the
25 recommendations developed pursuant to Section 717.

26 (e)
27 (5) Establishment of regional forest and ecosystem restoration
28 projects that include plant nurseries, reforestation, and revegetation
29 projects, to promote climate resilient ecosystems in climate stressed
30 areas.

31 (f)
32 (6) Development and implementation of plans developed as
33 part of the Natural Resources Agency’s Regional Forest and Fire
34 Capacity Program.

35 (b) *Grants made for the purposes of fire risk reduction shall be
36 secured with management plans, conservation easements, or other
37 agreements that ensure the benefits of the proposed project persist
38 longer than the debt incurred pursuant to this division. Granting
39 agencies shall incorporate a preference for projects that maintain
40 permanent benefits.*

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1 CHAPTER 5. REDUCING CLIMATE RISKS IN URBAN AREAS AND
2 ON VULNERABLE POPULATIONS
3

4 80250. The sum of three hundred million dollars
5 (\$300,000,000) shall be available for appropriation by the
6 Legislature for the reduction of climate impacts on urban areas
7 and vulnerable populations. Eligible projects include, but are not
8 limited to, the following:

9 (a) Multibenefit green infrastructure projects that reduce heat
10 island effects.

11 (b) Establishment of cooling centers, *clean air centers*, hydration
12 stations, and facilities to safeguard vulnerable populations from
13 extreme heat ~~events~~. *events and other disasters*.

14 (c) Improvements to public infrastructure that provide climate
15 resilience benefits, including, but not limited to, sustainable
16 stormwater capture technologies, permeable pavement projects,
17 rain gardens, cool roofs, and stormwater detention basins.

18 (d) Improvements to city, county, and regional park
19 infrastructure to promote resilience and adaptation or the promotion
20 and enhancement of natural resources and water conservation and
21 efficiencies on local and regional public park lands.
22

23 CHAPTER 6. PROTECTING WATER SUPPLY AND WATER QUALITY
24

25 80260. The sum of six hundred million dollars (\$600,000,000)
26 shall be available for appropriation by the Legislature for the
27 protection of California's water supply and water quality. Eligible
28 projects include, but are not limited to, the following:

29 (a) (1) Safe drinking water projects that include either of the
30 following:

31 (A) Grants and loans for public water system infrastructure
32 improvements and related actions to meet safe drinking water
33 standards and ensure affordable drinking water.

34 (B) Upgrade projects for at-risk rural and small community
35 water systems.

36 (2) Preference shall be given to projects that provide treatment
37 for contamination or access to ~~an~~ *a viable, long-term* alternative
38 drinking water source or sources for small community water
39 systems or state small water systems ~~in disadvantaged communities~~
40 whose drinking water source is impaired by chemical, including

1 nitrate contaminants, and other health hazards identified by the
2 water board. Eligible recipients are public water systems or public
3 agencies that serve disadvantaged communities.

4 (b) Projects that improve water quality, promote water
5 conservation, improve water use efficiency, or capture, treat, and
6 use stormwater flows.

7 (c) Sustainable groundwater management projects that use
8 captured stormwater and floodwaters for recharge purposes.

9 (d) Source watershed conservation and restoration activities
10 consistent with Section 108.5 of the Water Code.

11 (e) Projects that improve water data management through
12 enhanced quality and availability of water data.

13
14 CHAPTER 7. PROTECTING RIVERS, LAKES, AND STREAMS
15

16 80270. The sum of three hundred million dollars
17 (\$300,000,000) shall be available for appropriation by the
18 Legislature for the protection and restoration of rivers, lakes, and
19 streams to improve climate resiliency. To the extent feasible,
20 preference shall be given to natural infrastructure projects. Eligible
21 projects include, but are not limited to, the following:

22 (a) Multibenefit river and urban stream parkway projects that
23 improve climate resilience, watershed protection, and urban access.

24 (b) Climate resilience projects identified in the Lake Tahoe
25 Environmental Improvement Program.

26 (c) Projects pursuant to the Salton Sea Management Program
27 that provide climate resilience benefits.

28 (d) Multibenefit watershed protection or restoration projects
29 that improve climate resilience within the Los Angeles River
30 Watershed and are implemented pursuant to Section 79508 of the
31 Water Code.

32 (e) Watershed protection and restoration project pursuant to *the*
33 Sierra Nevada Watershed Improvement Program established
34 pursuant to Section 33345.1.

35 (f) Projects that restore anadromous fish access to historic
36 spawning grounds by implementing passage improvements ~~at to~~
37 ~~resolve migration barriers through mechanisms approved by state~~
38 ~~and federal wildlife agencies. related to the central valley rim~~
39 ~~dams consistent with the Natural Resources Agency's California~~

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1 *Water Action Plan and the 2014 Central Valley Salmon and*
2 *Steelhead Recovery Plan.*

3

4

CHAPTER 8. FLOOD MANAGEMENT PROJECTS

5

6 80280. The sum of three hundred million dollars
7 (\$300,000,000) shall be available for appropriation by the
8 Legislature to the Department of Water Resources for multibenefit
9 flood management projects that reduce risks to public safety and
10 provide improvement to wildlife habitat. Eligible project types
11 include, but are not limited to, levee setbacks, connecting rivers
12 with flood plains, enhancement of ~~floodplains~~ *flood plains* and
13 bypasses, offstream groundwater recharge, and land acquisitions
14 and easements necessary for these project types. To the extent
15 feasible, project selection shall be guided by approved local hazard
16 mitigation plans. Eligible projects include the following:

17 (a) Multibenefit flood management projects that reduce the
18 impacts of climate change on *inland or* coastal infrastructure,
19 communities, or ecosystems, and provide ecosystem, wildlife, or
20 groundwater recharge benefits.

21 (b) Natural infrastructure projects to reduce flood intensity and
22 slow watershed runoff.

23 (c) Projects that capture, clean, or otherwise productively use
24 stormwater.

25 (d) Projects that provide matching grants for, or otherwise
26 leverage funding from the Federal Emergency Management Agency
27 or other federal mitigation and resiliency funding.

28 (e) Projects that provide benefits to anadromous and other native
29 fish species along migratory corridors.

30 (f) Projects that improve the ability of lands to buffer extreme
31 precipitation events.

32 (g) Projects that restore streams to a more natural state by
33 removing culverts and paved channels to enable more stormwater
34 to be absorbed and gradually released by soil and plants.

35 (h) *Projects to assist in implementation of approved sustainable*
36 *groundwater management plans.*

1 CHAPTER 9. PROTECTING FISH AND WILDLIFE FROM CLIMATE
2 IMPACTS
3

4 80290. The sum of three hundred million dollars
5 (\$300,000,000) shall be available for appropriation by the
6 Legislature to the Wildlife Conservation Board for the protection
7 of California's fish and wildlife resources in response to changing
8 climate conditions and the highly variable habitat needs of fish
9 and wildlife. Eligible projects include, but are not limited to, the
10 following:

11 (a) Salmon and other fishery preservation and habitat restoration
12 projects, including implementation of recovery actions identified
13 by the Department of Fish and Wildlife or the National Marine
14 Fisheries Service, and aligned with planning guidance under the
15 federal Magnuson-Stevens Fishery Conservation and Management
16 Act (16 U.S.C. Sec. 1801 et seq.); *seq.*), including projects to
17 benefit fall-run Chinook salmon.

18 (b) Projects to protect and restore wetlands and wildlife habitat,
19 including, but not limited to, refuges for migratory birds.

20 (c) Projects for the protection and restoration of wildlife
21 corridors and habitat linkages, including land acquisition and the
22 ~~construction, repair, or~~ construction or repair of corridors, or the
23 removal of barriers.

24 (d) Land acquisition projects that protect land from development.

25 (e) Restoration and stewardship projects that restore or manage
26 the land to improve its resilience to climate impacts and natural
27 disasters.

28 (f) Projects for conservation actions on private lands, including,
29 but not limited to, incentives and technical assistance for private
30 landowners to implement conservation actions.

31 (g) Projects for the protection of threatened and endangered
32 species, including projects within natural community conservation
33 plans or habitat conservation plans. Projects may include land
34 acquisition through either easement or fee title.

35 (h) Projects that include acquisition of water from willing sellers,
36 acquisition of land that includes water rights or right to water, and
37 other projects that provide water for fish and wildlife or improve
38 aquatic or riparian habitat conditions.

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1 (i) Project for the development and implementation of regional
2 conservation investment strategies that include climate resilience
3 elements.

4 (j) ~~Multibenefit—water—diversion~~ projects that *improve*
5 *agricultural diversion efficiency and* eliminate entrainment of
6 migratory fish species consistent with the Bay-Delta Water Quality
7 Control Plan ~~requirements and the Recovery Plan For The~~
8 ~~Evolutionarily Significant Units of Sacramento River Winter-run~~
9 ~~Chinook Salmon and Central Valley Spring-Run Chinook Salmon~~
10 ~~and The Distinct Population Segment of California Central Valley~~
11 ~~Steelhead, issued by~~ and the federal National Marine Fisheries
12 Service in July 2014. *Service's 2014 Central Valley Salmon and*
13 *Steelhead Recovery Plan.*

14

15 CHAPTER 10. IMPROVING CLIMATE RESILIENCE OF
16 AGRICULTURAL LANDS

17

18 80300. The sum of one hundred million dollars (\$100,000,000)
19 shall be available for appropriation by the Legislature to the
20 Department of Food and Agriculture for the improvement in
21 climate resilience of agricultural lands. Eligible projects include,
22 but are not limited to, the following:

23 (a) Grants to promote practices on farms and ranches that
24 improve agricultural and soil health, carbon sequestration, ~~and~~
25 erosion control, ~~water-quality~~ *quality*, and water retention.

26 (b) Grants to promote on-farm water use efficiency with a focus
27 on multibenefit projects that improve groundwater management,
28 surface water use efficiency, or that improve drought and flood
29 tolerance.

30 (c) Invasive species projects and restoration activities
31 recommended by the Invasive Species Council of California.

32 80301. (a) The sum of one hundred million dollars
33 (\$100,000,000) shall be available for appropriation by the
34 Legislature to the Department of Conservation for the protection
35 and restoration of farmland and rangelands, including the
36 acquisition of fee title or easements, that improve climate resilience
37 and provide multiple benefits. Eligible projects include, but are
38 not limited to, the following:

1 (1) Grants for the protection and restoration of agricultural ~~lands,~~
 2 ~~including supporting the implementation of approved sustainable~~
 3 ~~groundwater management plans:~~ *lands.*

4 (2) Restoration activities to control or eradicate invasive species.

5 (b) In awarding funds for farmland *and rangeland* projects
 6 pursuant to this section, the Department of Conservation shall give
 7 preference to projects for small- and medium-sized farms.

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CHAPTER 11. PROTECTING COASTAL LANDS, RESOURCES,
 WATERS, AND WILDLIFE

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80310. The sum of three hundred million dollars
 13 (\$300,000,000) shall be available for appropriation by the
 14 Legislature for the protection of coastal lands, beaches, bluffs,
 15 grassland, chaparral, shrubland, forests, and the waters, natural
 16 resources, trails and public access facilities, and wildlife in coastal
 17 areas from climate impacts. Eligible projects include, but are not
 18 limited to, projects to restore wetlands and forests, to ameliorate
 19 sea level rise and temperature increase, to reduce risks of coastal
 20 flooding or inundation, or to sustain native species populations
 21 impacted by various effects of climate change, including, but not
 22 limited to, ocean acidification and warming seas.

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CHAPTER 12. PLANNING FOR FIRE, FLOOD, DROUGHT, AND
 OTHER CLIMATE IMPACTS

80320. The sum of one hundred fifty million dollars
 (\$150,000,000) shall be available to the Strategic Growth Council
 to fund the development and implementation of regional climate

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1 strategies to improve the resiliency of local communities and
2 natural resources to the impacts of climate change and to help local
3 communities and natural resources adapt to a changing climate.

4 80321. (a) The Strategic Growth Council shall collaborate
5 with state conservancies, regional climate collaboratives, and public
6 agencies from each region of the state to determine appropriate
7 geographic boundaries for regional and subregional strategies. The
8 formation of the regions may be based on, or adapted from, the
9 nine regions identified in California's Fourth Climate Change
10 Assessment and shall cover the entire geographic area of California.

11 (b) Each regional strategy shall include an assessment of climate
12 vulnerabilities and risks and identification of environmental,
13 economic, and social climate vulnerabilities, including impacts to
14 vulnerable populations. Relevant regional or local plans may be
15 used to develop the assessment.

16 (c) Of the funds made available pursuant to this chapter, not
17 less than one hundred million dollars (\$100,000,000) shall be
18 available for competitive grants for the implementation of regional
19 climate strategies.

20

21 CHAPTER 13. CLIMATE RESILIENCE WORKFORCE DEVELOPMENT

22

23 80330. (a) The sum of fifty million dollars (\$50,000,000) shall
24 be available for appropriation by the Legislature for resiliency and
25 natural disaster prevention and restoration projects and programs
26 that promote workforce development and career pathway
27 opportunities for careers in fire prevention and management,
28 watershed restoration, forestry, forest and vegetation management,
29 park and open-space operations and management, fisheries
30 management, and nature-based recreation and tourism, and
31 sustainable forest products industries.

32 (b) (1) Of the moneys made available pursuant to this chapter,
33 up to thirty million dollars (\$30,000,000) shall be available for
34 appropriation by the Legislature to the California Conservation
35 Corps for purposes specified in subdivision (a).

36 (2) The California Conservation Corps may expend up to 50
37 percent of the funds made available pursuant to paragraph (1) as
38 grants to certified local conservation corps for purposes specified
39 in subdivision (a).

CHAPTER 14. FISCAL PROVISIONS

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80400. (a) Bonds in the total amount of four billion three hundred million dollars (\$4,300,000,000) and any additional bonds authorized, issued, and appropriated in accordance with this division pursuant to other provisions of law, not including the amount of any refunding bonds issued in accordance with Section 80412, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

80401. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended from time to time, and all of the provisions of that law, except subdivisions (a) and (b) of Section 16727 of the Government Code, apply to the bonds and to this division.

80402. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), of the bonds authorized by this division, the Wildfire, Drought, and Flood Protection Finance Committee is hereby created. For purposes of this division, the Wildfire, Drought, and Flood Protection Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, the Controller, the Secretary of the Natural Resources Agency, and the executive director of the Strategic Growth

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1 Council. Notwithstanding any other law, any member may
2 designate a representative to act as that member in that member's
3 place for all purposes, as though the member were personally
4 present.

5 (c) The Treasurer shall serve as the chairperson of the
6 committee.

7 (d) A majority of the committee may act for the committee.

8 80403. The committee shall determine whether or not it is
9 necessary or desirable to issue bonds authorized by this division
10 in order to carry out the actions specified in this division and, if
11 so, the amount of bonds to be issued and sold. Successive issues
12 of bonds may be authorized and sold to carry out those actions
13 progressively, and it is not necessary that all of the bonds
14 authorized to be issued be sold at any one time.

15 80404. For purposes of the State General Obligation Bond
16 Law, "board," as defined in Section 16722 of the Government
17 Code, means the Secretary of the Natural Resources Agency.

18 80405. There shall be collected each year and in the same
19 manner and at the same time as other state revenue is collected,
20 in addition to the ordinary revenues of the state, a sum in an amount
21 required to pay the principal of, and interest on, the bonds each
22 year. It is the duty of all officers charged by law with any duty in
23 regard to the collection of the revenue to do and perform each and
24 every act that is necessary to collect that additional sum.

25 80406. Notwithstanding Section 13340 of the Government
26 Code, there is hereby appropriated from the General Fund in the
27 State Treasury, for the purposes of this division, an amount that
28 will equal the total of the following:

29 (a) The sum annually necessary to pay the principal of, and
30 interest on, bonds issued and sold pursuant to this division, as the
31 principal and interest become due and payable.

32 (b) The sum that is necessary to carry out the provisions of
33 Section 80409, appropriated without regard to fiscal years.

34 80407. The board may request the Pooled Money Investment
35 Board to make a loan from the Pooled Money Investment Account,
36 including other authorized forms of interim financing that include,
37 but are not limited to, commercial paper, in accordance with
38 Section 16312 of the Government Code for the purpose of carrying
39 out this division. The amount of the request shall not exceed the
40 amount of the unsold bonds that the committee has, by resolution,

1 authorized to be sold for the purpose of carrying out this division,
 2 excluding refunding bonds authorized pursuant to Section 80412,
 3 less any amount loaned and not yet repaid pursuant to this section
 4 and withdrawn from the General Fund pursuant to Section 80409
 5 and not yet returned to the General Fund. The board shall execute
 6 those documents required by the Pooled Money Investment Board
 7 to obtain and repay the loan. Any amounts loaned shall be
 8 deposited in the fund to be allocated in accordance with this
 9 division.

10 80408. Notwithstanding any other provision of this division,
 11 or of the State General Obligation Bond Law, if the Treasurer sells
 12 bonds that include a bond counsel opinion to the effect that the
 13 interest on the bonds is excluded from gross income for federal
 14 tax purposes under designated conditions or is otherwise entitled
 15 to any federal tax advantage, the Treasurer may maintain separate
 16 accounts for the bond proceeds invested and for the investment
 17 earnings on those proceeds, and may use or direct the use of those
 18 proceeds or earnings to pay any rebate, penalty, or other payment
 19 required under federal law or take any other action with respect
 20 to the investment and use of those bond proceeds, as may be
 21 required or desirable under federal law in order to maintain the
 22 tax-exempt status of those bonds and to obtain any other advantage
 23 under federal law on behalf of the funds of this state.

24 80409. For the purposes of carrying out this division, the
 25 Director of Finance may authorize the withdrawal from the General
 26 Fund of an amount or amounts not to exceed the amount of the
 27 unsold bonds that have been authorized by the committee to be
 28 sold for the purpose of carrying out this division, excluding
 29 refunding bonds authorized pursuant to Section 80412, less any
 30 amount loaned pursuant to Section 80407 and not yet repaid and
 31 any amount withdrawn from the General Fund pursuant to this
 32 section and not yet returned to the General Fund. Any amounts
 33 withdrawn shall be deposited in the fund to be allocated in
 34 accordance with this division. Any moneys made available under
 35 this section shall be returned to the General Fund, with interest at
 36 the rate earned by the moneys in the Pooled Money Investment
 37 Account, from proceeds received from the sale of bonds for the
 38 purpose of carrying out this division.

39 80410. All moneys deposited in the fund that are derived from
 40 premium and accrued interest on bonds sold pursuant to this

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1 division shall be reserved in the fund and shall be available for
2 transfer to the General Fund as a credit to expenditures for bond
3 interest, except that amounts derived from premiums may be
4 reserved and used to pay the cost of bond issuance before any
5 transfer to the General Fund.

6 80411. Pursuant to Chapter 4 (commencing with Section
7 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
8 the cost of bond issuance shall be paid or reimbursed out of the
9 bond proceeds, including premiums, if any. To the extent the cost
10 of bond issuance is not paid from premiums received from the sale
11 of bonds, these costs shall be allocated proportionally to each
12 program funded through this division by the applicable bond sale.

13 80412. The bonds issued and sold pursuant to this division
14 may be refunded in accordance with Article 6 (commencing with
15 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
16 the Government Code, which is a part of the State General
17 Obligation Bond Law. Approval by the voters of the state for the
18 issuance of the bonds under this division shall include approval
19 of the issuance of any bonds issued to refund any bonds originally
20 issued under this division or any previously issued refunding bonds.
21 Any bond refunded with the proceeds of a refunding bond as
22 authorized by this section may be legally defeased to the extent
23 permitted by law in the manner and to the extent set forth in the
24 resolution, as amended from time to time, authorizing that refunded
25 bond.

26 80413. The proceeds from the sale of bonds authorized by this
27 division are not "proceeds of taxes" as that term is used in Article
28 XIII B of the California Constitution, and the disbursement of these
29 proceeds is not subject to the limitations imposed by that article.

30 SEC. 2. Section 1 of this act shall take effect upon the approval
31 by the voters of the Wildfire, Drought, and Flood Protection Bond
32 Act of 2020.

33 SEC. 3. Section 1 of this act shall be submitted to the voters
34 at the ____, 2020, statewide ____ election in accordance with
35 provisions of the Government Code and the Elections Code
36 governing the submission of a statewide measure to the voters.

37 SEC. 4. This act is an urgency statute necessary for the
38 immediate preservation of the public peace, health, or safety within
39 the meaning of Article IV of the Constitution and shall go into
40 immediate effect. The facts constituting the necessity are:

- 1 In order to fund wildfire, drought, and flood protection programs
- 2 at the earliest possible date, it is necessary that this act take effect
- 3 immediately.

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Attachment 2 Summary and Analysis of SB 45

As summarized below, Metropolitan and its member agencies could benefit from many of the provisions within SB 45. Note that Chapter 1 of SB 45 presents the general provisions of the bill and does not include any funding.

Chapter 2 – Restoring Areas Impacted by Fire, Flood, and Drought, and Other Climate Impacts – \$200 million

Chapter 2 funds the restoration of areas impacted by wildfire, flood, drought, or other natural disasters and may be of interest to agencies that have responsibilities for fire protection, flood management, and/or debris flow management, for projects such as: revegetation; reduction of erosion, flood, and mudslide risk; upgrades to damaged or destroyed infrastructure; and habitation restoration.

Chapter 3 – Reducing Wildfire Risk in Wildland Urban Interface – \$1 billion

Chapter 3 provides funds for reducing wildfire risk that threatens lives, property, and natural habitats and may be of interest to agencies that have fire protection responsibilities, with eligible projects including, but not limited to: reducing wildfire risks to people and property consistent with approved local hazard mitigation plans; improvements to local warning and evacuation systems; improvements to fire and disaster response communication and infrastructure; and funding fire safe councils for the development and implementation of community wildfire protection plans.

Chapter 4 – Reducing Fire Risk through the Creation of Healthy Forests and Watersheds – \$600 million

Chapter 4 funds the protection and restoration of watersheds, wet meadows, floodplains, and wetlands, including efforts to prevent increased sedimentation in streams, and loss of groundwater retention capacity could assist restoration projects in the Delta watershed and/or the Sacramento watershed, rendering State Water Project supplies more reliable.

The funding is consistent with Metropolitan's support and participation in:

- *Voluntary Agreements to Improve Habitat and Flow in the Delta and its Watersheds* – a state Natural Resources Agency-led effort to negotiate voluntary agreements that support the environmental objectives identified in the ongoing Bay-Delta Water Quality Control Plan update process through a broad set of flow and non-flow actions, while protecting water supply reliability.
- *Sacramento Valley Salmon Resiliency Strategy* – a state science-based effort to address specific near- and long-term needs of Sacramento River winter-run Chinook salmon (winter-run), Central Valley spring-run Chinook salmon (spring-run), and California Central Valley steelhead (steelhead.)
- *Delta Smelt Resiliency Strategy* – a state science-based effort to voluntarily address both immediate and near-term needs of Delta Smelt, to promote their resiliency to drought conditions and future variations in habitat conditions.
- *California EcoRestore* – an initiative to help coordinate and advance at least 30,000 acres of critical habitat restoration in the Sacramento-San Joaquin Delta (Delta) by 2020.

In addition, this Chapter identifies climate resiliency, water quality, and water supply as desired outcomes from forest/watershed restoration projects consistent with Metropolitan's Legislative Policy Principle on Watershed Management.

Funding for this chapter may also interest member agencies and subagencies that have fire protection responsibilities and manage watersheds that may be affected by fires and by floods.

Chapter 5 – Reducing Climate Risks in Urban Areas and on Vulnerable Populations – \$300 million

Chapter 5 funds the reduction of climate impacts on urban areas and vulnerable populations with eligible projects including sustainable stormwater capture technologies, permeable pavement projects, rain gardens, stormwater detention basins, and park infrastructure improvements for natural resources and water conservation and efficiencies. Metropolitan, member agencies, and subagencies could look for opportunities to obtain funding for the identified water conservation and water use efficiency and stormwater projects.

Agencies with municipal responsibilities may also be interested in other funded projects in this chapter, including: green infrastructure projects reducing heat island effects, cooling centers, hydration stations, facilities to safeguard vulnerable populations from extreme heat events, and cool roofs, as well as the previously identified park infrastructure improvements for natural resources and water conservation and efficiencies.

Chapter 6 – Protecting Water Supply and Water Quality – \$600 million

Chapter 6 provides funding for protecting California's water supply and water quality, with projects including:

- Safe drinking water projects by public water systems or public agencies that serve disadvantaged communities;
- Projects that improve water quality, promote water conservation, improve water use efficiency, or capture, treat, and use stormwater flows;
- Sustainable groundwater management projects that use captured stormwater and floodwaters for recharge purposes;
- Source water conservation and restoration activities in watersheds integral to California's water infrastructure; and
- Projects that improve water data management through enhanced quality and availability of water data.

Notably, there is no identified funding for recycled water projects.

The proposed provisions of this bill can bridge the funding gap to solve drinking water issues facing disadvantaged communities, consistent with efforts of Metropolitan, the Association of California Water Agencies, and the California Municipal Utilities Association.

This chapter also provides funding for projects to improve water quality that could assist Metropolitan's quagga mussel program. In addition, the potential impacts of constituents of emerging concern (CECs) on California's ecosystem are a critical water and environmental management issue. Research is needed to identify which CECs to monitor, what analytical methods to use, and the cost of implementing the program.

The proposed funding could also help Metropolitan promote water conservation and improve water use efficiency, helping to reduce water demand.

Funding to improve water data management through enhanced quality and availability of water data could fund Metropolitan's legal requirement to install accurate flow meters on water diversions in the Delta.

Chapter 7 – Protecting Rivers, Lakes, and Streams – \$300 million

Chapter 7 provides funding for protection and restoration of rivers, lakes, and streams to improve climate resiliency, with preference given to natural infrastructure projects. Metropolitan could benefit from the following eligible projects:

- Projects that restore anadromous fish access to historic spawning grounds by implementing passage improvements to resolve migration barriers related to the central valley rim dams

consistent with the Natural Resources Agency's California Water Action Plan and the 2014 Central Valley Salmon and Steelhead Recovery Plan; and

- Projects under the Salton Sea Management Program that provide climate resilience benefits.

Communities in Metropolitan's service area within the Los Angeles River Watershed could benefit from the proposed funding for multi-benefit watershed protection or restoration projects improving climate resilience within that watershed.

Also, agencies may have an interest in the funding provided for multi-benefit river and urban stream parkway projects that improve climate resilience, watershed protection, and urban access.

Chapter 8 – Flood Management Projects – \$300 million

Chapter 8 provides funding for multi-benefit flood management projects that reduce risks to public safety and provide improvement to wildlife habitat, including levee setbacks, connecting rivers with flood plains, enhancement of flood plains and bypasses, offstream groundwater recharge, and land acquisitions and easements necessary for such efforts. Metropolitan could benefit from the funding of multi-benefit flood management projects if that included setback levees in the Delta or Delta watershed that not only protect public safety but also benefit sensitive salmon species by providing floodplain habitat for cover from predators. Also, as a Delta landowner, Metropolitan could benefit if funds for flood management were used on setback levees that improve flood protection and provide fish habitat.

Other eligible projects include:

- Natural infrastructure project to reduce flood intensity and slow watershed runoff;
- Capturing, cleaning, or otherwise productively using stormwater;
- Providing matching grants for, or otherwise leverage funding from, the Federal Emergency Management Agency or other federal mitigation and resiliency funding;
- Providing benefits to anadromous and other native fish species along migratory corridors;
- Improving the ability of lands to buffer extreme precipitation events;
- Restoring streams to a more natural state by removing culverts and paved channels to enable more stormwater to be absorbed and gradually released by soil and plants; and
- Helping implement approved sustainable groundwater management plans

Chapter 9 – Protecting Fish and Wildlife from Climate Impacts – \$300 million

Chapter 9 provides funds to protect fish and wildlife resources in response to climate change and to their highly variable habitat needs. Metropolitan could benefit from proposed funding to improve connectivity between floodplain habitat and rivers, to acquire conservation easements or fee title to lands that help benefit listed fish species, and to acquire water from willing sellers that enhance in-stream beneficial uses. Also, as a Delta landowner, Metropolitan could benefit from funding projects that improve agricultural diversion efficiency and eliminate entrainment of migratory fish species.

The eligible projects under this chapter include, but are not limited to:

- Salmon and other fishery preservation and habitat restoration projects;
- Protection and restoration of wetlands and wildlife habitat, including, but not limited to, refuges for migratory birds;
- Protection and restoration of wildlife corridors and habitat linkages including land acquisition and the construction or repair of corridors, or the removal of barriers;
- Land acquisition that protect land from development;
- Restoration and stewardship that restore or manage land to improve its resilience to climate impacts and natural disasters;
- Conservation action on private lands;

- Protection of threatened and endangered species, including projects within natural community conservation plans or habitat conservation plans, including land acquisition;
- Acquisition of water from willing sellers, acquisition of land that includes water rights or right to water, and providing water for fish and wildlife or improve aquatic or riparian habitat conditions;
- Development and implementation of regional conservation investment strategies that include climate resilience elements; and
- Initiation of multi-benefit projects that improve agricultural diversion efficiency and eliminate entrainment of migratory fish species.

Chapter 10 – Improving Climate Resilience of Agricultural Lands – \$200 million

Chapter 10 funds improving the climate resilience of agricultural lands and protecting and restoring farmland and rangeland, including:

- Practices on farms and ranches that improve agricultural and soil health, carbon sequestration, and erosion control, water quality and water retention;
- On-farm water use efficiency with a focus on multi-benefit projects that improve groundwater management, surface water use efficiency, or that improve drought and flood tolerance;
- Invasive species projects and restoration activities;
- Protection and restoration of agricultural lands (small- and mid-sized farms); and
- Restoration activities to control or eradicate invasive species (small- and mid-sized farms.)

Metropolitan could benefit from funding for control and eradication of invasive species, including nutria, which can threaten levee integrity.

Chapter 11 – Protecting Coastal Lands, Resources, Waters, and Wildlife – \$300 million

Coastal agencies and their communities may have an interest in this chapter for protection of coastal lands, resources, waters, and wildlife, with eligible projects to restore wetlands and forests; ameliorate sea level rise and temperature increase; reduce the risks of coastal flooding or inundation; or sustain native species populations affected by various effects of climate change, including, but not limited to, ocean acidification and warming seas.

Projects shall be consistent with the sea level rise guidelines established by the California Coastal Commission and the State Coastal Conservancy, if applicable.

Chapter 12 – Planning for Fire, Flood, Drought, and Other Climate Impacts – \$150 million

Chapter 12 funds the development and implementation of regional climate strategies to improve the resiliency of local communities and natural resources to the impacts of climate change and to help local communities and natural resources adapt to a changing climate. Public agencies, as well as state conservancies and regional climate collaboratives, could participate in regional and subregional strategies with the Strategic Growth Council. Each regional strategy would include an assessment of climate vulnerabilities and risks and identification of environmental, economic, and social climate vulnerabilities, including impacts to vulnerable populations. It is unclear if there is a role for public agencies such as Metropolitan and its agencies for participation in such regional and subregional strategies, and if funding could be made directly to Metropolitan and its agencies, or if such grants would go to the more traditional regional urban planning entities. Regardless, Metropolitan and its agencies should monitor the Strategic Growth Council's efforts to develop and implement regional climate strategies should this bond measure become law.

Chapter 13 – Climate Resilience Workforce Development – \$50 million

Chapter 13 funds resiliency and natural disaster prevention and restoration projects and programs that promote workforce development and career pathway opportunities for careers in: fire prevention and management; watershed restoration; forestry; forest and vegetation management; park and open-space

operations and management; fisheries management; nature-based recreation and tourism; and sustainable forest products industries. A portion of the funding would be available to the California Conservation Corps which may fund grants to certified local conservation corps. Metropolitan and its agencies may have opportunities to work with the California Conservation Corps and grant-funded certified local conservation corps on projects of joint benefit for climate resiliency.



- **Board of Directors**
Communications and Legislation Committee

6/11/2019 Board Meeting

8-3

Subject

Express opposition, unless amended, to SB 1 (Atkins, D-San Diego; Portantino, D-La Canada Flintridge; and Stern, D-Agoura Hills): California Environmental, Public Health, and Workers Defense Act of 2019; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

SB 1 is intended to prevent weakening of California environmental and worker safety standards that may result from weakening federal law during the tenure of the Trump Administration. However, SB 1 is unnecessary given existing legal, legislative, and administrative remedies available in California to address weakening of any specific standard, and it may have significant unintended consequences in several policy areas relevant to Metropolitan. Staff recommends opposing SB 1 unless it is amended to address specific provisions.

Details

Background

SB 1 (Attachment 1) was introduced by Senators Atkins, Portantino and Stern on December 3, 2018. In March 2019, staff presented SB 1 to the Board recommending Metropolitan oppose the bill unless it is amended. The Board deferred action on the bill to the April Board meeting to allow staff an opportunity to work with the author's office on amendments. Metropolitan staff met with the Pro Tem's staff and the bill's sponsors, Natural Resources Defense Council and Defenders of Wildlife, and shared concerns and proposed amendments. In April, staff brought the bill back to the Board for reconsideration. The Board made a substitute motion to take no position on the bill but directed staff to continue working with the author's office to seek amendments to address Metropolitan's areas of concern.

The bill has been heard in Senate Environmental Quality, Natural Resources and Water, and Judiciary committees and was amended on May 21, 2019. On May 29, SB 1 passed off the Senate Floor. While a few amendments have been made to SB 1, the amendments as a whole did not address the key concerns identified by staff. In fact, the amendments raise additional concerns as discussed below.

Summary of SB 1

The overarching objective of SB 1 is to authorize state agencies to immediately adopt any or, under certain circumstances, all baseline federal standards that are weakened so that federal environmental, safe drinking water, fair labor or worker safety protections remain in effect as they existed before the Trump Administration took office. The bill would also allow California citizen suits to be brought in state court to enforce baseline federal standards in all areas except the endangered species section. The bill would sunset on January 20, 2025, and would be repealed on January 1, 2026.

Specifically, the bill defines baseline federal standards as those federal clean air, clean water, safe drinking water, endangered species, fair labor and worker safety laws and regulations in effect immediately before the Trump Administration took office, either as of January 1, 2017 (labor and worker safety) or January 19, 2017 (all others). For endangered species, it goes beyond statutes and regulations and includes any incidental take permits or biological opinions, including the biological opinions governing the coordinated operations of the State Water Project (SWP) and Central Valley Project (CVP) as they existed on January 19, 2017.

May 21, 2019 Amendments

The authors amended the bill on May 21, 2019. Metropolitan's legislative review and the relevant amendments are summarized below.

- For the sections dealing with clean air, clean water, safe drinking water, and endangered species, the "at least as stringent as" language has been replaced with "at least as protective of public health and safety, the environment, or natural resources."
- The amended bill significantly expands the citizen suit provisions to allow citizen suits in state court to enforce not only any federal baselines that state agencies adopt under SB 1, as in the bill as introduced, but, if the federal citizen suit provisions are amended to "restrict, condition, abridge, or repeal", then citizen suits could be brought in state court.
- The clean air, water quality, and drinking water provisions now include language that would make a violation of any federal baseline standards for which there is no state analog into a violation of the analogous state statute the moment the corresponding federal citizen suit provision is amended to "restrict, condition, abridge, or repeal" the citizen suit provision.
- The definition of baseline federal standards for worker protections has been expanded to include federal "guidelines."
- The amended bill excludes from the definitions of federal baseline standards any federal laws or regulations that were permanently enjoined by a court at the federal baseline date (in most cases January 19, 2017).
- State agencies must publish their quarterly lists of changes to federal baselines and their analyses of whether they have been weakened on their websites and in the California Regulatory Notice Register. The bill as introduced said "publish," but didn't say how or where. The regulated community tracks agency websites and the Cal Register.
- A savings clause has been added to state that the bill would not interfere with the ongoing Voluntary Agreement process to reach a settlement on the State Water Resources Control Board's Water Quality Control Plan update for the Sacramento-San Joaquin Delta.

Concerns with SB 1 Which May Impact Metropolitan:

- **Potential impacts to SWP operations** – Freezing existing federal biological opinion measures in new or future state permits would occur regardless of improved scientific understanding that may show the federal baseline measures are ineffective or unnecessary, thus permanently, but needlessly constraining the coordinated operations of the CVP and SWP. Although the amendments add "best available science" to the application, they do not address the initial concern that the biological opinion measures and incidental take permit must be as "protective as" existing federal standards.
- Additionally, the amendment language assumes that the California Endangered Species Act (CESA) applies to the CVP. That is an unsettled area of law. Reclamation has not applied for CESA coverage, and it is unlikely to do so even if SB 1 is enacted with the language that attempts to assert that CESA applies to the CVP. This language will likely lead to litigation. In the interim, the SWP would bear the full water costs of meeting the 2008/2009 Biological Opinion Reasonable and Prudent Alternatives. If the litigation is resolved in Reclamation's favor, the SWP would be required to continue to meet outdated permit requirements as a condition of its CESA incidental take permit.
- **Limited public review prior to adoption** – The bill would allow state agencies to adopt the standards with as little as 30-days' notice, precluding meaningful public comment. For instance, there are several federal air quality standards for which there is no state analog. If one or more is arguably rendered less stringent by federal action, SB 1 would authorize the California Air Resources Board to adopt the federal baseline standards with as little as 30-days' notice.

- **Inconsistencies between federal and state regulations may result in litigation and regulatory uncertainty** – “at least as stringent as” language has been replaced with “at least as protective of public health and safety, the environment, or natural resources.” Whether a state standard adopted under SB 1 is “at least as protective” as a baseline federal standard may cause litigation because reasonable minds can disagree on the question.
- This amendment raises additional concerns because it imports considerations of “public health and safety” into CESA permitting, rather than tailoring the language to each area of environmental regulation.
- **Increased exposure to litigation** – While it is unknown how many regulations may be adopted under SB 1, and therefore subject to the citizen suit provision, creating citizen suits under state law could expose Metropolitan to simultaneous litigation in state and federal court for any alleged violation of a standard adopted under SB 1. This would increase litigation costs. The attorneys’ fee and expert witness fee provisions would give plaintiffs increased leverage regardless of the merits of their claims. Absent evidence that administrative agencies are not enforcing the environmental and worker protection laws, this provision is both unnecessary and potentially costly, with no corresponding improvement in enforcement. Recent amendments broadened citizen suit provisions to allow citizen suits in state court to enforce not only any federal baselines that state agencies adopt under SB 1, as originally introduced, but, if the federal citizen suit provisions are amended to “restrict, condition, abridge, or repeal”, then citizen suits could be brought in state court immediately, without any of the minimal notice provided in the bill.
- **Voluntary Agreements** – Amended language was added stating the bill will not affect the process by which the voluntary agreements under negotiation between the state and various parties regarding the Water Quality Control Plan update for the Sacramento-San Joaquin Delta are entered into. It is not the process but the uncertainty created by the bill for SWP operations that would put at risk significant investments by the various parties to the agreements.

Recommendation

Staff recommends Metropolitan take an oppose unless amended position, proposing amendments to remove the provisions of concern, and instead require state agencies to review and report on any perceived impacts by federal policy changes that may weaken environmental or worker protections in California. Under such an approach, the Legislature or the appropriate state agency could use existing authorities to adopt and enforce state standards, either as urgency legislation or an emergency regulation or by the usual legislative or public notice-and-comment procedures.

Policy

By Minute Item 51418, dated December 11, 2018, the Board adopted the State Legislative Priorities and Principles for 2019

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Public Resources Code Sections 21065, 21083 and Section 15378(b)(1) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required.

Board Options

Option #1

Authorize the General Manager to express opposition, unless amended, to SB 1: California Environmental, Public Health, and Workers Defense Act of 2019.

Fiscal Impact: Unknown. Reduce risks of additional project delay, enforcement, or litigation costs.

Business Analysis: Preserve state regulatory agency discretion under existing environmental, public health, worker rights, and worker safety laws, avoid project delay or financial impacts from increased regulatory uncertainty and burdens, and avoid additional litigation costs.

Option #2

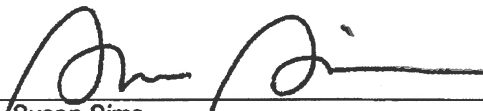
Take no action.

Fiscal Impact: Unknown. Metropolitan may be subject to additional compliance costs, project delays, and enforcement or litigation costs.

Business Analysis: Metropolitan's SWP supplies may be adversely affected in the long run, and Metropolitan could be subject to potential project delay or financial impacts from increased regulatory burdens, and additional litigation costs may be incurred in legal challenges to new state regulations and permitting decisions.


Staff Recommendation

Option #1



Susan Sims
External Affairs, Manager

6/4/2019
Date



Jeffrey Kightlinger
General Manager

6/6/2019
Date

Attachment 1 – Senate Bill 1 as amended, May 21, 2019

Ref# ea12665129

AMENDED IN SENATE MAY 21, 2019

AMENDED IN SENATE APRIL 11, 2019

SENATE BILL

No. 1

**Introduced by Senators Atkins, Portantino, and Stern
(Coauthor: Senator Hueso)**

December 3, 2018

An act to add Section 2017 to the Fish and Game Code, and to add and repeal Title 24 (commencing with Section 120000) of the Government Code, relating to ~~state prerogative~~: *public welfare*.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as amended, Atkins. California Environmental, Public Health, and Workers Defense Act of 2019.

(1) The federal Clean Air Act regulates the discharge of air pollutants into the atmosphere. The federal Clean Water Act regulates the discharge of pollutants into water. The federal Safe Drinking Water Act establishes drinking water standards for drinking water systems. The federal Endangered Species Act of 1973 generally prohibits activities affecting threatened and endangered species listed pursuant to that act unless authorized by a permit from the United States Fish and Wildlife Service or the National Marine Fisheries Service, as appropriate.

Existing state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species.

This bill would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified. By imposing new duties on local agencies, this bill would impose a state-mandated local program.

(2) Existing law provides for the enforcement of laws regulating the discharge of pollutants into the atmosphere and waters of the state. Existing law provides for the enforcement of drinking water standards. Existing law provides for the enforcement of the California Endangered Species Act.

This bill would authorize a person acting in the public interest to bring an action to enforce certain federal standards and requirements incorporated into certain of the above-mentioned state laws if specified conditions are satisfied.

(3) Existing federal ~~law~~ law, including the federal Fair Labor Standards Act of 1938, the federal Occupational Safety and Health Act of 1970, and the Federal Coal Mine Health and Safety Act of 1969, generally establishes standards for workers' ~~rights and worker health and safety~~.

Existing state ~~law~~ law, including the California Occupational Safety and Health Act of 1973, generally establishes standards for workers' ~~rights and worker health and safety~~.

This bill would require specified agencies to take prescribed actions regarding certain requirements and standards pertaining to workers' ~~rights and worker health and safety~~. The bill would authorize a person acting in the public interest to enforce standards and requirements related to workers' ~~rights and worker health and safety~~, as provided.

(4) This bill would make the above provisions inoperative as of January 20, 2025, and would repeal them as of January 1, 2026.

(5) Existing law makes it unlawful to take a bird, mammal, fish, reptile, or amphibian, except as authorized by law.

This bill would make it unlawful for a person in California to transport, sell, receive, acquire, or purchase any fish, wildlife, or plant taken, possessed, transported, or sold in violation of a law, treaty, or regulation of the United States in effect on January 19, 2017, or in violation of any law or regulation of any other state or any foreign law in effect on January 1, 2020.

Under existing law, a violation of the Fish and Game Code is a crime.

Because the above provision would be part of the Fish and Game Code, a violation of which would be a crime, this bill would impose a state-mandated local program.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2017 is added to the Fish and Game Code,
2 to read:

3 2017. ~~It~~ *Unless otherwise authorized under state law, it is*
4 *unlawful for a person in this state to do either of the following:*

5 (a) *To transport, sell, receive, acquire, or purchase any fish,*
6 *wildlife, or plant taken, possessed, transported, or sold in violation*
7 *of any law, treaty, or regulation of the United States in effect on*
8 *January 19, 2017.*

9 (b) *To transport, sell, receive, acquire, or purchase any fish,*
10 *wildlife, or plant taken, possessed, transported, or sold in violation*
11 *of any law or regulation of any other state in effect on January 1,*
12 *2020, or in violation of any foreign law in effect on January 1,*
13 *2020.*

14 SEC. 2. Title 24 (commencing with Section 120000) is added
15 to the Government Code, to read:

16

17 TITLE 24. CALIFORNIA ENVIRONMENTAL, PUBLIC
18 HEALTH, AND WORKERS DEFENSE ACT OF 2019

19

20 DIVISION 1. GENERAL PROVISION

21

22 120000. This title shall be known, and may be cited, as the
23 California Environmental, Public Health, and Workers Defense
24 Act of 2019.

1 DIVISION 2. ENVIRONMENT, NATURAL RESOURCES,
2 ~~AND PUBLIC HEALTH~~ PUBLIC HEALTH, AND WORKERS
3 HEALTH AND SAFETY
4

5 CHAPTER 1. FINDINGS AND DECLARATIONS
6

7 120010. (a) The Legislature finds and declares all of the
8 following:

9 (1) For over ~~four~~ *eight* decades, California and its residents have
10 relied on federal laws, including the federal Clean Air Act (42
11 U.S.C. Sec. 7401 et seq.), the Federal Water Pollution Control Act
12 (Clean Water Act) (33 U.S.C. Sec. 1251 et seq.), the federal Safe
13 Drinking Water Act (42 U.S.C. Sec. 300f et seq.), ~~and~~ the federal
14 Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.),
15 *the federal Fair Labor Standards Act of 1938 (29 U.S.C. Sec. 201*
16 *et seq.), the federal Occupational Safety and Health Act of 1970*
17 *(29 U.S.C. Sec. 651 et seq.), and the Federal Coal Mine Health*
18 *and Safety Act of 1969 (30 U.S.C. Sec. 801 et seq.),* along with
19 their implementing regulations and remedies, to protect our state's
20 public health, *safety*, environment, and natural resources.

21 (2) These federal laws establish standards that serve as the
22 baseline level of public ~~health~~ *health, safety*, and environmental
23 protection, while expressly authorizing states like California to
24 adopt more protective measures.

25 (3) Beginning in 2017, a new presidential administration and
26 United States Congress have signaled a series of direct challenges
27 to these federal laws and the protections they provide, as well as
28 to the underlying science that makes these protections necessary,
29 and to the rights of the states to protect their own environment,
30 natural resources, and public health *and safety* as they see fit.

31 (b) It is therefore necessary for the Legislature to enact
32 legislation that will ensure continued protections for the
33 environment, natural resources, and public health *and safety* in the
34 state even if the federal laws specified in paragraph (1) of
35 subdivision (a) are undermined, amended, or repealed.

36 120011. The purposes of this division are to do all of the
37 following:

38 (a) Retain protections afforded under the federal laws specified
39 in paragraph (1) of subdivision (a) of Section 120010 and

1 regulations implementing those federal laws in existence as of
2 January 19, 2017, regardless of actions taken at the federal level.

3 (b) Protect public ~~health~~ *health, safety*, and welfare from any
4 actual or potential adverse effect that reasonably may be anticipated
5 to occur from *hazards and* pollution, including the effects of
6 climate change.

7 (c) Preserve, protect, and enhance the environment and natural
8 resources in California, including, but not limited to, the state's
9 national parks, national wilderness areas, national monuments,
10 national seashores, and other areas with special national or regional
11 natural, recreational, scenic, or historic value.

12 (d) *Prevent work-related and environmental illness, injury, or*
13 *death from chemicals and other pollutants and hazards.*

14 (d)

15 (e) Ensure that economic growth will occur in a manner
16 consistent with the protection of public health *and safety* and the
17 ~~environment~~ *environment*, and the preservation of existing natural
18 resources.

19 (e)

20 (f) Ensure that any decision made by a public agency that may
21 adversely impact public ~~health~~, *health and safety*, the environment,
22 or natural resources is made only after careful evaluation of all the
23 consequences of that decision and after adequate procedural
24 opportunities for informed public participation in the
25 decisionmaking process.

26

27 CHAPTER 2. GENERAL PROVISIONS

28

29 120030. (a) A state agency may adopt standards or
30 requirements pursuant to this title, including, but not limited to,
31 by emergency regulations in accordance with Chapter 3.5
32 (commencing with Section 11340) of Part 1 of Division 3 of Title
33 2.

34 (b) The adoption of emergency regulations in furtherance of
35 this title shall be deemed an emergency and necessary for the
36 immediate preservation of the public peace, health, and safety, or
37 general welfare.

38 (c) Notwithstanding Chapter 3.5 (commencing with Section
39 11340) of Part 1 of Division 3 of Title 2, emergency regulations
40 adopted by a state agency under this title shall not be subject to

1 review by the Office of Administrative Law and shall remain in
 2 effect until revised or repealed by the state agency, or January 20,
 3 2025, whichever comes ~~first~~. *first, as long as the emergency*
 4 *regulations adopt the baseline federal standard without substantial*
 5 *modification.*

6
 7 CHAPTER 3. OPERATIVE PROVISIONS

8
 9 Article 1. Air

10
 11 120040. For purposes of this article, the following definitions
 12 apply:

13 (a) "Air district" means an air quality management or air
 14 pollution control district.

15 (b) "Baseline federal standards" means federal standards in
 16 effect as of January 19, ~~2017~~. *2017, that were not otherwise*
 17 *permanently enjoined by a federal court as of that date.*

18 (c) "Federal standards" means federal laws or federal regulations
 19 implementing the federal Clean Air Act (42 U.S.C. Sec. 7401 et
 20 ~~seq.) including seq.~~, *including, but not limited to,* federal
 21 requirements for a state implementation plan, federal requirements
 22 for the transportation conformity program, and federal requirements
 23 for the prevention of significant deterioration.

24 (d) "State analogue statute" means the California Global
 25 Warming Solutions Act of 2006 (Division 25.5 (commencing with
 26 Section 38500) of the Health and Safety Code) or Division 26
 27 (commencing with Section 39000) of the Health and Safety Code.

28 (e) "State board" means the State Air Resources Board.

29 120041. Except as otherwise authorized by state law, all of the
 30 following apply:

31 (a) The state board shall regularly assess proposed and final
 32 changes to the federal standards.

33 (b) (1) At least quarterly, the state board shall publish *on its*
 34 *internet website and in the California Regulatory Notice Register*
 35 a list of changes made to the federal standards and provide an
 36 assessment on whether a change made to the federal standards is
 37 more or less ~~stringent~~ *protective of public health and safety, the*
 38 *environment, natural resources, or worker health and safety than*
 39 *the baseline federal standards.*

1 (2) If the state board determines that a change to the federal
2 standards is less ~~stringent~~ *protective of public health and safety,*
3 *the environment, natural resources, or worker health and safety*
4 than the baseline federal standards, the state board shall consider
5 whether it should adopt the baseline federal standards as a measure
6 in order to maintain the state's protections to be at least as stringent
7 as the baseline federal standards.

8 (3) The state board shall publish its list, assessment, and
9 consideration for adoption at least 30 days before a vote on
10 adoption on its internet website for public comment.

11 (c) If the state board decides to adopt a measure pursuant to
12 subdivision (b), the state board shall adopt the measure by either
13 of the following procedures:

14 (1) As an emergency regulation in accordance with Section
15 120030.

16 (2) By promulgation or amendment of a state policy, plan, or
17 regulation.

18 (d) Notwithstanding any other law, the state board, when
19 adopting a measure under paragraph (2) of subdivision (c) may
20 adopt those measures in accordance with Section 100 of Title 1 of
21 the California Code of Regulations and the measures shall be
22 deemed to be a change without regulatory effect pursuant to
23 paragraph (6) of subdivision (a) of that section and not subject to
24 additional notice, procedural, or other considerations contained in
25 state analogue statutes identified in this ~~article.~~ *article, as long as*
26 *the measure adopts the baseline federal standards without*
27 *substantial modification.* Nothing in this chapter shall affect the
28 imposition of sanctions under the federal Clean Air Act (42 U.S.C.
29 Sec. 7401 et seq.).

30 (e) In the event that the citizen suit provision set forth in Section
31 7604 of Title 42 of the United States Code is amended to restrict,
32 condition, abridge, or repeal the citizen suit provision, ~~the state~~
33 ~~board may consider the amendment as a change to the federal~~
34 ~~standards and may adopt the baseline federal standards pursuant~~
35 ~~to subdivision (c).~~ *both of the following apply:*

36 (1) *A federal baseline standard for which there is no analogous*
37 *state standard that is more protective of public health and safety,*
38 *the environment, natural resources, or worker health and safety*
39 *is deemed to be a state standard, a violation of which constitutes*
40 *a violation of the state analogue statute.*

1 (2) *An action may be brought pursuant to Section 120042 to*
 2 *enforce the baseline federal standards, state standards enacted*
 3 *pursuant to the state analogue statute, or other permit conditions*
 4 *as authorized pursuant to the federal Clean Air Act (42 U.S.C.*
 5 *Sec. 7401 et seq.).*

6 (f) This article does not prohibit the state board or air districts
 7 from establishing rules and regulations for California that are more
 8 stringent than the baseline federal standards.

9 120042. (a) An action may be brought by a person in the public
 10 interest exclusively to enforce baseline federal standards adopted
 11 as a measure pursuant to subdivision (c) of Section 120041 *or an*
 12 *action may be brought by that person pursuant to subdivision (e)*
 13 *of that section if all of the following requirements are met:*

14 (1) At least 60 days before initiating the action, a complainant
 15 provides a written notice to the Attorney General and the counsel
 16 for the state board, a district attorney, county counsel, counsel of
 17 the air district, and prosecutor in whose jurisdiction the violation
 18 is alleged to have occurred, and the defendant identifying the
 19 specific provisions of the measure alleged to be violated.

20 (2) The Attorney General, a district attorney, a city attorney,
 21 county counsel, counsel of the state board, counsel of an air district,
 22 or a prosecutor has not commenced an action or has not been
 23 diligently prosecuting the action.

24 (b) Upon filing the action, the complainant shall notify the
 25 Attorney General that the action has been filed.

26 (c) The court may award attorney’s fees pursuant to Section
 27 1021.5 of the Code of Civil Procedure, and expert fees and court
 28 costs pursuant to Section 1032 of the Code of Civil Procedure, as
 29 appropriate, for an action brought pursuant to this section.

30 (d) This section does not limit other remedies and protections
 31 available under state or federal law.

32
 33 Article 2. Water

34
 35 120050. For purposes of this article, the following definitions
 36 apply:

37 (a) “Baseline federal standards” means federal standards in
 38 effect as of January 19, 2017, ~~including water quality standards,~~
 39 ~~effluent limitations, and drinking water standards. that were not~~
 40 *otherwise permanently enjoined by a federal court as of that date.*

1 (b) "Board" means the State Water Resources Control Board.

2 (c) "Federal standards" means federal laws or federal regulations
3 implementing the federal Safe Drinking Water Act (42 U.S.C. Sec.
4 300f et seq.) and the Federal Water Pollution Control Act (33
5 U.S.C. Sec. 1251 et seq.) in effect as of January 19, 2017, ~~including~~
6 *including, but not limited to*, water quality standards, effluent
7 limitations, and drinking water standards.

8 (d) "Regional board" means a regional water quality control
9 board.

10 (e) "State analogue statute" mean the Porter-Cologne Water
11 Quality Control Act (Division 7 (commencing with Section 13000)
12 of the Water Code) or the California Safe Drinking Water Act
13 (Chapter 4 (commencing with Section 116270) of Part 12 of
14 Division 103 of the Health and Safety Code).

15 120051. Except as otherwise authorized by state law, all of the
16 following apply:

17 (a) The board shall regularly assess proposed and final changes
18 to the federal standards.

19 (b) (1) At least quarterly, the board shall publish *on its internet*
20 *website and in the California Regulatory Notice Register* a list of
21 changes made to the federal standards and provide an assessment
22 on whether a change made to the federal standards is more or less
23 ~~stringent~~ *protective of public health and safety, the environment,*
24 *natural resources, or worker health and safety* than the baseline
25 federal standards.

26 (2) If the board determines that a change to the federal standards
27 is less ~~stringent~~ *protective of public health and safety, the*
28 *environment, natural resources, or worker health and safety* than
29 the baseline federal standards, the board shall consider whether it
30 should adopt the baseline federal standards as a measure in order
31 to maintain the state's protections to be at least as stringent as the
32 baseline federal standards.

33 (3) The state board shall publish its list, assessment, and
34 consideration for adoption at least 30 days before a vote on
35 adoption on its internet website for public comment.

36 (c) If the board decides to adopt a measure pursuant to
37 subdivision (b), the board shall adopt the measure by either of the
38 following procedures:

39 (1) As an emergency regulation in accordance with Section
40 120030.

1 (2) By promulgation or amendment of a state policy for water
2 quality control, a water quality control plan, or regulation.

3 (d) Notwithstanding any other law, the board, when adopting a
4 measure under paragraph (2) of subdivision (c) may adopt those
5 measures in accordance with Section 100 of Title 1 of the
6 California Code of Regulations and the measures shall be deemed
7 to be a change without regulatory effect pursuant to paragraph (6)
8 of subdivision (a) of that section and not subject to additional
9 notice, procedural, or other considerations contained in state
10 analogue statutes identified in this ~~article~~: *article, as long as the*
11 *measure adopts the baseline federal standard without substantial*
12 *modification*. Nothing in this chapter shall affect the imposition
13 of sanctions under the federal Safe Drinking Water Act (42 U.S.C.
14 Sec. 300f et seq.) or the Federal Water Pollution Control Act (33
15 U.S.C. Sec. 1251 et seq.).

16 (e) (1) In the event that the citizen suit provision set forth in
17 Section 1365 of Title 33 of the United States Code is amended to
18 restrict, condition, abridge, or repeal the citizen suit provision, ~~the~~
19 ~~board may consider the amendment as a change to the federal~~
20 ~~standards and may adopt the baseline federal standards pursuant~~
21 ~~to subdivision (e): both of the following apply:~~

22 (A) *A federal baseline standard related to water quality standard*
23 *or effluent limitation for which there is no analogous state standard*
24 *that is more protective of public health and safety, the environment,*
25 *natural resources, or worker health and safety is deemed to be a*
26 *state standard, a violation of which constitutes a violation of the*
27 *Porter-Cologne Water Quality Control Act (Division 7*
28 *(commencing with Section 13000) of the Water Code).*

29 (B) *An action may be brought pursuant to Section 120052 to*
30 *enforce the baseline federal standards, state standards enacted*
31 *pursuant to the Porter-Cologne Water Quality Control Act, or*
32 *other conditions on the waste discharge requirements as authorized*
33 *pursuant to Section 1342(b) of Title 33 of the United States Code.*

34 (2) In the event that the citizen suit provision set forth in Section
35 300j-8 of Title 42 of the United States Code is amended to restrict,
36 condition, abridge, or repeal the citizen suit provision, ~~the board~~
37 ~~may consider the amendment as a change to the federal standards~~
38 ~~and may adopt the baseline federal standards pursuant to~~
39 ~~subdivision (e): both of the following apply:~~

1 (A) A federal baseline standard related to drinking water
2 standard for which there is no analogous state standard that is
3 more protective of public health and safety, the environment,
4 natural resources, or worker health and safety is deemed to be a
5 state standard, a violation of which constitutes a violation of the
6 California Safe Drinking Water Act (Chapter 4 (commencing with
7 Section 116270) of Part 12 of Division 103 of the Health and Safety
8 Code).

9 (B) An action may be brought pursuant to Section 120052 to
10 enforce those baseline federal standards, state standards enacted
11 pursuant to the California Safe Drinking Water Act, or permit
12 conditions authorized pursuant to Section 300g-2 of Title 42 of
13 the United States Code.

14 (f) This article does not prohibit the board or the regional boards
15 from establishing rules and regulations for California that are more
16 stringent than the baseline federal standards.

17 120052. (a) An action may be brought by a person in the public
18 interest exclusively to enforce baseline federal standards adopted
19 as a measure pursuant to subdivision (c) of Section 120051 or an
20 action may be brought by that person pursuant to subdivision (e)
21 of that section if all of the following requirements are met:

22 (1) At least 60 days before initiating the action, a complainant
23 provides a written notice to the Attorney General and the counsel
24 for the board, a district attorney, county counsel, counsel of the
25 regional board, and prosecutor in whose jurisdiction the violation
26 is alleged to have occurred, and the defendant identifying the
27 specific provisions of the measure alleged to be violated.

28 (2) The Attorney General, a district attorney, a city attorney,
29 county counsel, counsel of the board, counsel of a regional board,
30 or a prosecutor has not commenced an action or has not been
31 diligently prosecuting the action.

32 (b) Upon filing the action, the complainant shall notify the
33 Attorney General that the action has been filed.

34 (c) The court may award attorney's fees pursuant to Section
35 1021.5 of the Code of Civil Procedure, and expert fees and court
36 costs pursuant to Section 1032 of the Code of Civil Procedure, as
37 appropriate, for an action brought pursuant to this section.

38 (d) This section does not limit other remedies and protections
39 available under state or federal law.

1 120053. (a) *This article does not affect the process by which*
2 *voluntary agreements are entered into to assist in the*
3 *implementation of new water quality standards lawfully adopted*
4 *by the board.*

5 (b) *It is the intent of the Legislature that the process by which*
6 *voluntary agreements are entered into is separate and distinct*
7 *from law and regulations, including federal baseline standards,*
8 *under which the Central Valley Project and the State Water Project*
9 *are subject to the federal Endangered Species Act of 1973 (16*
10 *U.S.C. Sec. 1531 et seq.) and the California Endangered Species*
11 *Act (Chapter 1.5 (commencing with Section 2050) of Division 3*
12 *of the Fish and Game Code).*

13
14 Article 3. Endangered and Threatened Species

15
16 120060. For purposes of this article, “baseline federal
17 standards” means the federal Endangered Species Act of 1973 (16
18 U.S.C. Sec. 1531 et seq.) in effect as of January 19, 2017, its
19 implementing regulations, and any incidental take permits,
20 incidental take statements, or biological opinions in effect as of
21 January 19, ~~2017~~, *2017, that were not otherwise permanently*
22 *enjoined by a federal court as of that date.*

23 120061. Except as otherwise authorized by state law, the
24 following apply:

25 (a) To ensure no backsliding as a result of any change to the
26 ~~federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et~~
27 ~~seq.) or its implementing regulations, baseline federal standards,~~
28 *the Fish and Game Commission shall determine whether to list,*
29 *in accordance with subdivision (b), a species, subspecies, or*
30 *distinct population segment under the California Endangered*
31 *Species Act (Chapter 1.5 (commencing with Section 2050) of*
32 *Division 3 of the Fish and Game Code) in the event of either of*
33 *the following occurs:*

34 (1) *The federal delisting of a the species, subspecies, or distinct*
35 *population segment that is eligible for protection under the*
36 *California Endangered Species Act and that is listed as endangered*
37 *or threatened pursuant to the federal Endangered Species Act of*
38 *1973 (16 U.S.C. Sec. 1531 et seq.) as of January 1, ~~2017~~, or a 19,*
39 *2019.*

1 (2) A change in the legally protected status of ~~such a~~ *the* species,
2 subspecies, or distinct population segment, including through a
3 change in listing from endangered to threatened, the adoption of
4 a rule pursuant to Section 4(d) of the federal Endangered Species
5 Act of 1973, or any amendment to the federal Endangered Species
6 Act of 1973 or its implementing regulations, or any exemption
7 from the application of the federal Endangered Species Act of
8 1973 to a federally listed species, subspecies, or distinct population
9 segment, as of January 1, 2017, the Fish and Game Commission
10 shall determine whether to list, in accordance with subdivision (b),
11 that species, subspecies, or distinct population segment under the
12 California Endangered Species Act pursuant to this section: *federal*
13 *baseline standard*.

14 (b) The Fish and Game Commission shall list the affected
15 species, subspecies, or distinct population segment identified in
16 subdivision (a), pursuant to subdivision (c) and without following
17 the regular listing process set forth in Article 2 (commencing with
18 Section 2070) of Chapter 1.5 of Division 3 of the Fish and Game
19 Code, no later than the conclusion of its second regularly scheduled
20 meeting or within three months, whichever is shorter, after the
21 occurrence of the event described in subdivision (a) unless either
22 the Fish and Game Commission determines that listing of the
23 species, subspecies, or distinct population segment is not warranted
24 because it does not meet the criteria in Chapter 1.5 (commencing
25 with Section 2050) of Division 3 of the Fish and Game Code or
26 its implementing regulations or the Department of Fish and
27 Wildlife recommends that the species, subspecies, or distinct
28 population segment undergo the regular listing process. If the
29 Department of Fish and Wildlife makes a recommendation that
30 the species, subspecies, or distinct population segment undergo
31 the regular listing process, the Fish and Game Commission shall
32 either accept the recommendation, in which event the Fish and
33 Game Commission shall be deemed to have accepted a petition
34 for listing the species, subspecies, or distinct population segment
35 pursuant to paragraph (2) of subdivision (e) of Section 2074.2 of
36 the Fish and Game Code, or reject the recommendation and
37 immediately list the species, subspecies, or distinct population
38 segment pursuant to this subdivision.

39 (c) Notwithstanding any other law or regulation, because a
40 decision by the Fish and Game Commission to list a species,

1 subspecies, or distinct population segment without following the
2 regular listing process becomes effective immediately, the Fish
3 and Game Commission shall add that species, subspecies, or
4 distinct population segment to the list of endangered or threatened
5 ~~species pursuant to Section 100 of Title 1 of the California Code~~
6 ~~of Regulations, species,~~ and the addition of that species, subspecies,
7 or distinct population segment to the list shall be deemed to be a
8 change without regulatory effect pursuant to paragraph (6) of
9 subdivision (a) of that section.

10 (d) (1) Upon the listing of any species, subspecies, or distinct
11 population segment under this section, the Fish and Game
12 Commission or the Department of Fish and Wildlife may authorize
13 the taking of such species, subspecies, or distinct population
14 segment as otherwise provided for in the Fish and Game Code. In
15 lieu of authorizing take under the provisions of Chapter 1.5
16 (commencing with Section 2050) of Division 3 of the Fish and
17 Game Code, the Fish and Game Commission or the Department
18 of Fish and Wildlife may adopt the terms and conditions of any
19 rule promulgated under Section 4(d) of the federal Endangered
20 Species Act of 1973, federal incidental take statement, incidental
21 take permit, or biological opinion in effect at the time of the event
22 described in subdivision (a).

23 (2) The Department of Fish and Wildlife shall ensure that
24 protections remain in place pursuant to regulation, incidental take
25 permit, or consistency determination that are at least as ~~stringent~~
26 *protective of public health and safety, the environment, or natural*
27 *resources* as required by the baseline federal standards, as
28 determined by the Department of Fish and ~~Wildlife. Wildlife, and~~
29 *according to the best available science.*

30 (3) This subdivision does not prohibit the Department of Fish
31 and Wildlife from establishing conditions that are more stringent
32 than the baseline federal standards.

33 (e) Any species, subspecies, or distinct population segment
34 listed pursuant to this section shall be subject to the provisions in
35 the California Endangered Species Act in the same manner as any
36 other listed species, including those provisions related to a change
37 in listing status or delisting.

38 (f) For those species, subspecies, or distinct population segment
39 that the Fish and Game Commission lists pursuant to subdivision
40 (b), ~~or for which baseline federal standards are retained actions~~

1 *taken pursuant to subdivision ~~(d)~~, (d) to ensure that protections*
 2 *remain in place that are at least as protective as baseline federal*
 3 *standards, the California Environmental Quality Act (Division 13*
 4 *(commencing with Section 21000) of the Public Resources Code)*
 5 *shall not apply.*

6 (g) The provisions of the California Endangered Species Act
 7 are measures “relating to the control, appropriation, use, or
 8 distribution of water” within the meaning of Section 8 of the federal
 9 Reclamation Act of 1902 (43 U.S.C. Section 383) and shall apply
 10 to the United States Bureau of Reclamation’s operation of the
 11 federal Central Valley Project.

12
 13 **DIVISION 3. LABOR STANDARDS**

14
 15
 16 **CHAPTER 1. DEFINITIONS**

17
 18
 19 *Article 4. Worker Health and Safety*

20
 21 ~~120100.~~

22 *120070.* For purposes of this ~~division~~, *article*, the following
 23 definitions apply:

24 (a) “Baseline federal standards” means federal standards in
 25 effect as of January 1, ~~2017~~, *2017, that were not otherwise*
 26 *permanently enjoined by a federal court as of that date.*

27 (b) “Board” means the Occupational Safety and Health
 28 Standards Board.

29 (c) “Department” means the Department of Industrial Relations.

30 (d) “Federal standards” means *health and safety standards set*
 31 *forth in the federal Fair Labor Standards Act of 1938, as amended*
 32 *(29 U.S.C. Sec. 201 et seq.), the federal Occupational Safety and*
 33 *Health Act of 1970, as amended (29 U.S.C. Sec. 651 et seq.), the*
 34 *Federal Coal Mine Health and Safety Act of 1969, as amended*
 35 *(30 U.S.C. Sec. 801 et seq.), or in regulations and guidelines*
 36 *established pursuant to those federal statutes.*

37 (e) “State analogue statute” means *the Labor Code, including*
 38 *the California Occupational Safety and Health Act of 1973*
 39 *(Division 5 (commencing with Section 6300) of the Labor Code).*

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~~CHAPTER 2. OPERATIVE PROVISIONS~~

~~120110.~~

120071. Except as otherwise authorized by state law, all of the following apply:

(a) The board and the department shall regularly assess proposed and final changes to the federal standards.

(b) (1) At least quarterly, the board and the department shall publish on their internet websites and in the California Regulatory Notice Register a list of changes made to the federal standards and provide an assessment on whether a change made to the federal standards is more or less ~~stringent~~ protective of worker health and safety than the baseline federal standards.

(2) If the board or the department, as appropriate, determines that a change to the federal standards is less ~~stringent~~ protective of worker health and safety than the baseline federal standards, the board shall consider whether it should adopt the baseline federal standards as a measure in order to maintain the state's protections to be at least as stringent as the baseline federal standards.

(3) The board and the department shall publish its list, assessment, and consideration for adoption at least 30 days before a vote on adoption on its internet website for public comment.

(c) If the board or the department, as appropriate, decides to adopt a measure pursuant to subdivision (b), the board or the department shall adopt the measure by ~~an~~ either of the following:

(1) An emergency regulation in accordance with Section 120030.

(2) A promulgation or amendment of a state policy, plan, or regulation.

(d) Notwithstanding any other law, the board or department, as appropriate, when adopting a measure under subdivision (c) may adopt those measures in accordance with Section 100 of Title 1 of the California Code of Regulations ~~Regulations~~, and the measures shall be deemed to be a change without regulatory effect pursuant to paragraph (6) of subdivision (a) of that section and not subject to additional notice, procedural, or other considerations contained in state analogue ~~statutes~~. *statutes, as long as the measure adopts the baseline federal standard without substantial modification.*

1 (c) This ~~division article~~ does not prohibit the board or the
2 department from establishing rules and regulations for California
3 that are more stringent than the baseline federal standards.

4 ~~120111.~~

5 120072. (a) An action may be brought by a person in the public
6 interest exclusively to enforce *a federal baseline standard* as a
7 measure adopted pursuant to subdivision (c) of Section ~~120110~~
8 120071 if all of the following requirements are met:

9 (1) At least 60 days before initiating the action, a complainant
10 provides a written notice to the Attorney General and the counsels
11 for the board or department, as appropriate, a district attorney, a
12 city attorney, county counsel, and a prosecutor in whose
13 jurisdiction the violation is alleged to have occurred, and the
14 defendant identifying the specific provisions of the measure alleged
15 to be violated.

16 (2) The Attorney General, a district attorney, a city attorney,
17 county counsel, the counsel for the board or department, as
18 appropriate, or a prosecutor has not commenced an action or has
19 not been diligently prosecuting the action.

20 (b) Upon filing the action, the complainant shall notify the
21 Attorney General that the action has been filed.

22 (c) The court may award attorney's fees pursuant to Section
23 1021.5 of the Code of Civil Procedure, and expert fees and court
24 costs pursuant to Section 1032 of the Code of Civil Procedure, as
25 appropriate, for an action brought pursuant to this section.

26 (d) This section does not limit other remedies and protections
27 available under state or federal law.

28
29 DIVISION 4.3. MISCELLANEOUS

30
31 ~~120200.~~

32 120100. The provisions of this title are severable. If any
33 provision of this title or its application is held invalid, that
34 invalidity shall not affect other provisions or applications that can
35 be given effect without the invalid provision or application.

36 ~~120202.~~

37 120102. (a) This title shall become inoperative on January 20,
38 2025, and, as of January 1, 2026, is repealed.

1 (b) Notwithstanding subdivision (a), any action brought pursuant
2 to this title on or before January 20, 2025, may proceed to a final
3 judgment.

4 SEC. 3. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 a local agency or school district has the authority to levy service
7 charges, fees, or assessments sufficient to pay for the program or
8 level of service mandated by certain mandates in this act or because
9 costs that may be incurred by a local agency or school district will
10 be incurred because this act creates a new crime or infraction,
11 eliminates a crime or infraction, or changes the penalty for a crime
12 or infraction, within the meaning of Section 17556 of the
13 Government Code.

14 However, if the Commission on State Mandates determines that
15 this act contains other costs mandated by the state, reimbursement
16 to local agencies and school districts for those costs shall be made
17 pursuant to Part 7 (commencing with Section 17500) of Division
18 4 of Title 2 of the Government Code.

Review: MWD & Membership Agency Positions on Bills

Bill	Recommended IEUA Position	MWD	CASA	CSDA	SCWC	ACWA
SB 200 (Monning)	Support					<i>Support</i>
SB 414 (Caballero)	Support	<i>Support</i>				<i>Support</i>
ACA 1 (Aguiar-Curry)	Support		<i>Support</i>	<i>Support</i>		
SB 45 (Allen)	Support if Amended	<i>S/A</i>				<i>S/A</i>
SB 1 (Atkins, Portantino, and Stern)	Oppose unless Amended	<i>O/A</i>			<i>Oppose</i>	<i>O/A</i>