



## **Special Regional Sewerage Program Policy Committee Meeting**

**AGENDA**  
**Thursday, May 7, 2020**  
**3:30 p.m.**

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, AND EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020 ANY BOARD MEMBER MAY CALL INTO THE BOARD MEETING WITHOUT OTHERWISE COMPLYING WITH ALL BROWN ACT'S TELECONFERENCE REQUIREMENTS.

In effort to prevent the spread of COVID-19, the Regional Sewerage Program Policy Committee Meeting will be held remotely by teleconference

**Teleconference: 1-415-856-9169/Conference ID: 750 724 224#**

This meeting is being conducted virtually by video and audio conferencing. There will be no public location available to attend the meeting; however, the public may participate and provide public comment during the meeting by calling into the number provided above. Alternatively, you may email your public comments to the Recording Secretary Laura Mantilla at [lmantilla@ieua.org](mailto:lmantilla@ieua.org) no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

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### **Call to Order/Flag Salute**

### **Roll Call**

### **Public Comment**

Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Committee on any matter, whether or not it appears on the agenda, are requested to email the Recording Secretary no later than 24 hours prior to the scheduled meeting time or address the Committee during the public comments section of the meeting. Comments will be limited to three minutes per speaker.

## **Additions/Deletions to the Agenda**

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

- 1. Technical Committee Report** *(Oral)*
  - Regional Contract Negotiations Update
- 2. Action Item**
  - A. Meeting Minutes for February 6, 2020
  - B. IEUA Ten Year Forecast
  - C. Proposed Policy Committee Meeting Time *(Oral)*
- 3. Informational Items**
  - A. FY 2020/21 Proposed Budget Amendment for Regional Wastewater and Recycled Water Programs and Rate Study Update
  - B. Operations Division Quarterly Update
  - C. Recycled Water Program Semi-Annual Update
  - D. Policy Committee Chair Rotation
- 4. Receive and File**
  - A. Mid-Year Building Activity Report
  - B. Recycled Water Distribution – Operations Summary
  - C. Legislative Bill Matrix
- 5. Other Business**
  - A. IEUA General Manager's Update
  - B. Committee Member Requested Agenda Items for Next Meeting
  - C. Committee Member Comments
  - D. Next Meeting – June 4, 2020
- 6. Adjournment**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Recording Secretary (909) 993-1944, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

**DECLARATION OF POSTING**

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I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted to the IEUA Website at [www.ieua.org](http://www.ieua.org) and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, April 30, 2020.



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Laura Mantilla

**ACTION ITEM**

**2A**



## Regional Sewerage Program Policy Committee Meeting

### MINUTES OF FEBRUARY 6, 2020 MEETING

#### **CALL TO ORDER**

A meeting of the IEUA/Regional Sewerage Program Policy Committee was held on Thursday, February 6, 2020, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Chairwoman Tenice Johnson, City of Montclair, called the meeting to order at 4:02 p.m.

#### **ATTENDANCE**

##### **Committee Members:**

Eunice Ulloa	City of Chino
Randall Reed	Cucamonga Valley Water District
Peter Rogers	City of Chino Hills
Phillip Cothran (Alternate)	City of Fontana
Kati Parker	Inland Empire Utilities Agency
Tenice Johnson	City of Montclair
Jim Bowman	City of Ontario

##### **Absent:**

Debbie Stone	City of Upland
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##### **Others Present:**

Amanda Coker	City of Chino
Noel Castillo	City of Montclair
Courtney Jones	City of Ontario
John Bosler	Cucamonga Valley Water District
Eduardo Espinoza	Cucamonga Valley Water District
Kathy Besser	Inland Empire Utilities Agency
Jerry Burke	Inland Empire Utilities Agency
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Christiana Daisy	Inland Empire Utilities Agency
Shivaji Deshmukh	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency

**Others Present (continued):**

Laura Mantilla	Inland Empire Utilities Agency
Ken Monfore	Inland Empire Utilities Agency
Cathleen Pieroni	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency

**PLEDGE OF ALLEGIANCE**

Tenice Johnson/City of Montclair led those present in the pledge of allegiance to the flag. A quorum was present.

**PUBLIC COMMENTS**

There were no public comments.

**ADDITIONS/CHANGES TO THE AGENDA**

There were no additions or changes to the agenda.

**1. TECHNICAL COMMITTEE REPORT**

Noel Castillo/City of Montclair reported that on January 30, 2020, the Technical Committee recommended the IEUA Board of Directors award the construction contract for the RP-4 Primary Clarifier and Process rehabilitation project. The Technical Committee also authorized IEUA to initiate the Pilot Return to Sewer Flow Study. Mr. Castillo then provided an update on the Regional Contract negotiations. He stated the member agencies continue to make progress and are putting a plan together in expectation of completing the negotiation process in June 2020.

Randall Reed/Cucamonga Valley Water District asked about the Pilot Return Sewer Flow Study and the necessity for it. Mr. Tam/IEUA responded that the study is part of IEUA's overall evaluation of sewer connection fees and also related to the rate study as well. He explained that the study will look to generate return to sewer factors based on the overall water use for each parcel in the Pilot Study area and subtracting outdoor water use. The return to sewer factor can then be used to re-evaluate the Equivalent Dwelling Unit (EDU) equation in Exhibit J of the Regional Contract. Mr. Reed asked how it will apply to agencies that do not budget based rates. Christina Valencia/IEUA stated the study is needed to ensure a basis is established for how water is being used by residents, commercial and industrial, which is the only way for IEUA to equitably define an EDU.

Mr. Tam further stated that the study will look at pilot study area to see if the methodology is feasible based on the dataset. If it is, IEUA would come back to the Technical Committee to evaluate a return to sewer factor for the other contracting agency service areas. Mr. Reed asked how long IEUA has studied the EDU and sewer rate. Mr. Tam stated that a previous study, (referred to as the Carollo Study) to re-evaluate the EDU definition began approximately in 2017 and the study was ultimately paused in 2018. Mr. Tam also stated there is a statewide study being conducted by CASA also seeking to evaluate the EDU by performing wastewater sampling and flow

monitoring and this study is anticipated to be completed by the end of this year. Mr. Reed asked when does IEUA expect the pilot study to be completed for the Committee to review. Mr. Tam responded that the duration of the Pilot Study will be for 6 months and will hopefully serve as a supplement to the CASA study as the Agency will be looking at the EDU as it relates to the rates in January 2021. Mr. Reed asked when the pilot study is over, will the data be used. Mr. Tam replied that the data and results would be shared with Technical Committee for further evaluation.

## **2. ACTION ITEMS**

### **A. APPROVAL OF THE MINUTES OF THE NOVEMBER 7, 2019 POLICY COMMITTEE MEETING**

**Motion:** By Eunice Ulloa/City of Chino and seconded by Jim Bowman/City of Ontario to approve the meeting minutes of the November 7, 2019 Regional Policy Committee meeting.

**Motion carried:** Unanimously approved.

### **B. RP-4 PRIMARY CLARIFIER AND PROCESS REHABILITATION CONSTRUCTION CONTRACT AWARD**

Jerry Burke/IEUA gave an overview of the RP-4 Primary Clarifier and Process Rehabilitation Construction project located in the city of Rancho Cucamonga. The overall goal is to extend the useful life of the plant. Mr. Burke stated that some of the major items in the project scope include rehabilitation of the pump station at the lagoon, upgrades to headworks, primary/secondary clarifiers, as well as re-establish the Grit Chamber No. 1. In December 2019, IEUA received three construction bids. The lowest responsive, responsible bidder was M. Lyles for \$10,553,000.

Mr. Burke also stated, that in this action, IEUA is requesting approval to award an amendment to the engineer's contract for engineering services during construction of approximately \$847,000. The purpose of the amendment is to help complete the construction by reviewing submittals and performing the technical check and providing support as needed through the construction phase. Mr. Burke noted that the project will still be under budget. The project is expected to be completed in August 2021. IEUA is requesting the Technical Committee recommend the IEUA Board of Directors award the construction contract for the RP-4 Primary Clarifier and Process Rehabilitation to W.M. Lyles Co., for \$10,553,000.

**Motion:** By Peter Rogers/City of Chino Hills and seconded by Phillip Cothran/City of Fontana to recommend to the IEUA Board of Directors to award the construction contract for the RP-4 Primary Clarifier and Process Rehabilitation, Project Nos. EN17043/EN17110, to W.M. Lyles Co., for the not-to-exceed amount of \$10,553,000.

**Motion carried:** Unanimously approved.

## **3. INFORMATIONAL ITEMS**

### **A. DRAFT CALIFORNIA 2020 WATER RESILIENCE PORTFOLIO**

Cathleen Pieroni/IEUA stated that the Governor issued Executive Order N-10-19, directing state agencies to develop recommendations to meet California's water needs. In response to the Order, the 2020 Water Resilience Portfolio was drafted and published in December 2019. The

goals and actions of the draft portfolio are organized into four categories: 1) Maintain and diversify water supplies; 2) Protect and enhance natural ecosystems; 3) Build connections; and 4) Be prepared. Ms. Pieroni stated that the report consists of more than 130 recommended actions within the four major categories to meet Californian's water needs.

Ms. Pieroni stated that the summary of recommended actions was presented to the Technical Committee for input. She informed the Committee that the comment letter that was distributed to the Policy Committee will be sent out today and was emailed to the water managers for their use. The comments to the draft 2020 Water Resilience Portfolio are due February 7.

#### **4. RECEIVE AND FILE**

##### **A. BUILDING ACTIVITY REPORT**

The Building Activity Report for November 2019 was received and filed by the Committee.

##### **B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY**

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

##### **C. PROPOSED 2020 IEUA LEGISLATIVE POLICY PRINCIPLES**

The Proposed 2020 IEUA Legislative Policy Principles was received and filed by the Committee.

##### **D. STATE LEGISLATIVE REPORT**

The State Legislative Report was received and filed by the Committee.

##### **E. IEUA RATE STUDY WORKSHOP #6 AND #7**

The IEUA Rate Study Workshop #6 and #7 were received and filed by the Committee.

##### **F. 2020 LAND USE DEMAND MODEL**

The 2020 Land Use Demand Model was received and filed by the Committee.

##### **G. PILOT RETURN TO SEWER FLOW STUDY**

The proposed scope of work for the IEUA Pilot Return to Sewer Flow Study was received and filed by the Committee.

#### **5. OTHER BUSINESS**

##### **A. IEUA GENERAL MANAGER'S UPDATE**

General Manager Shivaji Deshmukh gave the following updates:

- The Special Joint IEUA Board and Regional Sewerage Policy Committee Workshop scheduled for March 4 was cancelled to allow staff more time to reexamine the assumptions based on the comments received from the Rate Study Workshop related to recycled water.
- The General Managers from the Regional Contract agencies met on January 28 to discuss issues related to the Regional Contract, the Chino Basin Program, and administrative items.
- IEUA has presented to the Technical Committee the potential Jurupa Community Services District (JCSD) recycled water intertie. A presentation on the potential project



was made by JCSD and IEUA staff to the Western Riverside County Regional Wastewater Authority on January 23. IEUA continues to evaluate the value and benefits for new recycled water to IEUA's service area.

- The Division of Drinking Water (DDW) released the anticipated notification and response levels related to two constituents of emerging concern under the Per and Polyfluoroalkyl (PFAS) umbrella. IEUA will be working with CBWM and IEUA customers to develop how this impacts IEUA's service area.

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

There were no requested agenda items from the Committee members.

**C. COMMITTEE MEMBER COMMENTS**

Randall Reed/CVWD introduced himself to the Committee. He stated that he recently retired from IEUA and has 31 years of experience in wastewater. Mr. Reed has been a Board member of CVWD since 2003. He stated he looks forward to working with everyone.

Jim Bowman/City of Ontario proposed starting the Policy Committee meetings at 3:30 p.m. instead of 4:00 p.m. The Committee discussed and agreed to meet at 3:30 p.m.

**D. NEXT MEETING – MAY 7, 2020**

**6. ADJOURNMENT**

The meeting was adjourned at 5:26 p.m.

Transcribed by:

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Laura Mantilla, Executive Assistant

**ACTION ITEM**

**2B**



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Date: April 30th, 2020

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: IEUA Ten-Year Forecast

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### **RECOMMENDATION**

It is requested that the Regional Committees recommend the IEUA Board of Directors adopt the Fiscal Year 2020/21-2029/30 Ten-Year Forecast.

### **BACKGROUND**

Each year, pursuant to the terms of the Regional Sewage Service Contract, the Inland Empire Utilities Agency submits a Ten-Year Forecast (TYF) of capacity demands and capital projects to the Regional Technical and Policy Committees. The current TYF identifies projects for the fiscal years of 2020/21 through 2029/30 and includes updated forecasts for new wastewater connection equivalent dwellings units, wastewater strengths and flows.

Although the TYF is a planning level document, it is instrumental for budget discussions; total project budgets for the ten-year period are consistent with the adopted Fiscal Year 2019/20 Biennial Budget. Major projects in the TYF include: the expansion of the liquids treatment and the construction of a wastewater solids handling facility at Regional Water Recycling Plant No. 5, which will replace Regional Water Recycling Plant No. 2 infrastructure located in a flood zone; rehabilitation and upgrades to Regional Water Recycling Plant No.4; the completion of the groundwater basin improvements per the 213 Recharge Master Plan Update; and the liquids capacity recovery and solids treatment expansion of the Water Recycling Plant No. 1. A summary of the ten-year forecast project costs by fund is summarized below.

Fund	FY 2020/21
Administrative Services Fund (GG)	\$ 10.3 M
Non-Reclaimable Wastewater Fund (NC)	\$ 32.2 M
Regional Capital Improvement Fund (RC)	\$ 678.0 M
Regional Operations and Maintenance (RO)	\$ 105.7 M
Recharge Water Fund (RW)	\$ 21.2 M
Recycled Water Fund (WC)	\$ 60.9 M
Water Resources Fund (WW)	\$12.4
<b>TOTAL</b>	<b>\$ 920.7 M</b>

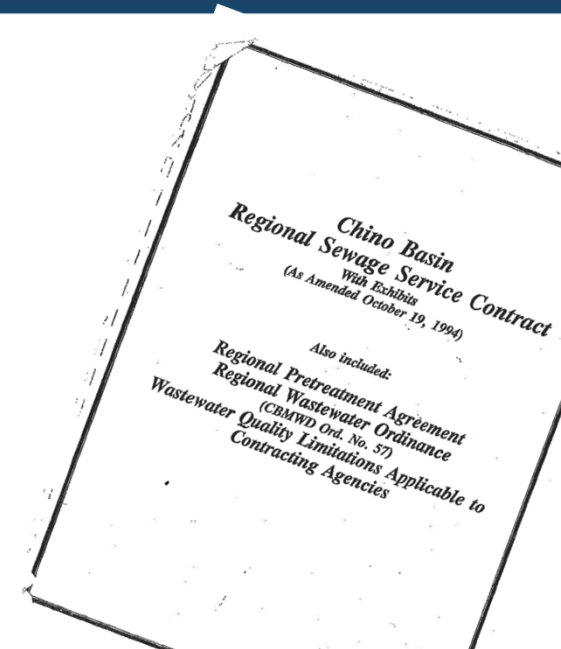
The TYF covers many programs and projects that directly align with several Agency Business Goals, including *Water Reliability*, *Wastewater Management*, *Environmental Stewardship*, and *Fiscal Responsibility*.

# IEUA Ten-Year Forecast



# IEUA's Contractual Requirements & Key Drivers

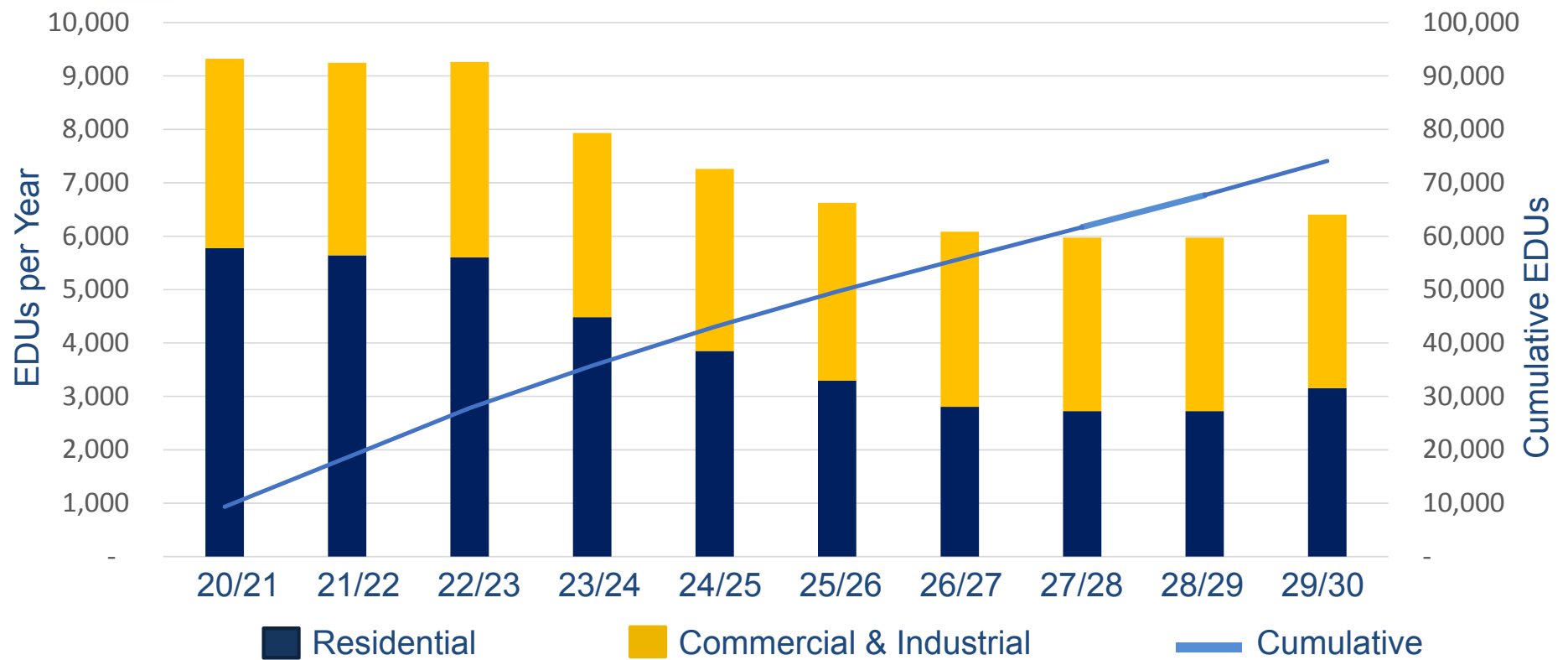
- Member Agency growth projections
  - 78% growth in cities of Fontana and Ontario
- Wastewater flow decreasing
- Wastewater concentrations increasing
- Project Drivers:
  - Safety and regulatory requirements
  - Repair and replacement projects
  - Growth and concentrations



## Regional Contract Section 9

"CBMWD shall prepare and deliver...a ten-year forecast of the Capacity Demands of all Contracting Agencies and a forecast of the dates of commencement and completion of the design and construction of capital improvement projects which will be necessary to enable the Regional Sewerage System to meet the forecasted Capacity Demands...."

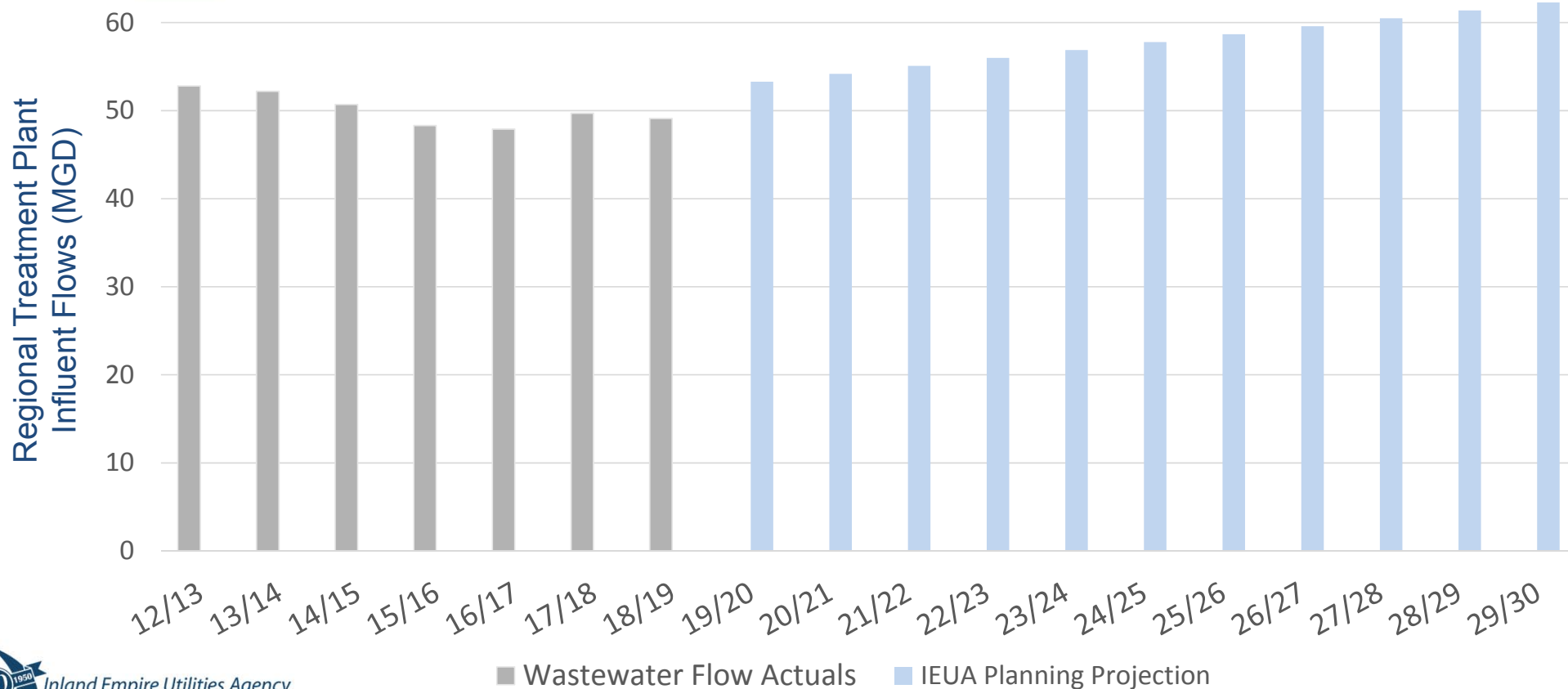
# New Equivalent Dwelling Unit (EDU) Forecast (2019 Regional Contracting Agency Data)



*\*EDUs based on updated projections received by Regional Contract Agencies Nov. 2019*

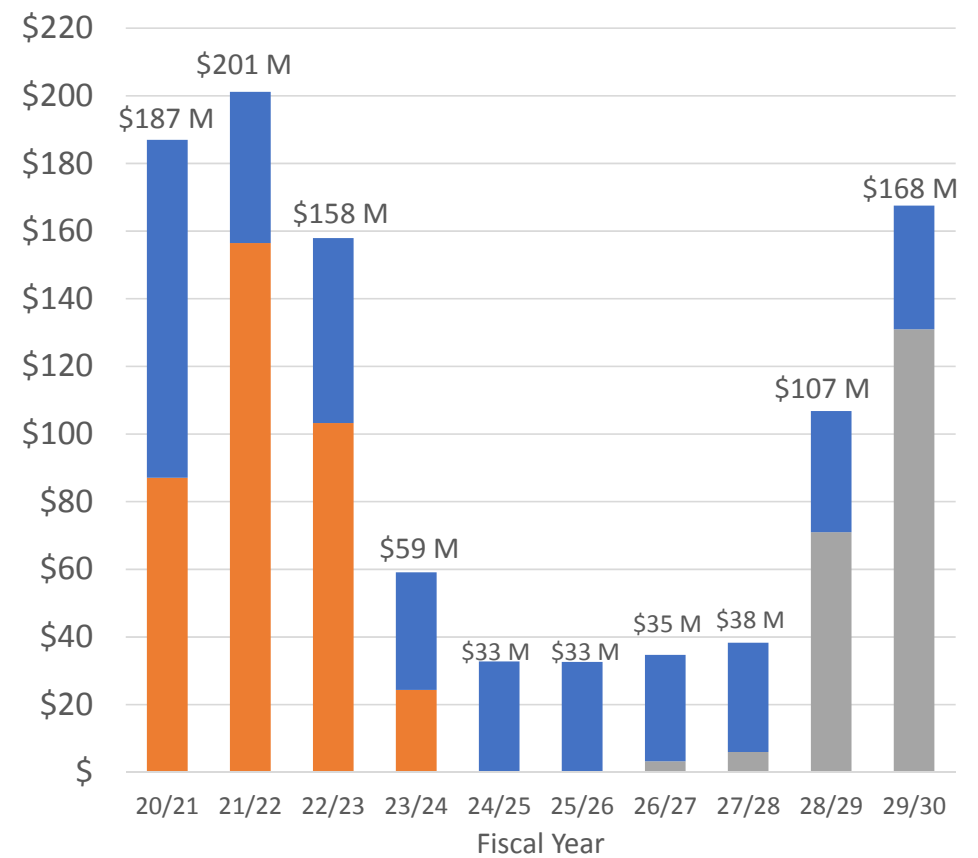
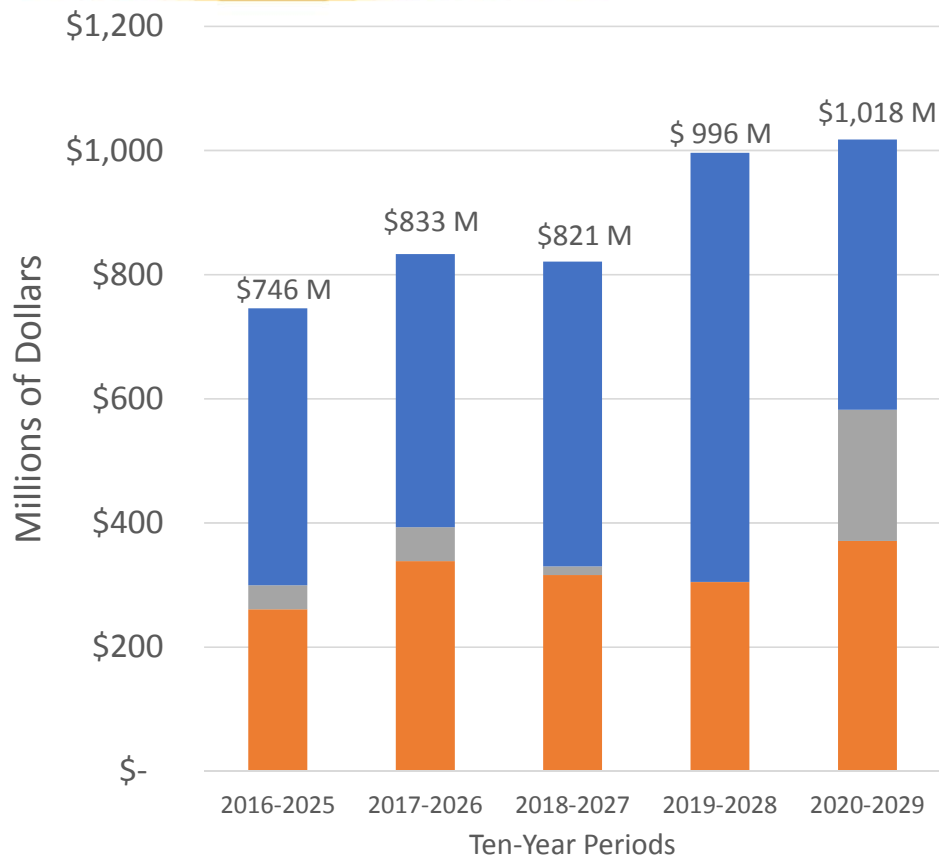
# 2020-2030 Wastewater Flow Projections

Projections based on 2015 wastewater master plan,  
adjusted per actual flows.





# Comparison of Prior Ten-Year Forecasts



■ Other ■ RP-5 Expansion ■ RP-1 Capacity Improvement

# Fiscal Year 20/21 Ten Year Forecast Adoption Schedule

- ✓ 3/18/20: Info item to IEUA Board
- ✓ 3/26/20: Info item to Tech Committee
- ✓ 4/02/20: Info item to Policy Committee
- ✓ 4/09/20: Received Comments on TYF
- 4/30/20: Action item to Tech Committees
- 5/07/20: Action item to IEUA Policy Committees
- 5/13/20: Action item to IEUA Committees
- 5/20/20: Action item to IEUA Board



# Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors adopt the Fiscal Year 2020/21 – 2029/30 Ten Year Forecast.

The TYF covers many programs and projects that directly align with several Agency Business Goals, including ***Water Reliability, Wastewater Management, Environmental Stewardship, and Fiscal Responsibility.***

**INFORMATION  
ITEM**

**3A**



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TEL (909) 993-1600 • FAX (909) 993-1985  
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Date: April 30, 2020/May 7, 2020  
To: Regional Sewerage Committees  
From: Inland Empire Utilities Agency  
Subject: Review of the Proposed FY 2020/21 Budget Amendment for Regional Wastewater and Recycled Water Programs

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### **RECOMMENDATION**

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

### **BACKGROUND**

The item was presented as an information item at the IEUA Board of Directors meeting on April 15, 2020.

*Water Smart – Thinking in Terms of Tomorrow*

**Kati Parker**  
President

**Jasmin A. Hall**  
Vice President

**Steven J. Elie**  
Secretary/Treasurer

**Michael E. Camacho**  
Director

**Paul Hofer**  
Director

**Shivaji Deshmukh**  
General Manager

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**Date:**

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager

**Committee:**

**Subject:**

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**Executive Summary:**

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**Staff's Recommendation:**

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

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**Prior Board Action:**

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**Environmental Determination:**

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**Business Goal:**

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**Attachments:**

## Background

Subject: Fiscal Year 2020/21 Proposed Budget Amendment for the Regional Wastewater and Recycled Water Programs

### Fiscal Year 2020/2021 Proposed Budget Amendments

On June 19, 2019 the Board of Directors approved the Agency's Biennial Budget for fiscal years (FYs) 2019/20 and 2020/21, and Ten-Year Capital Improvement Plan (TYCIP) for FYs 2020-2029. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions. Summarized below are the proposed amendments recommended for FY 2020/21 total Sources and Uses of funds.

**Table 1: FY 2020/21 Proposed Budget Amendments (\$Millions)**  
**Regional Wastewater and Recycled Water Programs**

Consolidated FY 2020/21	Adopted	Proposed	Amendment Amount
<b>Sources of funds</b>	\$271.9	\$ 259.1	<b>(\$12.8)</b>
<b>Uses of funds</b>	(\$269.3)	(\$271.9)	<b>\$2.6</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$2.6</b>	<b>(\$12.8)</b>	<b>(\$15.4)</b>

### TOTAL SOURCES OF FUNDS

The \$12.8 million decrease to Sources of Funds is due to change in the assumptions reflecting a decrease in proceeds from federal and state loans, recycled water sales, and interest earnings. The distribution by program and major category of the proposed Sources of Funds is shown below in Table 2.

**Table 2: FY 2020/21 Proposed Amendment to Sources of Funds (\$Millions)**  
**Regional Wastewater and Recycled Water Programs**

Sources of Funds	Adopted	Proposed	Amendment Amount
<b>User Charges</b>	\$70.4	\$70.4	<b>\$0.0</b>
<b>Federal and State Loans</b>	85.4	70.8	<b>(14.6)</b>
<b>Property Tax</b>	46.8	46.8	<b>0.0</b>
<b>Connection Fees</b>	36.7	36.8	<b>0.1</b>
<b>Recycled Water Sales</b>	18.8	17.3	<b>(1.5)</b>
<b>Grants</b>	4.9	6.9	<b>2.0</b>
<b>Capital Reimbursement</b>	5.0	6.2	<b>1.2</b>
<b>*Other Sources</b>	3.9	3.9	<b>0.0</b>
<b>Total</b>	<b>\$271.9</b>	<b>\$259.1</b>	<b>\$12.8</b>

*\*Other Sources includes contract cost reimbursements, interest income, and miscellaneous revenue.*



**Connection Fees:** Wastewater connection units remain unchanged from the adopted 4,000 equivalent dwelling units (EDUs). Water connections units increased by 70-meter equivalent units (MEUs) to align with current pace of construction activity anticipated to continue in FY 2020/21.

**Recycled Water:** Projected recycled water direct and groundwater sales updated assumptions decreased from the adopted 36,000 acre-feet (AF) to 33,100 AF for FY 2020/21. The reduction is consistent with the current recycled water sales volume trend, resulting in a decrease in revenue projections by \$1.5 million.

**State Loans and Grants:** The decrease is the result of delays at the State Water Resources Control Board in securing State Revolving Fund (SRF) loans to support the RP-5 Expansion and Solids Handling Facility projects planned for FY 2020/21 in the Regional Wastewater program. Due to the uncertainty in the availability of SRF loan funding, a key assumption in the adopted and amended FY 2020/21 budget is pay-go funding of planned capital projects

## TOTAL USES OF FUNDS

The \$2.6 million change in total Uses of Funds is primarily due to an increase in non-capital project expenditures (Regional System Asset Management projects) offset by decrease in capital project spending. Table 3 below provides a summary by program and category.

**Table 3: FY 2020/21 Proposed Amendments to Uses of Funds (\$Millions)  
Regional Wastewater and Recycled Water Programs**

Uses of Funds	Adopted	Proposed	Amendment Amount
<b>Capital Projects</b>	\$147.6	\$142.6	<b>(\$5.0)</b>
<b>Operations &amp; Administration</b>	87.6	93.5	<b>5.9</b>
<b>Debt Service</b>	26.0	26.2	<b>0.2</b>
<b>Inter-Fund Transfers</b>	8.1	9.7	<b>1.5</b>
<b>Total</b>	<b>\$269.3</b>	<b>\$271.9</b>	<b>\$2.6</b>

**Operations & Administration:** Overall, the same level of expenditures for operations & administration cost was maintained. The only change in this category is in the non-capital project costs mainly due to the TCE Plume Cleanup projects and the acceleration of the Regional System Asset Management projects. Amendments to non-capital project costs are reflected at the latest Ten-Year Forecast (TYF) report.

**Capital Projects:** Decrease is primarily due to changes in project scope and project execution timelines. Amendments to capital project costs are reflected at the latest Ten-Year Forecast (TYF) report.

**Inter-Fund Transfers:** Increase was mainly due to support for Administrative Services program related projects like the PFAS and California Energy Commission (CEC) Testing and Headquarters Driveway improvements.

### **Adopted Multi-Year Rates**

In November 2019, the Board adopted the FY 2020/21 and 2021/22 *EDU monthly sewer rates*. FY 2019/20 is the final year of the five-year rates adopted by the Board for the Agency's Regional Wastewater Operations and Maintenance fund. The adopted rates for FYs 2020/21 and 2021/22 represent an increase of three percent each year to support the costs on the Regional Wastewater Operations & Maintenance fund.

The Regional Wastewater *connection fee rates* are proposed to increase at three percent each year for FYs 2020/21 and 2021/22. The proposed two-year rate will allow the Agency to complete pilot studies to develop an updated EDU methodology, the basis for the wastewater sewer rates and connection fees.

The Recycled Water *direct delivery volumetric rates* are proposed to increase at three percent each year for FYs 2020/21 and 2021/22. No increase to the groundwater recharge surcharge is proposed. Recycled water rates will continue to be evaluated and refined to ensure long-term program sustainability.

The multi-year rates support the Board's commitment to set rates and fees, is proven to be beneficial to both the Agency and its member agencies in terms of predictability, lessens the process to comply with the Proposition 218 requirements, provides revenue stability, and helps achieve rates closer to full cost of service recovery.

**Table 4: Adopted and Proposed Fees and Rates**

	Adopted*	Proposed			
Fund	Wastewater Operation	Wastewater Capital	Recycled Water		
As of July 1	Month Sewer (EDU)	Wastewater Connection Fee (EDU)	Recycled Water Direct Use (AF)	Recycled Water Recharge (AF)	One Water Connection Fee (MEU)
FY 2019/20	\$20.00	\$6,955	\$490	\$550	\$1,684
FY 2020/21	\$20.60	\$7,164	\$504	\$564	\$1,735
FY 2021/22	\$21.22	\$7,379	\$519	\$579	\$1,787
FY 2022/23	To be reviewed based on the sewer use evaluation results		To be determined after additional evaluation to ensure long-term program sustainability		\$1,841
FY 2023/24					\$1,896
FY 2024/25					\$1,953

\*Monthly EDU rates for FYs 2020/21 and 2021/22 adopted November 2019 as unanimously recommended by the Regional Committees.

**Conclusion**

The proposed FY 2020/21 amendments will decrease the net position of the Regional Wastewater and Recycled Water programs to (\$12.8) million compared to FY 2020/21 Adopted Budget increase in net position of \$2.6 million. This reduction is primarily due to lower SRF loans secured to support capital projects in the Recycled Water and Regional Wastewater programs.

The proposed amendment to the FY 2020/21 Adopted Budget for the Agency's programs is consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices*.

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2020/21 MID-YEAR BUDGET**  
**REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED BUDGET
<b>REVENUES</b>					
Interest Revenue	\$838	\$790	\$790	\$826	\$826
<b>TOTAL REVENUES</b>	<b>\$838</b>	<b>\$790</b>	<b>\$790</b>	<b>\$826</b>	<b>\$826</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt and Capital	\$34,476	\$34,037	\$34,037	\$35,058	\$35,058
Regional System Connection Fees	22,435	27,820	27,820	28,655	28,655
State Loans	-	9,800	9,800	80,250	65,293
Other Revenues	23	1	1	1	1
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$56,938</b>	<b>\$71,658</b>	<b>\$71,658</b>	<b>\$143,963</b>	<b>\$129,006</b>
<b>EXPENSES</b>					
Employment Expenses	\$3,899	\$3,613	\$3,613	\$3,743	\$3,743
Contract Work/Special Projects	134	125	246	-	-
Operating Fees	263	267	267	275	275
Professional Fees and Services	295	407	705	420	420
Other Expenses	969	1,548	1,548	1,535	1,535
<b>TOTAL EXPENSES</b>	<b>\$5,560</b>	<b>\$5,960</b>	<b>\$6,378</b>	<b>\$5,973</b>	<b>\$5,973</b>
<b>CAPITAL PROGRAM</b>					
Work In Progress	\$24,845	\$24,824	\$24,824	\$102,243	\$98,645
IERCA investment	-	500	500	500	500
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$24,845</b>	<b>\$25,324</b>	<b>\$25,324</b>	<b>\$102,743</b>	<b>\$99,145</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$211	\$139	\$139	\$256	\$256
Interest	2,786	3,017	3,017	2,656	2,656
Principal	8,922	9,370	9,370	9,630	9,630
<b>TOTAL DEBT SERVICE</b>	<b>\$11,919</b>	<b>\$12,526</b>	<b>\$12,526</b>	<b>\$12,543</b>	<b>\$12,543</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	\$4,426	\$3,399	\$3,399	\$10,426	(\$805)
Debt Service	(3,174)	(3,299)	(3,299)	(3,327)	(3,192)
Capital - Connection Fees Allocation	(5,008)	(8,984)	(8,984)	(8,656)	(12,595)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$3,755)</b>	<b>(\$8,883)</b>	<b>(\$8,883)</b>	<b>(\$1,556)</b>	<b>(\$16,591)</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$11,697	\$19,755	\$19,336	\$21,974	(\$4,420)
Beginning Fund Balance July 01	84,996	88,794	88,794	108,548	108,130
<b>ENDING FUND BALANCE AT JUNE 30*</b>	<b>\$96,693</b>	<b>\$108,548</b>	<b>\$108,130</b>	<b>\$130,523</b>	<b>\$103,709</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital Construction	\$14,645	\$20,434	\$17,485	\$83,645	\$14,187
CCRA Capital Construction	66,474	72,262	75,294	30,916	73,948
Debt Service & Redemption	15,574	15,853	15,351	15,962	15,574
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$96,693</b>	<b>\$108,548</b>	<b>\$108,130</b>	<b>\$130,523</b>	<b>\$103,709</b>

\*Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2020/21 MID-YEAR BUDGET**  
**REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID YEAR
<b>REVENUES</b>					
User Charges	\$66,499	\$68,158	\$68,158	\$70,366	\$70,366
Cost Reimbursement JPA	4,024	4,065	4,065	4,227	4,227
Contract Cost Reimbursement	111	66	66	66	66
Interest Revenue	1,667	1,700	1,700	1,300	1,300
<b>TOTAL REVENUES</b>	<b>\$72,301</b>	<b>\$73,988</b>	<b>\$73,988</b>	<b>\$75,959</b>	<b>\$75,959</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax Revenues - Debt/Capital	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549
State Loans	2,519	0	0	0	0
Grants	712	1,261	7,570	1,135	3,794
Other Revenues	385	909	909	909	909
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$13,164</b>	<b>\$11,718</b>	<b>\$18,027</b>	<b>\$11,593</b>	<b>\$14,252</b>
<b>EXPENSES</b>					
Employment Expenses	\$28,726	\$33,985	\$33,985	\$35,261	\$35,261
Contract Work/Special Projects	4,744	5,800	13,409	6,425	11,744
Utilities	5,318	6,022	6,272	6,266	6,266
Operating Fees	1,613	1,953	1,953	2,015	2,015
Chemicals	4,572	4,867	5,235	5,013	5,013
Professional Fees and Services	2,971	4,723	5,171	4,226	4,226
Biosolids Recycling	4,305	4,384	4,389	4,515	4,515
Materials & Supplies	2,074	2,019	2,230	2,064	2,064
Other Expenses	2,728	4,277	4,277	4,231	4,231
<b>TOTAL EXPENSES</b>	<b>\$57,052</b>	<b>\$68,034</b>	<b>\$76,925</b>	<b>\$70,020</b>	<b>\$75,339</b>
<b>CAPITAL PROGRAM</b>					
Capital Construction & Expansion (WIF)	\$20,629	\$25,988	\$26,547	\$21,047	\$39,887
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$20,629</b>	<b>\$25,988</b>	<b>\$26,547</b>	<b>\$21,047</b>	<b>\$39,887</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$0	\$0	\$0	\$0	\$0
Interest	819	655	655	641	627
Principal	728	756	756	771	754
<b>TOTAL DEBT SERVICE</b>	<b>\$1,548</b>	<b>\$1,412</b>	<b>\$1,412</b>	<b>\$1,412</b>	<b>\$1,381</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	(\$3,559)	(\$4,598)	(\$4,598)	(\$11,010)	(\$1,368)
Debt Service		265		123	
Operation support to GG for Non-Cap	(320)	(2,176)	(2,176)	(1,307)	(1,987)
Capital - Connection Fees Allocation	4,481	5,717	5,717	4,785	10,378
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>\$909</b>	<b>(\$792)</b>	<b>(\$792)</b>	<b>(\$7,409)</b>	<b>\$7,133</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$7,163	(\$10,519)	(\$13,269)	(\$12,335)	(\$19,263)
Beginning Fund Balance July 01	76,837	76,428	84,000	65,909	70,731
<b>ENDING FUND BALANCE JUNE 30*</b>	<b>\$84,000</b>	<b>\$65,909</b>	<b>\$70,731</b>	<b>\$53,574</b>	<b>\$51,468</b>
<b>RESERVE BALANCE SUMMARY</b>					
Operating Contingies	\$17,701	\$21,323	\$24,156	\$21,931	\$23,704
Rehabilitation/Replacement	27,331	10,783	10,500	10,783	7,311
Debt Service	1,412	1,412	1,412	1,412	1,381
Sinking Fund	37,557	32,390	34,663	19,448	19,072
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$84,000</b>	<b>\$65,909</b>	<b>\$70,731</b>	<b>\$53,574</b>	<b>\$51,468</b>

\*Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2020/21 MID-YEAR BUDGET**  
**RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
	ADOPTED	AMENDED	ADOPTED	AMENDED	
	ACTUAL	BUDGET	BUDGET	BUDGET	MID-YEAR
<b>REVENUES</b>					
Interest Revenue	\$769	\$983	\$983	\$949	\$857
Water Sales	13,902	18,120	18,120	18,752	17,289
<b>TOTAL REVENUES</b>	<b>\$14,670</b>	<b>\$19,103</b>	<b>\$19,103</b>	<b>\$19,701</b>	<b>\$18,145</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt/Capital	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	5,916	7,915	7,915	8,032	8,154
State Loans	2,373	8,153	8,153	5,220	5,554
Grants	753	7,032	7,032	3,750	3,120
Capital Contract Reimbursement	88	2,075	2,075	702	1,875
Other Revenues	24	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 11,324</b>	<b>\$ 27,345</b>	<b>\$ 27,345</b>	<b>\$ 19,875</b>	<b>\$ 20,873</b>
<b>EXPENSES</b>					
Employment Expenses	\$4,451	\$5,184	\$5,184	\$5,370	\$5,370
Contract Work/Special Projects	1,333	1,780	2,049	1,365	1,990
Utilities	2,240	2,801	2,721	2,885	2,885
Operating Fees	3	10	10	10	10
Chemicals	0	0	0	0	0
Professional Fees and Services	641	666	1,008	632	632
Office and Administrative expenses	4	3	3	3	3
Materials & Supplies	141	169	184	174	174
Other Expenses	805	1,132	1,185	1,122	1,122
<b>TOTAL EXPENSES</b>	<b>\$9,619</b>	<b>\$11,743</b>	<b>\$12,342</b>	<b>\$11,562</b>	<b>\$12,187</b>
<b>CAPITAL PROGRAM</b>					
Work In Progress	\$6,636	\$18,727	\$23,849	\$23,800	\$3,570
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$6,636</b>	<b>\$18,727</b>	<b>\$23,849</b>	<b>\$23,800</b>	<b>\$3,570</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$2	\$3	\$3	\$3	\$3
Interest	2,870	2,657	2,657	2,881	2,933
Principal	5,256	5,367	5,367	6,232	6,309
Short Term Inter-Fund Loan	3,000	3,000	3,000	3,000	3,000
<b>TOTAL DEBT SERVICE</b>	<b>\$11,129</b>	<b>\$11,027</b>	<b>\$11,027</b>	<b>\$12,116</b>	<b>\$12,245</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	(\$1,873)	(\$88)	(\$88)	(\$21)	(\$503)
Debt Service	2,394	2,400	2,400	2,542	2,547
Operation support	(526)	(836)	(836)	(755)	(623)
Water Connection Allocation	(454)	(2,021)	(2,021)	(950)	(1,614)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$459)</b>	<b>(\$545)</b>	<b>(\$545)</b>	<b>\$816</b>	<b>(\$194)</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	(\$1,848)	\$4,405	(\$1,315)	(\$7,086)	\$10,823
Beginning Fund Balance July 01	29,628	36,651	27,781	41,056	26,465
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$27,781</b>	<b>\$41,056</b>	<b>\$26,465</b>	<b>\$33,970</b>	<b>\$37,288</b>
<b>RESERVE BALANCE SUMMARY</b>					
Operating Contingency	\$3,206	\$3,914	\$4,114	\$3,854	\$4,062
Capital Construction	1,932	15,511	(2,282)	4,664	5,437
Water Connection	14,615	12,516	15,518	14,478	16,646
Rehabilitation/Replacement (R&R)	0	0	0	1,500	1,500
Debt Service	8,027	9,116	9,116	9,475	9,643
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$27,781</b>	<b>\$41,056</b>	<b>\$26,465</b>	<b>\$33,970</b>	<b>\$37,288</b>

\* Numbers may not total due to rounding

# FY 2020/2021 Proposed Budget Amendments

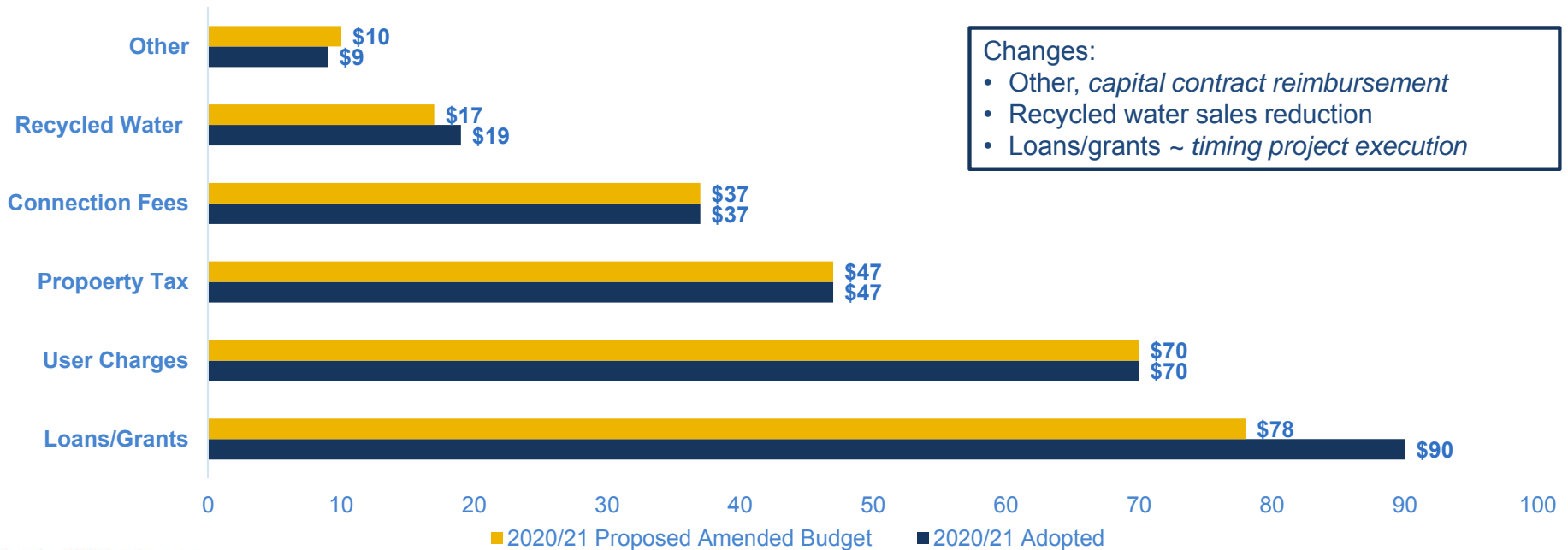
## Regional Wastewater and Recycled Water Programs



# Regional Wastewater and Recycled Water

## SOURCES OF FUNDS

\$ Millions	FY 2020/21 Adopted	FY 2020/21 Proposed	Amendments
Total Sources of Funds	\$271.9	\$259.1	(\$12.8)

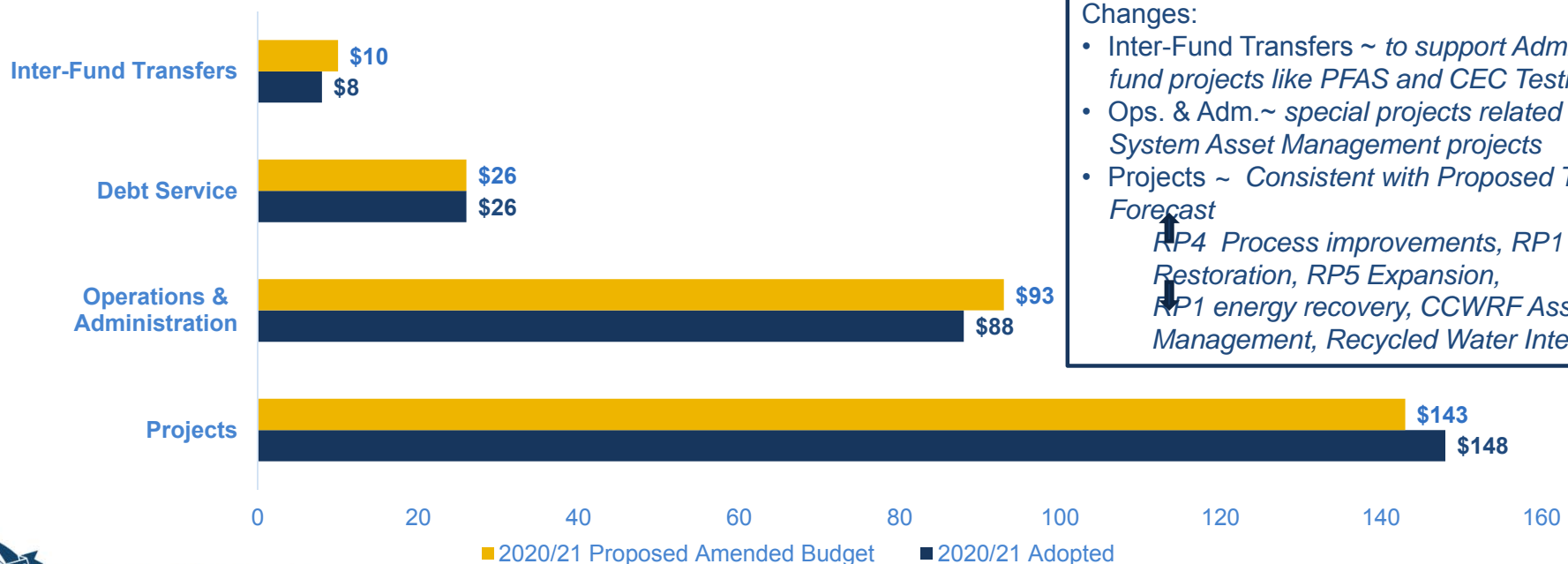




# REGIONAL PROGRAMS USES OF FUNDS

## Regional Wastewater and Recycled Water

\$ Millions	FY 2020/21 Adopted	FY 2020/21 Proposed	Amendments
Total Uses of Funds	\$269.3	\$271.9	\$2.6



### Changes:

- Inter-Fund Transfers ~ to support Admin Services fund projects like PFAS and CEC Testing
- Ops. & Adm. ~ special projects related to Regional System Asset Management projects
- Projects ~ Consistent with Proposed Ten-Year Forecast
  - RP4 Process improvements, RP1 Mechanical Restoration, RP5 Expansion, RP1 energy recovery, CCWRF Asset Management, Recycled Water Interties

# Summary Regional Wastewater and Recycled Water Programs

\$ Millions	FY 2020/21 Adopted	FY 2020/21 Proposed	Amendments
Total Sources of Funds	\$271.9	\$259.1	(\$12.8)
Total Uses of Funds	<u>\$269.3</u>	<u>\$271.9</u>	<u>\$2.6</u>
Increase (decrease) net position	\$2.6	(\$12.8)	(\$15.4)

# Questions



The proposed amendments to the FY 2020/21 Adopted Budget are consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices*.

# 2020 Rate Study Update



# Rates Summary

- FY 2019/20 is the final year of the multi-year rates adopted in 2015-2016
- 2020 Rate Study initiated in March 2019 to adjust rates for the next 5 years

Program	Rates/Fees	Billing Unit	Status
Regional Wastewater	Monthly Sewage Charge	EDU	Completed
	Wastewater Connection Fee	EDU	
Water Resources	Monthly Water Charge	MEU	In Process
Recycled Water	Water Connection Fee	MEU	
	Direct Use	AF	
	Groundwater Recharge	AF	

AF: Acre-foot, EDU: Equivalent Dwelling Unit, MEU: Meter Equivalent Unit

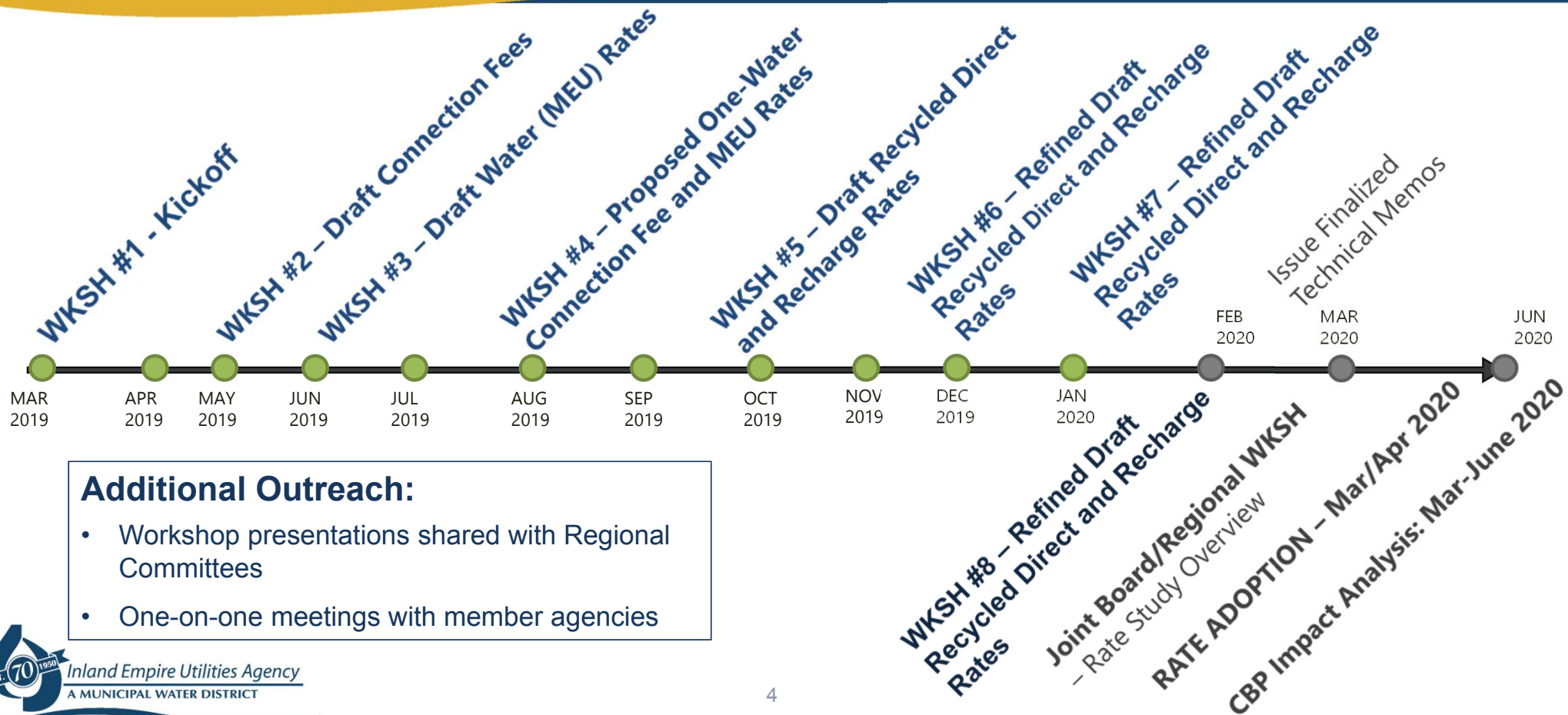
# 2020 Rate Study

## Key Objectives





# 2020 Rate Study Review Process



# Regional Wastewater Program Rates

## ✓ Monthly EDU Sewage Charge

- ✓ Supports costs to maintain the regional wastewater system facilities, infrastructure, debt service costs and fund reserves
- ✓ Board adopted rates in November 2019 for the next two fiscal years as unanimously recommended by the Regional Committees

## • Wastewater Connection Fee

- One-time fee to support new connections to the regional wastewater system
- Proposed adjustments for the next two fiscal years

Rate Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
	Current	Proposed				
Wastewater Connection Fee	\$6,955	\$7,164	\$7,379	To be updated after completion of Flow and Load Sample Study		



# Water Resources Program Proposed Rates

- Monthly Meter Equivalent Unit (MEU) Rate
  - Supports regional water resource planning efforts and coordination with MWD and Watermaster
- MWD Pass-through
  - Readiness to Serve (RTS) and capacity charges

Rate Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Monthly MEU	Current	Proposed				
	\$1.04	\$1.06	\$1.08	\$1.10	\$1.12	\$1.14
RTS Pass-Through	60%	75%	90%	100%	100%	100%

MWD: Metropolitan Water District of Southern California

# Recycled Water Program

## Water Connection Fee

- One-time fee on new or upsized connections to the regional water system
  - Supports capital investment to optimize use of recycled water and associated debt service costs, and
  - Water use efficiency programs to enhance conservation efforts in the region
- Proposed fees based on 2020 Rate Study

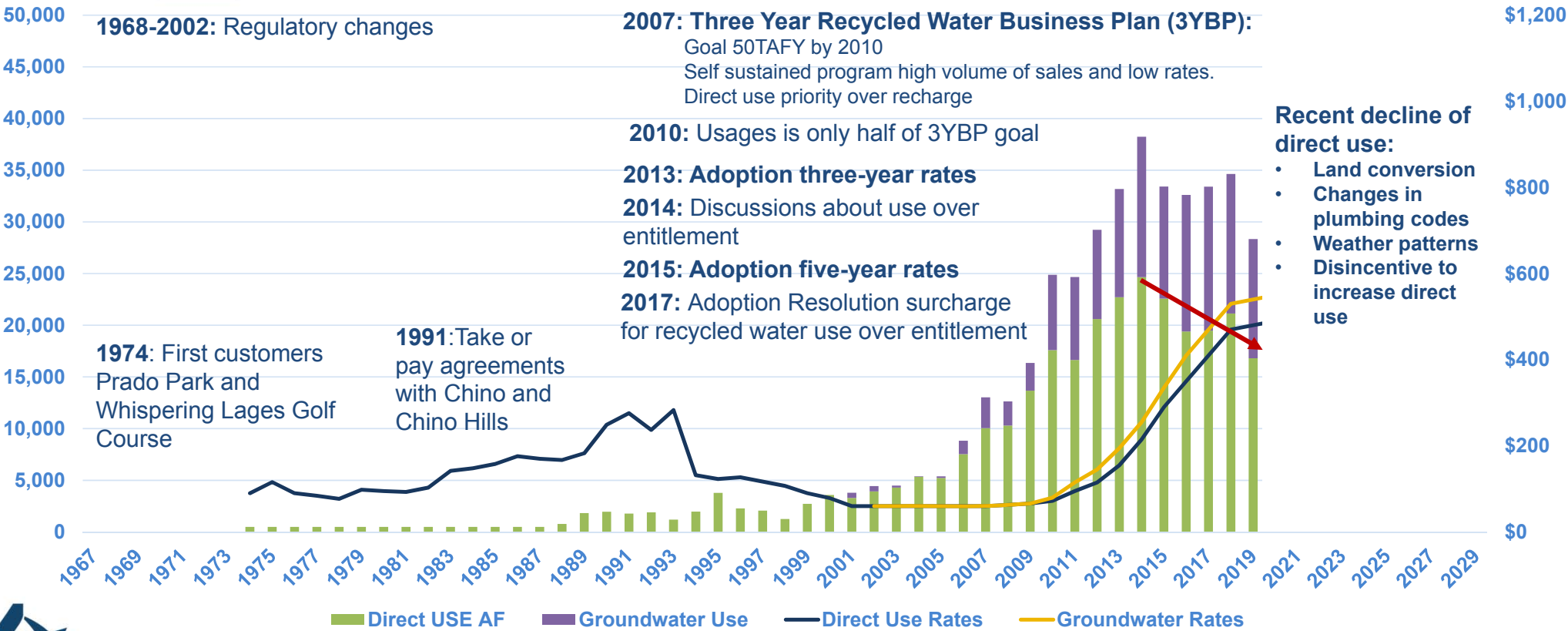
Rate Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Water Connection Fee per *MEU	<b>Current</b>	<b>Proposed</b>				
	\$1,684	<b>\$1,735</b>	<b>\$1,787</b>	<b>\$1,841</b>	<b>\$1,896</b>	<b>\$1,953</b>

\*Meter equivalent unit: 1 MEU = 3/4" or 5/8" average water meter size of a single- family residence

# Recycled Water Program Regulations & IEUA Policies

1968:	State anti-degradation policy (SWRCB 68-16)
1969:	Porter-Cologne Water Quality Control Act by California EPA
1972:	Clean Water Act by Federal EPA
1975:	RWQCB SWRCB adopt Basin Plan for Santa Ana River Basin
1994:	Updated Basin Plan
1995:	SAWPA's Task Force on TDS   Nitrogen
2000:	Water Recycling Law [State Water Code Section 13500]   OBMP
<b>2002:</b>	<b>IEUA Ordinance 75 – Incentives &amp; encourage use of recycled water</b>
2004:	Basin Plan Amendment 001 [“Maximum Benefit” commitments]
<b>2007:</b>	<b>Three Year Recycled Water Business Plan</b>

# Recycled Water System Timeline



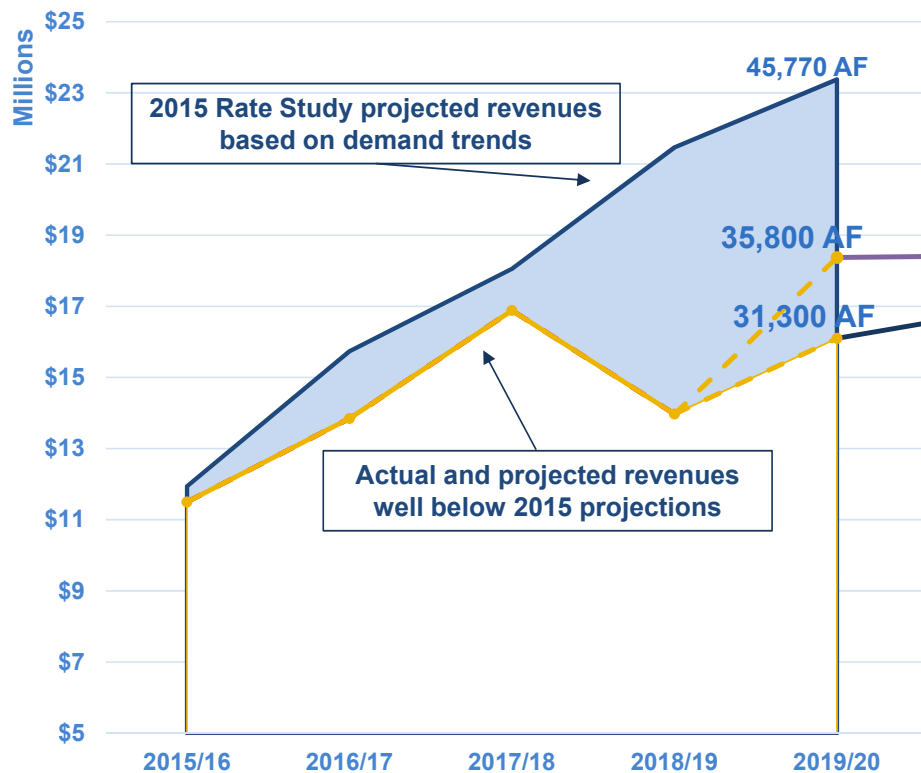
# Recycled Water Program

## Direct Use and Groundwater Rates

Support operational, capital, debt service costs and fund reserves

- Current rates are 100% volumetric
  - Fluctuation in demand directly impacts program revenues
    - 38,000 AF peak in FY 2013/14 to
    - 28,000 AF recent low in FY 2018/19
    - ~32,500 AF average over the last 5 years
- Need to transition to a Fixed/Volumetric rate structure
  - Most program costs are fixed in nature
  - Unpredictable weather patterns = demand fluctuations = uncertain revenue
  - 3YBP goal of 50,000 AFY has not been achieved
    - 50TAFY would have resulted in lower rates
    - Significantly lower demand has resulted in increasing rates

# Recycled Water Program Revenue Trend Last 5 Years



- 2015 Projections were based on increasing usage trend from FY 2011/12 to FY 2013/14
- By end of FY 2019/20, shortfall over the last 5 years could reach up to
  - \$18.3M in less revenues
  - 42,000 AF in less demand
- Impact to the Recycled Water Program:
  - Delayed repayment of \$28.5M interfund loans
  - Underutilization of recycled water infrastructure
  - Program costs not recovered by current rates

# Recycled Water Program

## Need for a More Sustainable Rate Structure

### Why a fixed component?

Most costs are fixed  
Increase reliability  
of funding sources

50 TAF goal is not  
achievable over the  
next 5 years

### Options evaluated to date to mitigate impact to member agencies:

- Fixed charge limited to debt service cost
- More than 7 rate alternatives evaluated, including
  - Phased-in implementation over 4 years starting FY 2023/24
  - Use of water connection fees to reduce fixed charge amount
  - Rate adjustments spread over 5 years to lessen year-to-year adjustments

# Feedback from Member Agencies

- Can property taxes be used to reduce recycled water rates?
- Implementation of fixed charge for recycled water is inequitable among the member agencies.
- Recycled water demand projections are too conservative.
- Justification for staffing levels supporting recycled water/groundwater recharge/water resources planning efforts.
- Menu-based approach for water use efficiency programs and water resources planning initiatives.
- What is the value of MWD Readiness-to-Serve (RTS) to retail agencies?



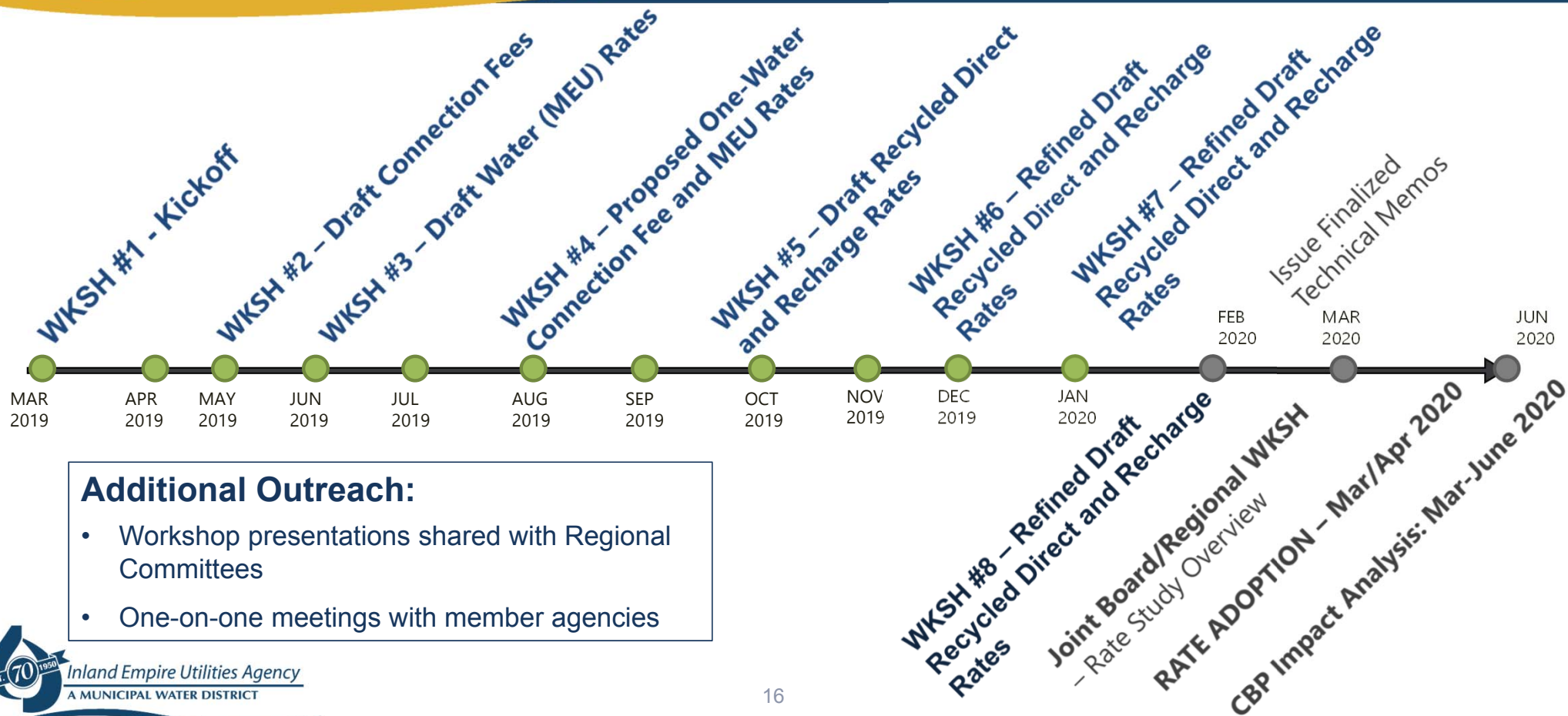
# Recycled Water Program Next Steps

- Need more time to carefully evaluate additional alternatives
  - Evaluation of beneficial use of recycled water by contracting agencies
  - Evaluation of adequate rate structure to support Recycled Water Program long-term sustainability
  - Agreement on AF demand projections
  - Evaluation of current property tax allocation

# Summary Proposed Rates

Program	Rate Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
		Current	<b>Adopted November 2019</b> Effective July 1, 2020		Proposed		
Regional Wastewater	Monthly EDU	\$20.00	\$20.60	\$21.22	To be updated after completion of Flow and Load Sample Study		
	Wastewater Connection Fee per EDU	\$6,955	\$7,164	\$7,379			
Water Resources	Monthly MEU	\$1.04	\$1.06	\$1.08	\$1.10	\$1.12	\$1.14
Recycled Water	Water Connection Fee per MEU	\$1,684	\$1,735	\$1,787	\$1,841	\$1,896	\$1,953
	Direct Delivery Use per AF	\$490	\$505	\$520	Continue evaluation with target completion date of September 2021		
	Groundwater Recharge per AF	\$550	\$565	\$580			

# 2020 Rate Study Review Process





## Questions?

2020 Rate Study Presentation and Technical Memorandums can be found at: <https://www.ieua.org/view-fees-rates/>

**INFORMATION  
ITEM**

**3B**

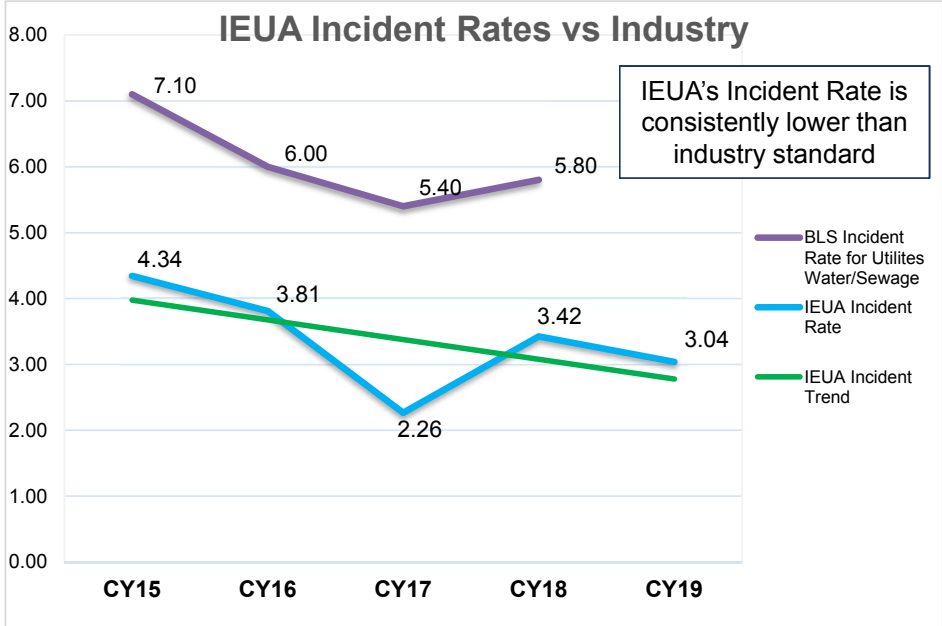
# Operations Division Quarterly Update



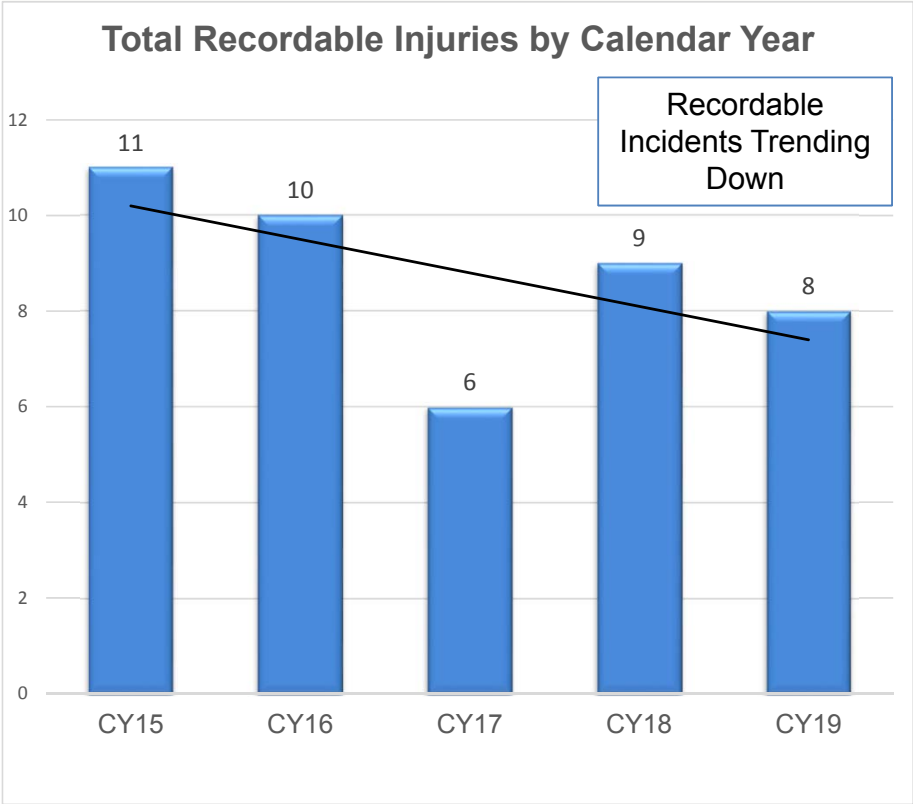
# COVID-19

- Staff and community safety are priority
- IEUA operations continuing to run at full capacity
- Maximizing social distancing and minimizing cross contamination
  - >30% O&M staff working remotely
  - Still completing all essential work including:
    - Permit compliance
    - Preventive and Corrective maintenance
    - Recycled water distribution and ground water recharge
    - Biosolids processing through composting and safe distribution

# IEUA Incident Rates vs Industry & Total Recordable Injuries



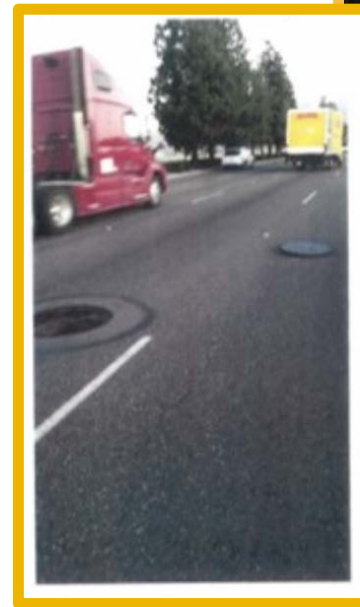
- Incident Rate= Recordable Incidents X 200,000 / Number of hours worked
- RECORDABLE INCIDENT RATE - Incident rates are a metric used to compare a company's safety performance against a national. This comparison is a safety benchmark to gauge performance with other companies in the same business group, so you can make an "apples to apples" comparison





# Collections

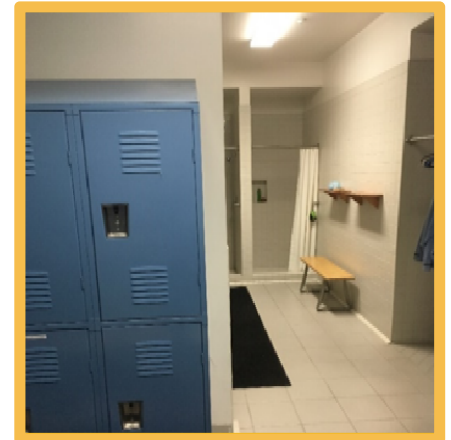
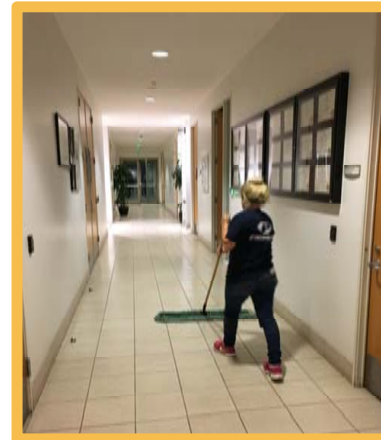
- Sanitary Sewer System
  - No SSOs
  - City of Chino Approves Prado Lift Station actions
- Manholes on Haven Ave.
- Mutual Aid Support
  - Semi-Annual Meeting:
    - @ Jurupa Community Services District (to be rescheduled)



# Facilities Management

- Janitorial/Facilities

- Overall 80% positive feedback from customer survey (IEUA staff)
- Incorporate feedback into next contract
- Request for Proposal scheduled for later this year



- Landscape

- Addressing performance issues
- Request for Proposal scheduled for later this year



# Integrated System Services

## Information Security

Identify

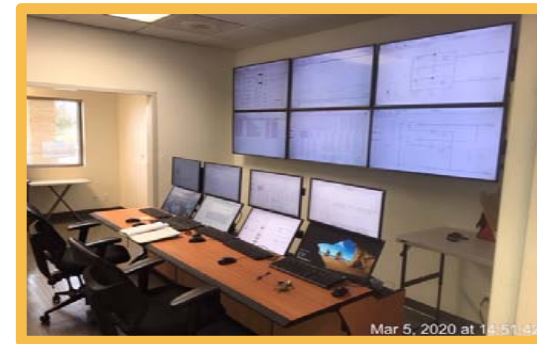
Protect

Detect

Recover

Respond

## RP-4 SCADA Upgrade



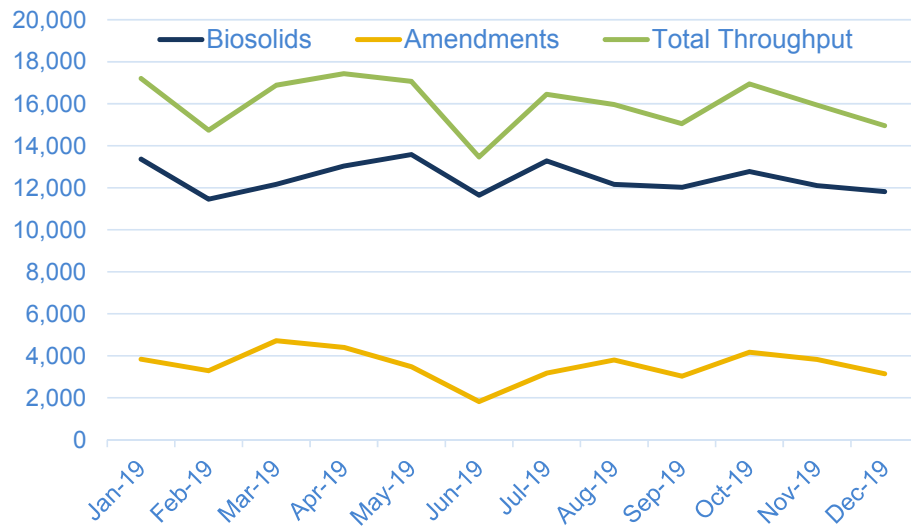
Upgraded Control Rooms



New Servers & Hardware

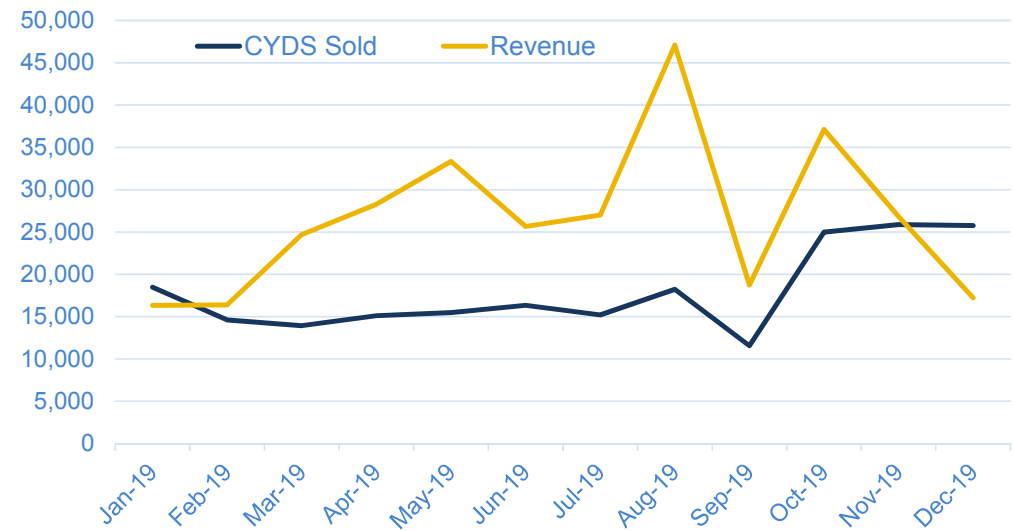
# IERCF in 2019

## Throughput



**Total Throughput:** 90% of facility capacity  
**Total Revenue:** \$8,386,331  
**Biosolids:** 99.6% of biosolids target

## Compost Sales



**Total Cubic Yards Sold:** 215,538.32  
**Total Revenue:** \$318,692  
**Price:** \$1.55/yard<sup>3</sup> (average)

**INFORMATION  
ITEM**

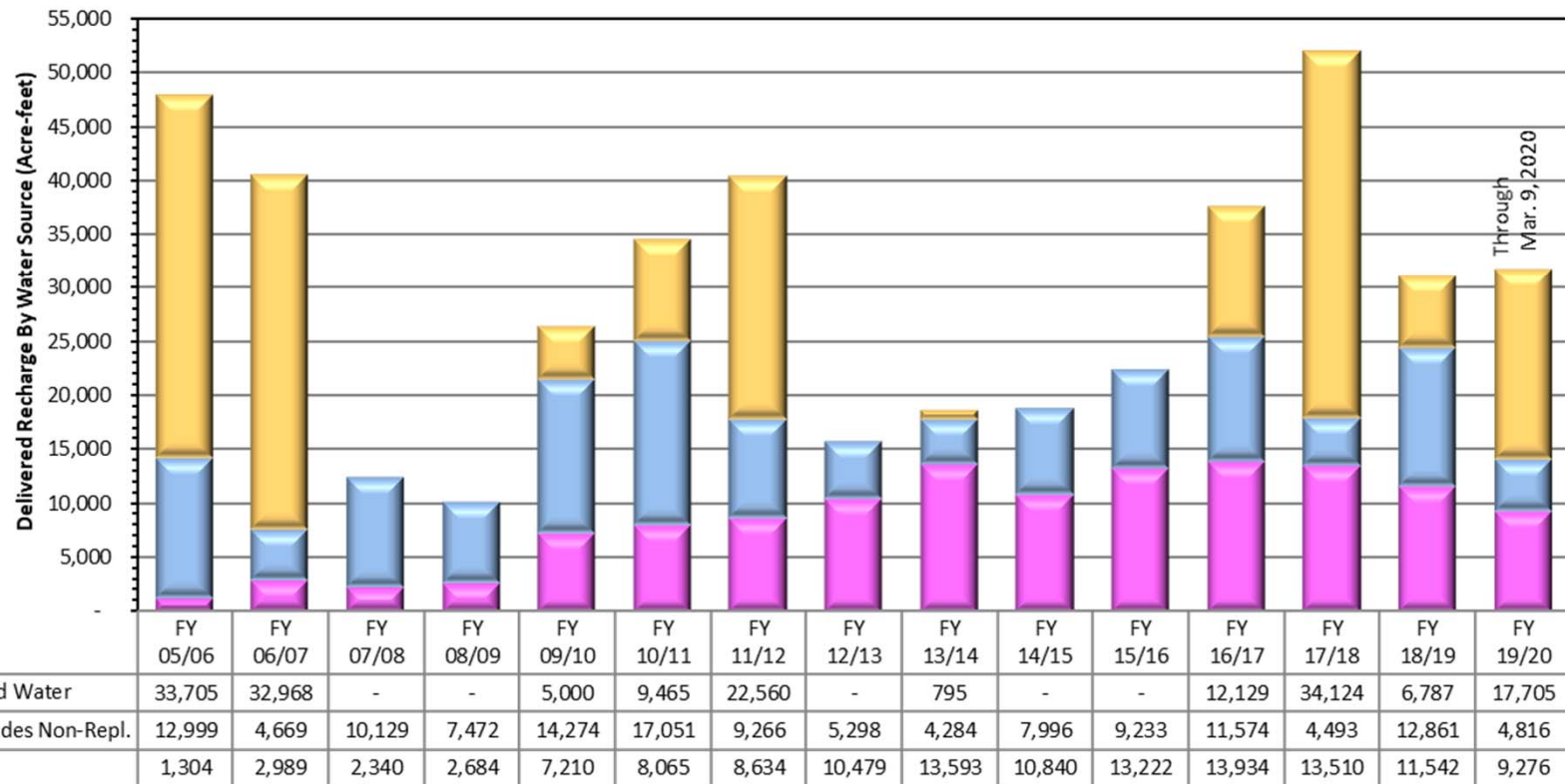
**3C**



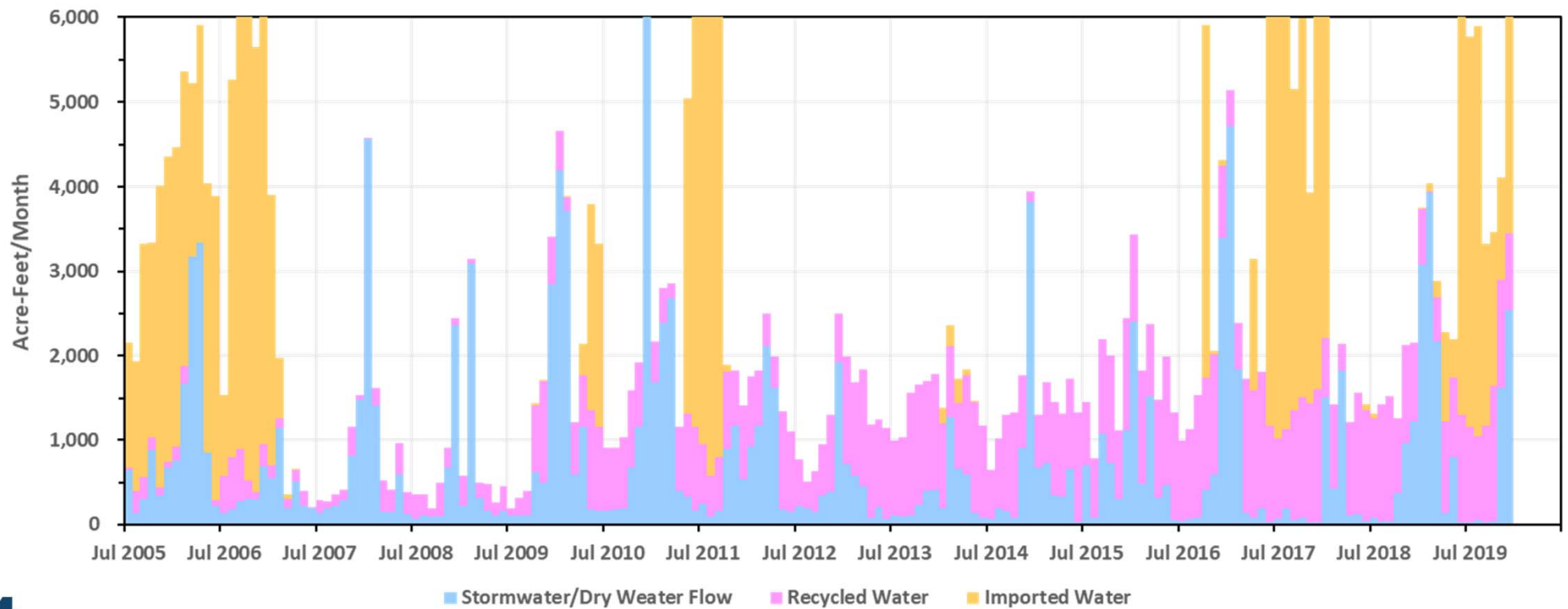
# Groundwater Recharge/Recycled Water Semi-Annual Update



# Groundwater Recharge Annual History

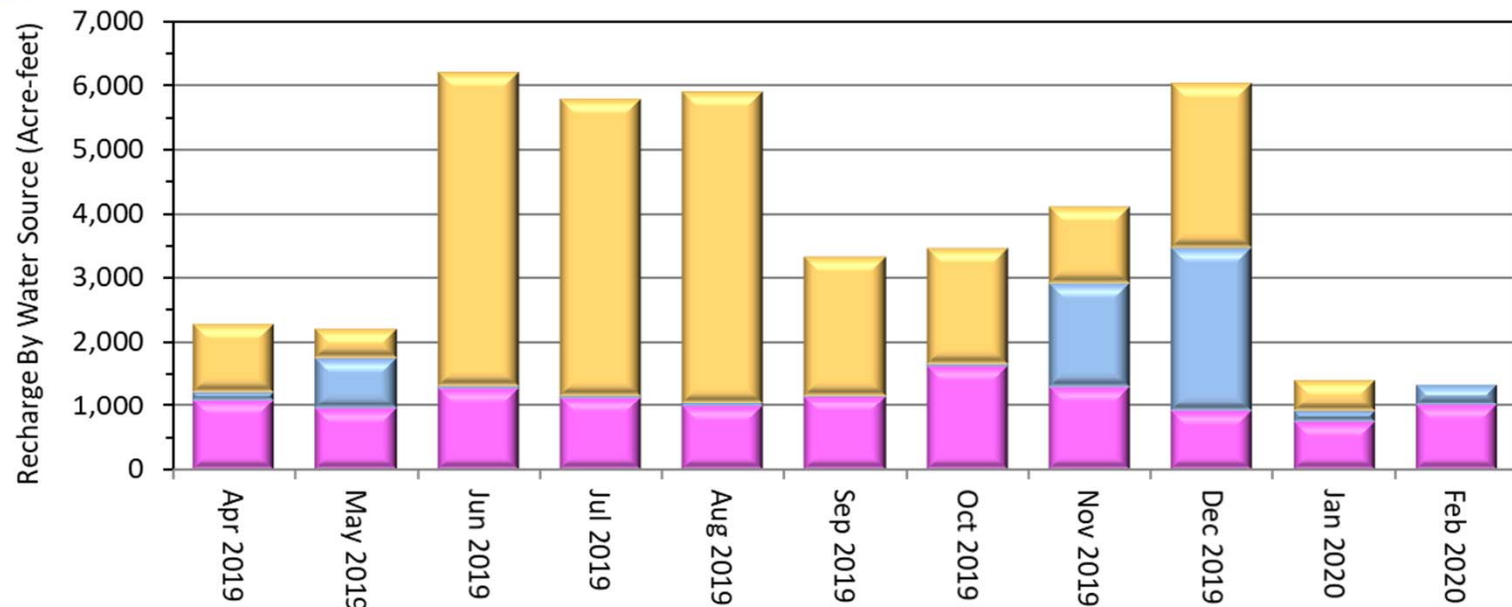


# Historical Monthly Deliveries (FY2005/06 to FY2019/20)



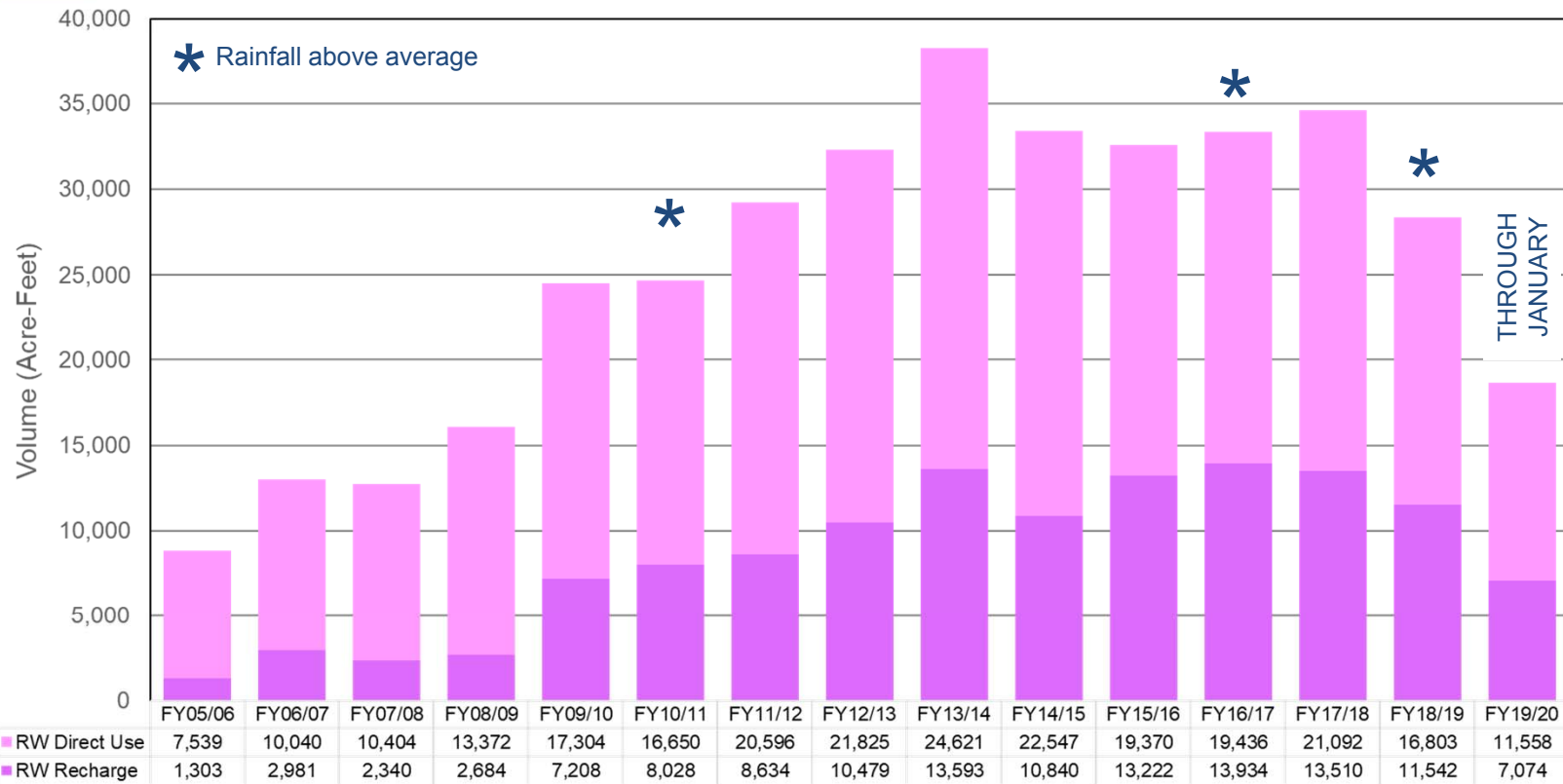


# Groundwater Recharge FY2018/19

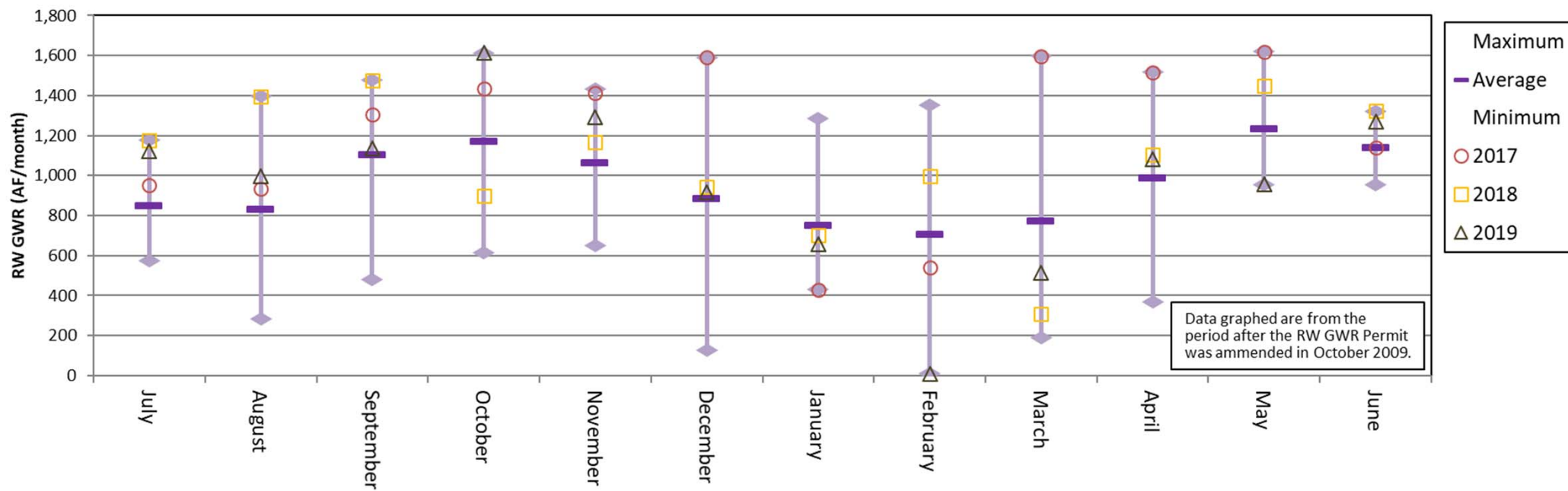


	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020
MWD and other Imported Water	192.2	1067.7	446.6	4895.5	4619.9	4841.2	2165.0	1812.8	1197.5	2577.0	491.7	0.0
Stormwater and LR (excluded Non-Replenishment)	2177.4	138.6	795.9	30.9	30.8	54.3	31.8	38.2	1615.8	2535.8	174.1	315.5
Recycled Water	511.8	1080.0	954.5	1270.1	1123.0	994.8	1134.0	1613.6	1290.4	917.9	742.6	1008.0

# Historical Recycled Water (RW) Demand

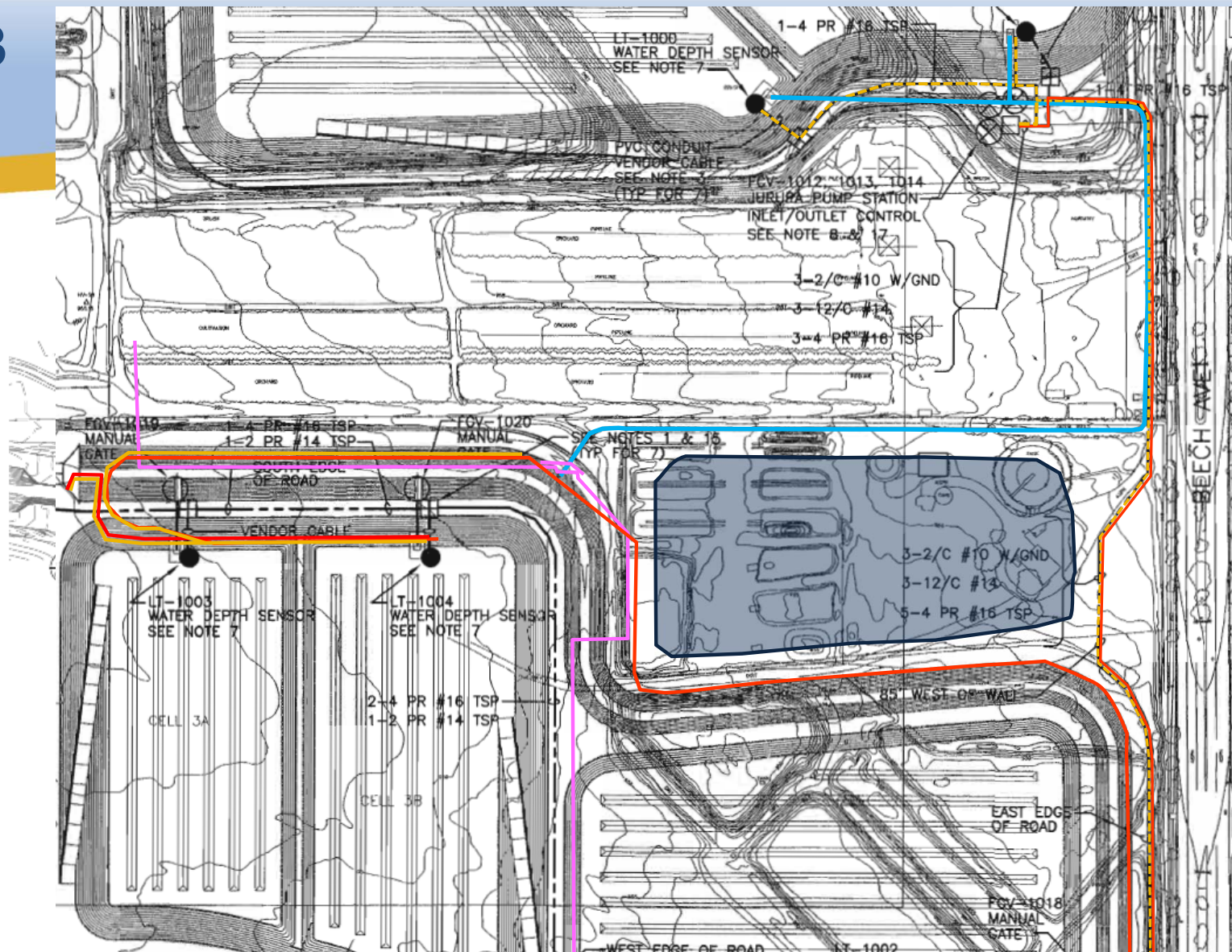


# RW GWR Month Variations



# New Cell at RP3

- Appr. 3 Acres
- Increases Recharge Area by 12% by Area





# RP3 New Recharge Cell Construction



Looking West



# RP3 New Recharge Cell Construction



# GWR/RW Semi-Annual Update

Questions?

**INFORMATION  
ITEM**

**3D**





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Date: April 30/May 7, 2020

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: Rotation of Chair for Monthly Regional Committee Meetings

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### **RECOMMENDATION**

This is an informational item on the rotation of the host agency for the monthly Regional Committee meetings.

### **BACKGROUND**

Traditionally, one of the Regional Sewer Service Contracting Agencies chairs the monthly committee meetings for a two-year term. The City of Montclair has chaired since July 2018, and the chair agency is due to rotate in July 2020. The following are the agencies that have hosted over the last ten years:

CVWD	2008-2010
Chino Hills	2010-2012
Chino	2012-2014
Ontario	2014-2016
Fontana	2016-2018
Montclair	2018-2020

The next agency in the rotation is the City of Upland. Therefore, the Regional Sewerage Committee meetings will be chaired by the City of Upland, beginning with the July 2020 meetings.

REGIONAL TECHNICAL AND REGIONAL POLICY COMMITTEE  
CHAIR AGENCY

Ontario	1986-1988	
Fontana	1988-1990	
Montclair	1990-1992	
Upland	1992-1994	
CVWD	1994-1996	
Chino Hills	1996-1998	
Chino	1998-2000	
Ontario	2000-2002	
Fontana	2002-2004	
Montclair	2004-2006	
Upland	2006-2008	
CVWD	2008-2010	
Chino Hills	2010-2012	
Chino	2012-2014	
Ontario	2014-2016	
Fontana	2016-2018	
Montclair	2018-2020	– Current Chair until July 2020
Upland	2020-2022	– Current Co-Alternate Chair until July 2020, will be next Chair
CVWD	2022-2024	– Co-Alternate Chair if Upland is not present, will be next Alternate Chair
Chino Hills	2024-2026	
Chino	2026-2028	
Ontario	2028-2030	
Fontana	2030-2032	
Montclair	2032-2034	
Upland	2034-2036	
CVWD	2036-2038	
Chino Hills	2038-2040	
Chino	2040-2042	

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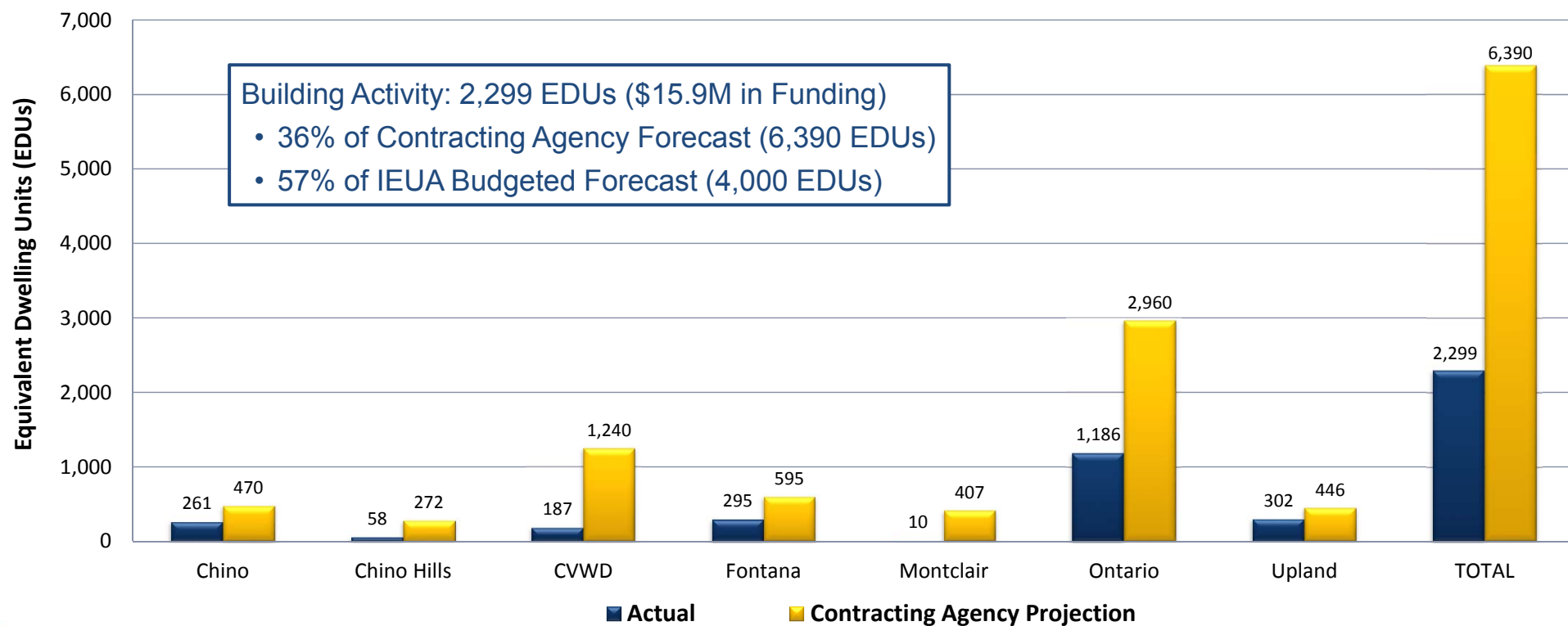
**4A**

# Mid-Year Building Activity Report

(July – December 2019)



# Mid-Year 19/20 Building Activity Summary



# Mid-Year 19/20 Building Activity Summary

Contracting Agency	Commercial	Industrial	Residential	Total
Chino	24	5	232	261
Chino Hills	41	0	17	58
CVWD	52	1	134	187
Fontana	43	0	252	295
Montclair	10	0	0	10
Ontario	116	85	985	1,186
Upland	13	0	289	302
<b>Mid-Year Total</b>	<b>299</b>	<b>91</b>	<b>1,909</b>	<b>2,299</b>

RECEIVE AND  
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**4B**



# IEUA RECYCLED WATER DISTRIBUTION – FEBRUARY 2020

## TOTAL ALL PLANTS

Influent: 45.8 MGD

Delivered: 19.7 MGD

Percent Delivered: 43%

## RP-4

Delivered: 5.9 MGD

## RP-1

Delivered: 7.2 MGD

## CCWRF

Delivered: 3.9 MGD

## RP-5

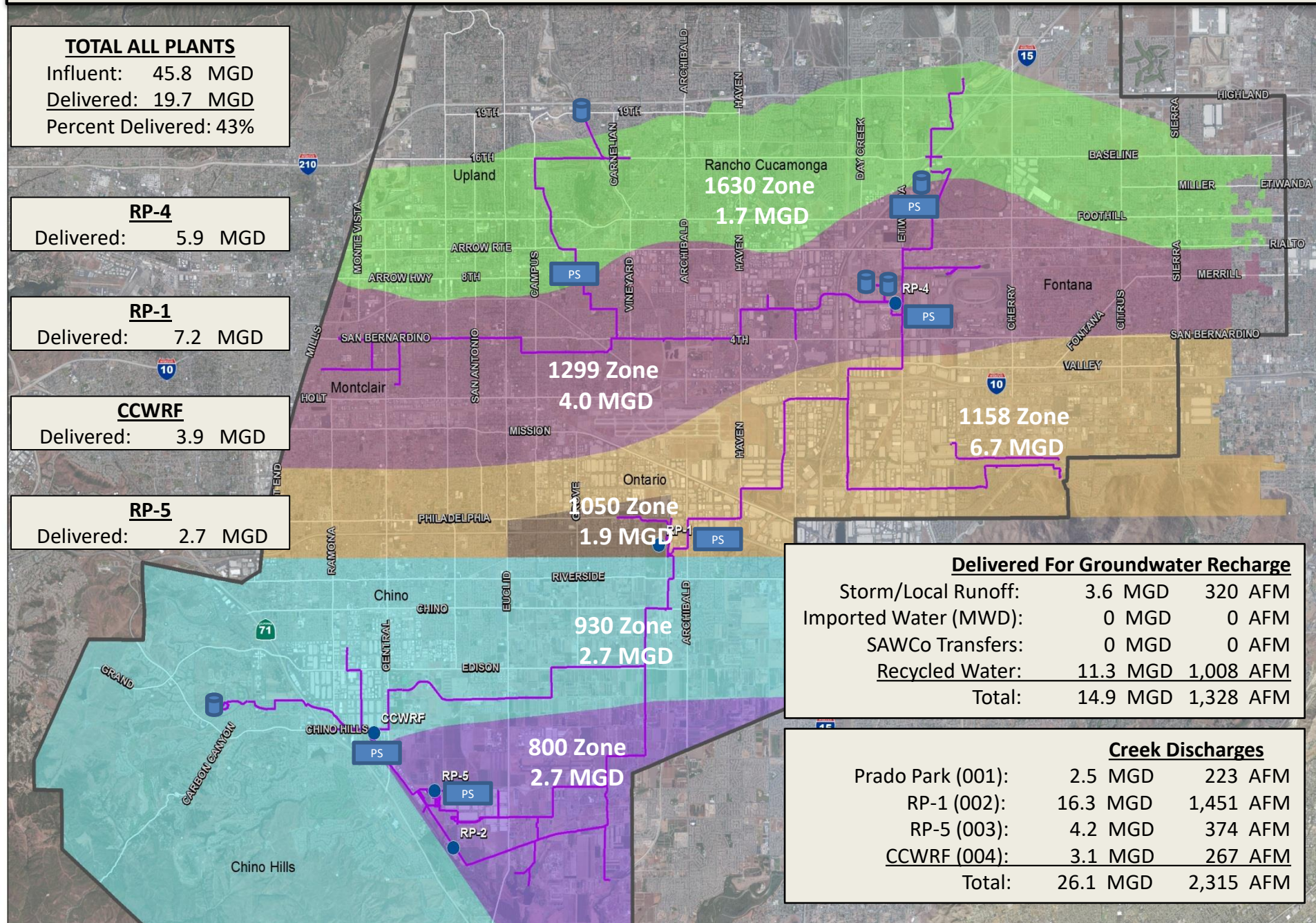
Delivered: 2.7 MGD

## Delivered For Groundwater Recharge

Storm/Local Runoff:	3.6 MGD	320 AFM
Imported Water (MWD):	0 MGD	0 AFM
SAWCo Transfers:	0 MGD	0 AFM
Recycled Water:	11.3 MGD	1,008 AFM
Total:	14.9 MGD	1,328 AFM

## Creek Discharges

Prado Park (001):	2.5 MGD	223 AFM
RP-1 (002):	16.3 MGD	1,451 AFM
RP-5 (003):	4.2 MGD	374 AFM
CCWRF (004):	3.1 MGD	267 AFM
Total:	26.1 MGD	2,315 AFM





# IEUA RECYCLED WATER DISTRIBUTION – MARCH 2020

## TOTAL ALL PLANTS

Influent: 49.7 MGD

Delivered: 17.4 MGD

Percent Delivered: 35%

## RP-4

Delivered: 7.5 MGD

## RP-1

Delivered: 4.2 MGD

## CCWRF

Delivered: 1.8 MGD

## RP-5

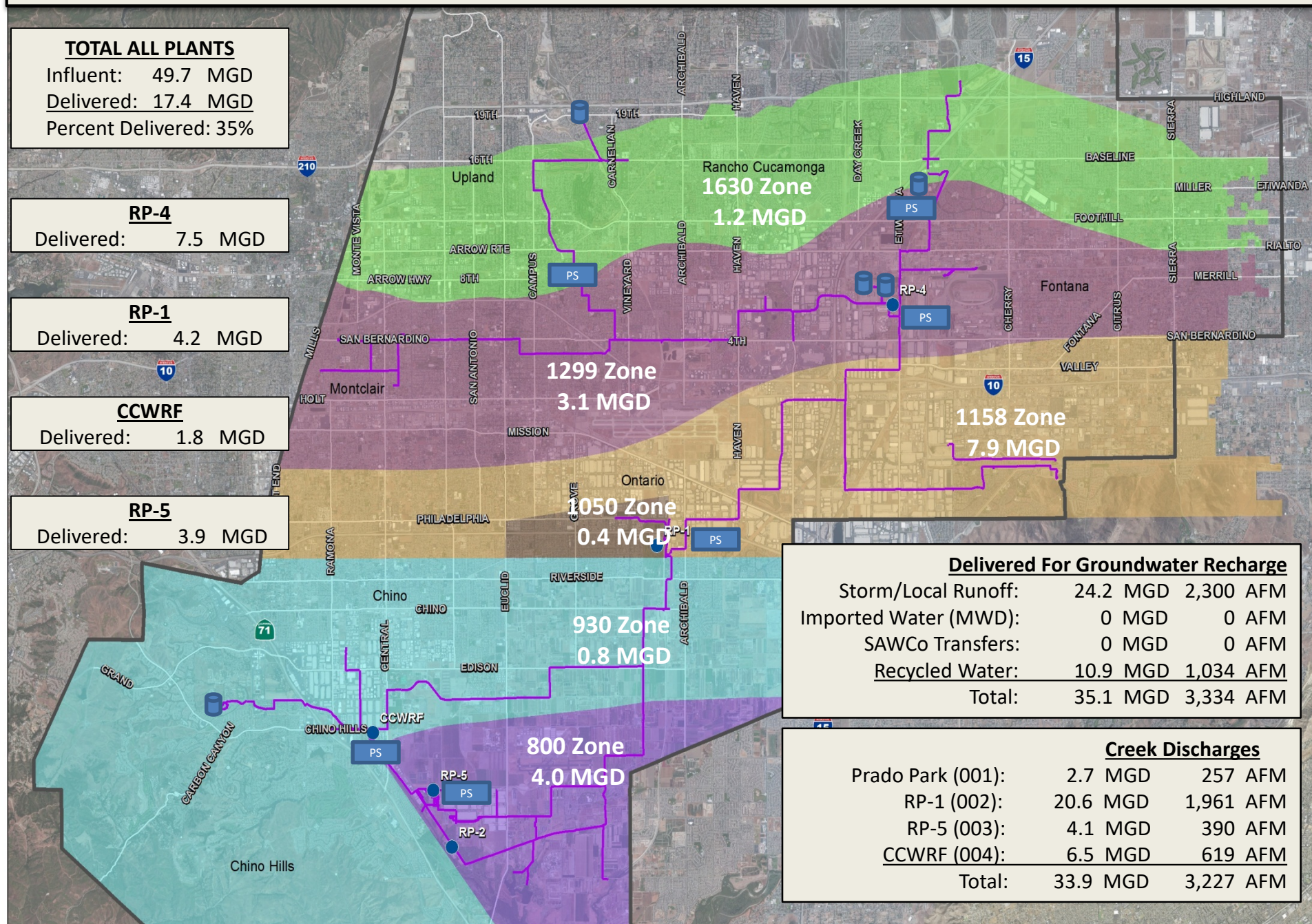
Delivered: 3.9 MGD

## Delivered For Groundwater Recharge

Storm/Local Runoff:	24.2 MGD	2,300 AFM
Imported Water (MWD):	0 MGD	0 AFM
SAWCo Transfers:	0 MGD	0 AFM
Recycled Water:	10.9 MGD	1,034 AFM
Total:	35.1 MGD	3,334 AFM

## Creek Discharges

Prado Park (001):	2.7 MGD	257 AFM
RP-1 (002):	20.6 MGD	1,961 AFM
RP-5 (003):	4.1 MGD	390 AFM
CCWRF (004):	6.5 MGD	619 AFM
Total:	33.9 MGD	3,227 AFM



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**4C**



**March 26, 2020**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
Beth Olhasso  
Maddie Munson

**RE:** March Report

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Overview:

Recent storms have helped the snowpack recover a little bit, but the “Miracle March” water managers were hoping for never materialized. Currently, the statewide snowpack has improved to 51 percent of normal, up from 47 percent last month. The Sierras continue to receive sporadic storms with enough snow to maintain current levels, but not make a significant dent in making up for the abnormally dry February the state experienced.

The CA Independent System Operator (CAISO), National Renewable Energy Laboratory and General Electric recently released a study on Avangrid Renewables’ 132 MW capacity Tule Wind Farm in eastern San Diego County. The report claims that the results affirm that wind could be a key player in integrating the high amounts of renewable energy needed to meet the state’s ambitious carbon reduction targets.

As required by SB 350 (2015, de Leon), the CPUC’s Energy Division issued a Transportation Electrification framework establishing a new process for IOUs to develop 10-year electrification plans. Since 2016, the CPUC has authorized more than one billion in ratepayer funds for EV infrastructure. In the last two years, the IOUs have filed applications with the CPUC for nearly one billion more for similar infrastructure programs. The framework calls for the IOUs to file their plans in 2021 with approval by 2023.

In an unprecedented action, the state legislature recessed until at least April 13, and there is still significant uncertainty if they will be able to come back at that time. It is currently unknown how this will affect the overall legislative session, but as the COVID-19 crisis worsens, conventional wisdom around the Capitol is predicting that some form of an abbreviated session would have to be instituted to pass a budget and a handful of public health and recovery-related bills.



# Inland Empire Utilities Agency

## Status Report – March 2020

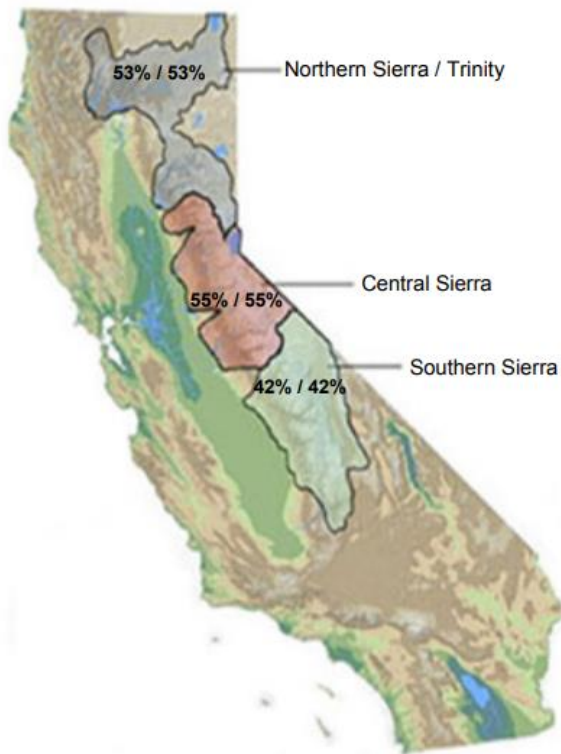
### Water Supply Conditions

Recent storms have helped the snowpack recover a little bit, but the “Miracle March” water managers were hoping for never materialized. Currently, the statewide snowpack has improved to 51 percent of normal, up from 47 percent last month. The Sierras continue to receive sporadic storms with enough snow to maintain current levels, but not make a significant dent in making up for the abnormally dry February the state experienced.

Drought conditions have also worsened with the lack of precipitation. At the start of the year, 97 percent of the state was free from any drought conditions. Today, close to 70 percent of the state is experiencing abnormally dry conditions, with over 40 percent of those in moderate drought conditions, and for the first time, severe drought reported in the far northern portion of the state.

Good news is that most of California’s reservoirs remain in fairly good shape resulting from a wet 2019. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at 80 percent of average and 72 percent capacity for this time of the year. Oroville is at 86 percent of average and 64 percent capacity.

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of March 25, 2020	
Number of Stations Reporting	30
Average snow water equivalent (Inches)	15.5
Percent of April 1 Average (%)	53
Percent of normal for this date (%)	53

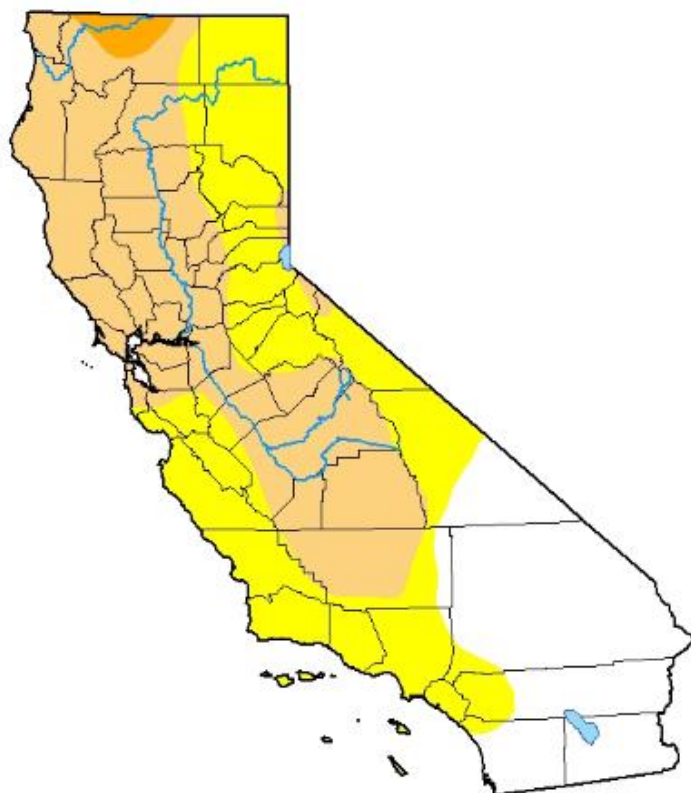
CENTRAL	
Data as of March 25, 2020	
Number of Stations Reporting	41
Average snow water equivalent (Inches)	16.4
Percent of April 1 Average (%)	55
Percent of normal for this date (%)	55

SOUTH	
Data as of March 25, 2020	
Number of Stations Reporting	28
Average snow water equivalent (Inches)	10.7
Percent of April 1 Average (%)	42
Percent of normal for this date (%)	42

STATE	
Data as of March 25, 2020	
Number of Stations Reporting	99
Average snow water equivalent (Inches)	14.5
Percent of April 1 Average (%)	51
Percent of normal for this date (%)	51

# U.S. Drought Monitor California

**March 24, 2020**  
(Released Thursday, Mar. 26, 2020)  
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	24.86	75.14	40.42	1.30	0.00	0.00
Last Week 03-17-2020	24.64	75.36	47.59	1.26	0.00	0.00
3 Months Ago 12-24-2019	96.43	3.57	0.00	0.00	0.00	0.00
Start of Calendar Year 12-31-2019	96.43	3.57	0.00	0.00	0.00	0.00
Start of Water Year 10-01-2019	95.29	4.71	2.06	0.00	0.00	0.00
One Year Ago 03-26-2019	93.42	6.58	0.00	0.00	0.00	0.00

## Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

## Author:

Brad Rippey  
U.S. Department of Agriculture



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

## CAISO reports that wind power can bolster renewable integration- meeting same needs as natural gas

The CA Independent System Operator (CAISO), National Renewable Energy Laboratory and General Electric recently released a study on Avangrid Renewables' 132 MW capacity Tule Wind Farm in eastern San Diego County. The report suggests that the results affirm that wind could be a key player in integrating the high amounts of renewable energy needed to meet the state's ambitious carbon reduction targets.

Specifically, the study showed that a commercial wind plant with a "smart inverter-based controller" can provide "regulation up and down, voltage regulation control, active power control and frequency response—all important services to maintain grid services." These services are currently only being provided by conventional sources, such as natural gas plants, according to CAISO.

One of the goals of the study was to investigate if wind plants can help balance energy demand and help meet the state's energy policies regardless of where the wind plant is located, either within the CAISO footprint or out of state. This study and its conclusions will be used to help further the CAISO's desire for a Western power grid, featuring regional resources. They claim that one of the benefits of regionalization would be that California could import cheaper wind power from nearby states to help integrate other renewables and to provide much-needed electricity during peak evening demand times that cannot be served by solar.

### ***Transportation Electrification Framework Released***

As required by SB 350 (2015, de Leon), the CPUC's Energy Division issued a Transportation Electrification framework establishing a new process for IOUs to develop 10-year electrification plans. Since 2016, the CPUC has authorized more than one billion in ratepayer funds for EV infrastructure. In the last two years, the IOUs have filed applications with the CPUC for nearly one billion more for similar infrastructure programs. The framework calls for the IOUs to file their plans in 2021 with approval by 2023. Commercial and industrial ratepayers are starting to question these investments are their impact on electricity rates.

On a separate path at the California Air Resources Board (CARB), there is still discussion about how fast to accelerate medium and heavy-duty truck replacement. Environmental groups are pushing for an accelerated timeframe, where some regulators and the regulated community are focusing more on what types of trucks can be sold in the state in the future, rather than require fleet replacement.

### ***Legislative Update***

In an unprecedented action, the state legislature recessed until at least April 13, and there is still significant uncertainty if they will be able to come back at that time. It is currently unknown how this will affect the overall legislative session, but as the COVID-19 crisis worsens, conventional wisdom around the Capitol is predicting that some form of an abbreviated session would have to be instituted to pass a budget and a handful of recovery-related bills.

There were over 2,500 new bills introduced this session and all have passed the 30-day in print rule and are slowly making amendments, even in the absence of committee hearings. WCA is working with the IEUA Board and staff to implement IEUA's goals and objectives as we navigate this unique session.

On the budget front, the state budget is constitutionally mandated to be passed by June 15. Both the Legislative Analyst's Office and the Department of Finance have opined that it will be a very different budget process. They have proposed adopting a "workload budget," basically keeping things in place from the 2019-2020 budget with only major changes considered for COVID response and recovery funding.

The WCA team is still operating as if all legislation and budget actions will be moving forward, until official word alters that course. We will be sure to keep you updated as the situation in the Capitol unfolds.

### ***Climate Resilience Bond Update***

WCA recently obtained a copy of amendments for of Assemblymember Eduardo Garcia's, chair of the Water, Parks and Wildlife Committee, AB 3256-the Assembly \$6.9 billion version of the climate resilience bond.

The highlights of the Assembly bond include:

- \$1.6 billion- Wildfire Prevention and Climate Risk Reduction
- \$1.1 billion- Protecting Coastal Lands, Bays and Oceans from Sea Level Rise and other Climate Risks
- \$1.3 billion- Protecting CA's Water Supply During Drought, Enhancing State Flood Protection and Ensuring Safe Drinking Water
  - \$395 million for SGMA
  - \$360 million for safe drinking water

- \$400 million for protection of rivers, lakes and streams
  - \$150 million for flood management
  - \$50 million for Central Valley Flood Protection Board
- \$1.3 billion- Protecting Fish, Wildlife, Natural Areas, Working Lands and Agriculture from Climate Risks
- \$1.6 billion- Strengthening CA's Regional Climate Resilience
  - For the reduction in the risk of climate impacts to communities, including, but not limited to, wildfire, sea level rise and extreme heat. Goal is to encourage development and implementation of multi-benefit, cross-sector projects that respond to the region's greatest climate vulnerabilities.

WCA and IEUA staff are still going through all the newly introduced bills and will soon make recommendations for positions to the Board of Directors.

**IEUA BILL POSITIONS—March 26, 2020**

Bill Number	Author/Sponsor	Title and/or Summary	Summary	IEUA Position
AB 1672	Bloom  CASA	Product labeling: flushable products	Current law regulates the labeling requirements on various consumer products. This bill would express the intent of the Legislature to enact legislation to prohibit the sale or advertisement of any nonwoven disposable product labeled as “flushable” or “sewer and septic safe” if that product fails to meet specified performance standards.	SUPPORT  Senate Rules Committee
AB 2093	Gloria	Public records: writing transmitted by electronic mail: retention	Would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.	OPPOSE  Assembly Appropriations Committee
ACA 1	Aguiar-Curry	Local government financing: affordable housing and public infrastructure: voter approval	The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters.	SUPPORT  Assembly Floor- first vote failed, can be acted upon Jan 2020
SB 414	Caballero    Eastern MWD/ CMUA	Small System Water Authority Act of 2019	Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the	SUPPORT  2- year bill  Assembly



			period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.	Approps
SB 667	Hueso	Greenhouse Gasses: Recycling Infrastructure and Facilities	Would require the Department of Resources Recycling and Recovery to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year needs assessment to support innovation and technological and infrastructure development, in order to meet specified organic waste reduction and recycling targets, as provided. The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer and the California Pollution Control Financing Authority, to develop financial incentive mechanisms, including, among other mechanisms, loans and incentive payments, to fund and accelerate public and private capital towards organic waste diversion and recycling infrastructure.	SUPPORT IF AMENDED  2-year bill  Assembly Appropriations
SB 996	Portantino  MWD/CMUA	SWRCB: Constituents of Emerging Concern	Would require the State Water Resources Control Board to establish by an unspecified date and then maintain an ongoing, dedicated program called the Constituents of Emerging Concern Program to support and conduct research to develop information and, if necessary, provide recommendations to the state board on constituents of emerging concern in drinking water that may pose risks to public health. The bill would require the state board to establish the Stakeholder Advisory Group and the Science Advisory Panel, both as prescribed, to assist in the gathering and development of information for the program, among other functions. The bill would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program.	SUPPORT          Sen. Env Quality Committee

SB 1052	Hertzberg	Water Quality: Municipal Wastewater Agencies	Would establish municipal wastewater agencies and would authorize a municipal wastewater agency, among other things, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.	SUPPORT
	CASA/CA Coastkeeper			Sen. Env. Quality Committee