



Operating and Capital Program Budget

FY 2019/20 and 2020/21

The Inland Empire Utilities Agency (California) is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development, and protecting the environment.

Search Instructions

Items in this PDF version of the IEUA FY 2019/2020 and 2020/2021 Biennial Budget can be found using one of the following methods:

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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PRESENTED TO

**Inland Empire Utilities Agency
California**

For the Biennium Beginning

July 1, 2017

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Inland Empire Utilities Agency, California** for its biennial budget (FYs 2017/18 and 2018/19) for the biennium beginning **July 1, 2017**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.



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 a balanced plan 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 reduction 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) designed to 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 10 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 10 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



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



EXECUTIVE SUMMARY

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 (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

Fiscal Year	Actual	Amended Budget	Biennial Budget		Forecast		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total Increase (Decrease)	44.3	(2.2)	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	\$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

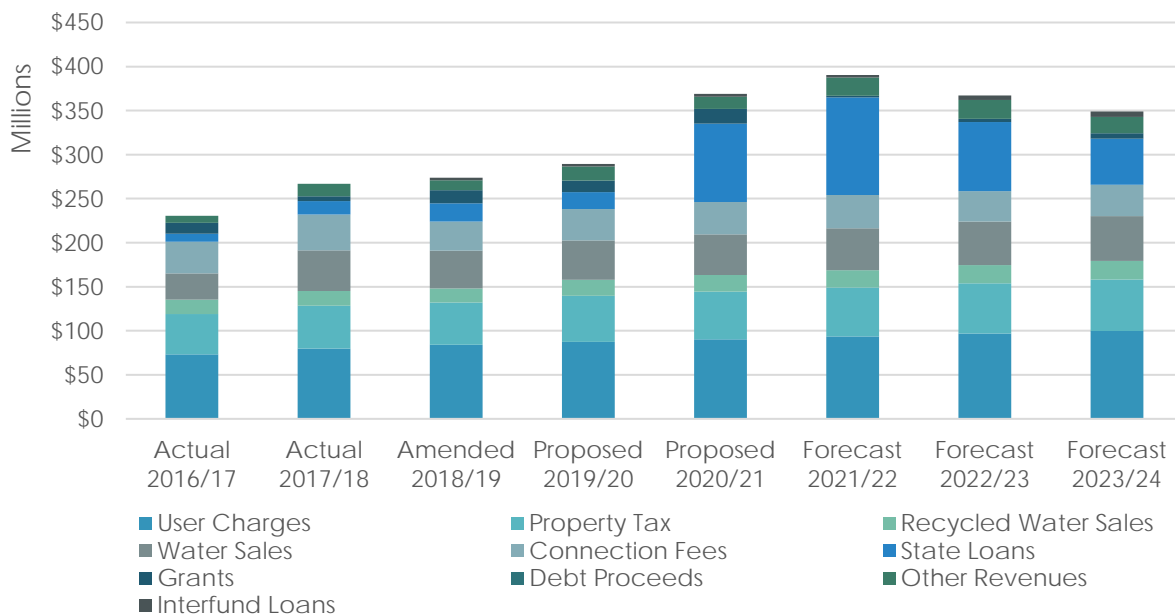
*Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.

**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.

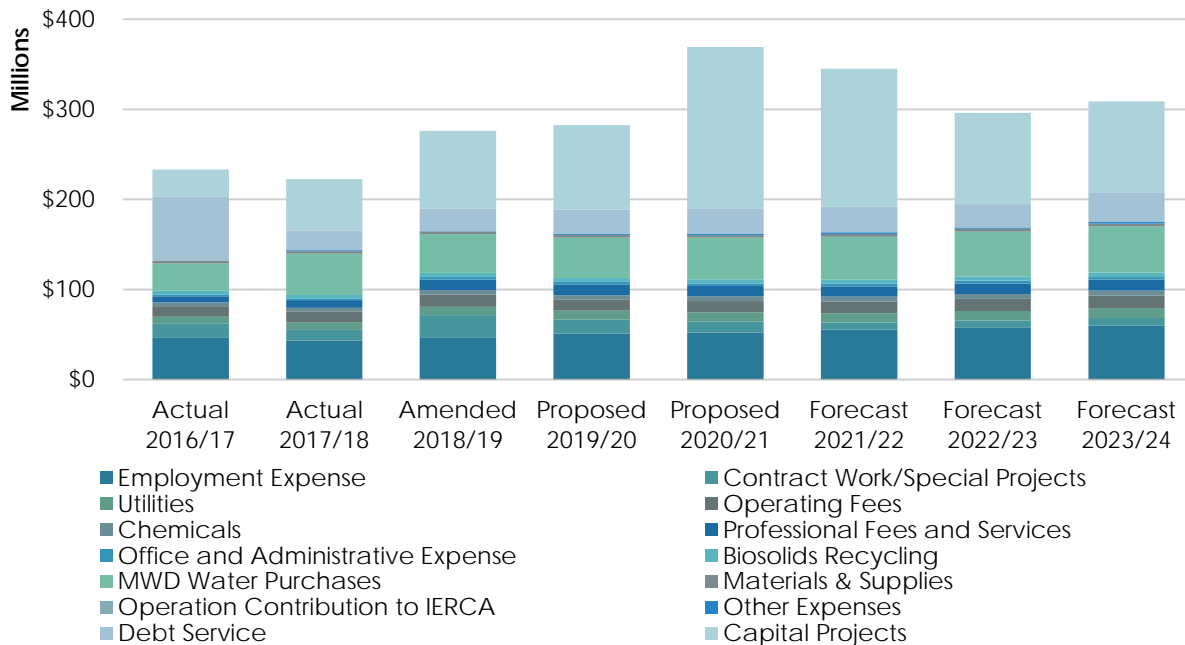
*Includes employment, chemicals, utilities, materials and supplies, biosolids recycling, operating fees, professional fees, office & admin, and imported water purchases.

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.

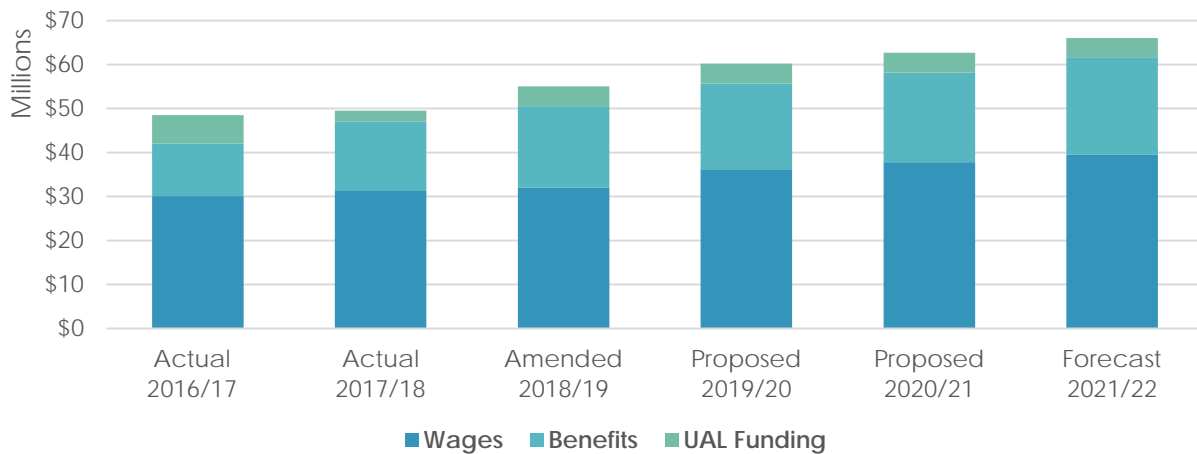
EMPLOYMENT EXPENSES

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 \$25.0 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)

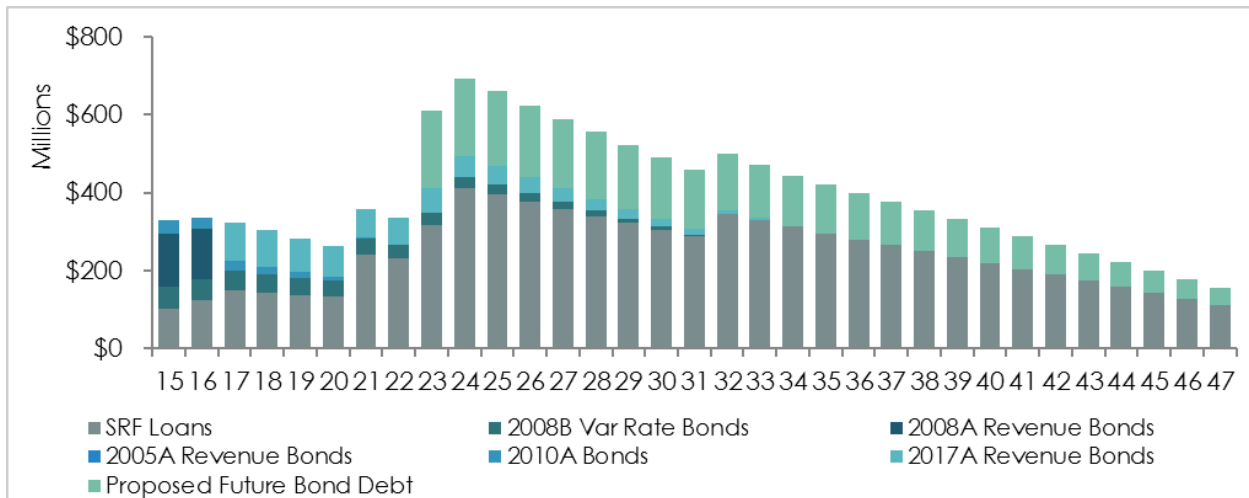
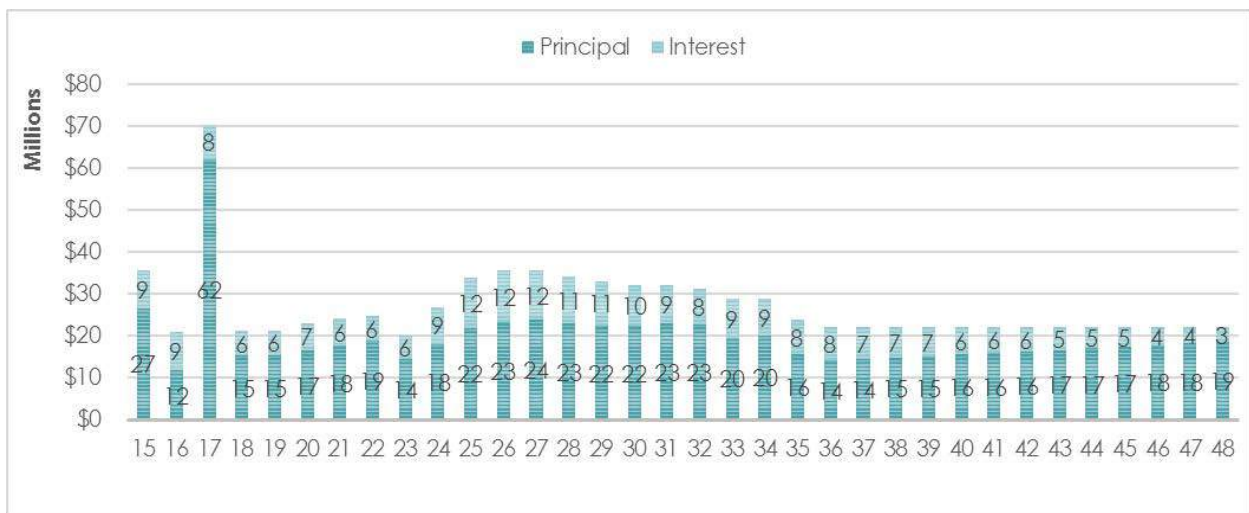


FIGURE 1-6: DEBT SERVICE COSTS WITH PROJECTED FUTURE DEBT (\$MILLIONS)



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:

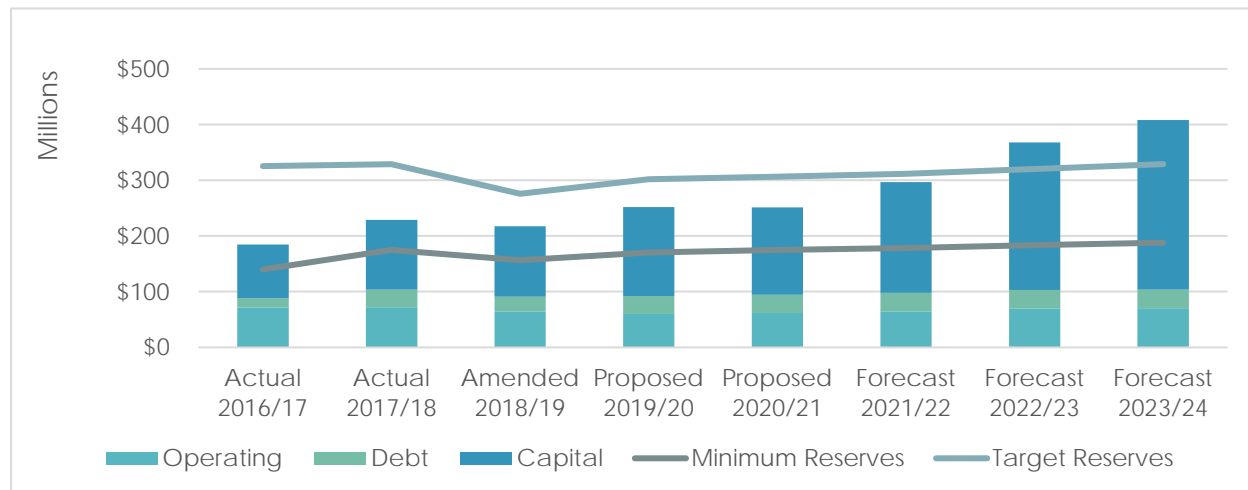
- ◆ **Operating Contingency:** maintains a minimum of four months and target of six months of operating expenses for the fiscal year;
- ◆ **Debt Service:** with minimum as required by bond covenants and loan agreements and target equal to highest annual debt service during the life of the obligation;
- ◆ **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

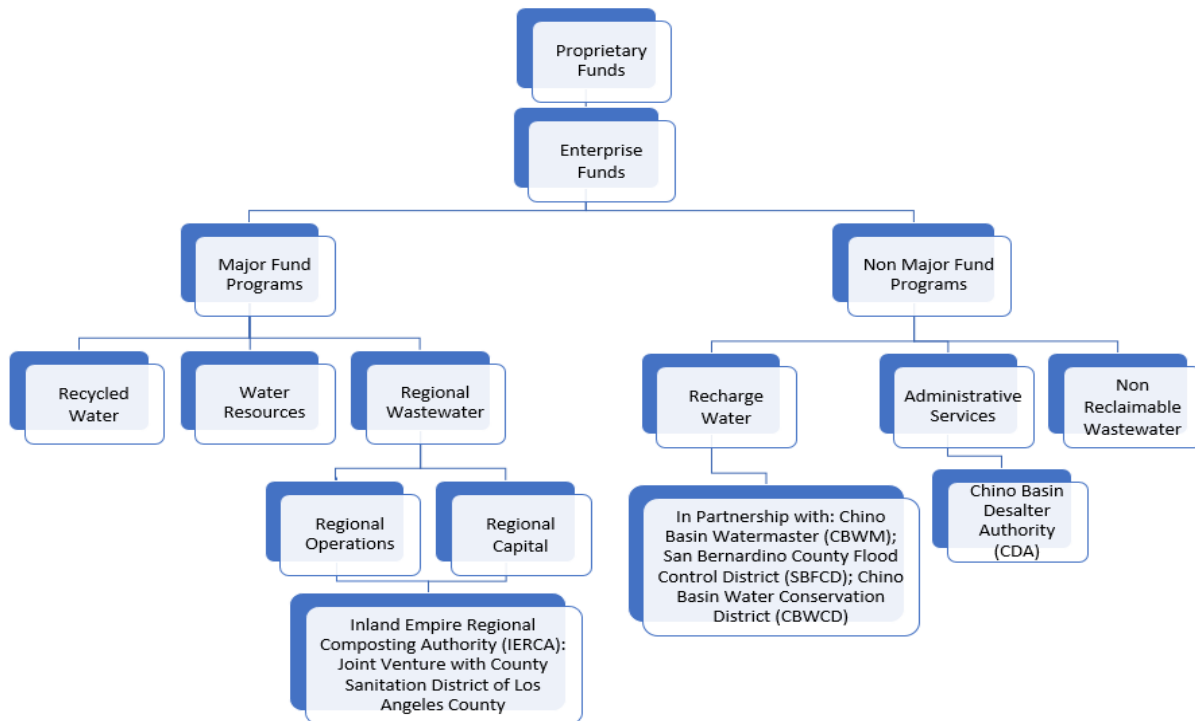
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	<i>Amended</i>	<i>Biennial Budget</i>		<i>Forecast</i>		
DCR	3.53x	3.65x	3.68x	3.78x	4.57x	3.50x

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



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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 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 Meter Equivalent 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	14,258 CU	14,005 CU
Flow/mg	\$912	\$940
COD/klb	\$161	\$166
TSS/klb	\$456	\$470
Peak/mg	\$346	\$357
South System (SAWPA)		
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 foot 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.

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

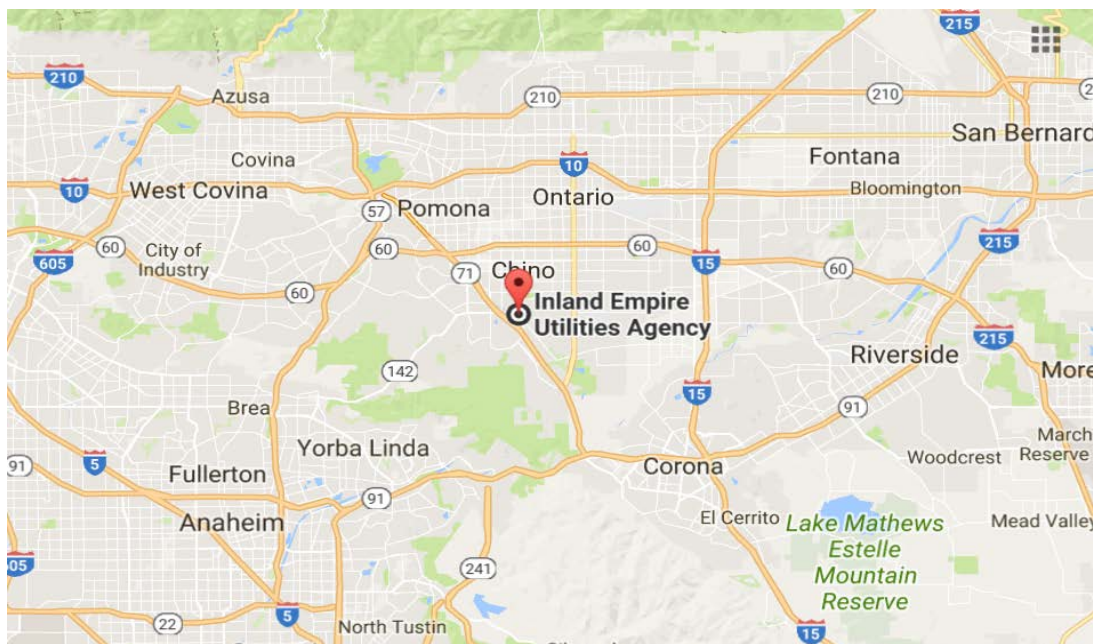
AGENCY PROFILE AND POLICY GOALS

AGENCY MILESTONES

AGENCY PROFILE REGION

All Roads Lead to the Inland Empire. The Inland Empire Utilities Agency (IEUA) is located approximately 35 miles east of Los Angeles in San Bernardino County in an area referred to as the Inland Empire (IE). The Agency's service area is settled in a well-developed transportation center consisting of three major transportation systems: the Metrolink Railway system, the Chino Airport, and the Ontario International Airport. The IE is accessibly connected to Los Angeles County, Orange County, San Bernardino County, and Riverside County through the major freeway systems: Interstate 10, State Route 60, State Route 71, State Route 91, State Route 210, and Interstate 15 (Figure 2-1).

FIGURE 2-1: STATE AND INTERSTATE ROUTES IN THE INLAND EMPIRE



Source: <https://www.google.com/maps/search/Inland+Empire+Utilities+AGency/@33.9710092,-117.9500911,10z>

With easy access to the ports of Los Angeles and Long Beach, the IE is also a gateway to Asia. As a result of relatively low-cost land, it has emerged as a significant big-box and warehouse distribution hub for the greater Southern California region.

Between 2016 - 2018, the IE added 49,308 jobs, of which 22,408, or about 45 percent, were in the construction, transportation and warehousing (logistics) sector according to Dr. John Husing, an

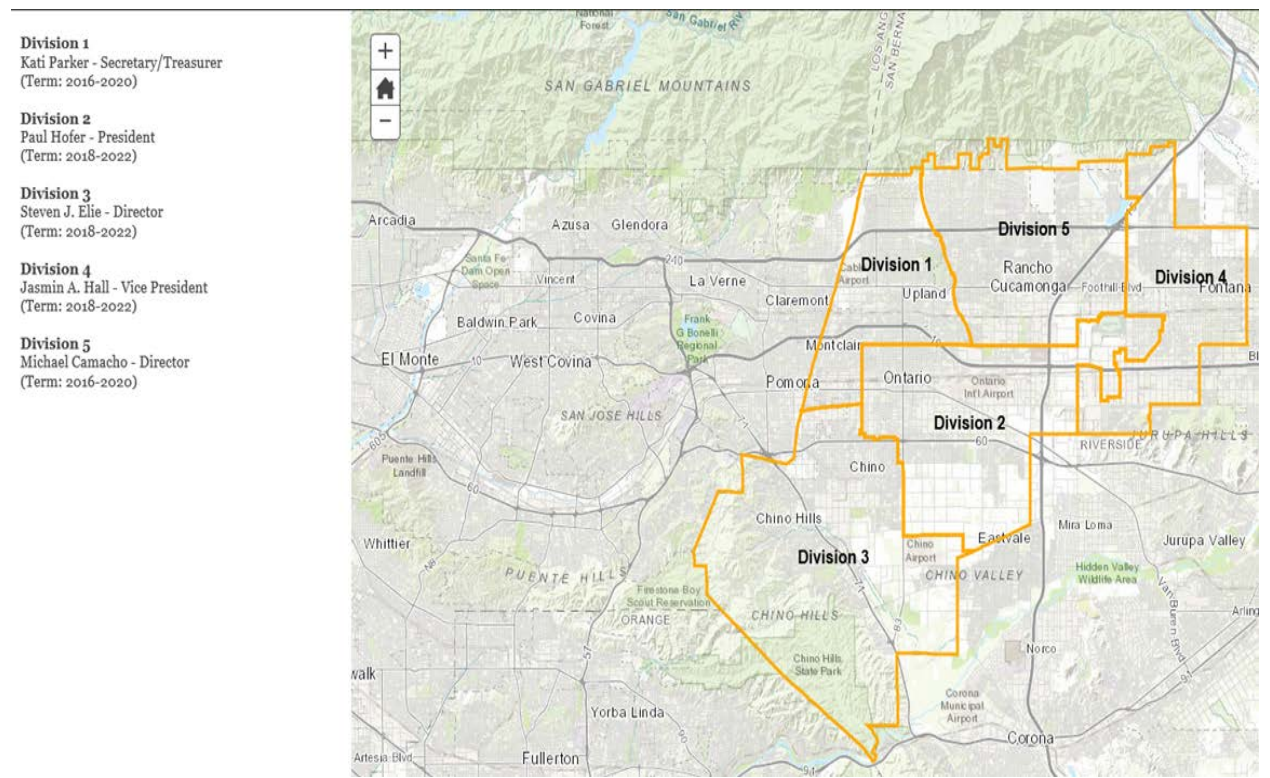
economist with the Inland Empire Economic Partnership, and reported in the April 2019 quarterly economic report.

This proportion illustrates the importance of logistics and industrial real estate to the region's economy. Many of southern California's recreational and cultural attractions – including Disneyland, J. Paul Getty Museum, Universal Studios, and the Long Beach Aquarium and the coastal beaches – are approximately one-hour drive away.

Year round the region has moderate temperatures and low humidity. In winter, the average temperatures range from 45 to 70 degrees; the average temperature in summer is around ninety (90) degrees. The region receives, on average, 312 days of sunshine per year and the average rainfall is seventeen inches per year.

GOVERNANCE

IEUA is governed by a five-member Board of Directors, elected to represent individual areas or Divisions for a four-year term.



Source: <https://ieua-gis.maps.arcgis.com/apps/StorytellingTextLegend/index.html?appid=ece64bb313bc4b76a147c9eee53a16e5>



AGENCY PROFILE AND POLICY GOALS

IEUA has one representative on the Metropolitan Water District of Southern California (MWD) Board of Directors and two representatives on the Santa Ana Watershed Project Authority Commission (SAWPA).

ORGANIZATION AND PURPOSE

The Chino Basin Municipal Water District was established by a majority vote in a special election on June 6, 1950, for an original population of approximately 80,000 people. In an effort to more accurately identify both the current and future functions of the entity, the Board of Directors of the Chino Basin Municipal Water District approved the name change to the Inland Empire Utilities Agency (IEUA or Agency) effective July 1, 1998.

In 1951, the Agency annexed to the Metropolitan Water District of Southern California ("MWD"). The original boundaries of the Agency encompassed 92 square miles. Three subsequent annexations added land to the Agency, and the current Agency boundaries encompass approximately 242 square miles with a current population of more than 875,000. The boundaries of the Agency encompass the urban west end of San Bernardino County, immediately east of the Los Angeles County line and includes the cities of Ontario, Upland, Montclair, Chino, Chino Hills, Fontana, and Rancho Cucamonga. The Agency boundaries extend from the Los Angeles County line to a point near the eastern boundary line of the City of Fontana and from the base of the San Gabriel Mountains, south to the Riverside County line and west to the Orange County line.

When formed in 1950, the Agency only operated a water system which delivered over 50,000,000 gallons per day of imported water from the Colorado River as a member of the Metropolitan Water District of Southern California. During the mid-1960s, the Agency began a domestic sewage collection system (the "Wastewater System").

In 1969, the Agency started construction of a non-reclaimable wastewater system (the "NRW System") to curtail groundwater pollution from existing industry and to provide for new industrial development within the Agency's service area. In 1990, the Agency began the design and construction of a facility (the "1990 Co-Composter Facility") to co-compost the municipal sludge for the Agency's treatment plants together with dairy manure from the agricultural preserve, which is located in the southeastern section of the City of Chino.

The Agency began producing recycled water in the early 1970's as a low-cost alternative to potable water. In 2001, the Agency and the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, and the Santa Ana River Water Company, formed the Chino Basin Desalter Authority ("CDA"), a joint powers authority, to acquire all assets and liabilities from Santa Ana Watershed Project Authority ("SAWPA") Project #14. Such acquisition was completed in February 2002. The Agency serves as a non-voting member and provides operational support for the CDA Desalter 1 facility. In August 2008, Western Municipal Water District was added as an additional member of CDA.

In 2002, the Agency and the Sanitation Districts of Los Angeles County (the "SDLAC") formed the Inland Empire Regional Composting Authority (the "IERCA"), a joint powers authority, to construct a regional composting facility in Rancho Cucamonga. The fully enclosed composting facility opened for operations in 2007 replacing the composter facility which had been in operation since 1990.

Also, in 2002, the Agency expanded the scope of operations of the Agency by financing the design and construction, along with the Chino Basin Watermaster, of facilities to replenish the Chino Groundwater Basin by recharging potable water, storm water, and recycled water through regional conveyance systems and infrastructure.

Further development of the regional recycled water system and related services have been the focus of the Agency over the past decade. In 2016, the final phase of a regional recycled water distribution backbone system was completed.

Recycled water is produced at four regional water recycling plants ("RWRPs"):

- ◆ Regional Water Recycling Plant No. 1 ("RP-1") in the City of Ontario,
- ◆ Regional Water Recycling Plant No. 4 ("RP-4") in the City of Rancho Cucamonga,
- ◆ Carbon Canyon Water Recycling Plant ("CCWRF") in the City of Chino, and
- ◆ Regional Water Recycling Plant No. 5 ("RP-5") in the City of Chino.

Recycled water sales were estimated at 32,000 acre-feet ("AF") in Fiscal Year 2018/19, for both direct use deliveries and groundwater recharge deliveries.

In addition, the Agency has three facilities which handle biosolids produced at the water recycling plants: RP-1 Solids Handling Facility, RP-2 Solids Handling Facility, and the IERCA composting facility.

The non-reclaimable wastewater system operated by the Agency to export high salinity industrial wastewater is comprised of two independent collection systems, the North and South Systems which serve different patrons. The north system is owned by the Sanitation District of Los Angeles County (SDLAC), while the South System, which serves approximately 15 industries, truckers, and the Chino Basin Desalter Authority, and conveys wastewater to the Inland Empire Brine Line (IEBL), is operated by the Santa Ana Watershed Project Authority (SAWPA) and the Orange County Sanitation District (OCSD) facility in Fountain Valley for treatment and ocean discharge. The Agency works closely with both SDLAC and SAWPA in addressing salinity issues, encouraging better use of groundwater resources, and expanding the ability to reclaim water.

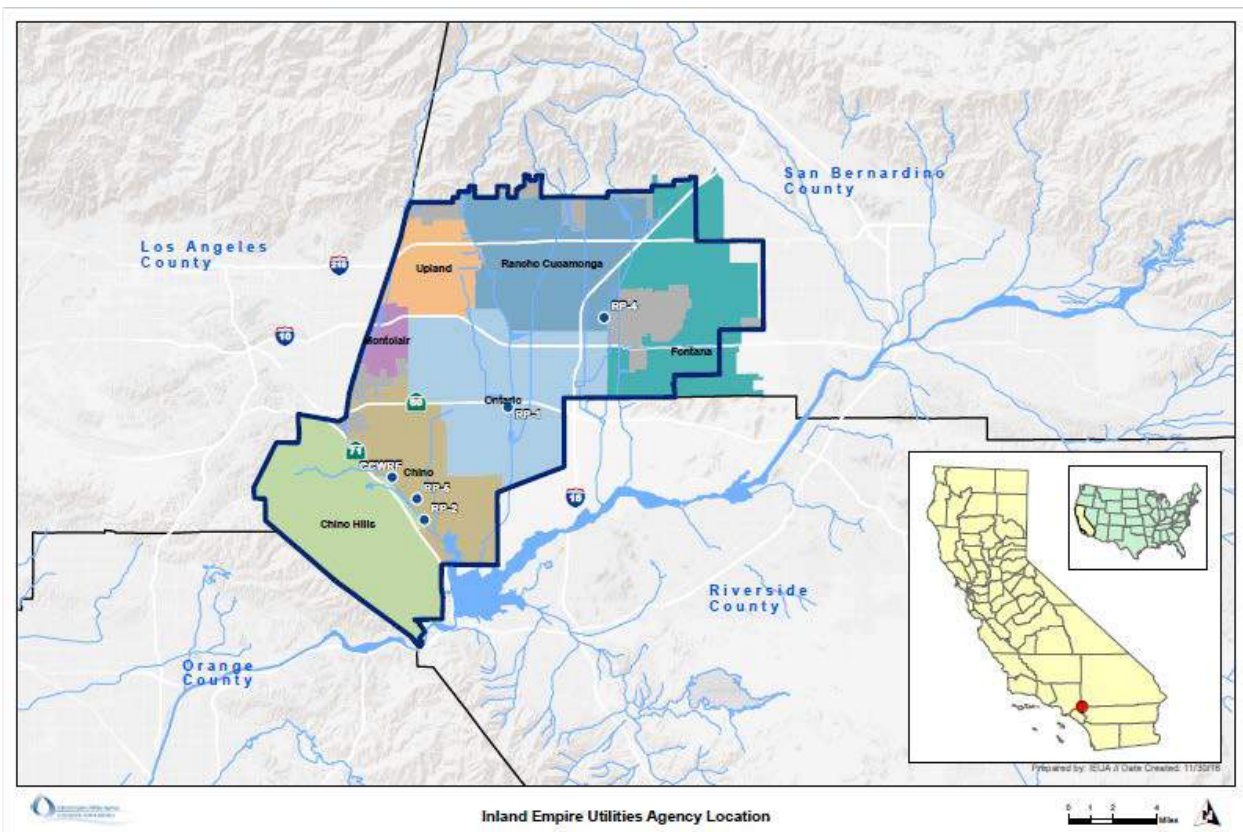
AGENCY PROFILE AND POLICY GOALS

CONTRACTING AGENCIES

IEUA coordinates its activities with contracting agencies in the region, to determine capital spending requirements needed to meet future wastewater service needs, and to set priorities for future water supplies, recycling, and wastewater capital projects. IEUA provides regional wastewater-related services to seven contracting agencies, as shown on Figure 2-2.

FIGURE 2-2: CONTRACTING AGENCIES AND SERVICE AREA

- ◆ City of Chino
- ◆ City of Chino Hills
- ◆ Cucamonga Valley Water District (CVWD)
- ◆ City of Fontana
- ◆ City of Montclair
- ◆ City of Ontario
- ◆ City of Upland



ANTICIPATED GROWTH

The Agency’s service area, located in the Inland Empire (IE), is considered as one of the fastest growing regions in the United States. According to the forecasting center at UC Riverside’s School of Business, the major growth sectors are transportation (logistics), government, education and health services, as well as the construction industry.

A recent highpoint for the region anticipated to drive local economic activity was the City of Ontario’s recovery of local control of the Ontario International Airport after decades under Los Angeles jurisdiction. According to the Inland Empire Economic Partnership April 2019 Quarterly Economic Report, the IE economy is expected to gain 38,200 jobs (2.5 percent) in 2019, after adding 49,308 in 2018 (3.4 percent). The job expansion will continue partly because of the area’s traditional advantages, including available land, modestly priced labor, growing population, as well as continued growth in health care, and a small addition of jobs in higher paying private and public sectors such as management and professions, government, colleges, and utilities.

The IE population continued to grow throughout the recession at an average rate of one percent between 2008 to 2018. As shown on the table 2-1, the estimated population in San Bernardino County is expected to slightly increase by nearly one percent in 2019.

TABLE 2-1: SAN BERNARDINO COUNTY POPULATION ESTIMATES

	2017	2018
Total Population	2,163,680	2,185,083
Male	49.71%	49.73%
Female	50.29%	50.27%
0 to 19 years	30.13%	29.86%
20 to 34 years	21.97%	21.94%
35 to 49 years	18.96%	18.91%
50 to 64 years	17.61%	17.55%
65 years and older	11.33%	11.74%

Source: www.dof.ca.gov/

The population in the Agency’s service area is projected to surpass 875,000 in 2018. According to the State’s labor market information, the IE, along with the Central Valley, San Francisco Bay area, and greater Sacramento region are all expected to grow faster than the statewide average, increasing their share of the state population through 2060, by one to two percent. With that growth rate, the IE population may reach to more than seven million by 2030. Population and demographics within the service area are show on Figure 2-3 and 2-4 below, respectively.



AGENCY PROFILE AND POLICY GOALS

Figure 2-3: Service Area Population

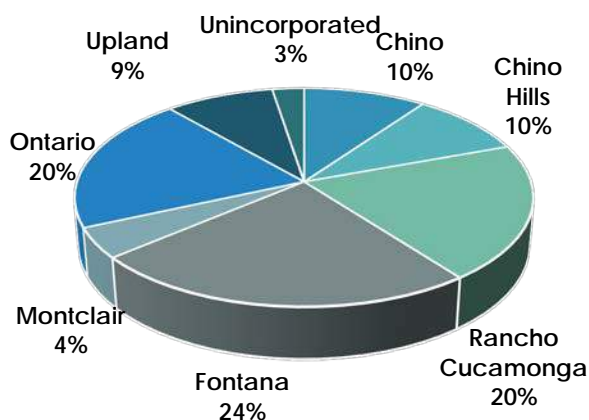
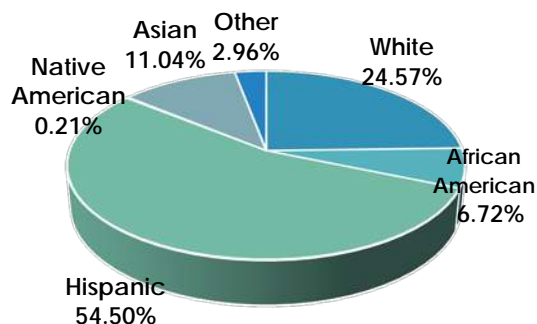


Figure 2-4: Service Area Demographics



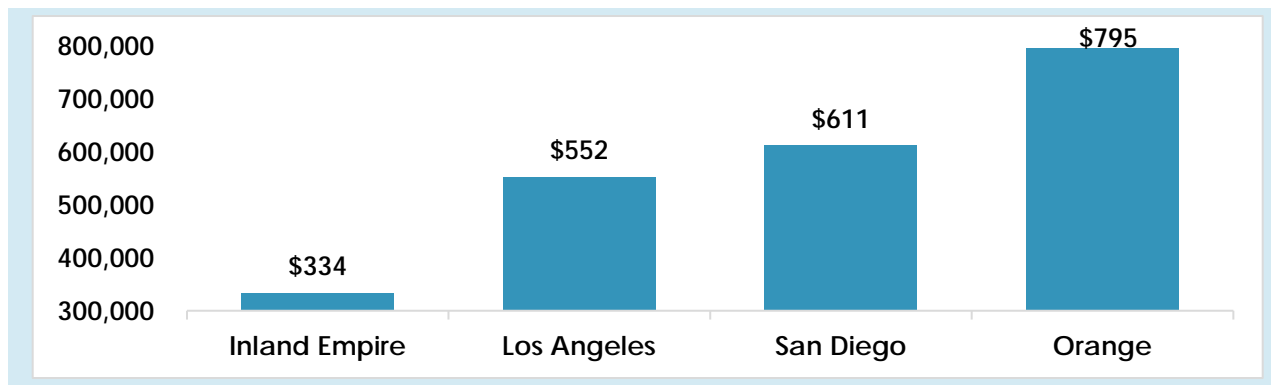
Source: American Community Survey – www.census.gov/programs-surveys/acs/

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

HOUSING MARKET

The Inland Empire's housing market appears to be slowly moving into expansion mode, as the region's residential prices have increased in 2018 significantly, up 120.1 percent (existing) and 65.4 percent (new) from the all-time lows in 2009. Existing median home prices (\$334,000) remain 19.7 percent below their highest price, but many of the homes sold at that high price have long since been lost to foreclosures. Given these figures, the IE is likely to see increased demand for new home construction as the lack of supply is driving up prices. The low median home prices for Inland Empire, relative to the surrounding counties, makes it affordable and is a key incentive for expected growth. (Figure 2-5)

FIGURE 2-5: SOUTHERN CALIFORNIA MEDIAN HOME PRICES BY COUNTY (\$THOUSANDS)



Source: John Husing, April 2018 Inland Empire Quarterly Economic Report

EMPLOYMENT

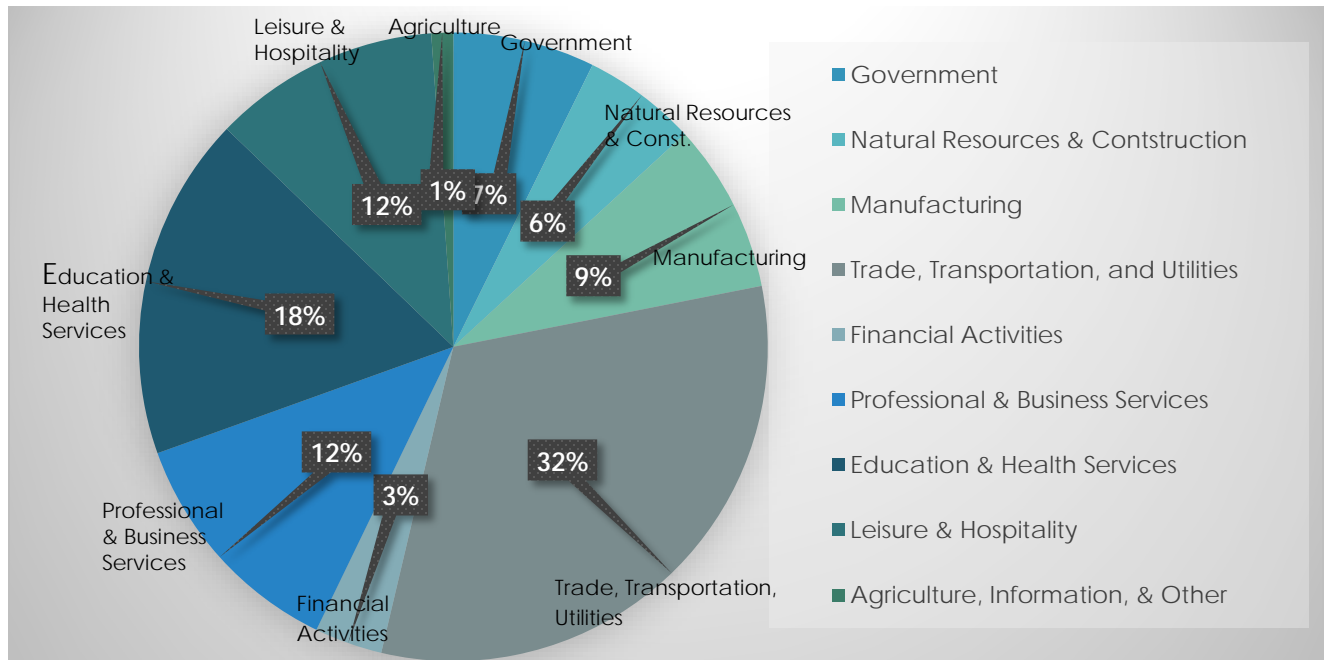
California posted a gain of over 17,000 new nonfarm payroll jobs in 2018 and the state's unemployment rate hit a record low of 4.2 percent according to data released by the U.S. Bureau of Labor Statistics in December 2018. The unemployment rate in the IE was 5.1 percent in April 2018, with a predicted fall to 4.7 percent, and below the year ago estimate of 5.4 percent. The unemployment in the region is getting closer in meeting the state average.

As the IE economy continues to recover, not only has it recovered all of the job losses relative to the pre-recession level in 2007, it has added 15.7 percent to pre-recession levels. The economic recovery has also altered the industrial and employment composition in the IE. Construction and manufacturing industry which were traditionally a driving force within the IE economy has recovered nearly half of the jobs lost since the onset of the recession. The sector that has come out as one of the winners from recession is the Transportation and Warehousing (logistics) industry. As shown below in Figure 2-6, the three largest employers by industry are logistics, educational and health care services, and tied are the leisure and hospitality sector as well as the professional and business services sector. Combined these industries represent nearly 75 percent of the labor market in San Bernardino County. The value of United States (US) dollar strengthened in the last year and stands at 6.5% above the March 2018 level, making US export more expensive to the world. This combined with an increase in the demand for larger warehouses and fulfillment centers by conventional and online retailers has resulted in a slower, but steady, increase of logistics related jobs in the region while spurring increased demand for manufacturing.

As the lower housing prices in the region continue to entice people moving out of the more expensive areas of Southern California, the need for educators and health care professionals continues to grow to support the moving population. This sector already supplies eighteen percent of the county's jobs. IE has one health care worker for every 32.2 residents—still below the state average of one per every 26.6 residents. This factor points to likely continued growth in this sector in the future.

AGENCY PROFILE AND POLICY GOALS

FIGURE 2-6: SAN BERNARDINO COUNTY JOBS BY INDUSTRY

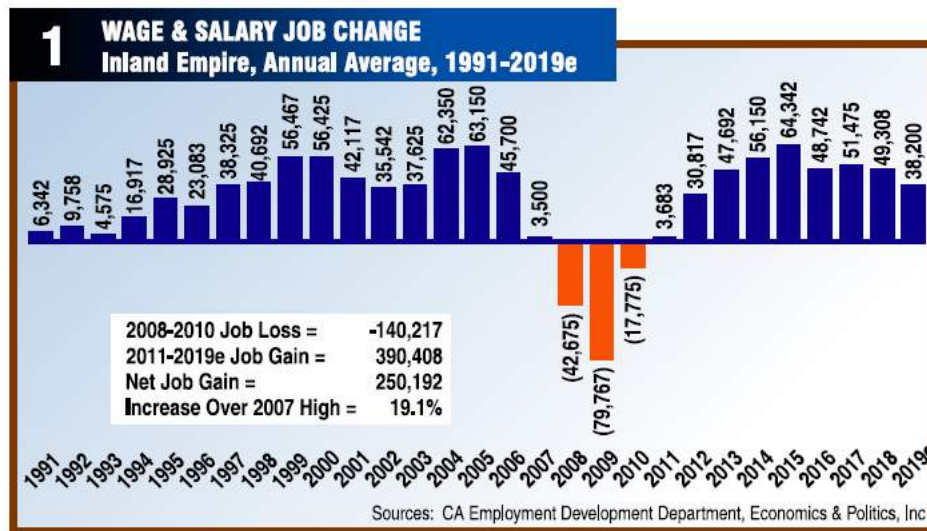


Source: Bureau of Labor Statistics – www.bls.gov/data/

In 2018, the Inland Empire continued the expansion that has been underway since 2011. Through 2017, California totaled 300,325 jobs that have been created. The 2018 gain is forecasted to add another 49,308 jobs, up 3.1 percent. The expansion will continue partly because of the area’s traditional advantages for blue collar/technical sectors (available land, modestly priced labor, growing population), as well as continued growth in health care, and a small addition of jobs in higher paying sectors.

Figure 2-7 shows the region's job trend from 1984 through a projected estimate for 2019.

FIGURE 2-7: INLAND EMPIRE'S JOB TREND



According to Dr. John Husing, job growth in the IE for 2019 is forecasted to favor moderate and high paying jobs over low paying jobs, 60 percent to 40 percent which is the typical distribution (high-moderate/low pay) and has the potential to spur more investment within the region. This will drive more expansion as those high paying jobs will allow greater velocity within the IE's money market.

Table 2-2 shows the region's principal employers. Majority of the companies fall under the region's two largest employer categories as mentioned above: logistics, and educational and health services.

TABLE 2-2: PRINCIPAL PUBLIC AND PRIVATE EMPLOYERS IN THE IEUA SERVICE AREA

Firm	Location	Number of Employees
Ontario Intl. Airport	Ontario	5,000 - 9,999
Shelby Holdings LLC	Ontario	5,000 - 9,999
United Parcel Service (UPS)	Ontario	5,000 - 9,999
Ontario-Montclair School District	Montclair/Ontario	1,000 - 4,999
Fontana Unified School District	Fontana	4,010
Chino Valley Unified School District	Chino	2,674
San Antonio Community Hospital	Upland	2,400
Kaiser Foundation Hospitals	Fontana	2,243
Inland Empire Health Plan (IEHP)	Rancho Cucamonga	2,200
Chaffey Community College	Rancho Cucamonga	2,064

Source: Comprehensive Annual Financial Reports within service area



AGENCY PROFILE AND POLICY GOALS

MEDIAN INCOME

Median household income for 2017 is estimated to be \$72,486 in the Agency service area, \$60,420 in San Bernardino County, \$71,805 in the State of California, and \$60,336 in the US. Table 2-3 illustrates how the average annual incomes for the cities within the Agency’s service area compare to the county, state, and countries annual average.

TABLE 2-3: COMPARISON OF THE AVERAGE ANNUAL MEDIAN HOUSEHOLD INCOME FOR THE AGENCY’S SERVICE AREA TO THE COUNTY AND STATE ANNUAL AVERAGE

Median Annual Income	
Chino Hills	\$102,743
Chino	\$75,530
Upland	\$65,349
Montclair	\$54,192
Ontario	\$57,544
Fontana	\$68,304
Rancho Cucamonga	\$83,736
Agency Service Area Average	\$72,486
San Bernardino County Average	\$60,420
State of California Average	\$71,805
US Average	\$60,336

Source: <https://datausa.io/profile/geo/california>

Table 2-4 shows the ten largest colleges and universities and their number of students, located within or near the IEUA service area.

**TABLE 2-4: COLLEGES AND UNIVERSITIES NEAREST TO IEUA
WITH OVER 2,000 STUDENTS ENROLLED IN FALL 2017**

College	Total Number of Students
Mt San Antonio College	29,960
California State Polytechnic University-Pomona	26,053
Chaffey College	22,508
Citrus College	13,263
Norco College	10,277
Azusa Pacific University	9,926
University of La Verne	8,159
Claremont Colleges	6,430
DeVry University	2,980
La Sierra University	2,449

Source: National Center for Educational Statistics – www.nces.ed.gov/collegenavigator/

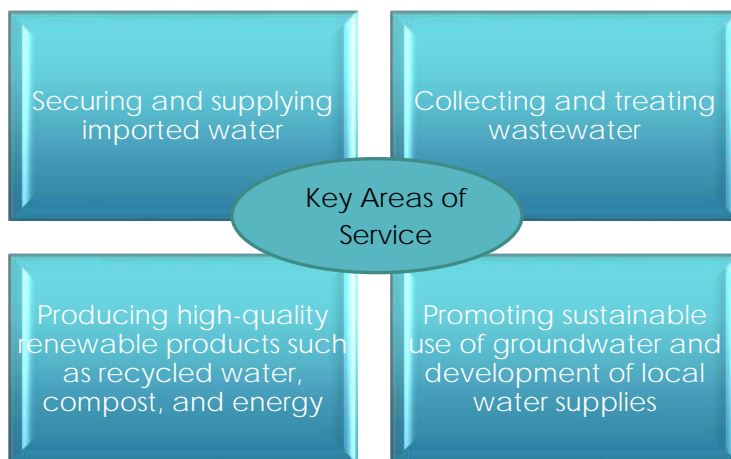


AGENCY PROFILE AND POLICY GOALS

STRATEGIC PLAN

MISSION STATEMENT:

Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost-effective manner while safeguarding public health, promoting economic development, and protecting the environment



VISION:

To become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region

VALUES:

Leading the way. Planning for the future. Protecting the resources of the communities we serve. Inland Empire Utilities Agency is:



BUSINESS GOALS

The IEUA Business Goals, updated and adopted by the Board in December 2016, align with the Agency's Mission, Vision, and Values which are defined by the needs of our stakeholders and the public value provided to the community. Within each Business Goal category, several Objectives were established to support the Business Goal. These Objectives are evaluated and derived into work plans to ensure that current and future needs of the Agency and region are appropriately met. The IEUA Strategic Business Plan (Plan) developed in 2015, which serves as the basis for the framework for decision making over a five-year period (2015-2019), outlines fundamental decisions that shape what the Agency plans to accomplish and sets a rational course of action.

The IEUA Business Goals are categorized into six primary areas:





AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
A. Fiscal Responsibility			
<i>IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs, while providing the best value for our customers.</i>			
Key Objectives			
Funding and Appropriation –	Budget Planning –	Reserves –	Credit Worthiness –
<i>IEUA will fund operations and capital investments by maintaining reasonable service rates and fees that fully support the costs of service.</i>	<i>IEUA will plan for multi-year budgets and rate requirements in support of maintaining fiscal stability for IEUA and the member agencies.</i>	<i>IEUA will maintain fund reserves, which can withstand significant changes to the economy and funding sources.</i>	<i>IEUA will improve its credit rating, with the goal of reinstating the AAA rating, to reduce IEUA's future borrowing costs.</i>
Work Plan			
1. Monitor the Agency's cost of service for key Agency programs to ensure rate efficiency related to Non-Reclaimable Wastewater (NRW) System, Regional Wastewater, Recycled Water, Water Resources.			
2. Continue commitment to sustainable cost containment for operating and capital costs.			
3. Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.			
4. Fully fund the Other Post Employment Benefit (OPEB) unfunded accrued liability by July 2019			
5. Fully fund the pension unfunded accrued liability by July 2024.			
6. Integrate projects identified in the long-range [financial] planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.			
7. Optimize the Agency's investment of surplus funds in accordance with the Agency's investment policy.			
8. Complete rate study for agency rates and fees.			
9. Continue to monitor market opportunities to reduce cost of outstanding debt.			
10. Annually, review and update the Agency's reserve policy to ensure fund reserves meet operating, capital, debt service, obligations, unforeseen events, and comply with legally mandated requirements.			
11. Reinstatement of the Agency's long-term credit rating to AAA and maintain a debt coverage ratio to support such rating.			
12. Monitor the performance of deferred contribution programs.			
13. Expand dashboard development to enhance financial reporting.			

IEUA Business Goal Overview			
B. Workplace Environment			
<i>IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.</i>			
Key Objectives			
Mission, Vision, & Values –	Agency Culture –	Training –	Staff Safety –
<i>IEUA will adopt Business Goals and Objectives that support and advance the Agency's Mission, Vision and Values, ensuring the highest standard of conduct throughout the Agency by promoting values of leadership, integrity, collaboration, open communication, accountability, and respect for each other.</i>	<i>IEUA will foster a collaborative work environment that values communication, innovation and work-life balance, adheres to the Agency's policies and procedures, and respects all aspects of diversity.</i>	<i>IEUA will maintain a highly skilled workforce to meet current and anticipated Agency and industry needs by facilitating and providing opportunities for staff to further their professional development.</i>	<i>IEUA will promote and ensure a safe and healthy work environment, exceeding industry best practices in support of achieving the CalOSHA Star Voluntary Protection Program (CAL/VPP) certification.</i>
Work Plan			
1. Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.			
2. Develop and implement a plan to mentor and prepare the next generation of the IEUA team			
3. Conduct a feedback study to measure employee satisfaction in areas including benefits, work life balance, training, job satisfaction, etc. in 2021 and every two years thereafter.			
4. Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, streamlining individual Unit MOUs.			
5. Review and update the employee recognition program.			
6. Uphold a strong internal control environment by conducting independent objective internal and external audits of the Agency's business practices.			
7. Promote positive labor relations by conducting routine informal labor/management meetings with unit representatives			
8. Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.			
9. Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.			
10. Annually, review and revise the Workplace Injury Illness Prevention Program to prevent work related injuries/illness and reduce loss of time worked.			
11. Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.			
12. Ensure staff is fully trained on administrative functions and policies included in the Administrative Code.			



AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview		
C. Business Practices		
<i>IEUA will be ethical, cost-effective, and apply environmentally sustainable regional planning principles in all aspects of business and public service.</i>		
Key Objectives		
Efficiency & Effectiveness – <i>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.</i>	Customer Service – <i>IEUA will provide outstanding service that supports our member agencies and region in a cost effective, efficient and reliable manner.</i>	External Affairs and Government Relations – <i>IEUA will support effective public outreach and education, and advocate for the development of policies, legislation and regulations that benefit the region.</i>
Work Plan		
1. Conduct lessons learned sessions to evaluate key program implementation.		
2. Utilize green procurement and reuse of surplus materials, equipment and parts, when possible.		
3. Leverage private/public partnership opportunities.		
4. Develop a Management Workplan which identifies core business functions that need to be for streamlining and efficiencies.		
5. Annually update Emergency Response and Operational Plans for all facilities.		
6. Develop an Administrative Code to provide a platform for transparent communication with member agencies on key activities, issues, policies, and key documents.		
7. Collaborate with and support local businesses and economic development in the region through regional programs.		
8. Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.		
9. Translate complex water/environmental regulations and the IEUA role in protecting regional programs, economy and environment for the general public and elected officials.		
10. Provide support for positions that would enable the implementation of the Agency’s goals.		

IEUA Business Goal Overview

D. Water Reliability

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Key Objectives

Water Use Efficiency-	Water Supplies-	Recycled Water	Groundwater Recharge-
<i>IEUA will promote water conservation, education and incentive programs to assist the region in safeguarding water sustainability.</i>	<i>IEUA will support the region with the development of reliable, resilient and sustainable water supplies from diverse sources.</i>	<i>IEUA will maximize the use of recycled water to enhance regional water reliability.</i>	<i>IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships and development.</i>

Work Plan

1. Implement programs across all sectors, residential, commercial and agricultural, to make outdoor water use efficient, helping to maintain groundwater levels, eliminate waste and promote efficient use of water to meet and exceed state regulatory requirements.
2. Develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.
3. Develop regional collaboration for groundwater storage programs.
4. Develop plans for regional low-impact development.
5. Identify opportunities to augment the regional recycled water system.
6. Meet basin plan requirements and objectives in support of the recycled water program.
7. Maintain water quality to meet customer needs, optimize recycled water use and minimize service interruptions and complaints (fruit labels, debris, etc.).
8. Maximize the recharge of all sources of water.
9. Develop a plan to improve recharge capacity within our service area boundaries.
10. Work to change landscape and agricultural practices of high chemical use to increase use of compost to improve groundwater quality.



AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview

E. Wastewater Management

IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Key Objectives

<p>Water Quality- IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the environment, and meet anticipated regulatory requirements.</p>	<p>Asset Management- IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.</p>	<p>Organics Management- IEUA will manage organics to meet regulatory compliance standards in a fiscally prudent and environmentally sustainable manner.</p>	<p>Energy Management- IEUA will effectively manage energy resources including renewable energy initiatives and programs to achieve statewide environmental and renewable energy goals and stabilize future costs.</p>
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Work Plan

1. Continue the process of collaborative negotiations in support of reaching mutually agreeable terms for the new Regional Contract.
2. Monitor treatment plant performance to meet regulatory requirements.
3. Establish Agency benchmarks for treatment processes for cost and quality evaluations.
4. Develop and analyze processes related to salinity management.
5. Develop a plan to continue maximizing recycled water use by meeting Basin Plan and regulatory water quality requirements such as TOC and, TIN objectives.
6. Proactively track and manage constituents of emerging concerns.
7. Operate effective pre-treatment programs to minimize treatment plant upsets.
8. Ensure timely expansion of Agency facilities to prepare for anticipated regional growth.
9. Develop a monitoring and assessment program to support the implementation of the Asset Management Plan.
10. Pursue opportunities for renewable energy development and interconnection with grid.
11. Implement projects in a timely and cost-effective manner.
12. Maximize the use of bio-solids, including methods of expanding the use of compost by validating safety and productivity of the wastewater bi-product.
13. Help position IEUA as a recognized leader in organics management through study, demonstration and application of wastewater organics in landscapes and agriculture.
14. Implement energy efficient projects and efficiencies into existing facilities and equipment.
15. Optimize daily operations to reduce energy costs.

IEUA Business Goal Overview

F. Environmental Stewardship

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Key Objectives

<p>Regulatory Compliance - <i>IEUA will comply with all federal, state, local, and environmental laws and regulations.</i></p>	<p>Good Neighbor Policy - <i>IEUA will foster positive relationships within the region and develop and implement projects that minimize impacts to the community and environment.</i></p>	<p>Environmental Responsibility - <i>IEUA will provide regional leadership to implement environmentally sustainable business practices and promote the preservation of the region's cultural and ecological heritage.</i></p>	<p>Regional Habitat Management - <i>IEUA will promote the preservation of regional habitat and implement the development and use of appropriate mitigation measures on all projects.</i></p>
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Work Plan

1. Comply with all regulatory requirements.
2. Develop and update logical, technically-based and defensible local limits for regional significant industrial users.
3. Develop response plans to minimize impacts to affected communities related to stormwater LID, odor surveys, drought planning, project construction etc.
4. Conduct educational and outreach programs and activities related to the Agency's key areas of business.
5. Develop plans to support environmental stewardship in support of the Agency's key business areas.
6. Design and construct projects with sustainable green building standards.
7. Incorporate sustainable standards in to the long-term maintenance and operation of facilities.
8. Participate and develop regional plans that provide a long-term habitat conservation plan.
9. Implement long term projects in support of long-term renewable energy goals and minimize carbon footprint.



AGENCY PROFILE AND POLICY GOALS

BUDGET PRIORITIES

The Fiscal Year 2019/20 and 2020/21 operating budget focuses on the Agency's top initiatives and long-term planning documents. Operating revenues in the biennial budget for fiscal year 2019/20 are based on the multi-year rates adopted for the Agency's Regional Wastewater, Recycled Water, and Water Resources programs. Fiscal year 2020/21 operating revenues includes projected rates based on a 3 percent cost of service increase; the estimated rates will be used until the Agency's current rate study is complete in early 2020 at which time rates for up to three to five fiscal years are expected to be adopted. Additionally, the biennial budget presents operating expenses for all Agency programs, and investment in Agency assets necessary to meet the demand of current and future growth projected by member agencies.

The biennial budget supports the Agency's business goal of fiscal responsibility by demonstrating sound financial planning. Key areas addressed in the development of the budget for Fiscal Years 2019/20 and 2020/21 are:

- ◆ **Succession planning** – Timely recruitment will be essential for the transfer of knowledge and expertise to the next generation of employees. Succession planning will be supported by a temporary reduction of the vacancy factor.
- ◆ **Cost containment** – Operations and maintenance expenses such as chemicals, operating fees, and utilities are projected to remain relatively stable over the next two fiscal years. In an effort of continued cost containment, the number of full-time authorized positions will remain the same at 290.
- ◆ **Cost of Service** – Continued implementation of multiyear rates and fees as approved by the Board of Directors through FY 2019/20. An important policy principle of the multi-year rates was the establishment of rates and fees that fully recover the cost of providing the service.
- ◆ **Upkeep of Agency Assets** – A transition from “corrective” to “predictive and preventative” maintenance of Agency assets will help to ensure regulatory compliance, avoidance of costly corrective maintenance, and over time a reduction of ongoing maintenance costs.
- ◆ **Optimize low interest debt** – Continuing to secure low-cost financing to finance capital expansion and improvement of Agency's facilities needed to meet anticipated growth and increased service demands; and

- ◆ **Transparency** – The Agency is committed to the highest standards of communication and fiscal responsibility by providing a platform for transparent communication and timely reporting. This document serves as an important tool for understanding the Agency’s policies, programs and activities, and short and long-term goals.

The biennial Operating Budget and the Ten-Year Capital Improvement Plan (TYCIP) continue to demonstrate the Agency’s commitment to deliver reliable, high quality essential services to its customers in a regionally planned, cost effective manner. The projects included in the Agency’s FY 2019/20 – 2028/29 TYCIP are necessary to accomplish the Agency’s goals based on the physical condition of assets and forecasted regional projections of water and wastewater needs.



AGENCY PROFILE AND POLICY GOALS

FINANCIAL POLICIES

The Agency's practices are guided by the following budget and financial policies:

Policies	Description	Achievements
A. Operating Budget	1. The Agency will budget revenues and expenditures on the basis of a fiscal year that begins on July 1 and ends on the following June 30	Adoption of the FYs 2019/20 and 2020/21 biennial budget in June 2019, including the update of the FY 2019/20 to FY 2028/29 Ten Year Capital Improvement Plan (TYCIP).
	2. The Agency's budget is designed to provide meaningful, comprehensive and user-friendly data and information on Agency activities and programs; to that end, the Agency will produce a budget document based on national best practices as defined in the budgetary award guidelines established by nationally recognized organizations, such as the Government Finance Officers Association (GFOA)	The Agency's biennial FY's 2017/18 and 2018/19 budget received GFOA's Distinguished Budget for the thirteenth consecutive year, and the sixteenth consecutive year from the California Society of Municipal Finance Officers (CSFMO) Operating Budget award.
	3. The operating budget is the short-term action plan for development and execution of the Agency's strategic plan, consistent with the Agency's long-range plan of finance (LRPF). The LRPF is updated periodically with corresponding adjustments to the operating budget to assure continual alignment of short-term budgetary goals with the long-term strategic plan	The Long-Range Plan of Finance update will be deferred until the completion of the rate study and the preliminary financial evaluation of the Chino Basin Program (CBP).
	4. The budget is useful for measuring performance and providing for a strong level of transparency to regional partners and local constituencies. The budget must be timely in the reporting of resource availability and allocation; the Agency's budget will allow for public participation prior to its adoption and will ensure timely availability of information prior to commencement of the new fiscal year	Budget workshops were held with the Agency's Board of Directors and the regional partners providing an opportunity for input throughout the budget development process.

Policies	Description	Achievements
	<p>5. Successful budgets are developed using an iterative and inclusive process that solicits input from all levels of the organization and allows time for a deliberative and careful review of all relevant factors impacting budgetary estimates and projections; the Agency establishes an annual budget calendar complete with key milestone dates for budgetary workshops for staff and policy makers, and submittal of capital, operating, and labor estimates</p>	<p>A budget calendar was developed and issued in December 2018. Meetings were held with all departments to compile budgetary, statistical, and descriptive information; budget training sessions were facilitated, and review and discussion of budget with the Board and member agencies were scheduled throughout the budgetary process.</p>
<p>B. Balanced Budget</p>	<p>1. The budget should be balanced with the current revenues equal to or greater than current expenses</p>	<p>Budgets are balanced using a combination of current revenues and reserves, and the budget is monitored regularly throughout the year. Budget variance analysis reports are prepared and presented to the Agency's Board quarterly.</p>
	<p>2. Any fund, when operating or capital expenses exceed revenues, will utilize the respective fund reserves to meet the shortfall</p>	<p>Reserves were used to balance any projected shortfall in net revenues. A use of reserves is projected for the two adopted budget years.</p>
<p>C. Revenues</p>	<p>1. The Agency's various programs are supported by a combination of user fees and property taxes. Both sources of revenues must be evaluated annually to ensure appropriate cost recovery and adequate delivery of services. The Agency strives for a stable and consistent revenue base without wide fluctuations from year to year; consistent rate increases based on the rate of inflation (as measured by a relevant and widely used index such as</p>	<p>The Agency has adopted a multi-year rate structure for three core programs: Regional Wastewater, Recycled Water, and Water Resources. The adopted multi-year rates were intended to achieve full cost of service, meaning revenues generated are sufficient to meet that program's cost of delivery service including replacement and rehabilitation (R&R) costs. Achieving full cost of service will reduce the need for</p>



AGENCY PROFILE AND POLICY GOALS

Policies	Description	Achievements
	the CPI) and adjusted when necessary for other relevant factors	fund transfers between programs and minimize reliance on property taxes.
D. Debt Management	1. The agency will manage its debt portfolio as part of an asset/liability matching strategy, in that context, debt term should match the useful life of the capital project funded; variable rate debt may be used as long as it is sufficiently hedged with cash reserves; interest rate swaps and other derivative products will be considered when the risks are manageable as determined by staff, the financial advisor, and the Board of Directors	The Agency continues to pursue low interest State Revolving Fund (SRF) loans, grants, and rebates when applicable. Securing federal and state grants and SRF loans will continue to be an important part of the overall financing strategy. The Agency was invited to submit an application to the Water Infrastructure and Innovation Act (WIFIA) for financing of the RP-5 Expansion projects. In April 2018, the Agency submitted a letter of interest to WIFIA.
E. Capital Planning	1. The Ten-Year Capital Improvement Plan (TYCIP) will be reviewed and adjusted annually	The FY 2019/20 – 2028/29 TYCIP was adopted by the Board in June 2019. The next planned TYCIP review and update is scheduled in early 2020.
	2. Support the TYCIP in meeting service area growth through various funding alternatives including revenue bonds and short-term borrowings	Successfully secured with state grants and loans to support major capital projects; water quality laboratory, SCADA system, and recycled water projects.
	3. Future operating, maintenance and replacement costs associated with new capital improvements will be forecasted and included in future year projected costs	The Agency's FYs 2019/20 and 2020/21 biennial operating budget supports the continuing need for maintenance and repair for facilities and equipment as identified in the Asset Management Plan. The 2020-2029 TYCIP supports facilities expansion of the regional wastewater system to meet anticipated future growth.
F. Long Range Planning and Forecasting	1. Long-term planning uses trends and projected changes in population growth, service levels, property assessment values, new development, and general economic conditions to forecast future revenues and expenditures in the near term of 5 to 10 fiscal years and long term up to 30 years	The biennial budget document includes a ten-year forecast of future revenues and expenses. The Long-Range Plan of Finance (LRPF) model is used as a planning tool to project revenues and expenditures up to 30 years.

Policies	Description	Achievements
<p>G. Auditing, Accounting and Financial Reporting</p>	<p>1. Integrity of the Agency's financial data is vital for the reputation and success of the Agency; stewardship of the Agency's assets is of paramount importance to ensure confidence of stakeholders that tax collections and user fees are being wisely invested and soundly managed; the quality of accounting and financial reporting are crucial to instilling that confidence and strengthening that reputation and the Agency will use widely recognized and accepted accounting standards including GAAP and guidance issued by the Government Accounting Standards Board (GASB); practical guidance to enhance the quality of the Agency's accounting will be sought from Publications such as the GAAFR as published by the GFOA</p>	<p>For fiscal year ended June 30, 2018, the Agency received an unmodified opinion from its external auditors: financial statements are free of any material misstatement, are presented fairly in conformity with generally accepted accounting principles, and there was no finding of significant deficiencies or material weaknesses. Audited financial statements are available on the IEUA website.</p>
	<p>2. Annual audits from an independent firm in conformity with GAAP will be performed on all of the Agency's financial records and those of entities the Agency for which the accounting and financial reporting services are provided; as part of the annual audit, a single audit in conformity with federal guidelines for all grant funded programs will be conducted</p>	<p>The single audits performed by external auditors on the Agency was completed with no findings noted.</p>
	<p>3. Regular reporting of financial results will be accomplished through issuance of a Comprehensive Annual Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States and Canada; prior to issuance of the CAFR, the internal audit department will perform a review to ensure industry standards and reasonable accuracy of reporting has been achieved</p>	<p>The Agency received the GFOA Award for Excellence in Financial Reporting for 20th consecutive year. Internal Audit provided a quality review prior to adoption by the Board of Directors and submission to GFOA and CSMFO.</p>
<p>H. Fund Reserve Balances</p>	<p>1. The Agency will maintain fund reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally</p>	<p>An updated Reserve Policy governing all Agency funds was adopted by the Board of Directors in May 2019 to refine</p>



AGENCY PROFILE AND POLICY GOALS

Policies	Description	Achievements
	<p>mandated requirements, and could respond to unforeseen events. As a regional provider of public services with an extensive investment in public infrastructure, operating facilities, other related assets; the Agency must establish and maintain a prudent level of reserves to meet its commitment to deliver reliable and high-quality essential services to its customers</p>	<p>reserve categories and adjust minimum and target level to more appropriately support the Agency's short term and long-term fiscal objectives.</p>
<p>I. Debt Ratio</p>	<p>1. As required by Agency bond covenants, the Agency seeks to maintain a legally required debt coverage ratio (DCR) of at least 1.25 times debt service costs due in any given year. The Agency applies ceilings on the amount of long-term debt that can be issued as these policies are designed to maintain the Agency's credit strength</p>	<p>Annual fluctuations in the DCR are primarily driven by changes in funding sources. As of June 30, 2018, the DCR was 4.35.</p>
<p>J. Cash Management/ Investment Policies</p>	<p>1. The Agency shall invest idle cash in a prudent manner according to established investment policy consistent with state laws and regulations, ensuring the Agency's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment; the Agency will strive to maximize the return on investment without sacrificing preservation of principal and daily cash requirements</p>	<p>The Agency's Investment Policy is updated annually. The Investment Policy for FY 2019/20 was presented for review and approval to the Board of Directors in March 2019. Investments are made in conformity with Agency policy and within the guidelines of the California Government Code and applicable California law.</p>
	<p>2. The Agency will accelerate cash collections and carefully manage disbursements to maximize cash balances; disbursements will be timely to maintain public trust and productive relations with employees, contractors, suppliers, and other government entities</p>	<p>Accounts payable and receivables are collected within an average 30- day billing cycle.</p>
	<p>3. Cash flow projections will be updated on a weekly basis accounting for all daily receipts and disbursements, and will serve as the baseline for determining cash liquidity needs and funds available for investment; cash balances of the Agency's various funds will be pooled to maximize</p>	<p>Cash flows are maintained through collaborative efforts with various departments in forecasting and verifying sources and uses of funds. Cash flow projections are updated on a daily basis and respective meetings are held bi-weekly to</p>

Policies	Description	Achievements
	investment opportunities with interest earnings allocated in a rational manner consistent with generally accepted accounting principles	discuss current cash position and investment opportunities.
K. Human Resource Management	1. The Agency will determine staffing levels consistent with budgetary authority, available resources, and operating needs; the Agency will strive to achieve cost effectiveness without sacrificing employee morale and productivity	The average vacancy factor for FY 2018/19 is nine percent, based on authorized staffing of 290 full time equivalent positions. The Agency has reduced the projected budgeted vacancy factor in next two years to support succession planning.
	2. Staffing projections and authorized levels will be based on production levels, (i.e., annual flow projections) number of facilities, and number and duration of capital projects; temporary and contract staff will be used to meet peak demands	In FY 2018/19, the Agency averaged 14 limited term employees to support grants administration, long-term planning initiatives, and execution of the Ten-Year Capital Improvement Plan.
	3. In its commitment to provide a dynamic work environment with a highly skilled and dedicated workforce, the Agency will maintain a competitive compensation package; The various Memorandum of Understanding (MOU) will be negotiated cost-effectively and align with the Agency's current and anticipated economic conditions.	The Laboratory, Supervisors', Professional and General units reached agreement on a three-year MOU prior to June 30, 2018 and were approved by the Board of Directors on August 1, 2018. The Operators' Association reached agreement on a three-year MOU and it was approved by the Board of Directors on August 15, 2019. The Personnel Manuals for the Unrepresented and Executive Management groups were approved by the Board of Directors on August 1, 2018.
L. Risk Management	1. Risk Management policies are designed to protect against losses that would affect its assets and hence, its ability to provide ongoing services	Promoted a safe, hazard free working environment through the monitoring of the Agency's Safety programs as well as initiatives and policies which are designed to ensure compliance with all applicable local, state, and federal regulations governing the workplace and its employees.

BUDGET PROCESS

The budget is the primary performance tool used to measure accountability of public agencies ensuring the public trust for taxpayer dollars and service rates and fees. The budget communicates to all stakeholders (i.e., elected officials, regional agencies, and citizens) how their investments will be used by providing detailed information on specific resource allocations and expenditures. Progress is monitored monthly, and revisions are made as necessary to meet changing needs or accommodate unplanned requests. This budget document is useful as a benchmark to evaluate the Agency's accomplishments and/or challenges, as well as to assess compliance with fiscal accountability.



STRATEGIC PLANNING

In June 2019, the Agency adopted its biennial operating budget for Fiscal Years (FYs) 2019/20 – 2020/21. Both the biennial budget and the FYs 2020 – 2029 Ten Year Capital Improvement Plan (TYCIP) are guided by the 2015 Strategic Plan which identifies the major initiatives to be accomplished over a five-year period (2014 - 2019). The basis for the Agency's Strategic Plan are the IEUA Business Goals (Business Goals) which guide the Agency's decisions and actions in fulfilling its mission, vision, and values. In 2016, the Business Goals were modified in structure and updated to more clearly define the Agency-wide policy principles. The updated Business Goals were

approved by the Board in December 2016. The updated 2016 Business Goals and corresponding objectives are provided in the Agency Profile and Policy Goals section.

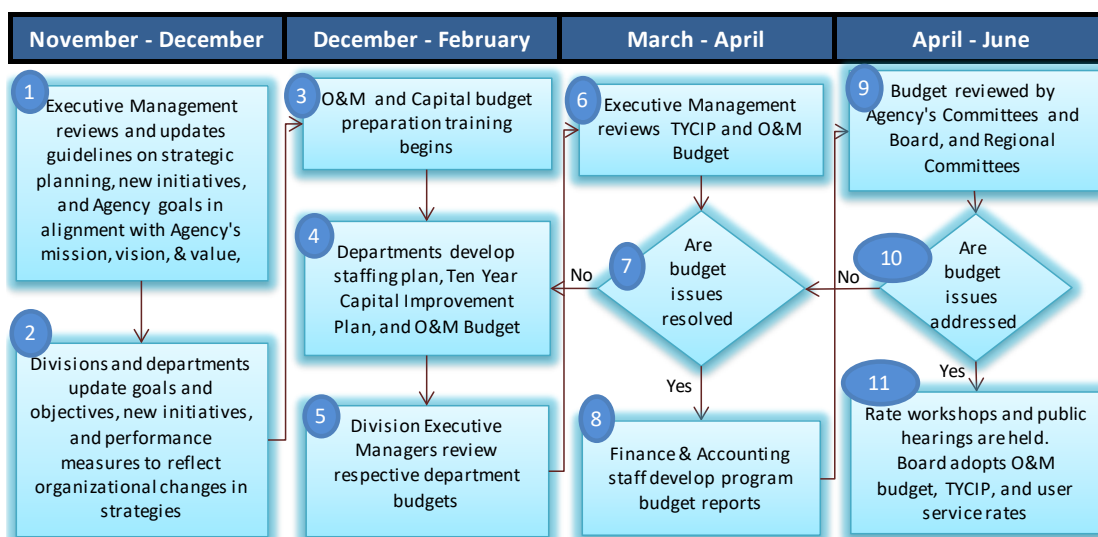
These updates are integrated in the Agency's long-term planning documents, including the Asset Management Plan, TYCIP, Long Range Plan of Finance (LRPF), and master plans, such as the Facilities Master Plan, Recycled Water Program Strategy, Energy Management Plan, and Integrated Water Resources Plan. The four strategic planning documents provide a systemic and disciplined approach in mapping out the Agency's service area growth and determining the financial requirements necessary to support future growth. The financial requirements involved include maintaining rates to support the cost of service and capital improvement plan for the region, sustaining reserve levels to safeguard the Agency's fiscal health, and maintaining a debt coverage ratio that preserves market access and ensures a low cost of future borrowing.

BUDGET PREPARATION PROCESS AND TIMELINE

The preparation of the Operation and Maintenance (O&M) budget and Ten-Year Capital Improvement Plan (TYCIP) begins in December with the issuance of the General Manager's (GM) budget message. The GM budget message communicates the guidelines and Agency's key business goals and objectives for the preparation of the Five-Year Business Plan (operation budget) and the TYCIP to all Department Managers and Supervisors.

With support from the Board of Directors, Executive Management, Department Managers, and staff, the budget preparation process plays an important role in the Agency's strategic financial planning and adheres to the timeline reflected in Figure 3-1.

FIGURE 3-1: BUDGET PROCESS TIMELINE





BUDGET PROCESS

On July 1, 2019, the Agency will be implementing its third biennial budget for FYs 2019/20 and 2020/21. A mid-year budget review process will be scheduled in the spring of 2020 to determine whether any adjustments pertinent to the FY 2020/21 O&M budget or the TYCIP are necessary. Recommended changes to the FY 2020/21 O&M budget and TYCIP will be presented to the Board as budget amendments for review and approval in May/June 2020.

EXECUTIVE MANAGEMENT RESPONSIBILITIES

During the budget preparation process, Executive Management meets with staff to review and evaluate both O&M and capital budget requests to ensure that they align with the Agency's goals and objectives. A key objective is sustaining high quality services while simultaneously aiming for greater operating efficiencies to minimize service rate impact. Executive Management closely monitors fund balance reserves and key financial ratios to guarantee that the Agency's financial position can effectively withstand economic variability and unplanned events. In some cases, this means re-examining operating priorities and costs, streamlining procedures, consolidating or realigning resources, updating policies, and/or adjusting service rates and fees. Public budget workshops are held to inform the IEUA Board, contracting member agencies, and key stakeholders of the major drivers, objectives, budget assumptions, proposed rate structures, capital programs, and relevant policy issues.

Subsequently, the proposed budget and rates as recommended by Executive Management are presented to the Board's Finance and Administration Committee for review and recommendation in April and May.

The Regional Wastewater and Recycled Water Program budgets and their respective service rates are presented to the Regional Committees, which are comprised of representatives from the Agency's contracting agencies. Upon the Regional Committees' review and recommendation, in accordance with the Regional Sewage Service Contract, the Agency's Board of Directors approves and adopts the final budget document, rate resolutions, and TYCIP before June 30th each year.

DEPARTMENT RESPONSIBILITIES

Each department is tasked to develop qualitative, quantitative, and justifiable departmental goals and objectives, key performance measures, staffing plans, capital budget requests, and O&M budget requests that are pertinent to the department's goal performances and consistent with the IEUA Business Goals and objectives.

BUDGET PREPARATION TRAINING

To assist Agency staff with the budget preparation process, Finance and Accounting staff conduct training sessions for key staff from other departments on the O&M and capital budget during December and January. Open houses are also held to further assist staff in the budgeting and reporting process. Reference materials, such as labor rates, staffing plans, project lists, and instructions for budget preparation are posted in the Agency's intranet website. In addition, for staff who misses the training sessions, one-on-one sessions are offered by Finance and Accounting staff, to ensure budget information are properly updated for the budget.

BALANCED BUDGET

The Agency's budget is aggregated from itemized budgets for each fund within each program. The budget is balanced with current revenues equal to or greater than current expenses using the following strategies: improve work flow efficiency; ensure effective pricing on materials and contracts; pursue federal and state grants and low interest financing to support capital projects; adjust user charges and service fees based on cost of services and replacement and rehabilitation (R&R) requirements. In any fund, when operating or capital costs exceed revenues, the respective fund reserves will be used to meet the shortfall.

The biennial budget is balanced with a combination of service rates and fees, property taxes, grants and state loans, conservative expense forecasts that sufficiently support capital and O&M costs, and fund reserves. The capital program will be funded by regional connection fees, federal and state grants and loans, a portion of property taxes, and fund reserves. The net shortfall in Agency funds will be supported by fund reserves.

BUDGETARY CONTROL

The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the IEUA Board. The Agency's Fiscal Control Ordinance establishes the Agency's basic principles of financial control and provides the General Manager (GM) and the Chief Financial Officer/Assistant General Manager (CFO/AGM) the authorization to approve the transfer of appropriations among departments and expense categories within a single fund's budget. An increase in appropriation in any fund budget, whether accomplished through a change in anticipated revenues or increase in total project budget, requires Board approval. The only exception is the GM contingency account controlled by the GM. Based on the Fiscal Ordinance, the GM is authorized to transfer GM Contingency account budget between funds within the operating budget as needed to support unplanned costs. Information on all budget transfers is presented to the Board as part of the quarterly variance reporting.



BUDGET PROCESS

BUDGET VARIANCE MONITORING AND REPORTING

Budget-to-actual reports on O&M and capital activities are available on a real-time basis through the Agency's Enterprise Resource Planning (ERP) financial system. The financial system monitors budget consumption and notifies Department Managers and the Budget Officer via email of any budgetary control issues. Department Managers are required to prepare and submit a budget variance analysis to their Divisional (Executive) Managers on a quarterly and specific reporting period basis, in accordance with the budget variance guidelines. Subsequently, staff presents the Agency's quarterly budget-to-actual variances to the Finance and Administration Committee and the Board of Directors, along with a report on budgetary fund transfers and the status of departmental goals and objectives. The on-going budget review process is essential in monitoring year-to-date operational and capital expenditures. This proactive approach serves as an early warning mechanism to Department Managers of any substantial variance in actual spending compared to the budgeted amount.

In the event that the overall adopted O&M Budget or CIP budget appropriation needs to be amended, a presentation to the Finance and Administration Committee is required. The Board takes the Committee's recommendation into account as they consider the merits of the additional requested appropriation. A majority approval by the Board is required to amend the budgeted appropriation.

FINANCIAL POLICIES

The Agency's budget is guided and developed in accordance with the following financial policies and ordinances, which support the IEUA Business Goal of fiscal accountability on funding and appropriation, as well as in compliance with legal requirements.

Debt Management Policy. This policy establishes the conditions for the use of debt and creates procedures and policies that minimize the Agency's debt service and issuance costs, retain a high-quality credit rating, and maintain full and complete financial disclosure and reporting. It provides comprehensive guidelines for the use of debt financing and prepayment or refunding of outstanding debt.

Investment Policy. This policy establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. It encompasses those funds over which the Agency exercises fiscal control, stipulates allowable and unallowable investment alternatives, and establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business. It also prioritizes the Agency's public funds management objectives of safety, liquidity, and yield. This policy is reviewed periodically, or whenever there are recommended changes, whichever occurs first.

Reserve Policy. This policy establishes appropriate fund reserves by category, identified purpose for each category, appropriate target levels, funding sources, and conditions under which each is to be used and replenished. It is consistent with sound, prudent fiscal practices, compliant with legal requirements, and essential to ensure that the Agency can effectively address economic and environmental variability. Periodic review of this policy is performed to ensure it remains relevant and aligns with Agency policies and strategic goals.

Fiscal Ordinance. This ordinance provides a system of financial administration, accounting, and fiscal budgetary control. It also defines the parameters of budget adjustments in operating and non-operating expenditures as well as the approval requirements. It is periodically reviewed and updated to reflect necessary changes in the IEUA Business Goals and supporting policies.

Procurement Ordinance. This ordinance establishes procurement thresholds, expenditure (approval) limits, delegated authority, solicitation requirements, and protocols to ensure adequate fiscal controls and transparency of the Agency's expenditures. This ordinance is reviewed and updated periodically to address changes in the procurement or contracting process, or authorization limit.

BUDGET BASIS

The Inland Empire Utilities Agency is a California Municipal Water District established in 1950 under the provisions of the Municipal Water District Act of 1911.

The Agency operates and reports all activities as proprietary funds (Enterprise funds), which are used to account for operations that are financed and operated in a manner similar to a private business enterprise. Enterprise funds account for operations that provide essential services on a continuous basis and are substantially financed by revenue derived from user charges and fees.

The budgets for all the Agency's proprietary funds are prepared using the accrual basis of accounting; budgeted and actual revenues are recognized when earned, and expenses are recognized as they are incurred, conforming to the recommended best practices for budgeting according to the Government Finance Officers Association of the United States of America and Canada and consistent with the Agency's Comprehensive Annual Financial Report (CAFR). The only exceptions are those listed below:

- ◆ Capital outlay is budgeted as an expenditure
- ◆ Capitalized interest is budgeted as interest expense
- ◆ Principal payments are shown as expenditures rather than reductions to liabilities and accounted for on a payment due date basis



BUDGET PROCESS

- ◆ Contributions toward the unfunded liabilities for CalPERS and other post-employment benefits are budgeted as part of the employment expenses
- ◆ Debt proceeds are accounted for as other funding sources
- ◆ Grant receipts are recorded as other funding sources rather than contributions in aid
- ◆ Payments on long-term receivables are recorded as other funding sources
- ◆ Proceeds from the sale of assets are recognized as other funding sources
- ◆ Depreciation and amortization are not budgeted
- ◆ Losses from sale of assets are not budgeted
- ◆ Deferred costs, such as debt issuance costs which are expensed over the duration of the related debt.



REVENUES AND OTHER FUNDING SOURCES

The Agency's FY 2019/20 total revenues and other funding sources of \$289.6 million represent an increase of \$15.8 million over the FY 2018/19 amended budget of \$273.8 million. FY 2020/21 total revenues and other funding sources are projected to be \$368.9 million, an increase of \$79.3 million over FY 2019/20. Revenue increases can be attributed to a combination of factors, such as increases in new connection fee rates to the regional wastewater system and water system, increases in volume of imported and recycled water sales, and implementation of multi-year rates. In addition, SRF loan proceeds and grant receipts are projected to be higher in FY 2020/21 for the RP-5 Expansion project set to begin construction in early 2020.

TABLE 4-1: TOTAL REVENUES AND OTHER SOURCES OF FUNDS* (\$MILLIONS)

Revenues	2019/20 Budget	2020/21 Budget	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.
Property Tax	52.4	53.9	San Bernardino County ad-valorem property taxes and pass-through incremental taxes.
Water Sales	44.7	46.2	Sales of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Connection Fees	35.7	36.7	New connection fees for the Regional Wastewater and Regional Water systems.
Recycled Water Sales	18.1	18.8	Direct and groundwater recharge recycled water sales and.
State and Other Loans	19.2	89.2	State Revolving Fund (SRF) loan proceeds for Recharge Water and Regional Wastewater projects.
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.
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	\$289.6	\$368.9	

Totals may not tie due to rounding.

* Excludes Inter-fund Transfers as Transfers In and Out net to zero on a consolidated fund level.

Table 4-2 shows FYs 2019/20 and 2020/21 revenues and funding sources by program fund, including inter-fund transfers and percent change relative to prior fiscal years.

TABLE 4-2: TOTAL REVENUES AND FUNDING SOURCES BY PROGRAM (\$THOUSANDS)

Program	FY 2018/19 Amended Budget	FY 2019/20 Budget	% Change FY 2019/20 vs. FY 2018/19	FY 2020/21 Budget	% Change FY 2020/21 vs. FY 2019/20
Administrative Services					
Property Tax	\$1,972	\$1,972	0%	\$1,972	0%
Cost Reimbursement ⁽¹⁾	1,203	1,383	15%	1,382	-1%
Other Revenue ⁽²⁾	232	322	39%	297	-8%
Inter-fund Transfers In	2,814	4,645	65%	2,603	-44%
Total	\$6,221	\$8,322	34%	\$6,254	-25%
Non-Reclaimable Wastewater (NRW)					
User Charges	\$13,294	\$12,370	-7%	\$12,727	3%
Other Revenue ⁽²⁾	3,450	3,833	11%	3,661	-4%
Inter-fund Transfers In	972	2,292	136%	3,324	45%
Total	\$17,716	\$18,495	4%	\$19,712	7%
Regional Wastewater					
User Charges	\$64,743	\$68,158	5%	\$70,366	3%
Property Tax	40,676	43,585	7%	44,606	2%
Cost Reimbursement ⁽¹⁾	3,985	4,130	4%	4,293	4%
State Loans and Grants	9,360	11,061	18%	81,385	636%
Connection Fees	26,496	27,820	5%	28,655	3%
Other Revenue ⁽²⁾	2,092	3,400	63%	3,037	-11%
Total	\$147,352	\$158,154	7%	\$232,342	47%
Recharge Water					
Cost Reimbursement ⁽¹⁾	\$2,150	\$1,870	-13%	\$1,738	-7%
State Loans and Grants	9,561	6,101	-36%	15,284	151%
Other Revenue ⁽²⁾	32	115	259%	160	39%
Inter-fund Transfers In	3,268	1,460	-55%	1,374	-6%
Total	\$15,011	\$9,546	-36%	\$18,556	94%
Recycled Water					
Property Tax	\$2,170	\$2,170	0%	\$2,170	0%
Cost Reimbursement ⁽¹⁾	72	2,075	2,782%	702	-66%
State Loans and Grants	14,619	15,185	4%	8,970	-41%



REVENUES AND OTHER FUNDING SOURCES

Program	FY 2018/19 Amended Budget	FY 2019/20 Budget	% Change FY 2019/20 vs. FY 2018/19	FY 2020/21 Budget	% Change FY 2020/21 vs. FY 2019/20
Connection Fees	6,416	7,915	23%	8,032	1%
Water Sales	15,890	18,120	14%	18,752	3%
Other Revenue ⁽²⁾	577	983	70%	949	-3%
Inter-fund Transfers In	2,400	2,400	0%	2,542	6%
Total	\$42,144	\$48,849	16%	\$42,117	14%
Water Resources					
User Charges	\$6,171	\$6,757	9%	\$7,397	9%
Property Tax	3,070	4,637	51%	5,186	12%
Cost Reimbursement	400	683	71%	734	7%
State Loans and Grants	2,060	0	-100%	10	10%
Water Sales	42,996	44,724	4%	46,236	3%
Other Revenue ⁽²⁾	110	202	84%	166	-18%
Inter-fund Transfers In	626	1,947	211%	917	-53%
Total	\$55,432	\$58,950	6%	\$60,647	3%
All Fund Total	\$283,877	\$302,316⁽³⁾	6%	\$379,628⁽³⁾	26%

⁽¹⁾ Includes cost reimbursements from JPAs, contract cost reimbursements, and capital contract reimbursements.

⁽²⁾ Includes interest revenue, other revenue, and inter-fund loan proceeds.

⁽³⁾ Include inter-fund transfers \$12,744 (FY 2019/20 and \$10,760 (FY 2020/21).

USER CHARGES

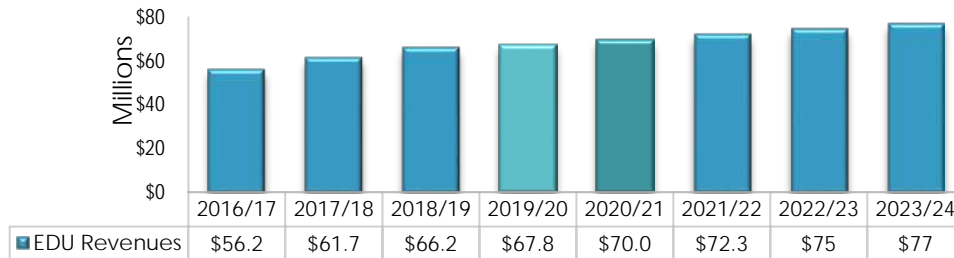
User charges are comprised of three primary user fees: Equivalent Dwelling Units (EDU) monthly sewer fees paid by users discharging to the Agency's regional wastewater system, NRW fees paid by industrial and commercial users connected to the Agency's brine line system, and meter equivalent unit (MEUs) and Metropolitan Water District readiness-to-serve (RTS) charges paid by users connected to the potable water system.

EDU SERVICE CHARGES

The regional wastewater system growth and available wastewater capacity is reported by Equivalent Dwelling Units or EDUs. EDUs are based on the measurement of wastewater flow equivalent in quantity and strength to the daily discharge of an average single-family residential household. EDU service charges support the operations and maintenance of the Regional Wastewater Program and are recorded in the Regional Wastewater Operations & Maintenance (Wastewater Operations) fund.

Total FYs 2019/20 and 2020/21 EDU service charges budgeted in the Wastewater Operations and Maintenance fund are estimated to be \$67.8 million and \$70.0 million respectively, as shown in Figure 4-1. Future year forecasts include adopted rates through FY 2019/20 and a forecasted three percent change per year for the ensuing fiscal years.

FIGURE 4-1: TOTAL EDU SERVICE CHARGE REVENUES



The Agency's Board adopted five-year EDU volumetric rates in 2015 which were intended to recover full cost of providing the service. Table 4-3 shows FY 2019/20 and FY 2020/21 rates of \$20.00 and \$20.60 per EDU effective July 1. FY 2019/20 will be 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 month's service rate to evaluate adjustments and ensure they appropriately recover the cost of service for the wastewater program.

TABLE 4-3: MULTI-YEAR ADOPTED EDU VOLUMETRIC RATE

	2016/17	2017/18	2018/19	2019/20	2020/21*
Effective Date	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20
EDU Connection Fee	\$17.14	\$18.39	\$19.59	\$20.00	\$20.60

*FY 2020/21 fee may be subject to change based on the 2020 Rate Study

A conservative growth rate of 0.25 percent in the number of billable volumetric EDUs is projected for FYs 2019/20 and 2020/21 as well as the ensuing fiscal years as shown below on Table 4-4.

TABLE 4-4: ACTUAL/ESTIMATED GROWTH RATE IN THE NUMBER OF BILLABLE VOLUMETRIC EDUS

	2016/17*	2017/18*	2018/19	2019/20	2020/21
Growth Rate	2.5%	2.35%	0.25%	0.25%	0.25%
Number of Billable Volumetric EDUs	3,295,508	3,372,992	3,381,425	3,389,878	3,398,353

*Based on Actual



REVENUES AND OTHER FUNDING SOURCES

NRW USER CHARGES

Revenues for the Non-Reclaimable Wastewater (NRW) program consist of cost recovery and user fees in the form of pass-through charges, capital surcharge, and operating fees. This pass-through rate structure, first implemented in FY 2004/05, allows the Agency to fully recover capacity, volumetric, and strength fees billed by the Sanitation Districts of Los Angeles County (SDLAC) for the North system and the Santa Ana Watershed Project Authority (SAWPA) for the South system. Different rates apply to the northern and southern systems. The Pass-through rates for both systems are listed on Table 4-5.

TABLE 4-5: NRW NORTH AND SOUTH SYSTEMS PASS-THROUGH RATES

Rate Description	2018/19 Adopted	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		
Treatment Capacity/CU	\$272.31	\$280.47
Pipeline Capacity/CU	\$134.29	\$138.20
Flow/mg	\$946.00	\$979.00
BOD/klb	\$307.00	\$316.00
TSS/klb	\$429.00	\$442.00

In addition to the pass-through rates, user charges include the Agency’s operating and capital costs associated with the operations, maintenance, replacement, and improvement of the NRW system (NRWS). These Agency program costs are recovered as follows:

- ◆ North System – prorated based on the number of capacity units issued per customer
- ◆ South System – a 50 percent operating surcharge is imposed on volumetric, capacity, and strength charges

Additional information on the Non-Reclaimable Wastewater program can be found in the Program section of this document.

METER EQUIVALENT AND RTS COST RECOVERY CHARGES

The Agency Board adopted changes in the potable water rate structure on June 15, 2016 to more sustainably support the Water Resources program costs and provide for a more equitable recovery of these costs. Table 4-6 shows the adopted FY 2019/20 and FY 2020/21 rates for the:

- ◆ Seven-year phased implementation of the MWD readiness-to-serve (RTS) direct charge to member agencies.
- ◆ Monthly meter equivalent unit (MEU) charges to support program costs based on meter size consistent with member water agencies structure.

TABLE 4-6: METER EQUIVALENT AND RTS COST RECOVERY CHARGES

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Effective Date	10/01/16	7/01/17	7/01/18	7/01/19	7/01/20	7/01/21	7/01/22
RTS Recovery	15%	30%	45%	60%	75%	90%	100%
Meter Equivalent Units (MEU)	\$0.90	\$0.95	\$0.99	\$1.04	To Be Adjusted Based on New Rate Study		

The MEU charges support the Water Resources fund program costs including the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses. As the RTS recovery from member agencies is being phased in over the next seven years, the revenue will be supplemented by property tax receipts to make up the shortfall.

PROPERTY TAX RECEIPTS

The Agency receives an allocated share of the San Bernardino County one percent general property tax, pursuant to the California Revenues and Taxation Code. Payments from the County are regulated by the California Teeter Plan which allows taxing agencies to collect 100 percent of assessed taxes each year in lieu of receiving taxes as they are collected by the County.

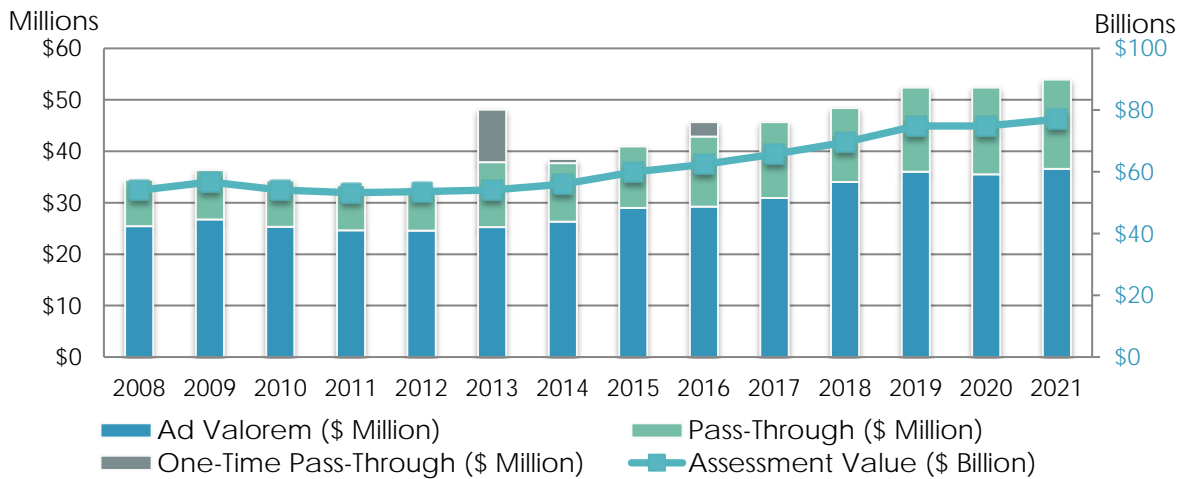
A key assumption in the Agency's long-term planning is the continual receipt of property taxes. Although the significant improvement in the State's fiscal position has lessened the risk of shifts of local revenues to support state budget deficits, significant downturns in economic conditions may once again trigger such shifts in the future. Given this uncertainty, the Board is committed to reducing reliance on property taxes to support operating costs and other recurring costs which

REVENUES AND OTHER FUNDING SOURCES

are more appropriately supported by service charges and fees. A key objective for the Agency is to have full cost of service rates for all programs (Business Goal Fiscal Responsibility). An objective of the multi-year rates adopted by the Board for the Regional Wastewater and Recycled Water programs is to allow investment of property taxes for capital initiatives/projects that support economic development in the region and safeguard the quality of life of the residents served through the Agency’s water and sewer member agencies (Business Goal Water Reliability).

Figure 4-2 shows the historical trend of property tax receipts and assessed property values for the Agency service area.

FIGURE 4-2: COMPARATIVE OF PROPERTY TAX RECEIPTS (\$MILLIONS) AND ASSESSED PROPERTY VALUES (\$BILLIONS)



The Agency’s apportionment of property tax proceeds from the County of San Bernardino includes:

- ◆ General – one percent of general property taxes applied to assessed property values within the Agency’s service area and paid directly by the County Tax Assessor, including Improvement District “C” (“IDC”). The formation of the “IDC” by the Agency, (under the provisions of Part 8, [commencing with section 72000] of Division 20 of the Water Code), was solely for acquiring, enhancing, and expanding wastewater treatment facilities in the Agency’s service area and is allocated 100 percent to the Regional Wastewater Capital Improvement (Wastewater Capital) Fund. Passage of Proposition 13 in 1978 limited the property tax rate to one percent of full market value, including special assessments such as the IDC.

- “Pass Through” Taxes – As an affected taxing entity, the Agency receives a tax increment applied to the redevelopment areas covered under the pass-through agreement established prior to the passage of SB1290 (1994) between the Agency and the former Redevelopment Agencies (RDA) and upheld under ABX1 26 (RDA Dissolution Act).

The rapid growth of the Inland Empire since the 1970’s has significantly increased property values throughout the Agency’s service area. Property tax revenues peaked in FY 2008/09 and then began to decline in response to the 2008 economic downturn. The slow and steady recovery of the housing market and improvement of assessed property values has stabilized property tax receipts and, to some degree, facilitated the Agency’s ability to better forecast future trends.

The San Bernardino Tax Assessor assessed value increased by 7.6 percent in 2018. Primary reasons for the increase include the sustained recovery of real estate values, increased sales activity, Prop 13 inflationary adjustments, and the restoration of assessed values previously reduced under Prop 8 decline in market value provisions. New construction activity remained low but there is renewed interest in San Bernardino County. The Agency projected a steady growth in property tax receipts for FYs 2019/20 and 2020/21 of four percent and three percent, respectively based on projected receipts for FY 2018/19, followed by three percent increase in the future years (Table 4-7). Property tax receipts are projected at \$52.4 million in FY 2019/20 which equates to nine percent higher than the FY 2018/19 projection, and a nine percent increase compared to FY 2018/19 amended budget.

TABLE 4-7: HISTORIC AND PROJECTED PROPERTY TAX GROWTH RATE

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
4%	4%	3%	3%	3%	3%

Beginning in FY 2014/15, a portion of property taxes were re-allocated from the Administrative Services fund to the Water Resources fund to support program costs not covered by existing rates and charges. Starting in FY 2016/17, the Board approved any growth in property tax receipts, apart from the 65 percent allocation reserved for the Wastewater Capital fund and \$13.7 million fixed amount allocated to the Wastewater Operations and Maintenance, Recycled Water, and Administrative Services funds. These funds will be transferred to the Water Resources fund to support the seven-year phased implementation of the Readiness-to-Serve(RTS) pass-through and the regional water resources initiatives not supported by the adopted rates, such as the Chino Basin Program (CBP) evaluation, water bank, and local resilience projects. Table 4-8 provides a summary of projected property tax transfers to all funds.

No change is proposed for the allocation to the Wastewater Capital fund. Consistent with past practice, the annual allocation of total property taxes to the Wastewater Capital fund will continue at 65 percent, including related growth. The 65 percent relates to the portion of Improvement District “C” (IDC) taxes collected prior to the adoption of Proposition 13 in 1978.



REVENUES AND OTHER FUNDING SOURCES

TABLE 4-8: PROPERTY TAX ALLOCATION BY FUND (\$MILLIONS)

Fund	Allocation	2019/20	2020/21
Wastewater Capital	65%	\$34.0	\$35.0
Wastewater Operations	Fixed Amount	9.5	9.5
Recycled Water	Fixed Amount	2.2	2.2
Water Resources	Balance	4.7	5.2
Administrative Services	Fixed Amount	2.0	2.0
Total	100%	\$52.4	\$53.9

REGIONAL WASTEWATER SYSTEM CONNECTION FEES

The Agency levies a fee on all new connections that connect to its regional sewer system. One EDU is equivalent to one new connection unit. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the Agency's regional wastewater system. Pursuant to the Regional Contract, new EDU connection fees are collected by each of the Agency's contracting member agencies and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called", by the Agency. Capital calls, or connection fee payments of CCRA funds, are based on the identified and projected capital needs of the Agency over the ensuing nine months, as calculated and reported by IEUA each quarter. Capital calls are calculated based on the proportionate share of each contracting agency's CCRA account balance relative to the aggregate amount.

In 2015, following an extensive rate study the Agency's Board of Directors approved the adoption of a five-year regional connection fee rates for Fiscal Years 2015/16 through 2019/20. Table 4-9 shows the adopted multi-year fees.

TABLE 4-9: ADOPTED MULTI-YEAR REGIONAL WASTEWATER CONNECTION FEES

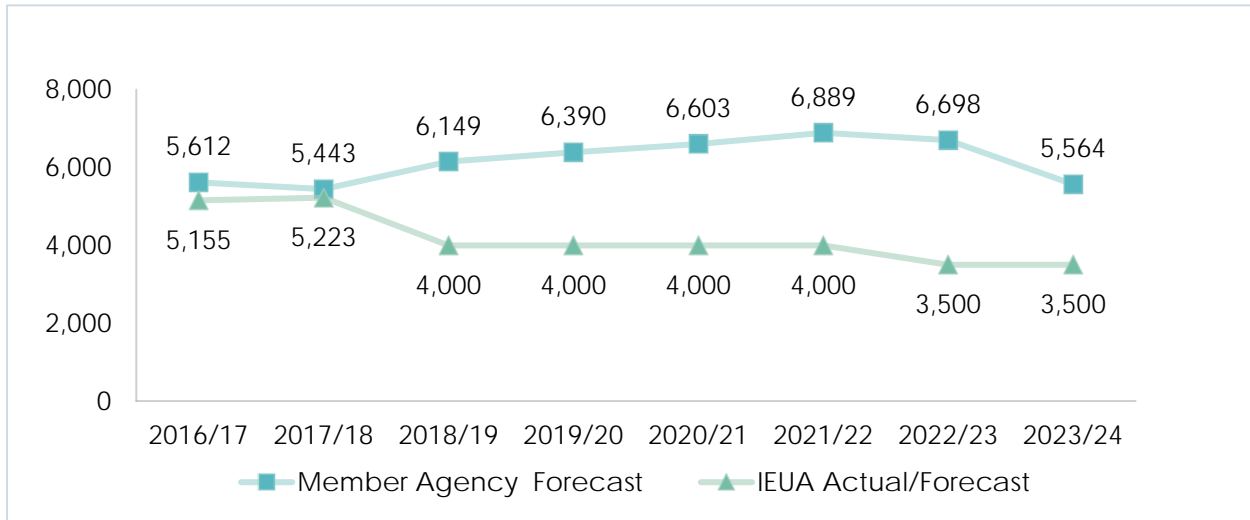
	2015/16		2016/17		2017/18	2018/19	2019/20	2020/21*
	7/01/15	1/01/16	7/01/16	1/01/17	7/01/17	7/01/18	7/01/19	7/01/20
Effective Date								
Wastewater Connection Fee / EDU	\$5,107	\$5,415	\$5,415	\$6,009	\$6,309	\$6,624	\$6,955	\$7,164

*FY 2020/21 fee may be subject to change based on the 2020 Rate Study

In FY 2019/20 connection fee revenues are projected to be approximately \$27.8 million with an estimated 4,000 new EDU connections at an adopted fee of \$6,955. FY 2020/21 budgeted revenues are estimated at \$28.7 million with a projected total of 4,000 new connections.

In accordance with the Regional Contract, the Agency conducts a survey of member agencies to determine the number of new wastewater connections expected for the next ten years. While the Agency applies conservative assumptions in forecasting the number of new connections for budgeting purposes, member agency forecasts are used to validate internal projections for planning capacity expansion of existing facilities. Figure 4-3 shows a comparison of historical and forecasted new wastewater connections between FY 2016/17 and FY 2023/24 by IEUA and its contracting agencies.

**FIGURE 4-3: HISTORICAL AND PROJECTED WASTEWATER CONNECTIONS
FY 2016/17 TO FY 2023/24**



WATER CONNECTION FEE

In FY 2015/16 a water connection fee was established to support capital improvement and expansion of the Agency's regional water system which is comprised of potable water, recycled water, and groundwater recharge facilities. The connection fee supports capital investment projects in the Recycled Water, Recharge Water, and Water Resources programs with a portion transferred to the Administrative Services program.

In 2016 the Agency's Board adopted five-year water connection fees. These fees are set at per meter equivalent unit (MEU) per residential unit (based on 5/8" and 3/4" meter sizes). Table 4-10 shows the adopted multi-year fees.



REVENUES AND OTHER FUNDING SOURCES

TABLE 4-10: MULTI-YEAR ADOPTED WATER CONNECTION FEE

	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21*
Effective Date	1/01/16	7/01/16	01/01/17	7/01/17	7/01/18	7/01/19	7/01/20
Water Connection Fee /MEU	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684	\$1,735

*Fee subject to change pending 2019 rate study results

FY 2019/20 water connection fee revenues are projected to be \$7.9 million with a projected 4,700 new meter equivalent unit (MEU) connections. In FY 2020/21 a total of 4,630 new MEU connections are projected with revenues budgeted at \$8.0 million.

RECYCLED WATER SALES

In the 1970s the Agency began producing recycled water as a low-cost alternative to potable water for large irrigation customers. Today recycled water is considered a critical component in drought proofing the region. The Agency will continue to focus on improvements and expansion of the RRWDS to increase the water supply that can be used to meet water demands of current and future residents in the service area.

Recycled water volumetric rates support costs associated with operations and maintenance of the Agency's water recycling facilities. In FY 2019/20, recycled water deliveries are projected to be 35,800-acre feet (AF), direct use deliveries are budgeted at 22,000 AF, and groundwater recharge deliveries at 13,800 AF. Direct use and groundwater recharge deliveries in FY 2020/21 are budgeted at 22,000 AF and 14,000 AF, respectively, for a total of 36,000 AF. Total recycled water sales are estimated to be \$18.1 million in FY 2019/20 and \$18.7 million in FY 2020/21.

In May 2015, the Agency's Board of Directors approved five-year recycled water rates, for both direct use and recharge recycled water sales as indicated in Table 4-11. The recycled water groundwater recharge rate includes a \$60/AF surcharge to support a portion of groundwater recharge basin maintenance and operation costs not reimbursed by Chino Basin Watermaster (CBWM).

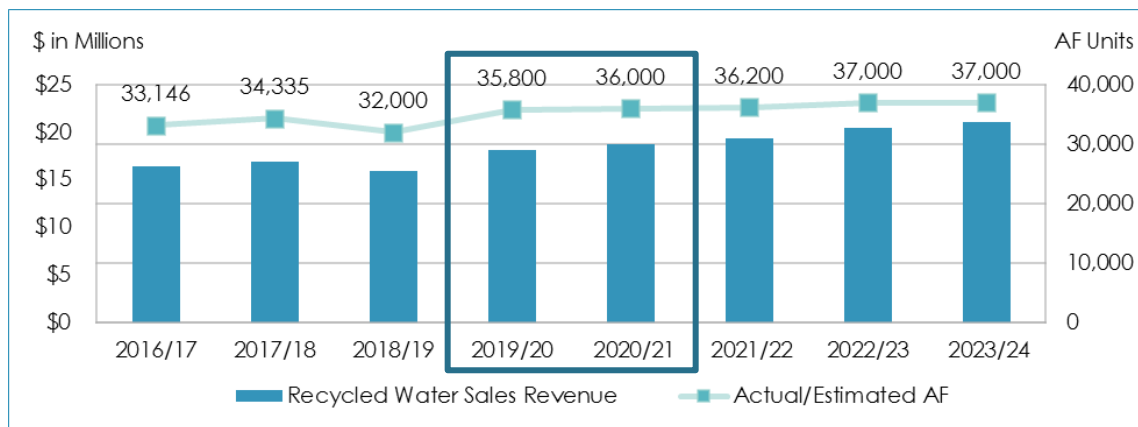
TABLE 4-11: RECYCLED WATER MULTI-YEAR RATES

	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21*
Effective Date	7/1/15	10/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020
Direct Delivery AF Rate	\$290	\$350	\$410	\$470	\$480	\$490	\$500
Recharge Delivery AF Rate	\$335	\$410	\$470	\$530	\$540	\$550	\$560

*Fee subject to change pending 2019 rate study results

Figure 4-4 shows the historical, budgeted, and forecasted recycled water deliveries by AF and the respective revenues by fiscal year.

FIGURE 4-4: TOTAL RECYCLED WATER SALES BY FISCAL YEAR (\$MILLIONS)



STATE LOANS

The State Revolving Fund (SRF) Loan Program provides low interest loans and other types of financial assistance for the construction of publicly owned wastewater treatment works and water reclamation facilities to promote the use of recycled water, water reuse, and water reclamation. SRF loans offer favorable financing terms making them a lower cost alternative to market debt.

Historically, the Agency has leveraged SRF loans, capital forgiveness, and grants to finance construction of the Regional Recycled Water Distribution System and other major regional wastewater projects. In FY 2019/20 proceeds from state loans are projected to be \$19.2 million and \$89.2 million in FY 2020/21. Budgeted loan proceeds are for projects related to recycled water distribution improvements including the RP-5 Expansion project in the Regional Wastewater Capital Fund, and the Recharge Master Plan Update (RMPU) projects in the Recharge Water fund.



REVENUES AND OTHER FUNDING SOURCES

Additional details of outstanding Agency SRF loans and debt service are provided in the Debt Management section.

GRANTS

As a municipal water district, the Agency is eligible to receive grant funding from various federal, state, and local grantors. Historically, the Agency has been very successful in securing grant funding to aid in the completion of major regional wastewater, recycled water, and groundwater recharge projects. In FYs 2019/20 and 2020/21 grant receipts are projected to be \$13.1 million and \$16.4 million, respectively.

Prior to FY 2019/20, the State Water Resources Control Board (SWRCB) offered loan principal forgiveness grants for qualifying projects through the Clean Water State Revolving Fund (CWSRF) Green Project Reserve (GPR) program. GPR projects must address water or energy efficiency, mitigate storm water runoff, or encourage sustainable project planning, design, and construction. The Agency qualified for principal forgiveness in conjunction with SRF loan funding for multiple projects in the Regional Wastewater, Recycled, and Recharge Water programs.

In 2018 the Agency was awarded an SWRCB Proposition 1 Stormwater Grant of \$9.8 million for ongoing Recharge Master Plan Update (RMPU) projects that will enhance groundwater replenishment infrastructures to effectively capture and store stormwater and recycled water at several recharge basins throughout the region. This project is part of the Agency's efforts to reduce the demand for imported water and increase local water supplies.

Additionally, the Agency was awarded \$11.4 million for the South Archibald Trichloroethylene (TCE) Plume Cleanup Project under the SWRCB Proposition 1 Groundwater Grant program. The project is a joint effort of various public agencies and stakeholder groups committed to promoting the long-term sustainability of the local watershed. The Agency and the Cities of Ontario and Upland have collaborated with the Chino Basin Desalter Authority (CDA), under the oversight of the Chino Basin Watermaster (CBWM), to develop a remedy to return the Chino Basin groundwater to its highest quality. Budgeted annual receipts for this grant award are \$1.0 and \$1.1 million in FY 2019/20 and 2020/21 respectively.

The United States Bureau of Reclamation (USBR) current Agency grant awards include \$1.2 million funding for projects that will expand and improve major recharge basin facilities to capture and increase storm water and recycled water conservation storage. Funding will also contribute to projects to develop drought response planning and other drought resiliency programs. In 2009, the USBR authorized \$26 million in Title XVI grant funding for the Lower Chino Dairy Area Desalination Demonstration and the Reclamation Project to the Inland Empire Utilities Agency (IEUA). A portion of this grant, \$6 million, will be applied to a multiple agency joint effort to clean contaminated groundwater in the Chino Groundwater Basin (South Archibald TCE Plume Cleanup Project).

Santa Ana Watershed Project Authority (SAWPA), a regional Joint Powers Authority (JPA) that focuses on water resource issues has authorized a Proposition 84 grant award of \$750,000 for Agency projects that help to increase stormwater capture for Agency projects that aim to modify existing diversion channels. Additionally, budgeted receipts include funds of up to \$1.5 million awarded through the SAWPA Proposition 1 Integrated Regional Water Management program for projects that help to increase local water supplies.

Grant funding from the California Department of Parks and Recreation for the Wastewater Operations' Water Discovery Field Trip & Bus Transportation project was awarded to the Agency in FY 2010/11. The project covers the cost of bussing children to the Chino Creek Wetlands and Educational Park in the city of Chino to learn about water use efficiency. To date, the Agency has received over \$180,000 of grant funding with additional funds anticipated through FY 2019/20.

Table 4-12 below is a listing of grant revenues budgeted in FYs 2019/20 and FY 2020/21.

TABLE 4-12: PROJECTED GRANT RECEIPTS BY GRANTOR (\$MILLIONS)

Grantor	Fund	Project	Description	FY 2019/20	FY 2020/21
SWRCB	Recycled Water	Various Drought Relief and Recycled Water Optimization Projects	Pump station improvements and expansion of multiple recycled water pipelines	\$3.8	\$2.0
		Napa Lateral Improvements	Design and construction of a 12" recycled water pipeline	2.5	-
		Jurupa Community Services District Recycled Water Intertie	Recycled water connection to Jurupa Community Services District	0.7	1.8
	Recharge Water	Wineville, Jurupa, and RP-3 Basin Enhancements	Recharge basin infrastructure and pump station improvements	3.3	10.4
	Regional Wastewater Operations	Groundwater Supply Wells	Project consists of pipelines, wells, and TCE mitigation	1.0	1.1
SAWPA/DWR	Recharge Water	Montclair and Lower Day Basin Improvements	Recharge basin improvements	0.5	0.7
USBR	Recharge Water	Recharge Water Master Plan Updates (RMPU)	Recharge basin stormwater capture, pumping, and conveyance system improvements	1.0	0.4



REVENUES AND OTHER FUNDING SOURCES

Grantor	Fund	Project	Description	FY 2019/20	FY 2020/21
California Department of Parks and Recreation	Regional Wastewater Operations	Water Discovery Field Trip & Bus Transportation	Project provides free environmental education programs to elementary school students	0.3	-
Total Grant Funding:				\$13.1	\$16.4

INTER-FUND LOANS

Inter-fund loans are used as needed to supplement capital costs, debt service costs, or operating costs not supported by rates or fund reserves. Proceeds from inter-fund loan receipts are reported as part of other funding sources in the receiving fund and the fund issuing the inter-fund loan reports the corresponding amount as part of its debt service cost. Payments are recorded in reverse in future years. There are no new inter-fund loans budgeted in the next two fiscal years. Payments from the Recycled Water fund for outstanding inter-fund loans to the Non-Reclaimable Wastewater fund began in FY 2018/19. Final inter-fund loans repayment is scheduled for FY 2024/25.

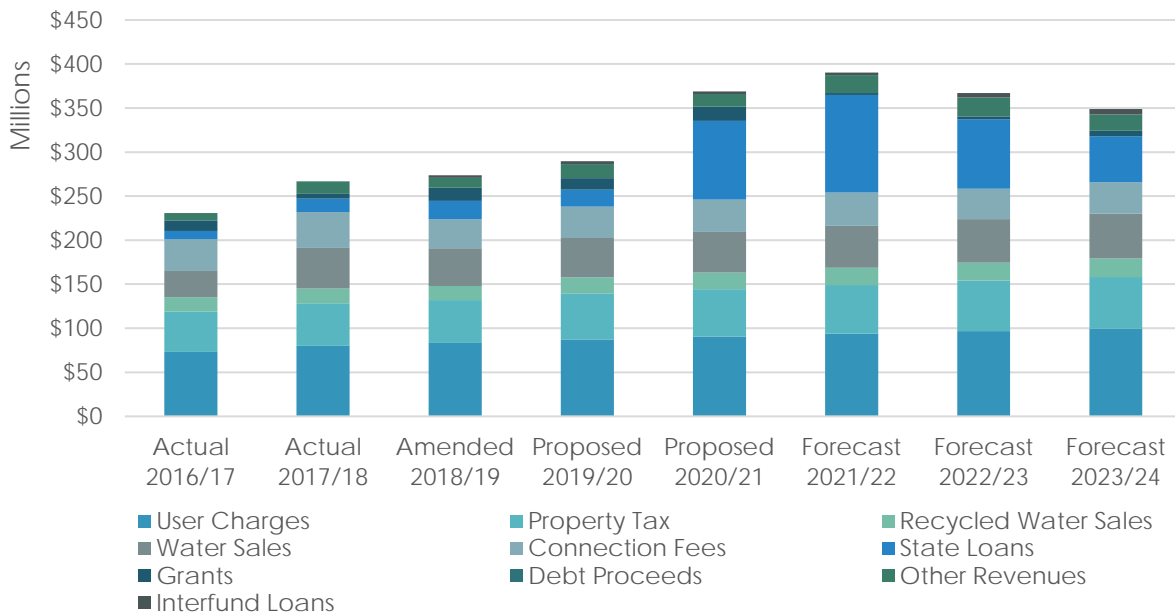
TABLE 4-13: REPAYMENT SCHEDULE OF INTER-FUND LOANS (\$MILLIONS)

Inter Fund Loan Issued	From	To	Loan Amount	Repayment Schedule
2007/08	Non-Reclaimable Wastewater Fund	Recycled Water	\$9.0	2018/19 - \$3.0 2019/20 - \$3.0 2020/21 - \$3.0 Total \$9.0
	Regional Wastewater Capital Fund	Recycled Water		\$3.0
2009/10	Non-Reclaimable Wastewater Fund	Recycled Water	\$6.0	
	Regional Wastewater Capital Fund	Recycled Water		\$10.5
		Grand Total	\$28.5	

TOTAL REVENUES AND OTHER FUNDING SOURCES

Total revenue and other funding sources, as shown in Figure 4-5, are projected to steadily increase mainly due to a combination of the adopted multi-year rates and growth projected for EDU volumetric, new EDU wastewater and water connections, and recycled water sales. Beginning FY 2019/20, proceeds from new debt needed for major expansion projects in the Regional Wastewater program accounts for the increase.

FIGURE 4-5: HISTORIC AND PROJECTED TREND OF TOTAL REVENUES & OTHER FUNDING SOURCE BY TYPE (\$MILLIONS)

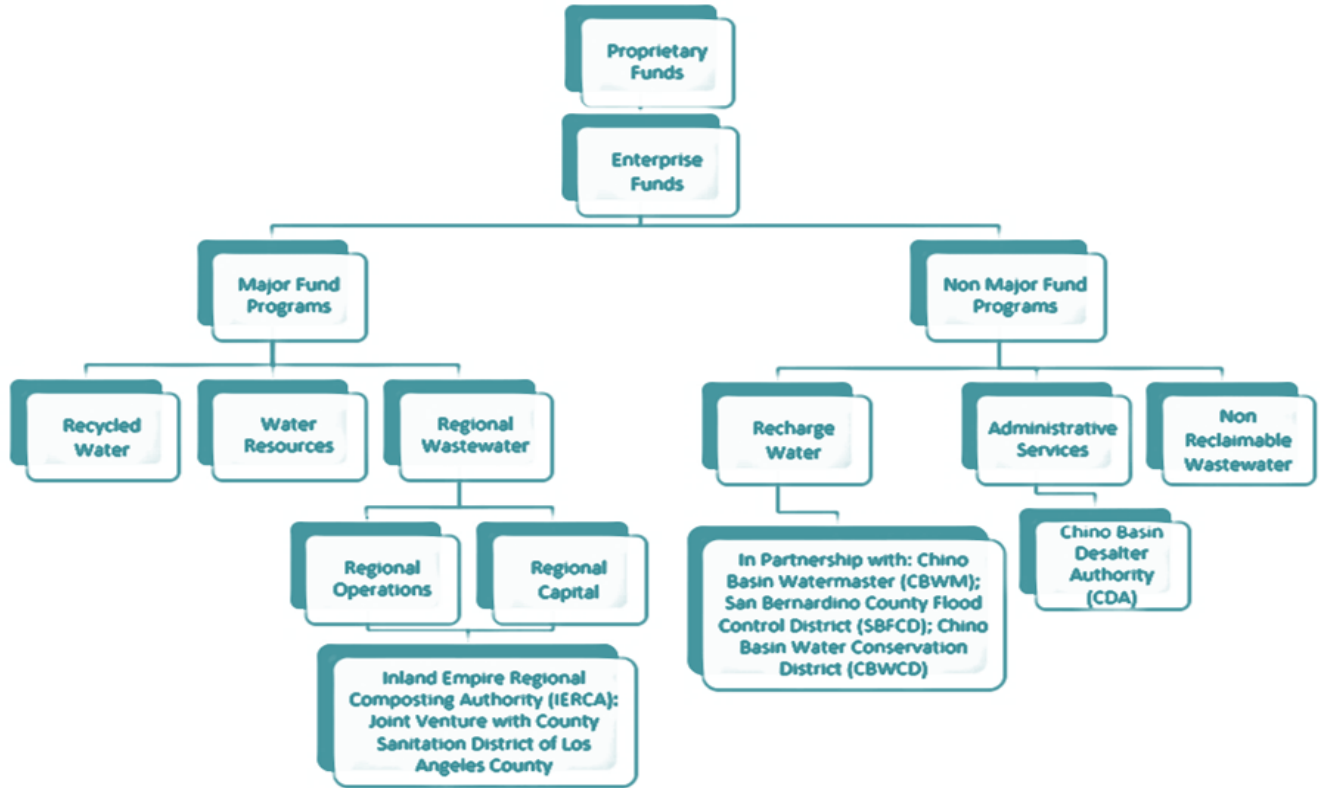


*Other revenues include: reimbursements from JPAs, contract costs, or capital contracts, and interest revenue.

FUND STRUCTURE

Figure 5-1: Inland Empire Utilities Agency (IEUA)

Fund Structure



As a municipal water district, the Agency engages in enterprise operations in various separate and distinct activities as indicated in Figure 5-1, including:

- ◆ Wholesale distribution of imported potable water delivered by the Metropolitan Water District of Southern California (MWD) and regional planning, management, and execution of water use efficiency programs
- ◆ Collection and treatment of domestic wastewater and the construction, improvement, replacement, and repair of regional conveyance and water recycling plant facilities
- ◆ Purveyor of recycled water and construction of the Regional Recycled Water Distribution System, including support of the related retrofits and lateral construction
- ◆ Maintenance of regional groundwater recharge basins in collaboration with Chino Basin Watermaster (CBWM) to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water

- ◆ Organics management through effective operation of the Inland Empire Regional Composting Authority (IERCA) indoor composting facility designed to produce high-quality compost, in partnership with the County Sanitation District No. 2 of Los Angeles County (CSDLAC). These costs are recorded in the Regional Wastewater Operations & Maintenance Fund
- ◆ Ongoing expansion of the Agency's renewable energy portfolio to continue towards the goal of achieving energy independence by 2020 through solar, wind, fuel cells, and bio-gas renewable energy generation
- ◆ Operations and maintenance of the non-reclaimable wastewater system to export high-salinity industrial wastewater generated within the IEUA service area for discharge to the Pacific Ocean, and to protect the quality of the Agency's recycled water, and
- ◆ Operations and maintenance support of the Chino Desalter No. 1 facility and grants administration on behalf of the Chino Basin Desalter Authority (CDA). Reimbursements of related costs from CDA are recorded in the Administrative Services Fund.

The Agency's budget is organized on the basis of enterprise funds, each of which is considered a separate budgetary and accounting entity and reported on a full accrual accounting basis, with the exceptions summarized in section 3 Budget Process, pages 3-5. The Agency develops its sources and uses of funds estimates for the annual budget in a manner consistent with Generally Accepted Accounting Principles (GAAP). Financial resources are allocated to and accounted for in individual funds based upon the purposes of which they are to be spent and the means by which spending activities are controlled. In some cases, fund use will cross agency/organizational lines when resources from various areas are applied to, or support of a particular program or activity is necessary. All of the programs' (funds') budgets are appropriated upon approval and adoption of the annual budget by the Agency's Board of Directors.

Each individual enterprise fund includes both capital and operations budgets and is defined as a fiscal and accounting entity with a self-balancing set of accounts. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Each fund is classified as either a major fund or non-major fund group as prescribed by Governmental Accounting Standard Board (GASB) 34. The following definitions of Major and Non-Major Funds are consistent with the Agency's audited Comprehensive Annual Financial Report (CAFR).

FUND STRUCTURE

MAJOR FUNDS

The Regional Wastewater, Recycled Water, and Water Resources funds make up the major fund group. These funds account for the resources devoted to funding the capital and operating costs associated with the acquisition, construction, improvement, expansion, and operation of the Agency's domestic wastewater treatment facilities, the recycled water distribution system, the distribution of wholesale of potable water, the development and implementation of regional water conservation initiatives, and the planning for water resources.

NON-MAJOR FUNDS

The Non-Reclaimable Wastewater Program, Administrative Services, and Recharge Water funds are designated as the non-major funds. These funds record capital and operating costs associated with: the acquisition, expansion, and construction of the interceptors and appurtenant facilities and treatment capacity of non-reclaimable wastewater processing plants, 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, the operations and maintenance of ground water recharge basins.

Details on each program fund's initiatives, activities, and budget are provided in the individual program fund section. A summary of the Agency's various program budgets is provided in the following schedule, Sources and Uses of Funds – By Program Fund.



Regional Water Recycling Plant No. 1 (RP-1)

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

	2016/2017	2017/2018	2018/2019	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 Program	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	\$73,172,552	\$79,940,313	\$86,122,415	\$0	\$12,369,680	\$0	\$68,157,700	\$0	\$0	\$6,757,217	\$87,284,597	\$90,490,862
Property Tax	1,972,200	1,972,200	1,972,200	1,972,200	0	\$0	0	0	0	0	1,972,200	1,972,200
Cost Reimbursement JPA	5,803,680	6,210,120	6,295,165	1,382,628	0	\$0	4,064,526	1,236,521	0	0	6,683,675	6,685,227
Contract Cost Reimbursement	120,049	541,933	1,751,317	0	0	\$0	66,000	69,285	0	682,750	818,035	800,000
Interest Revenue	1,398,890	2,395,639	3,827,046	320,000	582,992	\$789,560	1,700,000	115,000	983,481	202,150	4,693,183	4,156,924
Recycled Water Sales	16,384,605	16,877,757	15,890,000	0	0	\$0	0	0	18,120,000	0	18,120,000	18,752,000
Water Sales	29,908,494	45,998,819	43,528,434	0	0	\$0	0	0	0	44,724,000	44,724,000	46,236,000
TOTAL REVENUES	\$128,760,471	\$153,936,781	\$159,386,577	\$3,674,828	\$12,952,672	\$789,560	\$73,988,226	\$1,420,806	\$19,103,481	\$52,366,117	\$164,295,689	\$169,093,213
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$43,701,831	\$46,441,243	\$48,377,800	\$0	\$0	\$3,036,600	\$9,548,600	\$0	\$2,170,100	\$4,636,500	\$50,391,800	\$51,962,700
Regional System Connection Fees	35,923,126	40,739,190	32,912,000	0	0	0	0	0	7,914,800	0	35,734,800	36,686,782
Debt Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
State Loans	9,270,833	15,228,598	3,742,896	0	0	9,800,000	0	1,255,779	8,153,063	0	19,208,842	89,234,270
Grants	12,294,873	5,595,296	8,041,331	0	0	0	1,260,600	4,845,017	7,031,627	0	13,137,244	16,415,642
Sale of Assets	0	1,320,000	0	0	0	0	0	0	0	0	0	0
Capital Cost Reimbursement	1,453,872	2,481,932	1,692,509	0	0	0	0	564,615	2,075,266	0	2,639,881	1,364,497
Other Revenues	(751,799)	963,952	871,807	2,000	250,000	1,000	909,100	0	0	0	1,162,100	1,112,100
Sale of Capacity	0	0	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	3,000,000	0	3,000,000	0	0	0	0	0	3,000,000	3,000,000
TOTAL OTHER FINANCING SOURCES	\$101,892,735	\$112,770,212	\$98,638,342	\$2,000	\$3,250,000	\$71,657,600	\$11,718,300	\$6,665,411	\$27,344,855	\$4,636,500	\$125,274,666	\$199,775,991
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$230,653,206	\$266,706,993	\$258,024,919	\$3,676,828	\$16,202,672	\$72,447,160	\$85,706,526	\$8,086,216	\$46,448,336	\$57,002,617	\$289,570,356	\$368,869,204
EXPENSES												
Employment Expenses	\$46,170,665	\$43,350,860	\$47,679,586	\$2,469,172	\$2,517,263	\$3,612,732	\$33,985,306	\$653,128	\$5,183,507	\$2,867,641	\$51,288,750	\$52,309,069
Contract Work/Special Projects	15,699,460	11,796,741	15,648,015	2,334,600	600,000	125,000	5,800,000	138,570	1,780,000	4,497,500	15,275,670	12,043,248
Utilities	7,907,393	8,322,831	9,445,732	806,274	90,564	0	6,022,281	67,500	2,800,903	0	9,787,522	10,143,705
Operating Fees	11,587,270	12,148,932	12,171,132	12,102	6,904,671	267,110	1,953,397	13,200	10,000	3,104,967	12,265,447	12,726,314
Chemicals	4,259,014	3,984,637	4,215,839	0	130,000	0	4,867,433	0	0	0	4,997,433	5,147,356
Professional Fees and Services	6,966,830	8,434,712	10,292,550	4,830,338	191,210	406,870	4,723,169	934,116	665,841	271,500	12,023,044	11,347,105
Office and Administrative expenses	2,070,667	1,564,154	2,263,590	2,571,331	23,760	0	3,270	15,300	2,830	63,500	2,679,991	2,907,804
Biosolids Recycling	4,093,914	4,092,127	4,364,117	0	35,000	0	4,383,764	0	0	0	4,418,764	4,551,327
Materials & Supplies	3,011,984	2,962,604	3,049,600	614,318	83,750	0	2,018,508	98,200	168,500	0	2,983,276	2,994,886
Operation Contribution to IERCA	0	0	0	0	0	0	0	0	0	0	0	0
MWD Water Purchases	29,908,494	46,001,171	43,528,434	0	0	0	0	0	0	44,724,000	44,724,000	46,236,000
Other Expenses	599,031	1,043,702	1,383,243	(6,241,398)	459,840	1,547,895	4,276,896	53,105	1,131,848	342,978	1,571,163	1,572,846
TOTAL EXPENSES	\$132,274,721	\$143,702,470	\$154,041,838	\$7,396,737	\$11,036,058	\$5,959,607	\$68,034,023	\$1,973,120	\$11,743,429	\$55,872,085	\$162,015,059	\$161,979,459
CAPITAL PROGRAM												
CSDLAC 4Rs	\$688,963	\$704,809	\$720,868	\$0	\$737,448	\$0	\$0	\$0	\$0	\$0	\$737,448	\$0
IERCA investment	0	0	500,000	0	0	500,000	0	0	0	0	500,000	500,000
RO Decommissioned Assets)	0	0	0	0	0	0	0	0	0	0	0	0
Capital Construction and Expansion	29,411,134	56,193,089	62,321,842	2,310,000	8,950,000	24,823,500	25,988,000	5,000,000	18,727,224	6,550,000	92,348,724	178,798,584
TOTAL CAPITAL PROGRAM	\$30,100,097	\$56,897,898	\$63,542,710	\$2,310,000	\$9,687,448	\$25,323,500	\$25,988,000	\$5,000,000	\$18,727,224	\$6,550,000	\$93,586,172	\$179,298,584
DEBT SERVICE												
Financial Expenses	\$523,660	\$205,572	\$224,130	\$17,500	\$676	\$139,269	\$410	\$66,900	\$2,780	\$0	\$227,535	\$402,869
Interest	8,161,026	6,386,274	6,182,964	0	280,404	3,016,679	655,440	461,000	2,657,353	0	7,070,876	6,875,647
Principal	62,008,425	15,259,120	15,359,587	0	304,533	9,370,173	755,891	738,980	5,367,115	0	16,536,693	17,719,542
Short Term Inter-Fund Loan	0	0	3,000,000	0	0	0	0	0	3,000,000	0	3,000,000	3,000,000
TOTAL DEBT SERVICE	\$70,693,111	\$21,850,965	\$24,766,681	\$17,500	\$585,614	\$12,526,121	\$1,411,741	\$1,266,880	\$11,027,248	\$0	\$26,835,104	\$27,998,058
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$1	\$1	\$1,285,866	(\$43,719)	\$3,399,328	(\$4,597,755)	\$44,342	(\$88,061)	\$0	\$1	\$0
Debt Service	0	0	0	0	0	(3,298,617)	264,990	633,440	2,400,187	0	0	(0)
Operation support	0	(1)	0	2,334,600	(79,376)	0	(2,175,847)	757,000	(836,376)	0	1	1
Capital - Connection Fees Allocation	0	0	0	975,366	2,292,000	(8,983,916)	5,716,550	0	0	0	(0)	0
One Water	0	0	0	48,768	0	0	0	24,943	(2,021,035)	1,947,324	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$684,096)	(\$0)	(\$1)	\$4,644,600	\$2,168,905	(\$8,883,205)	(\$792,062)	\$1,459,725	(\$545,285)	\$1,947,324	\$3	\$2
FUND BALANCE												
Net Increase (Decrease)	(\$2,414,724)	\$44,255,661	\$15,673,691	(\$1,402,809)	(\$2,937,543)	\$19,754,727	(\$10,519,300)	\$1,305,942	\$4,405,150	(\$3,472,144)	\$7,134,023	(\$406,895)
Beginning Fund Balance July 01	187,114,440	184,639,716	228,955,376	13,681,365	15,188,199	88,586,907	76,428,081	4,108,364	36,651,267	9,984,884	244,629,067	251,763,090
ENDING BALANCE AT JUNE 30	\$184,699,716	\$228,955,377	\$244,629,067	\$12,278,556	\$12,250,656	\$108,341,634	\$65,908,781	\$5,414,306	\$41,056,417	\$6,512,740	\$251,763,089	\$251,356,195
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$35,393,336	\$36,371,016	\$36,921,025	\$3,278,556	\$3,678,686	\$0	\$21,323,166	\$986,560	\$3,914,476	\$6,180,456	\$39,961,900	\$38,516,053
Capital Expansion & Replacement	29,013,205	20,969,139	27,652,305	0	7,248,942	16,616,683	0	2,882,668	15,510,724	0	42,259,019	92,198,006
CCRA Capital Construction	31,709,625	55,559,537	70,055,537	0	0	72,261,625	0	0	0	0	72,261,625	30,916,225
Water Connection	4,590,022	9,547,865	12,259,087	0	0	0	0	0	12,515,517	0	12,515,517	14,477,921
Rehabilitation/Replacement	19,624,198	18,094,499	10,783,468	0	0	0	10,783,468	0	0	0	10,783,468	12,283,468
CSDLAC Prepayment	688,963	704,809	720,868	0	737,448	0	0	0	0	0	737,448	0
Water Resource Capital	4,217,225	5,520,933	4,002,616	0	0	0	0	0	0	332,283	332,283	2,005,537
Debt Service & Redemption	16,756,832	31,838,623	27,175,440	0	585,580	19,463,326	1,411,721	1,545,078	9,115,699	0	32,121,403	32,511,422
Self Insurance Program	6,000,000	6,000,000	5,545,406	3,000,000	0	0	0	0	0	0	3,000,000	3,000,000
Employee Retirement Benefit	5,430,857	5,400,930	6,000,000	6,000,000	0	0	0	0	0	0	6,000,000	6,000,000
Sinking Fund	31,275,450	38,948,022	43,513,311	0	0	0	32,390,427	0	0	0	32,390,427	19,447,562
ENDING BALANCE AT JUNE 30	\$184,699,716	\$228,955,373	\$244,629,063	\$12,278,556	\$12,250,656	\$108,341,634	\$65,908,781	\$5,414,306	\$41,056,417	\$6,512,740	\$251,763,089	\$251,356,194

ADMINISTRATIVE SERVICES PROGRAM

PROGRAMMATIC OVERVIEW

The Administrative Services fund serves as the Agency's general fund. Expenses for employment; general and administrative services; capital acquisitions for items such as computers, printer copiers, pooled vehicles; and non-capital and non-project related materials, supplies, tools, and contract services, including landscaping, janitorial, external auditing, etc. are recorded in the Administrative Services fund.

Systematic allocations to other programs and departments are based on either direct staff participation in specific program activities or projects, frequency of equipment or service usage, or estimated amount of resources needed to support overall program functions. Undistributed costs remain as expenses in the Administrative Services fund.

FUND DESCRIPTION

The primary funding sources for the Administrative Services fund are property tax receipts, reimbursement for services provided to the Chino Basin Desalter Authority (CDA), and inter-fund transfers from Regional Wastewater Capital Improvement, Regional Wastewater Operations and Maintenance, Recycled Water, and Non-Reclaimable Wastewater funds for capital and non-capital acquisition costs of general-use assets.

Table 5-1 shows total revenue, total expense, and beginning and ending fund balances for the Administrative Services program. Additional details on the revenues and expenses follow the table.

TABLE 5-1: CONSOLIDATED ADMINISTRATIVE SERVICES PROGRAM FUND SUMMARY
(\$MILLIONS)

	2018/19 Amended	2019/20	2020/21	2021/22	2022/23	2023/24
Total Revenue and Other Funding Sources	\$6.2	\$8.3	\$6.3	\$4.6	\$5.6	\$5.6
Total Expenses & Other Uses of Funds	6.7	9.7	7.1	5.1	6.5	6.3
Net Increase (Decrease)	(0.5)	(1.4)	(0.8)	(0.5)	(0.9)	(0.7)
Beginning Fund Balance	13.7	13.7	12.3	11.5	10.9	10.1
Ending Fund Balance	\$13.2	\$12.3	\$11.5	\$10.9	\$10.1	\$9.4

+/- Totals may not add due to rounding.

COST ALLOCATION

The Agency's general and administrative costs and 100 percent of employment costs are initially recorded in the Administrative Services fund. Throughout the year, pertinent expenses such as employment, general equipment, and facilities maintenance expenses are allocated to the Agency's various programs and projects. The Administrative Services fund retains approximately two percent of unallocated employment expenses, excluding reimbursable employment costs for Chino basin Desalter Authority (CDA), and approximately three percent of the Agency-wide expenses. An overview of the cost allocations from the Administrative Services fund is provided in the text that follows as Figure 5-2.

REVENUES AND OTHER SOURCES OF FUNDS

The FY 2019/20 Administrative Service fund budget projects \$8.3 million of total revenues and other funding sources which includes: property tax receipts of \$2.0 million, operations and labor cost reimbursement from the CDA of \$1.4 million, interest income \$0.3 million, and an inter-fund transfer of \$4.6 million from the Regional Wastewater programs, Non-Reclaimable Wastewater, and Recycled Water funds to support project costs. The FY 2020/21 total revenue and other funding sources are estimated at \$6.3 million. The decrease is primarily due to lower inter-fund transfers for project contribution as a result of lower capital improvement plan (CIP). Table 5-2 provides a summary of Administrative Service fund revenue and other funding sources, as well as budget assumptions.

TABLE 5-2: REVENUES & OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2019/20	2020/21	Key Assumptions
Property Tax	\$2.0	\$2.0	Fixed allocation amount to support general administrative costs
Cost Reimbursement from CDA	\$1.4	\$1.4	Operations and labor costs reimbursement from the CDA for operation of the Chino 1 Desalter
CIP Contribution	\$4.6	\$2.6	Inter-fund transfers from Regional Wastewater programs, Non-Reclaimable Wastewater, and Recycled Water funds to support Agency-wide capital and non-capital expenditures
Interest Revenue	\$0.3	\$0.3	Interest earned on reserve balance
Total	\$8.3	\$6.3	

ADMINISTRATIVE SERVICES PROGRAM

The Agency provides contract services to other agencies in the forms of financial, treasury and debt management, grants administration, accounts payable and accounts receivable processing, program/project management, and plant operations. Table 5-3 shows the projected costs reimbursements from other agencies for providing IEUA staff support and associated administrative expenses. Reimbursements from CDA for staff support are recorded in the Administrative Service fund. Other reimbursements from the Inland Empire Regional Composting Authority (IERCA) and the Chino Basin Water Master (CBWM) are recorded in the Regional Wastewater Operations and Maintenance fund and Recharge Water fund, respectively.

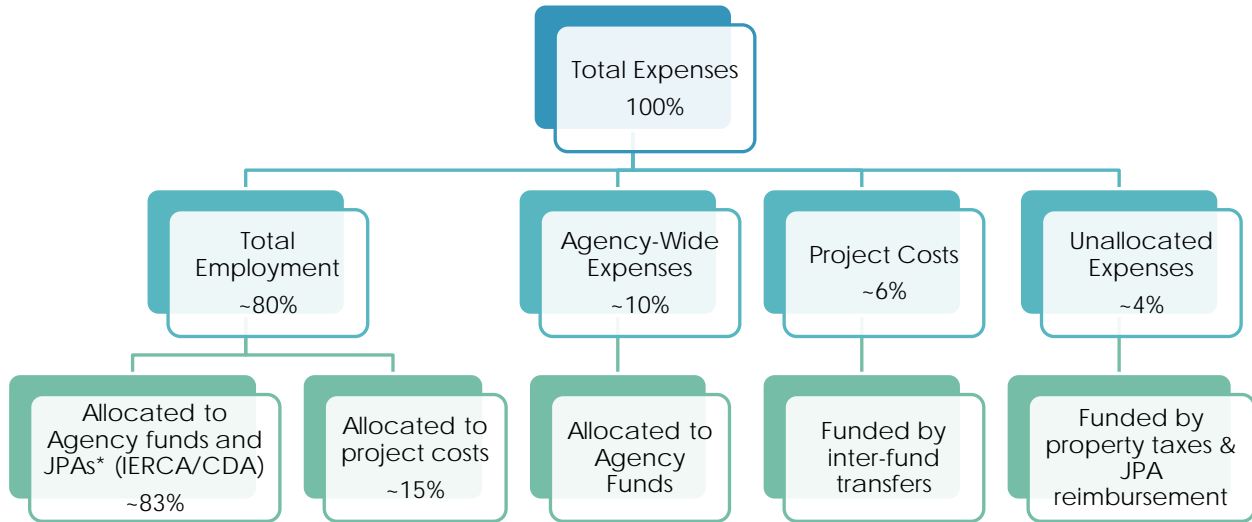
TABLE 5-3: COST REIMBURSEMENTS BY AGENCY (\$MILLIONS)

Agency	Expenses	2019/20	2020/21
Chino Basin Desalter Authority (CDA)	IEUA staff support for the operation & maintenance of the Chino Desalter Plant No. 1 located in Chino, CA, and administration for CDA grants. Labor cost reimbursement is recorded in Administrative Services fund.	\$1.4	\$1.4
Inland Empire Regional Composting Authority (IERCA)	IEUA staff labor and overall administrative support for the operation & maintenance of the composting facility in Rancho Cucamonga, CA. Labor cost reimbursement is recorded in Regional Wastewater Operations and Maintenance fund.	4.0	4.2
Chino Basin Watermaster (CBWM)	IEUA staff labor and administrative costs for the operation & maintenance of groundwater recharge basins and debt service costs associated with the certain improvements to groundwater recharge facilities. Labor cost reimbursement is recorded in the Recharge Water fund.	1.9	1.7
Total		\$7.3	\$7.3

EXPENSES AND OTHER USES OF FUNDS

A total of \$75.0 million in Agency-wide administrative and employment expenses are initially budgeted in the Administrative Service fund in FY 2019/20. Approximately 87 percent, or \$65.3 million, of total expenses are allocated to the other Agency funds, Joint Power Authorities (JPAs), and projects, as illustrated in Figure 5-2.

FIGURE 5-2: COST ALLOCATION OVERVIEW



*JPAs: Joint Power Authorities, Inland Empire Regional Composting Authority/Chino Basin Desalter Authority

The FY 2019/20 total net expenses and uses of funds in the amount of \$9.7 million include \$4.6 million in capital and non-capital projects that are fully supported by inter-fund transfers from the Regional Wastewater programs, Non-Reclaimable Wastewater, and Recycled Water funds, \$2.5 million of net employment cost, and \$2.6 million of administrative expenses. The FY 2020/21 total net expenses and uses of funds are estimated at \$7.1 million. The decrease from FY 2019/20 is mainly due to lower project costs, as shown in Table 5-4.

TABLE 5-4: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Expense Category	2019/20	2020/21	Key Assumptions
Administrative & Operations	\$7.4	\$5.9	Includes Agency employment, material & supplies, professional fees, utilities, and other operating costs, net of allocation to other agency programs and capital projects.
CIP Projects	2.3	1.2	Includes various capital information system projects, business network improvements, and replacement of aging fleet maintenance vehicles.
Total	\$9.7	\$7.1	

ADMINISTRATIVE SERVICES PROGRAM

EMPLOYMENT EXPENSE

Total gross employment costs for FY 2019/20 and FY 2020/21 are projected to be \$60.2 million and \$62.7 million, respectively, and include: wages and benefits; and IEUA staff support for the operation & maintenance of the Chino Basin Desalter Plant No. 1 located in Chino, CA and administration for CDA grants. Net employment costs reflect gross labor less labor allocated to projects (estimated at \$9.0 million in FY 2019/20 and \$10.5 million in FY 2020/21). Total net employment is \$51.3 in FY 2019/20 and \$52.3 in FY 2020/21. Net employment costs by program fund and JPA's are shown in Table 5-5.

TABLE 5-5: TOTAL EMPLOYMENT COST (\$MILLIONS)

Programs	2019/20	2020/21
Regional Operations and Maintenance	\$29.9	\$31.0
Regional Capital Improvement	3.6	3.7
Recycled Water Program	5.2	5.4
Non-Reclaimable Wastewater Program	2.5	2.6
Recharge Water Program	0.7	0.7
Water Resources Program	2.9	3.0
Administrative Services Program	1.1	0.3
Inland Empire Regional Composting Authority (IERCA) /JPA	4.0	4.2
Chino Basin Desalter Authority (CDA) / JPA	1.4	1.4
Subtotal Net of Allocations	\$51.3	\$52.3
Allocation to Projects	\$8.9	10.4
Total Employments Costs	\$60.2	62.7

There is no increase in the number of authorized full-time equivalent (FTE) positions which is maintained at 290. The biennial budget includes a reduction of the Agency's vacancy factor beginning in FY 2019/20 to support succession planning, as approximately thirty percent of the current workforce is eligible for retirement over the next five years. The FY 2019/20 employment costs also include an additional \$800,000 to support hiring for succession planning.

Table 5-6 shows the percent allocation of the net employment costs by program from FY 2018/19 to FYs 2019/20 and 2020/21. Net employment cost reflects the cost of employment to the Agency net of labor allocation to project costs. The Personnel section includes a more detailed discussion of the Agency's staffing plan and related cost analysis.

TABLE 5-6: NET EMPLOYMENT COSTS ALLOCATION BY FUND/PROGRAM

Program	Allocation Percentage		
	2018/19	2019/20	2020/21
Regional Wastewater*	76.5%	74.5%	74.6%
Recycled Water	9.2%	10.3%	10.3%
Administrative Services/Chino Basin Desalter Operations (CDA)	3.4%	3.2%	3.1%
Non-Reclaimable Wastewater System	4.8%	5.0%	5.0%
Water Resources	4.9%	5.7%	5.7%
Recharge Water	1.2%	1.3%	1.3%
Total	100%	100%	100%

*Includes Inland Empire Regional Composting Authority Operations (IERCA)

UNFUNDED ACCRUED LIABILITIES FOR RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS

The Agency implemented Government Accounting Standard Board (GASB) Statement 68 - Accounting and Financial Reporting for Pensions in FY 2014/15. The Agency implemented GASB 75 in FY 2017/18. Under GASB 75, similarly to GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. As of June 30, 2018, the Agency's unfunded accrued liability (UAL) was estimated to be \$43.2 million.

The FYs 2019/20 and 2020/21 employment cost budgets include contributions towards retirement UAL and Other Post-Employment Benefits (OPEB), as shown in Table 5-7, consistent with the funding plan approved by the Agency's Board of Directors in May 2014. As of June 30, 2018, the Agency UAL for OPEB was estimated to be \$4.9 million.

TABLE 5-7: FUNDING PLAN FOR HEALTHCARE AND PENSION UNFUNDED LIABILITIES (\$MILLIONS)

	FISCAL YEAR	HEALTHCARE	PENSION	ANNUAL	INCEPTION TO DATE
PAID	2013/14	\$3.5	\$0	\$3.5	\$3.5
	2014/15	3.5	4.5	8.0	11.5
	2015/16	2.0	4.5	6.5	18.0
	2016/17	2.0	4.5	6.5	24.5
	2017/18	2.0	4.5	6.5	31.0
	2018/19	2.0	4.5	6.5	37.5
PLANNED	2019/20		4.5	4.5	42.0
	2020/21		4.5	4.5	46.5
	2021/22		4.5	4.5	51.0
	2022/23		4.5	4.5	55.5
	2023/24		4.5	4.5	60.0
TOTAL		\$15.0	\$45.0	\$60.0	\$60.0

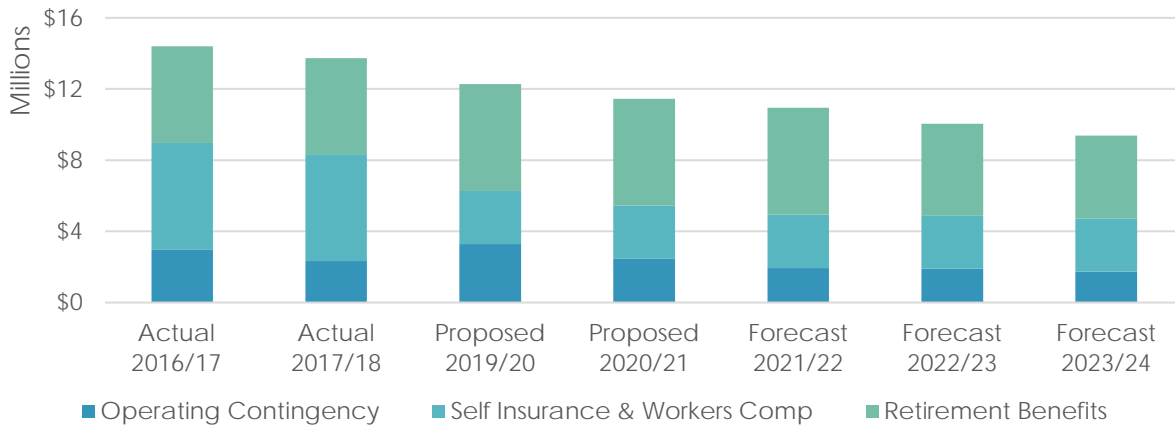
ADMINISTRATIVE SERVICES PROGRAM

FUND BALANCE

The estimated fund balance for FYs 2019/20 and 2020/21 is projected to be \$12.3 million and \$11.5 million, respectively. Figure 5-3 shows historical, budgeted, and forecasted fund balance reserves through FY 2023/24. The slight decrease projected through FY 2023/24 is primarily due to a projected increase in administrative costs. The Administrative Service fund maintains the Agency's reserves for employee retirement benefits and self-insurance programs, including general liability and worker's compensation.

The Administrative Services minimum reserves are comprised of a four-month operating contingency as mandated by bond covenants, \$6.0 million in support of the Agency's self-insurance programs in accordance with the Agency's reserve policy, and the Agency's retirement obligations. The self-insurance program was established for risks associated with general liability, property and equipment, and worker's compensation starting in FY 1993/94. The respective reserve balance is adjusted annually per the estimated required level as determined by Risk Management.

FIGURE 5-3: TREND OF ADMINISTRATIVE SERVICES ENDING FUND BALANCE (\$MILLIONS)



FY 2021/22 TO FY 2023/24 FORECAST

For the three years following the biennial budget, the fund balance is projected to average \$10 million per year. The slight decline in the fund balance can be attributed to an estimated three percent increase in operations and maintenance (O&M) costs coupled with no change in the allocation of property taxes in the Administrative Service funds as approved by the Board in 2016.

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2019/20 and 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	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED 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	1,203	1,383	1,382	1,467	1,529	1,587
Interest Revenue	153	207	230	320	295	280	260	240
TOTAL REVENUES	\$3,306	\$3,547	\$3,405	\$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	\$1,844	\$2,469	\$1,679	\$1,780	\$1,853	\$1,924
Contract Work/Special Projects	973	696	488	2,335	1,403	299	1,090	757
Utilities	445	496	716	806	830	852	875	899
Operating Fees	10	14	21	12	12	12	12	12
Professional Fees and Services	2,726	3,147	4,726	4,830	4,737	4,705	4,815	4,926
Office and Administrative expenses	2,048	1,548	2,512	2,571	2,798	2,623	2,954	2,696
Biosolids Recycling	22	23	10	0	0	0	0	0
Materials & Supplies	525	669	487	614	570	539	554	568
Other Expenses	(1,475)	(3,759)	(6,415)	(6,241)	(6,164)	(6,298)	(6,431)	(6,580)
TOTAL EXPENSES	\$6,326	\$5,080	\$4,390	\$7,397	\$5,864	\$4,512	\$5,722	\$5,201
CAPITAL PROGRAM								
Capital Expansion & Construction	\$1,444	\$2,652	\$2,325	\$2,310	\$1,200	\$559	\$718	\$1,028
TOTAL CAPITAL PROGRAM	\$1,444	\$2,652	\$2,325	\$2,310	\$1,200	\$559	\$718	\$1,028
DEBT SERVICE								
Financial Expenses	\$34	\$19	\$32	\$18	\$18	\$19	\$20	\$21
TOTAL DEBT SERVICE	\$34	\$19	\$32	\$18	\$18	\$19	\$20	\$21
TRANSFERS IN (OUT)								
Capital Contribution	\$519	\$1,905	\$1,970	\$1,286	\$626	\$371	\$323	\$641
Operation support	0	696	488	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	\$2,814	\$4,645	\$2,603	\$858	\$1,808	\$1,784
FUND BALANCE								
Net Income (Loss)	(\$2,952)	(\$653)	(\$526)	(\$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	\$13,215	\$12,279	\$11,450	\$10,940	\$10,050	\$9,385
RESERVE BALANCE SUMMARY								
Operating Contingency	\$2,963	\$2,340	\$1,995	\$3,279	\$2,450	\$1,940	\$1,907	\$1,734
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
ENDING BALANCE AT JUNE 30	\$14,394	\$13,741	\$13,215	\$12,279	\$11,450	\$10,940	\$10,050	\$9,385

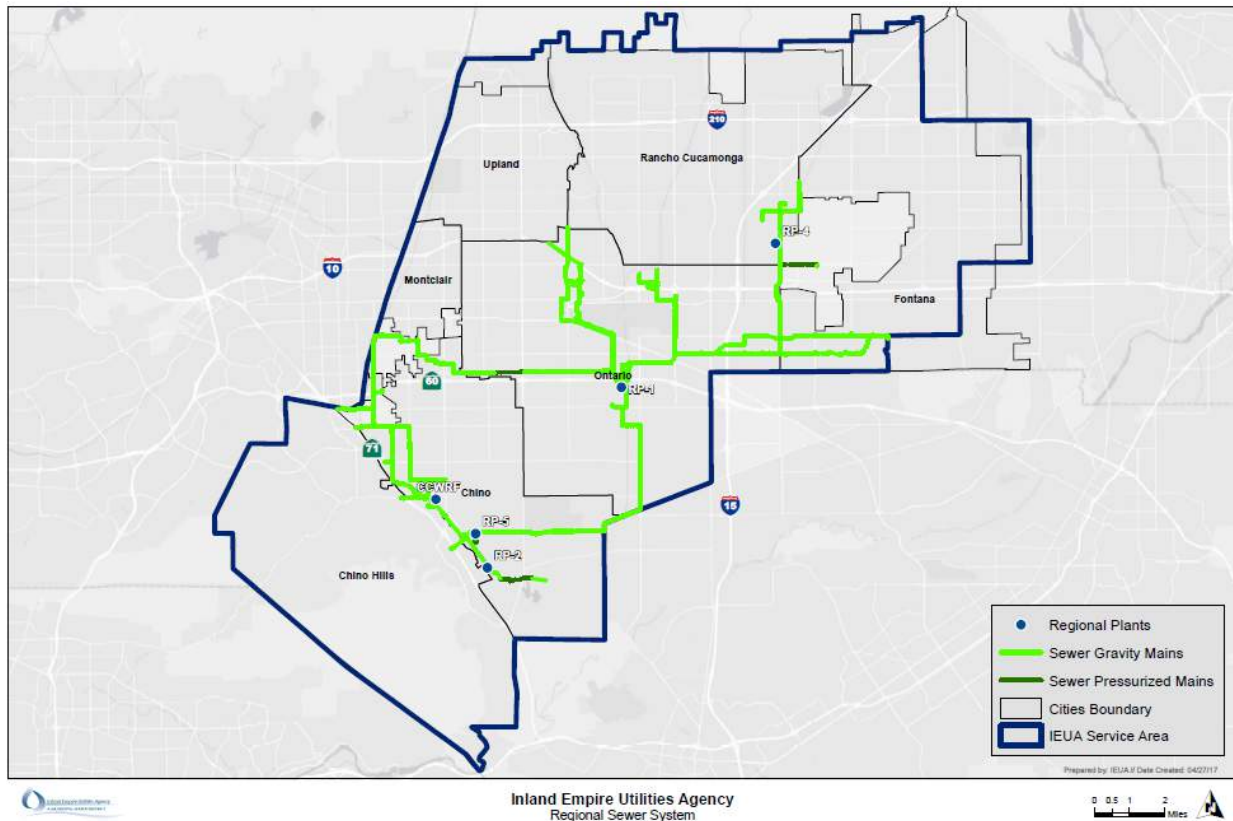
*Numbers may not total due to rounding

REGIONAL WASTEWATER PROGRAM

PROGRAMMATIC OVERVIEW

The Regional Wastewater program accounts for the collection, treatment, and disposal of municipal wastewater, as well as the acquisition, expansion, improvement, and upkeep of the regional wastewater system. On average the Agency collects, treats, and disposes of fifty million gallons per day (MGD) of untreated municipal wastewater. The Agency operates five treatment facilities, four of which produce recycled water. The Agency's service area (see Figure 5-5) encompasses a 242-square mile area of the western San Bernardino County of more than 875,000 residents throughout its seven contract member agencies: cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District in the city of Rancho Cucamonga.

FIGURE 5-5: AGENCY WATER RECYCLING TREATMENT FACILITIES SERVICE AREA BOUNDARIES



The Agency receives significant benefits from the three bi-products generated from its Regional Wastewater program:

- ◆ Recycled water – local water supply not impacted by drought

- Biosolids compost – a premium soil additive for wholesale and retail distribution in partnership with SDLAC (Sanitation Districts of Los Angeles County)
- Renewable energy – biogas used to generate power for the Agency’s regional wastewater facilities.

PROGRAM FUND DESCRIPTION

In accordance with the Regional Sewage Service Contract (Regional Contract) established in 1992, the Regional Wastewater Program is comprised of two funds: Regional Wastewater Capital Improvement (Wastewater Capital) and Regional Wastewater Operations and Maintenance (Wastewater Operations). Components of each fund are shown below in Table 5-6.

TABLE 5-6: REGIONAL WASTEWATER PROGRAM FUNDS

Description	Wastewater Capital	Wastewater Operations
Component Activities	Records capital, debt, and administration activities related to the acquisition, construction, expansion, improvement, and financing of the Agency’s regional water recycling plants, large sewer interceptors, energy generation, and solids handling facilities.	Accounts for the revenue and operating cost directly related to the collection, treatment, and disposal of domestic sewage treatment service for the contracting agencies, capital replacement, and organic management activities, including labor costs to operate and support the Inland Empire Regional Composting Authority (IERCA) facility.
Primary Revenues & Other Funding Sources	New EDU* connection fees, property taxes, debt proceeds, and grant receipts.	Monthly EDU* sewer rate, property taxes, and contract reimbursements.
Primary Expenses and Other Uses of Funds	Capital project costs, debt service, and program support.	O&M costs such as employment, chemicals, utilities, materials & supplies, and biosolids recycling. Capital replacement and rehabilitation cost.

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

REGIONAL WASTEWATER PROGRAM

Table 5-7 shows total revenue, total expense, and beginning and ending fund balances for the Regional Wastewater program. Additional detail on the revenues and expenses follow the table.

TABLE 5-7: CONSOLIDATED REGIONAL WASTEWATER PROGRAM FUND SUMMARY (\$MILLIONS)

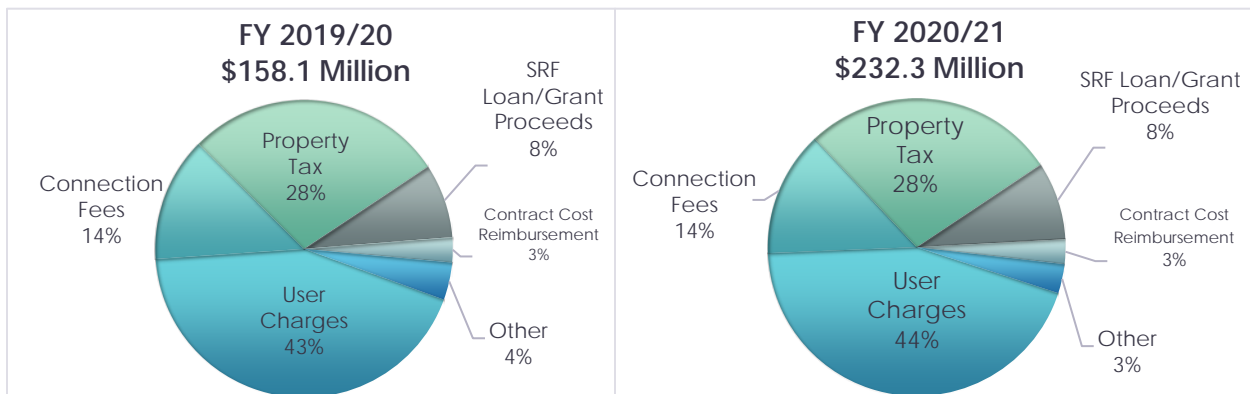
	2018/19 Amended	2019/20	2020/21	2021/22	2022/23	2023/24
Total Revenue & Other Funding Sources	\$147.4	\$158.1	\$232.3	\$258.6	\$213.9	\$195.6
Total Expenses & Other Uses of Funds	151.4	148.9	222.7	226.7	165.9	149.7
Net Increase (Decrease)	(\$4.0)	\$9.2	\$9.6	\$31.9	\$48.0	\$45.9
Beginning Fund Balance	156.4	165.0	174.3	183.9	215.8	263.8
Ending Fund Balance	\$152.4	\$174.2	\$183.9	\$215.8	\$263.8	\$309.7

+/- Totals may not add due to rounding

TOTAL REVENUES AND OTHER FUNDING OF FUNDS

The total Regional Wastewater program revenue and funding sources budget is \$158.1 million in FY 2019/20 and \$232.3 million in FY 2020/21. Revenues include user charges, property tax receipts, connection fees, debt proceeds, and contract cost reimbursement from the Inland Empire Regional Composting Authority (IERCA), interest, and other miscellaneous revenues. Figure 5-6 below shows the percentage share of revenue and other funding sources for the Regional Wastewater program.

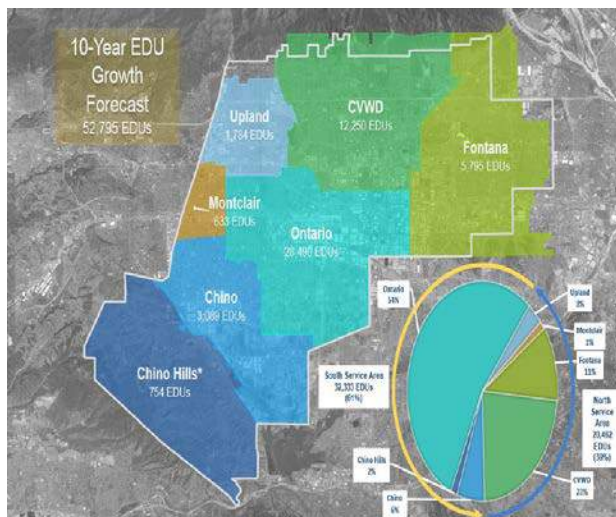
FIGURE 5-6: REGIONAL WASTEWATER PROGRAM REVENUES & OTHER FUNDING SOURCES (\$MILLIONS)



The following sections discuss the primary revenues and other funding sources of the Regional Wastewater program.

CONNECTION FEES

The Agency levies a fee to connect to its regional wastewater system. These connection fees, like “development impact fees” levied by cities for new development, are collected by each of the Agency’s contracting member agencies, in accordance with the Regional Contract. Each member agency holds these funds in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or “called”, by the Agency. Connection fees support finance capital acquisition, construction, expansion, equipment purchase, and process improvement costs of the Agency’s regional wastewater system. Capital calls, member agency payments of connection fees in their respective CCRA accounts, are based on the Agency’s planned capital projects over the ensuing nine months, as calculated and reported on a quarterly basis.



The Agency utilizes equivalent dwelling units (EDUs) as a unit for measuring and forecasting the amount of water used by an average household in its service area. Each year the Agency conducts a survey of member agencies to determine the number of new EDU connections expected for the next ten years. The forecasts are essential in planning facility and infrastructure expansion and improvements to support anticipated future growth. The member agencies’ forecasts presented to the Board on October 2018, estimated over 52,000 new EDU connections over the next ten years. Over sixty percent of

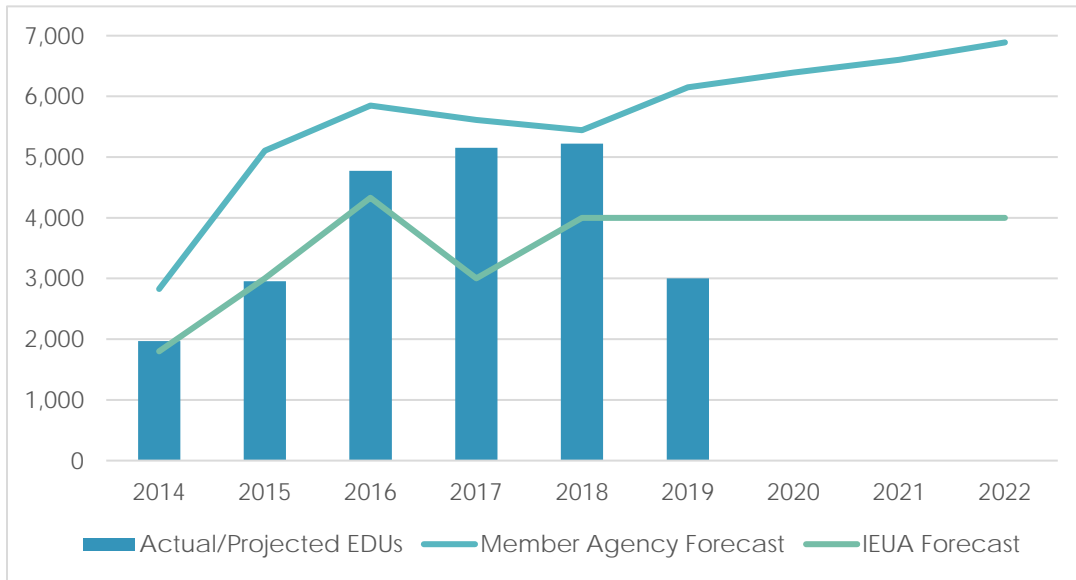
the growth is planned to occur in the Agency’s southern portion of its service area.

As a regional provider of wastewater and water services, it is IEUA’s responsibility to ensure the regional wastewater and regional water systems’ capacity is expanded in a timely and cost-effective manner to support future growth.

Member agency forecasts typically represent the high end of future growth in their respective areas. While the Agency applies member agencies growth forecast to plan for future expansion of its facilities; a lower growth rate is applied to forecast revenue. This conservative approach ensures facilities are readied to meet the increased service demands from future growth and provides flexibility in financing options. This more conservative approach is illustrated in Figure 5-7, with the Agency’s forecast of new connections for the next five years as considerably lower than those projected by the member agencies. However even at the lower projection, steady growth is anticipated over the next five years.

REGIONAL WASTEWATER PROGRAM

FIGURE 5-7: TREND OF NEW EDU CONNECTIONS
FY 2014/15 TO FY 2021/22



A key assumption is the continued pace of new development in the Agency's service area with 4,000 new EDU wastewater connections projected for each budget year. Based on the five-year rates adopted by the Board in June 2015, revenues from wastewater connection fees are estimated at \$27.8 million in FY 2019/20 and \$28.7 million in FY 2020/21.

Table 5-8 shows the FY 2019/20 adopted rate of \$6,955 per unit and the FY 2020/21 estimated rate of \$7,164 per unit. A rate study to update connection fees for FY 2020/21 is currently underway. Any adjustments to the FY 2020/21 will be based on the results of the 2020 rate study.

TABLE 5-8: ADOPTED WASTEWATER CONNECTION FEES

Rate Description	2017/18	2018/19	2019/20	2020/21	2021/22
Wastewater Connection Fee	\$6,309	\$6,624	\$6,955	\$7,164*	\$7,379*
Wastewater Connection Units	5,223	4,000	4,000	4,000	4,000

*Estimated rate, to be adjusted based on the 2020 rate study.

PROPERTY TAXES

Property tax receipts for the Regional Wastewater program are budgeted at \$43.6 million in FY 2019/20 and \$44.6 million in FY 2020/21.

In FY 2019/20, \$34.0 million, or 65 percent of the Agency's total property tax receipts, are allocated to the Wastewater Capital fund to help support a majority of the capital projects for the acquisition, construction, and improvement of wastewater facilities, and support debt service costs, consistent with Board policy. The Wastewater Operations fund receives a fixed allocation of \$9.5 million of total property tax receipts, which partially supports capital replacement and rehabilitation (R&R) costs and any operation costs not fully recovered by rates.

USER CHARGES

The Agency's wastewater monthly rates support the operations and maintenance of the regional wastewater system which includes the collection, treatment, and disposal of municipal wastewater flows. The Agency utilizes equivalent dwelling units (EDUs) as a billing unit. One EDU is equivalent to a single residence.

The Agency's Board of Directors adopted five-year EDU monthly rates in March 2015. FY 2019/20 is the last year of the 2015 multi-year rates. The rate study currently underway will assess and evaluate the wastewater and water connection fees and the monthly service charges to ensure they appropriately recover related program cost of service, as well as support the Agency's capital improvement plan. Table 5-9 shows the FY 2019/20 adopted rate of \$20.00 per EDU and the FY 2020/21 estimated rate of \$20.60 per EDU, effective July 1.

TABLE 5-9: ADOPTED EDU MONTHLY RATES

Rate Description	2017/18	2018/19	2019/20	2020/21	2021/22
EDU Monthly Rate	\$18.39	\$19.59	\$20.00	\$20.60*	\$21.22*
Effective Date	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21
EDU Units	3,372,992	3,381,425	3,389,878	3,398,353	3,406,849

*Estimated rate, to be adjusted based on the 2020 rate study.

DEBT PROCEEDS

The Regional Wastewater program's expansion and improvements are traditionally funded by a combination of system revenues (pay-go basis), bonded debt, grants and low interest state loans. The capital requirements projected for the wastewater program over the next five years will require new borrowing. State Revolving Fund (SRF) loans are the lowest costing financing option and are used whenever possible to finance capital construction. Currently the Agency has SRF loans for two capital projects in the Regional Wastewater program; the Water Quality Laboratory and the Regional Water Recycling Plant No. 1 (RP-1) Dewatering Facility. In FY 2019/20 the Agency is projecting additional borrowing to support the construction of the RP-5 Liquid and Solids Treatment capacity expansion projects (RP-5 Expansion Project). The Agency is also planning to submit an application for the Water Infrastructure Finance and Innovation Act (WIFIA) loan. The RP-5 Expansion Project was one of 42 projects invited by Environmental Protection Agency (EPA) to submit a WIFIA loan application. Repayment of SRF loan begins one year after the completion

REGIONAL WASTEWATER PROGRAM

of construction, and WIFIA loan payments can be deferred up to five years from substantial completion. More details on the projected financing terms and debt service are provided in the Debt Management section of the budget.

EXPENSES AND OTHER USES OF FUNDS

The total Regional Wastewater program expenditures budget is \$148.9 million in FY 2019/20 and \$222.7 million in FY 2020/21. Expenses include operating expense, capital costs, debt service, and inter-fund transfers to support debt service costs in the Recharge Water and Recycled Water funds, capital expenditures for the Administrative Services fund, and expansion projects (funded by connection fees) in the Administrative Services and Non-Reclaimable Wastewater funds. Total expenses and other uses of funds are summarized in Table 5-10. Operating costs are explained in more detail in the following sections.

TABLE 5-10: FYS 2019/20 AND 2020/21 REGIONAL WASTEWATER PROGRAM EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2019/20	2020/21	Key Assumptions
Operating Expenses	\$74.0	\$76.0	Includes labor, utilities, operating fees, chemicals, materials and supplies, Operation & Maintenance related project expense, and other administrative costs to support the Regional Wastewater program
Debt Service Costs	13.9	14.0	Includes principal & interest for bonds, SRF loans and other notes payable
Capital Improvement Plan (CIP)	51.3	123.8	Includes capital project expense and investment in the IERCA. See Table 5-10 for summary of major capital projects
Inter-Fund Transfers	9.7	8.9	Capital and debt service support to other funds.
Total	\$148.9	\$222.7	

OPERATING EXPENSES

EMPLOYMENT EXPENSES

As one of the Agency's core programs, approximately \$37.6 million, or 73 percent of the \$51.3 million FY 2019/20 employment costs (net of labor costs allocated to support the Agency's capital program) are allocated to the Regional Wastewater program. Employment expenses include wages, benefits, and additional contributions to the unfunded accrued liabilities for pension and other post-employment benefits (OPEB). Included in the FYs 2019/20 and 2020/21 employment budget was a cost of living adjustment (COLA) of three percent as negotiated in the three-year Memorandum of Understanding (MOUs) with the various employee bargaining units and an

estimated seven percent increase in the CalPers rate. Included in the Wastewater Operations fund employment expenses are the 25 FTEs assigned to the IERCF. Employment costs for operating the IERCA facility of approximately \$4.1 million in FY 2019/20 and \$4.2 million in FY 2020/21 are fully reimbursed to the Agency.

Employment budget in the Regional Wastewater program increases from \$37.6 million to \$39.0 million in FY 2020/21.

UTILITIES

Utilities represent the highest operating cost to the Regional Wastewater program after employment expenses. A total of \$6.0 million is budgeted for utilities in FY 2019/20, and \$6.3 million is budgeted for FY 2020/21. Utility expense includes the purchase of electricity from Southern California Edison (or the grid), use of natural gas, and the purchase of renewable energy generated on site from solar, and wind. In FY 2019/20, blended rates for electricity and natural gas are budgeted at \$0.125 per kilowatt hour (kWh) and \$0.80 per therm, respectively.

In June 2016, the Agency became the first public agency to use the state-of-the-art battery storage technology installed at RP-5. A total of one megawatt hour of Tesla batteries was successfully integrated into the facility's electrical profile, which includes grid imports and on-site renewable generation in the form of solar and food waste-to-energy cogeneration project. The project reduces dependency on the grid by optimizing distribution of on-site renewable power; achieves energy cost savings by reducing imported electricity during periods of high grid demand; provides relief to the grid by using stored energy during periods of high grid demand; and improves demand response (DR) capabilities by utilizing stored energy during DR events.

In December 2018, the Agency completed installation of an additional 1.50 kW and received the permit to operate from Southern California Edison (SCE) the Inland Empire Regional Composting Authority (IERCA) solar project. The substantial completion date of the Energy Storage System and Solar Photovoltaic (PV) system is scheduled to be completed on March 2019. This system is the first of its kind as it will integrate the RP-4 1,500 kW/3,000 kWh battery storage system, the RP-4 wind turbine, and the expanding solar photovoltaic system from 1.0 kW to 2.5 kW.

The Agency is committed to the efficient use of utilities, as outlined in the Agency's Energy Management Plan (Plan), developed in 2015. The Plan includes the Agency's goal of achieving peak power independence by 2020. In addition, the Agency is committed to procuring 100 percent of its electricity needs from carbon neutral sources by the year 2030, as outlined in the Plan.

CHEMICALS

The budget for chemical costs is developed by considering the current operating conditions and current unit costs (wastewater influent flow, chemical dose, compliance, contract price, and terms), as well forecasted flows, new project startups, and market trends.



REGIONAL WASTEWATER PROGRAM

Chemical costs represent approximately six percent, or \$4.8 million, of total operating costs in the Regional Wastewater program for FY 2019/20. Forecasts assume an average of three percent increase per year. In FY 2020/21 chemical costs are budgeted at \$5.0 million.

Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high-quality recycled water that meets Title 22 requirements. The major chemicals used for wastewater treatment are:

- ◆ Polymer: may be added to the primary clarifier to enhance solids settling and to the sludge to enhance the thickening and dewatering process.
- ◆ Sodium Hypochlorite: used primarily for disinfection; also used for odor control, in primary, secondary treatment, and solids thickening to improve the process of performance.
- ◆ Ferric chloride: used to optimize treatment performance and meet compliance with South Coast Air Quality Management District (SCAQMD).

BIOSOLIDS RECYCLING

The cost of biosolids recycling is budgeted at \$4.4 million in FY 2019/20 and \$4.5 million in FY 2020/21. The biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. The IERCA composter processes 100 percent of the Agency's biosolids generated from its water recycling facilities. The processing rate of \$56.00 per ton was maintained by the IERCA effective July 1, 2019. Despite reduced wastewater flows due to water use efficiency efforts, the amount of organic matter and suspended solid materials has remained stagnant.

CAPITAL PROJECTS

The execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements remains one of the primary focus of the Regional Wastewater program capital improvement plan. Another key focus is the improvement and expansion of existing facilities and infrastructure to meet future growth and increased service demands for the region. In FY 2019/20, the Regional Wastewater program budget is \$50.8 million and \$123.3 million in FY 2020/21. The Wastewater Capital fund projects focus on expansion and process improvements for the regional wastewater system to meet anticipated growth and increased service demands projected for the region. The Wastewater Operations fund projects primarily focus on maintenance, rehabilitation, and replacement of aging equipment and facilities.

Capital projects in the Regional Wastewater program accounts for \$620.9 million (excluding IERCA) of the Agency’s \$921 million FYs 2020 – 2029 Ten Year Capital Improvement Plan (TYCIP). Approximately \$425.2 million of the Regional Wastewater Program capital project spending is scheduled within the next five fiscal years (FYs 2020 - 2024). Such high capital and R&R expenditures in the Regional Wastewater program are necessary to account for projects that were deferred during the most recent economic downturn. The major wastewater capital projects are listed in Table 5-11.

TABLE 5-11: MAJOR REGIONAL WASTEWATER PROGRAM PROJECTS (\$MILLIONS)

Project Title	FY 2019/20	FY 2020/21	FY 2021/22 to 2023/24	TYCIP Total
RP-5 Liquid and Solids Treatment Expansion	\$11.0	\$90.0	\$201.2	\$304.9
RP-1 Liquid and Solids Treatment Expansion	0.2	0.0	0.0	80.4
Regional Wastewater Capital Asset Management	0.0	0.0	9.0	65.7
CCWRF ⁽¹⁾ Asset Management Improvements	4.0	7.5	4.5	24.0
RP-1 Advanced Water Treatment Facility	0.0	0.0	0.0	20.0
RP-1 Mechanical Restoration & Upgrades	8.9	1.0	0.0	9.9
SCADA ⁽²⁾ Enterprise System	2.0	3.5	3.0	8.5
RP-4 Process Improvements Phase II	0.0	0.0	8.3	8.3
Total	\$26.1	\$102.0	\$226.0	\$520.7

(1) CCWRF- Carbon Canyon Water Recycling Facility

(2) SCADA – Supervisory Control and Data Acquisition

More information on the Agency’s capital program is available in the Capital section.

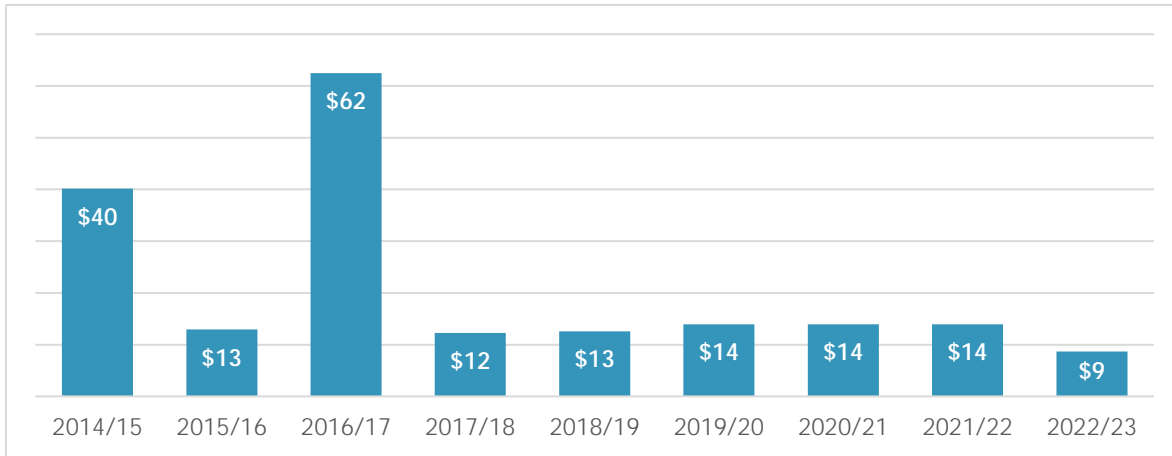
DEBT SERVICE

The Regional Wastewater program’s FY 2019/20 and FY 2020/21 debt service payments are \$13.9 million and \$14.0 million, respectively. Debt service costs includes principal, interest, and financial expense related to outstanding bonds, low interest State Revolving Fund (SRF) loans, and notes payable. Details for the Agency’s outstanding debt can be found in the Debt Management section.

Figure 5-8 represents historical and projected debt service expense through FY 2022/23. It is anticipated that the Agency will need to issue new debt to support major Regional Wastewater expansion projects necessary to meet service demand associated with the forecasted growth over the next ten years. A major expansion project included in the FY 2020-2029 TYCIP is the RP-5 expansion scheduled to begin construction in Spring 2020.

REGIONAL WASTEWATER PROGRAM

FIGURE 5-8: HISTORICAL AND PROJECTED ANNUAL DEBT SERVICE EXPENSE



2014/15 – Includes early retirement of 2005A Bonds

2016/17 – Includes partial refunding and refinancing of 2008A Bonds

INTER-FUND TRANSFERS

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 allocated to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These inter-fund transfers are outlined in Table 5-12.

TABLE 5-12: WASTEWATER CONNECTION FEES INTER-FUND TRANSFERS FROM WASTEWATER CAPITAL FUND (\$MILLIONS)

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

INTER-FUND LOANS

Inter-fund loans are used as needed to support operation, capital and debt service costs, or operating expense not fully supported by rates or fund reserves. They are recorded as loans to be repaid and subject to interest. Inter-fund loan activities are reported as part of other funding sources by the receiving (borrowing) fund and other uses of funds by the lending fund.

The Wastewater Capital fund currently has two outstanding inter-fund loans totaling \$13.5 million due from the Recycled Water fund: \$3.0 million from FY 2007/08, and \$10.5 from FY 2014/15. Repayment of the outstanding inter-fund loans is scheduled over a three-year period starting in FY 2022/23 with the final payment planned in FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in the Revenue and Debt Management sections.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)

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 (SDLAC) 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 are equally shared by the JPA partners.

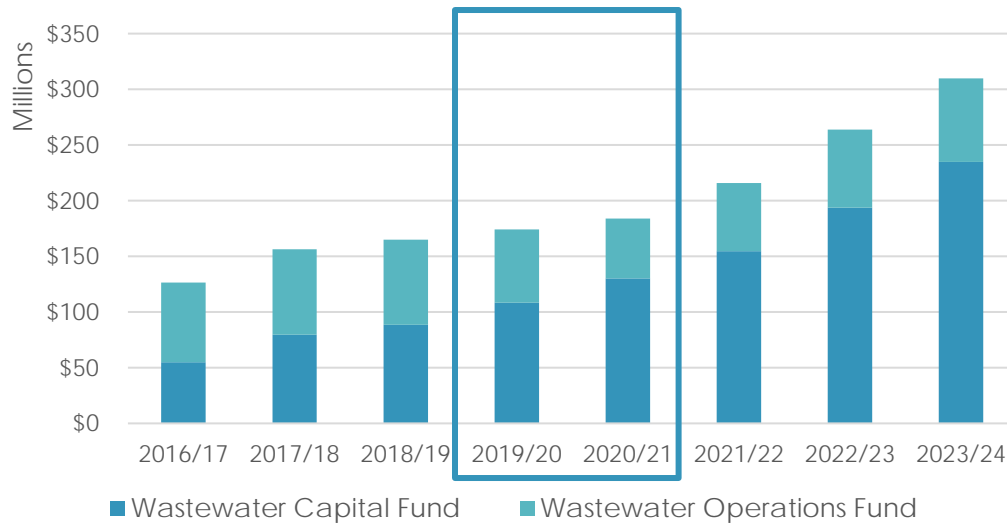
Starting in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2019/20 will remain at \$56.00 per wet ton of biosolids to support operating expenses and a portion of capital replacement and rehabilitation (R&R) costs. The fee is projected to generate revenue of \$8.1 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 FY 2019/20 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.

REGIONAL WASTEWATER PROGRAM

REGIONAL WASTEWATER PROGRAM FUND BALANCE

The Regional Wastewater program projects an ending fund balance of \$174.3 million in FY 2019/20 and \$183.9 million in FY 2020/21. The estimated increase in fund balance is based on current assumption to leverage new debt for the RP-5 Expansion project and accumulate new connection fee revenue to support future pay-go and debt service costs as shown in Figure 5-9.

FIGURE 5-9: TREND OF REGIONAL WASTEWATER PROGRAM FUND BALANCE



FY 2019/20 – FY 2021/22 FORECAST

Over the next three fiscal years, the Regional Wastewater program’s key areas of focus will be completing the RP-5 Expansion projects’ design and award of related construction contracts, securing funding for the expansion, and execution of the R&R projects for appropriate upkeep of Agency facilities and infrastructure. In addition, future program rates and fees will be evaluated through the 2020 rate study. Achieving these objectives will ensure the Agency can continue to support the region’s economic development by providing essential services in a regionally planned and cost-effective manner.

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	2018/19	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED 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	\$31,127	\$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	1	1	1	1	1	1
Loan Transfer from Internal Fund	-	-	-	-	-	-	2,000	6,000
TOTAL OTHER FINANCING SOURCES	\$60,294	\$66,158	\$57,624	\$71,658	\$143,963	\$169,275	\$121,843	\$100,505
EXPENSES								
Employment Expenses	\$3,810	\$3,836	\$4,145	\$3,613	\$3,743	\$3,973	\$4,140	\$4,298
Contract Work/Special Projects	1,131	611	409	125	-	-	-	-
Operating Fees	259	254	254	267	275	283	292	301
Professional Fees and Services	370	339	471	407	420	429	438	447
Other Expenses	534	933	1,292	1,548	1,535	1,568	1,601	1,638
TOTAL EXPENSES	\$6,105	\$5,973	\$6,571	\$5,960	\$5,973	\$6,253	\$6,470	\$6,683
CAPITAL PROGRAM								
Work In Progress	\$11,425	\$20,316	\$31,074	\$24,824	\$102,243	\$125,119	\$66,210	\$36,054
IERCA investment	-	-	500	500	500	-	-	-
TOTAL CAPITAL PROGRAM	\$11,425	\$20,316	\$31,574	\$25,324	\$102,743	\$125,119	\$66,210	\$36,054
DEBT SERVICE								
Financial Expenses	\$268	\$140	\$174	\$139	\$256	\$139	\$131	\$132
Interest	4,712	3,004	3,114	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	\$12,211	\$12,526	\$12,543	\$12,493	\$7,269	\$13,735
TRANSFERS IN (OUT)								
Capital Contribution	(\$302)	\$51	(\$27)	\$3,399	\$10,426	\$3,880	\$2,401	\$1,414
Debt Service	(917)	(2,848)	(2,981)	(3,299)	(3,327)	(3,358)	(3,352)	(1,213)
Capital - Connection Fees Allocation	(957)	(811)	(6,765)	(8,984)	(8,656)	(2,131)	(2,707)	(4,046)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$2,177)	(\$3,608)	(\$27)	(\$8,883)	(\$1,556)	(\$1,609)	(\$3,658)	(\$3,845)
FUND BALANCE								
Net Income (Loss)	(\$21,427)	\$24,782	(\$2,008)	\$19,755	\$21,974	\$24,392	\$38,936	\$41,027
Beginning Fund Balance July 01	76,257	54,829	79,611	88,587	108,342	130,316	154,708	193,643
ENDING FUND BALANCE AT JUNE 30*	\$54,829	\$79,611	\$77,603	\$108,342	\$130,316	\$154,708	\$193,643	\$234,670
RESERVE BALANCE SUMMARY								
Capital Construction	\$15,680	\$4,588	\$2,278	\$16,617	\$79,906	\$119,788	\$166,995	\$210,629
CCRA Capital Construction	31,710	55,560	59,500	72,262	30,916	15,430	7,030	4,428
Debt Service & Redemption	7,440	19,463	15,825	19,463	19,494	19,489	19,619	19,613
ENDING BALANCE AT JUNE 30	\$54,829	\$79,611	\$77,603	\$108,342	\$130,316	\$154,708	\$193,643	\$234,670

*Numbers may not tie due to rounding



REGIONAL WASTEWATER PROGRAM

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	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES								
User Charges	\$56,597	\$62,144	\$64,743	\$68,158	\$70,366	\$72,653	\$75,020	\$77,466
Cost Reimbursement JPA	3,675	3,981	3,892	4,065	4,227	4,396	4,572	4,755
Contract Cost Reimbursement	70	64	93	66	66	66	66	66
Interest Revenue	538	965	800	1,700	1,300	1,200	1,300	1,500
TOTAL REVENUES	\$60,881	\$67,155	\$69,528	\$73,988	\$75,959	\$78,315	\$80,958	\$83,787
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549
State Loans	7,531	11,310	4,000	0	0	0	0	0
Grants	11,780	3,142	5,360	1,261	1,135	0	0	0
Other Revenues	611	248	795	909	909	909	909	909
TOTAL OTHER FINANCING SOURCES	\$29,470	\$24,248	\$19,704	\$11,718	\$11,593	\$10,458	\$10,458	\$10,458
EXPENSES								
Employment Expenses	\$32,335	\$28,718	\$30,529	\$33,985	\$35,261	\$37,433	\$39,003	\$40,495
Contract Work/Special Projects	11,048	7,544	14,297	5,800	6,425	4,015	3,940	5,215
Utilities	5,329	5,806	6,248	6,022	6,266	6,423	6,584	6,751
Operating Fees	1,443	1,519	2,268	1,953	2,015	2,080	2,143	2,206
Chemicals	4,180	3,880	4,813	4,867	5,013	5,163	5,318	5,478
Professional Fees and Services	2,252	3,587	4,272	4,723	4,226	4,353	4,437	4,582
Biosolids Recycling	4,007	4,044	4,601	4,384	4,515	4,651	4,790	4,934
Materials & Supplies	2,199	1,992	2,226	2,019	2,064	2,126	2,190	2,256
Other Expenses	887	2,621	3,600	4,277	4,231	4,322	4,422	4,524
TOTAL EXPENSES	\$63,684	\$59,710	\$72,858	\$68,034	\$70,020	\$70,570	\$72,831	\$76,444
CAPITAL PROGRAM								
Capital Construction & Expansion (WIF)	\$12,557	\$23,781	\$21,277	\$25,988	\$21,047	\$6,726	\$6,775	\$10,246
TOTAL CAPITAL PROGRAM	\$12,557	\$23,781	\$21,277	\$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	756	771	791	814	857
TOTAL DEBT SERVICE	\$216	\$325	\$352	\$1,412	\$1,412	\$1,412	\$1,412	\$1,430
TRANSFERS IN (OUT)								
Capital Contribution	(\$181)	(\$1,826)	(\$1,809)	(\$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)	(455)	(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)	\$3,190	(\$792)	(\$7,409)	(\$2,502)	(\$1,339)	(\$1,263)
FUND BALANCE								
Net Income (Loss)	\$13,712	\$5,113	(\$2,065)	(\$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	\$74,772	\$65,909	\$53,574	\$61,137	\$70,195	\$75,057
RESERVE BALANCE SUMMARY								
Operating Contingies	\$20,038	\$18,590	\$22,988	\$21,323	\$21,931	\$22,058	\$22,753	\$23,896
Rehabilitation/Replacement	19,624	18,094	16,785	10,783	10,783	10,783	10,783	10,783
Debt Service	787	1,204	1,307	1,412	1,412	1,412	1,430	1,430
Sinking Fund	31,275	38,948	33,692	32,390	19,448	26,884	35,228	38,947
ENDING BALANCE AT JUNE 30	\$71,724	\$76,837	\$74,772	\$65,909	\$53,574	\$61,137	\$70,195	\$75,057

* Numbers may not tie due to rounding



NON-RECLAIMABLE WASTEWATER PROGRAM

PROGRAMMATIC OVERVIEW

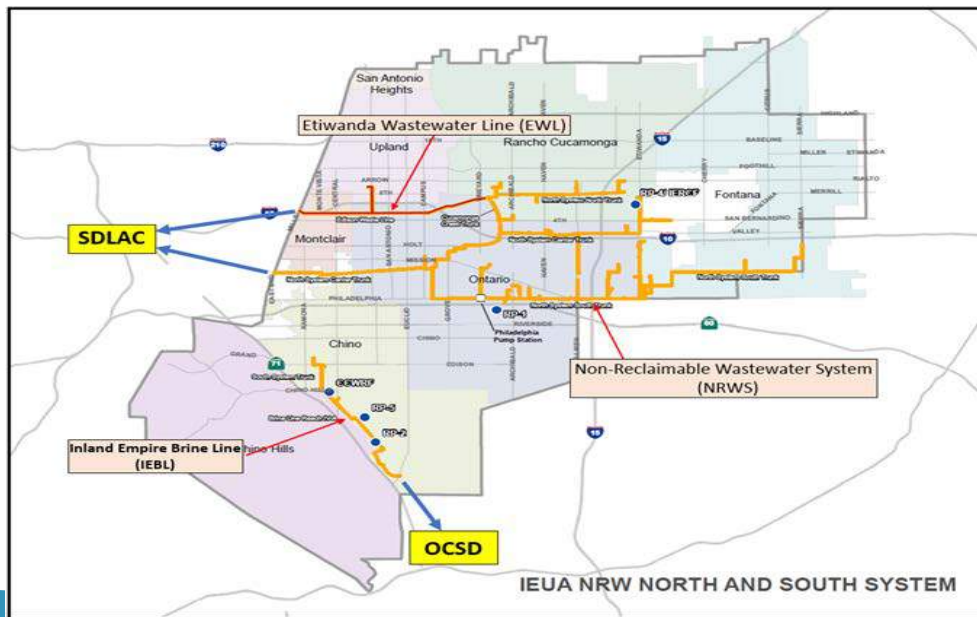
The Non-Reclaimable Wastewater System (NRWS) is a collections system which includes pipelines and a pump station to export high-salinity industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean. The wastewater discharged to the NRWS is primarily comprised of industrial and groundwater treatment brines.

The NRWS is physically separated from the Agency's Regional Sewerage System (RSS), ensuring compliance with the California Regional Water Quality Control Board, state regulations related to environmental criteria, and improving the quality of the RSS' recycled water for local use. Maximizing the use of the NRWS helps ensure that the Agency complies with the RSS' final effluent total dissolved solids (TDS) limits as required under the National Pollutant Discharge Elimination System (NPDES) permits.

The NRWS operated by the Agency is comprised of three independent collection systems, the North NRWS (NRWS), the Etiwanda Wastewater Line (EWL), and the Inland Empire Brine Line (IEBL) also known as the South NRWS.

The IEBL is an independent collections system that serves the southern portion of the Agency's service area. The use of the brine line aids in the removal of salts in the watershed to keep them from degrading watershed water quality, thereby allowing greater use of groundwater resources and expanding the ability to reclaim water. The long-term goal of achieving salt balance within the region depends on the ability to remove salts from the watershed via the brine line.

FIGURE 10: IEUA NRW NORTH AND SOUTH SYSTEM MAP



The North and South Systems:

- ◆ The North NRWS serves approximately 37 industries (including centrate from the Agency's Regional Water Recycling Plant No. 1) and two municipal groundwater treatment facilities. The North NRWS conveys non-reclaimable wastewater to the *Sanitation District of Los Angeles County (SDLAC)* treatment facility in Carson, where it is treated and discharged to the ocean. The North NRWS also has a smaller independent system known as the Etiwanda Wastewater Line (EWL) which is exclusively utilized for groundwater treatment plants operated by the City of Ontario and City of Chino's Monte Vista Water District and governed under a separate agreement with SDLAC.
- ◆ The IEBL serves approximately fifteen industries including indirect dischargers who deliver their wastewater via trucks and the Chino Basin Desalter 1. The IEBL is owned by the Santa Ana Watershed Project Authority (SAWPA). Wastewater from the IEBL is conveyed to the Orange County Sanitation District's facility in Fountain Valley for further treatment and ocean discharge.

The Agency and SDLAC entered into an agreement in 1966 wherein the SDLAC agreed to accept the Agency's industrial wastewater flows from the North NRWS. The agreement which was set to expire in May 2018 was replaced by a new NRWS Wastewater Disposal Agreement between the Agency and SDLAC that became effective July 1, 2014. The new Agreement resulted in pass-through rates from SDLAC that are more stable and predictable, making it easier for users of the NRWS to effectively plan for their annual budgets. Under the new agreement, the ability to acquire wastewater discharge rights as capacity units and connect to the system are more attractive to new industries as they now have the option to acquire or lease discharge rights rather than make a mandatory acquisition as required under the prior agreement. Other key terms of the new agreement include the following:

- ◆ 30-year term with up to four additional five-year extensions for a total of up to fifty years
- ◆ 15,000 initial Baseline Capacity Units for allocation amongst current customers
- ◆ Adjustment of Baseline Capacity Units allocation through June 30, 2018, fixed thereafter
- ◆ Additional Capacity available for purchase or lease
- ◆ Issuance of Wastewater Discharge Permit to the Agency from SDLAC
- ◆ Payment of Repair, Relocation, Reconstruction, and Rehabilitation (4Rs) capital charges of \$4.1 million to be paid over a six-year term (started in FY 2014/15 and ending FY 2019/20)
- ◆ Annual management meetings to review and discuss any modifications to this Agreement to accommodate financial, operational or environmental changes



NON-RECLAIMABLE WASTEWATER PROGRAM

- ◆ The FY 2019/20 SDLAC annual rate structure was revised based on the new agreement

In addition to the current capacity agreement with SAWPA, in FY 2018/19 the Agency entered into a Brine Line Lease Capacity Pool Agreement with SAWPA and its member agencies for the IEBL in the southern service area. Under this agreement, the Agency and other member agencies of SAWPA could contribute pipeline and treatment capacity to a “Lease Pool”. The contributed capacity will be marketed and made available for lease to new or existing customers, similar to the SDLAC agreement for the North NRWS. Under the SAWPA agreement, the ability to acquire treatment and disposal capacity will be more attractive to new industries as they now have the option to acquire or lease discharge rights. Key terms of the new lease agreement include the following:

- ◆ Five-year initial term with the option to renew or extend at any time
- ◆ IEUA will initially commit 50,000 gallons per day (GPD) of capacity and treatment to the pool
- ◆ Lessee shall pay lease charge directly to SAWPA

FUND DESCRIPTION

The Non-Reclaimable Wastewater (NRW) 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.

Funds are budgeted for design, construction, management, and administration costs as the need for additional non-reclaimable wastewater facilities or replacement of the existing pipelines, interceptor capacity, and treatment capacity is identified.

Table 5-13 shows total revenue, expense, and beginning and ending fund balances for the Non-Reclaimable Wastewater program. Additional program revenue and expense detail follow the table.

TABLE 5-13: CONSOLIDATED NON-RECLAIMABLE WASTEWATER PROGRAM FUND SUMMARY (\$MILLIONS)

	2018/19 Amended	2019/20	2020/21	2021/22	2022/23	2023/24
Total Revenue & Other Funding Sources	\$17.7	\$18.5	\$19.7	\$16.6	\$16.9	\$14.3
Total Expenses & Other Uses of Funds	16.7	21.4	25.3	12.5	13.0	13.5
Net Increase (Decrease)	\$1.0	(\$2.9)	(\$5.6)	\$4.1	\$3.9	\$0.8
Beginning Fund Balance	9.8	15.2	12.2	6.6	10.7	14.6
Ending Fund Balance	\$10.8	\$12.2	\$6.6	\$10.7	\$14.6	\$15.4

+/- Totals may not add due to rounding

REVENUES AND OTHER SOURCES OF FUNDS

The Non-Reclaimable Wastewater program has total budgeted revenues and other funding sources of \$18.5 million and \$19.7 million for FYs 2019/20 and 2020/21, respectively (Table 5-14).

The primary funding source for the Non-Reclaimable Wastewater fund are the pass-through rates from the Sanitation District of Los Angeles County (SDLAC) 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, inter-fund loan repayment, and interest income.

TABLE 5-14: REVENUES AND OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2019/20	2020/21	Key Assumptions
Volumetric Fees	\$2.2	\$2.3	Monthly pass-thru charges based on adopted fees and metered wastewater flow
Excess User Fees	4.1	4.2	Pass-thru fees for wastewater strength composition ⁽¹⁾
Agency Program Charges	5.3	5.3	Program support, operational, and capacity surcharges
Capacity Fees	0.8	0.9	Monthly fee charged to the holders of capacity rights in the southern system, the Agency's regional program, and CIP fees to cover debt service costs



NON-RECLAIMABLE WASTEWATER PROGRAM

Sources of Funds	2019/20	2020/21	Key Assumptions
Contributions and Other	6.1	7.0	Wastewater connection fee transfer from the Regional Wastewater Capital fund, inter-fund loan repayment from the Recycled Water fund, capacity lease fees, and interest earned on reserve balances
Total	\$18.5	\$19.7	

(1) Strength charges are calculated on Total Suspended Solids (TSS), Chemical Oxygen Demand (COD), and Biochemical Oxygen Demand (BOD).

The pass-through rate structure, implemented in FY 2004/05, allows the Agency to recover operating and capital fees billed by SDLAC and SAWPA for the North and South Systems, respectively. Pass through charges are comprised of volumetric, peaking factor and strength fees for the North System; capacity, volumetric, and strength fees for the South System. Different rates apply to the North and South Systems (Table 5-15).

TABLE 5-15: SUMMARY OF NRWS BILLING COMPONENTS

Type	North NRWS	EWL	IEBL (South NRWS)
Volumetric	✓	✓	✓
Peak Flow	✓	-	-
Capacity	✓	✓	✓
BOD	-	-	✓
COD	✓	✓	-
TSS	✓	✓	✓
Imbalances	✓	✓	✓
NRW Program Charges			
IEUA O&M	✓	✓	✓
IEUA CIP	✓	✓	✓

In addition to the pass-through rates, the Agency collects program charges based on the number of capacity units for the north system and a fifty percent operating surcharge for volumetric, capacity and strength charges are added to the south system. NRW program charges and operating surcharges support Agency program costs.

NRW rates effective July 1, 2019 are based on the current pass-through rate structure (Table 5-16).

TABLE 5-16: NORTH AND SOUTH SYSTEM PASS-THROUGH RATES

Rate Description	FY 2018/19	FY 2019/20	Change
North System			
Capacity/CU ⁽¹⁾	14,258 CU	14,005 CU	
Flow/mg	\$912	\$940	3.1%
COD/klb	\$161	\$166	3.1%
TSS/klb	\$456	\$470	3.1%
Peak Flow/gpm	\$346	\$357	3.2%
CU Purchase	\$4,172	\$4,172	
CU Lease	\$208.60/CU/Yr.	\$208.60/CU/Yr.	
EWL			
Capacity/CU ⁽²⁾	\$78	\$80	2.6%
Flow/mg	\$736	\$760	3.3%
COD/klb	\$130	\$135	3.8%
TSS/klb	\$368	\$380	3.3%
CU Purchase	\$215,000/CU	\$215,000/CU	
South System (IEBL)			
Capacity/CU ⁽²⁾	\$406.60	\$418.67	3.0%
Flow/mg	\$946.00	\$979.00	3.5%
BOD/klb	\$307.00	\$316.00	2.9%
TSS/klb	\$429.00	\$442.00	3.0%

- (1) Capacity Unit – Total NRW Capacity Unit (NRWSCU) allocated to North NRW industrial users is determined by a formula using flow, COD, and TSS as defined by SDLAC.
- (2) Capacity Units in the IEBL and EWL are defined as the maximum instantaneous peak flow not-to-exceed fifteen (15) gallons per minute.

To promote the use of recycled water throughout the Agency's service area, NRWS users who use recycled water in their processes are provided a fifty percent discount on the Agency's direct recycled water rate. The Agency's FY 2014/15 direct recycled water rate of \$890.04 per million gallons (mg) served as the baseline with NRW recycled water users paying \$445.02 (mg) in that fiscal year. The discount amount is decreased 5 percent each fiscal year until the discount sunsets on June 30, 2024. The recycled water credit for FY 2019/20 is \$222.51 per million gallons (Table 5-17).



NON-RECLAIMABLE WASTEWATER PROGRAM

TABLE 5-17: NRW RECYCLED WATER CREDIT

Fiscal Year	% of Recycled Water Credit	Credit per mg (Base \$890.04)
2014/15	50%	\$445.02
2015/16	45%	\$400.52
2016/17	40%	\$356.02
2017/18	35%	\$311.52
2018/19	30%	\$267.02
2019/20	25%	\$222.51
2020/21	20%	\$178.01
2021/22	15%	\$133.51
2022/23	10%	\$89.01
2023/24	5%	\$44.51

EXPENSES AND OTHER USES OF FUNDS

The Non-Reclaimable Wastewater Program accounts for operating and capital expenses associated with the North and South Systems. These expenses include construction and acquisition of capital assets, equipment purchases, process modifications and upgrades necessary to comply with the environmental and regulatory standards, and to support system growth in the Agency's service area.

Total expenditures and other uses of funds are budgeted at \$21.4 million and \$25.3 million in FYs 2019/20 and 2020/21. As reported in Table 5-18, the major expenses in the Non-Reclaimable Wastewater fund are operating "pass-through" fees from SDLAC and SAWPA and capital project expense.

TABLE 5-18: EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2019/20	2020/21	Key Assumptions
Operating Fees	\$6.9	\$7.2	SDLAC and SAWPA pass through fees

Uses of Funds	2019/20	2020/21	Key Assumptions
Capital Projects	\$9.7	\$13.7	Includes \$0.7M SDLAC 4R's ⁽¹⁾ outstanding SRF loan final payment and capital project costs as listed in Table 5-15 and the capital section in this document
Administration & Operations	4.1	3.7	Employment, chemicals, materials & supplies, professional fees, utilities, and other operating costs
Debt Service	0.6	0.6	Principal, interest, and financial expense for the NRW programs share of the 2017A Bonds
Contributions & Other	0.1	0.1	Inter-fund transfers to the Administrative Services fund to support Agency-wide capital and non-capital project costs
Total	\$21.4	\$25.3	

⁽¹⁾4Rs - Repair, Relocation, Reconstruction, and Rehabilitation

CAPITAL PROJECTS

A total of \$9.7 million of capital project costs is budgeted in FY 2019/20 and \$13.7 million is budgeted in FY 2020/21 (Table 5-19).

TABLE 5-19: CAPITAL PROJECTS (\$ MILLIONS)

Project Name	2019/20	2020/21
Philadelphia Lift Station Force Main Improvements	\$5.0	\$13.5
NRW Pipeline Relining along Cucamonga Creek	2.2	
East End Flowmeter Replacement	1.6	
NRW Manhole Upgrade	0.2	0.2
SDLAC Capital Replacement 4Rs SRF Installment	0.7	
Total	\$9.7	\$13.7

The SDLAC Capital Replacement 4Rs (Repair, Relocation, Reconstruction, and Rehabilitation) installment is the Agency's annual share of capital improvement costs financed by a state revolving fund (SRF) loan. Under the current agreement with SDLAC the Agency is to pay the existing SRF loan total of \$4.4 million. The SRF loan includes an annual interest rate of 2.3 percent over a six-year term with final payment in FY 2019/20 as reported on Table 5-20.

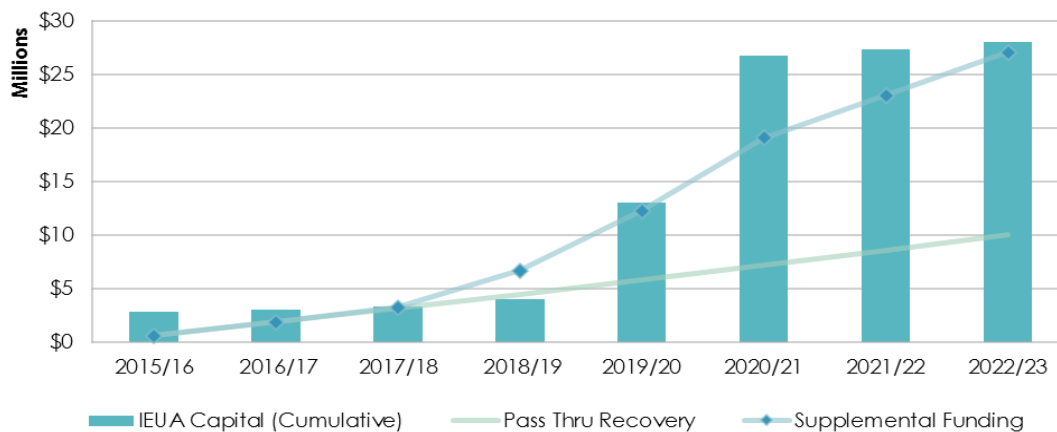
NON-RECLAIMABLE WASTEWATER PROGRAM

TABLE 5-20: SDLAC SRF LOAN INSTALLMENT SCHEDULE (\$MILLIONS)

Due Dates	Principal + Interest	Annual Payment	Remaining Balance
7/15/2014	\$4.44	\$0.74	\$3.70
7/15/2015	3.70	0.74	2.96
7/15/2016	2.96	0.74	2.22
7/15/2017	2.22	0.74	1.48
7/15/2018	1.48	0.74	0.74
7/15/2019	0.74	0.74	0.00
Total		\$4.44	

In October 2012 the Agency’s Board agreed to defer the FY 2011/12 SDLAC 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 until FY 2011/12. In FY 2015/16 the SDLAC 4Rs capital costs were fully paid and the Agency began to recover its deferred capital costs. Connection fees transferred from the Regional Wastewater Capital fund and reserves will support a portion of capital project costs. Full recovery of the Agency’s capital costs is projected to be reached in FY 2022/23 as shown in Figure 5-11.

FIGURE 5-11: RECOVERY OF CUMULATIVE IEUA CAPITAL COSTS (\$MILLIONS)



DEBT SERVICE

In January 2017 the Agency issued the 2017A Refunding Revenue Bonds (2017A Bonds) refunding a portion of the 2008A Revenue Bonds. The 2017A Bonds are proportionately distributed among the Regional Wastewater Capital Improvement, Regional Wastewater Operations & Maintenance, Recycled Water, and Non-Reclaimable Wastewater funds.

Debt service costs for the NRW fund include principal, interest and financial fees. In FYs 2019/20 and 2020/21 total debt service costs are \$0.6 million each fiscal year. Debt service costs are recovered from both North and South system customers.

INTER-FUND LOAN

A total of \$15 million of inter-fund loans have been issued from the NRW fund to the Recycled Water fund to finance construction of the recycled water distribution system. A loan of \$9.0 million was issued in FY 2007/08 and a \$6.0 million loan was issued in FY 2009/10. Annual payments of \$3.0 million per year began in FY 2018/19 as indicated in Table 5-21.

TABLE 5-21: INTER-FUND LOAN (\$MILLIONS)

Fiscal Year Issued	Issued to	Inter-Fund Loan Amount	Repayment Schedule
2007/08	Recycled Water Fund	\$9.0	2018/19 - \$3.0 2019/20 - \$3.0 2020/21 - \$3.0 Total \$9.0
2009/10	Recycled Water Fund	\$6.0	2021/22 - \$3.0 2022/23 - \$3.0 Total - \$6.0

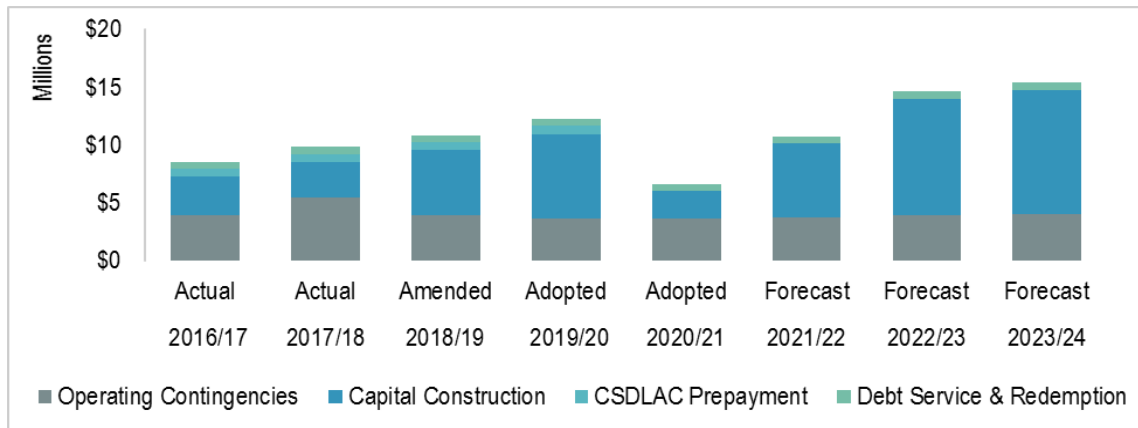


NON-RECLAIMABLE WASTEWATER PROGRAM

FUND BALANCE

The Non-Reclaimable Wastewater ending fund balance for FY 2019/20 is estimated to be \$12.2 million, and \$6.6 million in FY 2020/21. The decrease in fund balance in FY 2020/21, as shown in Figure 5-12, can be mainly attributed to increasing capital project costs beginning in FY 2019/20. Three large projects are projected during the two budget years, these projects will address items such as pipeline relining, flowmeter replacements and lift station improvements, and are projected to be complete by fiscal year end 2020/21. The fund balance in the ensuing years begins to steadily increase as outstanding inter fund loans are repaid and capital costs are fully recovered.

FIGURE 5-12: TREND OF NRW PROGRAM ENDING FUND BALANCE (\$MILLIONS)



FY 2021/22-FY 2023/24 FORECAST

For the three years following the biennial budget, minimum reserves are expected to be maintained. Capital projects are expected to focus on continued cleaning and on-going system maintenance with a goal of cleaning every segment of the NRWS over the next several years. The NRWS cleaning effort will be followed by a closed-circuit television (CCTV) inspection of the pipe after cleaning. If damages are identified, a capital project will be initiated to refurbish or replace the pipeline or infrastructure as needed. The on-going system maintenance program will help meet the requirements of the Agency's *Sanitary Sewer Management Program (SSMP)*, a State mandated Order under the *Wastewater Discharge Requirements*.

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

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES							
User Charges	\$12,452	\$13,294	\$12,370	\$12,727	\$12,989	\$13,266	\$13,655
Interest Revenue	274	350	583	461	367	394	376
TOTAL REVENUES	\$12,725	\$13,644	\$12,953	\$13,188	\$13,355	\$13,661	\$14,031
OTHER FINANCING SOURCES							
Other Revenues	\$507	\$100	\$250	\$200	\$200	\$200	\$200
Loan Transfer from Internal Fund	0	3,000	3,000	3,000	3,000	3,000	0
TOTAL OTHER FINANCING SOURCES	\$507	\$3,100	\$3,250	\$3,200	\$3,200	\$3,200	\$200
EXPENSES							
Employment Expenses	\$2,030	\$2,390	\$2,517	\$2,608	\$2,769	\$2,885	\$2,995
Contract Work/Special Projects	88	633	600	100	100	100	100
Utilities	89	80	91	93	96	99	102
Operating Fees	7,315	7,886	6,905	7,208	7,413	7,632	7,858
Chemicals	105	134	130	134	138	142	146
Professional Fees and Services	114	137	191	197	202	208	214
Office and Administrative expenses	0	24	24	24	25	26	27
Biosolids Recycling	25	26	35	36	37	38	39
Materials & Supplies	65	128	84	86	89	92	94
Operation Contribution to IERCA	0	0	0	0	0	0	0
Other Expenses	276	382	460	455	464	474	485
TOTAL EXPENSES	\$10,106	\$11,819	\$11,036	\$10,942	\$11,333	\$11,696	\$12,061
CAPITAL PROGRAM							
CSDLAC 4Rs SRF Loan	\$705	\$721	\$737	\$0	\$0	\$0	\$0
Capital Expansion/Construction	359	3,450	8,950	13,750	600	700	800
TOTAL CAPITAL PROGRAM	\$1,064	\$4,171	\$9,687	\$13,750	\$600	\$700	\$800
DEBT SERVICE							
Financial Expenses	\$0	\$1	\$1	\$1	\$1	\$1	\$1
Interest	341	307	280	268	253	236	218
Principal	454	294	305	317	331	348	398
TOTAL DEBT SERVICE	\$795	\$602	\$586	\$586	\$586	\$585	\$617
TRANSFERS IN (OUT)							
Capital Contribution	(\$65)	(\$67)	(\$44)	(\$21)	(\$13)	(\$11)	(\$22)
Operation support	(24)	(17)	(79)	(48)	(10)	(37)	(26)
Property Tax Transfer	107	972	2,292	3,324	72	72	72
TOTAL INTERFUND TRANSFERS IN (OUT)	\$19	\$888	\$2,169	\$3,255	\$49	\$24	\$24
FUND BALANCE							
Net Income (Loss)	\$1,285	\$1,040	(\$2,938)	(\$5,634)	\$4,085	\$3,904	\$778
Beginning Fund Balance July 01	8,533	9,818	15,188	12,251	6,617	10,702	14,606
ENDING FUND BALANCE AT JUNE 30*	\$9,818	\$10,859	\$12,251	\$6,617	\$10,702	\$14,606	\$15,384
RESERVE BALANCE SUMMARY							
Capital/Operations Contingencies	\$5,461	\$3,940	\$3,679	\$3,647	\$3,778	\$3,899	\$4,020
Capital Construction	3,050	5,612	7,249	2,384	6,339	10,091	10,748
CSDLAC Prepayment	705	721	737	0	0	0	0
Debt Service	602	586	586	586	585	617	616
ENDING BALANCE AT JUNE 30	\$9,818	\$10,859	\$12,251	\$6,617	\$10,702	\$14,606	\$15,384

* Numbers may not total due to rounding

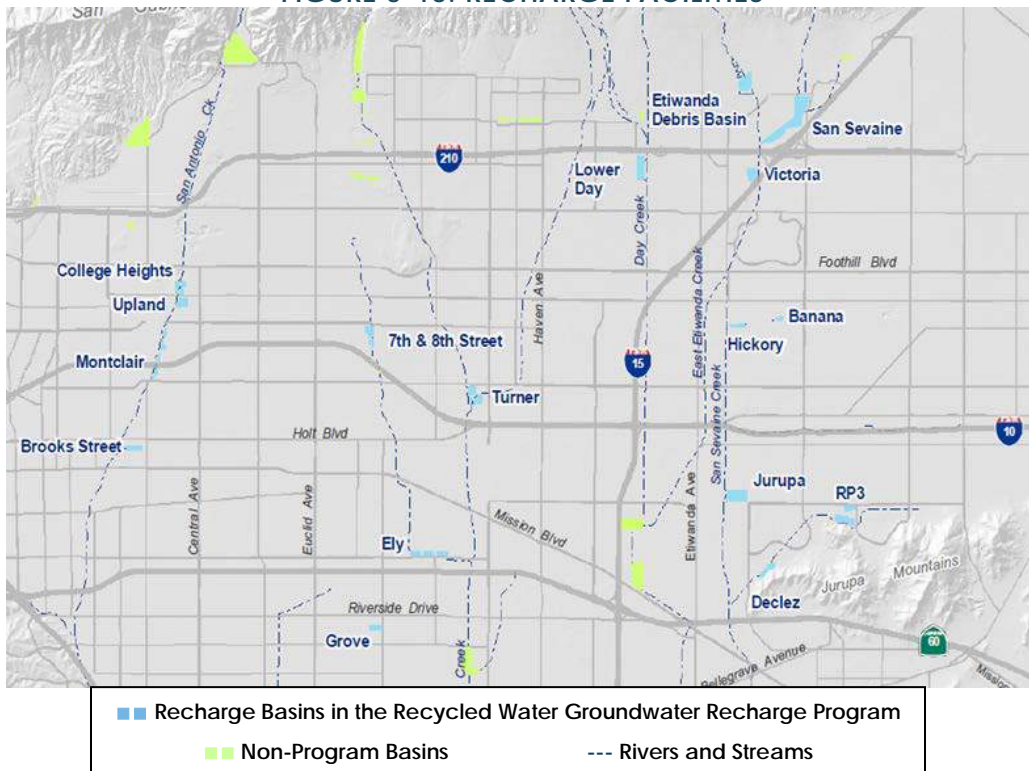
RECHARGE WATER PROGRAM

PROGRAMMATIC OVERVIEW

The Recharge Water program is a comprehensive program designed to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water. Through the development of increased recharge capacity in the Chino Basin, greater quantities of high quality water can be captured, stored during wet years, and made available during drought years and times of imported water supply shortages.

The groundwater infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the California State Water Project (SWP) and IEUA recycled water to recharge sites – most of which consist of multiple recharge basins. These recharge basins are located throughout the IEUA service area (approximately 242-square miles) and are designed to hold the water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply. Figure 5-13 shows both recharge basins in the Groundwater Recharge Program and non-program basins throughout the service area.

FIGURE 5-13: RECHARGE FACILITIES



The Chino Basin Groundwater Recharge (GWR) Program is jointly sponsored by the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the San Bernardino Flood Control District (SBFCD) and IEUA. The GWR Program will assist in mitigating future water shortages in California caused by future limitations of importing water supplies from the California SWP and provides a subsurface reserve of groundwater for local use. The GWR Program enhances the current reliability and resiliency of regional groundwater supplies for a rapidly growing population and is an integral part of the regional water supply planning.

The FYs 2019/20 and 2020/21 biennial budget for GWR operations of the recharge basins and pertinent facilities is based on the costs to operate and maintain active recharge sites in the Chino Basin. IEUA currently recharges between 40,000 and 50,000 acre-feet (AF) of imported water from northern California, between 15,000 and 25,000 AF of stormwater, and between 10,000 and 15,000 AF of recycled water, annually. Annual recharge varies due to weather patterns and the availability of supplemental water supplies (imported and recycled water). An acre-foot of water is equal to 325,900 gallons of water, the equivalent of filling a one acre one foot deep with water.

The recharge basin capacity projections assume:

- ◆ Minimal downtime during basin improvement projects.
- ◆ Average rainfall available for storm water capture.
- ◆ Continued development of basin enhancements to increase recharge capacity and reliability.

Reuse of recycled water for groundwater recharge is a critical component of the Optimum Basin Management Plan (OBMP) and water supply plans for the region as it will increase the reliability and resiliency of water supplies during dry years. The OBMP was put in place to enhance water supply reliability and improve drinking water quality throughout the greater Chino Basin region.

The GWR Program is an important part of the overall basin program and serves as a long-term solution to the water supply and water quality issues facing the greater Chino Basin. IEUA's recycled water production has been captured and recharged by downstream water agencies for decades. It is now being utilized by the IEUA member agencies and is in accordance with requirements of court-approved basin management plans and peace agreements.

In August 2016, a Cost Sharing Letter Agreement was entered between IEUA, Cucamonga Valley Water District, City of Ontario, and Monte Vista Water District (CBWB Parties) to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The CBWB will be open for other interested parties within the Chino Basin to join later. The Chino Basin Water Bank will apply to the Chino Basin Watermaster for the right to create a comprehensive storage and recovery program under existing basin rules and with a dedicated quantity of basin storage. The CBWB would then make this quantity of storage available to outside parties, who would pay for this access by "leaving behind" a certain quantity of water they place in storage. CBWB parties

RECHARGE WATER PROGRAM

would benefit directly through increased groundwater supplies, and the Chino Basin would generally experience improved groundwater levels and water quality.

FUND DESCRIPTION

The Recharge Water fund accounts for the revenues and expenses associated with the groundwater recharge operations and maintenance through the joint effort of the Chino Basin Watermaster, the Chino Basin Water Conservation District, the San Bernardino County Flood Control District, and the Inland Empire Utilities Agency.

Expenses include general basin maintenance or restoration costs, groundwater administration (e.g. labor, utilities, equipment, and tools), contracted services (e.g. weeding and vector control), and compliance reporting and environmental documentation fees for the program’s Fish & Game Permit. The operations and maintenance budget is funded by both Chino Basin Watermaster and the Agency.

Debt service costs are for the Chino Basin Facilities Improvement Project (CBFIP) funded by the 2008B Variable Rate Bonds (refinancing the 2002A Bonds in May 2008). Debt principal and interest costs are equally shared by CBWM and the Agency. The Agency’s portion is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement (RC) fund.

Table 5-22 shows total revenue, total expense, and beginning and ending fund balances for the Recharge Water program. Additional details on the revenues and expenses follow the table.

TABLE 5-22: CONSOLIDATED RECHARGE WATER PROGRAM FUND SUMMARY (\$MILLIONS)

	2018/19 Amended	2019/20	2020/21	2021/22	2022/23	2023/24
Total Revenue & Other Funding Sources	\$15.0	\$9.5	\$18.6	\$3.8	\$3.9	\$4.2
Total Expenses & Other Uses of Funds	15.7	8.2	16.3	3.7	3.9	4.2
Net Increase (Decrease)	(0.7)	1.3	2.3	0.2	0.0	0.0
Beginning Fund Balance	3.2	4.1	5.4	7.7	7.9	7.9
Ending Fund Balance	\$2.5	\$5.4	\$7.7	\$7.9	\$7.9	\$7.9

GROUNDWATER RECHARGE PRO-RATA COST SHARING METHODOLOGY

In 2008, a memorandum was issued to document the agreed upon administrative methodology for calculating pro-rata cost sharing for the groundwater recharge operations and maintenance (O&M) costs based upon Peace II Agreement language. This method of calculation became

effective July 1, 2008 and is renewable through mutual agreement every three years between Chino Basin Watermaster and IEUA. The calculation methodology is still in effect for FYs 2019/20 and 2020/21.

The pro rata cost-sharing for basins recharged with recycled water is determined annually. IEUA's pro rata share of O&M costs is determined based on the proportion of recycled water to the total water recharged in a basin in the prior fiscal year.

REVENUES AND OTHER SOURCES OF FUNDS

FYs 2019/20 and 2020/21 total budgeted revenues, other funding sources and inter fund contributions and support are \$9.5 million and \$18.6 million, as indicated in Table 5-23. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities' O&M, capital project support, and debt service costs. Also included is the contribution from IEUA for its portion of capital and debt service (50/50 shared with CBWM), and pro-rata share of O&M cost.

TABLE 5-23: REVENUE AND OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2019/20	2020/21	Key Assumptions
Watermaster Operating Cost Reimbursement	\$1.2	\$1.1	Reimbursement of GWR O&M and facilities.
Contract Cost Reimbursement	0.1	0.0	Reimbursement from CBWM for O&M projects.
Watermaster Debt Service	0.6	0.7	Reimbursement for CBWM share of debt service costs for the 2008B bonds – estimated interest rate is 4% for both fiscal years.
State Revolving Fund Loans	1.3	3.8	Loan proceeds to support Recharge Master Plan Update (RMPU) projects.
Grants	4.8	11.5	Grant proceeds to support RMPU projects.
Inter Fund Transfer/ Other Revenues	1.5	1.5	Interest revenue and Inter-fund transfer for the Agency's operating support for the pro-rata share of groundwater basin maintenance; capital projects; non-reimbursable labor; and debt service, from the Recycled Water and Wastewater Capital funds.
Total	\$9.5	\$18.6	

RECHARGE WATER PROGRAM

EXPENSES AND OTHER USES OF FUNDS

Total GWR Program expenses for FYs 2019/20 and 2020/21 are \$8.2 million and \$16.3 million respectively, as shown in Table 5-20 below. The key expenses include capital costs related to the Recharge Master Plan Update (RMPU) projects, debt service costs for the Chino Basin Facilities Improvement Project, and groundwater operations and maintenance costs. As indicated on Table 5-24, an increase in capital expenditures accounts for the increase in total expenses in FY 2020/21.

The FYs 2019/20 and 2020/21 groundwater O&M expense budget includes utilities, general groundwater basin maintenance costs for infiltration restoration and slope repairs on the following groundwater basins: Jurupa, San Sevaine, Turner, and Victoria. The Agency's O&M pro-rata share for FYs 2019/20 and 2020/21 is estimated at \$475,527 and \$579,264 respectively.

TABLE 5-24: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2019/20	2020/21	Key Assumptions
Operating Expense	\$1.9	\$1.8	Program support and maintenance, utilities, *specialty O&M, Watermaster and SBCFCD costs, and IEUA's pro-rata share.
Debt Service	1.3	1.3	Principal, interest, and financial expense for the 2008B bonds.
Capital Projects	5.0	13.2	Capital project costs shared with Watermaster for RMPU projects.
Total	\$8.2	\$16.3	

*Specialty O&M includes contract labor and materials to address any instances of theft or vandalism, and all associated repairs.

CAPITAL PROJECTS

The FYs 2019/20 and 2020/21 capital project costs for the Recharge Program mainly involve modifications, improvements, and refurbishment of selected basins for \$5.0 million and \$13.2 million, respectively (Table 5-25).

TABLE 5-25: RECHARGE PROGRAM CAPITAL PROJECTS (\$MILLIONS)

Capital Projects	2019/20	2020/21	2021/22 to 2023/24	TYCIP Total
Recharge Master Plan Update	\$5.0	\$9.8	\$0	\$14.8
Lower Day Recharge Master Plan Update	0	3.4	0	3.4
Infrastructure Replacement	0	0.1	0	0.1
Asset Management	0	0	1.5	8.2
Total	\$5.0	\$13.2	\$1.5	\$26.5

CBWM has updated the Recharge Master Plan, and Agency staff is taking the lead in the execution and administration of the capital projects.

DEBT SERVICE

In January 2002, the Agency's Board of Directors approved the Recharge Master Plan Implementation Memorandum of Agreement encompassing CBWM, CBWCD, SBCFCD, and IEUA. The four agencies formed a Groundwater Recharge Coordinating Committee to implement an initial \$40-million program, entitled the Chino Basin Facilities Improvement Project (CBFIP) to develop recharge facilities from existing flood control basins. IEUA served as the lead agency for implementation (design, construction, operation, and maintenance) of this cooperative program. In the summer of 2005, Phase I CBFIP improvements were completed and recharge operations commenced in the upgraded facilities.

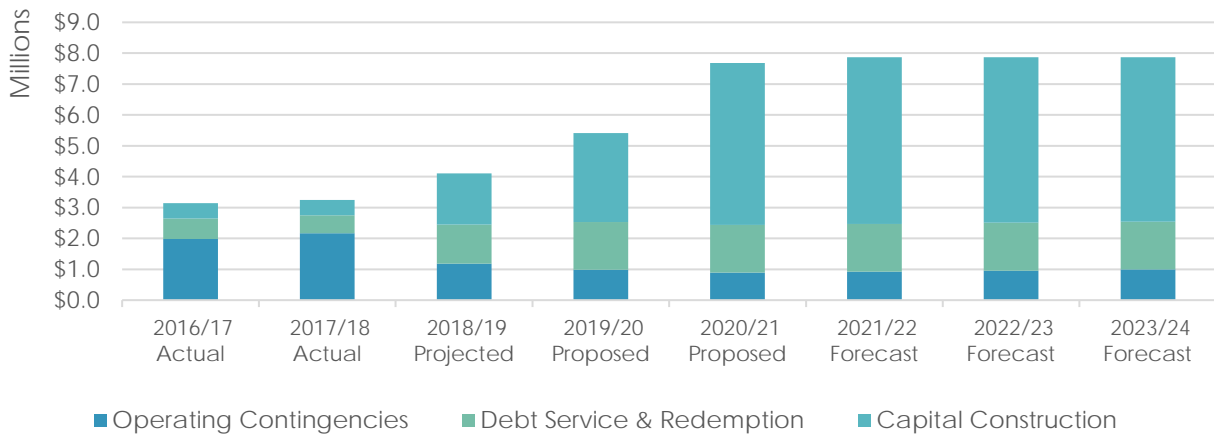
To finance the CBFIP effort, the Agency issued a \$59 million revenue bond in July 2002. A portion of the net bond proceeds, \$19.7 million, combined with \$19 million Prop 13 grant provided most of the funding for the CBFIP. The 2002 Bond was refinanced in April 2008 by the issuance of a Variable Rate Demand Revenue Bond, Series 2008B for \$55.7 million set to mature in FY 2031/32. FYs 2019/20 and 2020/21 debt service expenses of \$1.27 million and \$1.32 million for the 2008B Variable Rate Bond principal and interest debt payments are equally shared by CBWM and IEUA. The variable interest rate for FYs 2019/20 and 2020/21 is projected to be four percent.

FUND BALANCE

The ending fund balance for FYs 2019/20 and 2020/21 is projected to be \$5.4 million and \$7.7 million, respectively. Throughout the subsequent years, ending fund balances are estimated to average \$7.9 million as majority of the operating expenditures and capital costs are fully reimbursable by CBWM and IEUA. Figure 5-14 shows the trend of ending fund balances through FY 2023/24.

RECHARGE WATER PROGRAM

FIGURE 5-14: TREND OF RECHARGE WATER PROGRAM ENDING FUND BALANCE (\$MILLIONS)



FY 2021/22-FY 2023/24 FORECAST

Currently, the recharge basins are not expected to require significant capital expense beyond the completion of refurbishment at selected basins. Enhancements to existing facilities and development of additional recharge facilities will occur as opportunities arise.

Recycled water recharge has become a key component of the regional water supply portfolio: the more water recharged into the Chino Groundwater Basin, the more self-reliant and less dependent the region is on imported water supplies. To maximize past investments, projects planned over the next several years are primarily focused on increasing recharge area and pumping capacity. These and other investigative projects will be explored and funded in the future years as a mean to further diversify the water supply for the region and maximize the beneficial reuse of recycled water.

Table 5-26 shows the potential monthly recharge capacities for the recharge active sites.

TABLE 5-26: CHINO BASIN POTENTIAL MONTHLY RECHARGE CAPACITIES

Recharge Active Sites	Recharge Capacity Acre Feet per Month
7 th & 8 th Street Basins	170
Banana Basin	117
Brooks Basin	188
College Heights Basins*	457
Declerz Basins	151

Recharge Active Sites	Recharge Capacity Acre Feet per Month
Ely Basins	193
Etiwanda Debris Basin*	263
Grove Basin*	38
Hickory Basin	136
Lower Day Basin	340
Montclair Basins*	559
RP-3 Basins	760
San Sevaine Basins	108
Turner Basins	161
Upland Basin*	187
Victoria Basin	160
Wineville Basin*	TBD
Total	3,988

*Basin not permitted for recycled water recharge



RECHARGE WATER PROGRAM

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	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED 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	210	69	0	0	0	0
Interest Revenue	16	23	32	115	160	190	195	195
TOTAL REVENUES	\$954	\$888	\$1,380	\$1,421	\$1,236	\$1,298	\$1,336	\$1,370
OTHER FINANCING SOURCES								
State Loans	\$0	\$0	\$8,909	\$1,256	\$3,764	\$143	\$0	\$0
Grants	(4)	0	652	4,845	11,521	0	0	0
Capital Contract Reimbursement	1,117	2,280	802	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	\$10,364	\$6,665	\$15,947	\$1,080	\$1,059	\$1,188
EXPENSES								
Employment Expenses	\$565	\$657	\$592	\$653	\$677	\$718	\$748	\$777
Contract Work/Special Projects	353	25	1,835	139	0	0	0	0
Utilities	82	99	71	68	70	72	74	76
Operating Fees	5	7	11	13	8	8	8	8
Professional Fees and Services	801	591	1,242	934	859	885	911	939
Office and Administrative expense	9	10	15	15	16	16	17	17
Expense Allocation	65	0	44	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	\$3,900	\$1,973	\$1,782	\$1,857	\$1,921	\$1,984
CAPITAL PROGRAM								
Capital Expansion/Construction	\$864	\$1,645	\$10,649	\$5,000	\$13,184	\$290	\$500	\$750
TOTAL CAPITAL PROGRAM	\$864	\$1,645	\$10,649	\$5,000	\$13,184	\$290	\$500	\$750
DEBT SERVICE								
Financial Expenses	\$73	\$71	\$83	\$67	\$125	\$63	\$62	\$61
Interest	95	148	367	461	430	527	491	454
Principal	647	683	710	739	769	916	944	988
TOTAL DEBT SERVICE	\$815	\$902	\$1,160	\$1,267	\$1,324	\$1,506	\$1,497	\$1,503
TRANSFERS IN (OUT)								
Capital Contribution	\$399	\$15	\$986	\$44	\$0	\$0	\$10	\$113
Debt Service	408	451	581	633	662	694	688	690
Operation support	507	440	693	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	\$3,268	\$1,460	\$1,374	\$1,466	\$1,523	\$1,679
FUND BALANCE								
Net Income (Loss)	(\$196)	\$105	(\$698)	\$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	\$2,548	\$5,414	\$7,681	\$7,872	\$7,872	\$7,872
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,978	\$2,165	\$1,386	\$987	\$891	\$928	\$960	\$992
Capital Expansion / Construction	500	500	500	2,883	5,245	5,398	5,367	5,335
Debt Service & Redemption	662	581	662	1,545	1,545	1,545	1,545	1,545
ENDING BALANCE AT JUNE 30	\$3,140	\$3,246	\$2,548	\$5,414	\$7,681	\$7,872	\$7,872	\$7,872

* Numbers may not total due to rounding



RECYCLED WATER PROGRAM

PROGRAMMATIC OVERVIEW

IEUA owns and operates five water recycling treatment facilities, four of which produce recycled water. These facilities receive an average of 48 million gallons per day (MGD) of wastewater from its member agencies which is treated to Title 22 regulations set forth by the California Department of Health Services. The use of recycled water provides a high-quality alternative water source to the Agency, its seven member agencies (Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District), commercial customers, and recharge basins for groundwater storage which helps to improve the resiliency of the region's water supply.

IEUA began producing recycled water in the 1970's as a low-cost alternative water supply for large irrigation customers. In 2000, the region identified recycled water as a critical component in drought-proofing the region and essential to sustaining economic growth. With imported water rates increasing and its long-term supply reliability in decline, the region committed to aggressively and proactively developing local water supplies. This set the path for the development of a regional recycled water system.

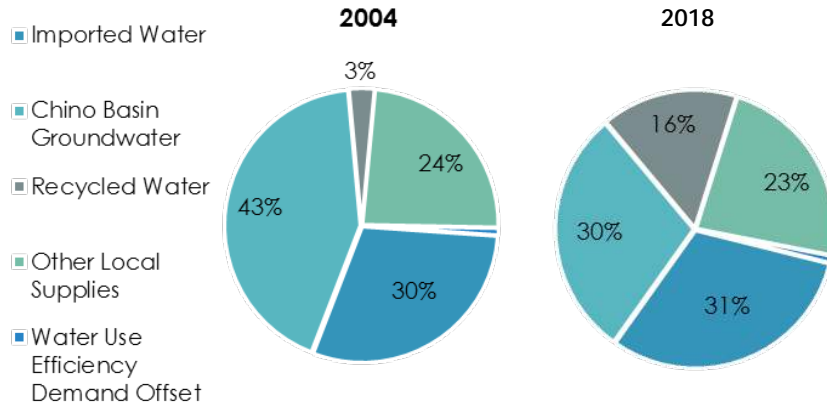
By 2014, IEUA and its member agencies had invested over \$250 million in the construction of the Regional Recycled Water Distribution System (RRWDS). These investments, along with development of nineteen ground water recharge basins, have significantly helped the Agency and its member agencies develop and maintain a reliable local water supply. The RRWDS consists of over 89 miles of pipeline, four reservoir storage tanks with storage capacity between two and five million gallons, and multiple pump stations. Today over 1,000 users have connected to the RRWDS.

IEUA's long term planning documents continue to focus on the expansion of the RRWDS, groundwater recharge facilities, and development of the region's local water supplies. On average, the Recycled Water program has been able to utilize approximately ninety percent of the regions recycled water supply. Major benefits of the regional Recycled Water program include:

- ◆ New water supply – delivery of over 30,000-acre foot per year of a local water supply
- ◆ Enhanced water quality – improves the quality of the Chino Basin aquifer
- ◆ Reliable supply – not directly impacted by drought or climate change and helps mitigate the impacts of regional and statewide water supply limitations
- ◆ Reduces greenhouse gas emissions by requiring less energy to deliver to customers than imported water

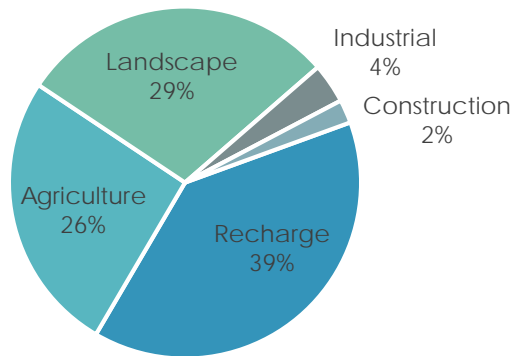
The use of recycled water increases the reliability of a local water supplies. Figure 5-15 illustrates the evolution of water supply by source in the region.

FIGURE 5-15: REGIONS WATER SUPPLY BY SOURCE



Recycled water is a cost effective, dependable, and environmentally friendly water supply that is safe for a variety of uses including landscape and agricultural irrigation, groundwater recharge, construction and industrial process water. Figure 5-16 lists the FY 2017/18 recycled water demand use by type.

FIGURE 5-16: RECYCLED WATER DEMAND USE BY TYPE





RECYCLED WATER PROGRAM

Table 5-27 shows the short-term demand (use by 2025) and long-term demand (use projection through 2040) of direct and groundwater recharge of the RRWDS.

TABLE 5-27: RECYCLED WATER DEMAND PROJECTION

Recycled Water User Type	Short Term Demand (AFY)	Long Term Demand (AFY)
Direct Use	27,500	30,000
Groundwater Recharge	18,700	18,700
Total Recycled Water Demand	46,200	48,700

Planning for the RRWDS is aimed toward the ability to adapt and provide beneficial use focused on strengthening the region’s base water supply by shifting towards groundwater recharge, direct injection, and eventually direct potable reuse. This long-term strategy is necessary to effectively address the region’s water resource priorities, including maintaining the water quality in the Chino Basin.

FUND DESCRIPTION

The Recycled Water fund records the revenues and expenses associated with the operations and maintenance of the facilities used to distribute recycled water supplied from Agency’s four Agency water recycling plants, and a portion of groundwater recharge operating expense not funded by Chino Basin Watermaster. Additionally, the Recycled Water fund records all revenues and costs related to capital construction, improvement and financing of the RRWDS.

Table 5-28 shows total revenue, total expense, and beginning and ending fund balances for the Regional Wastewater program. Additional detail on the revenues and expenses follow the table.

TABLE 5-28: CONSOLIDATED RECYCLED WATER PROGRAM FUND SUMMARY (\$MILLIONS)

	2018/19 Amended	2019/20	2020/21	2021/22	2022/23	2023/24
Total Revenue & Other Funding Sources	\$42.2	\$48.8	\$42.1	\$49.0	\$67.6	\$68.1
Total Expenses & Other Uses of Funds	40.9	44.4	49.2	42.1	51.5	73.7
Net Increase (Decrease)	\$1.3	\$4.4	(\$7.1)	\$6.9	\$16.1	(\$5.6)
Beginning Fund Balance	35.1	36.7	41.1	34.0	40.8	56.9
Ending Fund Balance	\$36.4	\$41.1	\$34.0	\$40.8	\$56.9	\$51.3

+/- Totals may not add due to rounding

REVENUES AND OTHER SOURCES OF FUNDS

Total revenues and other funding sources of the Recycled Water fund are budgeted at \$48.8 million in FY 2019/20 and \$42.1 million in FY 2020/21. Revenues and other funding sources for the Recycled Water fund are shown in Table 5-29.

The Recycled Water fund generates operating revenue from the sale of recycled water to the Agency’s member agencies and other industries. In FY 2019/20, budgeted direct deliveries are 22,000 AF and groundwater recharge deliveries are 13,800 AF for a total of 35,800 AF. A slight increase for groundwater recharge deliveries is expected in FY 2020/21 at 14,000 AF with direct deliveries budgeted at 22,000 AF for a total of 36,000 AF. Related revenues for the two fiscal years are \$18.1 million and \$18.7 million, respectively.

The adopted recycled water AF delivery rate for FY 2019/20 is \$490, the projected rate for FY 2020/21 of \$505 is subject to change as the 2020 rate study is currently underway. Upon completion of the rate study, any adjustment to the rates will be brought forth for approval. Currently, the groundwater recharge rate includes an additional \$60/AF surcharge. The surcharge supports a portion of groundwater recharge basin maintenance operating and maintenance costs not covered by Chino Basin Watermaster, including the Agency’s pro rata share of operating costs for recharge basins recharged with recycled water.

In January 2016, the Agency established a water connection fee to support capital improvement and expansion of IEUA’s regional water system, which is comprised of potable water, recycled water, and groundwater recharge. A portion of these revenues is transferred to the Administrative Services, Recharge Water, and Water Resources funds to support capital projects that contribute to improvement and expansion of the system.

Water connection fee revenue for FY 2019/20 is projected to be \$7.9 million with 4,700 new meter equivalent unit (MEU) connections projected. In FY 2020/21 the budgeted revenue is \$8.0 million with 4,630 new MEU connections projected. Water connection fee rates are set per MEU, one MEU is equivalent to a 5/8” and 3/4” meter size (standard size of a residential meter). The adopted rate in FY 2019/20 is \$1,684 and the projected rate of \$1,735 per MEU is budgeted in FY 2020/21. The FY 2020/21 connection fee rate is subject to change pending final 2020 rate study results.

TABLE 5-29: REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Sources of Funds	2019/20	2020/21	Key Assumptions
Recycled Water Sales	\$18.1	\$18.7	FY 2019/20 and FY 2020/21 deliveries are 35,800 and 36,000 AF respectively
Connection Fee	7.9	8.0	4,700 MEUs are projected for FY 2019/20 and 4,630 MEUs for FY 2020/21
Property Tax	2.2	2.2	Property tax allocation of \$2.2 million per year to support debt service costs



RECYCLED WATER PROGRAM

Sources of Funds	2019/20	2020/21	Key Assumptions
Debt and Grant Proceeds	15.2	9.0	SRF loan proceeds and grants for various recycled water projects
Inter Fund Transfer/Other Revenues	5.4	4.2	Includes interest, other reimbursements, and inter-fund transfer support of debt service costs
Total	\$48.8	\$42.1	

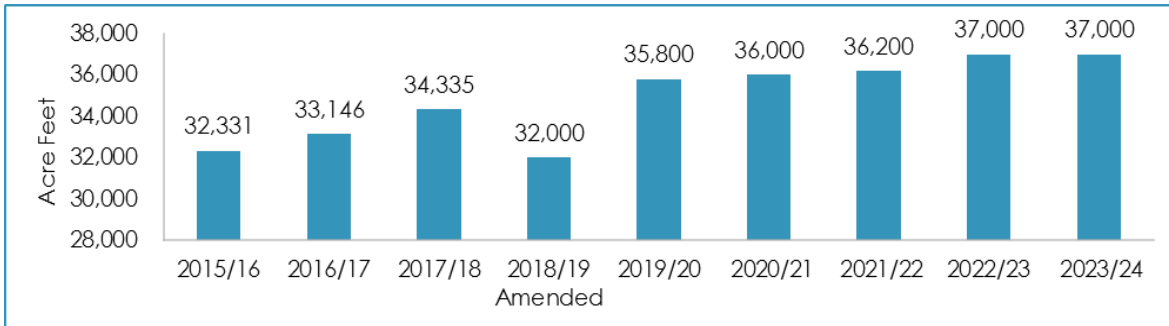
A recycled water rate survey conducted during FY 2018/19 again confirmed the Agency's recycled water rate ranks amongst the lowest wholesale rate in southern California as shown in Table 5-30.

TABLE 5-30: FY 2018/19 RECYCLED WATER RATE SURVEY

Wholesale Agencies			
Agency	Type	Notes	Rate \$/AF
Inland Empire Utilities Agency	Wholesale	Base Rate	\$480 – \$540
Central Basin Municipal Water District	Wholesale	Tiered Rates	\$729 - \$754
Eastern Municipal Water District	Wholesale	Base Rate	\$83 – \$1,120
West Basin Municipal Water District	Wholesale	Tiered Rates	\$1,151 - \$1,193
Retail Agencies			
Agency	Type	Notes	Rate \$/AF
Irvine Ranch Water District	Retail	Base Rate	\$640
Long Beach Water Department	Retail	Average Rate	\$734
Inland Empire Utilities Agency's Member Agencies	Retail	Average Base Rate	\$828
Monte Vista Water District	Retail	Base Rate	\$910
Santa Fe Irrigation District	Retail	Base Rate	\$1,594
Olivenhain Municipal Water District	Retail	Base Rate	\$1,677
Otay Water District	Retail	Base Rate	\$1,921

Figure 5-17 illustrates the trend of both historical and projected annual AF sales through FY 2023/24.

FIGURE 5-17: ACRE FEET SALES TREND BY FISCAL YEAR



In addition to the water connection fee, a primary source of funding for Recycled Water program capital expenditures is State Revolving Fund (SRF) loans. The Recycled Water program has been using various forms of SRF loans and related grants since 2003, as well as other grant funding from various federal, state, and local sources. A complete listing of the Recycled Water program SRF loans is shown below in Table 5-31.

TABLE 5-31: RECYCLED WATER SRF LOAN PROCEEDS (\$MILLIONS)

Service Areas	Fiscal Year Received/Expected	Phases	Received/Estimated ⁽¹⁾
<i>Awarded Funding</i>			
Southern, Central, and Northeastern Areas	FY 2000/01 thru FY 2010/11	Phases I - V	\$57.1
Southern Area	FY 2013/14 thru FY 2014/15	Phase VI	27.1
Central /Wineville Areas	FY 2014/15 thru FY 2016/17	Phase VII	22.8
Napa Lateral ⁽²⁾	FY 2017/18 thru FY 2019/20	n/a	2.6
San Sevaine Basin ⁽²⁾	FY 2017/18 thru FY 2019/20	n/a	1.0
Sub-Total			110.6
<i>Projected Funding</i>			
Drought Relief Recycled Water Supply Optimization Projects ⁽²⁾	FY 2019/20 thru FY 2020/21	n/a	10.0 ⁽¹⁾
Recycled Water Intertie Projects ⁽²⁾	FY 2019/20 thru FY 2023/24	n/a	73.4 ⁽¹⁾
Sub-Total			83.4 ⁽¹⁾
Total Recycled Water SRF Loan Proceeds			\$194.0

⁽¹⁾ Loan amounts are not final, applications are currently pending.

⁽²⁾ Loan amounts do not include potential principal forgiveness grants of up to \$16.4 million.



RECYCLED WATER PROGRAM

EXPENSES AND OTHER USES OF FUNDS

Total Recycled Water fund expenses and other uses of funds are budgeted at \$44.4 million in FY 2019/20 and \$49.2 million in FY 2020/21 as noted in Table 5-32.

TABLE 5-32: EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2019/20	2019/20	Key Assumptions
Capital Projects	\$18.7	\$23.8	A detailed listing of Recycled Water Capital Projects is included in the Capital section (Chapter 6)
Debt Service	11.0	12.1	Includes repayment of principal, interest and financial fees
Operations	4.4	4.5	Includes labor, utilities (pumping costs), chemicals and materials, and supplies.
Administrative	4.3	4.5	Includes labor, professional fees and services, and other allocated expenses
Ground Water Recharge	1.3	1.2	Includes the Agency's pro-rata share of O&M costs not covered by CBWM
Other	4.7	3.1	Includes O&M project costs and inter-fund transfers for operating and capital support including water connection fees to support capital investments in integrated water resource management
Total	\$44.4	\$49.2	

Each year the Recycled Water provides support to other program costs through inter-fund transfers. Transfers to the Recharge Water fund support operating and capital costs not reimbursed by Chino Basin Watermaster. Connection fee transfers to the Administrative Services, Recharge Water, and Water Resource funds support capital expansion of regional integrated water resources. These inter-fund transfers are included in "other" expenses reported in Table 5-26.

CAPITAL PROJECTS

The major focus of the Recycled Water capital program in FY 2019/20 and FY 2020/21 will be expansion and improvements of the RRWDS and rehabilitation and replacement (R&R) of infrastructure. Listed in Table 5-33 are the recycled water capital construction projects budgeted in FYs 2019/20 and 2020/21. For a complete listing of projects and descriptions, refer to the Recycled Water project list in the Capital section of this document.

TABLE 5-33: RECYCLED WATER CAPITAL CONSTRUCTION PROJECTS (\$MILLIONS)

Major Capital Projects	2019/20	2020/21
Recycled Water Intertie – Jurupa Community Services District ⁽¹⁾	\$1.0	\$18.5
Recycled Water Intertie – City of Pomona ⁽¹⁾	2.0	3.0
Baseline Recycled Water Pipeline Extension	5.7	-
RP-4 1158 Recycled Water Pump Station Upgrades	4.7	-
1158 Reservoir (East/West) Painting/Coating	2.2	1.2
Napa Lateral/San Bernardino Speedway	1.6	-
All Other Projects	1.5	1.1
Total	\$18.7	\$23.8

⁽¹⁾ Funded by SRF Loan proceeds, grants, and contributions

DEBT SERVICE

Debt service costs are comprised of principal, interest, and financial fees. FY 2019/20 debt service costs are projected to be \$11.0 million, and \$12.1 million in FY 2020/21 as shown in Table 5-34. Beginning FY 2020/21, annual debt service costs are projected to increase as SRF loan payments for several recycled water projects begin. Debt service costs for the 2017A bonds is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement fund.



RECYCLED WATER PROGRAM

TABLE 5-34: TOTAL DEBT SERVICE COSTS BY FISCAL YEAR (\$MILLIONS)

(Principal and Interest)	2018/19 Amended Budget	2019/20	2020/21	2021/22	2022/23	2023/24
Inter-Fund Loans	\$3.4	\$3.5	\$3.6	\$3.5	\$5.4	\$6.3
Bonds	2.4	2.4	2.4	2.4	2.4	2.5
SRF Loans ⁽¹⁾	5.1	5.1	6.1	6.6	7.1	7.1
Total	\$10.9	\$11.0	\$12.1	\$12.5	\$14.9	\$15.9

⁽¹⁾ SRF Loan increase beginning FY 2020/21 is due to the addition of principal and interest payments for the Wineville Area, San Sevaine, Napa Lateral, and other projected future SRF loans.

Another key funding source for the construction of the RRWDS has been inter-fund loans. Inter-fund loans are used as needed to support capital and operating costs not recovered through the recycled water rates. The use of the inter-fund loans has helped to mitigate upward pressure on recycled direct and recharge water rates. In FY 2018/19 the first repayment to the Non-Reclaimable Wastewater fund towards an outstanding \$15.0 million inter-fund loan was made. Table 5-35 below summarizes the future repayment schedule for Recycled Water fund outstanding inter-fund loans.

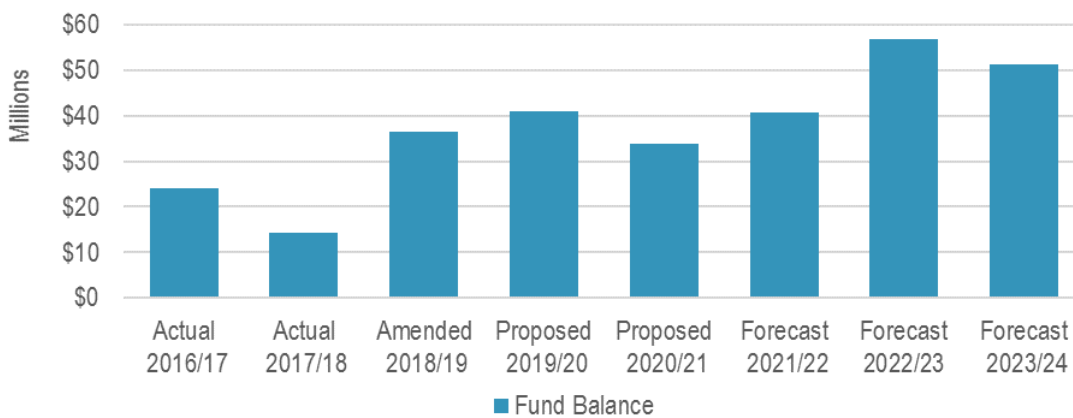
TABLE 5-35: RECYCLED WATER FUND REPAYMENT OF INTER-FUND LOANS (\$MILLIONS)

Inter Fund Loan Issued	Due to	Loan Amount	Repayment Schedule
FY 2007/08	Non-Reclaimable Wastewater Fund	\$9.0	2018/19 \$3.0 2019/20 \$3.0 2020/21 \$3.0
FY 2007/08	Regional Wastewater Capital Improvement Fund	3.0	2022/23 \$1.0 2023/24 \$1.0 2024/25 \$1.0
FY 2009/10	Non-Reclaimable Wastewater Fund	6.0	2021/22 \$3.0 2022/23 \$3.0
FY 2014/15	Regional Wastewater Capital Improvement Fund	10.5	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5
Total		\$28.5	

FUND BALANCE

The Recycled Water fund FY 2019/20 ending fund balance is estimated to be \$41.0 million and projected to decrease to \$34.0 million at the end of FY 2020/21 mainly due to planned capital expenditures. In the three years following the biennial budget, the fund balance is projected to increase primarily due to anticipated proceeds from SRF loans, grants, and capital contract reimbursements. Figure 5-18 shows historical and projected ending fund reserves.

FIGURE 5-18: TREND OF RECYCLED WATER FUND ENDING FUND RESERVE (\$MILLIONS)



FY 2021/22 – FY 2023/24 FORECAST

For the three years following the biennial budget, minimum reserves are expected to be maintained. Capital improvement and expansion of the RRWDS will continue to be supported by water connection fees and the use of SRF loans, grants and capital contract reimbursements. Steady recycled water sales are expected to support repayment of inter-fund loans due to the Non-Reclaimable and Regional Wastewater systems with final payment projected in FY 2024/25.



RECYCLED WATER PROGRAM

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

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/23	2023/24
	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES							
Interest Revenue	\$371	\$577	\$983	\$949	\$945	\$1,230	\$1,360
Water Sales	16,878	15,890	18,120	18,752	19,408	20,445	21,037
TOTAL REVENUES	\$17,343	\$16,467	\$19,103	\$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
Connection Fees	7,889	6,416	7,915	8,032	8,025	8,019	8,011
State Loans	3,418	7,909	8,153	5,220	7,240	22,469	23,100
Grants	2,164	6,710	7,032	3,750	1,875	3,500	6,250
Capital Contract Reimbursement	202	72	2,075	702	6,824	7,220	3,473
Other Revenues	12	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$15,855	\$ 23,277	\$ 27,345	\$ 19,875	\$ 26,134	\$ 43,378	\$ 43,004
EXPENSES							
Employment Expenses	\$4,084	\$4,248	\$5,184	\$5,370	\$5,701	\$5,940	\$6,168
Contract Work/Special Projects	1,019	1,982	1,780	1,365	1,063	995	975
Utilities	1,833	2,028	2,801	2,885	2,971	3,061	3,152
Operating Fees	3	10	10	10	11	11	11
Chemicals	0	0	0	0	0	0	0
Professional Fees and Services	481	884	666	632	669	741	729
Office and Administrative expenses	2	3	3	3	3	3	3
Materials & Supplies	154	203	169	174	185	199	216
Other Expenses	728	934	1,132	1,122	1,146	1,170	1,197
TOTAL EXPENSES	\$8,304	\$10,293	\$11,743	\$11,562	\$11,750	\$12,121	\$12,452
CAPITAL PROGRAM							
Work In Progress	\$7,439	\$16,237	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
TOTAL CAPITAL PROGRAM	\$7,439	\$16,237	\$18,727	\$23,800	\$16,300	\$23,305	\$44,000
DEBT SERVICE							
Financial Expenses	\$1	\$3	\$3	\$3	\$4	\$3	\$3
Interest	2,715	2,657	2,657	2,881	2,846	2,877	2,577
Principal	5,159	5,256	5,367	6,232	6,625	7,083	7,381
Short Term Inter-Fund Loan	0	3,000	3,000	3,000	3,000	5,000	6,000
TOTAL DEBT SERVICE	\$7,875	\$10,916	\$11,027	\$12,116	\$12,475	\$14,963	\$15,961
TRANSFERS IN (OUT)							
Capital Contribution	(\$80)	(\$1,052)	(\$88)	(\$21)	(\$13)	(\$21)	(\$134)
Debt Service	2,397	2,400	2,400	2,542	2,540	2,541	2,669
Operation support	(464)	(709)	(836)	(755)	(759)	(817)	(835)
Water Connection Allocation	(390)	(1,652)	(2,021)	(950)	(855)	(297)	(316)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,463	(\$1,014)	(\$545)	\$816	\$914	\$1,406	\$1,384
FUND BALANCE							
Net Income (Loss)	\$11,043	\$1,284	\$4,405	(\$7,086)	\$6,875	\$16,071	(\$5,629)
Beginning Fund Balance July 01	24,092	35,135	36,651	41,056	33,970	40,845	56,916
ENDING BALANCE AT JUNE 30	\$35,135	\$36,419	\$41,056	\$33,970	\$40,845	\$56,916	\$51,287
RESERVE BALANCE SUMMARY							
Operating Contingency	\$2,768	\$3,431	\$3,914	\$3,854	\$3,917	\$4,040	\$4,151
Capital Construction	12,831	12,702	15,511	4,664	8,456	23,284	16,947
Water Connection	9,548	12,259	12,516	14,478	16,509	17,130	17,462
Debt Service	9,988	8,027	9,116	9,475	9,963	9,961	9,726
ENDING BALANCE AT JUNE 30	\$35,135	\$36,419	\$41,056	\$33,970	\$40,845	\$56,916	\$51,287

* Numbers may not total due to rounding



WATER RESOURCES PROGRAM

PROGRAMMATIC OVERVIEW

Water demand within the Agency's service area has changed significantly over the years, shifting the majority of water use throughout the region from agricultural to urban (residential, commercial, industrial, and institutional). IEUA and its member agencies work collaboratively to develop, deliver, and preserve safe and reliable water supplies while employing technologies and activities that maintain and improve region-wide water use efficiencies.

Demand management and the efficient use of water remains a long-term priority in meeting water supply reliability that is unpredictable from year to year. Historically, drought is cyclical and produces lower than average precipitation, however, over the last ten years, the region has experienced extended periods of below average rainfall and rising temperatures. Water shortages are occurring more often due to a higher frequency of "dry year" weather events, a growing population and the disruption to imported water deliveries from the State Water Project (SWP) due to environmental regulations and operational restraints. As a result, IEUA has put in place imported water policies, practices, and programs that promote the development and full utilization of local water resources that include water use efficiency measures, recycled water production, groundwater recharge, and storm-water capture.

IEUA's water use efficiency programs are fundamental in managing region-wide demand and are a significant impact to sustaining regional water supplies. The total water consumption within the Agency's service area for FY 2017/18 was 203,391 acre-feet (AF). This is a ten percent increase (19,331 AF) from FY 2016/17. However, the region is still using approximately eleven percent less water than before the most recent drought in 2014. Imported water purchases have increased while local groundwater production has decreased in response to new trichloropropane (TCP) water quality standards.

IEUA anticipates a slight increase in water usage due to the persistent higher temperatures the region is experiencing. However, long-term demands are not expected to exceed the peak year of FY 2007/08. This analysis came from demand modeling conducted as part of IEUA's 2015 Integrated Water Resources Plan (IRP) and Urban Water Management Plan (UWMP) which found that new developments in the region tend to be more water efficient due to changes in the plumbing code, higher density developments with less landscaping, and compliance with the existing model landscape ordinance requirements set forth in Assembly Bill (AB)1881.

During the coming years, water use efficiency programs in the IEUA service area will continue to play a vital role in stretching existing water supplies and minimizing the economic impact from reduced imported water deliveries. IEUA works in partnership with its member agencies, Chino Basin Watermaster (CBWM), Chino Basin Water Conservation District (CBWCD), and other agencies to implement regional water use efficiency programs. The programs primarily focus on

activities that encourage the efficient use of outdoor water, promote public and school education, and provide incentives for high efficiency appliances and devices including weather-based irrigation controllers, and high efficiency sprinkler nozzles.

To effectively manage both imported and local water resources, IEUA works in close coordination with Metropolitan Water District of Southern California (MWD), CBWM, CBWCD, Santa Ana River Water Project Authority (SAWPA), San Bernardino County Flood Control (SBCFCD), and other agencies.

In FY 2018/19, major initiatives implemented in the Water Resources Program include:

- ◆ **IEUA Integrated Water Resources Plan** – Through a collaborative process, IEUA and the member agencies are preparing the 2020 Integrated Water Resources Plan (IRP). The 2020 IRP will include the development of an infrastructure model incorporating existing regional and local potable water demands, supplies, key infrastructure, and interconnections for the movement of water between agencies within the service area. Through modeling, the IRP will identify water supply vulnerabilities under a variety of current and future conditions, including loss of imported water, water supply allocation, multi-year drought, and water quality impairment. The IRP will utilize the results and evaluate potential projects to address vulnerabilities from a planning perspective, with the goal of enhancing water supply reliability and resiliency as a long-term regional implementation strategy.
- ◆ **IEUA Long-Term Water Use Efficiency Business Plan Update** – The Plan guides regional water use efficiency programs over the year by implementing core initiatives that will ensure a permanent reduction in water use to meet and exceed the goals and targets set forth under SBX 7 7 and the State’s new framework of “Making Water Conservation a California Way of Life”. Based on the updated Plan, the five-year water use reduction goal for IEUA’s service area is 16,095 AF by the year 2020 and 31,446 AF lifetime savings from new programmatic activities. An additional 3,150 AF is projected to be achieved through passive water conservation savings. In 2015, IEUA, in partnership with the members, regionally exceeded the requirements of SBX 7 7 by achieving more than a twenty percent reduction in per capita water use before 2020.
- ◆ **Water Use Efficiency Programs** – IEUA and its member agencies will continue to allocate funds to targeted programs, such as residential, commercial, industrial, institutional, and landscaping, and to seek grant funding whenever applicable in order to maintain programs identified in the Water Use Efficiency Business Plan. IEUA will continue to offer an expanded array of options to increase and sustain demand reductions, and to provide public awareness, education, and participation. Additional details about the water use efficiency program will be available in the IEUA FY 2018-2019 Regional Water Use Efficiency Annual Programs Report.



WATER RESOURCES PROGRAM

- ◆ **Chino Basin Program (CBP)** – As of May 16, 2019, IEUA in partnership with fourteen additional cities and agencies within the Chino Basin, have approved a collaborative Memorandum of Understanding (MOU) in support of the CBP. The CBP, which includes construction of an advanced water treatment facility and distribution system to treat and store up to 15,000 acre-feet per year of recycled water in the Chino Basin was conditionally awarded \$206.9 million from Proposition 1, a state water bond approved by voters in 2014 that provides funding for new and innovative water storage projects. In order to secure the final funding award, the CBP's technical feasibility studies, institutional agreements and environmental permitting must be completed by 2020. IEUA will continue to work closely with its partners to further define the project vision and develop the institutional agreements to achieve the CBP vision.

FUND DESCRIPTION

The Water Resources fund records fiscal activity associated with providing water resources and water use efficiency programs within the Agency's service area. These programs include management and distribution of imported water supplies, development and implementation of regional water use efficiency initiatives, water resource planning, and support for regional water supply programs including recycled water, groundwater recharge, and storm water management.

Within the Water Resources Program, the regional water use efficiency program receives dedicated funding, including a portion of the Meter Equivalent Unit (MEU) charge, property tax allocation, and program grants and reimbursements from the state, federal, and local agencies.

REVENUES AND OTHER FUNDING SOURCES

On June 15, 2016, changes in the imported water rate structure were adopted to more sustainably support the Water Resources program costs and provide for a more equitable recovery of these costs. Some of the significant changes included:

- ◆ Monthly meter equivalent unit (MEU) charges to support program costs based on meter size consistent with member water agencies structure.
- ◆ Seven-year phased implementation to obtain full recovery of the MWD Readiness-to-Serve (RTS) through direct charge to member agencies. The cost recovery will be based in the ten-year average imported water consumption by water agencies.

- Use of property taxes to support the RTS fees not recovered through direct charges during the seven-year implementation period.
- Allocation of property tax receipts to the Water Resources fund in excess of \$13.7 million from the Regional Wastewater Operations and Maintenance, Recycled Water and Administrative Services funds.

Total funding sources for the Water Resources fund are \$58.9 million and \$60.6 million for FYs 2019/20 and 2020/21, respectively. The FY 2019/20 revenues are comprised of \$44.7 million, or 76 percent of the budget for the pass-through sales of MWD potable imported water, \$4.9 million or eight percent of the budget for the estimated Meter Equivalent Unit (MEU), \$1.8 million from MWD RTS pass through recovery costs, \$4.6 million in property tax allocation to support the seven-year phased implementation of the RTS TYRA and regional water resources initiatives not supported by the adopted rates, \$1.9 million of inter-fund transfer of One Water Connection fees to support project costs, \$0.7 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.2 million of interest income.

The FY 2020/21 revenues are comprised of \$46.2 million, or 76 percent of the budget for the pass-through sales of MWD potable imported water, \$5.0 million or nine percent estimated from the Meter Equivalent Unit (MEU), \$2.4 million MWD RTS pass through recovery costs, \$5.2 million in property tax allocation to support program cost, \$1.0 million of inter-fund transfer of One Water Connection fees to support project costs, \$0.7 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.2 million of interest income. Table 5-36 provides a summary of Water Resources fund's revenues and other sources of funds, as well as budget assumptions.

TABLE 5-36: REVENUES & OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2019/20	2020/21	Key Assumptions
Imported Water Sales	\$44.7	\$46.2	Pass through sales of MWD potable imported water at 60,000 Acre Feet per Fiscal Year
Meter Equivalent Units (MEU)	4.9	5.0	Estimated 398,000 MEU per month in FY 2019/20
MWD RTS pass through recovery	1.8	2.4	Seven-year phased implementation of the MWD readiness-to-serve ten year rolling average direct charge to member agencies. MWD RTS recovery will be 60% for FY 2019/20 and 75% for FY 2020/21
Property Tax Allocation	4.6	5.2	Allocation of property tax receipts to support program costs



WATER RESOURCES PROGRAM

Sources of Funds	2019/20	2020/21	Key Assumptions
Grants/Reimbursements	0.7	0.7	Continue to leverage grants to support water use efficiency and sustainability projects.
Connection Fees	1.9	0.9	Transfer of water connections from the Recycled Water fund to support water use efficiency projects.
Other	0.3	0.2	Interest and other reimbursements.
Total	\$58.9	\$60.6	

Summarized below are the two adopted rates that best meet the key objectives of equity, cost/benefit nexus and revenue stability.

METER EQUIVALENT UNIT (MEU) RATE

The Meter Equivalent Unit (MEU) charges support the Water Resources fund program costs. These include the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses. The Agency adopted an extended phase-in period of a four (4) year rate for the MEU and shall be charged to the member agencies as follows:

TABLE 5-37: MULTI-YEAR ADOPTED METER EQUIVALENT UNIT RATE

	2016/17	2017/18	2018/19	2019/20	2020/21*
Effective Date	10/01/16	7/01/17	7/01/18	7/01/19	7/01/20
Meter Equivalent Units (MEU)	\$0.90	\$0.95	\$0.99	\$1.04	\$1.06

*FY 2020/21 fee may be subject to change based on the 2020 Rate Study

READINESS TO SERVE (RTS) RECOVERY RATE

MWD bills Readiness-to-Serve (RTS) based on water use over a ten-year rolling average. The Agency adopted this methodology as of October 2016 which shifted recovery of RTS pass through fees amongst the water member agencies.

To mitigate the fiscal impact of the changes in the water rate structure, the Board approved the member agencies request to phase-in the RTS recovery in alignment with the implementation of the recycled water surcharge for use over entitlement. Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged to the water member agencies to recover their share of total RTS charge imposed by MWD, and will be phased-in over a period of seven (7) years as follows:

TABLE 5-38: RTS COST RECOVERY CHARGE

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2021/21
Effective Date	10/01/16	7/01/17	7/01/18	7/01/19	7/01/20	7/01/21	7/01/22
RTS Recovery	15%	30%	45%	60%	75%	90%	100%

EXPENSES AND OTHER USES OF FUNDS

Total expenditures in FYs 2019/20 and 2020/21 are projected to be \$62.4 and \$59.4 million, respectively. As summarized on Table 5-37, major expenses for the Water Resources fund are comprised of pass-through purchases of imported water, regional water use efficiency and sustainability projects, and program costs.

The FY 2019/20 expenses include \$44.7 million or 72 percent of budget for purchases of imported water, \$3.1 million or five percent for MWD readiness-to-serve pass through costs; \$11.0 million or eighteen percent of budget for projects; \$3.6 million or six percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.

The FY 2020/21 expenses include \$46.2 million or 78 percent of budget for purchases of imported water, \$3.2 million or five percent for MWD readiness-to-serve pass through costs; \$6.3 million or eleven percent of budget for projects; \$3.7 million or six percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.



WATER RESOURCES PROGRAM

TABLE 5-39: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2019/20	2020/21	Key Assumptions
Imported Water Purchases	\$44.7	\$46.2	Pass-through purchases of MWD imported water.
Operating Expense	3.6	3.7	Includes labor, professional fees and services, materials and supplies.
Special and Capital Projects	11.0	6.3	See Table 5-32 for summary of major projects.
MWD Readiness to Serve	3.1	3.2	MWD Readiness to Serve obligation (pass through costs)
Total	\$62.4	\$59.4	

Total imported water deliveries projected at 60,000 acre-feet per year are budgeted in FYs 2019/20 and 2020/21. IEUA does not anticipate any replenishment water purchases in the next two years.

A total of \$42.5 million in project costs are proposed over the next ten years. Projects in the Water Resources fund are primarily driven by Chino Basin Program (CBP), Local Supply Resiliency projects, and Water Use Efficiency programs account for 84 percent of the total project budget. Other projects are the water planning documents, water bank projects and turf removal rebate incentives.

Total projects of \$11.0 million are projected in FY 2019/20 and \$6.3 million in FY 2020/21 as summarized in Table 5-38.

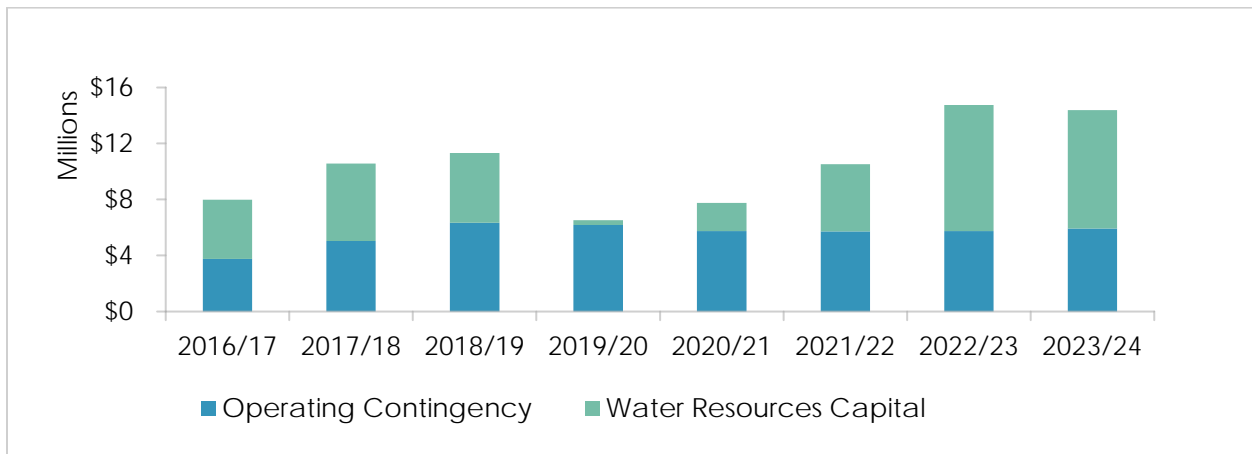
TABLE 5-40: MAJOR PROJECTS (\$ MILLIONS)

PROJECT	2019/20	2020/21
Chino Basin Program Planning	\$6.6	\$2.6
Local Supply Resilience Projects	1.7	2.6
Water Bank	0.6	0.6
Water Resources Planning Documents	0.5	0.3
Water Use Efficiency and Reliability Programs	0.3	0.1
All other projects	1.2	0.1
Total Projects	\$11.0	\$6.3

FUND BALANCE

The estimated fund balances for FYs 2019/20 and 2020/21 are projected to be \$6.5 million and \$7.7 million, respectively. As shown in Figure 5-19, the fund balance is projected to increase over the ensuing two fiscal years. A primary driver is the increase in property tax available after the phase-in of the RTS recovery.

FIGURE 5-19: TREND OF WATER RESOURCES PROGRAM FUND BALANCE (\$MILLIONS)



FY 2021/22 – 2022/23 Forecast

The fund balance is projected to increase in FY 2021/22 due to increase in property tax available after full recovery of RTS pass through cost and lower project expenditures.

Overall, IEUA's service area has a well-developed water resource portfolio and is prepared to handle water demands in times of shortage or surplus. As demands begin to level out over the next few years and growth begins to come back to the region, the regional investments in recycled water, desalinated water, recharge capability, water use efficiency programs, and purchase of supplemental water supplies whenever available are expected to provide more than enough supply to meet demands.



WATER RESOURCES PROGRAM

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	Amended Budget	Adopted Budget	Adopted Budget	Forecast		
REVENUES								
User Charges	\$4,775	\$5,344	\$6,171	\$6,757	\$7,397	\$8,042	\$8,545	\$8,732
Contract Cost reimbursement	60	380	400	683	734	734	434	434
Interest Revenue	53	100	110	202	166	207	285	324
Water Sales	29,908	45,999	42,996	44,724	46,236	47,796	49,464	51,024
Gas Sales	0	0	0	0	0	0	0	0
TOTAL REVENUES	\$34,796	\$51,823	\$49,677	\$52,366	\$54,533	\$56,779	\$58,728	\$60,513
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$2,295	\$3,254	\$3,070	\$4,637	\$5,186	\$5,753	\$6,336	\$6,736
Grants	150	206	2,060	0	10	10	10	10
Other Revenues	9	34	-	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$2,454	\$3,495	\$5,129	\$4,637	\$5,196	\$5,763	\$6,346	\$6,746
EXPENSES								
Employment Expenses	\$2,074	\$1,780	\$2,461	\$2,868	\$2,971	\$3,154	\$3,286	\$3,412
Contract Work/Special Projects	1,422	1,814	5,640	4,498	2,751	2,109	1,313	1,313
Operating Fees	3,219	3,037	2,993	3,105	3,198	3,263	3,328	3,396
Professional Fees and Services	269	176	292	272	276	281	286	291
Office and Administrative expenses	8	3	60	64	64	64	64	64
MWD Water Purchases	29,908	46,001	42,996	44,724	46,236	47,796	49,464	51,024
Other Expenses	119	246	243	343	341	347	352	358
TOTAL EXPENSES	\$37,020	\$53,058	\$54,686	\$55,872	\$55,837	\$57,013	\$58,093	\$59,857
CAPITAL PROGRAM								
Capital Construction & Expansion (WIP)	\$0	\$0	\$0	\$6,550	\$3,575	\$3,575	\$3,000	\$8,000
TOTAL CAPITAL PROGRAM	\$0	\$0	\$0	\$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	\$747	(\$3,472)	\$1,235	\$2,779	\$4,217	(\$361)
Beginning Fund Balance July 01	7,698	7,987	10,568	9,985	6,513	7,748	10,527	14,744
ENDING FUND BALANCE AT JUNE 30	\$7,987	\$10,568	\$11,314	\$6,513	\$7,748	\$10,527	\$14,744	\$14,382
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	\$3,770	\$5,047	\$6,348	\$6,180	\$5,742	\$5,723	\$5,744	\$5,920
Water Resources Capital	4,217	5,521	4,966	332	2,006	4,804	8,999	8,462
ENDING BALANCE AT JUNE 30	\$7,987	\$10,568	\$11,314	\$6,513	\$7,748	\$10,527	\$14,744	\$14,382

* Numbers may not total due to rounding



CAPITAL IMPROVEMENT PROGRAM

Each year, the Agency develops a Capital Improvement Program (CIP) based on projected or anticipated growth and regulatory requirements, planning documents, existing asset management needs, and recommendations from the Regional Technical and Policy Committees. Pursuant to the Regional Contract, the CIP 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.

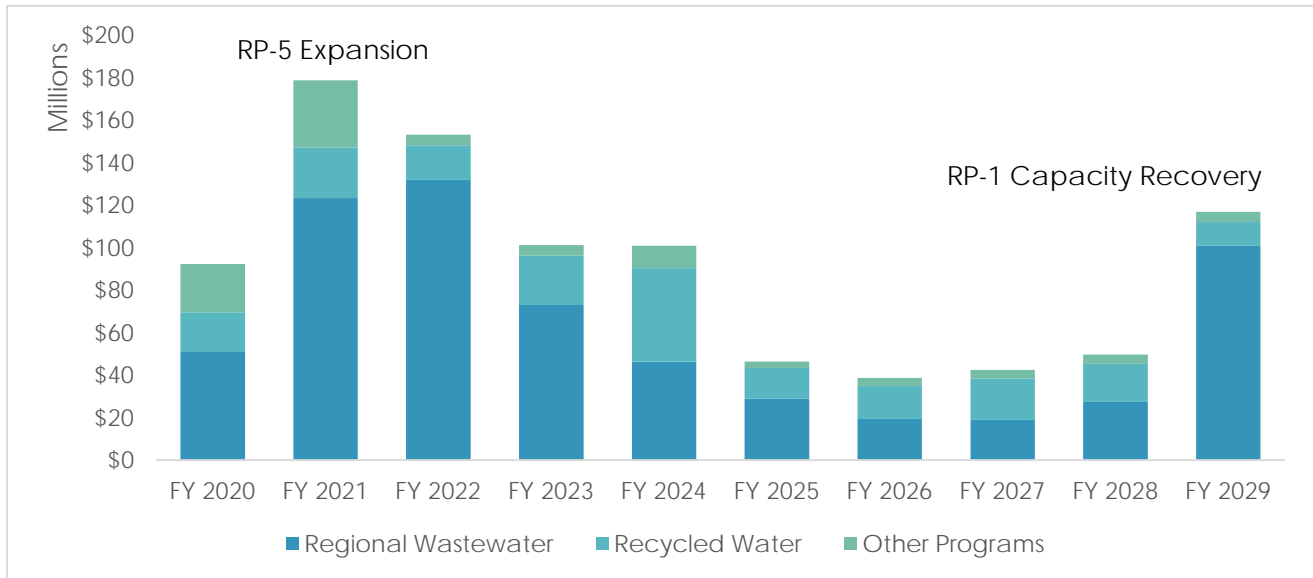
Pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies provide a ten-year forecast of expected growth in their area. The member agencies forecast, presented to the Board of Directors on October 2018, estimated over 52,000 new connections over the next ten years. Approximately 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.

The rehabilitation, replacement, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed Fiscal Year (FY) 2019/20 CIP. 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 2019/20 – FY 2028/29 TYCIP of \$920.6 million includes execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements which remains the primary focus of the CIP, as well as expansion of existing facilities and infrastructure to meet future growth forecasted by member agencies and identified in long-term planning documents. Major projects include the RP-5 Expansion project to expand and improve the Agency's regional wastewater system to meet projected growth, and recycled water interties designed to provide a new source of recycled water supply to the Chino Basin. The CIP is funded by a combination of pay-go, low interest state and federal loans, grants, and contributions. Also included is the RP-1 Capacity Recovery project slated to begin construction in FY 2028/29. Beyond the 10-year horizon, the Agency is already looking at projects to expand RP-4 facilities and to comply with the RP-2 decommission.

FIGURE 6-1: FY 2019/20 – FY 2028/29 CAPITAL IMPROVEMENT PROGRAM
\$920.6 MILLION



The Capital Improvement Program for FY 2019/20 is \$92.3 million and the FY 2020/21 budget at \$178.8 million represents an increase of \$86.5 million primarily due to RP-5 Expansion project. Capital projects allocated to the Regional Wastewater program accounted for 55 percent in FY 2019/20, 20 percent to the Recycled Water program, with the remaining 25 percent distributed among the other funds. Table 6-1 shows the FYs 2019/20 and 2020/21 CIP by fund.

TABLE 6-1: FYS 2019/20 AND 2020/21 CAPITAL IMPROVEMENT PROGRAM BY FUND
(\$MILLIONS)

Fund	FY 2019/20	Percentage of Total Budget	FY 2020/21	Percentage of Total Budget
Wastewater Operations	\$26.0	28%	\$21.0	12%
Wastewater Capital	24.8	27%	102.2	57%
Recycled Water	18.7	20%	23.8	13%
Water Resources	6.6	7%	3.6	2%
Administrative Services	2.3	3%	1.2	1%
Recharge Water	5.0	5%	13.2	7%
Non-Reclaimable Wastewater	8.9	10%	13.8	8%
Total	\$92.3	100%	\$178.8	100%



CAPITAL IMPROVEMENT PROGRAM

Capital projects can vary significantly from year to year based on the size and scope of capital needs in the coming years.

Other considerations that can have an impact on future revisions of the CIP include the ongoing Asset Management Plan, the evaluation of Carbon Canyon Wastewater Recycling Facility, unexpected corrective repair and replacements, and the possible implementation of the Chino Basin Program.

Regional Wastewater Capital Improvement fund Wastewater Capital projects are primarily supported by wastewater connection fees, new debt, and property taxes. Regional Wastewater Operations and Maintenance (Wastewater Operations) fund projects are primarily funded by user charges (monthly sewer rate) and property taxes.

In addition to expansion projects, a key component of the adopted CIP across the Agency's funds are critical replacement and rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements. As reported in Tables 6-2 and 6-3, new equipment and R&R projects account for \$12.5 million of the total \$92.3 million CIP budget in FY 2019/20 and \$16.5 million of the \$178.8 million CIP budget in FY 2020/21.

TABLE 6-2: FY 2019/20 CAPITAL IMPROVEMENT PROGRAM BY PROJECT TYPE (\$MILLIONS)

Fund	Construction (CC)	Equipment (EQ)	R&R	FY 2019/20 CIP Total
Wastewater Operations	\$20.9	\$1.7	\$3.4	\$26.0
Wastewater Capital	24.2	0.1	0.5	24.8
Recycled Water	18.7			18.7
Water Resources	6.6			6.6
Administrative Services	0.7	1.1	0.5	2.3
Recharge Water	5.0			5.0
Non-Reclaimable Wastewater	3.7		5.2	8.9
Total	\$79.8	\$2.9	\$9.6	\$92.3

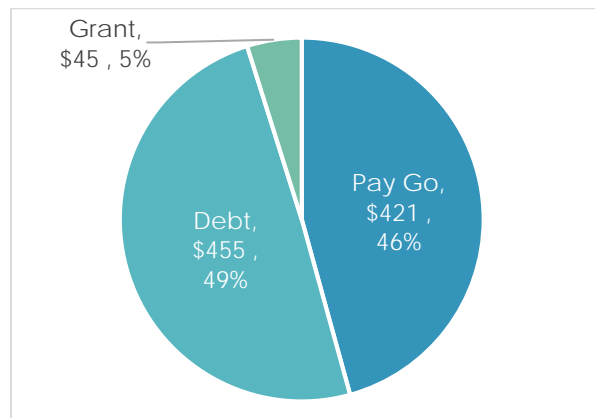
TABLE 6-3: FY 2020/21 CAPITAL IMPROVEMENT PROGRAM BY PROJECT TYPE (\$MILLIONS)

Fund	Construction (CC)	Equipment (EQ)	R&R	FY 2020/21 CIP Total
Wastewater Operations	\$19.8	\$0.6	\$0.6	\$21.0
Wastewater Capital	101.6	0.1	0.5	102.2
Recycled Water	23.8			23.8
Water Resources	3.6			3.6
Administrative Services	0.2	0.7	0.3	1.2
Recharge Water	13.2			13.2
Non-Reclaimable Wastewater	0.1		13.7	13.8
Total	\$162.3	\$1.4	\$15.1	\$178.8

The Capital Improvement Program allocates existing funds and anticipated revenues to both new and continuing projects. The allocation of funds is based upon an analysis of available funding sources, as well as a review of project needs and priorities. The Capital Improvement Program is funded 46 percent on a pay-go basis, 49 percent by debt including State Revolving Fund (SRF) loans and bond proceeds, and the remaining 5 percent by grants, contributions from member agencies and joint power authorities (JPAs), as shown in Figure 6-2.

FIGURE 6-2: FY 2019/20 – FY 2028/29

Ten-Year Capital Improvement Program Funding Sources \$920.6 Million





CAPITAL IMPROVEMENT PROGRAM

The breakdown of the CIP funding sources for FY 2019/20 and FY 2020/21 are shown in Figure 6-3. SRF loans and grants are leveraged as an important funding source of the Agency's CIP in combination with pay-go (includes contributions from outside parties), comprised of connection fees, user charges, and property taxes.

FIGURE 6-3: CAPITAL IMPROVEMENT PROGRAM FUNDING SOURCES

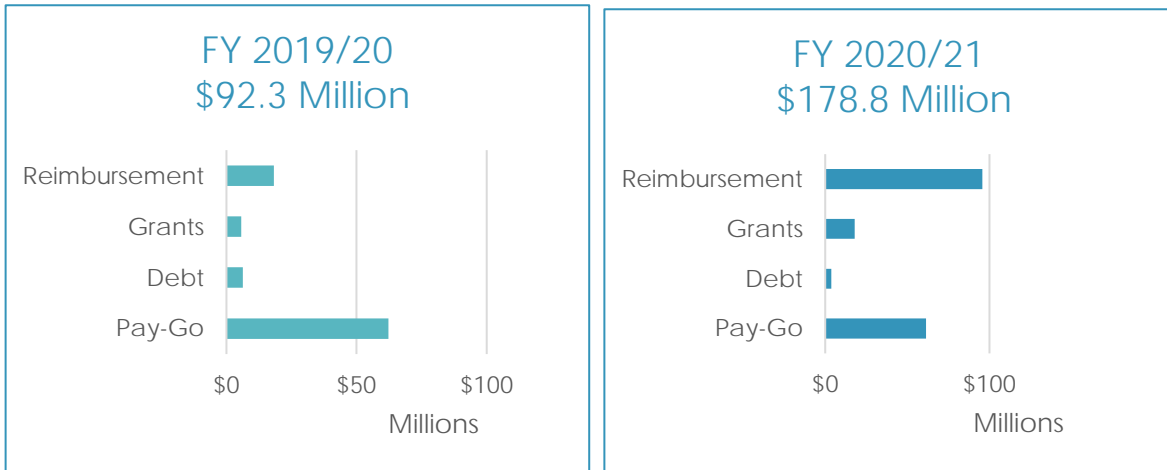


Table 6-4 shows summary of the CIP budget by Agency fund.

**TABLE 6-4: FY 2019/20 – FY 2028/29 CIP
FUNDING SOURCE AND SUMMARY OF PROJECT TYPES BY FUND (\$THOUSANDS)**

Contributions		2019/20	2020/21	2021/22	2022/23	2023/24	Total TYCIP
Pay-Go		\$75,954	\$71,880	\$35,591	\$33,983	\$41,973	\$458,084
Debt		18,211	95,586	116,164	71,190	59,925	455,066
Grants		7,402	4,990	2,577	3,083	6,823	47,379
Contributions		6,057	18,386	6,422	391	516	35,629
Total Project Funding		\$107,625	\$190,842	\$160,754	\$108,647	\$109,237	\$996,157

Fund Program	Proj. Type ⁽¹⁾	2019/20	2020/21	2021/22	2022/23	2023/24	Total TYCIP
Regional Wastewater Operations & Maintenance	CC	20,860	19,765	5,470	5,500	8,950	90,795
	EQ	1,678	682	656	675	696	8,190
	RP	3,450	600	600	600	600	8,850
	OM	5,800	6,425	4,015	3,940	5,215	37,944
Wastewater Operations Total		\$31,788	\$27,472	\$10,741	\$10,715	\$15,461	\$145,779
Regional Wastewater Capital	CC	\$24,172	\$101,605	\$118,300	\$63,300	\$35,300	\$498,827
	EQ	152	138				290
	RP	500	500	6,819	2,910	754	13,983
	OM	125					125
Wastewater Capital Total		\$24,949	\$102,243	\$125,119	\$66,210	\$36,054	\$513,225
Recycled Water	CC	\$18,717	\$23,800	\$15,300	\$19,305	\$44,000	\$199,382
	EQ	10					10
	RP			1,000	4,000		5,000
	OM	1,780	1,365	1,063	995	975	11,843
Recycled Water Total		\$20,507	\$25,165	\$17,363	\$24,300	\$44,975	\$216,235
Water Resources	CC	\$6,550	\$3,575	\$3,575	\$3,000	\$8,000	\$24,700
	RE	600	600				1,200
	OM	3,898	2,151	2,109	1,313	1,313	16,598
Water Resources Total		\$11,048	\$6,326	\$5,684	\$4,313	\$9,313	\$42,498
Recharge Water	CC	\$5,000	\$13,154	\$290	\$500	\$750	\$26,494
	EQ		30				30
	OM	138	-				138
Recharge Water Total		\$5,138	\$13,184	\$290	\$500	\$750	\$26,662
Administrative Services	CC	\$665	\$250	\$150	\$300	\$600	\$7,965
	EQ	1,135	650	100	100	100	2,085
	RP	510	300	309	318	328	3,518
	OM	2,335	1,403	299	1,090	757	6,191
Administrative Services Total		\$4,645	\$2,603	\$858	\$1,808	\$1,784	\$19,758
Non-Reclaimable	CC	\$3,750	\$50	\$400	\$500	\$600	\$9,800
	RP	5,200	13,700	200	200	200	20,700
	OM	600	100	100	100	100	1,500
Non-Reclaimable Total		\$9,550	\$13,850	\$700	\$800	\$900	\$32,000
Grand Total		\$107,624	\$190,842	\$160,755	\$108,647	\$109,237	\$996,157

⁽¹⁾ *Type: CC-Capital Construction; EQ - Equipment; RP - Replacement;
RE - Reimbursable; OM - Operations and Maintenance



CAPITAL PROJECT HIGHLIGHTS

Included in the Capital Improvement Program (CIP) are twenty-two non-routine capital projects with annual project budgets over \$2 million in FY 2019/20 and/or FY 2020/21. The majority of these significant non-routine capital projects are included in the Recycled Water and Regional Wastewater Programs.

These twenty-two projects account for \$244.7 million of the \$271.1 million budgeted in the CIP for FY 2019/20 and FY 2020/21. Many of these significant non-routine capital projects will have an impact not only on the capital budget with their annual appropriations and total project budgets, but on the Agency's operating budget as well after the project has been completed. The impact on the operating budget can often be classified as an increase in utility or maintenance costs related to capital additions. They can also be offset by an increase in revenues related to increased capacity or cost savings in comparison to current operating procedures. The operating impact that each of these significant projects will incur after completion are described in Table 6-5 below. The table also includes pertinent information for each project including project type, priority, timeline, and funding source. In the following pages of the document, projects budgeted for FY 2019/20 and FY 2020/21 are listed and description of each project is provided by program fund.

TABLE 6-5: HIGHLIGHTS AND OPERATING IMPACTS OF SIGNIFICANT NON-ROUTINE PROJECTS (\$THOUSANDS)

Project Number Project Name	Project Type* Priority Timeline	Capital Budget		Total Project Budget	Funding Source	Operating Budget Impact	
		FY 2019/20	FY 2020/21			Annual Cost	Type of Impact
Recharge Water Fund							
RW15003 Recharge Master Plan Update Projects	CC; High; July 2014: June 2025	\$5,000	\$9,750	\$17,897	SRF loan; Contributions	\$0	No significant operating impact
RW15004 Lower Day Basin RMPU Improvements	CC; High; July 2014: Oct 2021	-	3,404	4,008	SRF loan; Contributions	35	Increase maintenance costs for basins and miscellaneous items.
Total Recharge Water		\$5,000	\$13,154	\$21,905		\$35	
Non-Reclaimable Wastewater Fund							
EN23002 Philadelphia Lift Station Force Main Improvement	CC; High; Feb 2018: June 2025	\$5,000	\$13,500	\$18,599	Pay-go	\$15	Increased maintenance costs due to new clean out vaults to be used for inspection and cleaning.
EN19027 NRW Pipeline Relining Along Cucamonga Creek	CC; High; July 2018: June 2020	2,150	-	2,395	Pay-go	-	The pipeline lining will not require additional O&M manhours or budget other than what is already budgeted on routine line cleaning.
Total Non-Reclaimable Wastewater Fund		\$7,150	\$13,500	\$20,994		\$15	
Recycled Water Fund							
EN14042 RP-1 1158 Recycled Water Program Strategy (RWPS) Upgrades	CC; Critical; Feb 2015: June 2020	\$4,671	\$0	\$7,900	Pay-go; SRF loan	\$327	Increase utility costs due to increased flow.
EN16060 RW Connections to the City of Pomona	CC; High July 2015 : June 2025	2,000	3,000	80,000	SRF loan; Grants; Pay-go	0	No significant operating impact
EN16065 Recycled Water Connections to JCSD	CC; High July 2015: June 2026	1,000	18,500	31,300	SRF loan; Grants; Contributions	540	Projected maintenance costs.
EN17049 Baseline Recycled Water Pipeline Extension	CC; High; Sept 2016: June 2020	5,730	0	6,250	Pay-go; SRF loan; Grants	5	Increase maintenance costs for extended pipeline.
Total Recycled Water		\$13,401	\$21,500	\$125,450		\$872	

* CC: Capital Construction; EQ: Capital Equipment; RP: Capital Replacement

Project Number Project Name	Project Type* Priority Timeline	Capital Budget		Total Project Budget	Funding Source	Operating Budget Impact	
		FY 2019/20	FY 2020/21			Annual Cost	Type of Impact
PL19005 Chino Basin Project	CC: Very High June 2018 : Dec 2021	3,000	6,850	16,500	Pay-go; SRF loan; Grants; Contributions	\$0	Increase utility, chemical, equipment and maintenance costs to provide treatment, pumping and pipeline distribution
Total Water Fund		\$3,000	\$6,850	\$16,500		\$0	
Regional Wastewater Capital Improvement Fund							
EN17006 CCWRF Assets Management and Improvements	CC; Medium; Jan 2016: June 2022	\$4,000	\$7,500	\$27,268	Pay-go	\$0	No significant operating impact.
EN18006 RP-1 Flare Improvements	CC; Medium; July 2016: June 2020	5,000	0	5,564	Pay-go	150	Increase utility, operation and maintenance costs for the new three flares and associated equipment such as combustion air and gas blowers.
EN18036 CCWRF Assets Management and Improvements Package III	CC; Medium July 2017: Dec. 2020	2,087	15	2,420	Pay-go	0	No significant operating impact.
EN19001 RP-5 Liquids Expansion	CC; Critical; Mar 2017: June 2023	3,000	25,000	175,000	Pay-go; New debt	3,892	Increase utility, chemical, equipment, and maintenance costs to provide additional treatment capacity.
EN19006 RP-5 Solids Treatment Facility	CC; Critical; Mar 2017: June 2023	8,000	65,000	165,000	Pay-go; New debt	1,358	Increase utility, chemical, equipment, and maintenance costs due to expansion of treatment facility.
EN19025 Montclair & San Bernardino Force Main	CC; High July 2018: June 2021	1,050	3,000	4,103	Pay-go	15	Increased maintenance costs due to new clean out vaults to be used for inspection and cleaning.
Total Regional Wastewater Capital Improvement		\$23,137	\$100,515	\$379,355		\$5,415	
Regional Wastewater Operations & Maintenance Fund							
EN13016 SCADA Enterprise System	CC; Critical; Sept 2012: June 2022	\$2,000	\$3,500	\$19,303	Pay-go; SRF loan	\$0	No significant operating impact.
EN15012 RP-1 Primary Effluent Conveyance Improvement	CC; High; June 2015: Aug 2019	2,660	0	6,693	Pay-go	0	This project will not increase O&M costs for the Agency because it is a replacement/rehabilitation of an existing asset.
EN17042 Digester 6 and 7 Roof Repairs	CC; High; Aug 2016: June 2020	1,500	2,800	5,856	Pay-go	0	No significant operating impact.
EN17043 RP4 Primary Clarifier Rehab	CC; Critical; Sept 2016: June 2020	1,150	5,200	7,681	Pay-go	0	No significant operating impact.
EN17082 RP-1 Mechanical Restoration and Upgrades	CC; High; Apr 2017: Apr 2020	8,855	1,000	10,389	Pay-go	0	This project will not increase O&M costs for the Agency because it is a replacement/rehabilitation of an existing asset.
EN19010 RP-4 Influent Screen Replacement	CC; High; July 2018: Feb. 2020	2,850	0	3,040	Pay-go	22	Labor, utilities and inspection.
EN20056 RSS Haven Avenue Repair & Replace from Airport to Mission	CC; High; 2019:2023	2,000	4,000	6,000	Pay-go; Contribution	0	This project will not increase O&M costs for the Agency because it is a replacement/rehabilitation of an existing asset.
Total Regional Wastewater Operations & Maintenance		\$21,015	\$16,500	\$58,962		\$22	
Grand Total		\$72,703	\$172,019	\$623,166		\$6,359	

* CC: Capital Construction; EQ: Capital Equipment; RP: Capital Replacement

CAPITAL PROJECT HIGHLIGHTS

Two significant capital projects that will be completed within FY 2019/20 – FY 2028/29 CIP are RP-5 Liquids Expansion (EN19001) and RP-5 Solids Treatment Facility (EN19006). These Regional Wastewater Capital Improvement projects involve the expansion of Regional Water Reclamation Plant No. 5 (RP-5) for the treatment of both solids and liquids. Figure 6-4 below shows the site of the projects at the RP-5 facility.

FIGURE 6-4: EN19001 AND EN19006 PROJECT LOCATIONS



Currently, RP-5 has liquid treatment capacity of 15 million gallons per day (MGD). To meet the future projected wastewater flow for the Agency's service area, the plant capacity needs to increase to 30 MGD. Project EN19001 will address that increase. RP-5 does not currently have any solids treatment capacity, however, solids treatment at RP-5 will soon be necessary. RP-2, another Agency facility, was deemed to be within the 100-year flood level by the U.S. Army Corps of Engineers, so the facility needs to be decommissioned by the year 2035. Solids treatment availability at RP-5 will make up for the loss of capacity at RP-2. This issue will be addressed through project EN19006.

The RP-5 Liquids Expansion and RP-5 Solids Treatment Facility projects will be completed concurrently, with design completion aimed for in FY 2019/20 and construction to start in FY 2020/21 and completed by FY 2024/25. Because each of these projects will create additional or new service capacity at the plant, they will have a significant impact on the operating budget after the additions are operational. The impact, caused by increased utility and maintenance costs of the new facilities, are noted in the project list in Table 6-5 above.



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS REGIONAL WASTEWATER OPERATIONS FUND

Table 6-6 shows the capital and O&M projects budgeted in the Regional Wastewater Operations and Maintenance fund, followed by Table 6-7 which provides a description of each of the projects to be executed in FY 2019/20 and FY 2020/21.

**TABLE 6-6: REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND
FY 2019/20 – FY 2028/29 PROJECTS (\$THOUSANDS)**

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
EN13016	SCADA Enterprise System	\$ 2,000	\$ 3,500	\$ 3,000	\$ -	\$ -	\$ 8,500	\$ 19,303
EN15008	Water Quality Laboratory	50	-	-	-	-	50	23,745
EN15012	RP-1 Primary Effluent Conveyance Improve	2,660	-	-	-	-	2,660	6,693
EN17042	Digester 6 and 7 Roof Repairs	1,500	2,800	-	-	-	4,300	5,856
EN17043	RP4 Primary Clarifier Rehab	1,150	5,200	780	-	-	7,130	7,390
EN17045	RP-1 Filter Valve Replacement	600	-	-	-	-	600	656
EN17082	RP-1 Mechanical Restoration and Upgrades	8,855	1,000	-	-	-	9,855	10,389
EN17110	RP-4 Process Improvements	-	-	-	1,950	1,050	6,150	20,962
EN18025	RP-1 Secondary System Rehabilitation	-	250	1,000	950	1,000	3,200	4,700
EN18042	RP-1 Civil Restoration and Upgrades	320	-	-	-	-	320	600
EN19009	RP-1 Energy Recovery	300	2,200	-	-	-	2,500	4,745
EN20037	Agency Wide Chemical Containment Coating Rehab and Rep	350	-	-	-	-	350	350
EN20041	RP-1 Tertiary Treatment FM-1 Bleach Mixing & Access	50	340	290	-	-	680	680
EN20042	RP-1 Headworks Sump Pump Redundancy	75	75	-	-	-	150	150
EN20044	RP-1 Plant 3 Primary Cover Replacement	-	-	-	200	400	600	600
EN20045	RP-1 TP-1 Level Sensor Replacement	-	-	-	200	-	200	200
EN20051	RP-1 MCB and Old Laboratory Building Rehabilitation	200	-	-	700	600	1,600	1,600
EN20056	RSS Haven Avenue Repair & Replace from Airport to Mission	2,000	4,000	-	-	-	6,000	6,000
EN20057	RP-4 Process Improvements Phase II	-	-	-	1,000	5,300	8,300	8,300
EN20058	RP-1 TP-1 Wash Water Basin Pumps Replacement	250	400	-	-	-	650	650
EN21002	Chino Creek Wetlands & Educational Park	500	-	-	-	-	500	1,858
EN22005	RO Asset Management	-	-	400	500	600	6,000	6,000
EN26021	Regional Conveyance AMP	-	-	-	-	-	500	500
PL26001	RP-1 Advanced Water Treatment Facility	-	-	-	-	-	20,000	80,000
Total Capital Construction		\$ 20,860	\$ 19,765	\$ 5,470	\$5,500	\$ 8,950	\$ 90,795	\$ 211,928
Capital Equipment								
EN20048	RP-4 1158 RW Wet Well Level Sensors	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ 65	\$ 65
EP20003	South Major Facilities Repair/Replacemen	618	-	-	-	-	618	618
EP20005	GapVax Replacement	750	-	-	-	-	750	750
EP21003	South Major Facilities Repair/Replacemen	-	637	656	675	696	6,467	6,467
IS20007	Control System Enterprise Historian Enhancement	65	45	-	-	-	110	110
IS20009	Control System Enhancement Projects	30	-	-	-	-	30	30
IS20010	Control System Replacement Projects	150	-	-	-	-	150	150
Total Capital Equipment		\$ 1,678	\$ 682	\$ 656	\$675	\$696	\$ 8,190	\$ 8,190
Capital Replacement								
EN19010	RP-4 Influent Screen Replacement	\$ 2,850	\$ -	\$ -	\$ -	\$ -	\$ 2,850	\$ 3,040
EP20002	North Major Facilities Repair/Replacemen	600	-	-	-	-	600	600
EP21002	North Major Facilities Repair/Replacemen	-	600	600	600	600	5,400	5,400
Total Capital Replacement		\$ 3,450	\$ 600	\$ 600	\$ 600	\$ 600	\$ 8,850	\$ 9,040
Total Capital Project Costs		\$ 25,988	\$ 21,047	\$ 6,726	\$ 6,775	\$ 10,246	\$ 107,835	\$ 229,158



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS REGIONAL WASTEWATER OPERATIONS FUND

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Operations & Maintenance (O&M)								
EN16021	TCE Plume Cleanup	\$ 1,000	\$ 1,135	\$ -	\$ -	\$ -	\$ 2,135	\$ 17,294
EN19023	Asset Management Planning Document	150	1,400	-	-	-	1,550	1,575
EN19024	Collection System Asset Management (Asse	250	1,250	1,000	-	-	2,500	2,511
EN20019	RO Emergency O&M Projects FY 19/20	500	500	500	500	500	5,000	5,000
EN20034	RO On Call/ Small Projects 19/20	500	-	-	-	-	500	500
EN20035	RO Safety Projects 19/20	500	-	-	-	-	500	500
EN20038	Agency Wide Pavement Management Study	150	-	75	-	75	300	300
EN20039	CCWRF Headworks Electrical Replacement	300	-	-	-	-	300	300
EN20043	RP-1 Pipe Gallery Staircase Evaluation	50	-	-	-	-	50	50
EN20054	Agency Wide Chemical Containment Costing Evaluation	50	-	-	-	-	50	50
EN21034	RO On Call/ Small Projects 20/21	-	500	500	500	500	4,500	4,500
EN21035	RO Safety Projects 20/21	-	500	500	500	500	4,500	4,500
EN26025	RP2-Preliminary Design Report for Decomm	-	-	600	1,100	1,500	3,200	12,200
IS21005	Upgrade Carbon Canyon to Plant PAX 4.5	-	75	-	-	-	75	75
IS21007	WW Cybersecurity Assessment	-	75	-	-	-	75	75
PA17006	Agency-Wide Aeration Panel Replacement	-	-	-	500	1,200	4,200	9,996
PA20002	Agency Wide Coatings	700	-	-	-	-	700	700
PA20003	Agency Wide Paving	640	-	-	-	-	640	640
PA21002	Agency Wide Coatings	-	50	50	50	150	1,749	1,749
PA21003	Agency Wide Paving	-	640	640	640	640	2,560	2,560
PL17001	RO Planning Documents	500	150	150	150	150	2,200	2,439
PL17004	Wastewater Flow and Loading Study	100	-	-	-	-	100	284
PL19002	Regional Contract Facilitation	410	150	-	-	-	560	925
Total Operations & Maintenance		\$ 5,800	\$ 6,425	\$ 4,015	\$ 3,940	\$ 5,215	\$ 37,944	\$ 68,724
Total O&M Project Costs		\$ 5,800	\$ 6,425	\$ 4,015	\$ 3,940	\$ 5,215	\$ 37,944	\$ 68,724
TOTAL REGIONAL WASTEWATER OPERATIONS and MAINTENANCE FUND - RO		\$ 31,788	\$ 27,472	\$ 10,741	\$ 10,715	\$ 15,461	\$ 145,779	\$ 297,881

**TABLE 6-7: REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE
FY 2019/20 AND FY 2020/21 PROJECT DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
EN13016	SCADA Enterprise System	Procurement, installation, and programming of new hardware and software for the Supervisory Control and Data Acquisition (SCADA) system.
EN15008	New Water Quality Laboratory	Anticipated minor closing cost associated with the completion of the water quality Locallaboratory at headquarters.
EN15012	RP-1 East Primary Effluent Pipe Rehabilitation	Rehabilitation of the east primary effluent piping between the rectangular primary clarifiers and the intermediate pump station wet well at RP-1.
EN17042	RP-1 Digester 6 and 7 Roof Repairs	Repair of cracks to the roof of digesters 6 and 7 to stop and prevent leaking.
EN17043	RP-4 Primary Clarifier Rehab	Repairs to items of significant deterioration as identified during condition assessments for primary infrastructure and primary clarifiers.
EN17045	RP-1 Filter Valve Replacement	Replacement of leaking backwash valves that reduce process efficiencies and overload the secondary system.
EN17082	RP-1 Mechanical Restoration and Upgrades	Repair and replacement of mechanical equipment as needed to assist in the maintenance of the digestion system and limit the amount of clogging material in the digesters and associated piping.
EN18025	RP-1 Secondary System Rehabilitation	Replace secondary system clarifiers, concrete and metal components, and PVC piping related to RP-1.
EN18042	RP-1 Civil Restoration and Upgrades	Replacement of several RP-1 assets and modification of existing assets to provide better maintainability within several of the plant's underground systems.
EN19009	RP-1 Energy Recovery	Installation of energy recovery system for RP-1 which can use digester gas as a possible power source.

Project Number	Name	Description
EN20037	Agency Wide Chemical Containment Coating Rehab and Repairs	Establish a process for the ongoing maintenance and monitoring of chemical containment issues.
EN20041	RP-1 Tertiary Treatment FM-1 Bleach Mixing & Access	Modifications to the Water Champ disinfecting system due to a lack of support from the manufacturer.
EN20042	RP-1 Headworks Sump Pump Redundancy	A more robust sump system to prevent the potential of flooding the RP-1 building.
EN20051	RP-1 Main Control Building and Old Laboratory Building Rehabilitation	The condition assessment conducted concluded that the building shows signs of aging and need a rehabilitation to prevent further deterioration.
EN20056	RSS Haven Avenue Repair & Replace from Airport to Mission	Replace sections of liner to the pipeline installed on the Haven RSS between Airport to Mission.
EN20058	RP-1 TP-1 Wash Water Basin Pumps Replacement	Replace deteriorated pumps with dry pit submersible pumps to return the filter reject water.
EN21002	Chino Creek Wetlands & Educational Park	Grant based project to facilitate the education program and increase community involvement.
Capital Equipment		
EN20048	RP-4 1158 Recycled Water (RW) Wet Well Level Sensors	Redesign RP-4 RW Wet Well to keep it from becoming submerged during power outage or maintenance.
EP20003	South Major Facilities Repair/Replacement FY19/20	Support for pre-identified maintenance projects to replace aging equipment.
EP20005	GapVax Replacement	Purchase of new GapVax Combo truck to replace a 2006 model which resulted in costly repairs and loss of production.
EP21003	South Major Facilities Repair/Replacement FY20/21	Support for pre-identified maintenance projects to replace aging equipment.
IS20007	Control System Enterprise Historian Enhancement	Predictive Insights (PI) system access, manual data collection by Operations staff, and Universal Font Library (UFL) connector to import Foxboro historical data.
IS20009	Control Systems Enhancement Projects	Replace Horizon View with Thin Manager for CCWRF.
IS20010	Control System Replacement Projects	Replace Operator Interface Terminals, replace and upgrade microwave tower AC units, and replace the San Bernardino Lift Station redundancy module.
Capital Replacement		
EN19010	RP-4 Influent Screen Replacement	Replacement of RP-4 influent screens to optimize the debris removal from facility structures.
EP20002	North Major Facilities Repair/Replacement FY19/20	Support for pre-identified maintenance projects to replace aging equipment.
EP21002	North Major Facilities Repair/Replacement FY20/21	Support for pre-identified maintenance projects to replace aging equipment.
Operations and Maintenance		
EN16021	South Archibald trichloroethylene (TCE) Plume	Funding of three new groundwater supply wells and approximately 30,000 feet of raw water pipeline to strengthen the Chino Basin Desalter Authority's groundwater supply infrastructure while also acting as a remedial solution to the South Archibald TCE plume.
EN19023	Asset Management Planning Document	Staffing and consultants necessary to forecast, budget, and implement the replacement of critical assets.
EN19024	Collection System Asset Management	Staffing and consultants necessary to forecast, budget, and implement the replacement of critical assets.
EN20019	Regional Wastewater Operations (RO) Emergency O&M Projects FY19/20	Operations and Maintenance emergency repairs to treatment facilities and collection system.



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS REGIONAL WASTEWATER OPERATIONS FUND

Project Number	Name	Description
EN20034	RO On Call/Small Projects FY19/20	Regional Wastewater Operations and Maintenance (RO) on-call support for Engineering and Construction departments to maintain compliant and efficient operations.
EN20035	RO Safety Projects FY19/20	Maintaining and repairing Agency facilities to ensure a safe working environment.
EN20038	Agency Wide Pavement Management Study	Necessary rehabilitation of pavement and hardscape throughout the Agency's facilities.
EN20039	CCWRF Headworks Electrical Replacement	Replacement of electrical conduits and conductors for the Carbon Canyon Water Recycling Facility.
EN20043	RP-1 Pipe Gallery Staircase Evaluation	Evaluation of potential need for an additional staircase at RP-1 pipe gallery to reduce staff requirements for inspections.
EN20054	Agency Wide Chemical Containment Costing Evaluation	Establish processes for the ongoing maintenance and monitoring of chemical containment areas throughout the Agency.
EN21034	RO On Call/Small Projects FY20/21	Operations and Maintenance on-call support for Engineering and Construction departments to maintain compliant and efficient operations.
EN21035	RO Safety Projects FY20/21	Maintaining and repairing Agency facilities to ensure a safe working environment.
IS21005	Upgrade Carbon Canyon to Plant Pax 4.5	Replace technological assets for the CCWRF SCADA system.
IS21007	WW Cybersecurity Assessment	Third-party review through consultants to measure progress with Agency cybersecurity improvements.
PA20002	Agency Wide Coatings FY19/20	Annual maintenance for process piping coatings to ensure each facility is properly maintained.
PA20003	Agency Wide Paving FY19/20	Repairing or replacing pavement, asphalt concrete, and hardscapes throughout the Agency.
PA21002	Agency Wide Coatings FY20/21	Annual maintenance for process piping coatings to ensure each facility is properly maintained.
PA21003	Agency Wide Paving FY20/21	Repairing or replacing pavement, asphalt concrete, and hardscapes throughout the Agency.
PL17001	Planning Documents	Development of reports and studies pertaining to operational and treatment strategies for wastewater and treated effluent.
PL17004	Wastewater Flow and Loading Study	Participation in a study coordinated by CASA (California Association of Sanitation Agencies) regarding wastewater flow.
PL19002	Regional Contract Facilitation	Entered professional services contract with Kearns & West to help facilitate the Regional Sewage Service Contract negotiations.



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND

Table 6-8 shows the capital and O&M projects budgeted in the Regional Wastewater Capital Improvement fund, followed by Table 6-9 which provides a description of each of the projects to be executed in FY 2019/20 and FY 2020/21.

**TABLE 6-8: REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND
FY 2019/20 – FY 2028/29 PROJECTS (\$THOUSANDS)**

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
EN14019	RP-1 Headworks Primary and Secondary Upg	\$ 15	\$ -	\$ -	\$ -	\$ -	15	\$ 9,750
EN16011	Whispering Lakes Pump Station Rehab	-	-	-	-	-	4,500	4,905
EN17006	CCWRF Assets Management and Improvements	4,000	7,500	500	2,000	2,000	24,000	27,268
EN17044	RP-1 12 kV Switchgear and Generator Cont	50	-	-	-	-	50	5,870
EN18004	RP-1 IPS System Improvements	-	525	300	-	-	825	1,000
EN18006	RP-1 Flare Improvements	5,000	-	-	-	-	5,000	5,565
EN18036	CCWRF Asset Management and Improvements Pck III	2,087	15	-	-	-	2,102	2,420
EN18037	CCWRF Asset Management and Improvements Pck III	770	15	-	-	-	785	1,080
EN19001	RP-5 Expansion to 30 mgd	3,000	25,000	45,000	45,000	29,000	149,700	175,000
EN19006	RP-5 SHF	8,000	65,000	69,000	13,000	200	155,200	165,000
EN19025	Montclair and San Bernardino Force Main	1,050	3,000	-	-	-	4,050	4,103
EN19041	San Bernardino Lift Station Facility Improvement	-	300	-	-	-	300	300
EN20006	RP-1 Digester Mixing Upgrade	-	250	500	-	-	750	2,250
EN22006	RC Asset Management	-	-	3,000	3,000	3,000	65,700	65,700
EN24001	RP-1 Liquid Treatment Capacity Recovery	100	-	-	-	-	64,350	182,050
EN24002	RP-1 Solids Treatment Expansion	100	-	-	-	-	16,100	48,050
EN26022	RP-4 Tertiary Expansion	-	-	-	-	-	500	5,000
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2	-	-	-	300	1,100	1,400	1,400
PL19001	Purchase Existing Solar Installation	-	-	-	-	-	3,500	7,500
Total Capital Construction		\$ 24,172	\$ 101,605	\$ 118,300	\$ 63,300	\$ 35,300	\$ 498,827	\$ 714,211
Capital Equipment								
IS20004	WW Cybersecurity Projects	\$ 30	\$ 80	\$ -	\$ -	\$ -	110	\$ 110
IS20005	WW Infrastructure Replacement Project	122	8	-	-	-	130	130
IS21003	Wireless Manager Software Replacement	-	30	-	-	-	30	30
IS21004	Secure Access for RP-2	-	20	-	-	-	20	20
Total Capital Equipment		152	138	0	0	0	290	290
Capital Replacement								
EN11039	RP-1 Disinfection Pump Improvements	\$ -	\$ -	\$ 4,819	\$ 2,410	\$ 254	\$ 7,483	\$ 8,457
EN19026	CCWRF 12kV Switchgear	-	-	1,500	-	-	1,500	1,500
EN20015	Collection System Upgrades 19/20	500	500	500	500	500	5,000	5,000
Total Capital Replacement		\$ 500	\$ 500	\$ 6,819	\$ 2,910	\$ 754	\$ 13,983	\$ 14,957
Total Capital Project Costs		\$ 24,824	\$ 102,243	\$ 125,119	\$ 66,210	\$ 36,054	\$ 513,100	\$ 729,458
Operations & Maintenance (O&M)								
IS20008	WW Contractor Laptops	\$ 5	\$ -	\$ -	\$ -	\$ -	5	\$ 5
PL16016	Sewer Use Fee Evaluation	100	-	-	-	-	100	485
WR16021	Prep of IM for IEUA Fac Comp w/Title22	20	-	-	-	-	20	140
Total Operations & Maintenance		\$125	\$0	\$0	\$0	\$0	\$125	\$630
Total O&M Project Costs		\$ 125	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ 630
TOTAL REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - RC		\$ 24,949	\$ 102,243	\$ 125,119	\$ 66,210	\$ 36,054	\$ 513,225	\$ 730,089

**TABLE 6-9: REGIONAL WASTEWATER CAPITAL IMPROVEMENT
FY 2019/20 AND FY 2020/21 PROJECT DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
EN14019	RP-1 Headworks Primary and Secondary Upgrades	Replacement of 17 existing headworks gates with new stainless-steel gates per the gate condition assessment findings at Regional Plant No. 1 (RP-1).
EN17006	CCWRF Assets Management and Improvements	Upgrade and replacement of odor control equipment at the Carbon Canyon Wastewater Reclamation Facility (CCWRF).
EN17044	RP-1 Power Reliability Generator Control	Upgrade and replacement of out of date power reliability building controls for the emergency generation system at Regional Plant No. 1.
EN18004	RP-1 IPS System Improvements	Correction of deficiencies in the intrusion prevention system (IPS) system including minor repairs and replacements.
EN18006	RP-1 Flare Improvements	Upgrade of the gas system and flares as required by the South Coast Air Quality Management District (SCAQMD) requirements.
EN18036	CCWRF Asset Management and Improvements – Package III	Improvements to the tertiary treatment and lining of the recycled water lagoon.
EN18037	CCWRF Asset Management and Improvements – Package II	Improvements of the existing building, laboratory, and overall storage of the Carbon Canyon Wastewater Reclamation Facility.
EN19001	RP-5 Liquids Expansion	Expansion of existing Regional Plant No. 5 (RP-5) liquid treatment capacity from 15 to 30 million gallon per day(MGD) to meet the future flow projections.
EN19006	RP-5 Solids Treatment Facility	Construction of new solids handling facility at RP-5 to meet the Agency's needs throughout the decommissioning of the Regional Plant No. 2 (RP-2) site.
EN19025	Montclair and San Bernardino Lift Station Force Main Clean Out Vaults	Installation of the clean outs for Montclair and San Bernardino Lift Stations and increasing the useful life of the pipelines.
EN19041	San Bernardino Lift Station	Install a minimum of 3-inch drain for each force main flow meter with gate valve isolation.
EN20006	RP-1 Digester and Mixing Upgrade	Replacement of depreciated assets.
EN24001	RP-1 Liquids Treatment Expansion	Evaluation of treatment options and provide design to upgrade treatment plant to 40 million gallon per day.
EN24002	RP-1 Solids Treatment Expansion	Expansion of treatment plant to match capacity of liquids treatment expansion.
Capital Equipment		
IS20004	Cybersecurity Projects	Project based off assessment from Moss-Adams and the Department of Homeland Security.
IS20005	Infrastructure Replacement Project	Replace personal computer (PCs), Laptops, Servers, and Switches that have passed their maximum life cycle.
IS21003	Wireless Manager Software Replacement	Replace microwave management software with Maestro for radio management.
IS21004	Secure Access for RP-2	Place additional access enforcement for RP-2 using Thin Manager which provides audit capability of the RP-2 system.
Capital Replacement		
EN20015	Collection System Upgrades 19/20	Identify and repair manhole covers and frames that need to be repaired or replaced.
Operations and Maintenance		
IS20008	Contractor Laptops	Purchase of two laptops for contractors working on Agency's SCADA system.
PL16016	Sewer Use Fee Evaluation	Consultant fees for completion of the evaluation on methodology to calculate sewer connection rates.
WR16021	Preparation of Technical Memorandum for IEUA Facility Compliance with Title 22	Analysis of design capacity achievable at each Agency facility with focus on the effluent total inorganic nitrogen agency-wide limit of 8 million gallons per liter (mg/L).



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS RECYCLED WATER FUND

Table 6-10 lists the capital and O&M projects budgeted in the Recycled Water fund, followed by Table 6-11 which provides a description of each of the projects to be executed in FY 2019/20 and FY 2020/21.

TABLE 6-10: RECYCLED WATER FUND FY 2019/20 – FY 2028/29 PROJECTS (\$THOUSANDS)

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
EN09007	1630 E Pipeline Seg B & 1630 E Reservoir	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,400	\$ 16,400
EN14042	RP-1 1158 RWPS Upgrades	4,672	-	-	-	-	4,672	7,900
EN14043	RP-5 RW Pipeline Bottleneck	515	-	-	-	-	515	3,137
EN15002	1158 Reservoir Site Cleanup	100	1,000	-	-	-	1,100	1,136
EN16060	RW Connections to City of Pomona	2,000	3,000	3,000	18,000	40,000	80,000	80,000
EN16065	RW Connections to JCSD	1,000	18,500	11,800	-	-	31,300	31,805
EN17041	Orchard Recycled Water Turnout Improvement	350	-	-	-	-	350	457
EN17049	Baseline RWPL Extension	5,730	-	-	-	-	5,730	6,251
EN17080	System Cathodic Protection Improvements	130	-	-	-	-	130	3,541
EN19003	RP-1 Outfall Parallel Line	-	-	-	230	1,925	3,115	5,700
EN19029	RP-4 Outfall Pipeline Air Relief/Blow-Of	245	-	-	-	-	245	665
EN20022	1299 Reservoir Paint/Coating Repairs and	-	100	-	-	-	100	100
EN20055	CCWRF Tertiary Panel Rebuild	170	-	-	-	-	170	170
EN21004	1158 West Reservoir Re-coating/painting	1,200	-	-	-	-	1,200	1,200
EN22004	1158 East Reservoir Re-coating/painting	1,000	1,200	-	-	-	2,200	2,200
EN22009	WC Asset Management	-	-	500	1,000	2,000	38,400	38,400
EN24003	Wineville Basin Pipeline	-	-	-	-	-	1,000	1,000
EN24005	1630 West Reservoir Paint/Coating Repair	-	-	-	75	-	75	75
EN24006	930 Reservoir Paint/Coating Repairs and	-	-	-	-	75	75	75
EN26023	1299 Pressure Zone Pipeline Capacity Upg	-	-	-	-	-	9,000	9,000
EN26024	2025-2030 Recycled Water Projects	-	-	-	-	-	12,000	20,000
WR15021	Napa Lateral	1,605	-	-	-	-	1,605	7,248
Total Capital Construction		\$ 18,717	\$ 23,800	\$ 15,300	\$ 19,305	\$ 44,000	\$ 199,382	\$ 236,460
Capital Equipment								
IS20013	RW Remote Station RACO Alarm	\$ 10	\$ -	\$ -	\$ 0	\$ 0	\$ 10	\$ 10
Total Capital Equipment		\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 10
Capital Replacement								
EN17032	RP-4 Outfall Repair from Mission Blvd to	\$ -	\$ -	\$ 1,000	\$ 4,000	\$ 0	\$ 5,000	\$ 5,300
Total Capital Replacement		\$ -	\$ -	\$ 1,000	\$ 4,000	\$ -	\$ 5,000	\$ 5,300
Total Capital Project Costs		\$ 18,727	\$ 23,800	\$ 16,300	\$ 23,305	\$ 44,000	\$ 204,392	\$ 241,770
Operations & Maintenance (O&M)								
EN16035	WC Planning Documents	\$ 500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000	\$ 3,454
EN17039	8th St. Basin RW Turnout Discharge Retro	15	-	-	-	-	15	563
EN18021	Prado Basin AMP Annual Monitoring	100	100	100	100	100	1,000	1,307
EN19030	WC Asset Management (Assessment Only)	250	250	250	250	250	2,500	2,511
EN20017	WC Emergency O&M Projects FY 19/20	150	150	150	150	150	1,500	1,500
EN20031	Recycled Water Program Strategy 2020	250	250	-	-	-	500	500
EN20036	WC On Call/ Small Projects 19/20	150	-	-	-	-	150	150
EN20049	Reservoir Maintenance (Repair/Improve)	100	50	-	-	-	150	150
EN20050	Reservoir Maintenance (Access)	20	-	-	20	-	80	80
EN21036	WC On Call/ Small Projects 20/21	-	150	150	150	150	1,350	1,350
EN25031	Recycled Water Program Strategy 2025	-	-	-	-	-	500	500
PL18002	Basin Plan Amendment	80	-	-	-	-	80	550
WR16001	Water Softener Removal Rebate Program	75	75	75	75	75	750	896
WR20029	Upper SAR HCP & Integrated Model-Recycled W	90	90	88	-	-	268	268
Total Operations & Maintenance		\$ 1,780	\$ 1,365	\$ 1,063	\$ 995	\$ 975	\$ 11,843	\$ 13,554
Total O&M Project Costs		\$ 1,780	\$ 1,365	\$ 1,063	\$ 995	\$ 975	\$ 11,843	\$ 13,780
TOTAL RECYCLED WATER FUND - WC		\$ 20,507	\$ 25,165	\$ 17,363	\$ 24,300	\$ 44,975	\$ 216,235	\$ 255,550

TABLE 6-11: RECYCLED WATER FY 2019/20 AND FY 2020/21 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN14042	RP-1 1158 Pump Station Improvements	Evaluation of the pump station capacities to assess whether the station can meet forecasted future demands.
EN14043	RP-5 Recycled Water Pump Station Pipeline Bottleneck	Upsizing of recycled water pipelines at RP-5 to enable full utilization of the plant and an elimination of the current bottleneck.
EN15002	1158 Reservoir Site Cleanup Project	Removal of old piping associated with the oil tanks at 1158 Reservoir, which involves cutting and capping the lines, and draining and removing oil from the site to prevent any future leaks.
EN16060	Recycled Water Connections -City of Pomona	Construction of additional recycled water connections for the City of Pomona.
EN16065	Recycled Water (RW) Connections to Jurupa Community Services District (JCSD)	RW connections for JCSD.
EN17041	Orchard Recycled Water Turnout Improvements	Retrofit to the discharge of the turnout into the channel to eliminate noise and leaks due to complaints from neighbors.
EN17049	Baseline Recycled Water Pipeline Extension	Expansion of the recycled water system to customers along Baseline Avenue and future expansion to the northern area of the City of Fontana.
EN17080	Recycled Water System Cathodic Protection Improvements	Installation of cathodic protection on the recycled water distribution pipelines and reservoirs identified by the Asset Health Management Program.
EN19029	RP-4 Outfall Pipeline Air Relief / Blow-Off Replacements	Replace and possibly relocate failing and leaking outfall pipes for RP-4. This will prevent the vaults from overflowing reduce response from recycled water operations staff for mitigation.
EN20022	1299 Reservoir Paint/Coating Repairs	Spot repairs for the 1299 Reservoir recycled water stores required to meet the expected 20 to 25-year life cycle of the system.
EN20055	Carbon Canyon Water Reclamation Facility (CCWRF) Tertiary Panel Rebuild	Replace PLC panel and rehabilitation of CCWRF bridge crane required for compliance with the NPDES permit.
EN21004	1158 West Reservoir Recoating/painting	Replace existing paint and coating for the 1158 West Reservoir recycled water stores due to improper application in 2008.
EN22004	1158 East Reservoir Recoating/painting	Replace existing paint and coating for the 1158 East Reservoir recycled water stores due to improper application in 2008.
WR15021	Napa Lateral	Design and construction of approximately 4200 linear feet of 12-inch recycled water pipeline that will convey recycled water from the existing pipeline by RP-4 to California Steel Industries and California Speedway.
Capital Equipment		
IS20013	RW Remote Station RACO Alarm	Installation of RACO Alarm Agent to assist Recycled Water staff with remote sites during loss of communications.
Operations and Maintenance		
EN16035	Planning Documents	Evaluation of the feasibility of multiple projects and concepts including the possibility of conducting recycled water interties from external agencies to the IEUA system, and the construction of new storage facilities and injection walls for recycled water supplies.
EN17039	8 th St. Basin Recycled Water Turnout Discharge Retrofit	Retrofit of the unlined portion of the West Cucamonga Creek at the discharge point of the recycled water turnout which is currently causing erosion.
EN18021	Prado Basin Asset Management Plan (AMP) Annual Monitoring	Annual monitoring and reporting of the Prado Basin habitat health as required by California Environmental Quality Act (CEQA).
EN19030	Recycled Water (WC) Asset Management	Staffing and consultants to forecast, budget, and replace and/or repair critical assets for recycled water (WC) fund projects.
EN20017	WC Emergency O&M Projects FY19/20	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.
EN20031	Recycled Water Program Strategy 2020	Planning document necessary to develop a program to maximize groundwater recharge.



FY 2017/18 AND FY 2018/19 BUDGETED PROJECTS RECYCLED WATER FUND

EN20036	WC On Call/Small Projects 19/20	Non-emergency repairs necessary for the recycled water system to maintain compliance and efficiency in operations.
Operations and Maintenance		
EN20049	Reservoir Maintenance (Repair/Improve)	Assess the current conditions of the recycled water reservoirs to identify repairs and maintenance needs.
EN20050	Reservoir Maintenance (Access)	Assessment of the current condition of the reservoirs including maintenance items, safety related concerns, and prioritization of rehabilitation schedules.
EN21036	WC On Call/Small Projects 20/21	Non-emergency repairs necessary for the recycled water system to maintain compliance and efficiency in operations.
PL18002	Basin Plan Amendment	Preparation of an amendment to the existing Basin Plan with Santa Ana Regional Water Quality Control Board to further develop salinity management strategies to mitigate drought-related increases in salinity levels.
WR16001	Water Softener Removal Rebate	Financial support of the rebate program to incentivize residents to take out and destroy existing self-generating water softeners, removing salt from the recycled water supply and improving water quality in the Chino Basin.
WR20029	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model-Recycled Water Benefits	Project to identify conservation measures to support future water and recycled water projects as well as modelling surface flow and groundwater models along the SAR.



FY 2019/20 AND FY 2020/21
BUDGETED PROJECTS
WATER RESOURCES FUND

Table 6-12 is a list of O&M projects budgeted in the Water Resources fund, followed by Table 6-13 which provides a description of each of the projects that will be executed in FY 2019/20 and FY 2020/21.

TABLE 6-12: WATER RESOURCES FUND FY 2019/20 – FY 2028/29 PROJECTS (\$THOUSANDS)

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
PL19005	Chino Basin Project	\$ 6,550	\$ 2,575	\$ 2,575	\$0	\$0	\$ 11,700	\$ 13,200
PL20001	Water Resiliency Projects	-	1,000	1,000	3,000	8,000	13,000	13,000
Total Capital Construction		\$ 6,550	\$ 3,575	\$ 3,575	\$ 3,000	\$ 8,000	\$ 24,700	\$ 26,200
Total Capital Project Costs		\$ 6,550	\$ 3,575	\$ 3,575	\$ 3,000	\$ 8,000	\$ 24,700	\$ 26,200
Reimbursable								
WR18028	Water Bank	\$ 600	\$ 600	\$ -	\$0	\$0	\$ 1,200	\$ 2,451
Total Reimbursable		\$ 600	\$ 600	\$ -	\$ -	\$ -	\$ 1,200	\$ 2,451
Operations & Maintenance (O&M)								
PL18001	Calif. Data Collab. WUE Data Analytics	\$ 8	\$ 8	\$ 8	\$0	\$0	\$ 23	\$ 80
WR16024	SARCCUP	200	200	200	-	-	600	32,907
WR16025	WW Planning Documents	500	250	250	250	250	3,000	3,716
WR18005	Turf Removal Rebate Incentive	600	-	-	-	-	600	1,000
WR20002	CBWCD LEAP	40	-	-	-	-	40	40
WR20003	Shows That Teach	16	-	-	-	-	16	16
WR20004	Garden In Every School	45	-	-	-	-	45	45
WR20006	Large Landscape Retrofit Program	200	-	-	-	-	200	200
WR20007	Residential Rebate Incentives	100	-	-	-	-	100	100
WR20008	CII Rebate Incentives	100	-	-	-	-	100	100
WR20009	National Theater for Children	57	-	-	-	-	57	57
WR20013	Sponsorship and Public Outreach Activities	175	-	-	-	-	175	175
WR20015	RESIDENTIAL LANDSCAPE TRAINING CLASSES	15	-	-	-	-	15	15
WR20017	Residential Pressure Regulation Program	300	-	-	-	-	300	300
WR20019	Residential Small Site Controller Upgrades	200	-	-	-	-	200	200
WR20020	WUE Business Plan Model Update & Workshops	5	-	-	-	-	5	5
WR20021	Regional WUE Support Tools	73	-	-	-	-	73	73
WR20022	Landscape Design Services	30	-	-	-	-	30	30
WR20023	CIMIS Weather Station Maintenance	5	-	-	-	-	5	5
WR20024	WUE Research & Evaluation	40	-	-	-	-	40	40
WR20025	Landscape Irrigation Tune Ups	200	200	200	200	200	1,000	1,000
WR20026	WUE Business Plan Update	150	-	-	-	-	150	150
WR20027	Urban Water Management Plan 2020	750	-	-	-	-	750	750
WR20028	Upper SAR HCP & Integrated Model-Water Benefits	90	90	88	-	-	268	268
WR21002	CBWCD LEAP	-	40	40	40	40	360	360
WR21003	Shows That Teach	-	16	16	16	16	144	144
WR21004	Garden In Every School	-	45	45	45	45	405	405
WR21006	Large Landscape Retrofit Program	-	200	200	200	200	1,800	1,800
WR21007	Residential Rebate Incentives	-	100	100	100	100	900	900
WR21008	CII Rebate Incentives	-	100	100	100	100	900	900
WR21009	National Theater for Children	-	60	60	60	60	540	540
WR21013	Sponsorship and Public Outreach Activities	-	175	175	175	175	1,571	1,571
WR21015	RESIDENTIAL LANDSCAPE TRAINING CLASSES	-	15	15	15	15	135	135
WR21017	Residential Pressure Regulation Program	-	300	300	-	-	600	600
WR21019	Residential Small Site Controller Upgrades	-	200	200	-	-	400	400
WR21020	WUE Business Plan Model Update & Workshops	-	5	5	5	5	41	41
WR21021	Regional WUE Support Tools	-	73	73	73	73	657	657
WR21022	Landscape Design Services	-	30	30	30	30	270	270
WR21023	CIMIS Weather Station Maintenance	-	5	5	5	5	45	45
WR21024	WUE Research & Evaluation	-	40	-	-	-	40	40
Total Operations & Maintenance		\$ 3,898	\$ 2,151	\$ 2,109	\$ 1,313	\$ 1,313	\$ 16,598	\$ 50,078
Total O&M Project Costs		\$ 4,498	\$ 2,751	\$ 2,109	\$ 1,313	\$ 1,313	\$ 17,798	\$ 52,529
TOTAL WATER RESOURCES FUND - WW		\$ 11,048	\$ 6,326	\$ 5,684	\$ 4,313	\$ 9,313	\$ 42,498	\$ 78,729

TABLE 6-13: WATER RESOURCES FY 2019/20 AND FY 2020/21 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
PL19005	Chino Basin Project (CBP)	Preliminary Design Report and Programmatic Environmental Impact Report to begin implementation of the CBP.
PL20001	Water Resiliency Projects	Placeholder project consistent with regional IRP discussions. Funds earmarked for SARCCUP.
Reimbursable		
WR18028	Water Bank	Evaluation to understand institutional agreements and models that will have to be developed to understand how to implement a water bank in the Chino Basin.
Operations and Maintenance		
PL18001	California Data Collaborative WUE Data Analytics	Assistance with the California Data Collaborative to pioneer a new water use efficiency (WUE) data infrastructure non-profit to support water managers in meeting their reliability objectives and serve the public good.
WR16024	Santa Ana River Watershed Action Team Conjunctive Use Project (SARCCUP)	SARCCUP to utilize funds from SAWPA Prop 84 grants in conjunction with Eastern Municipal Water District, Western Municipal Water District, Orange County Municipal Water District, and San Bernardino Valley Municipal Water District to develop a watershed-scale conjunctive use program.
WR16025	Water Resources (WW) Planning Documents	Evaluation of potential WW projects to augment water supply, such as supplies from Northern California or other neighboring agencies, as projects are identified.
WR18005	Turf Removal Rebate Incentive	Support rebate program of \$2 per square foot for customers, residential and commercial, applying for a turf removal rebate supported by Metropolitan Water District (MWD).
WR20002	Chino Basin Water Conservation District (CBWCD) Leap	Continuation of Regional Landscape Evaluation Program for residential and CII customers within service area.
WR20003	Shows That Teach	Live theater performances for students in grades K-6 to educate them on efficient water use and environmental issues.
WR20004	Garden in Every School	Install up to four water efficient gardens in Ontario and Upland for grades K-12 within the service area.
WR20006	Large Landscape Retrofit Program	Direct installation and retrofit of existing non-weather-based irrigation controllers with Smart Controllers and high efficiency sprinkler nozzles.
WR20007	Residential Rebate Incentives	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WR20008	Commercial Industrial and Institutional (CII) Rebate Incentives	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WR20009	National Theater for Children	Live theater performances for students in grades K-6 to educate them on efficient water use and environmental issues. Provides online teaching curriculum and student and teacher workbooks.
WR20013	Sponsorships & Public Outreach Activities	Funding for water efficiency marketing, public outreach, membership dues, BMP Support Grants, and special events.
WR20015	Landscape Training Classes	Funding for landscape instructors who teach residential landscape workshops with the service area.
WR20017	Residential Pressure Regulation Program	Identifies customers who reside within high water pressure zones, provides free pressure reducing valve or replaces failed valves.
WR20019	Residential Small Site Controller Upgrade Program	Provides mandatory training class, onsite landscape evaluation, and upgrade of existing controllers with weather-based controllers for residential customer on a lot size smaller than 11,000 square feet.
WR20020	Water Use Efficiency (WUE) Business Plan Model Update and Workshop	Annual update to the water use efficiency model. Training for member agency staff of the model and performance over the last fiscal year compared to the Regional WUE Business Plan targets.
WR20021	Regional WUE Support Tools	Support new regulation that requires member agencies to collect and report new types of customer water use data.



FY 2019/20 AND FY 2020/21
 BUDGETED PROJECTS
 WATER RESOURCES FUND

Project Number	Name	Description
WR20022	Landscape Design Services	Partnership between IEUA and Chino Basin Water Conservation District (CBWCD) that provides residential landscape design for customers desiring to transform their landscape to a more sustainable option.
WR20023	CIMIS Station	California Irrigation Management Information System (CIMIS) weather station installation across from IEUA headquarters.
WR20024	Water Use Efficiency (WUE) Research and Evaluation	Funds WUE research and evaluation studies, activities, market saturation, and efforts to support progress toward implanting AB1668 and SB606.
WR20025	Landscape Irrigation Tune-Ups	New water efficiency program that provides residential customers with a landscape irrigation assessment, controller programming and scheduling.
WR20026	WUE Business Plan Update	Update the Agency's Regional WUE Business Plan to meet regional compliance with Senate Bill X 7-7.
WR20027	Urban Water Management Plan 2020	Provide an urban water management plan per the requirements in the Urban Water Management Planning Act.
WR20028	Upper SAR HCP & Integrated Model	Model for surface and groundwater flow along the Santa Ana River from Yucaipa to Prado Dam.
WR21002	CBWCD Leap	Continuation of Regional Landscape Evaluation Program for residential and Commercial Institutional Industrial (CII) customers within service area.
WR21003	Shows That Teach	Live theater performances for students in grades K-6 to educate them on efficient water use and environmental issues.
WR21004	Garden in Every School	Installs up to four water efficient gardens for grades K-12 within the service area.
WR21006	Large Landscape Retrofit Program	Direct installation and retrofit of existing non-weather-based irrigation controllers with Smart Controllers and high efficiency sprinkler nozzles.
WR21007	Residential Rebate Incentives	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WR21008	Commercial Institutional Industrial (CII) Rebate Incentives	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WR21009	National Theater for Children	Live theater performances for students in grades K-6 to educate them on efficient water use and environmental issues. Provides online teaching curriculum and student and teacher workbooks.
WR21013	Sponsorships & Public Outreach Activities	Funding for water efficiency marketing, public outreach, membership dues, BMP Support Grants, and special events.
WR21015	Landscape Training Classes	Funding for landscape instructors who teach residential landscape workshops with the service area.
WR21017	Residential Pressure Regulation Program	Identifies customers who reside within high water pressure zones, provides free pressure reducing valve or replaces failed valves.
WR21019	Residential Small Site Controller Upgrade Program	Provides mandatory training class, onsite landscape evaluation, and upgrade of existing controllers with weather-based controllers for residential customer on a lot size smaller than 11,000 square feet.
WR21020	WUE Business Plan Model Update and Workshop	Annual update to the water use efficiency model. Training for member agency staff of the model and performance over the last fiscal year compared to the Regional WUE Business Plan targets.
WR21021	Regional WUE Support Tools	Support new regulation that requires member agencies to collect and report new types of customer water use data.
WR21022	Landscape Design Services	Partnership between IEUA and CBWCD that provides residential landscape design for customers desiring to transform their landscape to a more sustainable option.
WR21023	CIMIS Station	CIMIS (California Irrigation Management Information System) weather station installation across from IEUA headquarters.
WR21024	WUE Research and Evaluation	Funds WUE research and evaluation studies, activities, market saturation, and efforts to support progress toward implanting AB1668 and SB606.



FY 2019/20 AND FY 2020/21
BUDGETED PROJECTS
ADMINISTRATIVE SERVICES FUND

Table 6-14 shows the capital and O&M projects budgeted in the Administrative Services fund, followed by Table 6-15 which provides a description of each of the projects to be executed in FY 2019/20 and FY 2020/21.

TABLE 6-14: ADMINISTRATIVE SERVICES FUND FY 2019/20 – FY 2028/29 PROJECTS
(\$THOUSANDS)

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
EN18055	Headquarters Roofing	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 1,216
EN20021	Agency SCADA Integration with SAP	250	250	-	-	-	500	500
EN20040	Headquarters Campus Driveway Improvement	400	-	-	-	-	400	400
EN22010	GG Asset Management	-	-	150	300	600	7,050	7,050
Total Capital Construction		\$ 665	\$ 250	\$ 150	\$ 300	\$ 600	\$ 7,965	\$ 9,126
Capital Equipment								
EP20006	Fleet OBDM System	\$ 85	\$ -	\$ -	\$ -	\$ -	\$ 85	\$ 85
FM20004	HQ Door System Upgrades	180	-	-	-	-	180	180
FM20005	Agency Wide HVAC Replacement	120	250	100	100	100	670	670
IS20001	BIZ Microwave Upgrade Phase 1	70	-	-	-	-	70	70
IS20002	BIZ Cybersecurity Project (Hardware)	30	-	-	-	-	30	30
IS20003	BIZ Infrastructure Replacement Project	300	110	-	-	-	410	410
IS20006	BIZ New Workstations	20	20	-	-	-	40	40
IS20012	BIZ Backup System SAN	20	-	-	-	-	20	20
IS21001	BIZ Microwave Upgrade Phase II	-	70	-	-	-	70	70
IS21006	Replace RP-1 Trailer	-	200	-	-	-	200	200
LB20001	ICPI Instrument	200	0	-	-	-	200	200
LB20003	Titrator	50	0	-	-	-	50	50
LB20004	TurboVap Replacements	60	0	-	-	-	60	60
Total Capital Equipment		\$ 1,135	\$ 650	\$ 100	\$ 100	\$ 100	\$ 2,085	\$ 2,085
Capital Replacement								
EN16049	Conference Rooms Audio Visual Upgrades	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 1,391
EP20004	Agency Wide Vehicle Replacement	500	150	155	159	164	1,984	1,984
EP21004	Agency Wide Vehicle Replacement	-	150	155	159	164	1,524	1,524
Total Capital Replacement		\$ 510	\$ 300	\$ 309	\$ 318	\$ 328	\$ 3,518	\$ 4,899
Total Capital Project Costs		\$ 2,310	\$ 1,200	\$ 559	\$ 718	\$ 1,028	\$ 13,568	\$ 16,150
Operations & Maintenance (O&M)								
EN20008	HQ Parking Lot FY19/20	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ 450
EN24004	HQ Parking Lot FY23/24	-	0	-	-	500	500	507
FM20001	HQ Interior Replacements	150	0	-	-	-	150	320
FM20002	Agency Wide Roofing	1,481	0	-	-	-	1,481	1,481
FM20003	Agency Wide Facilities Rehab & Repairs	50	0	-	-	-	50	50
FM21002	Agency Wide Roofing	-	911	246	1,035	200	2,393	2,393
FM21003	Agency Wide Facilities Rehab & Repairs	-	52	53	55	56	523	523
IS20011	BIZ Conference Room TV	4	0	-	-	-	4	4
IS20014	Technology Master Plan Update	-	100	-	-	-	100	100
IS20015	SAP Roadmap & Strategy	200	200	-	-	-	400	400
IS21002	BIZ Cybersecurity Project (Assessment)	-	140	-	-	-	140	140
Total Operations & Maintenance		\$ 2,335	\$ 1,403	\$ 299	\$ 1,090	\$ 757	\$ 6,191	\$ 6,351
Total O&M Project Costs		\$ 2,335	\$ 1,403	\$ 299	\$ 1,090	\$ 757	\$ 6,191	\$ 6,368
TOTAL ADMINISTRATIVE SERVICES FUND - GG		\$ 4,645	\$ 2,603	\$ 858	\$ 1,808	\$ 1,784	\$ 19,758	\$ 22,518



FY 2019/20 AND FY 2020/21
 BUDGETED PROJECTS
 ADMINISTRATIVE SERVICES FUND

TABLE 6-15: ADMINISTRATIVE SERVICES FY 2019/20 AND FY 2020/21 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN18055	Headquarters Roofing	Replace Agency HQ-A and HQ-B roofing system and skylights with a 20-year roofing system.
EN20021	Agency Supervisory Control & Data Acquisition (SCADA) Integration with SAP	Allow plant maintenance work notifications to automatically queue through SAP based on real-time equipment runtime. This would extend equipment life cycles and ensure plant compliance.
EN20040	Headquarters Campus Driveway Improvements	Upgrade the driveway entrances from/to Kimball Avenue for headquarter buildings to comply with the American Association of State Highway and Transportation (AASHTO) standards.
Capital Equipment		
EP20006	Fleet On-Board Diagnostics Monitor (OBDM) System	Purchase of fleet management systems to ensure fleet reliability and provide vehicle diagnostics.
FM20004	HQ Door System Upgrades	Replacement of the Kantech system to match the level of the new Lab building.
FM20005	Agency Wide Heating, Ventilation, and Air Conditioning (HVAC) Replacement	Replace HVAC systems past their efficient life-cycle throughout the Agency to provide staff and visitors with a comfortable environment.
IS20001	Business Network (BIZ) Microwave Upgrade Phase I	Expansion of the current microwave system from 300 megabits per second to 800 megabits per second to support system backup periods and prevent loss of data.
IS20002	BIZ Cybersecurity Project (Hardware)	High priority cybersecurity projects based on assessment results from Moss-Adams and the Department of Homeland Security. This includes server room door cameras, access readers, and firewall.
IS20003	BIZ Infrastructure Replacement Project	Purchase, configuration, and installation of new hardware for eighty workstations and four servers to comply with a Board resolution.
IS20006	BIZ New Workstations	Project to provide funding of purchasing new technology for new or unplanned Agency staff.
IS20012	BIZ Backup System SAN	New hardware to allow backup copies of Laserfiche and Agency internal data at RP-1.
IS21001	BIZ Microwave Upgrade Phase II	Expansion of the current microwave system from 300 megabits per second to 800 megabits per second to support system backup periods and prevent loss of data.
IS21006	Replace RP-1 Trailer	Funding for replacement trailer at RP-1 for ISS support staff. The current trailer has exterior rot and water leaks in various areas of the roof.
LB20001	Inductively Coupled Plasma (ICP) Instrument	Replacement of instrument necessary to maintain compliance with National Pollutant Discharge Elimination System (NPDES), Pre-Treatment Source Control (PTSC), Recycled Water, and Groundwater Recharge (GWR).
LB20003	Titrator	Replacement of titrator which is one year over its life expectancy of seven years. This will reduce downtime and troubleshooting costs.
LB20004	Turbo Vap Replacements	Replacement of Turbo Vap system, past its useful life, required maintain compliance with NPDES and Division of Drinking Water (DDW).
Capital Replacement		
EN16049	Conference Rooms Audio Visual (AV)	Design and installation of AV upgrades at the Headquarters' conference rooms and Board room to enhance usability and leverage the technological capabilities for conferencing.
EP20004	Agency Wide Vehicle Replacement	Purchase of new fleet vehicles to replace identified vehicles that have high repair costs due to age and accumulated wear and tear.
EP21004	Agency Wide Vehicle Replacement	Purchase of new fleet vehicles to replace identified vehicles that have high repair costs due to age and accumulated wear and tear.
Operations and Maintenance		

Project Number	Name	Description
EN20008	HQ Parking Lot FY19/20	Funding for HQ parking lot repair and rehabilitation required following a condition assessment performed in February 2010. This will replace Shamal Ash trees and the parking stalls they have negatively affected.
FM20001	HQ Interior Replacements	Replace interior carpeted areas for HQ-A and HQ-B as majority of the building interior is over 15 years old.
FM20002	Agency Wide Roofing	Repair and replacement of roof systems for regional plants throughout the Agency.
FM20003	Agency Wide Facilities Rehab & Repairs	Repair and rehabilitation of Agency structures including paved structures and signage for regional plants.
FM21002	Agency Wide Roofing	Repair and replacement of roof systems for regional plants throughout the Agency.
FM21003	Agency Wide Facilities Rehab & Repairs	Repair and rehabilitation of Agency structures including paved structures and signage for regional plants.
IS20011	BIZ Conference Room TV	Purchase of a television for the lab conference room that was not included in the original project.
IS20014	Technology Master Plan Update	Adopted plan to align the Agency's initiatives and priorities with supporting technologies.
IS20015	SAP Roadmap & Strategy	Evaluation of each business process by a consultant to guide the Agency in implementing SAP functions as it was designed to do.
IS21002	BIZ Cybersecurity Project (Assessment)	Consultant based assessment on cybersecurity improvements to help determine effectiveness and to develop an incident response plan.



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS RECHARGE WATER FUND

Table 6-16 shows the capital and O&M projects budgeted in the Recharge Water fund, followed by Table 6-17 which provides a description of each of the projects to be executed in FY 2019/20 and FY 2020/21.

TABLE 6-16: RECHARGE WATER FUND FY 2019/20 – FY 2028/29 PROJECTS (\$THOUSANDS)

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
EN22008	GWR Asset Management	\$ -	\$ -	\$ 250	\$ 500	\$ 750	\$ 8,300	\$ 8,300
RW15003	Recharge Master Plan Update Projects	5,000	9,750	40	-	-	14,790	17,897
RW15004	Lower Day Basin RMPU Improvements	-	3,404	-	-	-	3,404	4,008
Total Capital Construction		\$ 5,000	\$ 13,154	\$ 290	\$ 500	\$ 750	\$ 26,494	\$ 30,101
Capital Equipment								
IS21008	GWR Infrastructure Replacement Project	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 30	\$ 30
Total Capital Equipment		\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 30	\$ 30
Total Capital Project Costs		\$ 5,000	\$ 13,184	\$ 290	\$ 500	\$ 750	\$ 26,524	\$ 30,131
Operations & Maintenance (O&M)								
RW20001	Evaluation SB88	\$ 138	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ 138
Total Operations & Maintenance		\$ 138	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ 138
Total O&M Project Costs		\$ 138	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ 138
TOTAL RECHARGE WATER FUND - RW		\$ 5,138	\$ 13,184	\$ 290	\$ 500	\$ 750	\$ 26,662	\$ 30,269

TABLE 6-17: RECHARGE WATER FY 2019/20 AND FY 2020/21 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
RW15003	Recharge Master Plan Update Projects	Preparation of preliminary design reports for projects that are selected for implementation for the first phase of the Recharge Master Plan Update.
RW15004	Lower Day Basin RMPU Improvements	Modification of the existing diversion and basin structures at the Lower Day Basin to increase recharge capacity by approximately 789 acre-feet per year.
Capital Equipment		
IS21008	GWR Infrastructure Replacement Project	Replacement of routers and switches ensuring performance and reliability.
Operations & Maintenance		
RW20001	SB88 Data Compliance Review	Ensure compliance with regulations in the calculation of stormwater recharge.



FY 2019/20 AND FY 2020/21 BUDGETED PROJECTS NON-RECLAIMABLE WASTEWATER FUND

Table 6-18 shows the capital and O&M projects included in the Non-Reclaimable Wastewater (NRW) fund, followed by Table 6-19 which provides a description of each of the projects to be executed in FY 2019/20 and FY 2020/21.

**TABLE 6-18: NON-RECLAIMABLE WASTEWATER FUND FY 2019/20 – FY 2028/29 PROJECTS
(\$THOUSANDS)**

Project #	Project Name	2019/2020 Adopted Budget	2020/21 Adopted Budget	FY 2021/22	FY 2022/23	FY 2023/24	Total Ten Year CIP	2019/2020 Total Project Budget
Capital Construction								
EN19027	NRW Pipeline Relining Along Cucamonga Cr	\$ 2,150	\$ -	\$ -	\$ -	\$ -	\$ 2,150	\$ 2,395
EN22002	NRW East End Flowmeter Replacement	1,600	50	-	-	-	1,650	1,987
EN22007	NRW Asset Management	-	-	400	500	600	6,000	6,000
Total Capital Construction		\$ 3,750	\$ 50	\$ 400	\$ 500	\$ 600	\$ 9,800	\$ 10,363
Capital Replacement								
EN20014	NRWS Manhole Upgrades - 19/20	\$ 200	\$ 200	\$ 200	\$200	\$200	\$ 2,000	\$ 2,000
EN23002	Philadelphia Lift Station Force Main Imp	5,000	13,500	-	-	-	18,500	18,600
EN26020	Lift Station AMP Projects	-	-	-	-	-	200	500
Total Capital Replacement		\$ 5,200	\$ 13,700	\$ 200	\$ 200	\$ 200	\$ 20,700	\$ 20,800
Total Capital Project Costs		\$ 8,950	\$ 13,750	\$ 600	\$ 700	\$ 800	\$ 30,500	\$ 31,482
Operations & Maintenance (O&M)								
EN19028	NRW Man Hole and Pipeline Condition Asse	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 915
EN20016	NRWS Emergency O&M Projects FY 19/20	100	100	100	100	100	1,000	1,000
Total Operations & Maintenance		\$ 600	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,500	\$ 1,512
Total O&M Project Costs		\$ 600	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,500	\$ 1,512
TOTAL NON-RECLAIMABLE WATER FUND - NC		\$ 9,550	\$ 13,850	\$ 700	\$ 800	\$ 900	\$ 32,000	\$ 32,993

**TABLE 6-19: NON-RECLAIMABLE WASTEWATER FY 2019/20 AND FY 2020/21 PROJECT
DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
EN19021	San Bernardino Lift Station Facility Imp	Correction of lift station facility including building a bathroom and installing drains and pumps on the force mains to improve the efficiency of the facility.
EN19027	Non-Reclaimable Wastewater (NRW) Pipeline Relining Along Cucamonga Cr	Installation of a variable frequency drive and updated control system to reduce excessive run times required by the lack of variable control at the pump.
Capital Replacement		
EN20014	Non-Reclaimable Wastewater System (NRWS) Manhole Upgrades – 19/20	Repairs to the manholes and lines for NRWS within the Agency service area.
EN23002	Philadelphia Lift Station Force Main Imp	Replace and construct force mains, manholes for inspection, and cleanouts every 500 feet to increase the capacity for the Philadelphia Lift Station.
Operations and Maintenance		
EN19028	NRW Manhole and Pipeline Condition	Provides funding for Agency staffing and specialized consultants or contractors to develop forecasts and budgets and implement the replacement and/or repair of critical assets.
EN20016	NRWS Emergency O&M Projects FY19/20	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year.



DEBT MANAGEMENT

OVERVIEW

The Agency issues debt to finance the acquisition, construction, and improvement of capital assets, as well as to refinance existing long term debt to take advantage of lower interest rates that will decrease debt service costs in the future. The Agency applies a priority tiered financing strategy to ensure the lowest cost of borrowing while maximizing financial flexibility. This tiered financing strategy includes system revenues, grants, fund balance draws, low interest state and federal loans, and bonded debt prioritizing low-cost funds and approaching expensive funding sources last.

Consistent with the Fiscal Responsibility commitment to safeguard the Agency's creditworthiness, a key objective is to leverage low interest debt and pay down higher interest obligations. To accomplish this goal, the Agency has taken the following actions:

- ◆ The State Water Resource Control Board (SWRCB) offers low interest loan opportunities for public agencies through the Clean Water State Revolving Fund (CWSRF). The Agency has twenty-one State Revolving Fund (SRF) loans with an aggregate outstanding balance of \$135 million. It is expected that the Agency would save financing costs based on estimated grant and SRF loan opportunities versus funding through a bond issuance.
- ◆ Consistent with the Agency's commitment to a sustainable cost containment, the Agency maintains the Variable Rate Demand Revenue Refunding Bond, Series 2008B as part of the overall portfolio and to take advantage of historically low interest rate below the 4 percent projected interest rate.
- ◆ Water Infrastructure Finance and Innovation Act (WIFIA) credit assistance program offered by the U.S. Department of Environmental Protection Agency is a federal loan and guarantee program aimed towards accelerating investment in the nation's water infrastructure. WIFIA loans provide longer-term, low-cost supplemental financing for water and wastewater projects. The Agency submitted a letter of interest for WIFIA funding and through a highly competitive process the Agency has been invited by the EPA to submit a full application. If approved, the WIFIA loan in conjunction with other debt financing will be used to fund the RP-5 Expansion project.

OUTSTANDING DEBT

As of June 30, 2020, total outstanding debt (principal and interest), *excluding financial expenses and inter-fund loans*, is estimated at \$269.2 million, as reported in Table 7-1. The changes in total outstanding amounts are due to the projected new borrowing requirements anticipated over the next several years. Annual debt service payments are projected to average approximately \$29.1 million per fiscal year over the next ten years.

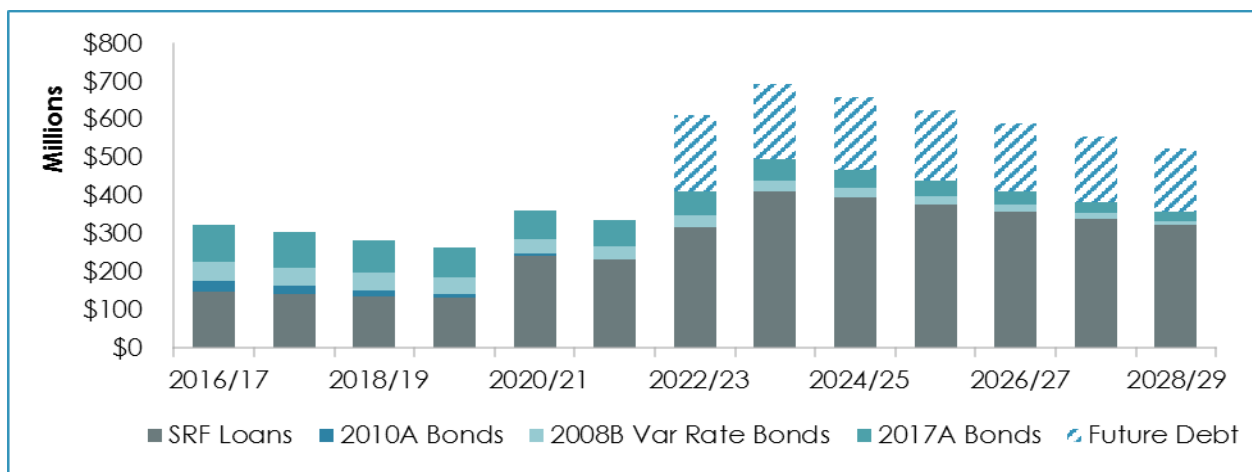
TABLE 7-1: TOTAL OUTSTANDING DEBT BY TYPE (\$MILLIONS)

(Principal and Interest)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Bonds	\$161.1	\$147.0	\$132.1	\$117.2	\$102.4	\$92.7
SRF Loans ⁽¹⁾	142.0	135.4	132.4	242.2	232.9	317.6
Notes	5.8	5.3	4.7	4.2	3.6	3.0
Future Bonds/WIFIA	-	-	-	-	-	201.8
Total	\$308.9	\$287.7	\$262.2	\$363.6	\$338.9	\$615.1

⁽¹⁾ Includes proposed future SRF Loans for the Regional Wastewater, Recycled Water and Recharge Water programs.

Figure 7-1 below shows the estimated trend of outstanding debt from FY 2016/17 to FY 2028/29.

FIGURE 7-1: SUMMARY OF AGENCY'S OUTSTANDING PRINCIPAL & INTEREST DEBT (\$MILLIONS)





DEBT MANAGEMENT

The Agency's Ten-Year Capital Improvement Plan (TYCIP) is funded by a combination of pay-go, low interest financing, grants, and reimbursements. Aggregate capital expenditures of \$920.6 million over the next 10 years will require new debt. New debt is assumed to be a combination of bond and SRF loans as summarized in Table 7-2. The Agency will continue to aggressively pursue federal, state, and regional grants and incentives, including low interest state and federal loans and grants. For budgeting purposes, the Agency is conservatively assuming a new bond or WIFIA loan issue for \$140.8 million for the RP-5 Expansion project.

TABLE 7-2: ESTIMATED SOURCE OF NEW BORROWING (\$MILLIONS)

Projects	Fund	Fiscal Year	Estimate (Principal)
ASSUMED BOND/WIFIA DEBT			
RP-5 Expansion	Wastewater Capital	2022/23	\$140.8
TOTAL			\$140.8
ASSUMED LOW INTEREST LOANS			
RP-5 Expansion	Wastewater Capital	2023/24	\$66.0
		2024/25	74.8
Drought Relief & Recycled Water Optimization Recycled Water Intertie Connections	Recycled Water	2021/22	10.0
		2022/23	12.3
		2025/26	61.1
Recharge Master Plan Update ⁽¹⁾	Recharge Water	2020/21	5.2
TOTAL			\$229.3
TOTAL BOND & LOAN PROCEEDS			\$370.1

⁽¹⁾ Funded by Chino Basin Watermaster

It is anticipated that new debt will be used for the RP-5 Expansion projects, scheduled to begin construction in spring of 2020, with total projected costs of over \$325 million. In addition to bonds or WIFIA funding, the State Water Resources Control Board (SWRCB) committed \$101.5 million in the 2019/20 Intended Used Plan (IUP) approved by the Board in June 2019 for the RP-5 Expansion Project. During the coming fiscal year, the Agency will continue to further refine project funding needs.

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, notes, and inter-fund loans. Debt service costs are budgeted at \$26.8 million in FY 2019/20 and \$28.0 million in FY 2020/21.

TABLE 7-3: SUMMARY OF AGENCY'S DEBT SERVICE PAYMENTS BY TYPE (\$MILLIONS)

By Type (Principal and Interest)	2019/20	2020/21
Bonds	\$14.9	\$14.8
SRF Loans	7.6	8.7
Notes Payable	0.6	0.6
Financial Expenses	0.2	0.4
Inter Fund Loans	3.5	3.5
Total	\$26.8	\$28.0

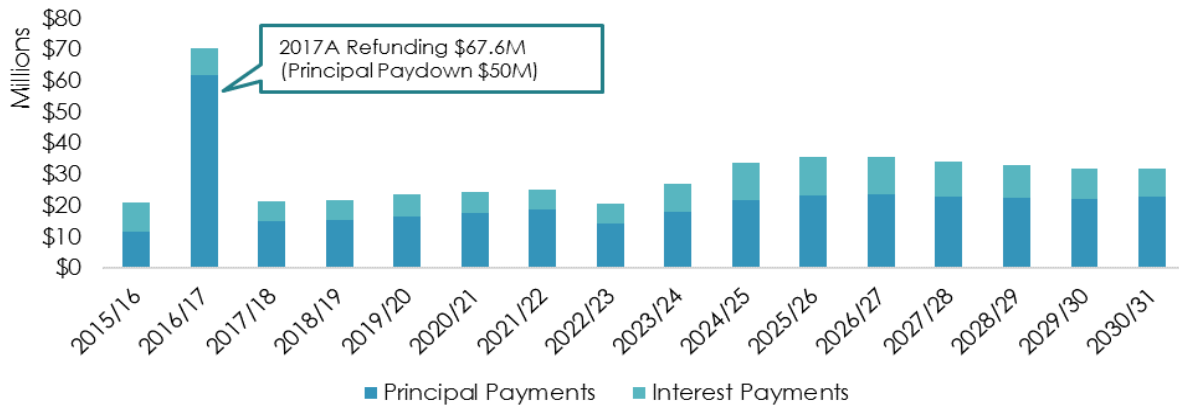
TABLE 7-4: SUMMARY OF AGENCY'S DEBT SERVICE PAYMENTS BY FUND (\$MILLIONS)

By Fund	2019/20		2020/21	
	Principal	Interest	Principal	Interest
Regional Wastewater Capital	\$9.4	\$3.0	\$9.6	\$2.7
Regional Wastewater O&M	0.8	0.6	0.8	0.6
Non-Reclaimable	0.3	0.3	0.3	0.3
Recycled Water	5.4	2.1	6.2	2.4
Recharge Water	0.7	0.5	0.8	0.4
Debt Service <i>(excludes Fin. Exp. & Inter-fund Loan)</i>	\$16.6	\$6.5	\$17.7	\$6.4

DEBT MANAGEMENT

Figure 7-2 shows the debt service payment schedule for FY 2015/16 through FY 2030/31. This table excludes inter-fund loan principal payment (for the complete inter-fund loan repayment schedule see table 7-9 below).

FIGURE 7-2: ANNUAL DEBT SERVICE PAYMENT SCHEDULE



BONDS

Long term bonds have been used to finance new construction, expansion and improvement of existing facilities and infrastructure. Within the next few years the Agency may issue bonds in addition to or in lieu of WIFIA and other funding sources to help finance the Agency's RP-5 Expansion project. In FY 2019/20 and FY 2020/21 bond related debt service payments are estimated to be \$14.9 million and \$14.8 million, respectively (Table 7-3).

Outstanding bond debt balance, including principal and interest, as of June 30, 2020 is estimated to be \$132.1 million. The June 30, 2021 outstanding balance is estimated to be \$117.2 million, as shown in Table 7-5.

TABLE 7-5: OUTSTANDING BOND ISSUES (\$MILLIONS)

	Maturity Date	Ratings	Interest Range	Bond Par Amount	2019/20 Bond Payments	Outstanding Balance As of 6/30/20	2020/21 Bond Payments	Outstanding Balance As of 6/30/21
2008B Variable Rate Revenue Bonds (2002A Refinancing)	6/01/2032	AA+ S&P	Variable	\$55.7	\$3.5	\$42.1	\$3.5	\$38.6
2010A Revenue Bonds (1994 Refinancing)	8/1/2021		1.35% - 5.0%	45.7	5.2	10.4	5.1	5.2
2017A Revenue Bond (2008A Refinancing)	11/1/2033		2%-5%	67.6	6.2	79.6	6.2	73.4
Total				\$169.0	\$14.9	\$132.1	\$14.8	\$117.2

STATE REVOLVING FUND (SRF) LOANS

Outstanding SRF loan balance, including principal and interest, as of June 30, 2020 is estimated to be \$132.4 million. SRF loan payments (including principal and interest) for FYs 2019/20 and 2020/21 are projected to be \$7.6 million and \$8.7 million, respectively, as shown in Table 7-6.

TABLE 7-6: OUTSTANDING SRF LOANS DEBT SERVICE SCHEDULE (\$MILLIONS)

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2019/20 SRF Debt Payments	Outstanding SRF Loans As of 6/30/20	2020/21 SRF Debt Payments	Outstanding SRF Loans As of 6/30/21
<i>Recycled Water:</i>						
Phase I (CCWRF)	0%-2.6%	\$15.2	\$1.0	\$4.8	\$1.0	\$3.8
Phase II (RP-1 Area)	2.20%	14.9	0.9	7.5	0.9	7.5
Phase III (RP-4 Area)	0%	10.9	0.6	5.7	0.6	5.7
Phase IV (Northeast Area)	0.074%-0.214%	15.1	0.8	8.4	0.8	8.4
Phase V (Northeast Area)	1.0%	1.0	0.1	0.5	0.1	0.5
Phase VI (Southern Areas)	2.60%	27.1	1.7	26.3	1.7	26.3
Central Wineville ⁽¹⁾	1.0%	22.8	0.0	26.5	0.9	26.5
San Sevaine/Napa Lateral ⁽¹⁾	1.8%	3.6	0.0	4.6	0.2	4.6
Subtotal – Recycled Water		\$110.5	\$5.1	\$84.3	\$6.2	\$78.1



DEBT MANAGEMENT

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2019/20 SRF Debt Payments	Outstanding SRF Loans As of 6/30/20	2020/21 SRF Debt Payments	Outstanding SRF Loans As of 6/30/21
<i>Wastewater Capital:</i>						
RP-1 Dewatering Facility Expansion	0.46%	27.6	\$1.4	17.4	1.4	17.4
<i>Wastewater Operations:</i>						
Water Quality Laboratory ⁽¹⁾	2.1%	23.4	\$1.1	30.7	1.1	30.7
<i>Subtotal – Regional Wastewater</i>		\$51.0	\$2.5	\$48.1	\$2.5	\$45.6
Proposed Future SRF Loans ⁽²⁾	1.8%-2.5%	118.5	0	0	0	118.5
Total		\$280.0	\$7.6	\$132.4	\$8.7	\$242.2

⁽¹⁾ Pending final loan amortization schedules.

⁽²⁾ Includes proposed future SRF Loans for the Regional Wastewater, Recycled Water and Recharge Water programs.

Repayment of the principal for each of the respective SRF loans is amortized over a 20 to 30-year period at fixed interest rates ranging from 0.0 to 2.6 percent with payments commencing one year after the completion of construction. State Water Resources Control Board (SWRCB) offers various financing options:

- ◆ Standard – 20-year to 30-year term, ranging from 1 percent to 2.6 percent annual interest rate.
- ◆ Local Match – 20-year term, zero percent annual interest rate. Local match of 20 percent is deducted from loan proceeds during construction.
- ◆ Principal Forgiveness – Principal forgiveness can be applied to projects that qualify for Clean Water State Revolving Fund (CWSRF) Green Project Reserve (GPR) status. The maximum loan forgiveness available (per loan) is \$4 million, for water recycling projects the maximum loan forgiveness is \$2.5 million.

The SWRCB can offer additional assistance in the form of grants for various projects. SWRCB grant funds can be received in conjunction with SRF loans receipts during the pre-construction and construction phases of the project, however not every loan qualifies for grant or principal forgiveness funding. The Agency has been successful in securing SWRCB and SRF loan related grants and principal forgiveness in support of regional and recycled water capital projects.

The Regional Recycled Water Distribution System Phases IV & V (Northeast Area) for \$16.1 million, net of grant proceeds, was the first appropriation of American Recovery and Reinvestment Act (ARRA) federal stimulus funds awarded by the SWRCB under the Clean Water Act. These ARRA

loans include the Recycled Water Phase IV (Northeast Area) loan for \$15.1 million and the RP-1 Dewatering Facility Expansion SRF loan for \$27.5 million.

Over the next ten years, the Agency will continue to submit reimbursements for eligible projects associated with currently approved SRF loans and proactively submit applications for projects that can be funded by SRF loan program. Included in the CIP over the next two years are continued capital upgrades and improvements to the various facilities, including construction of Regional Water Recycling Plant No. 5 (RP-5) Liquids and Solids Expansion project.

NOTES PAYABLE

The Agency has one outstanding note payable to the City of Fontana:

- On October 18, 2005, the Agency entered into a reimbursement agreement with the City of Fontana for the design and construction of the San Bernardino Avenue lift station and force main. The City of Fontana received \$9.5 million, 20-year note payable from the SWRCB. The project was completed in June 30, 2010 and title and ownership of the regional lift station and force main was transferred to the Agency from the City of Fontana.

FY 2019/20 and FY 2020/21 note payable payments are estimated to be \$0.6 million per year, including principal and interest as shown on Table 7-8.

TABLE 7-8: OUTSTANDING NOTES PAYABLE DEBT SERVICE SCHEDULE (\$MILLIONS)

Notes Payable	Note Principal Amount	Outstanding Notes as of June 30, 2019	2019/20 Debt Service Costs	Outstanding Notes as of June 30, 2020	2020/21 Debt Service Costs	Outstanding Notes as of June 30, 2021
City of Fontana	\$9.5	\$5.3	\$0.6	\$4.7	\$0.6	\$4.2
Total	\$9.5	\$5.3	\$0.6	\$4.7	\$0.6	\$4.2

INTER-FUND LOANS

Inter-fund loans between Agency programs help to support shortfall in debt service, operating and capital requirements. Table 7-9 summarizes total Agency inter-fund loan and annual repayment amounts due from the Recycled Water fund. Inter-fund loan payments (principal) for FYs 2019/20 and 2020/21 are projected to be \$3.0 million per year, final payment is scheduled for FY 2024/25.



DEBT MANAGEMENT

**TABLE 7-9: INTER-FUND LOAN SUMMARY DUE FROM THE RECYCLED WATER FUND
(\$MILLIONS)**

Loans Issued	Due to	Loan Amount (\$Millions)	Outstanding as of June 30, 2019	2019/20 Loan Payment	Outstanding as of June 30, 2020	2020/21 Loan Payment	Outstanding as of June 30, 2021
FY 2007/08	Non-Reclaimable Wastewater Fund	\$9.0	\$6.0	\$3.0	\$3.0	\$3.0	\$0.0
FY 2007/08	Regional Wastewater Capital Improvement Fund	3.0	3.0	0	3.0	0	3.0
FY 2009/10	Non-Reclaimable Wastewater Fund	6.0	6.0	0	6.0	0	6.0
FY 2014/15	Regional Wastewater Capital Improvement Fund	10.5	10.5	0	10.5	0	10.5
Total	Grand Total	\$28.5	\$25.5	\$3.0	\$22.5	\$3.0	\$19.5

DEBT COVERAGE RATIO

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal and interest). DCR serves as a critical financial indicator in determining the Agency's overall credit rating, its ability to refinance existing debt, issue new debt, and Agency accessibility to lower rates for future borrowing costs.

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 January 2017, S&P Global Ratings reaffirmed its AA+ rating for the Agency's outstanding revenue bonds. Moody's maintains the Agency rating at 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 debt service costs. The Agency has no legal debt limits imposed by state legislation.

The Agency is projecting to maintain a favorable DCR through FY 2023/24 as indicated in Table 7-10 below. Annual variations of the DCR can be attributed to increasing debt service costs for improvements to the regional wastewater and recycled water programs. In FY 2023/24, debt service is projected to begin for 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.

TABLE 7-10: TOTAL DEBT COVERAGE RATIO BASED ON CURRENT ASSUMPTIONS

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

* Amended, Budget and Forecasts based on current assumptions



DEBT MANAGEMENT

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Variable Rate Revenue Bonds, Series 2008B
(Parity Debt)**

Principal Issue Amount: \$55,675,000
Issue Date: April 14, 2008
Maturity Date: June 1, 2032
Rating: Standard & Poors AA+

Purpose: To refinance the acquisition and construction of capital improvements to Regional Sewer System and refinance the Agency's share of the acquisition and construction of the composting facility, and refinance the Agency's and Chino Basin Watermaster's share of capital improvements to the groundwater recharge facilities ("the Recharge Project").

Security: Pursuant to the 2008B Installment Purchase Agreement, the 2008B Installment Purchase Payments are payable by the Authority solely from Net Revenues, excluding revenues recorded in the Water Resources Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest Rate (Issue)	Actual/ Projected	Interest	Total Payment
2007/08	\$450,000	4.00%	1.60%	\$186,385	\$636,385
2008/09	1,420,000	4.00%	2.80%	1,265,663	2,685,663
2009/10	1,475,000	4.00%	0.48%	156,029	1,631,029
2010/11	1,535,000	4.00%	0.27%	118,321	1,653,321
2011/12	1,560,000	4.00%	0.37%	64,777	1,624,777
2012/13	1,660,000	4.00%	0.16%	73,559	1,733,559
2013/14	1,725,000	4.00%	0.07%	25,186	1,750,186
2014/15	1,790,000	2.00%	0.05%	21,705	1,811,705
2015/16	1,865,000	4.00%	0.12%	53,735	1,918,735
2016/17	1,910,000	4.00%	1.50%	250,000	2,160,000
2017/18	2,015,000	4.00%	2.00%	765,000	2,780,000
2018/19	2,095,000	4.00%	3.00%	1,085,000	3,180,000
2019/20	2,180,000	4.00%		1,441,270	3,621,270
2020/21	2,270,000	4.00%		1,353,332	3,623,332
2021/22	2,355,000	4.00%		1,265,523	3,620,523
2022/23	2,430,000	4.00%		1,192,514	3,622,514
2023/24	2,550,000	4.00%		1,072,573	3,622,573
2024/25	2,650,000	4.00%		970,267	3,620,267
2025/26	2,755,000	4.00%		866,614	3,621,614
2026/27	2,865,000	4.00%		757,005	3,622,005
2027/28	2,970,000	4.00%		652,844	3,622,844
2028/29	3,100,000	4.00%		521,896	3,621,896
2029/30	3,220,000	4.00%		399,487	3,619,487
2030/31	3,350,000	4.00%		271,350	3,621,350
2031/32	3,480,000	4.00%		138,314	3,618,314
\$	55,675,000			\$ 14,968,349	\$ 70,643,349

Principal payment due annually, June 1.

Interest payment due first Wednesday of every month.

Fiscal Year: 12 month period starts from July 1 through June 30.



**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Revenue Refunding Bonds, Series 2010A
(Parity Debt)**

Principal Issue Amount: \$45,570,000
Issue Date: July 15, 2010
Maturity Date: August 1, 2021
Rating: Standard & Poors AA+

Purpose: To refund the outstanding Chino Basin Regional Financing Authority 1994 Revenue Bonds. The 1994 bonds were used for project design and construction of RP-4 Regional Plant, RP-1 Digester Improvements and Odor Control, and RP-1 and CCWRF Ultraviolet Disinfection.

Security: Pursuant to the 2010A Installment Purchase Agreement, the 2010A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2010/11	\$0	\$963,686	\$963,686
2011/12	3,510,000	1,746,343	5,256,343
2012/13	3,600,000	1,686,650	5,286,650
2013/14	3,700,000	1,595,150	5,295,150
2014/15	3,810,000	1,482,500	5,292,500
2015/16	3,945,000	1,346,450	5,291,450
2016/17	4,105,000	1,185,450	5,290,450
2017/18	4,165,000	1,020,050	5,185,050
2018/19	4,285,000	829,625	5,114,625
2019/20	4,620,000	607,000	5,227,000
2020/21	4,755,000	372,625	5,127,625
2021/22	5,075,000	126,875	5,201,875
	<u>\$45,570,000</u>	<u>\$12,962,403</u>	<u>\$58,532,403</u>

Principal due annually, August 1.

Interest due semi-annually, Feb 1 and August 1.

Fiscal Year: 12 month period starts from July 1 through June 30.



DEBT MANAGEMENT

Chino Basin Regional Financing Authority (Inland Empire Utilities Agency)

Refunding Revenue Bonds, Series 2017A (Parity Debt)

Principal Issue Amount:	\$67,615,000
Issue Date:	January 1, 2017
Maturity Date:	November 1, 2033
Rating:	Standard & Poors AA+

Purpose: The Bonds are issued (i) to provide money, which together with certain other moneys, will refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 2008A (Inland Empire Utilities Agency) (the "2008A Bonds"), and (ii) to pay the costs of issuing the Bonds. To finance the cost of certain replacements of the Agency's wastewater facilities and certain improvements to the wastewater, recycled water and non-reclaimable wastewater facilities of the Agency.

Security: Pursuant to the 2017A Installment Purchase Agreement, the 2017A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2016/17	\$0	\$782,050	\$782,050
2017/18	3,010,000	3,133,250	6,143,250
2018/19	3,090,000	3,056,800	6,146,800
2019/20	3,200,000	2,946,450	6,146,450
2020/21	3,330,000	2,815,850	6,145,850
2021/22	3,480,000	2,662,250	6,142,250
2022/23	3,660,000	2,483,750	6,143,750
2023/24	4,185,000	2,287,625	6,472,625
2024/25	4,395,000	2,073,125	6,468,125
2025/26	4,620,000	1,847,750	6,467,750
2026/27	4,860,000	1,610,750	6,470,750
2027/28	3,595,000	1,399,375	4,994,375
2028/29	3,830,000	1,213,750	5,043,750
2029/30	4,025,000	1,017,375	5,042,375
2030/31	4,235,000	810,875	5,045,875
2031/32	4,500,000	592,500	5,092,500
2032/33	4,680,000	363,000	5,043,000
2033/34	4,920,000	123,000	5,043,000
	\$67,615,000	\$31,219,525	\$98,834,525

Principal due annually, November .

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.



PERSONNEL

The Agency regards human resources as one of its most valuable assets and promotes a value-driven work environment characterized by open communication, accountability, equity, trust, mutual respect, and collaboration. The Human Resources Department (HR) is committed to providing a dynamic work environment with a highly skilled and dedicated workforce through successful selection and retention of the best qualified candidates by promoting creativity, innovation and professional development.

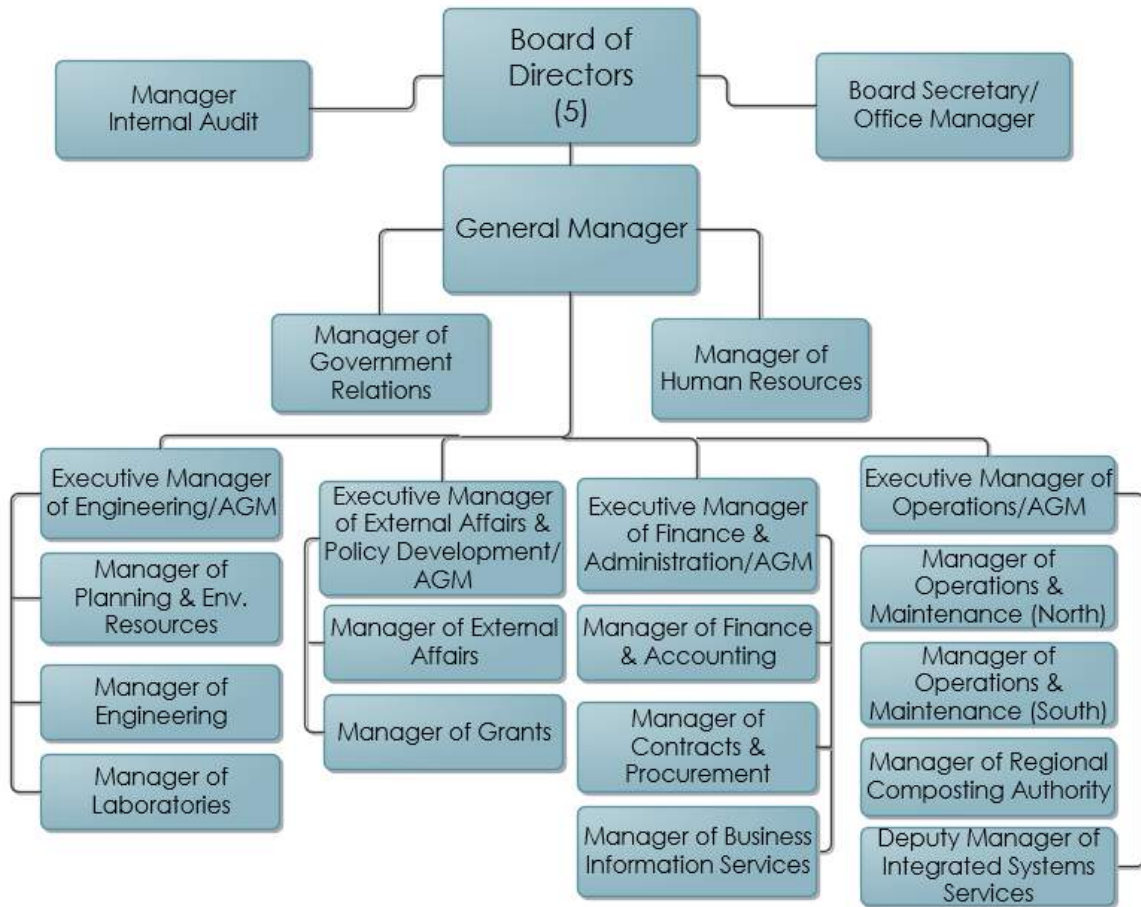
During FYs 2019/20 and 2020/21, through strategic partnerships and collaboration, the HR department will continue to support the achievement of the workplans outlined in the IEUA Business Goals identified under Workplace Environment. Key objectives include streamlining policies and fostering a culture that is both knowledgeable and compliant with all Agency policies; focusing on strengthening our workforce by investing in employee development and promoting continuous learning; and improving employee engagement by exploring, developing, and implementing employee engagement strategies and tools.

Like many private and public-sector organizations, the Agency continues to proactively plan for the impending retirement of its “baby boomers” over the next several years. HR staff will continue to provide ongoing leadership and support to the organization’s succession efforts, and commit to promote, support, and leverage technology resources and tools to improve and enhance workflow efficiency and improve customer service, including employee self-service. This will allow the HR staff to continue to move beyond managing transaction processes and focus on increasing consultative partnerships with the Agency’s customers.

Preparing for a changing workforce will require the delivery of targeted training programs that align with the direction and strategy of the Agency, including the use of e-learning solutions where practical. Demographic shifts within the Agency’s geographic area, and within the existing workforce, will require appropriate marketing and communication strategies to attract and retain qualified and diverse candidates. The Agency plans to continue the implementation of the current succession planning activities, including creating a pool of vacancies for succession planning to allow knowledge transfer, the Agency’s partnership with the College of Extended University at Cal Poly Pomona for local government agencies and the Employment Relations Consortium (ERC) training for public agencies to offer shared training services thereby providing more cost-effective options long term.

The following Agency-wide organizational chart (Figure 8-1) provides an overview of the Agency’s current organizational structure by division and department.

FIGURE 8-1: AGENCY-WIDE ORGANIZATIONAL CHART



STAFFING PLAN

Over the next few years, approximately thirty percent of the current workforce is eligible for retirement. During FY 2019/20 the Agency will continue to support succession planning by filling vacancies previously on hold to streamline operations, and more effectively support the areas of technology, finance, and administration.

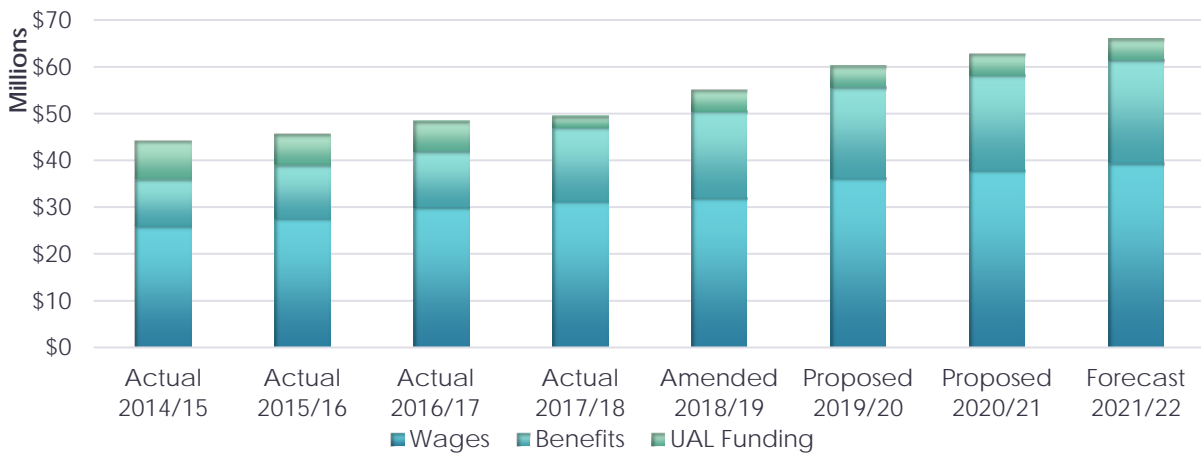
There is no change in the 290 full time equivalent (FTE) authorized employment level included in the biennial budget. In addition to the 290 FTE staffing level, included in the FY 2019/20 budget are 47 interns and 18 limited-term positions primarily to support engineering, construction management, accounting, and grants administration activities. Approximately \$9.0 million in total employment costs annually are allocated to support capital improvement plan (CIP) activities.

Total employment costs for FY 2019/20 are budgeted to be \$60.3 million, nine percent or \$5.2 million higher compared to the FY 2018/19 amended budget, as shown in Figure 8-2. Included in the proposed FY 2019/20 employment budget is a cost of living adjustment (COLA) of three

PERSONNEL

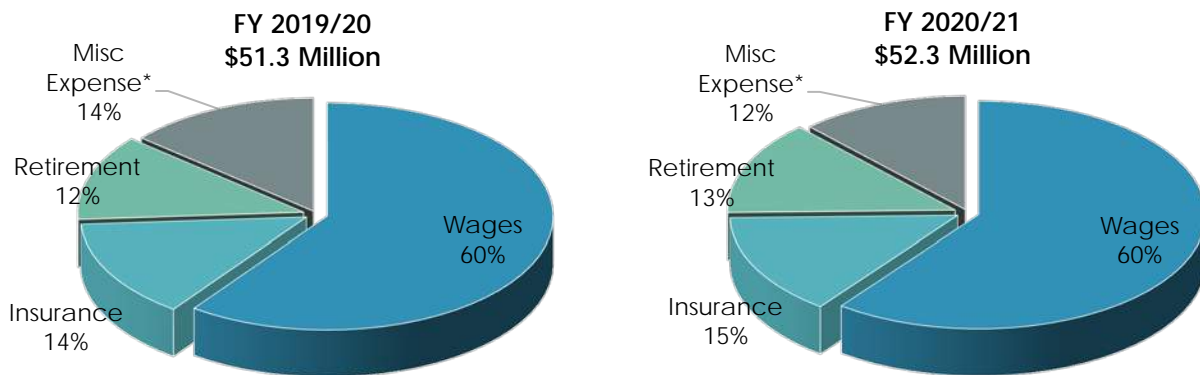
percent. The proposed employment budget of \$62.9 million for FY 2020/21 includes an estimated COLA of three percent for wages and six percent in benefits reflecting the estimated increases in the California Public Employees Retirement System (CalPERS) rates. Employment cost also includes \$6.5 million for each fiscal year in contributions toward the unfunded liabilities for CalPERS and other post-employment benefits (OPEB). Fiscal years 2019/20 and 2020/21 are the second and third year of the three-year Memorandums of Understanding (MOUs) negotiated with the various employee bargaining units in 2018.

FIGURE 8-2: TOTAL GROSS EMPLOYMENT COSTS (\$MILLIONS)



Total net employment costs as indicated in Figure 8-3, inclusive of wages and benefits, are budgeted at \$51.3 million (net of allocation to capital projects) in FY 2019/20 and \$52.3 million in FY 2020/21.

FIGURE 8-3: NET EMPLOYMENT COSTS



* Misc. Expense includes state unemployment taxes, directors' fees, auto allowance, and other benefits.

Table 8-1 provides the change in number of positions for each department from FY 2018/19 to FYs 2019/20 and 2020/21 and staffing forecast for future years.

TABLE 8-1: STAFFING PLAN

DIVISION Department/Cost Center	ACTUAL	AMENDED	PROPOSED	ADOPTED	ADOPTED	FORECAST		
	2017/18	2018/19	CHANGES	2019/20	2020/21	2021/22	2022/23	2023/24
Board of Directors								
Internal Audit	2	2	0	2	2	2	2	2
Agency Management								
Agency Management	6	6	0	6	6	6	6	6
Government Relations	0	1	0	1	1	1	1	1
Human Resources	8	6	4	10	10	10	10	10
Total Agency Management Division	16	15	4	19	19	19	19	19
Finance & Administration Division								
Finance and Administration	1	1	0	1	1	1	1	1
Business Information Services	11	10	0	10	10	10	10	10
Contracts and Facilities Services	9	10	0	10	10	10	10	10
Finance and Accounting	19	19	0	19	19	19	19	19
Total Finance & Administration Division	40	40	0	40	40	40	40	40
External Affairs & Policy Management Division								
Policy Development	1	1	0	1	1	1	1	1
External Affairs	5	6	(1)	5	5	5	5	5
Records Management	2	2	0	2	2	2	2	2
Grants	6	5	0	5	5	5	5	5
Total External Affairs & Policy Division	14	14	(1)	13	13	13	13	13
Engineering, Planning & Science Division								
Engineering, Planning & Science Administration	1	1	0	1	1	1	1	1
Engineering & Construction Management	27	24	2	26	26	26	26	26
Planning & Environmental Compliance	18	20	1	21	21	21	21	21
Laboratory	13	13	0	13	13	13	13	13
Total Engineering, Planning & Science Division	59	58	3	61	61	61	61	61
Operations Division								
Operations Administration	2	2	0	2	2	2	2	2
Technical Services	1	1	(1)	0	0	0	0	0
Integrated Systems Services	14	14	0	14	14	14	14	14
Organics Management	26	25	0	25	25	25	25	25
Operations & Maintenance (O&M) - North								
O&M North Administration	3	3	0	3	3	3	3	3
North Maintenance	27	27	(2)	25	25	25	25	25
RP-1 Operations	20	20	(1)	19	19	19	19	19
RP-4 Operations	4	4	0	4	4	4	4	4
Materials Management Warehouse	4	4	0	4	4	4	4	4
Groundwater Recharge	4	4	0	4	4	4	4	4
O&M - South								
O&M South Administration	3	4	0	4	4	4	4	4
Facilities Management	6	7	0	7	7	7	7	7
Sewer Collections	8	8	0	8	8	8	8	8
South Maintenance	19	19	(1)	18	18	18	18	18
RP-2 Operations	2	3	0	3	3	3	3	3
RP-5 Operations	9	9	(1)	8	8	8	8	8
CCWRF Operations	4	4	0	4	4	4	4	4
Desalter Operations	5	5	0	5	5	5	5	5
Total Operations Division	161	163	(6)	157	157	157	157	157
Total Agency Staff Positions	290	290	0	290	290	290	290	290
Limited Term/Intern Positions								
Limited Term/Contract	17	17	1	18	18	18	18	18
Intern Positions	32	34	13	47	47	47	47	47
Subtotal Limited Term/Intern Positions	49	51	14	65	65	65	65	65
Grand Total Agency Staff Positions	339	341	14	355	355	355	355	355



PERSONNEL

PERSONNEL COSTS BY PROGRAM

Total net employment costs in FY 2019/20 are budgeted at \$51.3 million (net of \$9.0 million allocation to support the Agency's capital improvement program). The increase of \$5.1 million from FY 2018/19 amended budget net cost of \$46.2 million includes the negotiated three percent cost of living adjustments (COLAs), adjustments for projected merit increases, and an additional \$800,000 to support succession planning. FY 2020/21 total net employment costs are budgeted at \$52.3 million (net of a \$10.5 million allocation for capital improvement program labor). The increase over the FY 2019/20 budget includes the estimated three percent COLA and adjustments for projected merit increases. As indicated in Table 8-2, the employment cost allocation for each fund varies each year, as determined by the anticipated level of staff work for the respective programs.

TABLE 8-2: NET EMPLOYMENT COSTS ALLOCATION BY PROGRAM

Program	Allocation Percentage		
	2018/19 \$46.2 million	2019/20 \$51.3 million	2020/21 \$52.3 million
Regional Wastewater*	75.0%	73.3%	74.5%
Recycled Water	9.2%	10.1%	10.3%
Administrative Services/Chino Basin Desalter Operations (JPA)	4.0%	4.8%	3.2%
Non-Reclaimable Wastewater System	5.2%	4.9%	5.0%
Water Resources	5.3%	5.6%	5.7%
Recharge Water	1.3%	1.3%	1.3%
Total	100%	100%	100%

*Includes Organics Management/Inland Empire Regional Composting Authority Operations (JPA)

Total employment cost, comprised of wages and benefits, is initially recorded in the Administrative Services (GG) fund. These costs are then allocated to other Agency programs, capital projects, and other agencies and Joint Power Authorities (JPAs) based on their level of support. Employment costs for staff assigned to support other agencies, such as Chino Basin Desalter Authority (CDA) and the Inland Empire Regional Composting Authority (IERCA), are reimbursed to the Agency based on contractual agreements. Table 8-3 and Figure 8-4 show the allocation of the Agency's authorized FTEs by program and activities.

TABLE 8-3: ALLOCATION OF AUTHORIZED FTES BY FUND/PROGRAM

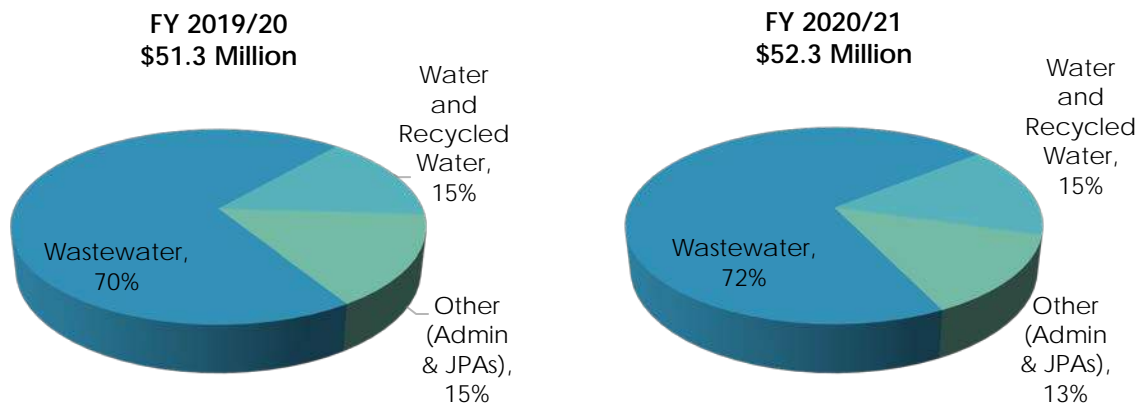
Fund/Program	2018/19	2019/20	2020/21	Average
Regional Wastewater Operations Fund	173	174	174	60%
Regional Wastewater Capital Fund	25	24	24	8%
Recycled Water Fund	23	24	24	8%
Non-Reclaimable Wastewater Fund	14	16	16	6%
Recharge Water Fund	4	4	4	1%
Water Resources Fund	15	15	15	5%
IE Regional Composting Authority (IERCA) /JPA ⁽¹⁾	25	25	25	9%
Chino Basin Desalter Authority (CDA) / JPA ⁽²⁾	6	6	6	2%
General Administration Fund	2	2	2	1%
Total	290	290	290	100%

⁽¹⁾ IERCA JPA labor costs are 100 percent reimbursable from the IERCA and are reported in the Regional Wastewater Operations fund.

⁽²⁾ CDA JPA labor costs are 100 percent reimbursable from CDA and are reported in the Administrative Services fund.

Total employment cost reimbursements due from other agencies/JPAs and are estimated to be \$5.9 million in FY 2019/20 and \$6.2 million in FY 2020/20: \$4.0 million of employment costs for FY 2019/20 and \$4.2 million for FY 2020/21 from IERCA for operation of the facility which are recorded in the Regional Wastewater Operations fund, and \$1.4 million for both fiscal years from CDA for operations and program support of the CDA facility which is recorded in the Administrative Services fund. The Chino Basin Watermaster (CBWM) partially reimburses labor costs of approximately \$584,700 in FY 2019/20 and \$603,000 in FY 2020/21 for recharge water basin maintenance recorded in the Recharge Water fund.

FIGURE 8-4: NET EMPLOYMENT COST BY PROGRAM



BENEFITS

In FY 2019/20, total benefit costs are budgeted at \$23.2 million and make up 38 percent of the total gross employment costs. The costs increase to \$24.9 million in FY 2020/21. These benefits are comprised of:

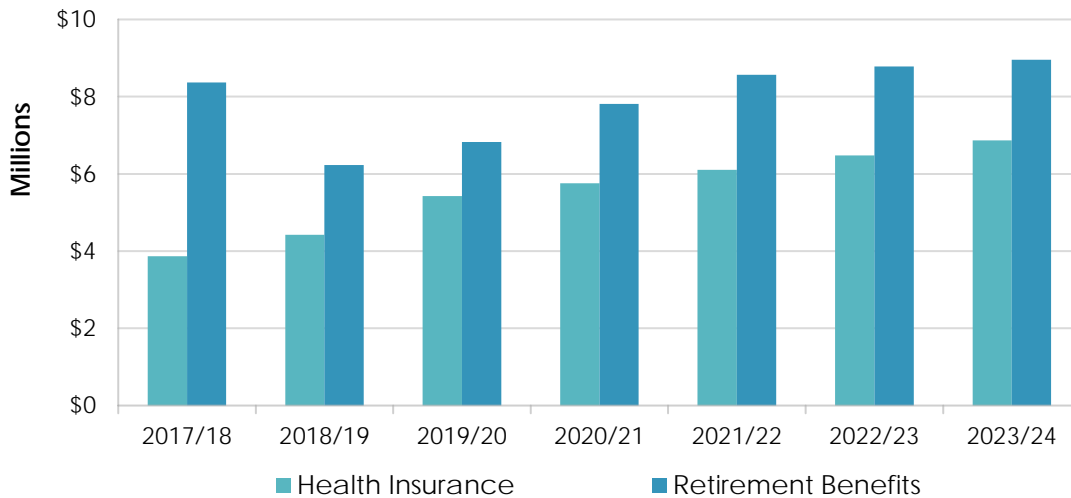
- ◆ Insurance (i.e. health, dental, vision, life, long term disability, and workers' compensation);
- ◆ Paid leave (e.g. holiday pay, sick leave, vacation leave, executive leave, floating holidays, etc.);
- ◆ Retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS) and Social Security;
- ◆ Contribution towards retirement Unfunded Accrued Liabilities (UAL) and Other Post-Employment Benefits (OPEB).

The CalPERS employer contribution rate projected for FY 2019/20 and FY 2020/21 are 20.83 percent and 22.77 percent of total "persable" wages, respectively. As of July 1, 2017 all Agency employees pay 100 percent of the employer paid member contributions (EPMC). Employment cost also includes \$6.5 million for each fiscal year in contributions toward the unfunded liabilities for CalPERS retirement and other post-employment benefits.

Figure 8-4 reflects a combined increase of approximately fifteen percent in health and retirement benefit costs in FY 2019/20 over the prior year's amended budget. Effective January 1, 2015, the agency is capped to pay up to 6.5 percent of the medical health rate increase per calendar year and anything in excess of the 6.5 percent will be paid the employee.

The budget for FY 2020/21 includes approximately eleven percent increase in the Agency's CalPERS employer contribution rate and health insurance costs. In December 2016, the CalPERS Board of Administration voted to lower the discount rate incrementally from 7.5 percent in FY 2017/18 to 7.0 percent in FY 2020/21. Lowering the discount rate means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities.

FIGURE 8-4: BENEFITS COST TREND (\$MILLIONS)



SAFETY

Safety strives to provide a safe and healthful work environment, dedicated to reducing injuries, accidents, and ensuring regulatory compliance through a comprehensive safety program. Safety provides high-quality training, comprehensive workplace evaluations and inspections, and offers support to all employees.

Safety works with outside agencies and organizations to address all applicable regulations and standards. Safety also maintains and updates various permits and certificates from federal, state, and local regulatory agencies.

Safety training focuses on Agency and California Division of Occupational Safety Health (Cal/OSHA) required topics applicable to our industry. Online training is offered for annual topic reviews as well as initial training for new hires. Specific employee training required by Cal/OSHA (New Employee Safety Orientation, Asbestos, Hazardous Communication Standard (HazCom), Bloodborne Pathogen, Hearing Conservation, Respirators, Confined Space, Lockout/Tagout, Hot Work, Forklift, etc.) is conducted annually and upon request. Cal/OSHA trainings, which require annual recertification, are taught by qualified/certified trainers. Regular refresher training is important to ensure information retention, knowledge of potential hazards, and to reinforce employee adherence to Safety approved guidelines.



PERSONNEL

An active effort by management, and empowering employees to assist in recognizing and evaluating health and safety risks as well as initiating appropriate steps to remove or reduce them, encourages a proactive approach to working safely every day. Safety is everyone's responsibility and we continue to make every effort toward exceeding OSHA standards, demonstrating our commitment to best practices, and reinforcing safety as our core value.

TRAINING, DEVELOPMENT AND SUCCESSION PLANNING PROGRAMS

The use of organizational development to maximize the long-term effectiveness of human resources through succession planning and other developmental strategies will continue with an end goal to increase the internal capacity to accomplish the Agency's strategic plan and business goals, sustain a high level of productivity and result in improved customer satisfaction.

In order to avoid a significant loss in workforce skill and knowledge, succession planning is crucial to addressing future gaps because of more employees reaching retirement age. One approach is to identify Agency positions and systematically placing lower level high potential staff on a development path now that will prepare them to easily move into jobs with higher level competency requirements in the future. The other approach is to hire new employees before incumbents retire to allow for cross training and seamless transitions.

The Training and Development Program involves on-site training by subject matter experts in a variety of topics, online training, group collaborations, facilitated classes, and external college courses with other public agency employees. This evolution has resulted in significant savings to the Agency. The design of the Training and Development Program focuses on the balance between both the immediate and future needs of the employees and the Agency.

Training and Development focuses on three areas: Personal Development, Supervisory Development, and Leadership Development. The Personal Development Program consists of Microsoft Office training, "The 7 Habits of Highly Effective People" Program, and various development workshops. Supervisory development is achieved through participation in The Southern California Local Government Supervisory Program, and Liebert Cassidy Whitmore (LCW) employment law workshops. The next generation of Agency leaders participates in The Southern California Local Government Leadership Academy. A key objective in future years, is to expand onsite training efforts to include more customized soft skills and leadership development for our supervisors and managers. These programs target the developmental needs of the various stages of an employee's career. Online e-learning through Skillsoft is also available to provide all employees with the resources they need to achieve their performance goals and objectives.

The Agency has implemented a Career Management Program as a development opportunity for selected participants. Participants further their development by networking and meeting in learning groups to discuss their current jobs and career interests. The program includes: a highly interactive workshop where individuals learn skills and responsibilities for effectively managing their own careers; a 360 feedback from peers, subordinates and direct supervisors; and participants' identification of a unique learning experience that they can use for professional growth.



AGENCY MANAGEMENT DIVISION

MISSION STATEMENT

To manage the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects, planning programs, legislation, and outside state/federal grant funding.

DEPARTMENTS

- ◆ Internal Audit
- ◆ Agency Management
- ◆ Human Resources
- ◆ Government Relations

EXECUTIVE SUMMARY

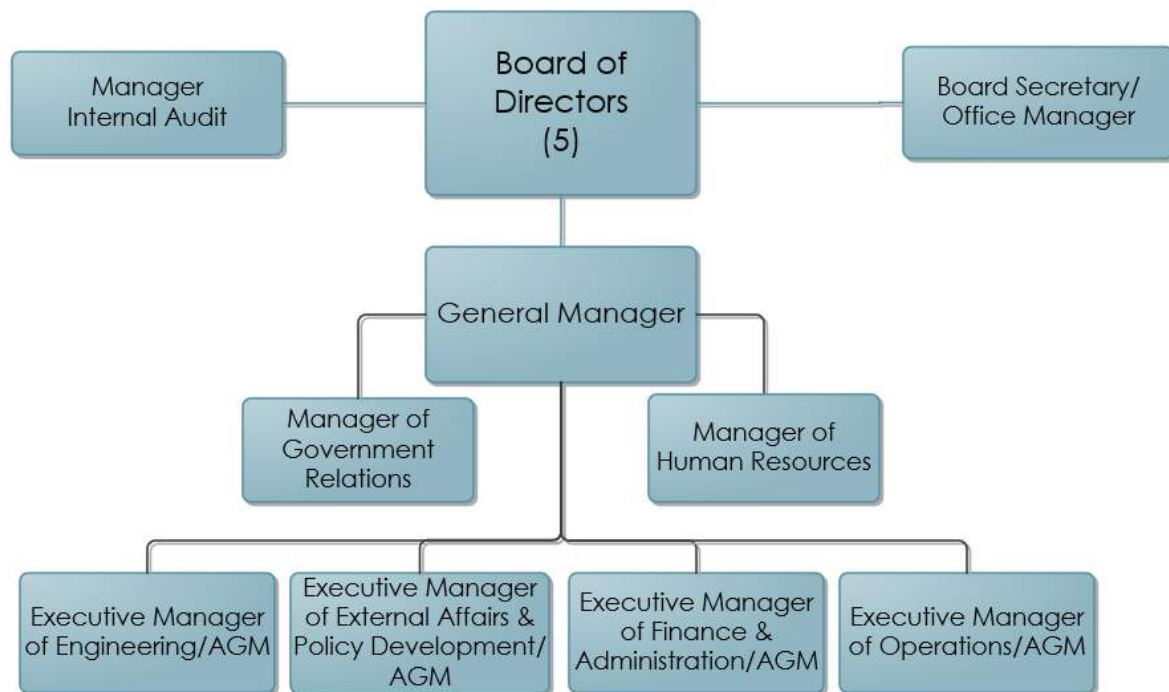
The Agency Management Division is responsible for the management and administration of all Agency activities. Its purpose is to establish the IEUA business goals, administer Agency programs, organize efficient delivery of the Agency's services, and implement Agency policies pursuant to the direction of the Board of Directors. The Division provides management services on all matters pertaining to the business of the Agency. Agency Management is responsible for directing State legislative and regulatory involvement by staff for the Board of Directors.

The Agency Management Division has established several important objectives to accomplish during FY 2019/20 and FY 2020/21. These objectives include cost containment of expenditures within budgeted targets, optimizing federal and state grant funding, oversight of preparation of long-term planning documents, with an emphasis on long range financial planning to ensure fiscal stability of the Agency for the next decade, and support succession planning for timely recruitment of critical positions to enable knowledge transfer and minimize the impact to the organization and customers. Total division staffing is budgeted at 19 full time equivalents (FTE) as well as 1 limited term (LT) position for FYs 2019/20 and 2020/21.

DIVISION GOALS

- ◆ Develop a water bank program for the Chino Basin Water Bank Program.
- ◆ Continue renegotiation of the Regional Sewerage Service Contract (Regional Contract) set to expire in 2023.
- ◆ Establish a Succession Planning program to ensure timely recruitment and development of the new generation of Agency employees.
- ◆ Continue to invest in the timely expansion and improvement of Agency facilities and infrastructure to support anticipated growth and optimization of wastewater collection, wastewater treatment, and recycled water systems.
- ◆ Support the Agency's ongoing transition to a more preventative/predictive maintenance strategy and reduce maintenance costs.
- ◆ Assist member agencies implementation of the State's water use efficiency standards.
- ◆ Support the Chino basin Program objectives to secure Proposition 1 funding.

ORGANIZATIONAL CHART





INTERNAL AUDIT

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 its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:

- ◆ Promote a sound control environment.
- ◆ Provide independent, objective assurance and consulting services.
- ◆ Improve Agency risk management, control and governance.
- ◆ Promote the Agency's vision and mission with a high degree of professionalism.
- ◆ Assist the Board of Directors and senior management achieve organizational goals and objectives.

DESCRIPTION AND PURPOSE

The purpose of the Internal Audit Department (Internal Audit) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls, compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations. Additionally, the purpose of Internal Audit is to provide, as a service to management and as a way of adding value to improve the operations of the Agency, consulting services, analyses, recommendations, and information concerning IEUA operations. Internal Audit assists management and staff in achieving their objectives by providing recommendations based on an analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations. The Board approved the Charter which establishes the authority and responsibilities of the Internal Audit Department.

Internal Audit (IA) performs audits and abides by the *International Standards for the Professional Practice of Internal Auditing* and the Code of Ethics issued by the Institute of Internal Auditors (IIA). The Department adopted four values which form the foundation for its purpose: independence, integrity, professionalism, and collaboration.

Internal Audit reports to the Board of Directors through the Audit Committee and is an independent function from management and this is consistent with best practices recommendations to ensure independence. The authority and responsibilities of the Internal Audit

Department are specifically defined in the Internal Audit Department Charter approved by the Board.

POSITION SUMMARY

No staffing changes proposed for FYs 2019/20 and 2020/21. If additional staffing is needed, temporary staffing will be utilized.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Internal Audit	1	1	1	1
Senior Internal Auditor	1	1	1	1
Total	2	2	2	2
Limited Term Positions				
Senior Internal Auditor	1	1	1	1
Total	1	1	1	1
Total	3	3	3	3

ORGANIZATIONAL CHART





INTERNAL AUDIT

SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A2	Promote a strong control environment by conducting independent and objective audits of Agency operations where focus and audit scope includes identifying areas of and providing recommendations for cost containment, effectiveness and efficiency of operations and opportunities for improvement and areas of cost containment and program efficiency.	Complete	Completed planned and scheduled audits as approved by the Board through the Annual Audit Plan: <ul style="list-style-type: none"> • 2017 CAFR Quality Control Review & filing with the required authorities • Review of Charters and SOPs • Reserves and Interfund Transfers Review – evaluated that transfers and reserves comply with Agency policies. • Participated in committees for various Agency projects and initiatives • Procurement Cards Audit • Wire Transfers Audit • Water Connection Fees Audit • Southern California Utility Payments Follow-Up Audit • Accounts Receivable Follow-Up – Watermaster Agreement review • Assisted with the audit of IEUAs Sewer System Management Plan • Fuel Card Audit • Accounts Payable Audit
B. Workplace Environment			
B1	Promote a strong control environment by conducting independent, objective audits of Agency operations where focus and audit	Complete	Completed all audits proposed through the Board approved Annual Audit Plan, amendment and requested changes to those plans and

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	scope include evaluating that Agency processes and systems comply with the Agency's Mission, Vision, Values, best practice operations, processes and programs, Agency policies and procedures, and senior management input, as the criteria against which to measure performance results of the audited business areas. Provide recommendations to the appropriate personnel to address gaps identified.		requested special projects. Ensured all projects are for the benefit of ensuring the Agency's mission, goals and objectives are achieved.
B2	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development, professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trends.	Complete	All auditors attained a minimum of 16 hours of Continuing Professional Education as required by the Board approved Charter, the job description for an Internal Auditor and as required by the profession of Internal Auditing.
	Encourage internal auditors to achieve the Certified Internal Auditor Designation by the Institute of Internal Auditors.	In Progress	In Progress & Partially Complete. One Senior Auditor achieved the certification and other two staff are studying to complete certification in calendar year 2019.
B6	Promote a strong control environment by conducting independent, objective internal and external audits of Agency operations where focus and scope include identifying areas of improvement and providing recommendations for strong internal controls, effectiveness and efficiency in operations, improving customer service at all levels, ensuring safeguarding of Agency Assets, and identifying ways to be more effective and efficient.	Complete	Completed all audits proposed through the Board approved Annual Audit Plan, amendment and requested changes to those plans and requested special projects. Ensured all projects are for the benefit of ensuring the Agency's mission, goals and objectives are achieved.
B8	Update and maintain the Internal Audit Department's Disaster	Complete	Submitted a documented Disaster Preparedness Plan



INTERNAL AUDIT

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	Preparedness Plan that supports the Agency-wide Plan and submit to the Audit Committee for review and submittal to the Board.		to the Audit Committee and Board for review. The plan states that IA will support and provide assistance to any critical area or activity requiring assistance during a disaster.
C. Business Practices			
C3	Establish, maintain and strengthen audit-related private/public partnership opportunities, have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement.	Complete and On-going	Feedback from auditees, senior or Executive Management, Audit Committee Advisor, the Audit Committee and Board is requested during before and after each audit project. The feedback is received, and changes are implemented if necessary. Communication from IA to all stakeholders is provided. Maintaining good, professional working relationships is a requirement for internal auditors.
C6	Assist in any way by working closely with management and the Agency attorney, in the development of the Administrative Code, providing objective and independent review and feedback to the Administrative Code to ensure related policy and procedure requirements are addressed.	Complete	Internal Audit provided feedback, edits, comments and recommendations during the development of the Administrative Code and will continue to review from time to time.
C10	Promote support for the achievement of Agency goals, objectives, mission and values through audit areas where the goal and scope of the reviews are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve	Complete and On-going	The core function of Internal Audit (IA) is to provide objective assessments of Agency operations to determine efficiencies and compliance with requirements with the end goal of assisting the Agency in achieving its organizational goals and objectives. In addition to

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
	<p>efficiencies. Conduct independent objective audits of Agency operations where the focus and the audit scope would be to identify opportunities for improvement and provide support for positions, processes, developments and initiatives at any level of the Agency, that would enable the implementation and support of the Agency goals and the achievement of those goals.</p>		<p>required, on-going administrative activities listed in the IAD Charter and the Board-approved Annual Audit Plan, during FY 2018/19, IA completed the following audits of Agency operations and provided the respective recommendations to improve efficiencies, processes, developments and initiatives (results are also described in detail in the IA Quarterly Status Reports and the complete audit reports received by the Board all accessible through the main website):</p> <ul style="list-style-type: none"> • Garden In Every School Program Audit • Inter-Fund Transactions/Transfers Audit • Warehouse Annual Physical Inventory Observation & Report • Automobile Insurance Requirements and Review of Vehicle Security Procedures • Quality Control Review of the Comprehensive Annual Financial Report (CAFR) & coordination of the External Financial Audit • Water Connection Fees Audit • Southern California Edison (SCE) Utility Payments Follow-Up Audit • Accounts Receivable Follow-Up - Watermaster Agreement



INTERNAL AUDIT

OTHER DEPARTMENT WORKLOAD INDICATORS

	2017/18 Actual	2018/19 Projected	2019/20 Target	2020/21 Target
Annual Audit Plan Completion	1	1	1	1
Scheduled Audits Completed	4	9	7	6
Follow Up of Completed Audits	3	4	4	6
Audits Completed Within Allotted Time	7	13	11	12
Special Projects Completed	1	2	2	2

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Work Environment C. Business Practices				
D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
A. Fiscal Responsibility				
A2	Promote a strong control environment by conducting independent and objective evaluations of Agency processes and operations where the focus and scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in processes and operations and identifying opportunities to improve and areas of cost containment and ensuring compliance	Report to the Audit Committee on completed audit projects during regularly quarterly scheduled meetings. Communicate results to management responsible for audit areas	Report to the Audit Committee on completed audit projects during regularly quarterly scheduled meetings. Communicate results to management responsible for audit areas	Completed audit projects and feedback received from the Audit Committee and audited business units.

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
	with policies, procedures and requirements.			
B. Work Environment				
B1	Promote a strong control environment by conducting independent, objectives evaluations of Agency operations where the focus and the audit scope includes evaluating Agency processes and systems are aligned with the Agency's Mission, Vision, Values, are effective and efficient, are best practice operations, processes and programs, comply with Agency policies and procedures, as well as incorporate senior management input, as the criteria against which to measure performance and results of the audited business areas.	Report to the Audit Committee during regularly schedule Audit Committee meetings. Communicate results to management responsible for audit areas	Report to the Audit Committee during regularly schedule Audit Committee meetings. Communicate results to management responsible for audit areas	Feedback from the Board, Audit Committee and Executive Management that the Internal Audit Department focuses on assisting management in achieving organizational goals and objectives. Provide recommendations to the appropriate personnel responsible for the areas identified during audits.
B2	Maintain knowledgeable, skilled and experienced audit staff and encourage and promote continuous professional development and professional certifications and higher education, as recommended and required under the professional audit standards and the Board-approved IAD Charter to ensure	On-going and continuous requirement	On-going and continuous requirement	Require auditors complete 80 hours of Continuous Professional Education every 2 years and relevant to the Agency and the profession. Certification granted by the Institute of Internal Auditors.



INTERNAL AUDIT

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Work Environment C. Business Practices				
D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
B3	continuous professional development and improvement and to stay abreast of developing trends.			
	Encourage internal auditors to achieve the Certified Internal Auditor (CIA) designation issued by the Institute of Internal Auditors and other professional designations to demonstrate proficiency.	Designations should be achieved by July 2020		Certification granted by the Institute of Internal Auditors.
	Have a peer-review of the Internal Audit department functions according to the Institute of Internal Auditors standards once the Certified Internal Auditor professional designations have been attained.	Fiscal Year 2020/21 after auditors have achieved the professional designation of Certified Internal Auditor.		Successful completion of the peer-review.
	Perform a survey/evaluation discussion of auditee/customer satisfaction during the preliminary stage of each audit and at the end of each audit project to gather information about the area audited, the employees and auditor involvement, professionalism, knowledge and ability to communicate, to gain information on	At the beginning and completion of each internal audit with each business unit under review, staff and department management	At the beginning and completion of each internal audit with each business unit under review, staff and department management	Feedback received through discussions about the business process and about the audit process and auditor knowledge and customer service.

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability

E. Wastewater Management

F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
	continuous improvement.			
B6	Promote a strong control environment by conducting independent and objective evaluations of Agency processes and operations where the focus and scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in processes and operations and identifying opportunities to improve and areas of cost containment and ensuring compliance with policies, procedures and requirements. More importantly, that all business practices, processes and procedures assist the Agency in achieving organizational Goals and objectives, the Agency's Mission, Vision and Values.	Quarterly	Quarterly	Completed audit projects, recommendations provided through audit projects, and feedback received from the Audit Committee and audited business units.
B8	Update and maintain the Internal Audit Department's Disaster Preparedness Plan that supports the Agency-wide Plan and submit to the Audit Committee for review and submittal to the Board.	Annual	Annual	Completed department plan that supports Agency-wide plan. Posted to the IIA internal website and updated periodically as requested.
B12	Maintain knowledgeable, skilled and experienced audit	Quarterly	Quarterly	Completed training, demonstration of



INTERNAL AUDIT

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
	<p>staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter. Ensure IA staff follows the Internal Audit Department's Standard Operating Procedures and IAD Charter, ensure those procedures as well as the charter are updated annually, hold staff accountable for understanding their responsibilities under the department SOPs, the Charters, as well as Agency-wide Policies and Directives and other policy documents.</p>			<p>application of the policies.</p>
	<p>During conducting approved audit projects, and always, evaluate and assess to determine if Agency policies and procedures, including the Administrative Code/Handbook and other requirements are being followed. Make recommendations to promote a strong control environment and compliance with all Agency policies, procedures and requirements and ensure staff is trained in such</p>	<p>Audit reports provided and discussed with the Audit Committee during regularly scheduled meetings and communication with department management responsible for the areas reviewed</p>	<p>Audit reports provided and discussed with the Audit Committee during regularly scheduled meetings and communication with department management responsible for the areas reviewed</p>	<p>Follow-up evaluation and review of audit recommendations provided to business units during independent audits.</p>

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
	functions and policies and that the policies are continuously reviewed and updated timely when necessary.			
C. Business Practices				
C1	Internal Audit will conduct, and document audit close-out meetings/discussions and lessons learned sessions with the responsible parties of the audited area and the respective manager as well as internally within the audit team. The purpose is to evaluate the audit process, procedures, resources selected and results of the audit and determine if goals and objectives were met, evaluate the value of the recommendations made and determine what necessary follow up audit work, continuous audit monitoring or future audit projects should be planned or recommended, to ensure the findings identified are addressed by the Agency and the audit process is aligned to evaluate the Agency's Mission, Vision and Values and all organizational goals can be achieved.	Quarterly	Quarterly	Document close out evaluation in audit project files and feedback received from management, the Audit Committee and/or the Board.



INTERNAL AUDIT

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Work Environment C. Business Practices				
D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
C3	Establish, maintain and strengthen all private/public partnership opportunities through audit-related projects or network and education/training opportunities and all other professional associations and involvement where audit-related and Agency-related topics can be shared, discussed, and evaluated with the objective and end-goal of continuous audit process improvement and to be a resource and asset to the Agency through providing recommendations during audit projects.	Report on-going to management in the business unit being evaluated and through audit reports completed to the Audit Committee and the Board during regularly scheduled meetings, documented in the status report and as requested	Report on-going to management in the business unit being evaluated and through audit reports completed to the Audit Committee and the Board during regularly scheduled meetings, documented in the status report and as requested	Resourcefulness of networks and feedback received from management, the Audit Committee and/or the Board.
C4	As required by auditing standards as promulgated by the Institute of Internal Auditing (IIA), IA is required to coordinate efforts of audit, quality assurance or evaluation teams to leverage resources and avoid wasted resources with duplication of work. The purpose of the coordination is to ensure Agency high risk areas and priorities are addressed. IA will reach out to the LEAN Management Team to	Periodically, at minimum during the preparation of the Annual Audit Plan	Periodically, at minimum during the preparation of the Annual Audit Plan	Document input and meetings with the LEAN Team in audit work papers when input is providing for the preparation of the Annual Audit Plan and during other Agency audits if input is provided.

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
	<p>discuss/compare work plans to ensure all Agency high risk and priority areas are addressed and covered to assist Agency management in achieving organizational goals and objectives. Conduct independent objective audits of Agency operations where the focus and the audit scope would be to identify opportunities for improvement and provide support for positions, processes, developments and initiatives at any level of the Agency, that would enable the implementation and support of the Agency goals and the achievement of those goals.</p>			
C6	<p>Assist and provide support, research and recommendations to management, in the development of the Administrative Code and/or any Agency policy/procedure and provide objective and independent review and feedback to ensure related policy and procedure requirements are addressed with the end goal of helping the Agency achieve</p>	Ongoing	Ongoing	Comments and recommendations provided on documents and feedback received.



INTERNAL AUDIT

IEUA Business Goal Overview				
<i>A. Fiscal Responsibility B. Work Environment C. Business Practices</i>				
<i>D. Water Reliability E. Wastewater Management F. Environmental Stewardship</i>				
<i>IEUA Business Goals</i>	<i>Department Goals</i>	<i>FY 2019/20 Timeline</i>	<i>FY 2020/21 Timeline</i>	<i>KPIs</i>
C10	organizational goals and objectives.			
	Promote support for the achievement of Agency goals, objectives, mission and values through independent, objective evaluations of audit areas where the goal and scope of the reviews are to measure the performance of a program, process, or service or compare results to Agency goals and identify areas for improvement, make recommendations to improve efficiencies and effectiveness and/or compliance of policies and procedures. Conduct independent, objective assessments of Agency operations where the focus and the audit scope would be to identify opportunities for improvement and provide support for positions, processes, developments and initiatives at any level of the Agency, that would enable the implementation and support of the Agency goals and the achievement of those goals and objectives.	Quarterly	Quarterly	Completed audit projects and feedback/comments from Agency management and or the Audit Committee and the Board.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative costs. Operating costs include professional fees and services. Agency-wide expense budgeted here include external auditing services.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$605,938	\$567,721	\$584,646	\$615,476
Administrative	3,615	12,100	13,725	14,350
Operating	57,525	110,000	103,000	107,000
Total	\$667,078	\$689,821	\$701,371	\$730,826



OFFICE OF THE GENERAL MANAGER

MISSION STATEMENT

To manage the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects, planning, programs, legislation, and funding.

DESCRIPTION AND PURPOSE

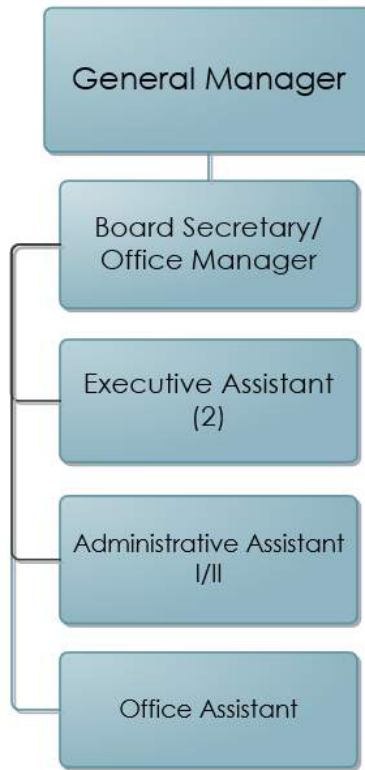
Agency management is responsible for the overall policy direction and day-to-day management of the Inland Empire Utilities Agency. Under the general direction of the General Manager, the Agency is responsible for a number of programs and services including the wholesale distribution of water and recycled water, regional wastewater treatment for a 242-square mile area of Western San Bernardino County, industrial and municipal wastewater collection through biosolids management, and other related utility services.

POSITION SUMMARY

There are no proposed departmental staffing plan changes for the FY 2019/20 and FY 2020/21 budget years.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
General Manager	1	1	1	1
Board Secretary/Office Manager	1	1	1	1
Executive Assistant	2	2	2	2
Administrative Assistant I	1	1	1	1
Office Assistant	1	1	1	1
Total	6	6	6	6

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments					
A. Fiscal Responsibility		B. Work Environment		C. Business Practices	
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship	
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishment		
B. Work Environment					
B1	Staff to complete a course or seminar for professional development annually.	Ongoing	Staff continues to attend seminar/conferences annually e.g. CSDA Board Secretary Conference and two staff members are/will participate in the IEUA Career Management Program.		
B12	Succession Planning	Ongoing	Staff continues to cross train within the department.		



OFFICE OF THE GENERAL MANAGER

Major Accomplishments

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA

Business Goals

Department Goals

KPI Status

Overall Accomplishment

C. Business Practices

C10

Develop a standard operating handbook for the executive management department.

Update and maintain Board Secretary handbook.

Ongoing

Created SOPs for the Executive Admin Handbook and Board Secretary handbook. New SOPs are being developed for new tasks e.g. the video taping of the board meetings as well as other processes for efficiency.

D. Water Reliability

D3

Develop a water bank program for the Chino Basin.

Ongoing

The CBWB JPA was implemented in October 2018. The Partners continue to meet bi-weekly and JPA board meetings are held quarterly. Partners are working with the consultants on the engineering analysis and financial modeling.

E. Wastewater Management

E1

Renegotiate the Regional Contract set to expire in 2023.

Ongoing

The Agency, Contract Agencies, and K&W consultants continue to negotiate the Regional Sewage Service Contract. Phase 1 and 2A are complete and Phase 2B is near completion. The Agencies have made considerable progress and have developed term sheets. There are 14 topics in progress or yet to be discussed. The contract amendment to continue K&W facilitation for Phase 2C will be going to the Regional Committees in April/May 2019 for approval.

OTHER DEPARTMENT WORKLOAD INDICATORS

	2017/18 Actual	2018/19 Projected	2019/20 Target	2020/21 Target
Agency Operating Expenses	\$143.7	\$152.9	\$162.0	\$162.0
Agency Wide Staffing*	290	290	290	290
All Hands Meetings Completed	89	44	45	45
Department Lunches Hosted	1	1	3	3
Service Awards Luncheons Hosted	1	2	2	2
Board/Committee Packages Prepared	83	60	60	60

* Number of authorized Full Time Equivalents (FTE)

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	2019/20 Timeline	2020/21 Timeline	KPIs
B. Work Environment				
B1	Staff to complete a course or seminar for professional development annually.	Ongoing	Ongoing	Complete a seminar/course by June 2020 and June 2021.
B2	Develop a succession plan for the Agency Management department.	Ongoing	Ongoing	Complete cross training and update or create Standard Operating Procedures.



OFFICE OF THE GENERAL MANAGER

IEUA Business Goal Overview				
A. Fiscal Responsibility B. Work Environment C. Business Practices				
D. Water Reliability E. Wastewater Management F. Environmental Stewardship				
IEUA Business Goals	Department Goals	2019/20 Timeline	2020/21 Timeline	KPIs
B12	Update the Board Member Handbook.		June 2021	Occurs every two years, to be updated and distributed by June 30, 2021.
	Continue to organize and coordinate MWD Inspection Trips.	Semi-Annually	Semi-Annually	Complete MWD Inspection trips by fall of 2019 and spring 2020.
D. Water Reliability				
D3	Develop a water bank program for the Chino Basin.	Ongoing	Ongoing	Hold bi-weekly partner meetings, quarterly Board meetings to support the coordination of funding, design, construction, and operation of a program.
E. Wastewater Management				
E1	Renegotiate the Regional Contract set to expire in 2023.	Ongoing	Ongoing	Technical Committee meeting minutes used to track progress.

EXPENSES

Employment includes wages and benefits. Administrative and operating costs budgeted in this department include agency-wide expenses such as legal, memberships, contributions, and sponsorships. FY 2020/21 administrative expense budget includes election expense which is budgeted every other year.

Expense	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Employment	\$719,202	\$1,187,801	\$1,134,986	\$1,198,515
Administrative	342,882	476,505	712,900	913,400
Operating	818,596	1,185,168	904,000	964,000
Total	\$1,880,680	\$2,849,474	\$2,751,886	\$3,075,915



HUMAN RESOURCES

MISSION STATEMENT

Assist in providing effective and efficient support to the Agency's most valued asset, its employees. The Department strives to ensure the successful selection and retention of the best qualified candidates, the implementation of valuable benefits, the maintenance and enhancement of staff skills through training, and the resolution of personnel issues in a timely manner with the highest standards of confidentiality, integrity, courtesy, and respect.

DESCRIPTION AND PURPOSE

The Human Resources (HR) Department strives to promote progressive practices in the following areas: recruitment and retention; application of the Memorandums of Understanding and Personnel Manuals for the various bargaining units; sustainment of positive labor relations with all employee bargaining units; benefits; development of the Agency's training program; compliance with State and Federal regulations such as the Family Medical Leave Act, Americans with Disabilities Act, Affordable Care Act and COBRA. In addition, the HR Department is charged with discovering new ways to motivate staff and provide a rewarding work environment for Agency employees. The Human Resources staff serves as advisors, consultants, and organizational champions for the Agency.

POSITION SUMMARY

In FY 2018/19 the Human Resource department was moved from the Finance and Administration division to the Agency Management division and will report directly to the Agency's General Manager. Additionally, a departmental realignment moved safety services from Human Resources to the Contracts and Procurement department.

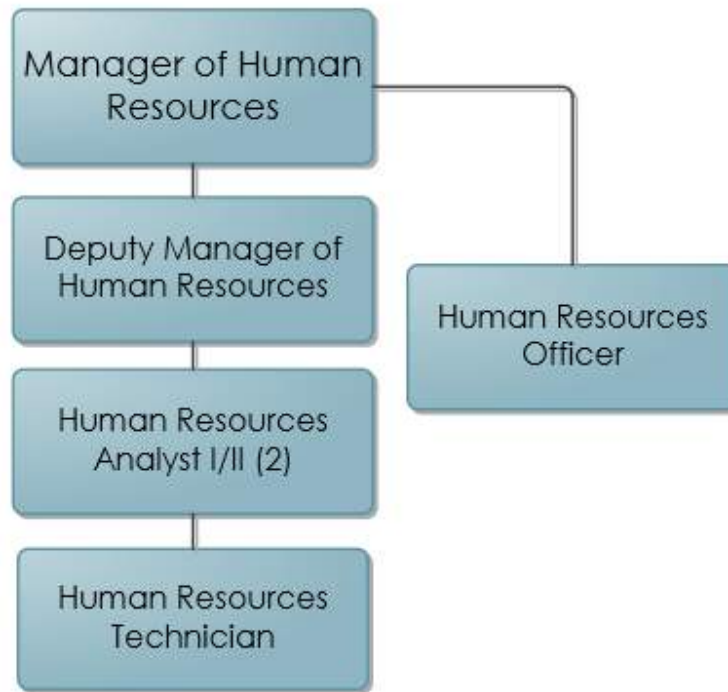
New in FY 2019/20, in order to better service agency needs the HR department will administer agency wide vacancies. This change adds additional flexibility in filling vacancies where they are needed most in a more efficient and expedient manner.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Human Resources	1	1	1	1
Deputy Manager of Human Resources	1	1	1	1
Human Resources Officer	1	1	1	1
Safety Officer	1	0	0	0
Human Resources Analyst II	1	1	1	1
Human Resources Analyst I	1	1	1	1

HUMAN RESOURCES

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Safety Analyst	1	0	0	0
Human Resources Technician	1	1	1	1
Agency Wide Vacancy	0	0	4	4
Total	8	6	10	10

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B1	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining respectful and positive work relationships.	Ongoing	Agency wide mandatory Harassment Training held December 2017. Generational Differences in the Workplace and Diversity & Inclusion training held October 2018 for supervisory and management employees as well as human resources staff.
	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefits programs and services.	Ongoing	CalPERS onsite Retirement Workshop facilitated by a CalPERS representative held August 2018. Social Security Administration onsite workshop held May 2018.
B2	Prepare Retirement Risk Assessment to identify employee retirement forecasting and timelines. Identify critical Agency positions. Use vacant position pool to mentor and increase knowledge transfer for critical positions.	Ongoing	A retirement risk assessment was prepared identifying retirement probabilities. A total of 21 promotions were processed.
B3	Identify strengths and areas of improvement and develop action plans from 2017 survey results. Design, conduct, analyze employee engagement survey in 2019.	Completed	The employee engagement survey was conducted in FY 17 18 with an 81% participation rate. An action plan was finalized by the executive team to address the survey findings which included: Promotional Announcement to all, GM Weekly Update to all and GM Column in Wave address Transparency & Communication. Wave employee spotlights/interview addressed Respect. Executives shared "Lessons learned" at the GM All Hands Meeting.
B4	Analyze and identify MOU items requiring revisions or streamlining.	Completed for 2018	All five units approved of new 3-year term MOUs by June 30, 2018.



HUMAN RESOURCES

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments	
B5	Create draft MOUs and Personnel Rules.	ongoing for 2021		
	Promote a culture that recognizes employees for job related accomplishments.	Ongoing	Employees who are promoted are acknowledged at Board Meetings. Additionally, revised Policy A-70 License and Certification to expand eligibility to unrepresented employees and overall increased benefits for all eligible employees who obtain a job- related license or certification.	
	B7	Hold quarterly Labor Management meetings to address concerns and issues on an ongoing basis.	Ongoing	Held several labor management meetings to address concerns and issues.
		Promote and sustain open communication with all levels of staff to effectively resolve work related issues in harmonious manner.	Ongoing	Total number of grievances in FY 17/18 and 18/19 declined compare to the last two previous fiscal years.
	B12	Identify policies which are most relevant to employees. Create a training plan, schedule and conduct training for all staff.	Ongoing	Five Agency-wide policies have been revised with increased benefits to employees.

OTHER DEPARTMENT WORKLOAD INDICATORS

	2017/18 Actual	2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
New Hires	41	46	40	40
Average Recruitment Processing Time	11 weeks	13 weeks	10 weeks	10 weeks
Average New Hire Processing Time	17 days	25 days	16 days	16 days
Separations	47	35	35	35
Turnover Ratio	12%	18%	15%	15%
Open Enrollment Transactions Processed	78	79	80	80
FMLA Requests	36	40	30	30
Customer Satisfaction Surveys	5	5	5	5
Training Hours per Employee	20	20	20	20
Grievances Filed	7	4	5	5
Grievances Resolved at Appeals Committee Level	1	0	1	1
Disciplinary Actions Processed	7	6	4	4
Disciplinary Actions Appealed	0	1	0	0



HUMAN RESOURCES

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
B. Work Environment				
B1	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining respectful and positive work relationships.	June 2020	June 2021	Surveys and employee feedback.
	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefits programs and services.	June 2020	June 2021	Number of educational sessions held.
B2	Work with Executive Management and managers to identify potential leaders within the Agency; utilize the Career Management Program, Supervisory Program and Leadership Academy and other training opportunities to enhance existing talent.	June 2020	June 2021	Number of employee participants in the Career Management Program, Supervisory Program and Leadership Academy.
B3	Create and distribute an employee engagement survey.	June 2020	June 2021	Overall results of the employee engagement survey.
	Identify strategies to increase employee engagement and promote employee retention.	June 2020	June 2021	Overall results of the employee engagement survey.

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
B5	Develop creative and cost-effective ways to reward and recognize outstanding and dedicated staff.	December 2020		Number of employees recognized.
B7	Hold quarterly Labor Management meetings to address concerns and issues on an ongoing basis.	Quarterly	Quarterly	Number of labor/management meetings held.
	Promote and sustain open communication with all levels of staff to effectively resolve work related issues in harmonious manner.	Quarterly	Quarterly	Number of grievances filed and number of grievances resolved informally.
B8	Post the Disaster Response Plan, along with the Incident Organization Chart (IOC) on Agency portal to ensure staff accessibility.	Annually	Annually	Complete periodic reviews of the Disaster Response Plan and Incident Organization Chart.

 HUMAN RESOURCES

EXPENSES

Employment expense includes wages and benefits. Additional wages budget in FY 2019/20 has been established for succession planning expense, the budget will be transferred to various cost centers as expenses are incurred. Administrative expense includes office and administrative costs. Operating expense includes professional fees and services, and materials and supplies. Agency-wide expenses pertaining to benefits, recruitment, legal (labor related), and training expense are included in expense categories below.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$1,122,254	\$1,132,375	\$1,832,041	\$1,091,271
Administrative	88,511	141,009	137,152	139,843
Operating	365,215	348,504	294,402	299,404
Total	\$1,575,980	\$1,621,888	\$2,263,595	\$1,530,518

GOVERNMENT RELATIONS

MISSION STATEMENT

To advance IEUA's long-term interests by engaging strategically on legislative, regulatory and other external policy matters.

DESCRIPTION AND PURPOSE

The Government Relations Department supports cultivation of relationships with elected officials; identifying and advocating for the development of Federal policy and legislation that benefit IEUA and the region. The department monitors and stays informed of existing and proposed legislation, regulations, and other external policy matters, as well as conducting research and working with Agency subject matter experts to develop meaningful input for local, state, and federal government officials and lobbyists and updating management and the Board on relevant laws and regulations.

The department also tracks ongoing activities within the government and greater water agency community that could affect IEUA, proactively researching policies to determine which trends are advantageous or might negatively impact IEUA in the future. This information is shared with management as part of the Agency's ongoing strategic planning, reports and presentations are prepared to deliver within IEUA and externally, as appropriate, as well as representing IEUA at industry forums and events, and supporting the General Manager in maintaining positive Board relations.

POSITION SUMMARY

In FY 2018/19 the Agency hired a Manager of Government Relations, this position reports directly the General Manager.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Government Relations	1	1	1	1
Total	1	1	1	1



GOVERNMENT RELATIONS

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
C. Business Practices			
C9	Translate complex water/environmental regulations and the IEUA role in protecting regional programs, economy and environment for the general public and elected officials.	Ongoing	Attend monthly MWD Board Meetings and prepare briefings for IEUA Board and Management.
C10	Continue to cultivate strong working relationships with elected officials and governmental agencies to help ensure IEUA continues to be a regional leader in water, wastewater and renewable energy issues.	Ongoing	Sponsor special legislative briefing events and facilitate Board legislative briefings.
D. Water Reliability			
D10	Work to change landscape and agricultural practices of high chemical use to increase use of compost to improve groundwater quality.	Ongoing	Work with state legislative offices to support any proposed bill language or programs that bring awareness and use of compost and organics.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
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E. Wastewater Management

E10	Pursue opportunities for renewable energy development and interconnection with grid. Continue to monitor legislation and policy as it relates to the use and development of renewable energy, advocating on behalf of the Agency when applicable.	Ongoing	Work with state legislative offices to support any proposed bill language or programs that continue to develop the use of renewable energy.
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OTHER DEPARTMENT WORKLOAD INDICATORS

	2017/18 Actual	2018/19 Projected	2019/20 Target	2020/21 Target
Number of State Bills upon which Positions are Taken	-	14	15	16
Participate in membership organization legislative coordination meetings	-	5	6	6
Facilitate Legislative Briefing Events on Current Issues	-	1	2	2
Facilitate Inland Empire Legislative Workgroup mtgs	-	10	10	10
Represent IEUA at Industry Forums and Events	-	8	9	10



GOVERNMENT RELATIONS

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
A. Fiscal Responsibility				
A2	Support the General Manager in the evaluation of policies proposed by MWD and other external entities' that can impact the cost of IEUA's imported water and other services. Engage as appropriate.	Ongoing	Ongoing	Attend MWD Board and related meetings to analyze proposed external policies for potential impacts to IEUA and engage appropriately.
A3	Build and maintain strong working relationships with elected officials and stakeholders within the region to assist in promoting the Agency's priorities and investments.	Ongoing	Ongoing	Identify opportunities for collaboration with elected officials and stakeholders and facilitate implementation.
B. Work Environment				
B1	Impart the Agency's Mission, Vision and Values in all interactions with external entities. Integrate the Agency's Mission, Vision and Values in response to State legislation, regulations and other external policies.	Ongoing	Ongoing	Recommend positions on legislation, regulations, and other external relations that are in keeping with the Agency's Mission, Vision, and Values.
C. Business Practices				
C1	Conduct lesson learned sessions to evaluate the effectiveness of major outreach activities and general procedures.	Ongoing	Ongoing	Integrate a formalized review process into key Government Relations activities and document what worked well and areas for improvement.

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	FY 2019/20 Timeline	FY 2020/21 Timeline	KPIs
C10	Document standard operating procedures for recommending bill positions on State Legislation.	Ongoing	Ongoing	Establish a Standardized Operating Procedure for taking bills to Committee or Full Board for consideration by the Board.
	Engage legislative and regulatory forums as appropriate to promote the implementation of the Agency's goals.	Ongoing	Ongoing	Sponsor special legislative briefing events and facilitate Board legislative briefings.
E. Wastewater Management				
E4	Analyze State legislation, regulations and other external policies for salinity management impacts to the Agency and support outcomes promoting lower salinity in groundwater supplies.	Ongoing	Ongoing	Support State legislative and regulatory initiatives promoting cost-effective salinity management.
F. Environmental Stewardship				
F4	Conduct outreach and educational programs to external entities such as State legislative offices, regulators, other water agencies, etc., as appropriate.	Ongoing	Ongoing	Conduct at least two good will tours and legislative briefings annually.

EXPENSES

In FY 2018/19 a new cost center was created for the Manager of Government Relations. FY 2019/20 will be the first full year of employment. Employment costs include wages and benefits. Administrative expense includes office and administrative costs.



GOVERNMENT RELATIONS

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	N/A	\$69,961	\$244,373	\$260,978
Administrative	-	17,250	32,000	33,600
Operating	-	-	-	-
Total	N/A	\$87,211	\$276,373	\$294,578



FINANCE & ADMINISTRATION DIVISION

MISSION STATEMENT

To provide timely, quality, cost effective, and efficient service to all stakeholders and do so with excellence, responsiveness, transparency, and reliability while safeguarding and sustaining Agency resources to ensure current and long-term needs are appropriately met.

DEPARTMENTS

- ◆ Business Information Systems
- ◆ Contracts and Procurement
- ◆ Finance and Accounting

EXECUTIVE SUMMARY

The Finance & Administration Division is the administrative core of the organization. Services provided include: acquisition of equipment, materials, supplies, and services; contract administration and management pursuant to the Agency's Procurement Ordinance; compliance with state and federal regulations related to maintaining a safe work environment for the benefit of employees, customers, vendors and the public, fiscal accountability and financial regulatory compliance; internal and external financial reporting; budgetary preparation, control, and analysis; cash and debt management; provide dependable and reliable business information system solutions, and maintain innovative and diversified training tools to optimize staff's use of data and information systems. Total staffing is budgeted at 40 FTEs and 2 LT positions in both FY 2019/20 and FY 2020/21.

DIVISION GOALS

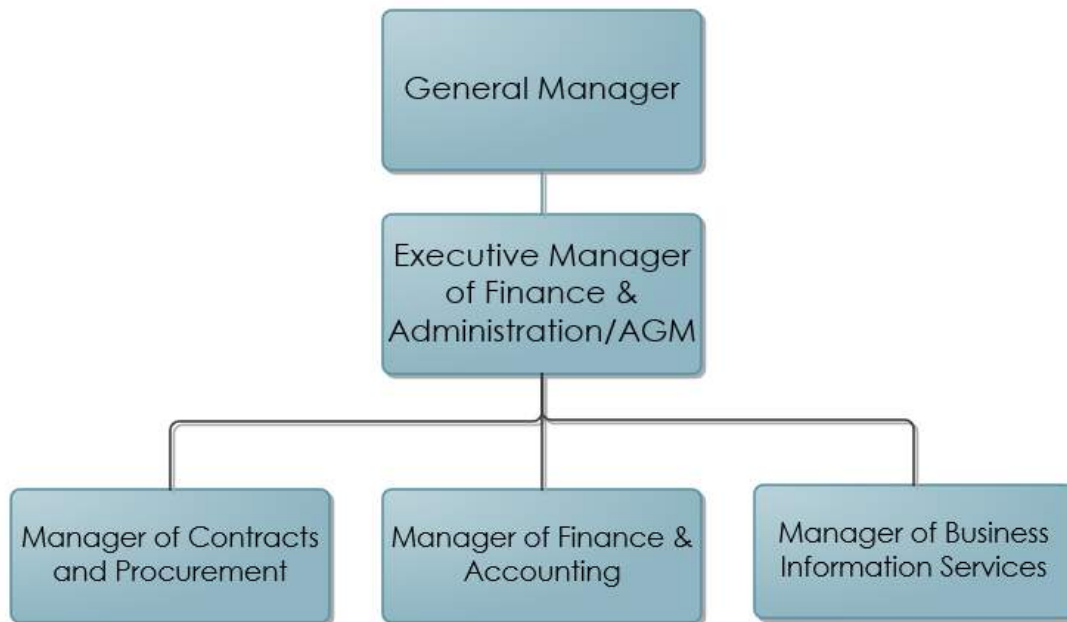
- ◆ Provide accurate, reliable, and timely financial reporting to all Agency stakeholders
- ◆ Complete Rate Study for wastewater connection fees and monthly sewer rates
- ◆ Implement rates and fees beginning in FY 2020/21 based on the 2020 Rate Study and as approved by regional member agencies and Agency Board of Directors
- ◆ Integrate long term planning documents in the Agency's biennial budget and Ten-Year Capital Improvement Plan

- ◆ Secure low-cost financing and grant funding to support the Agency's capital improvement plan requirements
- ◆ Update the Long-Range Financial Plan
- ◆ Upon approval, integrate the Chino Basin Program (CBP) to the FY 2020/21 budget, capital improvement plan, and adjust rates and fees as needed to support implementation and operational costs
- ◆ Participate in the Deferred Compensation Administration Committee to oversee the Agency's 457(b) and 401(a) plans
- ◆ Utilize green procurement and reuse of surplus materials, equipment and parts, when possible
- ◆ Expand the Agency's Business Outreach Program to promote participation of local and disadvantaged businesses
- ◆ Promote superior customer service to external and internal stakeholders
- ◆ Assist and provide administrative oversight to the Inland Empire Regional Composting Authority
- ◆ Support the Agency's succession plan through timely recruitment and development of the next generation of employees
- ◆ Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff
- ◆ Prepare a plan and timeline to meet the safety standards established by the Cal Star Award Volunteer Participation Program.



FINANCE & ADMINISTRATION DIVISION

ORGANIZATIONAL CHART



EXPENSES

The Executive Manager of Finance and Administration/Assistant General Manager employment expense includes both wages and benefits. Administrative expenses include office and administrative costs. Operating expenses include professional fees and services which include agency-wide expense for outside consulting services and financial advisory services to support the Agency's long-term financial planning and debt obligations.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$355,020	\$331,925	\$327,198	\$340,614
Administrative	6,085	8,500	10,150	10,568
Operating	-	170,553	260,000	200,000
Total	\$361,105	\$510,978	\$597,348	\$551,182



BUSINESS INFORMATION SERVICES

MISSION STATEMENT

Provide dependable, easy-to-use information system solutions, as well as related advisory and application development services, to optimize Agency-wide business processes, enabling staff to efficiently and effectively achieve their objectives. Use evolving information technology and methods to provide greater return on investment from the Agency's staff, core business systems, and information assets.

DESCRIPTION AND PURPOSE

The Business Information Services Department (BIS) supports the Agency's business system solution needs, including enhancement and support of the Agency's core enterprise applications, such as SAP Enterprise Resource Planning (ERP), Geographic Information Services (GIS), Enterprise Content Management System (ECMS) and other applications, support of departmental and special function systems, development of custom applications and reports, and integration of Agency systems and data.

POSITION SUMMARY

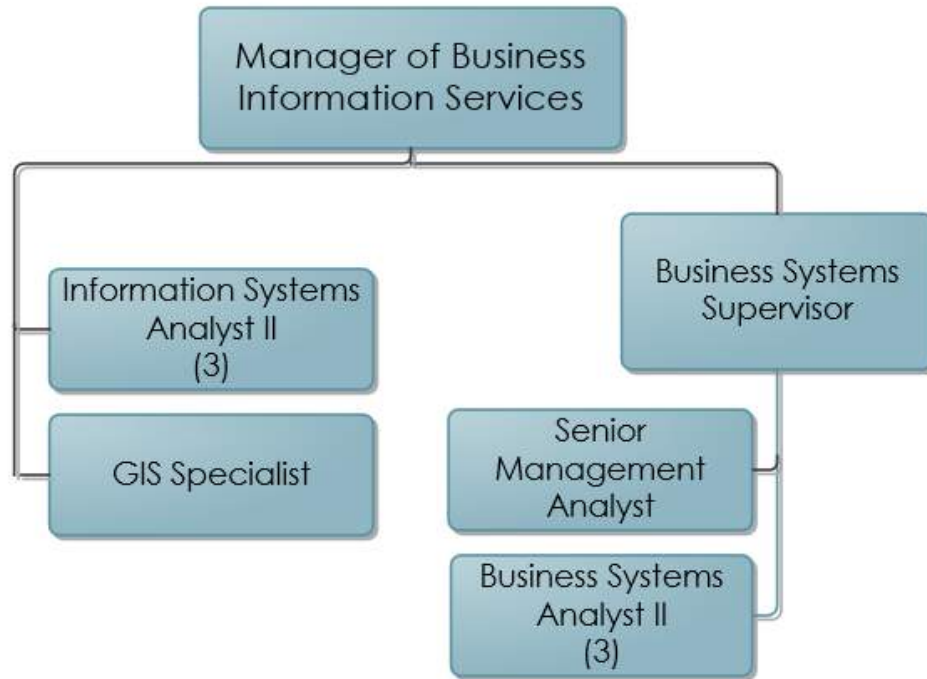
No changes to departmental staffing projected for the FY 2019/20 and 2020/21 budget years.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Business Information Services	1	1	1	1
Business Systems Supervisor	1	1	1	1
Senior Management Analyst	1	1	1	1
Business Systems Analyst II	3	3	3	3
Information Systems Analyst II	3	3	3	3
Systems Administrator	1	0	0	0
GIS Specialist	1	1	1	1
Total	11	10	10	10



BUSINESS INFORMATION SERVICES

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 DEPARTMENT GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
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A. Fiscal Responsibility

A2	Maintain SAP professional services expense within annual budget amount.	On Target Current spending is 29% of the overall professional services budget.	With the spent professional services, the Agency was able to complete critical upgrades (e.g., Solution Manager 7.2, payroll updates) and consolidated and removed several servers from the landscape. All maintenance work was performed during evenings and weekends to minimize business impact.
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Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A3	Optimize grant administration through process improvements and/or SAP enhancements and provide recommendation report.	Complete Phase 1 (using SAP for grant accounting) is completed. Phase 2 (implementing eCivis, cloud-based solution) for grant administration) is currently underway	Consultant was engaged and met with key stakeholders. Proposed improvement included a 2-phase implementation. The first phase expected to be completed in FY2016/17 and phase 2 to be completed in FY2017/18.
	Implement approved changes to grants administration process improvements and/or SAP enhancements.	Complete	Working with Grants Department and consultant, the Agency is implementing eCivis (cloud-based solution) to provide staff with grant administration tool, which will be integrated with SAP GM module to provide, as seamless as possible, overall management of grant lifecycle.
A6	Complete GIS Master Plan.	Planned completion by July 2019	Consultants interviewed all stakeholders, provided assessment to executives and met developed preliminary list of projects, including estimates for resources and funding. Final report is to be completed by June 2019.
	Complete a needs assessment for enhancing ESS/MSS with additional functionality by FY 2017/18.	Ongoing (slightly behind)	The preliminary assessment was done with some key functionality to considered. However, due to changes with the Manager of Human Resources position, the project is slightly deferred. At the time of this update, the position is still vacant.



BUSINESS INFORMATION SERVICES

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A13	Provide support to Operations and Maintenance division on the 8-phase improvement project.	On-hold	Operations and Maintenance division placed the project on hold due to personnel changes (within division and the General Manager). Once these positions are fulfilled and with sufficient time for review, the project will resume.
	Promote data-driven decision making in all business areas.	Ongoing	Several reports developed during this period. Contract Expiration Forecast report to help contract owners take proactive action with their expiring contracts. Review of recent cellular phone bills to identify potential accounts to eliminate or upgrade to better serve the current needs at the best value. Review of all credit card purchases and performed feasibility study for consolidation potential. Review of most commonly used SAP transactions to priority for the development of new SAP user interface for Engineering & Construction Management users as well as targeted training material development.
B. Workplace Environment			
B2	Provide training opportunities to at least 25% of departmental staff.	Ongoing	Online on-demand classes registered for 5 staff. An additional staff will receive a training in May 2019. Overall training will be 55% (6 out of 11).

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B4	Provide an SAP test environment for Human Resources by 4/1/2018 to validate the technical feasibility of any proposed MOU changes during contract negotiations.	Complete	The test environment was created and can be replicated from production system relatively easily. The system was used for both major SAP upgrade and for testing MOU changes during the past negotiation.
B6	Establish standard operating procedures (SOPs) for key business functions within the department by the end of FY 2017/18.	Ongoing (behind schedule)	Over 50% of critical processes have been documented. These are procedures that occur regularly and can be used to guide others during back-fill and/or new employee training.
B8	Ensure the validity of Disaster Preparedness Plan with respect to SAP and other critical systems.	Complete	Offsite and online backup vendor provides synchronization every 4 hours. The backup data was fully tested for restored.
C. Business Practices			
C4	Employ LEAN techniques and tools to engage key business process owners in developing the Laserfiche business workflow that will comply with records management requirements.	Ongoing	The techniques and principles were incorporated into various assessments, such as: root cause for increased Cintas spending analysis; evaluation and proposal for potential Bring-Your-Own-Device (BYOD) stipend based on current and past cellular bills; and evaluation for possible consolidation of all credit cards to maximize points and savings.
	Determine Procurement to Payment material master content.	On-hold	SAP material masters are used in both procurement and plant maintenance business areas. Changes in design and planned usage impact both business units



BUSINESS INFORMATION SERVICES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
C8			significantly. Due to multiple changes in the Operations and Maintenance departments, the work in this area was postponed.
	Document Change Request Management (ChaRM) to include justifications, key objectives, targeted improvements and obtain key stakeholders' approval for all projects requiring more than 80 hours of work by BIS staff.	Ongoing	The department has been documenting proposed enhancements using Word. Recently, the ChaRM document has been transformed into electronic form using Agency-owned Laserfiche software. The advantage of using this electronic format is the audit trail for documenting both the justifications and approval by the stakeholders, improving transparency and accountability.
	Reduce the number of external spreadsheets utilized to address Non- Reclaimable Wastewater rate questions.	Ongoing	Working with key stakeholders to determine the appropriate time to engage on this effort.
F. Environmental Stewardship			
F1	Comply with all Senate Bill 272 requirements governing California public records.	Ongoing	The list of applications and pertinent information is continuously updated and maintained.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2017/18 Actual	FY 2018/19 Projected	2019/20 Target	2020/21 Target
Keep average time spent performing maintenance per year below 40%	44%	40%	35%	35%
Refresh the SAP QA environment with new test data at least twice per year	2	2	2	2
Keep system to no more than five support packs behind the vendor's current version	Within 2 support packs for EHP8	Current support pack for EHP8	Within no less than 5 support packs for EHP8	Within no less than 5 support packs for EHP8

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline 2019/20	Timeline 2020/21	KPIs
A. Fiscal Responsibility				
A2	Maintain low professional service fees for SAP support to be no more than \$30,000 annually based on calendar year.	December 2019	December 2020	Year-to-date (calendar) expenses and/or quarter-to-date expenses.
A6	Complete the Technology Master Plan assessment/report that can provide roadmap for technology-related projects to support and improve Agency's key business processes.	October 2019		Actual project progress against the baseline project timeline agreed upon at the beginning of the assessment project.
A13	Develop 2-4 dashboards/reports each calendar year to support the financial reporting and monitoring.	December 2019	December 2020	Number of reports/dashboards deployed each quarter.



BUSINESS INFORMATION SERVICES

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline 2019/20	Timeline 2020/21	KPIs
B. Work Environment				
B8	Assess, recommend and execute, per executives' final decision, on SAP backup and redundancy program.	December 2019		Complete the implementation of the new backup program for SAP servers along with necessary disaster recovery action plan.
C. Business Practices				
C4	Leverage the online form with workflow in Laserfiche to replace 2-4 current business processes that involve hardcopy forms for each calendar year in 2019 and 2020.	December 2019	December 2020	Number of Laserfiche forms deployed per calendar year.
C8	Expand the use of SAP Personas to 1-2 business areas, for each calendar year in 2019 and 2020, to help with the ease of use of the ERP.	December 2019	December 2020	For each transaction code migrated to SAP Personas, identify the number of clicks or steps reduced.
	Migrate current SharePoint site (AIM) to a new SharePoint 2016 platform by December 2019.	December 2019		Report percentage of sites migrated to the new SharePoint site on a quarterly basis.
	Research and recommend new features to be added to the Employee Self-Service (ESS) and Manager Self-Service (MSS) or equivalent solution to provide employees with more self-managed benefits and personnel functions by October.	June 2019 (for recommendation) June 2020 (for implementation, if opted for)		Number of features added and, when possible, time savings and/or realized benefits.

IEUA Business Goal Overview

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline 2019/20	Timeline 2020/21	KPIs
C10	Implement enhancements to SAP Grant Module to provide grant accounting and related reports within SAP.	October 2019		Number of manual reports eliminated /replaced, and number of hours saved by Grants staff.
	Identify technology and platform for hosting the newly created training materials for SAP related functions, deploy the new training site by March.	December 2019	December 2020	Number of new videos and documents added since deployment.
	Identify potential alternative for SAP landscape management, including options for managed services, cloud-based solution, to support Agency's attrition plan by December 2019.	December 2019 (3 months after Technology Master Plan completion		Number of options identified, along with projected costs and timeline.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs, and other non-operating expense. Operating expense includes professional fees and services, materials and supplies, and utilities. Agency wide expenses for annual computer and software maintenance are included in professional fees and services.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$1,376,241	\$1,709,857	\$1,658,999	\$1,728,167
Administrative	23,618	47,420	22,450	34,640
Operating	413,299	531,634	575,766	588,952
Total	\$1,813,158	\$2,318,911	\$2,257,215	\$2,351,759



CONTRACTS & PROCUREMENT

MISSION STATEMENT

Provide cost-effective, responsive, and responsible environmentally-friendly customer service and support to all Agency Departments in a professional and ethical manner with respect to Agency-wide contract administration and purchasing, risk, and safety.

DESCRIPTION AND PURPOSE

The Contracts and Procurement (CAP) is responsible for a diverse scope of services and responsibilities. CAP administers the acquisition of equipment, materials, supplies, and services. This is accomplished through business practices as outlined in the Procurement Ordinance as well as associated resolutions, policies, and procedures. Department ethic and compliance guidelines in support of meeting the many state and federal government contracting and procurement codes have been established and are adhered to in conducting business on behalf of the Agency. Additionally, risk and safety services are provided to ensure protection of the Agency's business, employees, and assets, as well as the public, by ensuring appropriate insurance policies and procedures are in place.

POSITION SUMMARY

In FY 2018/19 a reorganization moved safety services from the Human Resources department to Contracts and Procurement department. Additionally, as part of succession planning efforts, one Limited Term Procurement Specialist and one Contracts Administrator are assigned to the to the department for the budgeted years.

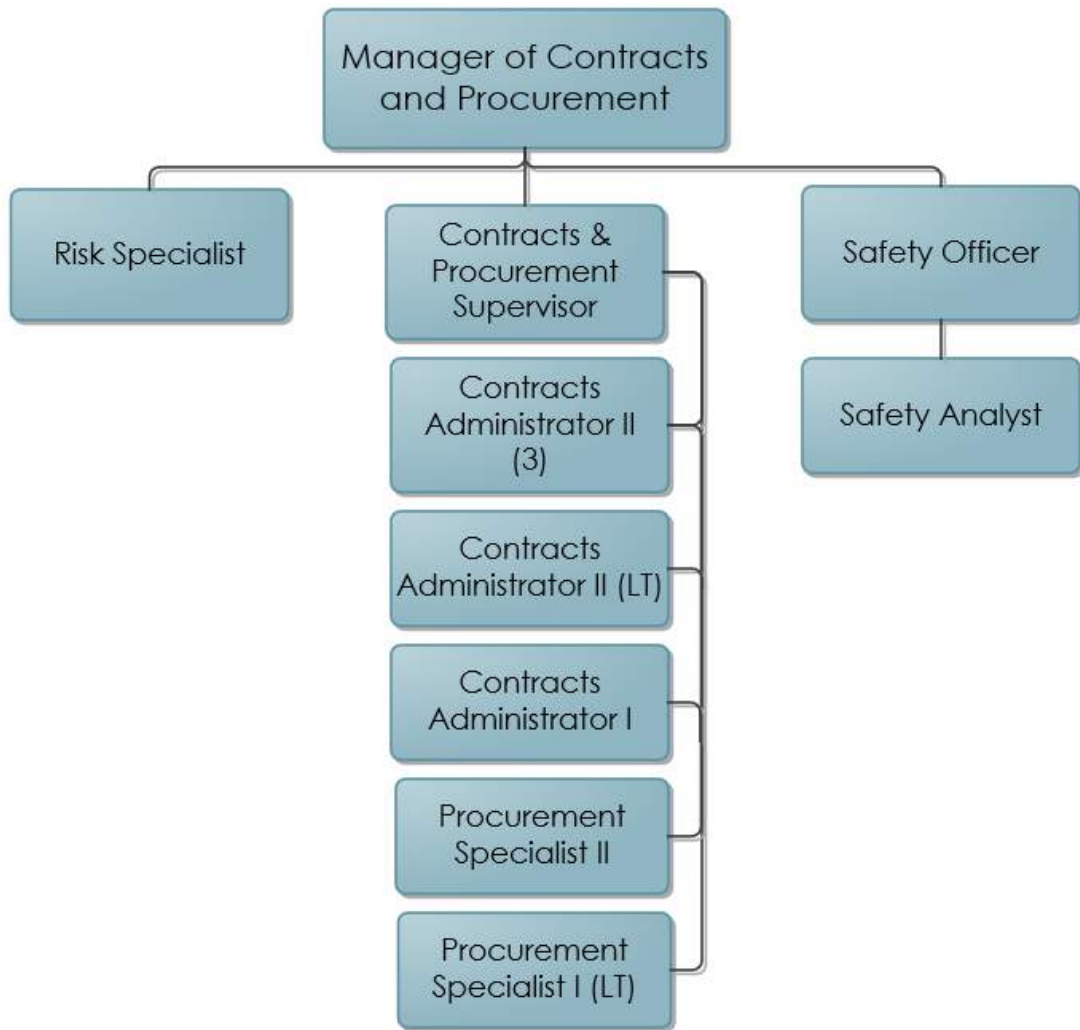
Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Contracts & Procurement	1	1	1	1
Contracts and Procurement Supervisor	1	1	1	1
Contracts Administrator II	4	3	3	3
Contracts Administrator I	1	1	1	1
Procurement Specialist I/II	1	1	1	1
Risk Specialist	1	1	1	1
Safety Officer	0	1	1	1
Safety Analyst	0	1	1	1
Total	9	10	10	10



CONTRACTS & PROCUREMENT

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Limited Term Positions				
Procurement Specialist I	1	1	1	1
Contracts Administrator II	1	1	1	1
Total	2	2	2	2
Total	11	12	12	12

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A13	Provide timely and up to date contract expenditure and expiration information ensuring compliance with contract amounts and aging terms.	Complete	In addition to providing notifications, worked with BIS to develop an automatic report that provides up to 5 months notification of contract expiration, including dollars spent and available.
B. Workplace Environment			
B1	Ensure the duties of the department are consistently executed in support of the Agency's Mission, Vision and Values.	Complete	Regularly meet with staff and other department managers, as well as project managers to ensure completion of duties.
B2	Conduct regular cross-training and engagement sessions on the various contract and procurement activities.	Ongoing	Staff interact and cross-train on various contracts and projects in support of coverage and education.
B6	Provide regular contract and procurement training to end-users in support of facilitating the Agency's Mission, Vision and Values.	Ongoing	Completed several training sessions with Agency departments on the Agency's Procurement Ordinance.
B8	Post the Disaster Response Plan, along with the Incident Organization Chart (IOC) on Agency portal to ensure staff accessibility.	Complete	The plan is periodically updated and pushed out to staff.
	The initial IOC disaster drill was conducted in January 2018. Future drills will be scheduled at a minimum of every two years.	Complete	Another drill is planned for 2020.
	Ensure product and service availability from third party suppliers in emergency situations.	Ongoing	Identified several contract providers that provide emergency response service and included language in their contracts.



CONTRACTS & PROCUREMENT

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B9	Work with Departments to further implement Cal/OSHA required programs outlined on the Cal-VPP Action Log, ensuring an inclusive, supportive, safer work environment.	Ongoing	Safety continues to encourage interaction and support for staff at all levels.
B10	Include the Injury Illness Prevention Program as a standing item on the Safety & Health Committee (SHC) Agenda ensuring bimonthly review by members. Integrate additional SHC member safety participation in various areas to promote fewer work related injuries.	Ongoing	SHC Member participation is consistently promoted.
B11	Expand employee/management reporting options for incidents, near miss and safety observations. Conduct independent field reviews on staff's knowledge of Safety topics, continuing to provide compulsory and supplemental trainings as requested.	Ongoing	Additional reporting options have been made available to staff. A higher safety presence in the field helps ensure staff's comfort level in discussing issues. Training options continue to expand for staff.
B12	Provide Agency-wide training on the Agency's contract and purchasing ordinance, including but not limited to State and Federal codes, and Agency processes.	Ongoing	Participated in several department staff meeting providing training on purchase order entry, solicitations, and ordinance requirements.
C. Business Practices			
C1	Increase post project discussion with Agency project managers.	Ongoing	Met with project managers to discuss success of RFPs, IFBs, and enhancements to SOWs.
C2	Encourage the inclusion of green products in the various Agency projects.	Ongoing	Included the option to quote for green alternatives when issuing requests for quotes and proposals.
C6	Annually review and update department related policies, procedures and ordinances.	Complete	Agency policies were reviewed updated related to the procurement and insurance requirements.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
C7	Promote the Agency's Business Outreach Program.	Ongoing	Attended several meetings and hosted training sessions with various organizations and clubs throughout the service area.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Purchase Requisition Processed within Service Level Objectives	3000	3200	3400	3450
PlanetBid Solicitations	n/a	n/a	100	115
Breakdown Reports/Recordable Incident Reports	6	5	4	3
Workplace Safety/Lost Time Accidents	1	2	1	0
Workers' Compensation Claims	6	5	4	2
Vehicle Accidents	10	10	8	4
Emergency Response Drills	n/a	n/a	4	6



CONTRACTS & PROCUREMENT

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
B. Work Environment				
B1	Ensure the duties of the department are consistently executed in support of the Agency's Mission, Vision and Values.	June 30, 2020	June 30, 2021	Monitor 100% compliance with Agency, State, and Federal standards using staff updates in weekly/monthly departmental meetings.
B6	Provide regular contract and procurement training to end-users in support of facilitating the Agency's Mission, Vision and Values.	June 30, 2020	June 30, 2021	Conduct a minimum of two training sessions per quarter and monitor attendance using sign-in sheets.
B8	Increase emergency response education and training opportunities through field and tabletop exercises.	June 30, 2020	June 30, 2021	Conduct one training or tabletop exercise at each facility over the next two years.
B9	Work with departments to further implement safety programs consistent with Cal/OSHA requirements promoting and ensuring a safer work environment.	Bi-monthly/ Annually	Bi-monthly/ Annually	Participate in quarterly department meetings regarding safety measures.
B10	Utilize the Safety Committee to review and update the IIPP as appropriate.	June 30, 2020	June 30, 2021	Make standing item on Safety Committee Agenda.
B11	Participate in onsite safety related training and exercises, provide oversight of operations and maintenance activities to provide safety feedback, as well as participate in	June 30, 2020	June 30, 2021	Conduct at least two oversight/job reviews and site walks per quarter with the supervisors for each plant.

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
B12	regular site walks with site supervisors and staff.			
	Provide training to Agency staff on the Agency's contract and purchasing ordinance, including Agency processes.	June 30, 2020	June 30, 2021	Number of open training sessions hosted and participants.
	Provide training to Agency staff on the Agency's safety related policies and procedures.	June 30, 2020	June 30, 2021	Number of open training sessions hosted and participants.
C. Business Practices				
C1	Increase participation and response to RFP, IFB, etc. through PlanetBids through collaborative discussion with various departments to ensure solid statements of work.	June 30, 2020	June 30, 2021	Increase in response to competitive solicitations.
C2	Encourage the inclusion of green products in the various Agency projects.	June 30, 2020	June 30, 2021	Several recommendations will be provided to project managers and will be monitored as projects are in process.
C6	Annually review and update department related policies, procedures and ordinances.	June 30, 2020	June 30, 2021	Policies, procedures, and ordinances will be placed on Outlook calendars for review as required.
C7	Promote Agency programs related to contracts and procurement, as well as mutual aid.	June 30, 2020	June 30, 2021	Number of meetings/events attended.
E. Environmental Stewardship				
E7	Work with Operations Division to identify potential long-term service contracts	June 30, 2020	June 30, 2021	Number of contracts implemented.



CONTRACTS & PROCUREMENT

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices
 D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
	for complex and critical equipment.			
	Promoting and tracking the Disadvantaged and Minority-owned Businesses	June 30, 2020	June 30, 2021	Add the information to the Vendor Master Data file

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs including agency-wide expense for safety, and postage and delivery services. Operating expense includes professional fees and services, materials and supplies, leases, and utilities and includes budget for agency-wide expenses for insurance, copy machine and cell phone service, lease expense, and disaster preparedness supplies.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$1,221,842	\$1,669,849	\$2,260,109	\$2,289,220
Administrative	129,235	258,494	219,060	225,634
Insurance	659,921	875,500	1,019,800	1,050,795
Operating	428,394	872,937	883,472	750,906
Total	\$2,439,392	\$3,676,780	\$4,382,441	\$4,316,555



FINANCE AND ACCOUNTING

MISSION STATEMENT

Provide accurate, reliable, clear, and timely financial budgeting and reporting of Agency programs and activities to the public, elected officials, Agency personnel, customers, regulatory agencies, grantors, investors, and other stakeholders. Provide strategic planning and identification of financial resources to meet the Agency's long range financial needs; evaluate financing options to effectively meet future capital requirements, including securing the lowest borrowing cost; manage the Agency's investments to secure the safety of principal and optimize earnings; and provide timely and cost-effective quality customer service to the Agency and its constituents while practicing responsible stewardship of Agency resources.

DESCRIPTION AND PURPOSE

The Finance and Accounting department is responsible for recording and maintaining the Agency's financial information and has a budgeted staff of 19 full time equivalent (FTE) positions for both FY 2019/20 and FY 2020/21. The department provides the following services:

- ◆ Manage Agency payroll, billing, revenue collection, cash application, accounts payable, project and fixed asset accounting, internal and external annual financial reporting, and various other financial analysis and reports.
- ◆ Oversee the administration of the Agency's budget to ensure appropriations comply with those approved by the Board of Directors; support the enhancement of the SAP financial and budget applications that facilitate the planning, monitoring, and reporting of the Agency's biennial budget and long-range plan of finance (LRPF).
- ◆ Collaborate with financial consulting team to manage the Agency's investment portfolio to ensure the safety of principal, while optimizing investment earnings; monitor daily cash activities to fund operating requirements in a timely manner and sustain the Agency's credit standing.
- ◆ Administer outstanding debt to ensure timely payment and compliance with respective bond covenants and continuing disclosures; evaluate different financing options to fund future capital replacement and improvement requirements consistent with the Agency's Long-Range Plan of Finance.
- ◆ Support Agency-wide project financial analysis and evaluation; rate study, construction projects prequalification.



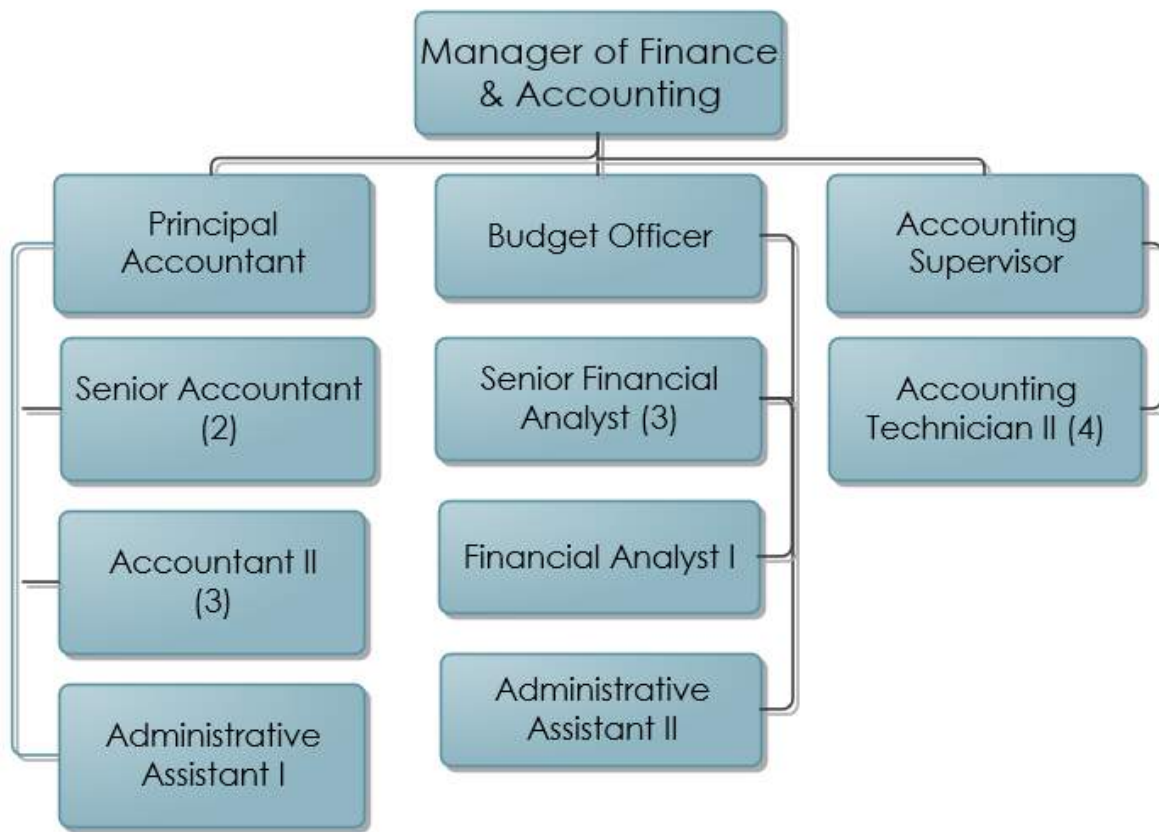
FINANCE AND ACCOUNTING

POSITION SUMMARY

In FY 2019/20, staffing changes include hiring an administrative position to fill an Accountant I FTE vacancy. This change will better serve departmental needs going forward.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Finance and Accounting	1	1	1	1
Budget Officer	1	1	1	1
Principal Accountant	1	1	1	1
Accounting Supervisor	1	1	1	1
Senior Accountant	1	2	2	2
Accountant II	4	3	3	3
Accountant I	1	1	0	0
Accounting Technician II	1	1	4	4
Accounting Technician I	3	3	0	0
Senior Financial Analyst	1	1	3	3
Financial Analyst II	2	2	0	1
Financial Analyst I	1	1	1	0
Administrative Assistant II	1	1	1	1
Administrative Assistant I	0	0	1	1
Total	19	19	19	19

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A1	Adopt rates that fully meet cost of service for key Agency programs; Non-Reclaimable Wastewater (NRW) System by July 2019, Water Resources by July 2020.	Ongoing	Implemented the five-year rates adopted in 2015 for the Regional Wastewater and Recycled Water programs, and the four-year rates adopted in 2016 for the Water Resource program. Multi-year rates and fees aid in achieving this important policy goal.



FINANCE AND ACCOUNTING

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A3	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Continued to monitor and respond to legislative proposals that impact local government allocation of property tax receipts.
A6	Fully fund the Other Post Employment Benefit (OPEB) unfunded accrued liability (UAL) by July 2019.	Ongoing completion by July 2019.	Increase OPEB funding status from 70.5% to 87.4%.
A7	Fully fund the pension unfunded accrued liability (UAL) by July 2024.	Ongoing completion by July 2024.	Increase pension funding from 77.6% to 81.4%.
A11	Integrate projects identified in the long range financial planning documents, such as the Urban Water Management Plan, and Integrated Resources Plan.	Ongoing	The Agency continues to invest in rehabilitation and replacement, expansion of facilities and a wide range of programs that promote water use efficiency and enhance water supplies. Many of these projects have been identified in the Agency's ten-year capital improvement plan.
A13	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing	The Agency refinanced the 2008A Revenue bonds in January 2017, resulting in a net savings of \$37 million over the life of the bonds.
A15	Reinstate the Agency's long-term credit rating to AAA and maintain a debt coverage ratio to support such rating by FY 2017/18.	Ongoing	In January 2017, the Agency received upgraded credit ratings from rating agencies; Standard & Poor's (S&P) upgraded the Agency's credit rating from AA to AA+ and Moody's upgraded its Agency rating from Aa1 to Aa2.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B15	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Complete	A total of 19 departmental safety trainings were completed in FY 2017/18 and 21 safety trainings were completed in FY 2018/19.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Accounts Payable Transactions	58,767	57,846	58,000	58,100
Accounts Payable Checks/ACH/Wires/E-payables	7,700	7,947	7,975	7,980
Percentage of Electronic Payments	34.87%	39.87%	42.00%	43.00%
Accounts Receivable Transactions	13,718	14,912	15,000	15,100
Cash Transaction Receipts	23,609	23,447	23,535	23,635
Fixed Asset Transactions	14,273	12,548	12,600	12,650
General Ledger Transactions	329,643	343,184	343,200	343,500
Payroll and Secondary Labor Transactions	751,023	722,130	723,000	723,100
General Ledger # of Account Analysis	307	301	300	300
Payroll Processing – # of Employees	299	306	327	330
Average Size of Investment Portfolio	\$137 million	\$133 million	\$136 million	\$137 million
Average Rate of Return on Investments	1.42%	2.39%	2.50%	2.50%



FINANCE AND ACCOUNTING

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Budget Preparation Training/Open Houses and Workshops*	8	2	8	2
Training for Continuing Disclosure	1	1	2	2
On time submittal of Quarterly Budget Variance report	4	4	4	4
On time submittal of Treasurers Financial Affairs report	12	12	12	12
On time submittal of Quarterly Capital Call report	4	4	4	4

* During the second year of the biennial budget fewer training sessions are required because the Agency uses an abbreviated budget process for budget updates. Departments are provided with templates to enter necessary budget modifications. The changes are consolidated and given to the Board for approval. Once approved the required changes are then entered into the Agency's business system.

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A. Fiscal Responsibility				
A1	Completion of the Rate Study	June 2020		Rate Study meetings conducted. Project manager tracks progress and ultimately will present findings to the Board for approval.
	Update the Agency's connection fees and monthly service fees rate structure based on the 2020 rate study to support required services and to achieve the recovery on cost of service.	June 2020		Adopt rates that meet cost of service for each program as approved by the Board of Directors.

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
	Chino Basin Program (CBP) continued support	Ongoing	Ongoing	Provide review, analysis, and recommendations throughout the process.
A3	Monitor the receipt of property taxes, grants and other funding sources.	Ongoing	Ongoing	Verify via analysis and reporting that operating and capital revenues are on track with annual program fund budgets.
A4	Fully fund the Other Post-Employment Benefits (OPEB) unfunded accrued liability by July 2020.	Annual funding by July 2019	Annual funding by July 2020	Annual contributions until reaching fully funded status.
A5	Fully fund the pension unfunded accrued liability by July 2024.	Annual funding by July 2020	Annual funding by July 2024	Annual contributions until reaching fully funded status, or a minimum of 95%.
A7	Optimize the Agency's investment of surplus funds in accordance with the Agency's investment policy.	Ongoing	Ongoing	Review cash flow bi-weekly to keep track of investments.
A8	Leverage low interest loan and grant financing to support capital investment.	Ongoing	Ongoing	Secure low interest financing.
A9	Annually, review and update the Agency's reserve policy to ensure fund reserves meet operating, capital, debt service, obligations, unforeseen events, and comply with legally mandated requirements.	June 2020	June 2021	Meet all operating, capital, and debt obligations.
A11	Work towards to the Agency's long-term credit rating target of AAA and maintain a debt coverage ratio to support such a rating.	Ongoing	Ongoing	Update rating with credit agency.



FINANCE AND ACCOUNTING

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A12	Monitor and review monthly reports on deferred contribution.	Ongoing	Ongoing	Review performance monthly.
B. Work Environment				
B11	Complete assigned safety tailgate training as provided on the department tracker by the Safety department.	Ongoing	Ongoing	Complete 21 safety tailgates annually and provide safety tailgate sign in sheets to the Safety department to keep safety tailgate tracker updated.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs, and other non-operating expense for agency-wide member agency contributions. Operating expense includes professional fees and services, and materials and supplies. FYs 2019/20 and 2020/21 professional fees and services include expense for agency-wide financial and rate study consulting services. Interest and financial expenses include the Agency's outstanding debt service. For more information regarding the Agency's outstanding debt, see the Debt Management section of this document.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$2,190,857	2,563,465	\$2,718,008	\$2,879,373
Administrative	217,188	233,302	349,523	352,481
Operating	71,048	409,280	251,100	103,155
Interest and Financial	6,612,461	6,914,261	7,298,411	7,278,514
Total	\$9,091,554	\$10,120,308	\$10,617,042	\$10,613,523



EXTERNAL AFFAIRS and POLICY DEVELOPMENT

MISSION STATEMENT

To ensure consistency and transparency in all communication with the community, federal and local elected officials, member agencies, and external stakeholders; to provide conservation and environmental education to the region IEUA serves; to establish strong working relationships with elected officials in Washington, DC to promote Agency priorities.

DEPARTMENTS

- ◆ External Affairs
 - Records Management
- ◆ Grants Administration

EXECUTIVE SUMMARY

The External Affairs and Policy Development Division is responsible for the Agency's external communication, which encompasses government relations, grants administration, community outreach, and records management. Responsibilities of these major functions include:

- ◆ Grants Administration - proactively identify and seek out Federal and State grant and low-interest loan funding opportunities; ensure compliance of grant reporting requirements.
- ◆ Community Outreach - manage the Agency's community relations, marketing, events, and numerous educational programs that engage the community.
- ◆ Records Management - responsible for the management and protection of the Agency's official records and records management assets.

DIVISION GOALS

- ◆ Ensure consistency and transparency throughout all external communication of the Agency.
- ◆ Continue to cultivate strong working relationships with elected officials and governmental agencies to help ensure IEUA continues to be a regional leader in water, wastewater and renewable energy initiative, and biosolids recycling.
- ◆ Continue to pursue new opportunities for grant and low-interest loan funding.
- ◆ Continue to build on IEUA's presence in the community it serves.
- ◆ Continue to expand the use of available technology within records management, grant reporting and marketing.

ORGANIZATIONAL CHART





EXTERNAL AFFAIRS and POLICY DEVELOPMENT

EXPENSES

In FY 2019/20 the Executive Manager of External Affairs and Policy Development/Assistant General Manager employment expense includes both wages and benefits. During the two previous fiscal years, wages and benefits for this position were accounted for in the External Affairs cost center. Administrative expenses include office and administrative costs. Operating expense include professional fees and services which includes agency-wide expense for training, and outside consulting services.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$0	\$0	\$334,094	\$348,009
Administrative	5,555	2,000	14,477	15,221
Operating	-	500,000	515,000	530,450
Total	\$5,555	\$502,000	\$863,872	\$893,680

MISSION STATEMENT

The External Affairs Department seeks to establish and strengthen relations with the media, elected officials, businesses, civic organizations, member agencies, educators, and general members of the public in order to enhance public awareness of the Agency's programs, projects and services. The department also seeks to facilitate programs and campaigns that align with the Agency's business goals and objectives.

DESCRIPTION AND PURPOSE

The External Affairs Department is a liaison between the Agency and its stakeholders and supports the following functions and activities:

- ◆ Responsible for developing and directing the Agency's community relations, public outreach, and education programs.
- ◆ Manages numerous education programs that benefit the community, including the Chino Creek Wetlands and Educational Park's Water Discovery Field Trip, Garden in Every School®, Solar Cup, and the Water Is Life Poster Contest programs.
- ◆ Responsible for developing regional campaigns, digital and print communication, social media management, and website design and upkeep.
- ◆ Facilitates internal and external communication through branding awareness, newsletter development and publication production, and video development to highlight Agency programs, processes, and staff.
- ◆ Responsible for internal and external large-scale Agency events, including Leadership Breakfasts, Earth Day, dedications, groundbreakings, and employee recognition events.
- ◆ Responsible for effectively managing Agency records, including access, retention, storage, disposition, and protection of all official paper and electronic records.

Records Management is responsible for the efficient and effective management of records that includes satisfying records and information compliance requirements, protecting vital records and incorporating their protection into disaster recovery and risk management plans. Records management accountability begins with record creation or receipt and continues throughout the record's lifecycle, including maintenance, use, retention, and disposition.

Records Management utilizes Generally Accepted Recordkeeping Principles as guidelines for managing its record assets.

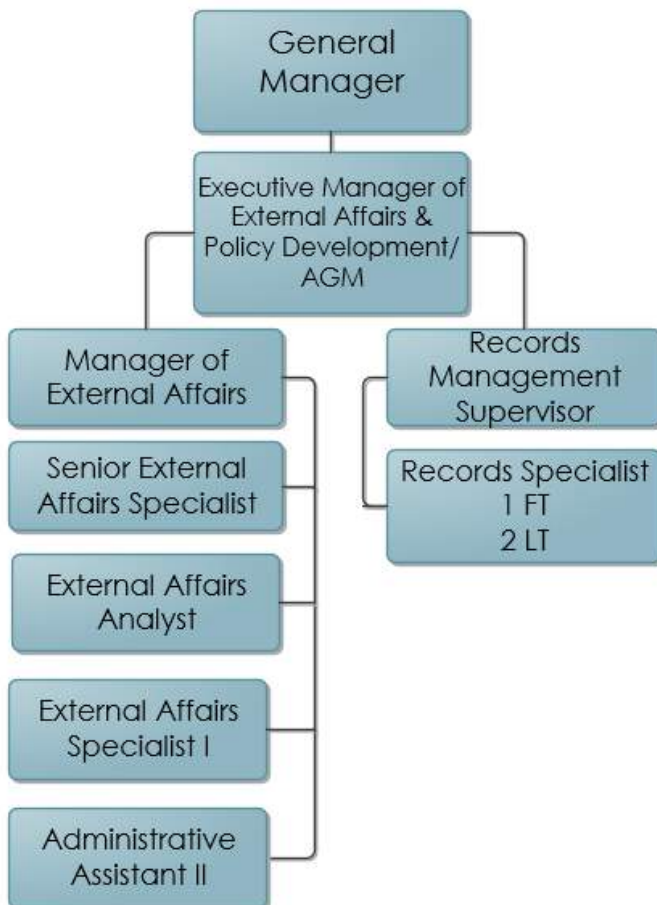
POSITION SUMMARY

For FY 2019/20 one vacant External Affairs Specialist position is eliminated. Limited term positions will continue to be used to support the department supporting increased community outreach and education programs, implementation of the Agency's Document Management System, and other records management requirements as necessary.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of External Affairs	1	1	1	1
Senior External Affairs Specialist	1	1	1	1
External Affairs Analyst	1	1	1	1
External Affairs Specialist II	1	1	0	0
External Affairs Specialist I	1	1	1	1
Administrative Assistant II	0	1	1	1
Records Management Supervisor	1	1	1	1
Records Specialist	1	1	1	1
Total	7	8	7	7
Limited Term Positions				
External Affairs Specialist I	1	1	1	1
Records Specialist	2	2	2	2
Total	3	3	3	3
Total	10	11	10	10

EXTERNAL AFFAIRS

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices
 D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A3	Build and maintain a strong working relationship with regional stakeholders to assist in promoting the Agency's priorities and investments.	Ongoing	Facilitated multiple networking events, including an Agency Leadership Breakfast. Provided constant communication to officials regarding Agency initiatives and goals, including Annual Report.

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B1	Continue to incorporate the Agency's mission, vision, and values within the process of updating Agency documents.	Ongoing	Completed Agency Annual Report. Worked with BIS to establish Agency Dashboard showcasing the Agency's mission, vision, etc. Updated documents for branding consistency.
	Provide staff with opportunities for technical and professional training classes.	Ongoing	RM staff attended ARMA conference and ARMA local chapter seminar/training in May 2018, ARMA International seminar in October 2018, Laserfiche seminar in February 2019, Contracts and PlanetBid training in April 2019, ongoing webinar training in records management best practices. RM staff received several certificates and certifications in Laserfiche disciplines.
	Conduct Agency training on department processes in support of managing electronic records.	Ongoing	RM held annual mandatory training on records management practices for records liaisons in July 2018, records management open house held in August 2018, records management new hires training and departmental and individual training on Laserfiche software. Total employees trained 106.
C. Business Practices			
C1	Hold department lessons-learned meetings to evaluate and improve the effectiveness and efficiency of Agency events and educational programs.	Ongoing	Worked with Internal Audit to review the Garden in Every School® Program and adjusted program elements based on audit report. Help annual Project W.E.T. Workshop and developed efficiencies based on surveys and volunteer feedback. Met with Agency departments to discuss Agency external website and needs for efficiencies/updates. Will



EXTERNAL AFFAIRS

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments
			hold department lesson learned meeting post-Earth Day event.
C9	Continue to work with community groups and the regional technical and policy committees to relay information and updates on the complex issues that impacting the region.	Ongoing	Attend monthly Regional Policy and Technical Committee meetings. Attend and present at one community event/service group per quarter.
C10	Continue to cultivate strong working relationships with elected officials and governmental agencies to help ensure IEUA continues to be a regional leader in water, wastewater and renewable energy issues.	Ongoing	Invite elected officials to Agency events and hold a minimum of 3 VIP tours per year.
D. Water Reliability			
D10	Continue to watch legislation as it relates to compost and organics. When applicable participate in promoting legislation that advances this work plan.	Ongoing	Work with state and federal legislative offices to support any proposed bill language or programs that bring awareness and use of compost and organics.
E. Wastewater Management			
E4	Continue to audit big box stores' inventory of water softeners and continue to work with planning staff to pass ordinances in remaining cities.	Ongoing	Completed audit of big box stores' inventory of water softeners. Continue to work with partnering agencies on water softener removal outreach. Scheduled and presented at multiple service clubs throughout Agency's service area on salinity issues and the importance of the water softener removal rebate program.
E10	Continue to monitor legislation and policy as it relates to the use and development of renewable energy, advocating on behalf of the Agency when applicable.	Ongoing	Work with state and federal legislative offices to support any proposed bill language or programs that continue to develop the use of renewable energy.

Major Accomplishments			
A. Fiscal Responsibility		B. Workplace Environment	C. Business Practices
D. Water Reliability		E. Wastewater Management	F. Environmental Stewardship
IEUA Business Goals	Department Goals	KPI Status	Overall Accomplishments

F. Environmental Stewardship			
F4	Continue to grow and advance the Agency's educational and outreach programs including increasing the number of students participating in the Water Discovery Program, Water is Life Poster Contest, and Garden in Every School® Program. Continue to expand the Agency's social media presence to increase outreach to community members in the region.	Ongoing	Implemented Chino Creek Wetlands and Educational Park Instagram and Facebook accounts. Incorporated video platforms into social media outreach to increase engagement and posted on average of 2-3 times per week. Increased number of students that participated in Agency education programs. Held Project W.E.T. Workshop for local educators to learn about water education and programs available to them.

OTHER DEPARTMENT WORKLOAD INDICATORS

	2017/18 Actual	2018/19 Projected	2019/20 Target	2020/21 Target
No. of Agency Tours	20	20	25	25
No. of Agency Publications Produced	4	4	4	4
No. of Press Releases	20	22	25	25
Social Media	600	600	650	650
Circulation of newspaper inserts	46	50	50	50
Water Discovery Park Tours (# of students)	5,174	5,200	3,000	3,000
Public Records Requests	96	120	125	130
Number of Boxed Records Destroyed	702	800	800	800
Individual Records Electronically Stored	256,390	310,710	450,000	460,000



EXTERNAL AFFAIRS

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A. Fiscal Responsibility				
A2	Work with outside agencies to develop partnerships for Agency field trip program.	Ongoing	Ongoing	Outreach to external MWD agencies and develop agreements to maintain school field trips outside of Agency's service area.
A3	Continue to work with the Grants department to identify opportunities for educational program grants and events: Water Discovery program, Earth Day and others.	Ongoing	Ongoing	Hold bi-annual Leadership Breakfasts and VIP tours. Invite stakeholders and elected officials to Agency events.
	Build and maintain strong working relationships with elected officials and stakeholders within the region to assist in promoting the Agency's priorities and investments.	Ongoing	Ongoing	Partner with member agencies to conduct events and workshops.
B. Work Environment				
B1	Continue to account for Agency mission, vision, values, and brand in digital and print publications and internal documents.	Ongoing	Ongoing	Work with CAP to update Agency documents: letterhead and others. Work with BIS to incorporate internal outreach on AIM including Branding Tools landing page.
	Implement internal Agency morale building tools.	Ongoing	Ongoing	Develop bi-monthly internal newsletter to communicate Agency and employee updates, information, etc.

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
				Plan internal Agency events and incorporate employee highlights in the internal newsletter.
	Provide records staff with opportunities for technical and professional training classes.	Various Training through June 2020	Certified Records Management (CRM) and/or Information Governance (IG) certifications by June 2021	Measure the percentage of Records Management staff trained in Records and Information Management disciplines.
	Conduct Agency staff training on department processes that are in support of managing electronic records and records management best practices.	June 2020	June 2021	Measure the percentage of agency staff trained in records management best practices and management of electronic records.
	Departmental migration of records into Agency ERM (Laserfiche).	June 2020	June 2021	Measure the number of department records uploaded into the Laserfiche system.
C. Business Practices				
C1	Hold Department lesson learned meetings following major events and programs.	Ongoing	Ongoing	Implement lessons learned sessions for Earth Day event, education programs, Project W.E.T. workshops.
C9	Develop external reports on Agency programs.	Ongoing	Ongoing	Develop Agency Annual Report.
	Communicate Agency initiatives and programs through external website, social media channels, digital marketing.	Ongoing	Ongoing	Implement continuous updates to website, post 2-3 times per week on social media channels and implement digital marketing as necessary



EXTERNAL AFFAIRS

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
				based on current trends and program highlights.
E. Wastewater Management				
E4	Continue to audit big box stores' inventory of water softeners and continue to work with Planning staff on the implementation and outreach for the water softener rebate program.	Ongoing	Ongoing	Audit approximately 30 stores twice a year.
	Communicate water softener removal rebate program to the public.	Ongoing	Ongoing	Present salinity management issues/program to service clubs as scheduled.
F. Environmental Stewardship				
F4	Continue to grow and advance the Agency's educational and outreach programs.	Ongoing	Ongoing	Increase the number of Water Discovery program participants within the Agency's service area. Secure at minimum of three schools for both the Garden in Every School® program and Solar Cup program.
	Continue to increase engagement for social media channels.	Ongoing	Ongoing	Develop posts on all social media channels an average of twice per week; implement new trends and digital designs to increase engagement.
	Implement Agency website re-design.	Ongoing	Ongoing	Re-design of Agency external website by Fall 2019.
	Develop outreach campaigns based on	Ongoing	Ongoing	Implement digital and hard copy campaigns that implement water trends

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices
D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
	current water trends and issues.			and new messaging techniques.
	Continue to distribute Agency external newsletter and Agency news through digital platforms.	Ongoing	Ongoing	Work with BIS to update external Dashboard function for program updates quarterly.
	Continue to develop Agency video shorts.	Ongoing	Ongoing	Develop Agency videos highlighting Agency services and programs as well as Agency overview video.
	Continue to support partnering agency events and communication needs.	Ongoing	Ongoing	Meet quarterly with member agency representatives to discuss communication and support needs.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes budget for Agency-wide expenses for items such as printing and advertisements. Increased budget in FY 2019/20 in this category also includes purchase of data optimization software. Operating expense includes materials and supplies, professional fees and services, and Agency-wide expense for leases and rentals.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$1,015,701	\$1,626,355	\$1,474,104	\$1,574,063
Administrative	238,086	310,674	411,964	353,223
Operating	513,241	661,404	310,013	319,314
Total	\$1,767,028	\$2,598,433	\$2,196,081	\$2,246,600



GRANTS ADMINISTRATION

MISSION STATEMENT

To maximize state and federal grants and low-interest loan funding by identifying and securing funding opportunities. To cost-effectively support the future regional groundwater management, wastewater, recycled water and energy management needs through enhanced partnerships with various regional stakeholders in pursuing grants and loans. To promote and monitor Agency programs, as it related to grant funding, by maintaining compliance with all applicable federal, state and local environmental regulations and requirements while minimizing Agency liability.

DESCRIPTION AND PURPOSE

The Grants Department proactively identifies and seeks out grant opportunities in conjunction with management to fund capital projects throughout the Agency, oversees the entire lifecycle of the Agency’s grants administration activities and provides centralized Agency grants management oversight to IEUA and joint power agencies to ensure regulatory compliance, cost eligibility and accurate and timely reporting for each grant award in accordance with grantor compliance requirements.

POSITION SUMMARY

Staffing changes during FY 2018/19 and for the coming budgeted years include the transfer of one Administrative Assistant II to the External Affairs department in order to support needs in the External Affairs and Policy Development divisions. Limited term staffing is used as necessary to support the Grants Department for current grant and low interest loan identification, award and compliance requirements.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Grants	1	1	1	1
Deputy Manager of Grants	0	1	0	0
Grants Administrator	2	1	1	1
Senior Accountant	1	1	1	1
Accountant I/II	1	1	2	2
Administrative Assistant II	1	0	0	0
Total	6	5	5	5

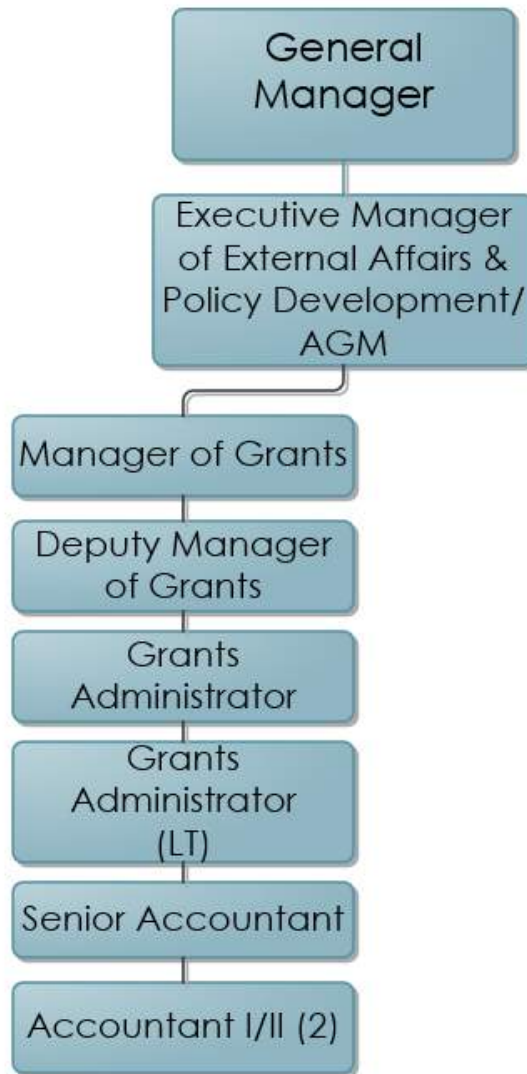
Limited Term Positions



GRANTS ADMINISTRATION

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Grants Administrator	1	1	1	1
Accountant I	1	1	0	0
Total	2	2	1	1
Total	8	7	6	6

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A3	Develop an Agency Grants Strategic Plan that will guide Agency grant activities.	Ongoing	The Agency Grants Strategic Plan was completed and approved by the Board in FY 2017/2018. The Plan will be updated in FY 2019/20.
	Recommend and pursue potential grant opportunities that align with the Agency mission and financial goals.	Ongoing	Total of 17 applications submitted in FY 2018/19 that align with Agency mission and financial goals.
	Collaborate with the member agencies, JPAs and regional leaders on projects that can be partially funded by grant or SRF loan programs.	Ongoing	Submitted a total of seven applications for projects that collaborate with regional agencies, including Monte Vista Water District, City of Pomona, Jurupa Community Services District, and the Chino Basin Watermaster.
	Manage federal and State funding for water desalination projects in the Chino Basin.	Ongoing	Managing of total of \$37.4 million (M); in State (\$11.4M) and Federal (\$26M) funding awards for water desalination projects in collaboration with the Chino Basin Desalter Authority.
	Pursue congressional appropriations and state funding for the Chino Basin Program (CBP).	Ongoing	Applications submitted to United States Bureau of Reclamation (USBR) and Department of Water Resources (DWR) for CBP project components. Future federal and state opportunities are being tracked.

OTHER DEPARTMENT WORKLOAD INDICATORS



GRANTS ADMINISTRATION

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Grant/Loan applications submitted	8	17	10	10
Grant/Loan billings and status reports by due date	160	180	180	180
Average number of days to file grant/loan billing	30	30	30	30
Average number of days to collect grant/loan billing	60	60	60	60
Number of grants managed in eCivis software	0	27	30	33

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A. Fiscal Responsibility				
A3	Update Grants Strategic Plan to guide Agency grant activities.	June 2020		Complete update by June 2020.
	Recommend and pursue potential grant opportunities that align with the Agency mission and goals.	Ongoing	Ongoing	Continuous submittal of grant applications.
	Collaborate with departments that have project funding needs.	Ongoing	Ongoing	Semiannual interdepartmental meetings.

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A13	Communicate financial benefits of grants activities via eCivis software for integration in Agency dashboards.	Ongoing	Ongoing	Quarterly updates.

EXPENSES

Employment expenses includes wages and benefits. Administrative expenses include expenses such as training, travel and postage; operating expenses includes professional fees and services.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$927,332	\$1,134,801	\$875,581	\$923,873
Administrative	5,701	16,363	24,585	25,377
Operating	20,851	252,500	49,080	50,062
Total	\$953,884	\$1,403,664	\$949,246	\$999,312



ENGINEERING, PLANNING, & SCIENCE DIVISION

MISSION STATEMENT

To maximize use of water resources and conservation, meet all regulatory requirements, and construct facilities to meet Agency needs in a cost effective and environmentally responsible manner.

DEPARTMENTS

- ◆ Engineering & Construction Management
- ◆ Planning & Environmental Resources
 - Planning
 - Environmental Compliance
 - Pretreatment and Source Control
- ◆ Laboratory

EXECUTIVE SUMMARY

This Division provides planning, environmental compliance, conservation, engineering, construction, and laboratory services. Its purpose is to plan, engineer, and construct projects and Agency programs to effectively meet the growing needs of the region in a regulatory compliant and cost-effective manner. The Division is responsible for monitoring the Agency's facilities and activities to meet regulatory requirements and to protect the public's health. Total division staffing is budgeted at 61 full time equivalent (FTE) and 10 limited term (LT) positions for both FY 2019/20 and FY 2020/21.

DIVISION GOALS

- ◆ Ensure scope of projects meets and represents regional needs.
- ◆ Optimize facility energy use and generation to achieve peak power independence.
- ◆ Ensure all activities of the department are fully transparent to all audiences. Implement programs across all sectors, residential, commercial and agricultural, to make outdoor water use efficient, helping to maintain groundwater levels, eliminate waste and promote efficient use of water to meet and exceed state regulatory requirements.
- ◆ Develop regional collaboration for groundwater storage programs.

- ◆ Meet basin plan requirements and objectives in support of the recycled water program.
- ◆ Continue the process of collaborative negotiations in support of reaching mutually agreeable terms for the new Regional Contract.
- ◆ Pursue opportunities for renewable energy development and interconnection with grid.
- ◆ Secure supplemental water supplies and prime recharge basin locations to broaden regional water sources and maximize water recharge capabilities.
- ◆ Maintain wastewater capacity buffer to never exceed 90 percent.
- ◆ Continue efforts to meet all water quality, public health, environmental standards and proactively meet current and future permits/regulations.
- ◆ Continue to evaluate and include innovative technologies in design, construction, and operation of facilities.
- ◆ Continue to develop integration and implementation of the Asset Management plan.

ORGANIZATIONAL CHART





ENGINEERING, PLANNING, & SCIENCE DIVISION

EXPENSES

The Executive Manager of Engineering/Assistant General Manager employment expense includes both wages and benefits. In addition, administrative expense includes office and administrative costs as well as some agency-wide expense for meetings hosted by the Agency. There are no actual or budgeted operating expenses for the fiscal years included below.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$310,583	\$334,156	\$327,198	\$340,614
Administrative	18,865	32,793	28,950	29,355
Operating	-	-	-	-
Total	\$329,448	\$366,949	\$356,148	\$369,969



ENGINEERING & CONSTRUCTION MANAGEMENT

MISSION STATEMENT

To engineer and construct state of the art facilities and infrastructure to meet the dynamic and growing needs of recycled water demand, wastewater collection, treatment and disposal needs of the Agency's service area, and to implement and manage the capital improvement program (CIP) with cost effective solutions.

DESCRIPTION AND PURPOSE

The Engineering and Construction Management (ECM) Department provides design, administration, and construction management services for water, wastewater, and energy projects that implement the Agency's CIP. The department integrates the latest and most cost-effective technologies into the IEUA service area. A total of 34 personnel (26 full time equivalent and 8 limited term positions) contributes to the success of the department, providing many diversified tasks such as:

- ◆ Plan, budget, design, and construct capital facilities.
- ◆ Design and construct projects through efficient project management to ensure projects are completed on schedule and on budget.
- ◆ Coordinate the capital project process to produce the Ten-Year Capital Improvement Plan.
- ◆ Administer grants, permits, and environmental compliance reports.
- ◆ Plan, design, and coordinate the implementation of the Agency's Supervisory Control & Data Acquisition system (SCADA).
- ◆ Provide engineering and construction management support to the Agency's Operations and Maintenance departments.
- ◆ Provide in-house design services including development of plans and specifications for the bid process.
- ◆ Prepare Requests-for-Proposals and replies to project information requests from prospective consultants and contractors.

- ◆ Review and check design reports, proposals, and specifications submitted by consulting engineers and subsequent management of those consultant services.
- ◆ Provide construction management support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards.
- ◆ Develop and maintain Computer Aided Design (CAD) drawings for the Agency, including in-house design, as-builts, mylars, site maps, distribution system maps, and 3D modeling of facility sites and projects.
- ◆ Create project reports to assist in tracking schedules, plan vs. budget, resource hours, General Manager's reports, and various budget reports.

POSITION SUMMARY

The Engineering and Construction Management department is projected to maintain 26 FTE positions for the two budgeted years. Due to major improvement and plant expansion projects additional workloads will also be supported by Limited Term positions when necessary. Outside consulting and engineering services may be contracted to assist the Engineering and Construction Management department in supporting the increased workloads that will be required to manage major rehabilitation, replacement, improvement, and expansion projects.

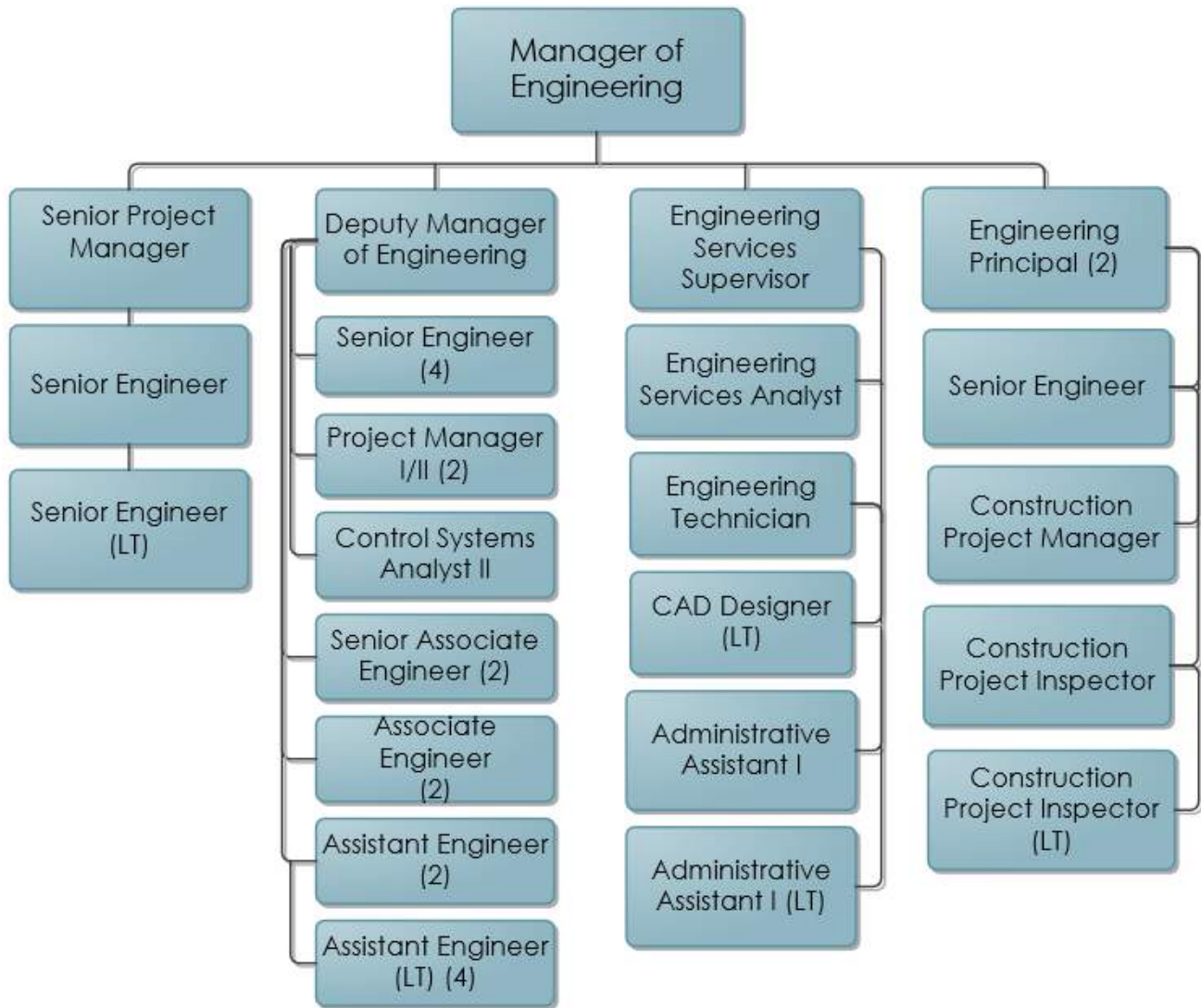
Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Engineering	1	1	1	1
Deputy Manager of Engineering	2	2	1	1
Deputy Manager of Capital Improvement Projects	1	1	0	0
Engineering Principal	0	0	2	2
Engineering Services Supervisor	1	1	1	1
Construction Project Manager, PE	1	0	0	0
Construction Project Manager	1	1	1	1
Senior Engineer	6	6	6	6
Senior Project Manager	1	1	1	1
Project Manager II	0	0	1	1
Project Manager I	2	2	1	1
Construction Project Inspector	1	1	2	2
Control Systems Analyst II	1	1	1	1



ENGINEERING & CONSTRUCTION MANAGEMENT

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Senior Associate Engineer, PE	0	0	1	1
Senior Associate Engineer	1	1	1	1
Associate Engineer	3	3	2	2
Assistant Engineer	2	0	1	1
Engineering Services Analyst	1	1	1	1
Engineering Technician	1	1	1	1
Administrative Assistant I	1	1	1	1
Total	27	24	26	26
Limited Term Positions				
Senior Engineer	1	1	1	1
Senior Associate Engineer PE	1	0	1	1
Assistant/Associate Engineer	4	4	4	4
CAD Designer	1	1	1	1
Administrative Assistant I	1	1	1	1
Total	8	8	8	8
Total	35	32	34	34

ORGANIZATIONAL CHART





ENGINEERING & CONSTRUCTION MANAGEMENT

SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Work Environment			
B2	Enhance communication and development during a monthly mentoring meeting with Senior and Junior staff.	10x/year = 100%	Engineering Management conducted 5 mentoring sessions with Senior and Junior staff through April 2019.
C. Business Practices			
C1	Review and evaluate all projects for best practices that can be applied to future projects.	10x/year = 100%	Engineering staff have presented 6 Lessons Learned through April 2019. At least one additional one is scheduled for May 2019.
E. Wastewater Management			
E9	Complete Asset Management Plan by November 2019.	Complete Asset Management Road Map by November 2019	During fiscal year quarters 3 and 4, staff met with consultant (GHD) to begin GAP analysis and conducted workshops, attended the Utility Management Conference in Nashville to explore lesson learned in developing and managing an effective asset management program, and executed a task order to implement enhancements to the condition assessment efforts toward IEUA's collection system.
E11	Provide high quality project management for all Capital Improvement Projects.	Actual Expenditures as a percentage of	As of March 2019, Engineering's is at 74%

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
E14		<p>Forecasted Expenditures $\geq 90\%$</p> <p>Capital Spending within Fiscal Year Budget</p> <p>Project Costs within 110% of the Total Project budget Established in the Project Charter $\geq 90\%$</p> <p>Construction Contract Change Orders $\leq 10\%$ of original contract value</p> <p>Design Scope Amendments $\leq 10\%$ of original contract value</p>	<p>As of March 2019, Engineering's is at 68%</p> <p>As of March 2019, Engineering's is at 45%</p> <p>As of March 2019, Engineering's is at 4.74%</p> <p>As of March 2019, Engineering's is at 20.38%</p>
	<p>Staff are actively reviewing projects for Southern California Edison (SCE) savings programs.</p>	<p>Continuous over two years.</p>	<p>As part of the CCWRF Asset Management and Improvements Package I (EN17006), staff identified energy savings design elements including the replacement of the aeration blowers, the aeration diffusers and changes from DO controls to Ammonia controls. However, the audit process was started, and the project was put hold pending validation of costs.</p>



ENGINEERING & CONSTRUCTION MANAGEMENT

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Capital Spending within Fiscal Year Budget	77%	68%	≥90%	≥90%
Actual Expenditures as a Percentage of Forecasted Expenditures	88%	74%	≥90%	≥90%
Construction Contract Change Orders ≤ 10% of original contract value	3.47%	4.74%	≤10%	≤10%
Lessons Learned	70%	70%	100%	100%
Project Costs Within 110% of the Total Project Budget Established in the Project Charter	67%	45%	110%	110%
Design Scope Amendments ≤ 10% of original contract value	10.26%	20.38%	≤10%	≤10%
Enhance communication and development during a monthly mentoring meeting with Senior and Junior staff	90%	50%	N/A	N/A

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
C. Business Practices				
C1	Review and evaluate all projects for best practices	Ongoing	Ongoing	At a minimum of 10 times per year.

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
	that can be applied to future projects.			
E. Wastewater Management				
E9	Begin implementation of the Asset Management Road Map by November 2019.	November 2019		Bi-Annual Progress Update = 100% Begin Implementation of Asset Management Road Map by November 2019 = 100%
E11	Provide high quality project management for all Capital Improvement Projects.	Annually	Annually	Capital Spending within Fiscal Year Budget ≥ 90% Actual Expenditures as a percentage of Forecasted Expenditures ≥ 90% Project Costs Within 110% of the Total Project Budget Established in the Project Charter ≥ 90% Completed Project Within 110% of the Total Project Days Established in the Project Charter ≥ 90% Design Scope Amendments ≤ 10% of original contract value



ENGINEERING & CONSTRUCTION MANAGEMENT

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
E14				Change Orders ≤ 10% of original contract value.
	Staff are actively reviewing projects for Southern California Edison (SCE) savings programs.	Ongoing over two years.	Ongoing over two years.	All applicable projects will be sent to SCE for incentives.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative expense. Operating expense includes; permits, licenses, materials and supplies, and professional fees and services. Wages and benefits increases are primarily due to additional staffing necessary to support increased capital project management workloads.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$4,273,304	\$5,242,230	\$5,990,102	\$6,541,781
Administrative	37,660	36,160	46,385	48,411
Operating	472,992	871,451	608,750	608,750
Total	\$4,783,956	\$6,148,841	\$6,645,237	\$7,198,942



PLANNING & ENVIRONMENTAL RESOURCES

MISSION STATEMENT

To plan and implement projects and programs to cost effectively meet future regional water, wastewater and energy management needs through enhanced partnerships

- ◆ Planning and Water Resources
- ◆ Environmental Compliance
- ◆ Pretreatment and Source Control

The Planning group is responsible for the development of feasibility reports, master plans, environmental reports and programs to meet and sustain the region's existing and future water supplies, integrating and evaluating wastewater and energy management needs, and the Agency's Ten- Year Capital Improvement Plan (TYCIP).

The Environmental Compliance group is responsible for monitoring the Agency's water and wastewater facilities, air pollution control systems, and biosolids treatment and composting facilities to ensure compliance with all local, state, and federal regulations governing Publicly Owned Treatment Works (POTW). The group is also responsible for planning and implementing the regulatory permitting needs for the long-term operation of facilities and construction of new facilities.

The Pretreatment and Source Control group is responsible for working with industries and Regional Contracting Agencies (RCAs) to determine the best method of wastewater disposal while abiding by strict permit discharge standards. The group also monitors pollutant concentrations in the industrial discharges so that IEUA plant operations are not impacted. Collection of water meter connection fees also falls in this group's purview.

POSITION SUMMARY

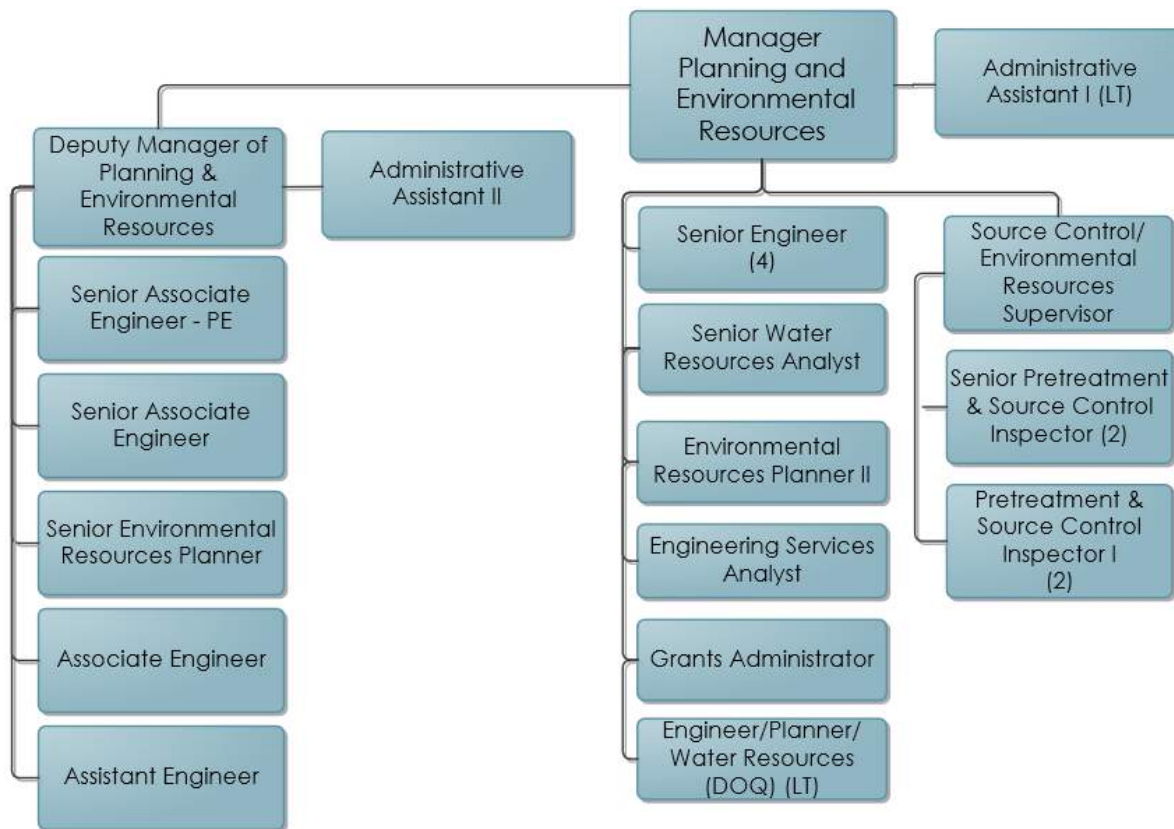
In FY 2018/19 a Grant Administrator was transferred to the Planning and Water Resources cost center. The Grant Administrator position will return to the Grants Administration department in FY 2019/20 to help support supplemental funding efforts for ongoing and planned major projects. For FYs 2019/20 and 2020/21 Planning and Water Resources will add three (3) Senior Engineer positions. Two (2) Senior Engineers will transfer from Environmental compliance and one (1) position will be added as needed during the fiscal year. Additionally, two (2) limited term personnel will be added in support of major project initiatives.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Planning & Water Resources				
Manager of Planning & Environmental Res.	1	1	1	1
Deputy Manager of Planning & Environmental Resources	1	1	1	1
Senior Engineer	2	1	4	4
Engineering Services Analyst	0	0	1	1
Senior Water Resources Analyst	1	1	1	1
Environmental Resource Planner II	1	1	1	1
Grants Administrator	0	1	1	0
Administrative Assistant II	1	1	1	1
Total Planning & Water Resources	7	7	11	10
Environmental Compliance				
Supervisor Environmental Compliance & Energy	1	1	0	0
Senior Environmental Resources Planner	1	1	1	1
Senior Engineer	0	2	0	0
Senior Associate Engineer - PE	1	1	1	1
Senior Associate Engineer (Flex)	1	1	1	1
Associate Engineer	1	1	1	1
Assistant Engineer	1	1	1	1
Total Environmental Compliance	6	8	5	5
Source Control				
Source Control & Environmental Resources Supervisor	1	1	1	1
Senior Pre-Treatment & Source Control Inspector	0	2	2	2
Pretreatment & Source Control Inspector II	2	0	0	0
Pretreatment & Source Control Inspector I	2	2	2	2
Total Source Control	5	5	5	5
Total	18	20	21	20
Limited Term Positions				
Engineer/Planner/Water Resources DOQ	0	0	1	1
Administrative Assistant I	0	0	1	1
Total	0	0	2	2
Total	18	20	23	22



PLANNING & ENVIRONMENTAL RESOURCES

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A6	Integrate projects identified in the various planning documents into the TYCIP.	Complete	The TYCIP document is prepared every other year. FY 2018/19 TYCIP was completed and submitted for board approval. FY 2020/21 TYCIP will begin in FY 2019/20.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A8	Redefine the sewage factors currently used to determine the equivalent dwelling unit (EDU) as defined in Exhibit J of the Regional Contract.	Ongoing	A Flow & Loading study is being conducted by several California Association of Sanitation Agencies (CASA) member agencies including IEUA, which will be completed by January 2020.
B. Work Environment			
B1	Ensure all activities align and are consistent with the Agency's Objectives.	Ongoing	The activities performed by the P&ER department were consistent with the Agency's objectives and documented in staff memos as appropriate.
B11	Conduct all monthly training required to meet Agency policies.	Monthly	All trainings/quizzes have 100% employee participation and completion.
C. Business Practices			
C1	Conduct workshops and lunch and learn sessions.	Annual	Sign-in Sheets and outlook calendar are used to track various workshops and meetings such as Water Mangers' meetings (bi-monthly), and Chino Basin Watermaster (CBWM) quarterly meetings.
C3	To provide the highest program value to the agency through fostering more-broad based collaborations.	Ongoing	Checking various programs i.e., Chino Basin Program, Drought Plan, Integrated Resource Plan (IRP) Phase 2 for any opportunities to collaborate with partners and stakeholders as part of project feasibility.
C7	Implement a capacity lease program for new and existing industrial customers within the service area.	Ongoing	The capacity lease program has been implemented for the Inland Empire Brine Line and a regional capacity lease program is being discussed as part of the regional contract negotiation discussions.



PLANNING & ENVIRONMENTAL RESOURCES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
C8	Maintain relationships with industries to be current on latest trends and technology.	Ongoing	Continue memberships and participation in industry trade organizations that provide educational and networking opportunities to facilitate growth of trends and enhanced technologies.
	Identify and participate in opportunities that will further technologies and efficiencies (Pilot/Research Projects).	Ongoing	Continue to invest in opportunities that will further progress practices through pilot studies, research, and evaluations. Invest in tools and resources that will support compliance with new State urban water use standards and pilot studies such as the commercial sewer return flow estimation.
D. Water Reliability			
D1	Ensure that activities are consistent with defined strategic planning documents, such as IRP, Water Use Efficiency (WUE) business plan, implementation of Optimum Basin Management Plan (OBMP), SARCCUP.	Ongoing	Annual water use monitoring and support for the rate study and budget process. Participation in OBMP development.
	Provide toolbox that will support the implementation of the State's long-term WUE Regulations.	Ongoing	Staff is currently working with the Alliance for Water Efficiency (AWE) and the California Water Efficiency Partnership (CalWEP) to develop a California WUE Standards Compliance Tool and update of the California-specific version of the AWE Water Conservation Tracking Tool. An additional toolbox is available through CalWEP that delivers a new digital platform where members share water conservation research and tools.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
D2	Update long term water resource documents and continue development in local supplies.	Ongoing	Received funding award of \$207M for Chino Basin Program (CBP); staff working with local, regional and state agencies to secure funding and development of 15,000 AF additional supplies and infrastructure for a 50-year period. The Drought Plan is expected to be completed by September 2019.
D3	Support implementation of OBMP elements. Support Development of a Chino Basin Water Bank (CBWB). Support SARCCUP. Support Storage Management Plan.	Ongoing	Continue to develop and support water resources programs that align with the Agency's mission such as coordination with CBWM on the storage framework. CBWB, CBP & OBMP to coordinate storage in the Chino Basin.
D4	Collaborate with local agencies to identify and implement Low-Impact Development (LID) methods and practices.	Ongoing	Currently providing education and training opportunities for regional stakeholders on the State's updated Model Water Efficient Landscape Ordinance that includes standards for the installation of sustainable landscaping and low impact development.
D5	Evaluate possibility of connecting brackish groundwater to supplement recycled water supply.	June 2019	Evaluations are ongoing to augment water supply into the Recycled Water system.
D6	Work towards amending the Basin Plan with updated salinity requirements.	June 2020	Developing and performing groundwater modeling and coordinating a basin plan amendment with the Regional Water Quality Control Board.
E. Wastewater Management			
E1	Develop a mutually agreeable term-sheet for the regional contract.	Ongoing	A facilitator has been retained by IEUA and contracting agencies to assist with negotiations that will continue through FY 2019/20. Term sheets are expected to be completed by June 2020.



PLANNING & ENVIRONMENTAL RESOURCES

Major Accomplishments			
A. Fiscal Responsibility B. Workplace Environment C. Business Practices			
D. Water Reliability E. Wastewater Management F. Environmental Stewardship			
IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
E4	Work towards amending National Pollution Discharge Elimination System (NPDES) Permit to provide long-term salinity management.	December 2020	Coordinating with CBWM and the Regional Water Quality Control Board towards the Basin Plan Amendment and eventual modification of the NPDES permit with updated salinity metrics.
E7	<p>Revise Regional Wastewater Ordinance.</p> <p>Proactively work with member agencies to identify and permit all Significant Industrial Users.</p> <p>Control the discharges from Significant Industrial Users (SIUs) by issuing wastewater discharge permits.</p> <p>Conduct and inspection and monitoring program to determine compliance with pretreatment standards and requirements.</p>	Ongoing	The Regional Wastewater Ordinance will be revised by January 2020. Pretreatment and Source Control holds bi-monthly meetings with contracting agencies to discuss the new industries. All SIU's are identified by the Pretreatment Program and issued wastewater discharge permits as required. Industries are inspected and monitored as part of the Pretreatment Program.
E14	Conduct Energy Audits to identify potential opportunities.	Ongoing	Conduct and prepare Energy Efficiency Findings Report when applicable.
E16	Update Energy Management Plan.	Ongoing	Update will include energy efficiency improvements, use forecasting, and sustainable practice updates in response to changing regulations. The Energy Management Plan is expected to be revised by June 2020.
F. Environmental Stewardship			
F2	Develop Local Limits report to identify discharge limits for SIUs.	Completed	The Local Limits Resolution was adopted in 2018.
F3	Develop Stormwater Resources Plan, Odor Surveys, and Regional Drought and Water Shortage Plan.	Ongoing	Odor surveys are conducted on a quarterly basis. Drought monitoring and water shortage levels established.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
F5	Long-Term Permit with the Army Corps of Engineers.	Completed	Permits were received in 2018.
	Continue the Prado Basin Habitat Sustainability Program monitoring.	Annual	Annual report in collaboration with Chino Basin Watermaster
F8	Develop the Santa Ana River Habitat Conservation Plan (HCP).	June 2023	Ongoing participation in HCP in coordination with the 12 regional partners.

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
C. Business Practices				
C3	Develop market potential as needed for various project requirements and needs.		June 2021	Complete development.
C9	Implement the Pretreatment Program and communicate changes in regulations to the stakeholders, and elected officials as needed.	Ongoing	Ongoing	Implement as need arises.
D. Water Reliability				
D1	Implement the Water Use Efficiency Business Plan and Urban Water Management Plan to meet the goals of		June 2021	Annual water savings through the various initiatives.



PLANNING & ENVIRONMENTAL RESOURCES

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
D2	the Long-Term Water Use Efficiency Regulations.			
	Implement/Update the Integrated Water Resources Plan, Water Use Efficiency Business Plan, Recycled Water Program Strategy (RWPS), Urban Water Management Plan, etc.		June 2021	Complete the Planning Documents update by June 2021.
	Complete the Water Storage Investment Program requirements to implement the Chino Basin Program.		December 2021	Secure California Water Commission approval by January 2022.
D3	Collaborate with the Chino Basin Watermaster in the development of the Storage Management Plan, and the Optimum Basin Management Plan Update.		June 2021	Completion of the Storage Management Plan and the OBMP Update programs that align with the Agency's mission.
D4	Collaborate as opportunities arise and identify funding sources to implement initiatives identified in the IRP and WUEBP.		June 2021	Implement the initiatives as opportunities arise.
D5	Identify opportunities for the long-term acquisition/augmentation of the recycled water system as identified in the CBP, IRP and RWPS.		June 2021	Complete agreements as opportunities are identified.
D6	Complete the Basin Plan Amendment.		June 2021	Meet Basin Plan Requirements.
E. Wastewater Management				
E1	Develop the revised Term Sheet for the Regional Contract.		June 2021	Term-sheet

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
E7	Prevent treatment plant upsets from slug loads through effective monitoring and inspection program.		June 2021	Identify and permit all industrial users as required by the Pretreatment Program.
E10	Track new regulations and technologies to enhance integration with the grid.		June 2021	Participate in various industry associations.
E14	Evaluate and monitor the implementation of the initiatives identified in the Energy Management Plan.		June 2021	Annual Report of the Energy Management Plan.
F. Environmental Stewardship				
F3	Develop Regional Drought Contingency Plan (DCP).	June 2020		Complete the DCP.
	Develop Response plan for various nuisance complaints such as odor (Planning), noise and traffic (Engineering), etc.	June 2020		Complete the response plans.
F8	Continue participation and collaborate in the development of the Santa Ana River Multi-Species Habitat Conservation Plan (SARMSHCP) and the Prado Basin Adaptive Management Plan (AMP).	Ongoing	Ongoing	Develop Annual Reports for the Prado AMP. Collaborate to develop the SARMSHCP.



PLANNING & ENVIRONMENTAL RESOURCES

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative and other non-operating expense. Operating expense includes; materials and supplies, professional fees and services, operating fees, utilities, leases and rentals, and MWD water expense. Non-reclaimable Wastewater (NRW) operating fees are passed through to the industries who utilize the NRW system.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$2,209,875	\$3,177,465	\$4,061,065	\$4,278,435
Administrative	44,941	108,432	85,928	90,069
Operating	12,650,567	14,149,207	14,041,820	13,831,126
Total	\$14,905,383	\$17,435,104	\$18,188,813	\$18,199,630

MISSION STATEMENT

To provide high quality, reliable, analytical support to the Agency in its efforts to protect the public's health and environment in accordance with Environmental Laboratory Accreditation Program (ELAP) Quality Assurance/ Quality Control requirements.

DESCRIPTION AND PURPOSE

The Laboratory Department provides the analytical support to allow efficient operation of the Agency's four recycling facilities: Regional Water Recycling Plant No. 1 (RP-1) in Ontario, Carbon Canyon Water Recycling Facility (CCWRF) and Regional Water Recycling Plant No. 5 (RP-5) located in Chino, and Regional Water Recycling Plant No. 4 (RP-4) located in Rancho Cucamonga. The department also provides support for groundwater recharge monitoring efforts and verification of their compliance with state and federal discharge limits. The Agency Water Quality Laboratory is a full-service laboratory certified by the State of California ELAP for wastewater and drinking water testing. The Laboratory follows the strict guidelines to produce quality results required by the Environmental Protection Agency (EPA) and State Water Resources Control Board, Department of Drinking Water. On average the Laboratory analyzes approximately 18,000 samples and performs 64,000 various tests per year.

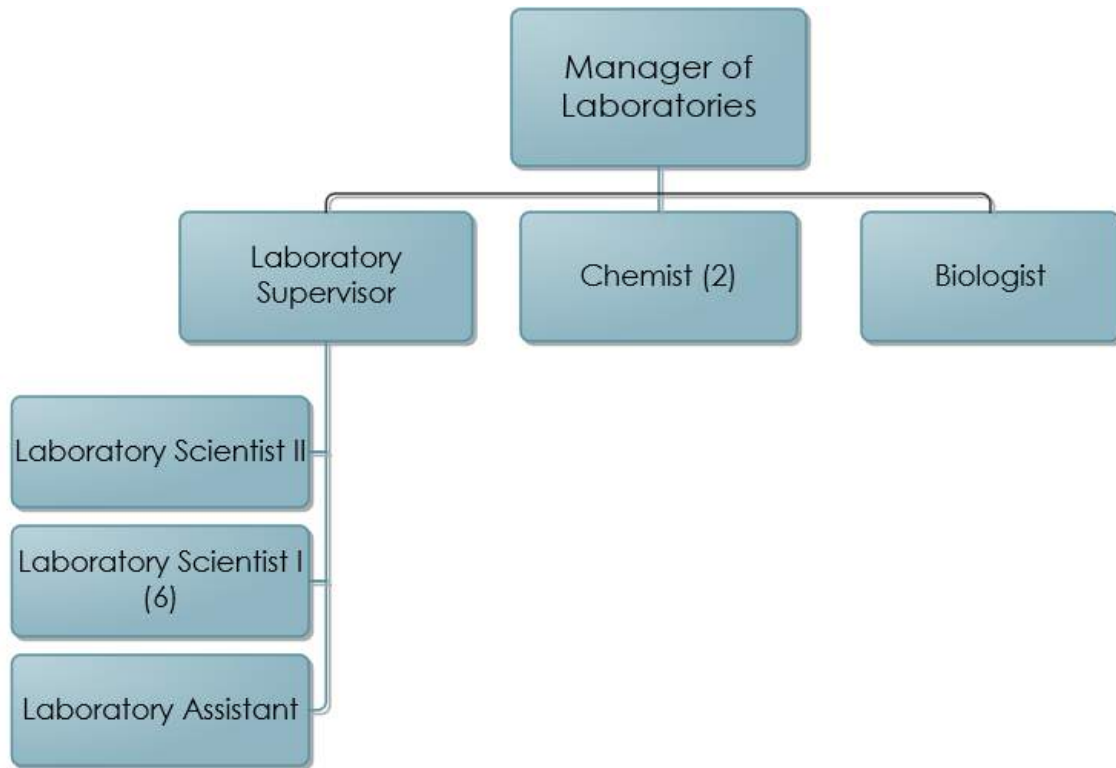
POSITION SUMMARY

No staffing changes are anticipated for FYs 2019/20 and 2020/21.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Laboratories	1	1	1	1
Laboratory Supervisor	0	1	1	1
Senior Chemist	1	0	0	0
Chemist	2	2	2	2
Biologist	1	1	1	1
Laboratory Scientist II	2	2	1	1
Laboratory Scientist I	5	5	6	6
Laboratory Assistant	1	1	1	1
Total	13	13	13	13

LABORATORY

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

*A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability
E. Wastewater Management F. Environmental Stewardship*

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Work Environment			
B1	Ensure all activities align and are consistent with the Agency's Objectives.	Ongoing	Staff attends appropriate required training such as diversity and harassment training sessions.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability
E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B2	Develop and implement succession plan through mentoring and training program.	Ongoing	Staff attended Supervisor training at Cal Poly Pomona.
B6	Conduct annual internal audits of Laboratory practices to meet Environmental Laboratory Accreditation Program (ELAP) requirements.	Ongoing	Laboratory SOPs updated as needed on Laboratory site in AIM.
	Pass Biennial ELAP site visit inspection.	Incomplete	ELAP has not scheduled the on-site assessment as of June 2019.
B9	Update Laboratory Chemical Hygiene Plan (CHP).	Ongoing	Review of CHP is in process, anticipate completion in Fall 2019.
B11	Conduct all bi-weekly training per Agency policies.	Complete	2018 bi-weekly safety tailgates completed.

C. Business Practices

C6	Meet sample turnaround times (TATs) in support of Recycled Water program requirements.	Ongoing	Data submitted to Department of Drinking Water web portal on time each month.
C8	Support Engineering department during construction phase of Water Quality Laboratory.	Complete	Shop drawings were reviewed, and staff walked through the lab during construction phase.
	Minimal disruption to Laboratory customers during transition from old Laboratory at RP-1 to Water Quality Laboratory located at Agency's headquarter.	Complete	Process samples were completed at the old RP-1 Lab during transition into the Water Quality Lab. Compliance testing was performed by a contract lab during the transition. All required and requested analyses were completed.
	Evaluate new technologies in water analyses, implementing after completion of Water Quality Laboratory.	Complete	Purchase one new Gas Chromatograph (GC) two GC - Mass Spectrometers (GCMS) and one Inductively Coupled Plasma (ICP) spectrometer were made after evaluating improved technologies for these instruments.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability
E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
E. Wastewater Management			
E2	Meet sample turnaround times in support of Operations departments process control and NPDES permit requirements.	Ongoing	Sample turnaround times were met to meet the requirements for Operations and NPDES requirements.
E5	Support analyses requests for Basin Plan water quality requirements.	Ongoing	Analysis requests are incorporated into routine analysis schedules.
E6	Purchase and install LC-MS/MS instrument to begin analysis of emerging constituents in Water Quality Laboratory.	Incomplete	The purchase and installation of an LC-MS/MS instrument is to be evaluated for cost effectiveness for the Agency as regulatory requirements are added with parameters that require use of this instrument, currently the number of analyses do not warrant the purchase of this instrument.
E7	Support analyses requests for Agency's pre-treatment program.	Ongoing	Analyses are completed in time for PTSC reporting requirements.
F. Environmental Stewardship			
F1	Maintain ELAP certification by meeting performance evaluation sample requirements, and Laboratory SOP and Quality Assurance Manual documentation updates.	Ongoing	Annual Performance Evaluation samples were completed in 2018 with all acceptable results. Laboratory SOPs are reviewed and updated annually. QA Manual update completed in January 2019.
	Meet analysis method quality control (QC) and holding time requirements.	Ongoing	>99.99% of sample results met the QC and holding time requirements.
	Begin process of updating Laboratory to new ELAP regulations which will be implemented over the next 6 years.	Ongoing	Laboratory technical SOPs were moved to the Laboratory Team Site on AIM in February 2019 to track changes per the documentation requirements of ELAP.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices D. Water Reliability
E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
			New laboratory administrative/general SOPs have begun to be developed. Drafts of Balance Calibration, Glassware Washing, and Thermometer calibration have been added to the Laboratory Team Site on AIM.

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Average Turnaround Time (Compliance Samples) (Days)	17	17	18	18
Meeting Established Turnaround Times	100%	100%	100%	100%
Quality Control Failures	<1%	<1%	<1%	<1%
ELAP Performance Evaluation Repeats per Calendar Year	4	3	0	0
Safety – Lost Time Accidents	0	0	0	0
Samples Completed Within Regulatory Holding Times	>99.99%	>99.99%	100%	100%

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management	F. Environmental Stewardship	
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
B. Work Environment				
B6	Conduct annual internal audits of Laboratory practices to meet Environmental Laboratory Accreditation Program (ELAP) requirements.	Annually by July 31	Annually by July 31	Laboratory SOPs updated as needed on Laboratory site in AIM.
B9	Update Laboratory Chemical Hygiene Plan (CHP).	Annually by June 30	Annually by June 30	CHP reviewed and updated to incorporate program requirements.
B11	Conduct all bi-weekly training per Agency policies.	Bi-weekly	Bi-weekly	100% staff participation at all required meetings.
C. Business Practices				
C1	Review and evaluate all projects for best practices that can be applied to future projects.	Monthly	Monthly	10x/year = 100%
C8	Evaluate new technologies in water analyses, implementing those that will add value to Laboratory practices.	Ongoing	Ongoing	Document implementation with reports.
D. Water Reliability				
D6	Meet sample turnaround time in support of recycled water program requirements control and NPDES permit requirements.	Ongoing	Ongoing	100% acceptable turnaround times (TATs).

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
E. Wastewater Management				
E2	Meet sample turnaround times in support of Operations process control and NPDES permit requirements.	Ongoing	Ongoing	1 day for process control samples, 10 days after end of month for NPDES compliance samples.
E5	Support analyses requests for Basin Plan water quality requirements.	Quarterly	Quarterly	100% acceptable turn-around times (TATs).
E6	Analyze required Constituents of Emerging Concern (CEC) using Contract Lab and evaluate need to purchase LC-MS/MS.	Ongoing	Ongoing	Meet required monitoring, Business Case Evaluation performed to determine value of purchasing instrumentation.
E7	Support analyses for pre-treatment program.	Ongoing	Ongoing	100% acceptable turn-around times (TATs).
F. Environmental Stewardship				
F1	Maintain ELAP certification by meeting performance evaluation sample requirements, and Laboratory SOP and Quality Assurance Manual documentation updates.	Annually	Annually	ELAP certificate renewed each fiscal year.
	Meet analysis method quality control (QC) and holding time requirements.	Ongoing	Ongoing	>99% acceptable quality control.
	Finalize process of updating Laboratory SOPs to meet new ELAP requirements.	Ongoing	Ongoing	All analysis SOPs updated with new format by October 2022.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes; office and administrative expense, and other non-operating expense. Operating expense includes; professional fees and services, permits, licenses, and materials and supplies.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$1,481,178	\$1,737,781	\$1,958,030	\$2,073,814
Administrative	13,012	12,968	18,375	18,599
Operating	483,599	731,409	763,877	733,539
Total	\$1,977,789	\$2,482,158	\$2,740,282	\$2,825,952



OPERATIONS DIVISION

MISSION STATEMENT

To safely manage and maintain Agency assets efficiently and cost effectively, to meet all regulatory standards, and to protect public health and the environment while producing renewable energy, high quality recycled water, and nutrient-rich compost.

DEPARTMENTS

- ◆ Operations Administration
- ◆ Integrated Systems Services
 - Business Network
 - SCADA Network
- ◆ Operations and Maintenance - North
 - Regional Water Recycling Plant No. 1 (RP-1)
 - Regional Water Recycling Plant No. 4 (RP-4)
 - Groundwater Recharge (GWR)
 - Recycled Water Distribution
 - Materials Management
- ◆ Operations and Maintenance – South
 - Regional Water Recycling Plant No. 5 (RP-5)
 - Carbon Canyon Water Recycling Facility (CCWRF)
 - Regional Plant No. 2 (RP-2)
 - Collection System
 - Facilities Management
 - Chino I Desalter (CDA I)
- ◆ Organics Management
 - Inland Empire Regional Composting Facility (IERCF)

EXECUTIVE SUMMARY

The Operations Division is responsible for the day-to-day, safe, compliant, and cost effective operation and maintenance of the Agency's water recycling plants: Regional Water Recycling Plant No. 1 (RP-1), Regional Water Recycling Plant No. 4 (RP-4), Regional Water Recycling Plant No. 5 (RP-5), Carbon Canyon Water Recycling Facility (CCWRF), a biosolids-only treatment facility at Regional Plant No. 2 (RP-2); as well as the Chino I Desalter (CDA I), Groundwater Recharge, and the Inland Empire Regional Composting Facility (IERCF). FY 2019/20 and 2020/21 total division staffing is budgeted at 157 Full Time Equivalentents (FTE) each budget year.



OPERATIONS DIVISION

OPERATIONS AND MAINTENANCE - NORTH

Operations and Maintenance – North is responsible for the operations and maintenance of RP-1, RP-4, 19 Groundwater Recharge (GWR) sites, and recycled water distribution system in a safe and reliable manner to ensure that they meet all regulatory requirements. RP-1 and RP-4 are water recycling facilities that convert sewage into valuable tertiary treated recycled water, biogas, and biosolids. Recycled water produced from these facilities is beneficially reused by customers for landscape and agriculture irrigation, industrial cooling, groundwater recharge, and other non-potable reuse purposes. Biogas produced at RP-1 is beneficially used to produce heat to meet onsite demand. Biosolids produced at RP-1 are transported to IERCF for composting, which in turn becomes a valuable and marketable compost. GWR and Recycled Water Distribution departments are responsible for the distribution of compliant and reliable Title 22 recycled water to customer for reuse and recharge basins for replenishing local aquifer. Materials Management is responsible for efficient customer service oriented operations of the Agency’s warehouse, located at RP-1.

OPERATIONS AND MAINTENANCE - SOUTH

Operations and Maintenance – South is responsible for the operations and maintenance of RP-5, CCWRF, RP-2, the Regional Sewer System and the Non-Reclaimable Waste System, Facilities Management, and the Chino I Desalter in a safe and reliable manner to ensure they meet all regulatory requirements. RP-5, RP-2, and CCWRF facilities convert sewage into a valuable tertiary treated recycled water, biogas, and biosolids. Recycled water produced from RP-5 and CCWRF is beneficially reused by customers for landscape and agriculture irrigation, industrial cooling, and other non-potable reuse. Biogas produced at RP-2 is beneficially used to produce heat to offset natural gas demand. Biosolids produced at RP-2 are transported to IERCF for composting which in turn becomes a valuable and marketable compost. The Sewer Collection department is responsible for maintaining the Agency’s regional and non-reclaimable wastewater collection system. Facilities Management is responsible for the upkeep of Agency grounds, buildings, fleet vehicles, and landscape.

ORGANICS MANAGEMENT

Inland Empire Regional Compost Authority (IERCA) - The IERCA is a Joint Powers Authority (JPA) between IEUA and the Sanitation District of Los Angeles County (SDLAC). The composting facility is the nation's largest indoor biosolids composting facility, located in Rancho Cucamonga, California. The facility produces a wood-based, nutrient-rich compost made from recycled green waste, biosolids, and horse stable bedding. Every year, the facility produces approximately 230,000 cubic yards (90,000 tons) of high-quality compost which is marketed under the name SoilPro Products. Treatment processes include mixing, aerated composting, screening, curing, and storing. All emissions are treated with a biofilter.

DIVISION GOALS

- ◆ Complete the year with less than fifty percent of previous year's recordable incidents
- ◆ Complete twenty percent lockout/tagout every year in all facilities
- ◆ Develop a plan to complete Job Hazard/Safety Analysis within the next three years
- ◆ Comply with 100 percent National Pollutant Discharge Elimination System (NPDES) and South Coast Air Quality Management District (SCAQMD) permit requirements
- ◆ No sewer system overflow
- ◆ Complete 100 percent close-circuit television survey of the complete collection system by the end of FY 2019/20
- ◆ Establish a cross training program across departments and divisions to enhance understanding of Agency programs
- ◆ Optimize IEUA's use of potable and recycled water
- ◆ Develop and implement Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water
- ◆ Achieve 14,000 acre-feet of annual recycled water recharge
- ◆ Ensure reliability of Agency assets by annually implementing the asset monitoring and assessment program

OPERATIONS DIVISION

- ◆ Continue to optimize operation of digestion and dewatering centrifuges to minimize operational costs
- ◆ Strive for 100 percent use of Agency renewable resources such as recycle water, biogas, and compost
- ◆ Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements
- ◆ Annually review and update the Emergency Response and Operational Plans for all facilities

ORGANIZATIONAL CHART





INTEGRATED SYSTEM SERVICES

MISSION STATEMENT

Provide stable and secure technology systems by utilizing a risk management framework to prioritize resources and protect critical assets to help achieve the mission of the Agency.

DESCRIPTION AND PURPOSE

The Integrated System Services Department (ISS) maintains and supports the Agency's Supervisory Control and Data Acquisition (SCADA) and Distributed Control System (DCS) which includes: Human Machine Interface (HMI's), Historians, Programmable Logic Controllers (PLCs), Input/output (I/O) communication, and reporting services. ISS also maintains and supports the Agency's network infrastructure which includes: Email, Network, File/Print, Workstation, and Wireless services. The department provides strong cyber security detection, protection, response, and recovery capabilities for the critical infrastructure services the Agency provides.

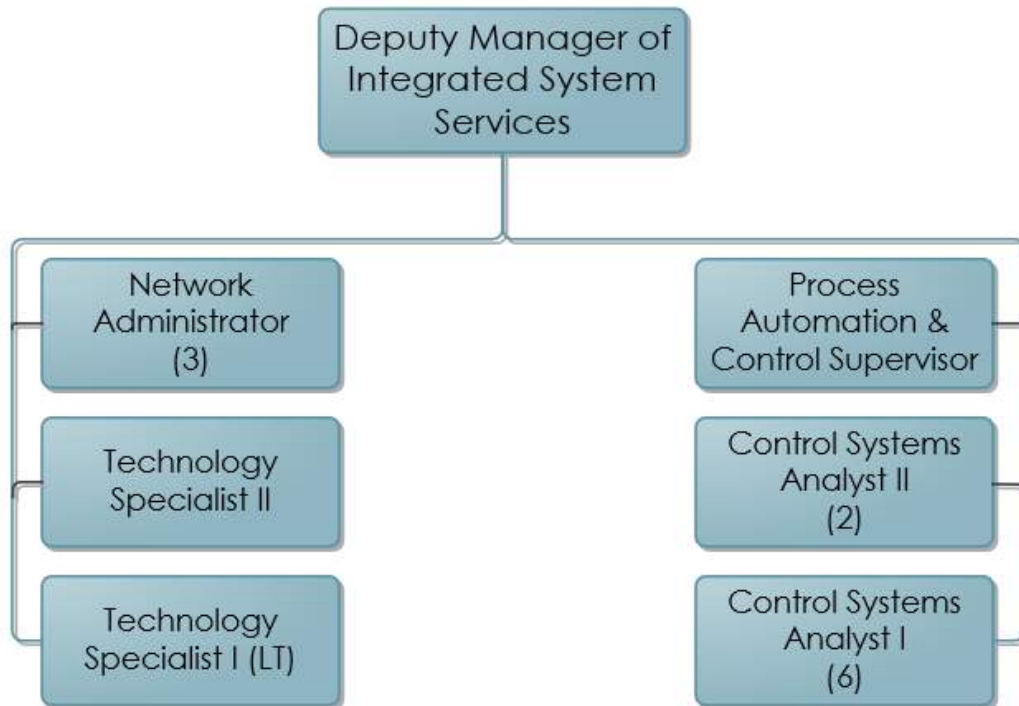
POSITION SUMMARY

No staffing position changes are projected in the two budget years, staffing will remain at fourteen (14) full time equivalent (FTE) personnel and one (1) limited term position.

Position	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Deputy Manager of ISS	1	1	1	1
Process Automation and Control Supervisor	1	1	1	1
Network Administrator	2	3	3	3
Control Systems Administrator	0	-	-	-
Control Systems Analyst II	2	2	2	2
Control Systems Analyst I	6	6	6	6
Technology Specialist III	1	-	-	-
Technology Specialist II	1	1	1	1
Total	14	14	14	14
Limited Term Positions				
Technology Specialist I	2	1	1	1
Total	2	1	1	1
Total	16	15	15	15

INTEGRATED SYSTEM SERVICES

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 DEPARTMENT GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
B. Workplace Environment			
B2	Conduct "Team Training" sessions for Process Automation and Control (SCADA) staff. A minimum of 8 sessions will be held during the year to improve staff knowledge.	The KPI of 8 training sessions has been met.	Sessions included SCADA related topics and network infrastructure topics.
B8	Annually test the technology disaster recovery and contingency plans.	The KPI of two disaster recovery tests per year and one additional test for SAP has been met.	ISS performed three tests during the fiscal year (including an offsite SAP test).

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
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C. Business Practices

C5	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans.	The KPI of two disaster recovery tests per year and one additional test for SAP has been met.	ISS performed three tests during the fiscal year (including an offsite SAP test). There previously was not an IERCF Weighmaster recovery plan. This application has been identified as critical to operation of the compost facility. A server recovery plan has been developed and tested. Workstation plans are underway.
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OTHER DEPARTMENT WORKLOAD INDICATORS

	2017/18 Actual	2018/19 Projected	2019/20 Target	2020/21 Target
Install at least 85% of available and approved patches by the end of the quarter	N/A	85%	85%	85%
Achieve 90% or better completion of repair-related support tickets by due date	88%	90%	90%	90%
Conduct quarterly Network and SCADA services subcommittee meetings to keep Agency staff informed of technology related work	100%	100%	100%	100%
Agency-wide Area Network Availability During Business Hours	100%	99.99%	99.99%	99.99%



INTEGRATED SYSTEM SERVICES

DEPARTMENT GOALS AND OBJECTS FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A. Fiscal Responsibility				
A2	Work within fiscal year budget.	Quarterly	Quarterly	Meet established budgets, complete quarterly budget variance reports.
B. Work Environment				
B2	Succession Planning, Mentoring and Training.	Quarterly	Quarterly	Two training sessions will take place per quarter. Sign-in sheets will be provided to monitor staff participation.
	ISS Team Training for Process Automation and Control (SCADA) staff.	Quarterly	Quarterly	Two training sessions will take place per quarter. Sign-in sheets will be provided to monitor staff participation.
B8	Annually test the technology disaster recovery and contingency plans.	Complete by 6/30/20	Complete by 6/30/21	Conduct offsite SAP recovery test at least once per year and computer lab tests twice per year. A report of test results will be provided for tracking.
C. Business Practices				
C5	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans.	Complete by 12/31/20	Complete by 12/31/21	Update plans annually based on test results. Test results and plans will be presented to management for tracking purposes.

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administration expense. Operating expense includes agency wide expenses for materials and supplies, professional fees and services, and utilities.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$1,790,072	\$2,332,080	\$2,481,107	\$2,622,895
Administrative	29,933	35,748	21,245	21,882
Operating	731,151	954,980	897,771	922,696
Total	\$2,551,156	\$3,332,808	\$3,400,123	\$3,567,473



OPERATIONS & MAINTENANCE

MISSION STATEMENT

To provide quality water and wastewater treatment and ensure that all facilities, structures, vehicles, and utilities are operating at optimum efficiency to maximize the continued availability of high-quality recycled water; to manage groundwater recharge and biosolids composting in the safest, most efficient, cost effective and environmentally compliant manner.

DESCRIPTION AND PURPOSE

The Agency currently owns and/or operates, and maintains 5 water recycling facilities, 160 miles of sewer collection system, a potable water facility, 19 supply water well sites, 4 sewage lift stations, a recycled water distribution and storage system, 19 groundwater recharge sites, a 400,000-square foot indoor composting facility, and a 66,000 square foot Headquarters building.

The Operations group is responsible for:

- ◆ Potable water treatment and distribution.
- ◆ Wastewater collection and treatment.
- ◆ Distribution of recycled water for groundwater recharge and irrigation including agricultural crops, municipal parks and landscaping, and other types of reuse.
- ◆ Maximization of the production of biogas as a fuel source for energy generation through digestion of biosolids.
- ◆ Biosolids dewatering for subsequent recycling and production of high-quality compost.
- ◆ Utilization of modern condition monitoring tools to effectively maintain equipment reliability; and to
- ◆ Provide proactive maintenance for all facilities, collection systems, lift stations, water supply wells, recharge basins, and recycled water distribution and storage systems.

POSITION SUMMARY

In FY 2019/20 as part of succession planning previously vacant positions (vacancy factor) will be filled. To add additional flexibility, three vacant positions have been transferred to Human Resources and will be considered "agency wide vacancies". It is necessary and expected that positions may shift between plants during the fiscal year.

Operations Administration, Tech Services	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Executive Manager of Operations / AGM	1	1	1	1
Manager of Tech Services	1	1	0	0
Executive Assistant	1	1	1	1
Total	3	3	2	2

Operations & Maintenance – North North Administration, North Maintenance, RP-1 and RP-4 Operations, Materials Management, Groundwater Recharge	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Operations & Maintenance	1	1	1	1
Deputy Manager of Operations	1	1	1	1
Deputy Manager of Maintenance	1	1	1	1
Operations Supervisor	3	3	3	3
Maintenance Supervisor	2	2	2	2
Senior Wastewater Treatment Plant Op.	2	2	2	2
Wastewater Treatment Plant Operator V	2	2	2	2
Wastewater Treatment Plant Operator III	9	10	10	10
Wastewater Treatment Plant Operator I/II	3	2	2	2
Wastewater Treatment Plant Op in Training	1	1	1	1
Senior Associate Engineer	3	3	3	3
Senior Associate Engineer – PE	1	1	0	0
Associate Engineer	0	0	1	1
Assistant Engineer	1	1	0	0
Mechanic III	5	6	5	5
Mechanic II	3	2	2	2
Mechanic I	2	2	2	2
Industrial Engine Tech II	1	1	1	1
Maintenance Planner	1	1	1	1
Electrical & Instrument Technician III	7	8	8	8
Electrical & Instrument Technician II	1	0	0	0
Electrical & Instrument Technician I	2	2	2	2
Groundwater Recharge Supervisor	1	1	1	1
Recycled/Groundwater O&M Specialist	1	1	1	1
Recycled Water Distribution Operator	1	1	1	1
Warehouse Technician	3	3	3	3



OPERATIONS & MAINTENANCE

Operations & Maintenance – North North Administration, North Maintenance, RP-1 and RP-4 Operations, Materials Management, Groundwater Recharge	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Senior Inventory Analyst	1	1	1	1
Inventory Resource Coordinator	1	1	0	0
Administrative Assistant I/II	2	2	2	2
Total	62	62	59	59

Operations - South South Administration, Facilities Management, Sewer Collections, South Maintenance, RP-2 and RP-5 Operations, Carbon Canyon Water Recycling Facility, and Desalter Operations	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Operations and Maintenance	1	1	1	1
Deputy Manager of Operations	1	1	1	1
Deputy Manager of Maintenance	2	2	2	2
Operations Supervisor	2	2	2	2
Maintenance Supervisor	2	2	2	2
Senior Associate Engineer – PE	1	1	1	1
Associate Engineer	1	1	1	1
Collection System Supervisor	1	1	1	1
Maintenance Planner	1	1	1	1
Assistant Engineer	0	1	0	0
Senior Wastewater Treatment Plant Op.	5	5	5	5
Wastewater Treatment Plant Operator V	1	0	0	0
Wastewater Treatment Plant Operator IV	1	1	1	1
Wastewater Treatment Plant Operator III	5	5	5	5
Wastewater Treatment Plant Operator II	0	1	1	1
Water Plant Operator IV	0	1	1	1
Water Plant Operator III	2	2	2	2
Water Plant Operator II	1	0	0	0
Collection System Operator III	2	2	2	2
Collection System Operator II	4	4	4	4
Collection System Operator I	1	1	1	1
Electrical & Instrument Tech IV	0	1	1	1

Operations - South South Administration, Facilities Management, Sewer Collections, South Maintenance, RP-2 and RP-5 Operations, Carbon Canyon Water Recycling Facility, and Desalter Operations	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Electrical & Instrument Tech III	3	2	2	2
Electrical & Instrument Tech II	2	2	2	2
Electrical & Instrument Tech I	3	3	3	3
Senior Operations Specialist	0	1	1	1
Senior Operations Assistant	1	0	0	0
HVAC Technician	1	1	1	1
Industrial Engine Technician I	1	1	0	0
Mechanic IV	0	1	1	1
Mechanic III	2	2	2	2
Mechanic II	1	2	2	2
Mechanic I	3	2	2	2
Facilities Program Supervisor	1	1	1	1
Materials Specialist	1	1	1	1
Facilities Specialist	1	1	1	1
Facilities Specialist/Landscape	1	1	1	1
Administrative Assistant I/II	1	2	2	2
Total	56	59	57	57

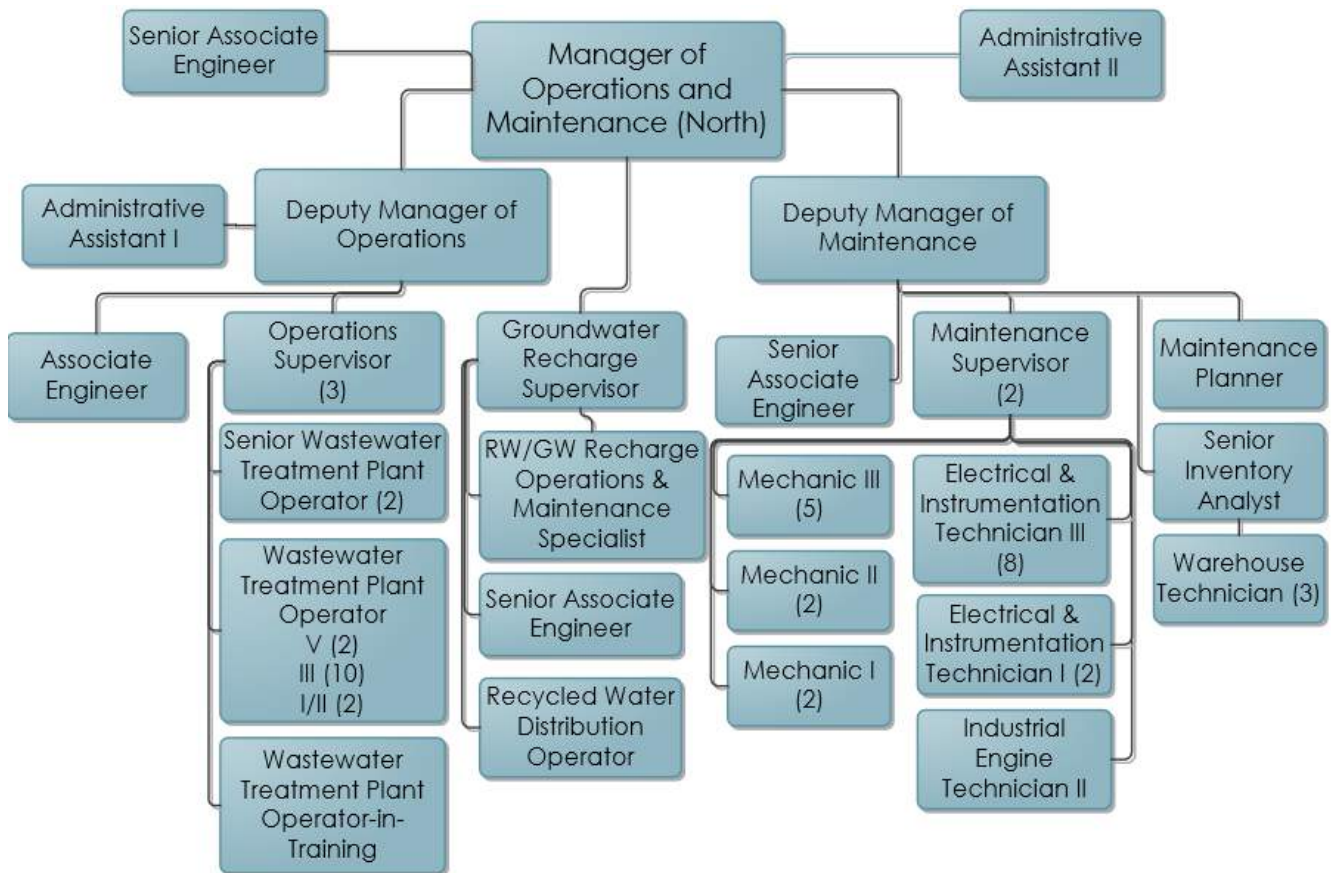
Organics Management	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Manager of Regional Compost Authority	1	1	1	1
Compost Facility Supervisor	2	2	2	2
Compost Sales Representative	1	1	1	1
Senior Compost O&M Technician	2	2	2	2
Maintenance Planner	1	1	1	1
Maintenance Specialist	1	0	0	0
Mechanic III	3	5	5	5
Mechanic II	2	0	0	0
Electrical & Instrument Technician III	1	1	1	1
Compost Operator	8	8	8	8
Compost Worker	2	2	2	2

OPERATIONS & MAINTENANCE

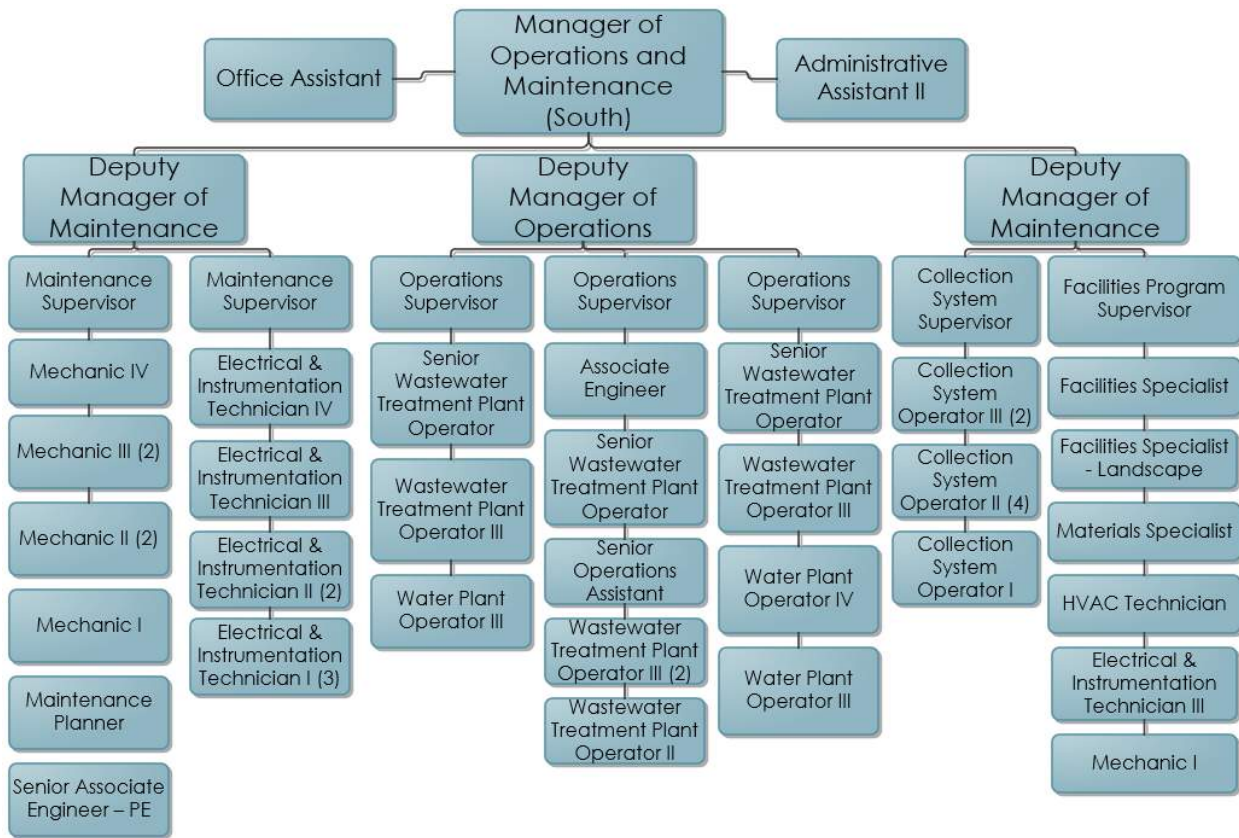
Organics Management	2017/18 Actual	2018/19 Amended	2019/20 Budget	2020/21 Budget
Administrative Assistant II	1	1	1	1
Office Assistant	1	1	1	1
Total	26	25	25	25

ORGANIZATIONAL CHARTS

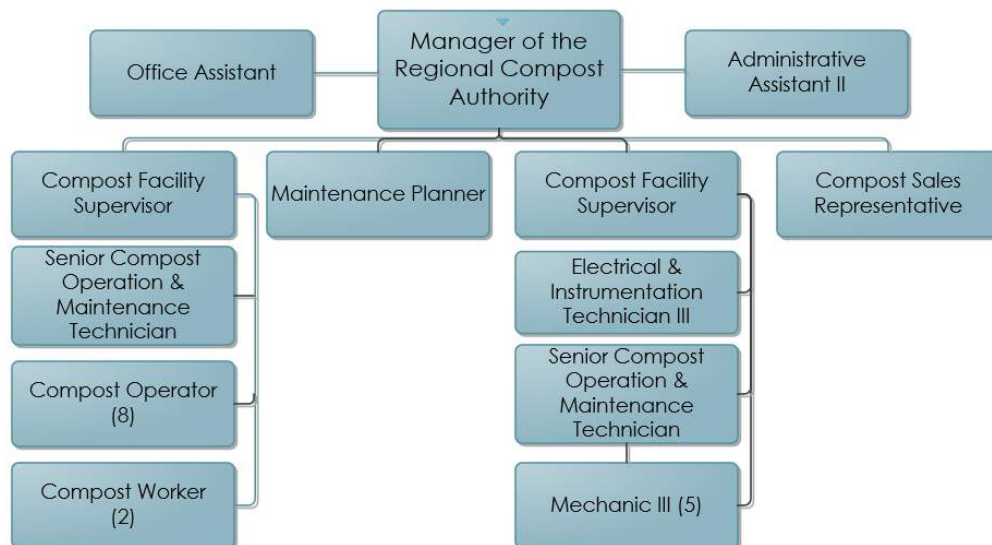
NORTH OPERATIONS AND MAINTENANCE



SOUTH OPERATIONS AND MAINTENANCE



ORGANICS MANAGEMENT



OPERATIONS & MAINTENANCE

SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
A. Fiscal Responsibility			
A1	Work within fiscal year budget.	In process	O/M budget FY 2018/19 will be within 5% of projected budget based on current projections. Review and report quarterly via the budget variance report.
B. Work Environment			
B1	Clearly communicate the Agency's Mission, Vision, & Values to staff and align their goals accordingly.	In Process	Communication with staff through all- hands meetings and various staff meetings. Assigned goals through performance appraisals to align with the agency's goals.
B2	Develop pilot mentoring program with the Human Resources department, continue with the Trades Intern Program, continue to hire prior to FTE retirements to provide smooth transition.	In Process	Trades Intern Program has been developed, approved, and implemented. Currently working with Human Resources and local colleges to establish an apprenticeship program.
D. Water Reliability			
D6	Groundwater recharge (GWR) compliance with water quality and recharge standards.	In Process	Water quality or recharge permit standards remained in compliance.
D7	Maintain equipment reliability by performing predictive and preventative maintenance.	In Process	Predictive and preventative maintenance is performed on schedule.
D8	GWR - ensure optimization of transmission and capture systems. Update the 2005 GWR Operations Plan and maintain optimal basin maintenance. Appropriately prioritize deliveries of storm, recycled, and imported water.	In Process	Transmission mains remain optimized through daily review of field and online conditions. Operations Manual Updated and provided to Chino Basin Watermaster (CBWM) in 2019. Water deliveries prioritized based on needs of CBWM.

Major Accomplishments

A. Fiscal Responsibility B. Workplace Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goal	Department Goals	KPI Status	Overall Accomplishments
D10	Inland Empire Regional Composting Authority (IERCA) - Promote Model Water Efficiency Landscape Ordinance and the state's Healthy Soil Initiative.	In Process	Working with CalRecycle to include compost procurement language within SB1383. Working with USCC Market Development Committee to create educational material about the benefits of compost on landscapes and agriculture.
E. Wastewater Management			
E2	100% Permit compliance.	In Process	While permit compliance was not 100% for the fiscal year, North Operations only had two permit violations related to coliform exceedance during the month of November 2018.
E5	GWR - Continue basin sampling for water quality.	In Process	Quarterly and Annual sampling was conducted according to plan.
	GWR - Complete the annual compliance report that includes the Recycled Water Contribution plan.	In Process	The Recycled Water GWR Annual report was submitted by May 1, each year.
E12	IERCA - Participate and support research to validate compost and biosolids safety.	In Process	Participate in California Association of Sewer Agencies (CASA) Research Workgroup.
E13	IERCA - Develop plan for an agricultural demonstration project to demonstrate the value of IERCA compost.	In Process	Developed plan and shared with IERCA Board. Next step is to put together on operations proposal for consideration. Potential farm site found in Hemet.
E15	Support implementation of energy monitoring software. Continue to participate in the Southern California Edison demand response program.	In Process	Energy reports developed in Vantage Point. Information has been validated. In the process of importing the energy reports to AIM (the Agency's Intranet website).
F. Environmental Stewardship			
F1	Comply with all Agency regulatory requirements.	In Process	Complied with all regulatory requirements throughout the year.

OPERATIONS & MAINTENANCE

OTHER DEPARTMENT WORKLOAD INDICATORS

	FY 2017/18 Actual	FY 2018/19 Projected	FY 2019/20 Target	FY 2020/21 Target
Number of Workplace Safety/Lost Time Accidents	0	2	1	0
Agency Wide Chemical Expenditures	3,984,637	4,815,839	4,997,433	5,147,356
Groundwater Recharge (AF)	52,128	24,000	29,000	29,000
Compost Sales (Cubic Yards)	231,726	230,000	230,000	230,000

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2019/20 AND 2020/21

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
A. Fiscal Responsibility				
A2	Work within fiscal year budget.	Quarterly	Quarterly	Work within FY 2019/20 and FY 2020/21 Operations budget. Review and report quarterly via the budget variance report.
B. Work Environment				
B1	Clearly communicate the Agency's Mission, Vision, & Values to staff and align their goals accordingly.	Ongoing	Ongoing	Communication with staff through all-hands meetings and various staff meetings.
B2	Maintenance and Operations Intern program.	Ongoing	Ongoing	Evaluate effectiveness of programs.
B7	Meet with unit presidents informally to discuss any issues.	Quarterly	Quarterly	Lunch meetings have been scheduled.

IEUA BUSINESS GOAL OVERVIEW

A. Fiscal Responsibility B. Work Environment C. Business Practices

D. Water Reliability E. Wastewater Management F. Environmental Stewardship

IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
B8	Disaster Drill training.	Annual	Annual	Conduct trainings and produce sign-in sheet.
C. Business Practices				
C3	Utilize Sourcwell when possible to obtain favorable pricing for contracts.	Ongoing	Ongoing	Work with Contracts and Procurement (CAP) to confirm product or service is available on Sourcwell, then proceed accordingly.
C5	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans.	Annually	Annually	Update plans annually based on test results. Test results and plans will be presented to management for tracking purposes.
D. Water Reliability				
D6	GWR compliance with water quality and recharge standards.	Quarterly	Quarterly	Meet Chino Basin Desalter Authority production goals.
D7	GWR to meet National Pollution Discharge Elimination System (NPDES) Recycled Water Title 22 permit requirements for reservoir management. Maintain equipment (uptime) by performing predictive and preventative maintenance.	Ongoing	Ongoing	Meet 100% compliance.
D8	GWR ensure optimization of transmission and capture systems. Maintain optimal basin maintenance. Appropriately prioritize deliveries of storm, recycled, and imported water.	Ongoing	Ongoing	Meet recommended transmission and basin maintenance schedules.

OPERATIONS & MAINTENANCE

IEUA BUSINESS GOAL OVERVIEW				
A. Fiscal Responsibility		B. Work Environment		C. Business Practices
D. Water Reliability		E. Wastewater Management		F. Environmental Stewardship
IEUA Business Goals	Department Goals	Timeline FY 2019/20	Timeline FY 2020/21	KPIs
D10	IERCA Promote Model Water Efficiency Landscape Ordinance and the States Healthy Soil Initiative.	Quarterly	Quarterly	Provide updates on progress of initiatives.
	IERCA Promote awareness of the connection between agricultural practices and long-term groundwater quality.	June 2020		Develop strategic white paper.
E. Wastewater Management				
E2	100% Permit compliance.	Ongoing	Ongoing	Meeting 100% Permit compliance.
E5	GWR - Continue basin sampling for water quality.	Quarterly	Quarterly	Quarterly GWR water quality sampling.
	GWR - Complete the annual compliance report that includes the Recycled Water Contribution plan.	Annually	Annually	Completed the annual GWR compliance report.
E12	IERCA - Participate and support research to validate compost and biosolids safety.	Ongoing	Ongoing	Participate at least 2 times per year in industry research roundtables and identify opportunities to support research projects such as the use of biosolids on fire-ravaged lands.
F. Environmental Stewardship				
F1	Comply with all Agency regulatory requirements.	Ongoing	Ongoing	Meet 100% compliance throughout the fiscal year.

EXPENSES

Employment expense includes wages and benefits for Operations Administration, Operations and Maintenance North, Operations and Maintenance South, and Organics Management departments (50 percent of Organics Management wages and benefits are reimbursed by County Sanitation District Los Angeles County). Administrative expense includes; office and administrative and other non-operating expense. Operating expense includes; materials and supplies, professional fees and services, chemicals, operating and biosolids fees, and utilities.

Expense	FY 2017/18 Actual	FY 2018/19 Amended	FY 2019/20 Budget	FY 2020/21 Budget
Employment	\$20,036,706	\$21,535,094	\$26,175,446	\$27,663,198
Administrative	578,241	745,441	554,209	567,690
Operating	23,809,293	26,243,738	27,420,884	28,179,250
Total	\$44,424,240	\$48,524,273	\$54,150,539	\$56,410,138

APPENDICES

Inland Empire Utilities Agency

FY 2019/20 and FY 2020/21 ADOPTED RATES

		IMPLEMENTED RATES FY 2018/19	ADOPTED RATES FY 2019/20	ADOPTED RATES FY 2020/21
REGIONAL WASTEWATER PROGRAM				
Resolution 2015-5-5				
Regional Wastewater Connection Fee	per equivalent dwelling unit (EDU)	\$6,624.00 Effective 7/1/18	\$6,955.00 Effective 7/1/19	Not Currently Available
Resolution 2015-3-1				
Total Volumetric (EDU) Fee	per EDU per month	\$19.59 Effective 7/1/18	\$20.00 Effective 7/1/19	
Resolution 2019-6-6				
Fontana Extra-Territorial Sewer Service Charge	per EDU per month	\$15.70 Effective 7/1/18	\$16.48 Effective 7/1/19	
RECYCLED WATER PROGRAM- Resolution 2015-5-4				
Wholesale Rates				
Direct Sale (All Tertiary Plants)				Not Currently Available
	per million gallons (MG)	\$1,473.29 Effective 7/1/18	\$1,503.98 Effective 7/1/19	
	per acre foot (AF)	\$480.00 Effective 7/1/18	\$490.00 Effective 7/1/19	
Groundwater Recharge Sale (All Tertiary Plants)				
	per MG	\$1,657.45 Effective 7/1/18	\$1,688.15 Effective 7/1/19	
	per AF	\$540.00 Effective 7/1/18	\$550.00 Effective 7/1/19	
IMPORTED (MWD) POTABLE WATER -Resolution 2019-6-7				
Full Service Untreated Water				
Tier 1	1/1/19- 12/31/19		\$731.00	
Tier 1	1/1/20 - 12/31/20	per acre foot (AF)	\$755.00	\$755.00
Tier 2	1/1/19 - 12/31/19	per AF	\$817.00	
Tier 2	1/1/20 - 12/31/20	per AF	\$842.00	\$842.00
Ground Water Storage Program				
Replenishment Water Untreated				
	1/1/18 - 12/31/18	per AF	No Rate Available	No Rate Available
	1/1/19 - 12/31/19	per AF	No Rate Available	No Rate Available
Capacity Meter Charge				
	per diameter inch of meter per month			
Capacity Reservation Charge				
	1/1/19 - 12/31/19	per cubic foot per second (cfs)	\$8,800.00	
	1/1/20 - 12/31/20			\$8,800.00 Effective through 12/31/20
Industrial Connection Min. Charge				
	7/1/19 - 6/30/20	per connection per month	\$1,000.00	
Resolution 2016-6-7				
Readiness to Serve Recovery Charge		45% of MWD RTS Charge Effective 7/1/18	60% of MWD RTS Charge Effective 7/1/19	75% of MWD RTS Charge Effective 7/1/20
Meter Equivalent Unit (MEU)				
	per MEU per month	\$0.99 Effective 7/1/18	\$1.04 Effective 7/1/19	
WATER CONNECTION FEE - Resolution 2015-5-6				
Connection Fee to all potable and recycled water connections and upgrades		Effective 7/1/18	Effective 7/1/19	Not Currently Available
Meter Sizes				
	5/8 "	\$1,604.00	\$1,684.00	
	3/4 "	\$1,604.00	\$1,684.00	
	1"	\$4,011.00	\$4,211.00	
	1.5"	\$8,020.00	\$8,420.00	
	2"	\$12,832.00	\$13,472.00	
	3"	\$28,071.00	\$29,471.00	
	4"	\$50,527.00	\$53,047.00	
	6"	\$112,280.00	\$117,880.00	
	8"	\$192,480.00	\$202,080.00	
	10"	\$240,600.00	\$252,600.00	
	12"	\$280,700.00	\$294,700.00	

Inland Empire Utilities Agency

FY 2019/20 and FY 2020/21 ADOPTED RATES

		IMPLEMENTED RATES FY 2018/19	ADOPTED RATES FY 2019/20	ADOPTED RATES FY 2020/21	
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽¹⁾					
NRWS WASTEWATER HAULERS - 2019-6-1					
Domestic Wastewater Haulers to the Regional System:					
Initial Permit Application Fee	initial charge	\$242.00	\$250.00	Not Currently Available	
Permit Renewal Fee	renewal fee	\$121.00	\$125.00		
Trucked Waste Volumetric Fee	per load up to 2,000 gallons	\$76.77	\$76.05		
	per load over 2,000 gallons	\$0.038 per one (1) gallon	\$0.038 per one (1) gallon		
Excessive Biochemical Oxygen Demand and Suspended Solids:					
Biochemical Oxygen Demand in excess of 395 milligrams per liter	per 1,000 lb. dry weight	\$290.28	\$327.01	Not Currently Available	
Suspended Solids in excess of 402 milligrams per liter	per 1,000 lb. dry weight	\$313.18	\$332.10		
NRWS ETIWANDA WASTEWATER LINE (EWL) - 2019-6-2					
Initial Capacity Charge					
Purchase of Agency Capacity Rights	per capacity unit (CU)	\$215,000.00	\$215,000.00	Not Currently Available	
Monthly Capacity Charge					
	per Etiwanda Wastewater Line CU	\$78.00	\$80.00		
Monthly Capital Improvement Program (CIP) Fee					
	per CU	\$90.00	\$90.00	Not Currently Available	
Volumetric Fee					
Direct Line Deliveries	per million gallons (MG)	\$736.00	\$760.00		
Minimum Volumetric Charge	<= 100,000 gallons per month per capacity unit	\$73.60	\$76.00	Not Currently Available	
Strength Charges					
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$130.00	\$135.00		
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$368.00	\$380.00	Not Currently Available	
Recycled Water Usage Credit					
	per million gallons of recycled water	\$267.01	\$222.51	Not Currently Available	

Inland Empire Utilities Agency

FY 2019/20 and FY 2020/21 ADOPTED RATES

		IMPLEMENTED RATES FY 2018/19	ADOPTED RATES FY 2019/20	ADOPTED RATES FY 2020/21
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) ⁽¹⁾				
NRWS NORTH SYSTEM - SANITATION DISTRICTS OF LOS ANGELES COUNTY(LACSD) - 2019-6-3				
Acquisition of Wastewater Discharge Right				Not Currently Available
Refer to Resolution 2019-6-3 Section 1 (See Formula)				
Purchase Rate to discharge one NRWSCU (NRW System Capacity Unit)		\$4,172.00	\$4,172.00	
Option- Annual Lease Rate for right to discharge one NRWSCU		\$208.60	\$208.60	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$912.00	\$940.00	
Strength Charges				
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$161.00	\$166.00	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$456.00	\$470.00	
Peak Flow				
	per MG	\$346.00	\$357.00	
Operations Fee				
O&M Charges	per NRWSCU per month	\$19.90	\$20.25	
Capital Improvement Program (CIP) Charges	per NRWSCU per month	\$7.50	\$8.00	
Recycled Water Usage Credit	per MG of recycled water used	\$267.00	\$222.51	
NRWS SOUTH SYSTEM - SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) - 2019-6-4				
Initial Capacity Charge				Not Currently Available
Purchase of Agency Capacity Rights				
	per capacity unit (CU)	\$215,000.00	\$215,000.00	
Monthly Capital Improvement Program (CIP) Fee				
	per CU	\$90.00	\$90.00	
Monthly Capacity Unit Fee				
	per CU	\$406.60	\$418.67	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$946.00	\$979.00	
Minimum Volumetric Charge	<= 100,000 gallons per month per capacity unit (CU)	\$94.60	\$97.90	
Strength Charges				
Biochemical Oxygen Demand (BOD)	per 1,000 pounds (dry weight)	\$307.00	\$316.00	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$429.00	\$442.00	
Recycled Water Usage Credit	per MG of recycled water used	\$267.01	\$222.51	
Truck Station Deliveries				
<u>Schedule</u>		<u>BOD or TSS Concentration (Up to 5,000 gallons)</u>		
Brine	Less than 100 mg/l	\$294.22	\$300.92	
	Incremental above 5,000 gallons \$/gal	\$0.015	\$0.015	
Non Brine	100 mg/l and higher	\$294.22	\$300.92	
	Incremental above 5,000 gallons \$/gal	\$0.015	\$0.015	
Non Brine Strength Charges	BOD Charge \$/lb	\$0.750	\$0.750	
	TSS Charge \$/lb	\$0.716	\$0.716	

Inland Empire Utilities Agency

FY 2019/20 and FY 2020/21 ADOPTED RATES

	IMPLEMENTED RATES FY 2018/19	ADOPTED RATES FY 2019/20	ADOPTED RATES FY 2020/21
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽¹⁾			
NRWS - ALL REGIONAL WASTEWATER SYSTEMS			
Application Fees:			
Capacity Right/Capacity Option agreement per agreement	\$242.00	\$250.00	Not Currently Available
Initial Wastewater Discharge Permit Application Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial User	\$4,235.00	\$4,375.00	
with Combined Waste Stream Formula, add	\$1,029.00	\$1,063.00	
with Production Based Standards, add	\$545.00	\$563.00	
with Multiple Categories, add	\$2,057.00	\$2,125.00	
Non-Categorical, Significant, Industrial User	\$3,086.00	\$3,188.00	
Non-Categorical, Non-Significant Industrial User	\$2,541.00	\$2,625.00	
Permit Renewal Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial Users	\$3,146.00	\$3,250.00	
with Combined Waste Stream Formula, add	\$545.00	\$563.00	
with Production Based Standards, add	\$303.00	\$313.00	
with Multiple Categories, add	\$1,029.00	\$1,063.00	
Non-Categorical, Significant, Industrial User	\$787.00	\$813.00	
Non-Categorical, Non-Significant Industrial User	\$545.00	\$563.00	
Initial Wastewater Discharge Permit Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial User	\$2,662.00	\$2,750.00	
with Combined Waste Stream Formula, add	\$1,029.00	\$1,063.00	
with Production Based Standards, add	\$545.00	\$563.00	
with Multiple Categories, add	\$2,057.00	\$2,125.00	
Non-Categorical, Significant, Industrial User	\$1,573.00	\$1,625.00	
Non-Categorical, Non-Significant Industrial User	\$1,029.00	\$1,063.00	
Permit Renewal Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial Users	\$2,178.00	\$2,250.00	
with Combined Waste Stream Formula, add	\$545.00	\$563.00	
with Production Based Standards, add	\$303.00	\$313.00	
with Multiple Categories, add	\$1,029.00	\$1,063.00	
Non-Categorical, Significant Industrial User	\$787.00	\$813.00	
Non-Categorical, Non-Significant Industrial User	\$545.00	\$563.00	
Initial Wastewater Hauler Permit Application & Permit Fees (NRWS):			
Permit Application for Wastewater Hauler	\$242.00	\$250.00	
Permit Renewal for Wastewater Hauler	\$121.00	\$125.00	
Major Permit Modification /Facility Expansion Fee			
Major Permit Modification	\$1,573.00	\$1,625.00	
Facility Expansion	\$1,573.00	\$1,625.00	
Minor Permit Modification Fees:			
Changes of Equipment Maintenance or Monitoring Requirements/Changes of Discharge Limits	\$787.00	\$813.00	
Business Name Change/Owner Name Change	\$242.00	\$250.00	
Change of Limits/Evaluation of Toxic Organic Management Plan Processing	No Charge	No Charge	

(1) FY 2019/20 NRW Rates are adopted on an annual basis based on SDLAC and SAWPA annual pass-through rates adoption

RESOLUTION NO. 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

WHEREAS, pursuant to the Chino Basin Regional Sewage Service Contract, this Board of Directors shall adopt its resolution of intent to adopt budgets for its Regional Sewage Program and fix a time and place of hearing thereon; and

WHEREAS, this Board of Directors shall also adopt its resolution to hold a public hearing to receive public comments on the proposed Fiscal Years 2019/20 and 2020/21 budget for the Recycled Water, Non-Reclaimable Wastewater, and Water Resources Programs.

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

Section 1: That the Board of Directors hereby declares its intent to adopt Regional Sewage and said proposed budgets for Fiscal Years 2019/20 and 2020/21,


Section 2: That the Board of Directors hereby fixes a time and place for hearing on said proposed budgets as follows:

Date	Time	Place
<u>June 19, 2019</u>	<u>10:00 a.m.</u>	Office of the Agency 6075 Kimball Ave. Chino, CA 91708

Section 3: That the Secretary is hereby authorized and directed to distribute copies of this resolution. The draft program budget of the Regional Sewage Recycled Water, Non-Reclaimable Wastewater, Water Resources will be distributed following review by the Board of Directors.

Section 4: Upon adoption of this resolution, Resolution No. 2017-5-4 is hereby rescinded in its entirety.

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
Municipal Water Agency*

 Date 5/30/2019

Inland Empire Utilities Agency

Resolution No. 2019-5-1

Page 2 of 3

ADOPTED this 15th day of May 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



APPENDICES

Inland Empire Utilities Agency

Resolution No. 2019-5-1
Page 3 of 3

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. 2019-5-1 was adopted at a regular
Board Meeting on May 15, 2019 of said Agency by the following vote:

AYES: Hall, Camacho, Parker, Elie, Hofer

NOES: None

ABSTAIN: None

ABSENT: None

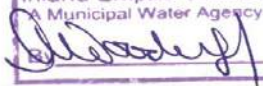


Kati Parker
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2019-6-10

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency*
 Date 7/2/19

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.



Jasmin A. Hall
Vice 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. 2016-11-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, REVISING THE ESTABLISHED SERVICE RATES FOR IMPROVEMENT DISTRICT "C" FOR FISCAL YEAR 2016/17 THROUGH YEAR 2019/20

WHEREAS, pursuant to the Regional Sewage Service Contract, the Regional Contracting Agencies Advisory Committees have received and reviewed the Regional Wastewater Program Budget with an associated service rate for Fiscal Years 2015/16 through FY 2019/20;

WHEREAS, The Regional Advisory Committees had reviewed service rates for Fiscal Years 2015/16 through 2019/20, and recommended approval for Fiscal Years 2015/16 through 2016/17:

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1st of each fiscal year on the equivalent dwelling unit (EDU) rates, excluding FY 2015/16 rate implemented on an agreed upon effective date of October 1, 2015:

Section 1. Effective October 1, 2015, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$15.89 per equivalent dwelling unit (EDU) per month.

Section 2. Effective July 1, 2016, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage shall be \$17.14 per equivalent dwelling unit (EDU) per month.

Section 3. Effective July 1, 2017, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$18.39 per equivalent service unit (EDU) per month.

Section 4. Effective July 1, 2018, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$19.59 per equivalent service unit (EDU) per month.

Section 5. Effective July 1, 2019, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$20.00 per equivalent service unit (EDU) per month.

Section 6. The provisions of the Regional Sewage Service Contract and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 7. That upon the effective date of this Resolution, Resolution No. 2015-3-1 is hereby rescinded.



APPENDICES

Inland Empire Utilities Agency

Resolution No. 2016-11-2
Page 2 of 3

ADOPTED this 16th day of November, 2016.



Terry Catlin, President of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie, Secretary of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

RESOLUTION NO. 2015-5-4**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RATES COVERING THE SALE OF RECYCLED WATER TO SUPPORT FUTURE EXPANSION OF IEUA'S REGIONAL WATER SYSTEM FOR FISCAL YEAR 2015/16 THROUGH YEAR 2019/20**

WHEREAS, The Regional Advisory Committees have reviewed and recommended service rates for Fiscal Years 2015/16 through 2019/20:

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

Section 1. That effective October 1, 2015, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,074.27 per million gallons or \$350.00 per acre foot.

Section 2. That effective October 1, 2015, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,258.44 per million gallons or \$410.00 per acre foot.

Section 3. That effective July 1, 2016, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,258.44 per million gallons or \$410.00 per acre foot.

Section 4. That effective July 1, 2016, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,442.60 per million gallons or \$470.00 per acre foot.

Section 5. That effective July 1, 2017, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,442.60 per million gallons or \$470.00 per acre foot.

Section 6. That effective July 1, 2017, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,626.76 per million gallons or \$530.00 per acre foot.

Section 7. That effective July 1, 2018, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,473.29 per million gallons or \$480.00 per acre foot.

Resolution No. 2015-5-4
Page 2 of 3

Section 8. That effective July 1, 2018, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,657.45 per million gallons or \$540.00 per acre foot.

Section 9. That effective July 1, 2019, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,503.98 per million gallons or \$490.00 per acre foot.

Section 10. That effective July 1, 2019, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,688.15 per million gallons or \$550.00 per acre foot.

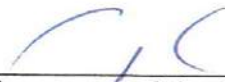
Section 11. Upon the effective date of this Resolution, Resolution No. 2012-2-4 is hereby rescinded in their entirety.

ADOPTED this 20th day of May, 2015.



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

ATTEST:



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

* A Municipal Water District

APPENDICES

Inland Empire Utilities Agency

Resolution No. 2015-5-4
Page 3 of 3

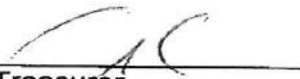
STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-5-4, was adopted at a regular meeting on May 20, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None

(SEAL)

* A Municipal Water District



Secretary/Treasurer

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By  Date 5/21/15

RESOLUTION NO. 2015-5-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE REIMBURSEMENT PAYMENT FOR FISCAL YEAR 2015/16 THROUGH 2019/20.

WHEREAS, the Finance, Legal, and Administration Committee and the Board of Directors have reviewed and recommended the adjustments to the Reimbursement Payment;

WHEREAS, the financing of the Ten-Year Capital Improvement Program requires that the Reimbursement Payment will be increased to \$5,415 per Equivalent Dwelling Unit (EDU) effective January 1, 2016; and increased to \$6,009 per EDU effective January 1, 2017; and increased to \$6,309 per EDU effective July 1, 2017; and increased to \$6,624 per EDU effective July 1, 2018 and increased to \$6,955 per EDU effective July 1, 2019;

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER the following to be effective on;

Section 1. July 1, 2015 for the first six months, July through December, of Fiscal Year 2015/16 the Reimbursement Payment for the Contracting Agencies shall be \$5,107 per EDU.

Section 2. January 1, 2016 through June 31, 2016 of Fiscal Year 2015/16 and the first six months, July through December, of Fiscal Year 2016/17 the Reimbursement Payment for the Contracting Agencies shall be \$5,415 per EDU.

Section 3. January 1, 2017 for Fiscal Year 2016/17 the Reimbursement Payment for the Contracting Agencies shall be \$6,009 per EDU.

Section 4. July 1, 2017 for Fiscal Year 2017/18 the Reimbursement Payment for the Contracting Agencies shall be \$6,309 per EDU

Section 5. July 1, 2018 for Fiscal Year 2018/19 the Reimbursement Payment for the Contracting Agencies shall be \$6,624 per EDU.

Section 6. July 1, 2019 for Fiscal Year 2019/20 the Reimbursement Payment for the Contracting Agencies shall be \$6,955 per EDU.

Section 7. That the provisions of the Regional Sewage Service Contract and any amendments thereto, are hereby applicable and will remain in full force and effect.



APPENDICES

Inland Empire Utilities Agency

RESOLUTION NO. 2015-5-5
Page 2 of 3

Section 8. That upon the effective date of this Resolution, Resolution No. 2012-2-3 is hereby rescinded.

ADOPTED this 20th day of May, 2015



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

ATTEST:



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

Inland Empire Utilities Agency

RESOLUTION NO. 2015-5-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE WATER CONNECTION FEE FOR FISCAL YEARS 2015/16 THROUGH 2019/20

WHEREAS, modification of this policy may be included in future rate resolutions; and

WHEREAS, the Board of Directors establishes a fee from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA including, but not limited to, Metropolitan supplies, recycled water, and groundwater; and

WHEREAS, the Board of Directors has determined that each new connection is subject to fees based upon the meter size; and

WHEREAS, the Board of Directors has determined that the levy of a one-time connection fee charge be imposed on any new retail water connection or upsized connection to any water system within the Agency's service area in order to recover growth related costs incurred by the Agency and defined in Ordinance 103.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** the following to be effective, July 1, 2015:

Section 1. Customers subject to payment of water capacity charges for new connections shall pay the charges in accordance with the following table:

Fiscal Year	2015/16	2016/17		2017/18	2018/19	2019/20
Effective Date	1/1/2016	7/1/2016	1/1/2017	7/1/2017	7/1/2018	7/1/2019
5/8"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
3/4"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
1"	\$1,733	\$1,733	\$3,638	\$3,818	\$4,011	\$4,211
1.5"	\$3,465	\$3,465	\$7,275	\$7,635	\$8,020	\$8,420
2"	\$5,544	\$5,544	\$11,640	\$12,216	\$12,832	\$13,472
3"	\$12,128	\$12,128	\$25,463	\$26,723	\$28,071	\$29,471
4"	\$21,830	\$21,830	\$45,833	\$48,101	\$50,527	\$53,047
6"	\$48,510	\$48,510	\$101,850	\$106,890	\$112,280	\$117,880
8"	\$83,160	\$83,160	\$174,600	\$183,240	\$192,480	\$202,080
10"	\$103,950	\$103,950	\$218,250	\$229,050	\$240,600	\$252,600
12"	\$121,275	\$121,275	\$254,625	\$267,225	\$280,700	\$294,700

Inland Empire Utilities Agency

Resolution No. 2015-5-6
Page 2 of 3

ADOPTED this 20th day of May, 2015.



Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

APPENDICES


Inland Empire Utilities Agency

Resolution No. 2015-5-6
Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-5-6, was adopted at a
regular meeting on May 20, 2015, of said Agency* by the following vote:

AYES: Hall, Elie, Camacho, Koopman, Catlin
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By  Date 5/21/15

* A Municipal Water District

RESOLUTION NO. 2016-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING METER EQUIVALENT UNIT (MEU) RATES AND THE READINESS-TO-SERVE (RTS) TEN YEAR ROLLING AVERAGE (TYRA) PASS_THROUGH

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency (IEUA) establishes, from time to time, rates to support the readiness-to-serve charges from Metropolitan Water District of Southern California (MWD), program costs incurred for the regional water resources program.

WHEREAS, the Board of Directors of IEUA shall establish an annual Readiness to serve (RTS) pass-through charge, based on a Ten Year Rolling Average (TYRA) MWD methodology.

WHEREAS, the Board of Directors shall establish an annual Meter Equivalent Unit (MEU) charge rate to yield revenues sufficient to recover the regional water resources program costs.

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

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** that the following to be effective on:

Section 1.A That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged to the Local Agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD, and will be phased-in over a period of - seven (7) years as follows:

- a. October 1, 2016 through June 30, 2017 of Fiscal Year 2016/17, the RTS TYRA charge shall be 15% of the MWD RTS charge
- b. July 1, 2017 for Fiscal Year 2017/18, the RTS TYRA charge shall be 30% of the MWD RTS charge.
- c. July 1, 2018 for Fiscal Year 2018/19 the RTS TYRA charge shall be 45% of the MWD RTS charge.
- d. July 1, 2019, for Fiscal Year 2019/20 the RTS TYRA charge shall be 60% of the MWD RTS charge.
- e. July 1, 2020 for Fiscal Year 2020/21 the RTS TYRA charge shall be 75% of the MWD RTS charge.
- f. July 1, 2021, for Fiscal Year 2021/22 the RTS TYRA charge shall be 90% of the MWD RTS charge.
- g. July 1, 2022, for Fiscal Year 2022/23 the RTS TYRA charge shall be 100% of the MWD RTS charge.

Section 1.B That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass through shall be charged to Non Local Agencies to recover 100% of their share of total RTS charge imposed by MWD, effective October 1, 2016.

Section 2.A That a meter rate effective July 1, 2016 through September 30 2016, the rate for each active retail water meter shall be \$2.105 per meter per month.

Section 2.B That the Meter Equivalent Unit (MEU) rate, an extended phase-in period of a four (4) year rate shall be charged to the Local Agency effective October 1, 2016:

- a. October 1, 2016 for Fiscal Year 2016/17, that the rate for each active retail water meter shall be \$0.90 per MEU per month.
- b. July 1, 2017 for Fiscal Year 2017/18, that the rate for each active retail water meter shall be \$0.95 per MEU per month.
- c. July 1, 2018 for Fiscal Year 2018/19, that the rate for each active retail water meter shall be \$0.99 per MEU per month.

Inland Empire Utilities Agency

Resolution No. 2016-6-7
Page 3 of 4

d. July 1, 2019 for Fiscal Year 2019/20, that the rate for each active retail water meter shall be \$1.04 per meter equivalent unit per month.

Section 3. That upon the effective date of this Resolution, Resolution No. 2015-6-8 and Resolution No. 2015-6-9 are hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.



Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District



Inland Empire Utilities Agency

Resolution No. 2016-6-7
Page 4 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-7, was adopted at a regular
meeting on June 15, 2016, of said Agency* by the following vote:

- AYES: Hall, Elie, Camacho, Catlin
- NOES: None
- ABSTAIN: None
- ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By  Date 6/23/16

RESOLUTION NO. 2019-5-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE 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

WHEREAS, the Inland Empire Utilities Agency* is a member agency of the Santa Ana Watershed Project Authority (SAWPA);

WHEREAS, the Joint Exercise of Powers Agreement (JPA), which created SAWPA, required approval by the member agency of all general and specific project budgets of SAWPA to the extent that such budgets may impose any liability on the member agency; and

WHEREAS, Paragraphs 9 and 27 of the JPA required the Agency's approval of such budgets be evidenced by a certified copy of a Resolution of Approval filed with SAWPA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year (FY) 2019/20 and Fiscal Year 2020/21 Budgets, directs the Board Secretary to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$305,393 (FY 2019/20) and \$306,068 (FY 2020/21).

ADOPTED this 15th day of May 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

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency*
 Date 5/30/2019

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency*
By [Signature] Date 7/2/19

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)

Resolution No. 2019-6-1
 Regional Rates
 Page 2 of 5

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

Resolution No. 2019-6-1
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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.

Resolution No. 2019-6-1
Regional Rates
Page 4 of 5

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.



Jasmin A. Hall
Vice 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

Inland Empire Utilities Agency

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: Hall, Camacho, Parker, Elie

NOES: None

ABSTAIN: None

ABSENT: Hofer



Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

Inland Empire Utilities Agency

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

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By  Date 7/10/19

Resolution No. 2019-6-2
EWL Rates
Page 2 of 6

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.

Resolution No. 2019-6-2
 EWL Rates
 Page 3 of 6

(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

Resolution No. 2019-6-2
EWL Rates
Page 4 of 6

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.

Inland Empire Utilities Agency

Resolution No. 2019-6-2
EWL Rates
Page 5 of 6

ADOPTED this 19th day of June 2019.



Jasmin A. Hall
Vice 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

Inland Empire Utilities Agency

Resolution No. 2019-6-2
EWL Rates
Page 6 of 6

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. 2019-6-2 as adopted at a regular Board meeting on June 19, 2019, of said Agency* by the following vote:

AYES: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer



Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

Inland Empire Utilities Agency

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:

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By:  Date 7/10/19

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.

Resolution No. 2019-6-3
NRWS Rates
Page 4 of 7

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

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

Resolution No. 2019-6-3
 NRWS Rates
 Page 5 of 7

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.

Inland Empire Utilities Agency

Resolution No. 2019-6-3
NRWS Rates
Page 6 of 7

ADOPTED this 19th day of June 2019.



Jasmin A. Hall
Vice 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

 APPENDICES

Inland Empire Utilities Agency

Resolution No. 2019-6-3
NRWS Rates
Page 7 of 7

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: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer


Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
Municipal Water Agency*

RESOLUTION NO. 2019-6-4

[Signature] Date 7/2/19

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.

Resolution No. 2019-6-4
IEBL Rates
Page 2 of 6

(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.

Resolution No. 2019-6-4
IEBL Rates
Page 3 of 6

(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

Resolution No. 2019-6-4
IEBL Rates
Page 4 of 6

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

Resolution No. 2019-6-4
IEBL Rates
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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.



Jasmin A. Hall
Vice 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. 2019-6-4
IEBL Rates
Page 6 of 6

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: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer


Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency*
By [Signature] Date 7/2/19

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.

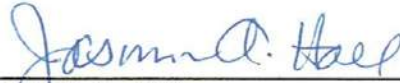
NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS,** that, effective July 1, 2019, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto.

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

 APPENDICES

Inland Empire Utilities Agency

Resolution No. 2019-6-5
Laboratory Fees
Page 2 of 4
ADOPTED this 19th day of June 2019.



Jasmin A. Hall
Jasmin A. Hall
Vice President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



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

*a Municipal Water District

Inland Empire Utilities Agency

Resolution No. 2019-6-5
Laboratory Fees
Page 3 of 4

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: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer



Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

Inland Empire Utilities Agency

Resolution No. 2019-6-5
Laboratory Fees
Page 4 of 4

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)	EPA 1664B	\$75.00
Oil & Grease, Non-polar	EPA 1664B	\$40.00
Oil & Grease, Total	EPA 1664B	\$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, Colilert P/A	SM 9223 B	\$10.00
Coliform, Colilert Total Enumer	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

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
Municipal Water Agency*

[Signature] Date 7/2/19

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.

 APPENDICES


Inland Empire Utilities Agency

Resolution No. 2019-6-6
FY 2019/20 Extra Territorial Sewer Service Charge
Page 2 of 4

ADOPTED this 19th day of June, 2019.


Jasmin A. Hall
Jasmin A. Hall
Vice 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. 2019-6-6
FY 2019/20 Extra Territorial Sewer Service Charge
Page 4 of 4

**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 2018/19 Projected number of EDU's within Agency	=		281,785 EDU per month
<i>\$111,694,757,588 divided by 281,785</i>	=	\$	396,382

Annual tax obligation is calculated by:

<i>\$396,382 multiply by 0.000499</i>	=	\$	197.79 per year
<i>(adjusted Agency tax rate)</i>	=	\$	16.48 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

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By  Date 7/10/19

Resolution No. 2019-6-7
Page 2 of 4

(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)

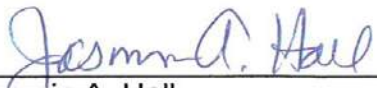
Section 4. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full service industrial connection beginning 7/1/2019 through 6/30/2020.

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



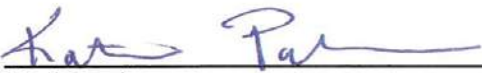
Resolution No. 2019-6-7
Page 3 of 4

ADOPTED this 19th day of June 2019.



Jasmin A. Hall
Vice 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. 2019-6-7
Page 4 of 4

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: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer



Kati Parker
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

RESOLUTION NO. 2019-6-8

[Signature] Date 7/2/19

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.

[Signature]

Jasmin A. Hall
Vice President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

[Signature]

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

*a Municipal Water District

APPENDICES


Inland Empire Utilities Agency

Resolution No. 2019-6-8
Equipment Rental
Page 2 of 3

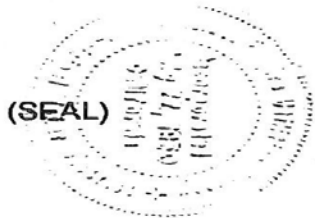
STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

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: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer



Kati Parker
Secretary/Treasurer



* A Municipal Water District

Resolution No. 2019-6-8
Equipment Rental
Page 3 of 3

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 Vector		
With one operator	per hour portal-to-portal	\$90.91
With two operators	per hour portal-to-portal	\$164.31
Gap Vector 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. 2019-6-9**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.

Inland Empire Utilities Agency

Resolution No. 2019-6-9
Page 2 of 5

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



Jasmin A. Hall
Vice 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

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency*

 Date 7/2/19

*A Municipal Water District

APPENDICES

Inland Empire Utilities Agency

Resolution No. 2019-6-9
Page 3 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. 2019-6-9, was adopted at a regular meeting on June 19, 2019, of said Agency by the following vote:

AYES: Hall, Camacho, Parker, Elie
NOES: None
ABSTAIN: None
ABSENT: Hofer



Kati Parker
Secretary/Treasurer



* A Municipal Water District

Resolution No. 2019-6-9
Page 4 of 5

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.

Inland Empire Utilities Agency

Resolution No. 2019-6-9
Page 5 of 5

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	<u>\$195,207,240</u>

	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



GLOSSARY of GENERAL TERMS

A

ADOPTED BUDGET – The IEUA Board approves the plan for the Agency’s operations, which includes an estimate of expenditures and revenues for a given fiscal year.

ACRE-FOOT (AF) – A unit of measurement equivalent to 325,900 gallons of water, which meets the need of two average families in and around the home for one year.

ACCRUAL BASIS ACCOUNTING – Under this accounting method, transactions are recognized when occurred, regardless of the timing of related cash receipts and disbursements.

AD VALOREM TAX – A levy upon the assessed valuation of property from the 1% rate and voter approved debt.

ADMINISTRATIVE SERVICES FUND – Serves as the Agency’s general fund. Accounts for Agency-wide goods and services such as employment, landscaping and janitorial expense.

AERATED STATIC PILE (ASP) – A composting method that processes 150,000 wet tons of biosolids into high-quality compost annually.

THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – The American Recover and Reinvestment Act (ARRA) of 2009 is a stimulus bill that was signed into law by President Barack Obama on February 17, 2009, which will provide approximately \$787 billion of funding to both state and local governments, sub-allocated by the states. Many of the funds will be distributed only for “shovel ready” projects and must be obligated within a specific time period. In addition, the ARRA sets forth some other broad requirements. First, no funds may be allocated for zoos, aquariums, golf courses, swimming pools, or casinos. Second, contractors and subcontractors working on projects funded by the ARRA must be paid the prevailing wage rate, as set forth in the Davis Bacon Act. Finally, the new law requires that a preference be given to American-made goods in construction and infrastructure projects financed by the Act.

AMORTIZATION – The process of spreading out a loan into a series of fixed payments over time; paying off the loan’s interest and principal in different amounts each month, although the total payment remains equal each period.

APPROPRIATION – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSET – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

ASSET MANAGEMENT – Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide IEUA with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing equipment in a cost-effective manner.

A

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – ACWA was founded in 1910, representing and providing key services to members has been ACWAs most important charge. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California’s public water agencies. ACWAs involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their constituents.

AUDIT – An official inspection of an individual’s or organization’s accounts, typically by an independent body

B

BALANCED BUDGET – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists. More generally, it is a budget that has no budget deficit, but could possibly have a budget surplus.

BIENNIAL BUDGET - The practice of preparing and adopting budgets for two-year periods.

BIOSOLIDS RECYCLING – Removal of sludge from treatment plants for composting.

BOND – A written promise to pay a specified sum of money (called principal or face value), at a specified date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

BOND COVENANT – A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution, or indenture. (Example: pledged revenues).

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period, and the proposed means of financing them. Used without any modifier, the term usually indicated a financial plan for a single fiscal year.

BUDGETARY CONTROL – The control or management of a government in accordance with an approved budget to keep expenses with in the limitations of available appropriations and available revenues.

BUDGET CALENDAR – The schedule of key dates, which the Agency follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET MESSAGE – A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager’s budget recommendations.



GLOSSARY of GENERAL TERMS

C

CalPERS – California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

CALIFORNIA ASSOCIATION OF SANITATION DISTRICTS (CASA) – CASA is a non-profit organization whose members are public agencies involved in wastewater collection, treatment, and disposal.

CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC) – The CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

CAPITAL CAPACITY REIMBURSEMENT ACCOUNT (CCRA) – Accounts that are established and maintained by the contracting agencies, to which connection fees are deposited or credited, pursuant to the Regional Sewage Service Contract.

CAPITAL OUTLAY – Expenditures resulting in the acquisition of or addition to fixed assets having a useful life greater than one year.

CAPITAL PROJECT – Major construction, acquisition, or renovation which increases the useful life and value of the asset. It also includes non-routine capital expenditures (maintenance and repair) greater than or equal to \$5,000 which extends the asset's estimated useful life and capabilities. It is also sometimes referred to as capital expenditure.

CAPITAL IMPROVEMENT FUND – A fund used to account for costs incurred in acquisition, construction, and expansion of major capital facilities. It also includes expenditures for meeting the debt service obligations and the associated administrative costs.

CHINO BASIN PROGRAM (CBP) - The Chino Basin Program (CBP) was awarded a conditional funding award of \$206.9 million through the Proposition 1 Water Storage Investment Program in 2018. In exchange for The State's investment in the program, the CBP, as currently envisioned, will construct an advanced recycled water treatment facility that would store up to 15,000 acre-feet per year of water in the Chino groundwater basin for up to 25 years (total of 375,000 AF) as well as infrastructure to extract, treat, and deliver 50,000 AF to a State Water Contractor in exchange for deliveries to the Delta ecosystem during dry and critically dry years (maximum of 7.5 deliveries of 50,000 AF over the 25 year term). Workshops are being conducted with partnering agencies to identify project options and determine program operations and feasibility.

CENTRATE – A product of biosolids dewatering; the water leaving a centrifuge after most of the solids have been removed.

CHINO BASIN – An area which is underlain by the Chino and Cucamonga groundwater basins and portions of the Claremont Heights groundwater basins within San Bernardino County.

C

CHINO BASIN DESALTER AUTHORITY (CDA) – A joint power authority (JPA) formed in September 2001, which is comprised of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, the Santa Ana River Water Company, and Inland Empire Utilities Agency (IEUA). IEUA serves as a non-voting member and operates the Chino Desalter I facility, as well as grant administration functions for the JPA. Its main purpose is to manage the production, treatment, and distribution of water produced by the desalination facilities.

CHINO BASIN WATER BANK (CBWB) - IEUA entered a cost-sharing letter agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District (CBWB Parties) in August 2016 to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The agreement is consistent with the Agency's Business Goal of increasing Water Reliability by meeting the region's need to develop reliable, drought-proof and diverse local water resources to reduce dependence on imported water supplies.

CHINO BASIN WATER CONSERVATION DISTRICT (CBWCD) – An agency whose goal is the protection of the Chino Basin in order to guarantee that current and future water needs will be met. The agency's service area includes the cities of Chino, Chino Hills, Montclair, Ontario, Rancho Cucamonga, and Upland.

CHINO BASIN WATERMASTER (CBWM) – A court created entity to account for and implement the management of the Chino Basin. Water rights in the Chino Basin are allotted amongst three pools of Chino Basin Water users: agricultural users (AG), industrial users (non-AG), and water municipalities (appropriate pool).

CLEAN WATER ACT (CWA) - is the primary federal law in the United States governing water pollution. Its objective is to restore and maintain the chemical, physical, and biological integrity of the nation's waters by preventing point and nonpoint pollution sources, providing assistance to publicly owned treatment works for the improvement of wastewater treatment, and maintaining the integrity of wetlands.

CLEAN WATER STATE REVOLVING FUND (CWSRF) – Established in 1987 by the Clean Water Act, the program is part of the United States Environmental Protection Agency's Office of Wastewater Management and administered in California by the State Water Resources Control Board. The fund serves to finance "construction-ready" water and wastewater infrastructure projects.

COMPOST – A product resulting from the decomposition and sanitation of organic materials through processes that involve the reactions between controlled aerobic conditions (that require oxygen), temperature, moisture, microbial activity, and time. In this process, microbes (microorganisms which usually include types of bacteria and fungi) break down organic materials into smaller, more usable substances.

COLA – Cost of living adjustments to employee wages.

CONJUNCTIVE USE – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.



GLOSSARY of GENERAL TERMS

C

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTING AGENCIES – Any sewage collection agency located, in whole or in part, within the boundaries of IEUA, which has entered into a service contract with IEUA. The current contracting agencies with IEUA include the Cities of Chino, Chino Hills, Upland, Montclair, Ontario, Fontana, and Cucamonga Valley Water Districts as part of the Regional Sewage Service contract.

COST CONTAINMENT STRATEGY – An action plan to identify sustainable cost reduction opportunities across the Agency by major expense categories and capital expenditures. Progress is monitored and reported as part of the budget to actual variance process.

D

DEBT SERVICE – Payment of current year portion of interest and principal costs incurred on long-term debt issued by the Agency.

DEPARTMENT – A basic organizational unit of government dealing with a specific subject. A department may be grouped into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

DEPARTMENT OF WATER RESOURCES (DWR) – DWR operates and maintains the State Water Project, including the California Aqueduct. The department also provides dam safety and flood control services, assists local water districts in water management and conservation activities, promotes recreational opportunities, and plans for future statewide water needs.

DISASTER RECOVERY PLAN – A written plan that describes how to recover systems and/or services in the event of a disaster.

E

EFFLUENT – Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

ENERGY MANAGEMENT PLAN -The Agency's the Energy Management Plan (EMP) was adopted by the Board of Directors in March 2017. Primarily it is to benchmark the Agency's current energy performance and greenhouse gas emissions baseline, forecast future demands, and explore measures for a reliable and sustainable energy infrastructure to achieve the objectives set forth in IEUA's Business Goals. The major initiatives included in the EMP are peak power independence, grid interdependence, organics diversion, and carbon neutrality.

E

ENTERPRISE FUND – A fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise. An example is a government-owned utility.

EQUIVALENT DWELLING UNIT (EDU) – EDU is a numerical value designation where 1 EDU represents the sewage flow from a single-family residential household and is measured as 270 gallons per day of sewage discharge pursuant to the Regional Sewage Service Contract.

EXPENSES – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charged presumed to benefit the current fiscal period.

F

FISCAL YEAR – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operation. Inland Empire Utilities Agency operates on a fiscal year from July 1, through June 30.

FISCAL CONTROL ORDINANCE – Provide a system of financial administration, accounting, and fiscal and budgetary control which conforms to generally accepted accounting principles and practices.

FULL TIME EQUIVALENT (FTE) – The conversion of a part-time, temporary, or volunteer position to a decimal equivalent of a full-time position based on an annual amount of 2,080 hours worked.

FUND – A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

FUND BALANCE - Is used to describe the net position of the Agency's funds calculated in accordance with generally accepted accounting principles (GAAP). The Agency has historically maintained fund balance reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. Fund balance are designated for specific purposes, as defined in the Agency's Reserve Policy.

FUND TRANSFER – Fund transfer required to maintain a given level of fund balance in accordance with Board policies and bond covenants.



GLOSSARY of GENERAL TERMS

G

GASB 34 – Statement No. 34 issued by the Governmental Accounting Standards Board (GASB) that was implemented by the Commission in FY 2001/02. GASB 34 established new financial standards for state and local governments. Under the new financial reporting model, governmental financial statements include basic financial statements that present both government-wide and fund financial statements and require supplementary information, including Management’s Discussion and Analysis.

GASB 45 – This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

GASB 67 - The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, FINANCIAL REPORTING FOR DEFINED BENEFIT PENSION PLANS AND NOTE DISCLOSURES FOR DEFINED CONTRIBUTION PLANS, and No. 50, PENSION DISCLOSURES, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB 68 - The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions in regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

GOALS AND OBJECTIVES – Specific projects and programs to be undertaken utilizing allocated financial resources and are designed to further the achievement of the Agency’s vision, mission, and IEUA Business Goals.

GRANTS MANAGEMENT – The management of contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

GROUNDWATER – Water that occurs beneath the land surface and fills partially or wholly pore spaces of the alluvium, soil, or rock formation in which it is situated. It does not include water which is being produced with oil in the production of oil and gas or in a bona fide mining operation.

G

GROUNDWATER BASIN – A groundwater reservoir defined by the entire overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of successively deeper aquifers may differ and make it difficult to define the limits of the basin.

GROUNDWATER RECHARGE - The action of increasing groundwater storage by natural conditions or by human activity.

I

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA) – A joint power authority (JPA) established by IEUA and the Sanitation District of Los Angeles County (SDLAC) in February 2002 for recycling biosolids.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY (IERCF) – A fully enclosed, nuisance and odor free composting facility owned by the IERCA, for processing and recycling biosolids, which is located in Rancho Cucamonga, California.

INTEREST – Revenue derived from the investment of idle cash and/or reserves.

INTEREST RATE SWAP – A contractual agreement between two parties who agree to exchange (swap) certain cash flows for a defined period of time. The swap is designed to generate a new change in the interest rate cash flow related to an asset or liability, but neither impacts the principal of that asset or liability nor results in the creation of any new principal.

INTER-FUND LOAN – Loan between Agency program funds to support a shortfall in debt service, operating, and/or capital requirements, and the establishment of a promissory note between the borrower and lender, providing payment terms and a repayment timeline. This transaction requires approval by the Agency Board.

INSTITUTE OF INTERNAL AUDITORS (IIA) – Established in 1941 as an international professional association and recognized as the internal audit profession's leader in certification, education, and technical guidance.

INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) – The Integrated Regional Water Management planning process is a local water management approach preferred by the Governor, the State Department of Water Resources, and the State Water Resources Control Board. It is aimed at securing long-term water supply reliability within California by first recognizing the inter-connectivity of water supplies and the environment and then pursuing projects yielding multiple benefits for water supplies, water quality, and natural resources.



GLOSSARY of GENERAL TERMS

L

LEAN – A production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination.

LIABILITY – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer assets or provide service to other entities in the future as a result of a past transaction or event.

LONG RANGE PLAN OF FINANCE – A report that summarizes the results of a comprehensive financial planning model built to provide a clear funding strategy for the Agency to meet capital and operating requirements.

M

MAJOR FUND – Those funds whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category (governmental or enterprise) and five percent of the aggregate of all governmental and enterprise funds in total.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) – MWD is one of the world's largest water agencies. It imports almost 60 percent of the water used by more than 15 million people in urban Southern California. MWD wholesales water to its 27 member agencies, including IEUA. Metropolitan is governed by a 51-member Board of Director's representing its member agencies.

METER EQUIVALENT UNIT (MEU) – a measurement expressed in terms of a ratio of rated meter capacity for each meter size relative to the size of a standard residential meter.

MILLION GALLONS PER DAY (MGD) – MGD is the term used to represent million gallons per day of sewage discharged to IEUA wastewater treatment facilities.

MUNICIPAL STORM WATER SEWER SYSTEM (MS4) – An MS4 is a conveyance or system of conveyance that is; Owned by a state, city, town, village, or other public entity that discharges to waters of the U.S.; Designed or used to collect or convey storm water (including storm drains, pipes, ditches, etc.); Not a combined sewer; and Not part of a Publicly Owned Treatment Works (sewage treatment plant).

N

NO DRUGS DOWN THE DRAIN (NDDD) – Program to discourage residents from flushing expired drugs.

NON-RECLAIMABLE WASTEWATER – Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operation of whatever nature as defined by federal, state, or regional agencies authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

N

NON-RECLAIMABLE WASTEWATER PROGRAM – The activities of the NRW System, which is owned and operated by the Agency and provides for the export of high-salinity and industrial wastewater generated within the Agency’s service area to the Pacific Ocean.

O

ONE WATER ON WATERSHED PROGRAM (OWOW) – A new and innovative planning process being developed within the Santa Ana Watershed. Through collaborative strategic partnerships and building upon the successful watershed planning in the past, the next generation of integrated regional watershed planning is under development to solve problems on a regional scale and give all water interests a voice in the planning process.

OPERATION AND MAINTENANCE BUDGET (OPERATING BUDGET) – Plans of current expenses and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

OPERATING EXPENSES – Proprietary fund expenses related directly to the fund’s primary activities.

OPTIMUM BASIN MANAGEMENT PLAN (OBMP) – A comprehensive plan to increase artificial groundwater recharge within Chino Basin using storm water, recycled water, and imported water.

ORANGE COUNTY SANITATION DISTRICT (OCSD) – A public agency located in Fountain Valley, Orange County providing wastewater treatment services for 21 cities and 3 sanitation districts in the Orange County.

ORDINANCE – A law set forth by a governmental or legislative body.

ORGANICS MANAGEMENT PROGRAM – The activities for processing treated water, methane gas, and biosolids into useable, marketable products, i.e.: recycled water, renewable energy, and high-quality compost.

P

PAY-AS-YOU-GO (PAYGO) – The practice of funding construction expenditures from current revenue or existing revenue in lieu of using debt proceeds.

PEACE II – Approved by the Court on December 2007 as part of the Chino Basin Watermaster’s Optimum Basin Management Plan (OBMP) and provides for the “re-operation” and attainment of “hydraulic control” in the groundwater basins.

PROGRAM - Group activities, operations, or organizational units directed to attaining specific purposes or objectives.



GLOSSARY of GENERAL TERMS

P

PROGRAM BUDGET – A budget wherein expenses are based primarily on the functions or activities of a government rather than based on specific items of cost, or specific departments.

PROPOSITION 1 FUNDING - In July 2018, the California Water Commission approved \$206.9 million, the full funding of IEUA’s Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program (Chino Basin Project). Funding for the project comes from Proposition 1, a state water bond approved by voters in 2014, to invest \$2.7 billion for investments in new water storage projects. Projects were evaluated, ranked, scored, and offered funding based on their ability to increase statewide resiliency under climate change and other uncertainties; technical environmental, economic and financial feasibility which have a low implementation risk; the ability to provide environmental value in alignment with the State’s ecosystem and water quality priorities; and strong public benefits. The Chino Basin Project involves the construction of an advanced water treatment facility and distribution system that will treat and store up to 15,000 acre-feet per year of recycled water for 25 years in the Chino Basin Water Bank, creating a new local water supply. In partnership with an existing State Water Project Contractor, this water would be exchanged in blocks of up to 50,000 acre-feet per year towards ecosystem benefits north of the Delta.

PROPOSITION 1A – The proposition is intended to protect revenues collected by local governments from being transferred to the California state government for statewide use. The provisions may be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature approves the suspension.

PROPRIETARY FUND – A business-like fund in governmental accounting of a state or local government. Examples of proprietary funds include enterprise funds and internal service funds. Enterprise funds provide goods or services to the general public for a fee.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

PUBLICLY OWNED TREATMENT WORKS (POTWs) – Members of the Southern California Alliance of Publicly Owned Treatment Works (SCAP). See SCAP definition.

Q

QUALITY IMPROVEMENT PROGRAM – Identify high impact or recurring issues and develop corrective action plans.

R

READINESS-TO-SERVE (RTS) CHARGE – A Metropolitan Water District charge to its member agencies. The charge is designated to provide firm revenue for the MWD’s capital improvement program (CIP) and debt service to meet the reliability and quality needs of existing users.

R

READINESS TO SERVE TEN YEAR ROLLING AVERAGE (RTS TYRA) - A pass through charge to the local member agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD and phased-in over a period of seven (7) years, effective October 1, 2016.

RECHARGE – The physical process where water naturally percolates or sinks into a groundwater basin.

RECHARGE BASIN – A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

RECHARGE WATER PROGRAM – The activities for development of increased recharge capacity within the Chino Basin region using storm water, recycled water, and imported water.

RECYCLED WATER – Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

RECYCLED WATER BUSINESS PLAN (RWBP) – Developed to accelerate the implementation of the 2005 Regional Recycled Water Implementation Plan with a goal of increasing the demand for recycled water connections to 50,000-acre foot per year (AFY).

RECYCLED WATER PROGRAM – The activities for the use of recycled water to meet Southern California’s water demand. Recycled water is a proven technology and implementing its use will provide a more dependable local supply of water, as well as, reduce the likelihood of water rationing during droughts.

RECYCLED WATER PROGRAM STRATEGY (RWPS) – The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year. This is necessary as changes in the region’s water resource priorities occur and increased water efficient landscape measures are adopted.

RECYCLING – A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term “recycled water” to reclaimed water.

REDEVELOPMENT AGENCY (RDA) – A government subdivision created to improve blighted, depressed, deteriorated economically depressed areas. RDAs were officially dissolved in February 2012.

REGIONAL COMPOSTING AUTHORITY (RCA) – (See Inland Empire Regional Composting Authority)

REGIONAL WASTEWATER PROGRAM – The activities associated with the primary, secondary, and tertiary treatments of domestic wastewater delivered by the contracting agencies to the Agency’s interceptors and wastewater treatment facilities.

RENEWABLE ENERGY – Energy that is produced from clean renewable sources such as solar power, wind power, and natural gas produced from the decomposition of organic materials.

REQUEST FOR PROPOSAL (RFP) – An early stage in a procurement process, issuing an invitation for vendors, often through a bidding process, to submit a proposal on a project.



GLOSSARY of GENERAL TERMS

R

RESERVE – An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

RESOLUTION – A special or temporary order of a legislative body requiring less formality than a statute or ordinance. Resolutions typically become effective upon their adoption by the IEUA Board of Directors.

REVENUE – Income generated by taxes, user charges, connection fees, investment income, bonds, and leases.

S

SALINITY – Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids – TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SANTA ANA REGIONAL INTERCEPTOR (SARI) – Underground regional wastewater interceptor line owned by the Santa Ana Watershed Project Authority.

SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) – A Joint Exercise of Powers Agency created to implement the regional components for water quality management as set forth in the adopted water quality control plan for the Santa Ana River Watershed. Member agencies include: Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Eastern Municipal Water District.

SYSTEM APPLICATION and PRODUCTS (SAP) – The Agency's Enterprise Resource Planning (ERP) system which stands for increased efficiency, streamlining the supply-chain network and overhauling the entire business process of the organization. This ERP system provides transparency that follows – real-time visibility across the entire enterprise and is not limited to management or staff.

SANITATION DISTRICT OF LOS ANGELES COUNTY (SDLAC) – A special district created within Los Angeles County to treat residential and industrial wastewater discharge.

SANTA ANA RIVER WATERSHED ACTION TEAM CONJUNCTIVE USE PROJECT (SARCUP) – This project is to develop a watershed-scale conjunctive use program.

SB-272 - The California Public Records Act: local agencies: inventory - This bill requires each local agency, except a local educational agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the person or officer designated by the agency's legislative body, and to post the catalog on the local agency's Internet Web site.

S

SERVICE AREA – The territory served by IEUA for sewage collection and treatment operations. IEUA territory covers 242 square miles, encompassing the urban west end of San Bernardino County, immediately east of the Los Angeles County line, and including the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Rancho Cucamonga.

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (SBCFCD) – An agency whose goal is to intercept and convey flood flows through and away from the major developed areas of the County by a system of facilities, including dams, conservation basins, channels, and storm drains.

SECONDARY TREATMENT – Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids.

SEWER SYSTEM MANAGEMENT PLAN (SSMP) – The plan was adopted by the Board in April 2009 to comply with the State Water Resources Control Board Order No. 2007-003. This Order established the General Waste Discharge Requirements (WDR) for all public entities that own or operate sanitary sewer systems greater than one mile in length of sewer line within the state of California to prevent and minimize sanitary sewer overflows (SSO).

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – This is an air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties.

SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS (SCAP) – SCAP is a non-profit corporation organized to help ensure that regulations affecting Publicly Owned Treatment Works (POTWs) and collection systems are reasonable and in the public's best interest and to provide leadership, technical assistance and timely information to promote regulations that focus on the sustainable protection of the environment and public health. As of December 2010, 86 of its 106 POTW members were public wastewater agencies located in seven counties. Collectively, the POTWs members provide over 1 billion gallons per day of wastewater treatment to more than 18 million people in Southern California and produce over 1.4 million wet tons of biosolids per year.

SPECIAL PROJECTS – Special projects are a collection of operation and maintenance expenses that are incurred by the Agency in pursuit of very specific goals and objectives that are consistent with the Agency's mission. They are, by their nature, a unique form of cost accounting. Special projects may consist of direct labor, materials and supplies, and outside consultant fees, but they may not contain any expenditure for any type of capital asset, such as construction or equipment costs. Example of a special project: a long-term planning or feasibility study that would involve the efforts of several different departments or in partnership with other agencies over a protracted period of time.

STATE REVOLVING FUND (SRF) – The Federal Clean Water Act amendments of 1997 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loans can also be used to support reclamation nonpoint source pollution, storm drainage, and estuary projects.



GLOSSARY of GENERAL TERMS

S

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – This is a joint authority of water allocation and water quality protection that provides comprehensive protection for California’s waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SUPERVISORY CONTROL and DATA ACQUISITION (SCADA) - Is a system operating with coded signals over communication channels so as to provide control of remote equipment (using typically one communication channel per remote station).

T

TAXES – Compulsory charges levied by a government to finance services performed for the common benefit.

TEETER PLAN – California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies.

TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP) - Volume II of the Agency’s annual budget, this report is prepared each year to identify capital spending requirements, forecasted capacity demands and long-term programs.

TERTIARY TREATMENT – The treatment of wastewater beyond the secondary or biological stage. Normally implies to the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

TITLE 22 – Regulations set forth by the California Department of Health Services. Required to ensure water quality standards are being met.

U

UNITED STATES BUREAU OF RECLAMATION (USBR) – A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

URBAN WATER MANAGEMENT PLAN – Describes all water supplies and demands within IEUAs service area in accordance with California State Law.

V

VADOSE ZONE – Region of earth between the land surface and the top of the water table.

VOLUMETRIC FEES – Fees charged to customers for their metered wastewater flows.

W

WATER CONNECTION FEE – It is also called "One Water Connection Fee," a fee to connect to the IEUA regional water system comprised of potable water, recycled water, and groundwater recharge. The fee will support future expansion of the regional water system, which is comprised of potable water, recycled water, and groundwater recharge.

WASTEWATER – Water that has been previously used by a municipality, industry, or agriculture and has suffered a loss of quality as a result of use.

WASTEWATER CONNECTION FEE – A fee to connect to the IEUA regional sewer system. The fee is restricted to support capital acquisition, construction, equipment, and process improvement costs for the regional sewer system.

WASTEWATER FACILITIES MASTER PLAN (WFMP) – The primary policy guiding the development of the Agency's Ten-Year Capital Improvement Plan. Used to coordinate an integrated water resources planning framework.

WATER FACILITIES AUTHORITY (WFA) – A public agency that treats and supplies approximately 40,000 acre-feet of imported water each year. This imported water serves as a supplemental source of water for approximately 450,000 residents in the west end of San Bernardino County.

WATER RESOURCES PROGRAM – The activities to support integrated water resource management and regional conservation programs to increase the resiliency of existing water supplies and reduce reliance on imported water purchase.

WATER REUSE ASSOCIATION (WaterReuse) – The Water Reuse Association is a nonprofit organization whose mission is to advance the beneficial and efficient use of water resources through education, sound science, and technology using reclamation, recycling, reuse, and desalination for the benefit of our members, the public, and the environment.

WATER USE EFFICIENCY PLAN (WUE) – Plan designed to supplement existing surface water and groundwater supplies.

WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) – Administered by the Environmental Protection Agency, the federal credit program provides long term, low-interest funding for regionally and nationally significant water and wastewater infrastructure projects.



ACRONYMS

	4Rs	Repair, Relocation, Reconstruction, and Rehabilitation
A	ACH	Automated Clearing House
	ACWA	Association of California Water Agencies
	AF	Acre-Feet
	AFY	Acre-Feet per Year
	AMP	Asset Management Plan
	AQMD	Air Quality Management District
	ARMA	Association of Records Managers and Administrators (now expanded to ARMA International)
	ARRA	American Recovery Rehabilitation Act
	ASA	Adaptive Security Appliance
B	BIS	Business Information Services
	BMP	Best Management Practice
	BOD	Biochemical Oxygen Demand
C	CAFR	Comprehensive Annual Financial Report
	CalPERS	California Public Employees Retirement System
	CAPPO	California Associations of Public Procurement Officials
	CASA	California Association of Sanitation Districts
	CBFIP	Chino Basin Facilities Improvement Project
	CBP	Chino Basin Program
	CBWB	Chino Basin Water Bank
	CBWCD	Chino Basin Water Conservation District
	CBWM	Chino Basin Watermaster
	CCMP	Chino Creek Master Plan
	CCMS	Computerized Maintenance Management System
	CCRA	Capital Capacity Reimbursement Account
	CCTV	Closed Circuit Television
	CCW	Carbon Canyon Wastewater
	CCWRF	Carbon Canyon Wastewater Reclamation Facility
	CCWRP	Carbon Canyon Water Recycling Plant
	CDA	Chino Basin Desalter Authority
	CDPH	California Department of Public Health
	CEC	California Energy Commission
	CEMS	Continuous Emission Monitoring System
CEQA	California Environmental Quality Act	

C

CERBT	California Employers' Retiree Benefit Trust
CFS	Cubic Feet per Second
ChaRM	Charge & Request Management
CHP	Combined Heat and Power
CIA	Cash in Advance
CII	Commercial, Industrial, and Institutional
CIM	California Institute for Men
CIP	Capital Improvement Program
CIW	California Institute for Women
CM	Construction Management
CMMS	Computerized Maintenance Management System
COBRA	Consolidated Omnibus Budget Reconciliation Act
COD	Chemical Oxygen Demand
COS	Cost of Service
CPE	Continuing Professional Education
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSI	California Solar Incentive
CSMFO	California Society of Municipal Finance Officers
CUPA	Certified Public Utilities Commission
CUWCC	California Urban Water Conservation Council
CWA	Clean Water Act
CWEA	California Water Environment Association
CWSFR	California Clean Water State Revolving Fund

D

DAFT	Dissolved Air Flotation Thickener
DCS	Distribution Control System
DF&G	Department of Fish and Game
DFT	Don't Flush Trouble
DHS	California Department of Health Services
DOE	Department of Energy
DWR	Department of Water Resources
DYY	Dry Year Yield

E

E&I	Electrical and Instrumentation
EC	Emerging Constituents
ECM	Electronic Content Management
ECMS	Electronic Content Management System
ECOP	Environmental Compliance Operations Program
EDU	Equivalent Dwelling Unit



ACRONYMS

E	EEO	Equal Employment Opportunity
	EE&CM	Engineering, Energy, & Construction Management
	ELAP	Environmental Laboratory Accreditation Program
	EP	Energy Production
	EPA	Environmental Protection Agency
	EPMC	Employer Paid Member Contribution
	ERP	Enterprise Resources Planning
	ESS	Employee Self-Service
F	FEMA	Federal Emergency Management Agency
	FMLA	Family Medical Leave Act
	FOG	Fats, Oils, and Grease
	FTE	Full Time Equivalent
	FY	Fiscal Year
	G	GAAP
GASB		Governmental Accounting Standards Board
GCMS		Gas Chromatograph/Mass Spectrometer
GFOA		Government Finance Officers Association
GG		Administrative Services Program
GIS		Geographic Information System
GIES		Garden in Every School
GHG		Greenhouse Gas
GM		Grants Management
GPCD		Gallons per Capita per Day
GPM		Gallons per Minute
GUI		Graphical User Interface
GWR		Groundwater Recharge
GWRMP		Groundwater Recharge Master Plan
H		H2S
	HCM	Human Capital Management
	HCMP	Hydraulic Control Monitoring Program
	HECW	High-Efficiency Clothes Washers
	HET	High-Efficiency Toilet
	HQ	Headquarters
	HR	Human Resources
	HTFC	High Temperature Fuel Cell
	HVAC	Heating/Ventilation/Air Conditioning

I	I&C	Instrumentation & Control
	IAD	Internal Audit Department
	ICE	Internal Combustion Engine
	ICP	Inductively Coupled Plasma
	IDC	Improvement District "C"
	IEBL	Inland Empire Brine Line
	IERCA	Inland Empire Regional Composting Authority
	IERCF	Inland Empire Regional Composting Facility
	IEUA	Inland Empire Utilities Agency
	IIA	Institute of Internal Auditors
	IPS	Intrusion Prevention System
	IRP	Integrated Water Resources Plan
	IRWMP	Integrated Regional Water Management Plan
	ISS	Integrated System Services
J	JCSD	Jurupa Community Service District
	JPA	Joint Powers Authority
K	KPI	Key Performance Indicators
	KSA	Knowledge, Skills, and Abilities
	KVM	Keyboard/Video/Mouse
	kWh	Kilowatt hour
L	LAN	Local Area Network
	LC-MS/MS	Liquid Chromatography Mass Spectrometry
	LEED	Leadership in Energy and Environmental Design
	LF	Linear Feet
	LIBOR	London Inter-Bank Offered Rate
	LID	Low Impact Development
	LIMS	Laboratory Information Management System
	LPP	Local Projects Program
	LRP	Local Resources Program
	LRPF	Long Range Plan of Finance
	LS	Lift Station
	LT	Limited Term



ACRONYMS

M	MCC	Microbial Culture Collection
	MG	Million Gallons
	Mg/L	Milligrams per liter
	MGD	Million Gallons per Day
	MEU	Meter Equivalent Unit
	MPC	Milk Producer's Council
	MOU	Memorandum of Understanding
	MS4	Municipal Storm Water Sewer System
	MSDS	Material Safety Data Sheets
	MSS	Manager Self-Service
	MVV	Mission, Vision, and Values
	MVWD	Monte Vista Water District
	MW	Megawatts
	MWD	Metropolitan Water District of Southern California
N	NAC	Network Access Control
	NC	Non-Reclaimable Wastewater Program
	NDDD	No Drugs Down the Drain
	NDMA	Nitrosodimethylamine
	NFPA	National Fire Protection Association
	NPDES	National Pollution Discharge Elimination System
	NPI	National Purchasing Institute
	NRW	Non-Reclaimable Wastewater
	NRWS	Non-Reclaimable Wastewater System
	NRWSCU	Non-Reclaimable Wastewater System Capacity Unit
	NTC	National Theatre for Children
	NWRA	National Water Resources Association
O	O&M	Operations & Maintenance
	OBMP	Optimum Basin Management Plan
	OCSD	Orange County Sanitation District
	OCWD	Orange County Water District
	OE	Office Engineering
	OES	Office of Emergency Services
	OFA	Office of Finance and Administration
	OM	Organics Management Program
	OP	Obligation Payment Fund, Wastewater Program, Debt Services
	ORC	Organic Rankine Cycle
	ORP	Oxidation Reduction Potential
	OTDR	Optical Time Domain Reflectometer
	OWOW	One Water One Watershed

P	PAYGO	Pay-As-You-Go
	P&ID	Piping and Instrumentation Diagrams
	PD	Positive Displacement
	PDR	Preliminary Design Report
	PE	Perkin Elmer
	PEIR	Preliminary Environmental Impact Report
	PERS	Public Employee Retirement System
	PIER	Public Interest Energy Research
	PIO	Public Information Officer
	PLCs	Programmable Logic Controllers
	PLPs	Personal Learning Plans
	PM	Plant Maintenance
	PMT	Plant Maintenance Technician
	POTWs	Publicly Owned Treatment Works
	PPA	Power Purchase Agreement
	PROP 1	Proposition 1
	PRV	Pressure Reducing Valve
	PS	Pump Station
	PTSC	Pretreatment and Source Control
	PZ	Pressure Zone
Q	QA/QS	Quality Assurance/Quality Control
R	RAS	Return Activated Sludge
	RATA	Relative Accuracy Test Audit
	RC	Regional Capital Improvement (Wastewater) Program
	RCA	Regional Composting Authority
	RDA	Redevelopment Agency
	REEP	Renewable Energy Efficiency Project
	RFI	Request for Information
	RFP	Request for Proposal
	RMPU	Recharge Master Plan Update
	RO	Regional Operations and Maintenance (Wastewater) Program
	ROI	Return on Investment
	RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
	RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino
	RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
	RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
	R&R	Replacement and Rehabilitation
	RRWDS	Regional Recycled Water Distribution System
	RTS	Readiness-to-Serve



ACRONYMS

R	RTS TYRA	Readiness-to-Serve Ten Year Rolling Average
	RW	Recharge Water Program
	RWBP	Recycled Water Business Plan
	RWC	Recycled Water Contribution
	RWPL	Recycled Water Pipeline
	RWPS	Recycled Water Program Strategy
	RWQCB	Regional Water Quality Control Board
	RWRP	Regional Water Recycling Plants
S	SAC	San Antonio Channel
	SAN	Storage Area Network
	SAP	Systems Applications and Products
	SAP GUI	Systems Application and Products Graphical User Interface
	SARCCUP	Santa Ana River Conservation and Conjunctive Use Program
	SARDA	Santa Ana River Dischargers Association
	SARI	Santa Ana River Interceptor
	SAWA	Santa Ana Watershed Association
	SAWPA	Santa Ana Watershed Project Authority
	SAWCO	San Antonio Water Company
	SB-272	Senate Bill Relating to Public Records
	SBCFCD	San Bernardino County Flood Control District
	SCADA	Supervisory Control and Data Acquisition
	SCAP	Southern California Alliance of Publicly Owned Treatment Works
	SCAQMD	South Coast Air Quality Management District
	SCE	Southern California Edison
	SCWC	Southern California Water Committee
	SDLAC	Sanitation Districts of Los Angeles County (formerly LACSD)
	SE	Sterling Engine
	SEIR	Subsequent Environmental Impact Report
	SIU	Significant Industrial User
	SKU	Stock Keeping Unit
	SLO	Service Level Operator
	SOP	Standard Operating Procedures
	SRF	State Revolving Fund
	SRWS	Self-Regenerating Water Softener
	SSMP	Sewer Systems Management Plan
	SSO	Sanitary Sewer Overflows
	STA	United States Composting Council's Seal of Testing Assurance
	SWRCB	State Water Resources Control Board
	SWP	State Water Project

T	TCE	Trichloroethylene
	TDS	Total Dissolved Solids
	TEAMS	Technical Enhancement and Management Succession
	TIN	Total Inorganic Nitrogen
	TKN	Total Kieldahl Nitrogen
	TM	Technical Memorandum
	TMDL	Total Maximum Daily Load
	TMECC	Testing Methods for Evaluating Compost and Compost Products
	TMP	Technology Master Plan
	TO	Wastewater Program – Tertiary Operations & Maintenance
	TOC	Total Organic Carbon
	TP	Tertiary Plant
	TSS	Total Suspended Solids
	TWAS	Thickened Waste Activated Sludge
	TYCIP	Ten Year Capital Improvement Plan
TYRA	Ten Year Rolling Average	
U	UA	Unauthorized Activities
	ULFT	Ultra Low-Flush Toilets
	UPC	Unit Production Cost
	UPCP	Unit Process Control Procedure
	UPS	Uninterruptible Power Supply
	USACE	US Army Core of Engineers
	USBR	United States Bureau of Reclamation
	UV	Ultra-Violet
	UWMP	Urban Water Management Plan
	UWRF	Urban Water Reclamation Facility
V	VFD	Variable Frequency Drives
	VOC	Volatile Organic Compound



ACRONYMS

W	WAN	Wide Area Network
	WaterReuse	Water Reuse – the use of treated wastewater or reclaimed water for beneficial purposes such as irrigation
	WC	Recycled Water Program
	WDR	Wastewater Discharge Requirement
	WEF	Water Environment Federation
	WEFTEC	Water Environment Federation Annual Technical Exhibition and Conference
	WEWAC	Water Education Water Awareness Committee
	WFA	Water Facilities Authorities
	WFMP	Wastewater Facilities Master Plan
	WIFIA	Water Infrastructure Finance and Innovation Act
	WM	Chino Basin Watermaster
	WRCWRA	Western Riverside County Regional Wastewater Authority
	WS	Workstation
	WSAP	Water Supply Allocation Plan
	WUE	Water Use Efficiency
WW	Water Resources Program	
Y	YCF	Youth Correctional Facility

A

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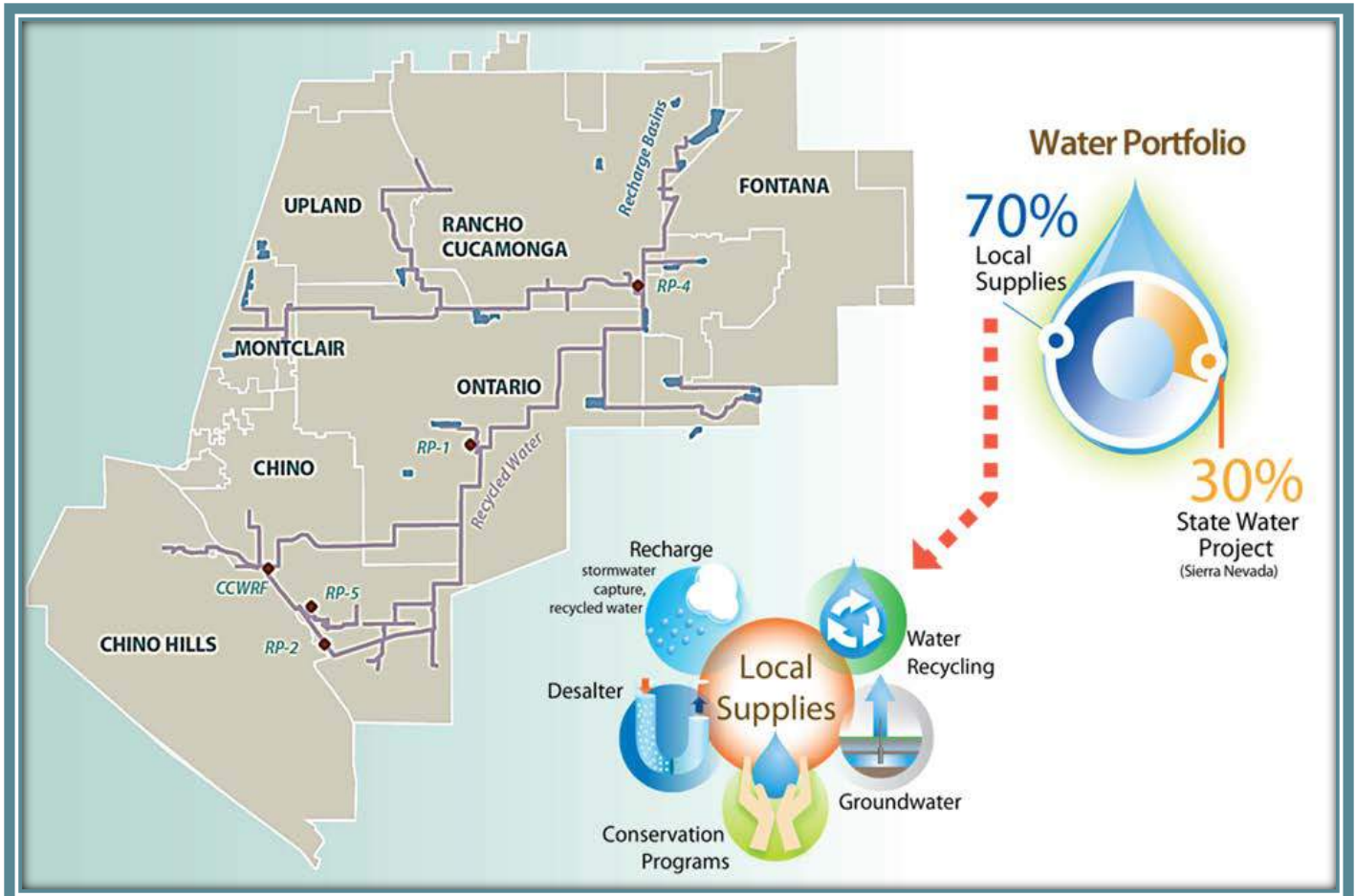
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IERCF Trommel Screen Improvements



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