



Inland Empire Utilities Agency



A MUNICIPAL WATER DISTRICT | 2007/2008 ANNUAL REPORT





June 2008

A note from the president:

The Message is Simple; it is time to get serious about saving water.

Due to statewide drought conditions, the dwindling snowpack coupled with legal and environmental issues restricting pumping from the Sacramento River, the State of California is facing a very serious water crisis.

Statewide water shortages are likely to occur during the next few years. That is why the Governor declared a drought emergency on June 4, 2008. Therefore, the Inland Empire region water supplies are a critical issue!



Wyatt Troxel
IEUA President,
Division 5

Over the past 10 years, the Inland Empire Utilities Agency (IEUA) has been shifting its vision and programs to better meet the needs of our communities in sustained life style and economic growth through better and more aggressive management of our local water resources.

When it rains, we capture storm water to infiltrate into the ground. We are building recycled water pipelines whenever possible – you'll recognize where it is being used by its purple pipe. We are working to develop more local groundwater supplies and storing as much water as we can for future dry years. If we do all these projects, we can "drought-proof" our communities.

Recognizing that water recycling is an essential component of a sustainable regional water resources management strategy for the Chino Basin, IEUA is building on its water recycling programs to continue to provide the region with an alternative water supply source to meet its industrial, landscape irrigation and groundwater recharge needs. Senator Dianne Feinstein and Congressman David Dreier both introduced legislation, that was recently passed, that will provide \$30 million to build more purple pipe.

We are building our flood control infrastructure so that we can hold back more of that water and put it into the ground. Already we have been retrofitting our flood basins so that they can recharge storm water and high quality recycled water along with imported water from Northern California into the groundwater basin.

Conservation is critically important too. Building smarter, stopping the leaks, and making sure that we use the beautiful plants that are already adapted to a dry climate ensures that we can serve more people with less water. Conservation means making every drop count and it is as simple as fixing that leaky faucet!

Wyatt Troxel
Board President



IEUA's award-winning, energy efficient headquarters

2007/2008 ANNUAL REPORT

IEUA leading the way toward a water-smart Chino Basin

The Inland Empire Utilities Agency's (IEUA) mission is to supply imported drinking water and collect, treat, and dispose of wastewater and provide other utility-related (renewable electrical energy, compost) services to the communities in a regionally planned, managed and cost effective manner.

For the past 58 years, through the leadership of a five-member, elected Board of Directors and a dedicated team of 308 professionals, IEUA has been committed to providing a clean, inexpensive, and a reliable "drought-proof" supply of drinking water to its over 800,000 residents.

IEUA, at our wastewater facilities, is focused on producing three key products:

- Recycled water to drought-proof our service area,
- Compost to ensure healthy soils, and
- Renewable energy through methane gas and solar generation.

Understanding the Importance of Recycled Water towards Drought-Proofing our Region

IEUA and its local water agencies realize the value of recycled water as a reliable water source to the Chino Basin. IEUA operates four regional water-recycling facilities that produce approximately 60

million gallons of high quality recycled water each day which is all reused. Over 25 percent of this high quality, inexpensive recycled water is reused in IEUA's service area in a variety of processes, such as landscape irrigation, agricultural irrigation and commercial industrial processing and the rest flows into the Santa Ana River and eventually becomes Orange County's drinking water.

"Recycled water is a crucial part of California's water future. It provides our state and region the ability to stretch existing water supplies significantly," states United States Senator Dianne Feinstein. Congressman David Dreier agrees. "It is important that we realize that recycled water plays an important part toward ensuring we have a reliable water supply."

IEUA's goal, in partnership with its local water agencies, is to have all the irrigated public spaces; such as, parks, median strips and schools on recycled water within the next three years. This summer, construction will begin on a new distribution system to bring recycled water to Ontario and Montclair to be used for irrigation of schools, parks and other outdoor areas. In the Chino Basin, 60%-70% of our water is used for outdoor irrigation, so using recycled water at our schools and parks will stretch our existing supplies and at the same time save money. Recycled water is clean, safe and 100% water conservation.

Managing our Organics

IEUA, in partnership with the Sanitation Districts of Los Angeles County, formed the Inland Empire Regional Composting Facility, which converted an existing warehouse into a state-of-the-art fully enclosed compost manufacturing facility to meet strict air quality standards. The Inland Empire Regional Composting Facility, located in Rancho Cucamonga, manufactures exceptional quality compost, which is good for soil, good for plants, good for the environment and will protect public health. IEUA is also investing in organics market expansion through its membership in the Association of Compost Producers, by investing in using compost in integrated water savings programs and by developing strategic marketing relationships with trusted brands. The facility represents a major step forward in urban composting.

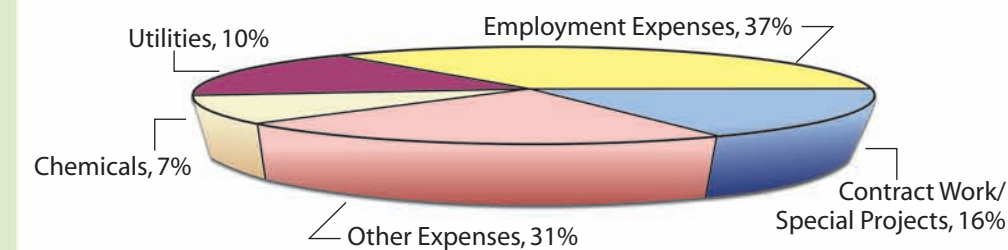


Regional Composting Facility

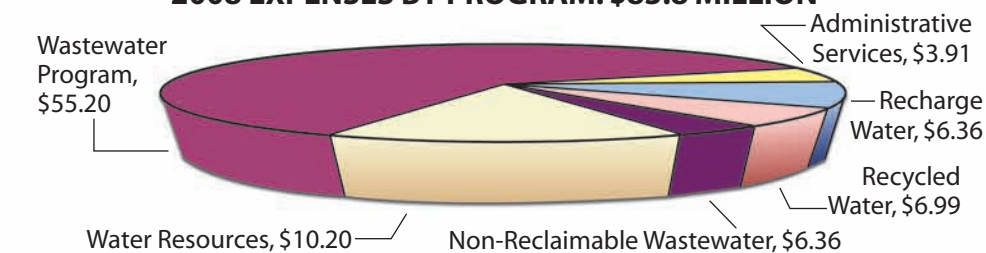
IEUA is committed to generate 100% of the power it needs from renewable sources. IEUA will install 2.5 megawatts of clean solar energy at its recycled water facilities by December 2008. The solar project is part of a larger initiative by IEUA to use renewable energy and reduce greenhouse gas emissions. IEUA is the first public agency in the nation to build it



2008 EXPENSES BY CATEGORY: \$83.8 MILLION



2008 EXPENSES BY PROGRAM: \$83.8 MILLION



OUTLOOK: INVESTING FOR THE FUTURE

INLAND EMPIRE UTILITIES AGENCY CAPITAL BUDGET, BY CATEGORY (Dollars in millions)	2007-2008 PROPOSED BUDGET	2008-2017 REMAINING 9 YEARS	TEN-YEAR CAPITAL BUDGET
Wastewater	\$687	\$298	\$366
Recycled Water	24	130	154
Non-reclaimable wastewater system	6	38	44
Groundwater recharge	7	5	12
Organics management	1	0	1
Other programs	7	6	13
Total capital programs	\$113	\$477	\$590



When you see a purple pipe, you see recycled water being used. Recycled water is 100% water conservation. It is helping drought-proof our region.

Chino Creek Wetlands and Educational Park



Wyatt Troxel
IEUA President
Division 5



Terry Catlin
Vice President
Division 1



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Secretary/Treasurer
Division 2



John L. Anderson
Director
Division 3



Angel Santiago
Director
Division 4

headquarters to the highest “platinum” standard under the Leadership in Energy and Environmental Design (LEED) standards. IEUA also operates an award-winning anaerobic digester program that converts dairy waste and other organic material to renewable energy, producing 3 megawatts of power.

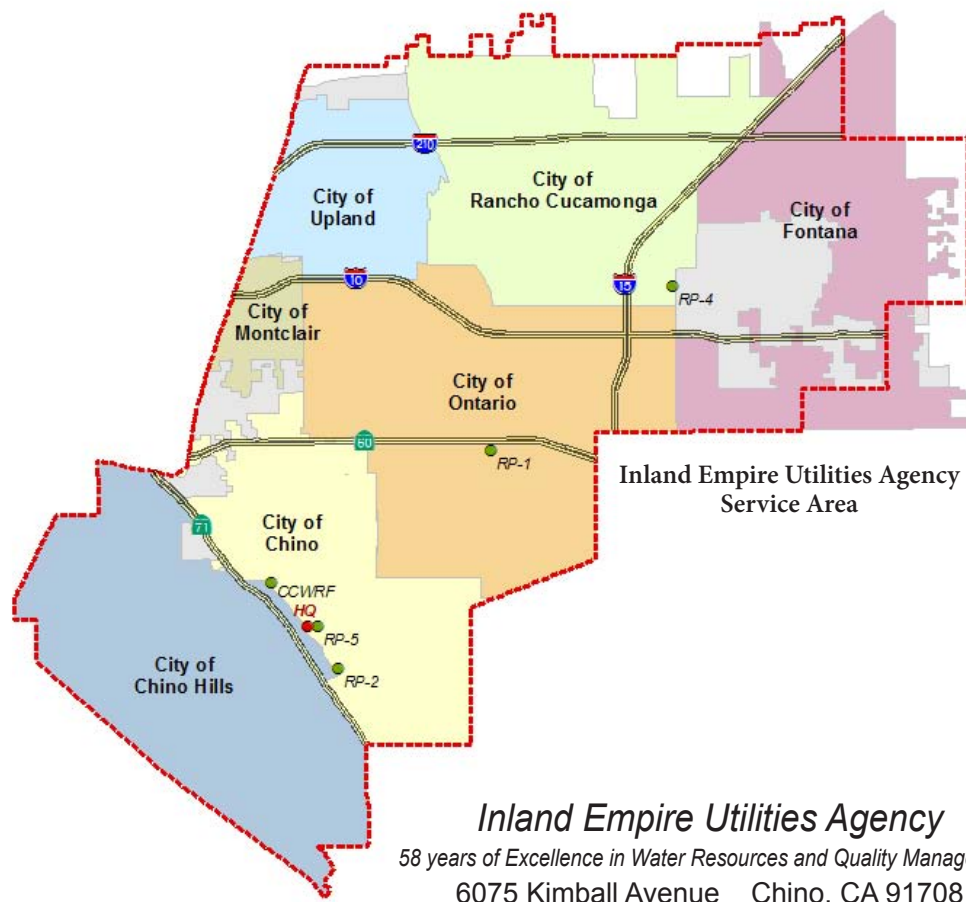
As our communities grow, it is important that we plan ahead to ensure we have the necessary water to assist with that growth. IEUA, in partnership with its local retail water agencies, Chino Basin Watermaster, Chino Basin Water Conservation District and San Bernardino County Flood Control District developed the innovative Chino Basin Groundwater Recharge Improvement Project which enhances the regions ability to recharge the groundwater basin with recycled water, storm water and imported water from Northern California. This past year, the Basins captured approximately 12,500 acre feet of water – water that would have previously been lost to the Pacific Ocean. Another innovative project, The Chino Basin Desalination Program provides 24 million gallons per day of high quality drinking water – enough water to serve the needs for about 50,000 residents.

The Chino Creek Wetlands and Educational Park opened to the public in 2007. The Park, which was developed by the Inland Empire Utilities Agency under a grant from the State Water Resources Control Board, provides a hands-on opportunity for the community to experience the importance of constructed wetlands in the protection of our watershed. The Park improves water quality, flood control, habitat restoration, recreation, water conservation and public education. Wetland systems offer numerous benefits, especially in this age of concern about the loss of wetlands and the focus on natural and open space. The Park also has a history of the Chino Valley and the importance of water in our region’s economic development with stylized graphs of the hydrologic water cycle, and the importance of water conservation and wise water use.

Since 2005, IEUA has reached over 15,000 students with its award winning Garden In Every School® program. The purpose of the Garden in Every School® program is to educate the school family and community about wise-water usage through a garden landscape, featuring drought-tolerant plants and efficient irrigation methods.

In partnership with our cities, community groups, schools and other water agencies, IEUA will continue to ensure that our communities will have high quality, reliable local water supplies with very competitive water and sewer rates.

IEUA, in partnership with MWD and its local retail water agencies, offer a variety of residential and commercial rebates offering financial incentives to encourage the installation of water-efficient landscaping, fixtures and appliances. For more information on how you can receive a money saving rebate visit www.ieua.org or call 909.993.1749.



Inland Empire Utilities Agency

58 years of Excellence in Water Resources and Quality Management
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