



Regional Sewerage Program Policy Committee Meeting

AGENDA Thursday, June 4, 2020 3:30 p.m. Teleconference Call

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 COMMITTEE MEMBER MAY CALL INTO THE COMMITTEE 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 no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

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. 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 – Roll Call Vote**
 - A. Meeting Minutes for May 7, 2020
 - B. IEUA Ten Year Forecast
 - C. FY 2020/21 Budget Review of budget Amendments and Rates on
Regional Wastewater and Recycled Water Funds
 - D. Regional Force Main Construction Contract Award
 - E. RP-1 Flare Improvements Construction Contract Award and Consultant
Contract Amendment
- 3. Informational Items**
 - A. None
- 4. Receive and File**
 - A. Building Activity Report
 - B. Recycled Water Distribution – Operations Summary
 - C. Legislative Bill Matrix
 - D. Engineering Quarterly Project Updates
- 5. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – July 2, 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

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted to the IEUA Website at www.ieua.org and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, May 28, 2020.



Laura Mantilla

ACTION ITEM

2A



Special Regional Sewerage Program Policy Committee Meeting

MINUTES OF MAY 7, 2020 MEETING

CALL TO ORDER

A special meeting of the IEUA/Regional Sewerage Program Policy Committee was held via teleconference on Thursday, May 7, 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 3:30 p.m.

PLEDGE OF ALLEGIANCE

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

ATTENDANCE via Teleconference

Committee Members:

Randall Reed	Cucamonga Valley Water District
Peter Rogers	City of Chino Hills
Jesse Armendarez	City of Fontana
Kati Parker	Inland Empire Utilities Agency
Tenice Johnson	City of Montclair
Debra Dorst-Porada	City of Ontario
Debbie Stone	City of Upland

Absent:

Eunice Ulloa	City of Chino
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Others Present:

May Atencio	City of Fontana
Noel Castillo	City of Montclair
David Crosley	City of Chino
Nicole DeMoet	City of Upland
Courtney Jones	City of Ontario
Eduardo Espinoza	Cucamonga Valley Water District
Kathy Besser	Inland Empire Utilities Agency

Others Present (continued):

Christiana Daisy	Inland Empire Utilities Agency
Shivaji Deshmukh	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Jerry Burke	Inland Empire Utilities Agency
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Elizabeth Hurst	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency
Ken Monfore	Inland Empire Utilities Agency
Cathleen Pieroni	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Daniel Solorzano	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency
Wilson To	Inland Empire Utilities Agency
Jeff Ziegenbein	Inland Empire Utilities Agency

PUBLIC COMMENTS

There were no public comments.

Jesse Armendarez/City of Fontana joined the meeting via teleconference.

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 April 30, 2020, the Technical Committee deferred the action item – Ten Year Forecast for a month. He also stated the Regional Contract Negotiation sessions were put on hold due to COVID-19 and will reconvene on May 13.

2. ACTION ITEMS**A. APPROVAL OF THE FEBRUARY 6, 2020 POLICY COMMITTEE MEETING MINUTES**

Motion: By Peter Rogers/City of Chino Hills and seconded by Randall Reed/Cucamonga Valley Water District to approve the meeting minutes of the February 6, 2020 Regional Policy Committee meeting.

Motion carried by roll call vote (4:1):

With the following roll call vote:

Ayes: Dorst-Porada, Johnson, Rogers, Reed
 Noes: None
 Absent: Ulloa
 Abstain: Armendarez

B. IEUA TEN YEAR FORECAST

Christiana Daisy/IEUA presented the IEUA Ten Year Forecast (TYF) for FY 2020/21-2029/30. Ms. Daisy stated that the TYF was prepared pursuant to the terms of the Regional Sewerage Service Contract, Section 9. Ms. Daisy stated that the key drivers of the TYF are member agency growth projections, wastewater flow decreases, wastewater concentration increases, safety and regulatory requirements, and repair and replacement projects. Ms. Daisy reported that new Equivalent Dwelling Unit (EDU) projections total approximately 74,000 cumulative for residential, commercial and industrial and added that wastewater flows are projected to be 62 MGD by 2030.

Ms. Daisy then reviewed the cost for the prior TYF and summarized the breakdown cost for the RP-5 Expansion, RP-1 Capacity improvement and repair and replacement projects. Ms. Daisy further stated that today's presentation is an informational item since the Technical Committee deferred the item to May 28. The presentation will be brought back to the Policy Committee for action on June 4. She further stated that the TYF was deferred as IEUA received several comments and IEUA staff will be distributing responses to those comments to the Technical Committee today.

C. PROPOSED POLICY COMMITTEE MEETING TIME

General Manager Shivaji Deshmukh/IEUA stated that at the last Committee meeting it was requested by the Committee to change the start time of the Policy meetings from 4:00 p.m. to 3:30 p.m.

Debbie Stone/City of Upland joined the meeting via teleconference.

Motion: By Tenice Johnson/City of Montclair and seconded by Peter Rogers/City of Chino Hills to change the start time of the Policy Committee meeting from 4:00 p.m. to 3:30 p.m.

Motion carried by roll call vote (6/0):

With the following roll call vote:

Ayes: Reed, Armendarez, Dorst-Porada, Stone, Rogers, Johnson
Noes: None
Absent: Ulloa
Abstain: None

3. INFORMATIONAL ITEMS**A. FY 2020/21 PROPOSED BUDGET AMENDMENT FOR REGIONAL WASTEWATER AND RECYCLED WATER PROGRAMS AND RATE STUDY UPDATE**

Christina Valencia/IEUA stated that in June 2019, the IEUA Board adopted the Agency's Biennial Budget for fiscal years 2019/20 and 2020/21 for the Regional Wastewater and Recycled Water programs. She explained that as part of the biennial budget process, a review of the second budget year is completed to determine if any adjustments need to be made. Ms. Valencia stated that due to the impacts from COVID-19, the IEUA Board deferred the adopted monthly Equivalent Dwelling Unit (EDU) rate for 12 months at the May 6 Board meeting. The deferral of

the EDU rate was not reflected in proposed amendment to the FY 2020/21 Budget being presented today. The Board also instructed staff to move forward with an evaluation to defer the proposed increases to the recycled water rates and connections fees for FY 2020/21 for the Board's consideration in June.

Ms. Valencia reported that the adopted budget for the Regional Wastewater and Recycled Water Sources of Funds is \$272 million for FY 2020/21 with a reduction of revenues of \$12.8 million; however, with the deferral of the EDU rate expected revenues will be reduced by an additional \$2 million. Ms. Valencia highlighted that the reduction in revenues is primarily in loans and grants due to changes in project timelines such as the RP-5 Expansion. Based on the action from the Board in deferring the proposed three percent increases on rates, the total projected revenue reduction is \$15 million. Ms. Valencia noted that the adopted budget for Uses of Funds is \$269.3 million and stated that some project schedules within the TYF had changed. Ms. Valencia added that as a result of the Board's action, the Finance team and management are reviewing the budget to identify items that can be delayed to offset the anticipated \$15 million shortfall and further stated that anything non-essential will be deferred or cancelled in order to cut cost.

Debra Dorst-Porada/City of Ontario stated that anything that IEUA can do to cut cost, so that member agencies do not have to pass on to the rate payers or member agencies would be highly appreciated. General Manager Deshmukh stated that IEUA is sensitive to that and the actions taken by the Board reflect the commitment to IEUA's customers.

B. OPERATIONS DIVISION QUARTERLY UPDATE

Jeff Ziegenbein/IEUA informed the Committee on the various safety measures being performed due to COVID-19. He then reported on IEUA's incident rates, recordable injuries by calendar year, and provided updates from Collections, Facilities Management, Integrated System Services, and Inland Empire Regional Composting Facility.

C. RECYCLED WATER PROGRAM SEMI-ANNUAL UPDATE

Andy Campbell/IEUA presented the data trends on groundwater recharge annual history, historical monthly deliveries, recycled water demands, and provided the Committee with an update on the new recharge cell at RP-3 which will be used for stormwater, recycled water and imported water.

D. POLICY COMMITTEE CHAIR ROTATION

Christiana Daisy/IEUA stated that traditionally, one of the 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 next agency to chair is the City of Upland.

4. RECEIVE AND FILE

A. MID-YEAR BUILDING ACTIVITY REPORT

The Mid-Year Building Activity Report for July – December 2019 was received and filed by the Committee.

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

The Recycled Water Distribution Operations Summary for February – March 2020 was received and filed by the Committee.

C. LEGISLATIVE REPORT AND BILL MATRIX

The Legislative Report and Bill Matrix for March was received and filed by the Committee.

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Deshmukh gave the following updates:

- Deferral of Rates: The Board deferred the EDU rate for 12 months from July 2020 to July 2021. The new rate will be \$21.22 on July 1, 2021.
- RP-5 WIFIA Loan Agreement: General Manager Deshmukh thanked Fontana, Ontario and CVWD for their prompt response to the credit rating agencies. IEUA was notified that the RP-5 Expansion was assigned an AA credit rating by Standard & Poor's and AA2 by Moody's. The EPA is scheduled to approve the RP-5 Expansion loan on May 27. Approval from the Board is set for May 20 and will be opening bids on May 21.
- RP-1 Electrical Switchgear and Generator Project: General Manager Deshmukh stated that the 1158 Pump Station will increase additional recycled water into the ground; however, there was a delay with an associated project which is an electrical switchgear and generator. Due to COVID-19, mobile back-up generators are not available to rent, pushing the project to June.
- Land Use Model Proposal: Staff along with one of its member agencies received and evaluated the proposals and based on the evaluation are recommending rejecting the proposals and will look at alternate approaches to accomplishing the scope of work.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

There were no requested agenda items from the Committee members.

C. COMMITTEE MEMBER COMMENTS

There were no Committee member comments.

D. NEXT MEETING – JUNE 4, 2020

6. ADJOURNMENT

The meeting was adjourned at 4:28 p.m.

Transcribed by:

Laura Mantilla, Executive Assistant

ACTION ITEM

2B



Date: May 28, 2020/June 4, 2020

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: IEUA Ten-Year Forecast

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
TOTAL	\$ 920.7 M

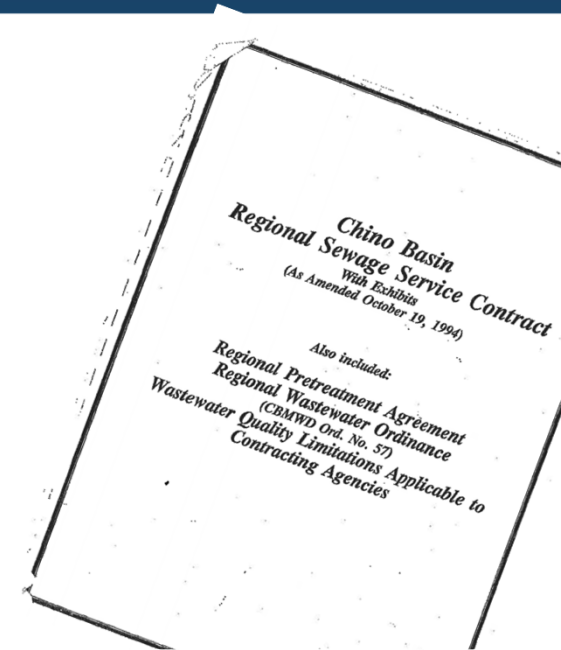
The TYF covers many programs and projects that directly align with several Agency Business Goals, including *Water Reliability*, *Wastewater Management*, *Environmental Stewardship*, and *Fiscal Responsibility*.

IEUA Ten-Year Forecast



IEUA's Contractual Requirements & Key Drivers

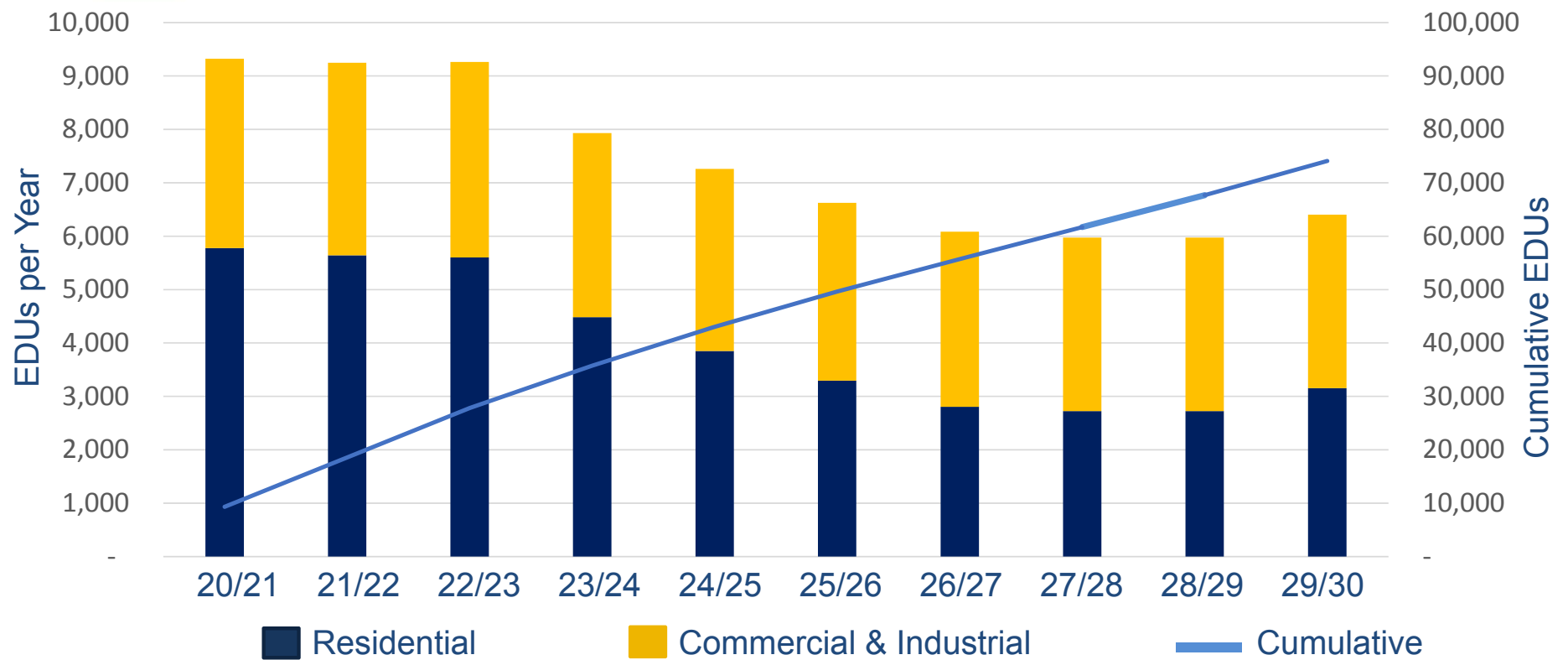
- Member Agency growth projections
 - 78% growth in cities of Fontana and Ontario
- Wastewater flow decreasing
- Wastewater concentrations increasing
- Project Drivers:
 - Safety and regulatory requirements
 - Repair and replacement projects
 - Growth and concentrations



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...."

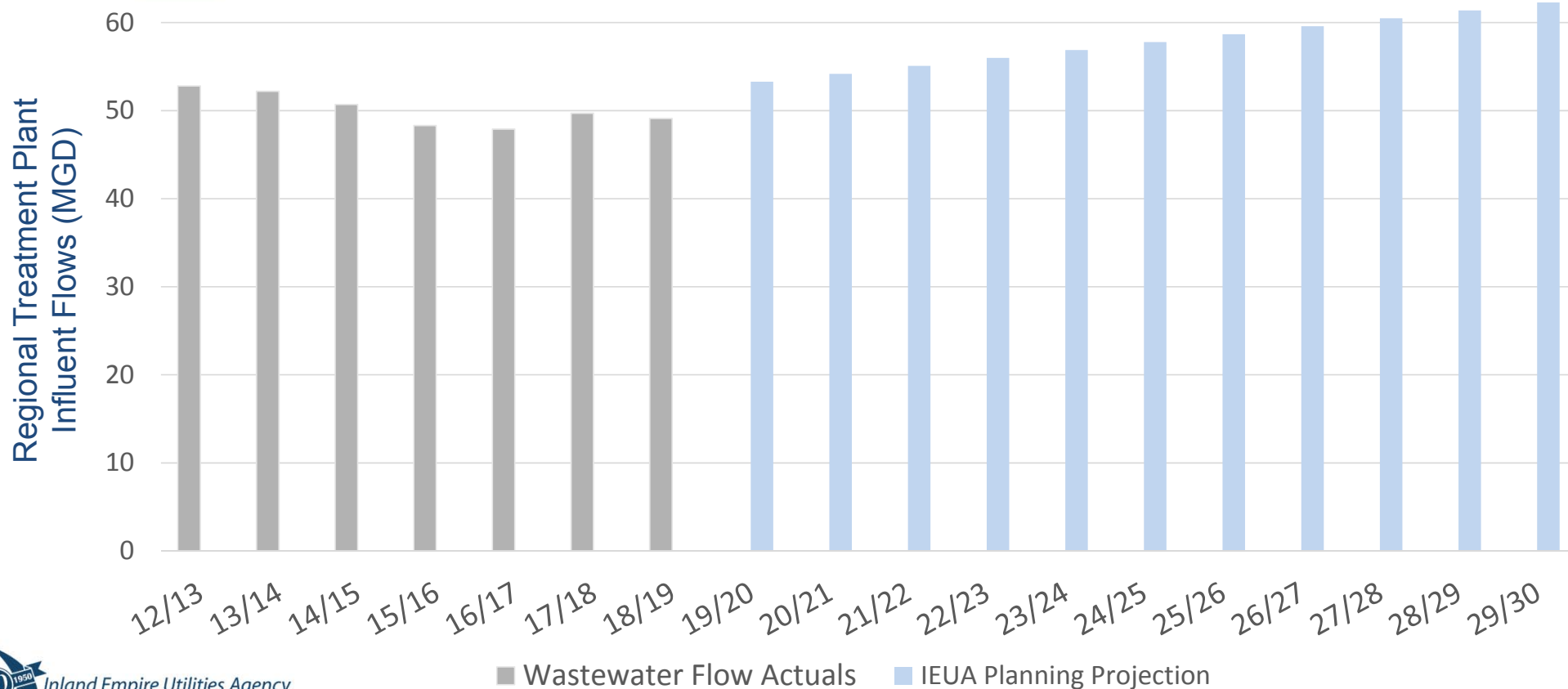
New Equivalent Dwelling Unit (EDU) Forecast (2019 Regional Contracting Agency Data)



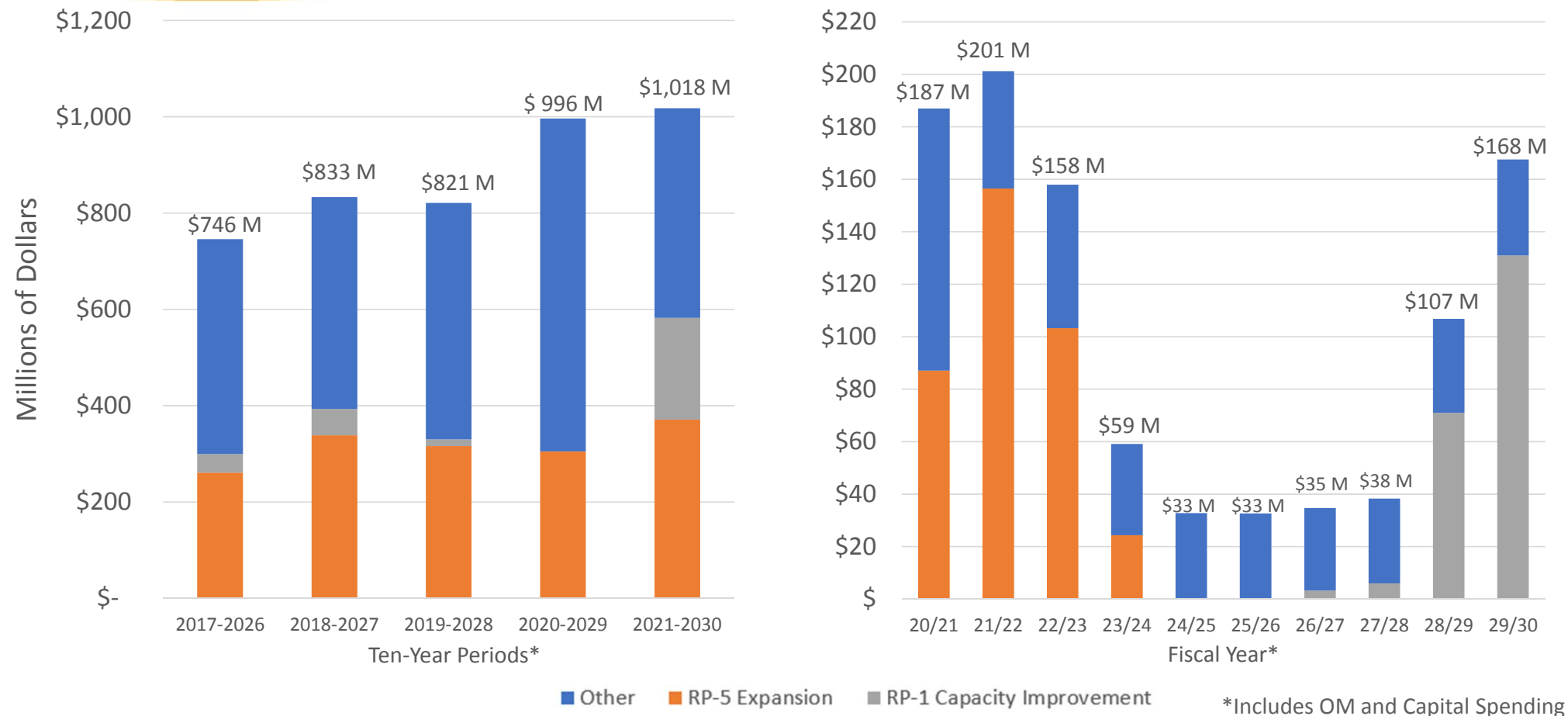
**EDUs based on updated projections received by Regional Contract Agencies Nov. 2019*

2020-2030 Wastewater Flow Projections

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



Comparison of Prior Ten-Year Forecasts



Fiscal Year 20/21 Ten Year Forecast Adoption Schedule

- ✓ 3/18/20: Info item to IEUA Board
- ✓ 4/09/20: Received Comments on TYF
- 4/30/20: Action item to Tech Committees
 - Action deferred until 5/28/20
- ✓ 5/07/20: Info item to Policy Committees
- 5/28/20: Action item to Tech Committees
- 6/04/20: Action item to Tech Committees
- 6/10/20: Action item to IEUA Committees
- 6/17/20: Action item to IEUA Board



ACTION ITEM

2C

Date: May 28, 2020/June 4, 2020

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: FY 2020/21 Proposed Budget Amendment for Regional Wastewater and Recycled Water Programs

RECOMMENDATION

It is requested that the Regional Committees recommend that the IEUA Board of Directors adopt the Fiscal Year 2020/21 Proposed Budget Amendment for the Regional Wastewater and Recycled Water Programs.

BACKGROUND

On June 19, 2019 the Board of Directors approved the Agency's Biennial Budget for fiscal years (FY's) 2019/20 and 2020/21 and Ten-Year Forecast (formerly called Ten Year Capital Improvement Plan) for FY's 2020-2029. As part of the biennial budget cycle, a review of the second budget year is done prior to the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions.

For the Regional Wastewater and Recycled Water programs, the Agency is projecting to spend an additional \$2.6 million over the FY 2020/21 adopted budget. The increase is primarily due to changes in the Ten-Year Forecast for fiscal years 2020/21 – 2029/2030 and new PFAS testing requirements.

Conversely, a decrease in total sources of funds of \$17.2 million is primarily due a reduction on state loan and grant proceeds due to changes in related capital projects consistent with the proposed Ten-Year Forecast, as well as the IEUA Board of Directors approval on May 6, 2020, in response to the COVID-19 pandemic, to rescind the increase to the monthly EDU sewer rate for FY 2020/21 adopted in November 2019 and maintain the \$20.00 per EDU rate unchanged for FY 2020/21. The estimated reduction of \$17.2 million also assumes, subject to Board approval, a similar 12-month deferral of the proposed rate adjustments to the Regional Wastewater connection fee, One Water connection fee, and recycled water rates for FY 2020/21 presented to the Regional Technical Committee on April 30, 2020 and the Regional Policy Committee on May 7, 2020. These rates and fees will be presented to the Board for approval on June 17, 2020.

To mitigate the impact of the estimated revenue shortfall in FY 2020/21, management is already evaluating budgeted line items to identify non-critical projects and expenses that can be deferred without negatively impacting employee safety and the essential services to our customers.

Operating Contingency reserves may also be used to support essential operating and capital costs not recovered by rates.

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 to optimize investment earnings.

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 the Ten-Year Forecast (TYF) 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 recommended amendments to the adopted budget for the Regional Wastewater and Recycled Water Programs that were presented to the Regional Technical Committee on April 30 and the Regional Policy Committee on May 7.

Table 1: FY 2020/21 Proposed Budget Amendments (\$Millions)
Regional Wastewater and Recycled Water Programs
Presented on April 30 and May 7

Consolidated FY 2020/21	Adopted	Proposed	Amendment Amount
Total Sources of Funds	\$271.9	\$ 254.1	(\$12.8)
Total Uses of Funds	(\$269.3)	(\$271.9)	\$2.6
Increase (Decrease) in Net Position	\$2.6	(\$12.8)	(\$15.4)

Not included in the proposed \$12.8 million reduction to total Sources of Funds, was the approval by the IEUA Board of Directors on May 6, 2020, to defer the increase to the monthly EDU sewer rate adopted in November 2019 for FY 2020/21. The 12-month deferral unanimously approved by the Board is in response to the ongoing COVID-19 pandemic and the potential economic impact to the Agency's member agencies and our ratepayers. The revenue shortfall to maintain the \$20.00 per EDU rate unchanged for FY 2020/21 is estimated at \$2.1 million.

On May 6, staff also presented options to defer the proposed increases for FY 2020/21 to the rates and fees scheduled for Board approval in June. Based on the Board's review and discussion, the amendment to total Sources of Funds has been updated to include a 12-month deferral of the rate increases to the Regional Wastewater connection fee, the One Water connection fee and recycled water rates being proposed for FY 2020/21, as summarized in Table 2.

Table 2: Adopted and Proposed Fees and Rates
(Proposed Rates and Fees are Subject to Board Approval)

Fund	Wastewater Operation	Wastewater Capital	Recycled Water		
As of July 1	Monthly 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
	ADOPTED	PROPOSED			
FY 2020/21*	\$20.00	\$6,955	\$490	\$550	\$1,684
FY 2021/22	\$21.22	\$7,379	\$520	\$580	\$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

**In November 2019, the monthly EDU rate of \$20.60 and \$21.22 were approved by the Board for FYs 2020/21 and 2021/22, respectively. On May 6, 2020, the Board approved to defer the rate increase for FY 2020/21 and maintain the rate unchanged at \$20.00 per EDU.*

The revenue shortfall to maintain the rates and fees unchanged for FY 2020/21, including the monthly EDU rate, is estimated to be \$4.4 million. The proposed rates and fees are subject to Board approval on June 17, 2020. Summarized in Table 3 is the updated proposed amendment to the Regional Wastewater and Recycled Water programs total Sources and Uses of funds for FY 2020/21.

Table 3: Updated FY 2020/21 Proposed Budget Amendment (\$Millions)
Regional Wastewater and Recycled Water Programs

Consolidated FY 2020/21	Adopted	Proposed	Amendment Amount
Total Sources of Funds	\$271.9	\$ 254.7	(\$17.2)
Total Uses of Funds	(\$269.3)	(\$271.9)	\$2.6
Increase (Decrease) in Net Position	\$2.6	(\$17.2)	(\$19.8)

TOTAL SOURCES OF FUNDS

The revised assumptions result in a decrease of \$17.2 million to total Sources of Funds. The reduction is primarily due to a decrease in federal and state loan proceeds and the estimated impact of the 12-month deferral of the adopted and proposed rate increases for FY 2020/21. The distribution by major category of the proposed Sources of Funds is shown below in Table 4.

**Table 4: FY 2020/21 Proposed Amendment to Sources of Funds (\$Millions)
Regional Wastewater and Recycled Water Programs**

Sources of Funds	Adopted	Proposed	Amendment Amount
User Charges	\$70.4	\$68.3	(\$2.1)
Federal and State Loans	85.4	70.8	(14.6)
Property Tax	46.8	46.8	0.0
Connection Fees	36.7	35.7	(1.0)
Recycled Water Sales	18.8	16.2	(2.6)
Grants	4.9	6.9	2.0
Capital Reimbursement	5.0	6.2	1.2
*Other Sources	3.9	3.8	(0.1)
Total	\$271.9	\$254.7	(\$17.2)

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

User Charges: The \$2.1 million reduction is the estimated revenue shortfall resulting from the May 6, 2020, Board approval to defer the increase to the Monthly EDU rate for FY 2020/21 adopted in November 2019. The current monthly EDU rate of \$20.00 will be maintained in FY 2020/21. The adopted rate of \$21.22 per EDU will take effect on July 1, 2021.

Federal and State Loans/Grants: The \$14.6 million net reduction to loan and grants proceeds is a combination of lower State Revolving Fund (SRF) loans and higher grants. Regarding SRF loans, the adjustment reflects the uncertainty of when the SRF loan funding will be available for the RP-5 Expansion project. Regarding grants, there is a \$2.0 million increase related to a Proposition 1 Groundwater Quality grant associated with the South Archibald Plume cleanup project.

Connection Fees: The reduction of \$1.0 million is related the proposed 12-month deferral of the increases proposed for FY2020/21, subject to Board approval in June. There is no change in the number of new wastewater connections (4,000 EDUs) and new water connections (4,700 meter equivalent units) projected in the adopted budget.

Recycled Water: The \$2.6 million reduction in recycled water sales includes a decrease in recycled water deliveries from the adopted 36,000 acre-feet (AF) to 31,900 AF for FY 2020/21, consistent with the current trend, as well as the proposed 12-month deferral of the increases proposed for FY2020/21, subject to Board approval in June.

TOTAL USES OF FUNDS

To mitigate the estimated impact of the 12-month deferral of the adopted and proposed rate increases for FY 2020/21, management is already evaluating budgeted line items to identify non-critical projects and expenses that can be deferred without negatively impacting employee safety and the essential services to our customers. Operating Contingency reserves will be used as needed to support essential operating and capital costs not recovered by rates. Consistent with the Board

adopted Reserve Policy, Operating Contingency reserves can only be drawn upon if the Agency's operating revenues are not sufficient to pay operating expenses. Draws from these reserves will need to be replenished within twelve months after use.

At this time, there is no change to the previous proposed amendment to total Uses of Funds of \$2.6 million. The proposed increase is primarily due to an increase in non-capital projects related to the Regional System Asset Management program, offset by a decrease in capital project spending consistent with the proposed TYF for FYs 2020/21 – 2029/30. Table 5 below provides a summary by category.

**Table 5: FY 2020/21 Proposed Amendments to Uses of Funds (\$Millions)
Regional Wastewater and Recycled Water Programs**

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

Capital Projects: The \$5.0 million decrease is primarily due to changes in project scope and project execution timelines. Amendments to capital project costs are consistent with the proposed TYF for FYs 2020/21 – 2029/30.

Operations & Administration: Overall, the same level of expenditures for operations & administration costs was maintained; the \$5.9 million increase is mainly due changes to projects related to the Regional System Asset Management program and the TCE Plume Cleanup. Amendments to non-capital projects is consistent with the proposed TYF for FYs 2020/21 – 2029/30.

Inter-Fund Transfers: The \$1.5 million increase is mainly due to projects budgeted in the Administrative Services fund and supported by other funds. Projects include roof replacement at various Agency facilities, safety improvements to the Headquarters' driveways, and added testing requirements for PFAS and from the California Energy Commission (CEC).

Conclusion

If revenues and expenses occur as planned and the Board approves the proposed 12-month deferral of rate increases for FY 2020/21, the proposed amendments to total Sources and Uses of Funds will reduce the net position of the Regional Wastewater and Recycled Water programs by \$17.2 million compared to the increase in net position of \$2.6 million projected in the FY 2020/21 Adopted Budget, as summarized in Table 3 above.

The outbreak of the COVID-19 pandemic and the drastic measures undertaken at the federal, state, and local levels to contain the spread of the virus have significantly altered our lives, our communities, and our economy. While it is still too early to quantify the economic impact this crisis will have on our member agencies and the communities we serve, a 12-month deferral to the adopted and proposed rates for FY 2020/21 will help to lessen the fiscal impact to our ratepayers.

The Agency will continue to evaluate the deferral of non-critical projects and expenses to offset the projected shortfall in revenue and to minimize the use of Operating Contingency reserves to support essential operating and capital costs not recovered by rates.

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
REVENUES					
Interest Revenue	\$838	\$790	\$790	\$826	\$826
TOTAL REVENUES	\$838	\$790	\$790	\$826	\$826
OTHER FINANCING SOURCES					
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	27,820
State Loans	-	9,800	9,800	80,250	65,293
Other Revenues	23	1	1	1	1
TOTAL OTHER FINANCING SOURCES	\$56,938	\$71,658	\$71,658	\$143,963	\$128,172
EXPENSES					
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
TOTAL EXPENSES	\$5,560	\$5,960	\$6,378	\$5,973	\$5,973
CAPITAL PROGRAM					
Work In Progress	\$24,845	\$24,824	\$24,824	\$102,243	\$98,645
IERCA investment	-	500	500	500	500
TOTAL CAPITAL PROGRAM	\$24,845	\$25,324	\$25,324	\$102,743	\$99,145
DEBT SERVICE					
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
TOTAL DEBT SERVICE	\$11,919	\$12,526	\$12,526	\$12,543	\$12,543
TRANSFERS IN (OUT)					
Capital Contribution	\$4,426	\$3,399	\$3,399	\$10,426	(\$2,005)
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)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$3,755)	(\$8,883)	(\$8,883)	(\$1,556)	(\$17,792)
FUND BALANCE					
Net Income (Loss)	\$11,697	\$19,755	\$19,336	\$21,974	(\$6,455)
Beginning Fund Balance July 01	84,996	88,794	88,794	108,548	108,130
ENDING FUND BALANCE AT JUNE 30*	\$96,693	\$108,548	\$108,130	\$130,523	\$101,675
RESERVE BALANCE SUMMARY					
Capital Construction	\$14,645	\$20,434	\$17,485	\$83,645	\$12,987
CCRA Capital Construction	66,474	72,262	75,294	30,916	73,114
Debt Service & Redemption	15,574	15,853	15,351	15,962	15,574
ENDING BALANCE AT JUNE 30	\$96,693	\$108,548	\$108,130	\$130,523	\$101,675

*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
REVENUES					
User Charges	\$66,499	\$68,158	\$68,158	\$70,366	\$68,327
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
TOTAL REVENUES	\$72,301	\$73,988	\$73,988	\$75,959	\$73,920
OTHER FINANCING SOURCES					
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
TOTAL OTHER FINANCING SOURCES	\$13,164	\$11,718	\$18,027	\$11,593	\$14,252
EXPENSES					
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
TOTAL EXPENSES	\$57,052	\$68,034	\$76,925	\$70,020	\$75,339
CAPITAL PROGRAM					
Capital Construction & Expansion (WIF)	\$20,629	\$25,988	\$26,547	\$21,047	\$39,887
TOTAL CAPITAL PROGRAM	\$20,629	\$25,988	\$26,547	\$21,047	\$39,887
DEBT SERVICE					
Financial Expenses	\$0	\$0	\$0	\$0	\$0
Interest	819	655	655	641	627
Principal	728	756	756	771	754
TOTAL DEBT SERVICE	\$1,548	\$1,412	\$1,412	\$1,412	\$1,381
TRANSFERS IN (OUT)					
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)	(787)
Capital - Connection Fees Allocation	4,481	5,717	5,717	4,785	10,378
TOTAL INTERFUND TRANSFERS IN (OUT)	\$909	(\$792)	(\$792)	(\$7,409)	\$8,333
FUND BALANCE					
Net Income (Loss)	\$7,163	(\$10,519)	(\$13,269)	(\$12,335)	(\$20,102)
Beginning Fund Balance July 01	76,837	76,428	84,000	65,909	70,731
ENDING FUND BALANCE JUNE 30*	\$84,000	\$65,909	\$70,731	\$53,574	\$50,629
RESERVE BALANCE SUMMARY					
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	18,233
ENDING BALANCE AT JUNE 30	\$84,000	\$65,909	\$70,731	\$53,574	\$50,629

* 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)

	2018/19	2019/20	2019/20	2020/21	2020/21
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID-YEAR
REVENUES					
Interest Revenue	\$769	\$983	\$983	\$949	\$708
Water Sales	13,902	18,120	18,120	18,752	16,155
TOTAL REVENUES	\$14,670	\$19,103	\$19,103	\$19,701	\$16,863
OTHER FINANCING SOURCES					
Property Tax - Debt /Capital	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	5,916	7,915	7,915	8,032	7,915
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
TOTAL OTHER FINANCING SOURCES	\$ 11,324	\$ 27,345	\$ 27,345	\$ 19,875	\$ 20,633
EXPENSES					
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
TOTAL EXPENSES	\$9,619	\$11,743	\$12,342	\$11,562	\$12,187
CAPITAL PROGRAM					
Work In Progress	\$6,636	\$18,727	\$23,849	\$23,800	\$3,570
TOTAL CAPITAL PROGRAM	\$6,636	\$18,727	\$23,849	\$23,800	\$3,570
DEBT SERVICE					
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
TOTAL DEBT SERVICE	\$11,129	\$11,027	\$11,027	\$12,116	\$12,245
TRANSFERS IN (OUT)					
Capital Contribution	(\$1,873)	(\$88)	(\$88)	(\$21)	(\$547)
Debt Service	2,394	2,400	2,400	2,542	2,547
Operation support	(526)	(836)	(836)	(755)	(562)
Water Connection Allocation	(454)	(2,021)	(2,021)	(950)	(1,614)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$459)	(\$545)	(\$545)	\$816	(\$176)
FUND BALANCE					
Net Income (Loss)	(\$1,848)	\$4,405	(\$1,315)	(\$7,086)	\$9,319
Beginning Fund Balance July 01	26,401	30,414	24,553	41,056	23,238
ENDING BALANCE AT JUNE 30	\$24,553	\$34,819	\$23,238	\$33,970	\$32,557
RESERVE BALANCE SUMMARY					
Operating Contingency	\$3,206	\$3,914	\$4,114	\$3,854	\$4,062
Capital Construction	(1,295)	9,274	(5,510)	4,664	945
Water Connection	14,615	12,516	15,518	14,478	16,407
Rehabilitation/Replacement (R&R)	0	0	0	1,500	1,500
Debt Service	8,027	9,116	9,116	9,475	9,643
ENDING BALANCE AT JUNE 30	\$24,553	\$34,819	\$23,238	\$33,970	\$32,557

*Numbers may not total due to rounding

FY 2020/2021 Proposed Budget Amendments

Regional Wastewater and Recycled Water Programs



FY2020/21 Regional Wastewater and Recycled Water Mid-Cycle Budget Amendment Assumptions

Sources of funds:

- 12-month deferral of adopted and proposed rates for FY 2020/21, subject to Board approval
- Reduction of recycled water deliveries based on current demand trends
- Alignment of loans proceeds consistent with proposed Ten-Year Forecast

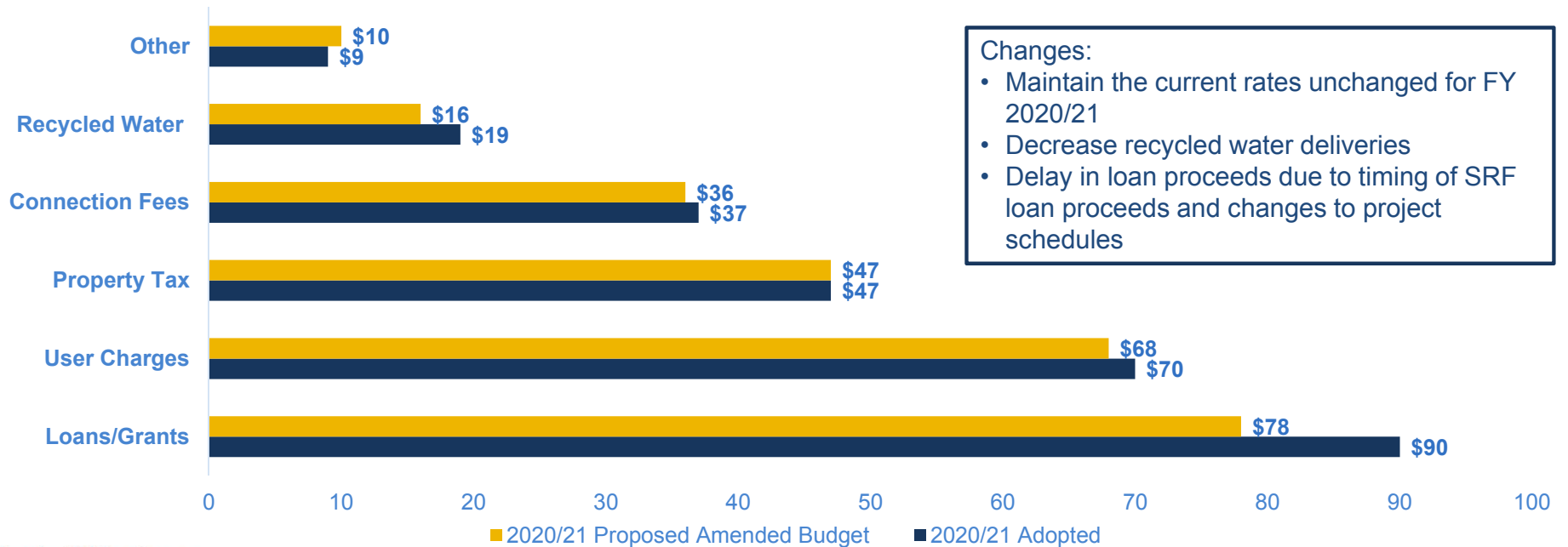
Uses of funds:

- Projects based on proposed Ten Year Forecast (TYF) for FYs 2020/21 – 2029/30
 - Facility expansion based on projected growth
 - Asset Management: Replacement, Repair and Improvement

Regional Wastewater and Recycled Water

SOURCES OF FUNDS

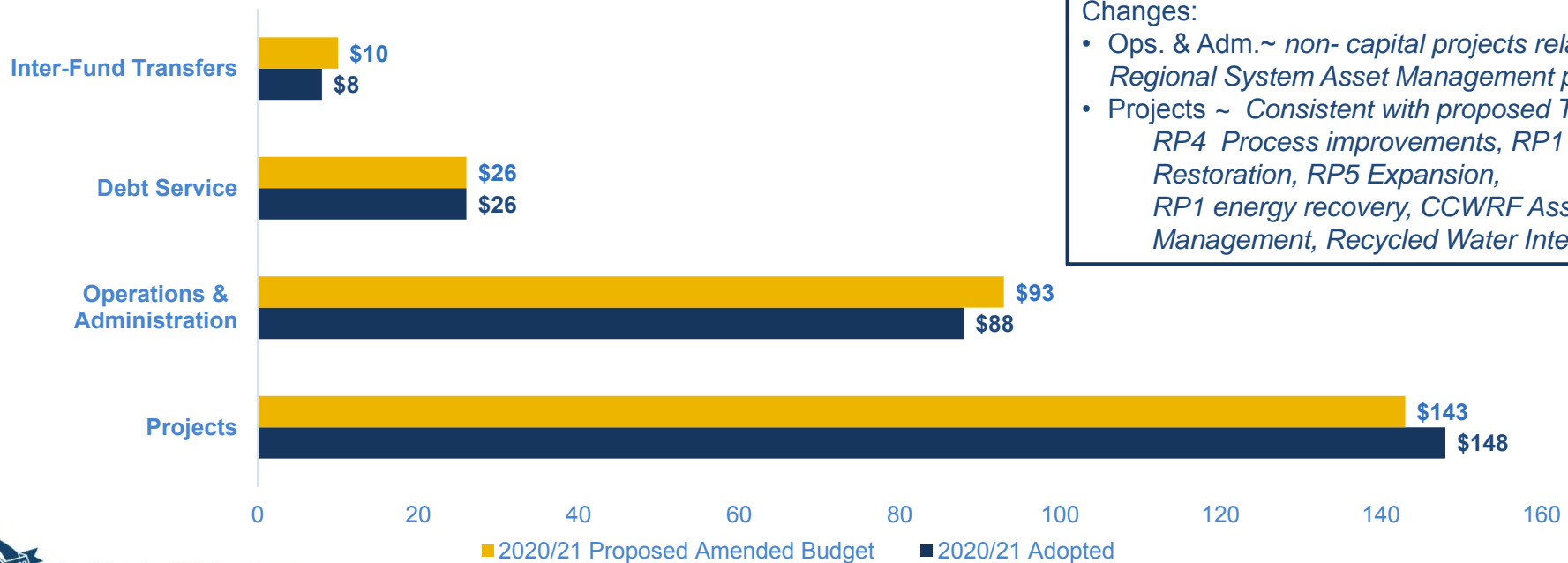
\$ Millions	FY 2020/21 Adopted	FY 2020/21 Proposed	Amendments
Total Sources of Funds	\$271.9	\$254.7	(\$17.2)



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:

- Ops. & Adm. ~ non-capital projects related to Regional System Asset Management program
- Projects ~ Consistent with proposed TYF
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	\$254.7	(\$17.2)
Total Uses of Funds	<u>\$269.3</u>	<u>\$271.9</u>	<u>\$2.6</u>
Increase (decrease) net position	\$2.6	(\$17.2)	(\$19.8)

*12-month deferral of rate increases proposed for FY 2020/21 is subject to Board approval on June 17, 2020.

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*.

ACTION ITEM

2D

Date: May 2020/June 2020

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: Regional Sewage Force Main Improvements Construction Contract Award

RECOMMENDATION

It is requested that the Regional Committees recommend the Inland Empire Utilities Agency (IEUA) Board of Directors award the construction contract for the Regional Sewage Force Main Improvements, Project No. EN19025, to the lowest, responsive bidder for the not-to-exceed amount of \$3,786,070.

BACKGROUND

The Regional Sewage Force Main Improvements project consists of constructing seventeen clean-out vaults along the force main discharging flow from the San Bernardino Avenue Lift Station to Regional Water Recycling Plant No. 4 (RP-4). The vaults will be utilized as access points to aid in cleaning the pressurized pipeline. Currently, the continuous buildup of material within the pipeline causes the upstream pumps to exert more power to send flow to their respective locations in addition to reduced capacity within the pipelines. During construction, a condition assessment of the force main will also be conducted.

On December 9, 2020, a request for bids was advertised on *PlanetBids* to six prequalified contractors. On May 14, 2020, IEUA received four (4) construction bids. Ferreira Construction Company, Inc, was the lowest responsive, responsible bidder with a bid price of \$3,786,070; Engineer's estimate was \$3,586,000.

The following table presents the anticipated project cost:

Description	Estimated Cost
Design Services	\$373,939
Design Consultant Contract	\$324,317
IEUA Design Services (actuals)	\$49,622
Construction Services	\$250,428
Engineering Services During Construction	\$125,428
IEUA Construction Services (~10%)	\$125,000
Construction	\$4,164,670
Construction (This Action)	\$3,786,070
Contingency (~10%)	\$378,600
Total Project Cost:	\$4,789,037
Total Project Budget:	\$4,173,000
Augmented Project Budget Request:	\$627,000*
Total Revised Budget:	\$4,800,000*

*In June 2020, staff will be requesting the Board of Directors to approve a budget amendment in the amount of \$627,000 in the Regional Capital (RC) Fund.

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	June 2020
Construction Completion	March 2021

The Regional Force Main Improvements Project is consistent with *IEUA's business goal of Wastewater Management*, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainability managed, and can accommodate changes in regional water use.

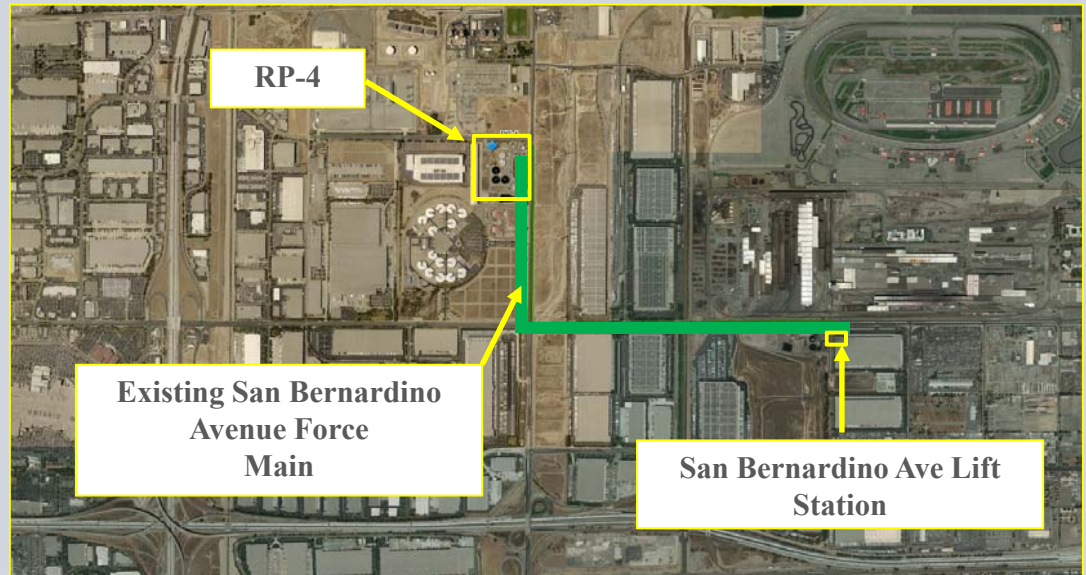
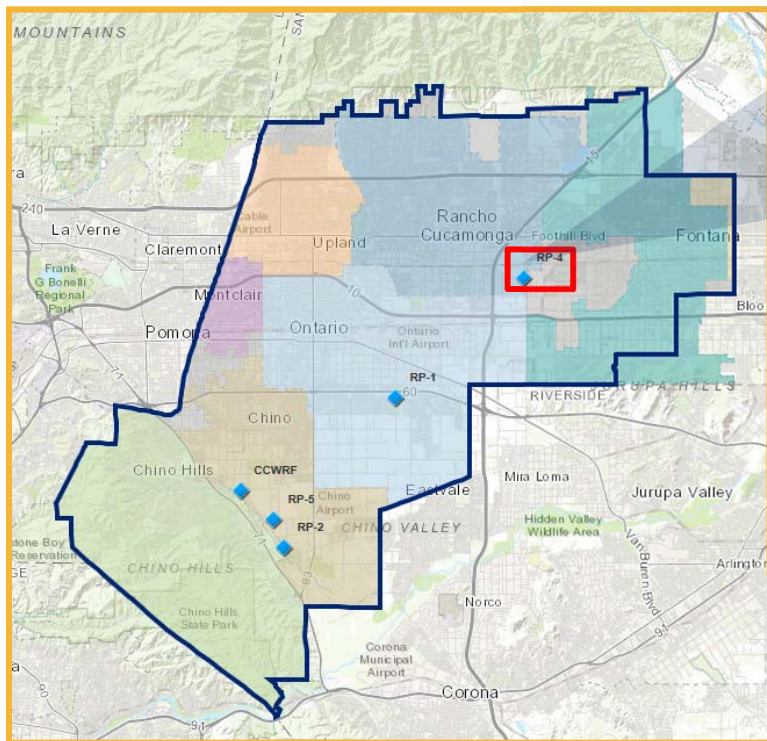
Regional Force Main Improvements Construction Contract Award

Project No. EN19025



Jerry Burke, PE
June 2020

Project Location – Regional Force Main Improvements



**San Bernardino Ave
Lift Station Force Main**

The Project

- Regional Force Main Improvements
 - Condition assessment of force main
 - Installation of 17 access vaults to maintain the force main



San Bernardino Lift Station



Existing Force Main with Dual Lines

Contractor Selection

Four bids were received on May 14, 2020, from six pre-qualified contractors:

Bidder's Name	Final Bid Amount
Ferreira Construction Company, Inc	\$3,786,070
Steve P. Rados, Inc.	\$4,246,000
Norstar Plumbing	\$4,327,000
W.A. Rasic Construction Company, Inc	\$6,285,000
Engineer's Estimate	\$3,586,000

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$373,939
Consultant Design Contract	\$324,317
IEUA Design Services (actuals)	\$49,622
Construction Services	\$250,428
Engineering Services During Construction	\$125,428
IEUA Construction Services (10%)	\$125,000
Construction	\$4,164,670
Construction Contract (This Action)	\$3,786,070
Contingency (10%)	\$378,600
Total Project Cost:	\$4,789,037
Total Project Budget (current):	\$4,173,000
Augmented Project Budget Request:	\$627,000*
Total Revised Budget:	\$4,800,000*

*In June 2020, staff will be requesting the Board of Directors to approve a budget amendment in the amount of \$627,000 in the Regional Capital (RC) Fund.

Project Milestone	Date
Design	
Consultant Design Contract Award	July 2018
Design Completion	December 2019
Construction	
Construction Contract Award	June 2020
Construction Completion	March 2021

Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the Regional Force Main Improvements, Project No. EN19025, to the lowest, responsive bidder for the not-to-exceed amount of \$3,786,070.

The Regional Force Main Improvements Project is consistent with **IEUA's business goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainability managed, and can accommodate changes in regional water use.

ACTION ITEM

2E

Date: May/June 2020

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: RP-1 Flare System Improvements Construction Contract Award

RECOMMENDATION

It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the RP-1 Flare System Improvements, Project No. EN18006, to the lowest, responsive bidder for the not-to-exceed amount of \$5,540,000.

BACKGROUND

Regional Water Recycling Plant No.1 (RP-1) uses the method of conventional activated sludge to treat wastewater, liquids, and solids. The solids treatment section begins with thickening the solids removed from the primary and secondary clarification processes. The thickened solids are pumped to the anaerobic digesters (for gas production) and then to the centrifuges for dewatering. Digester gas not used at the facility is flared to the atmosphere through the existing candlestick flare, operating under a South Coast Air Quality Management District (SCAQMD) permit with limited capacity. The goal of the project is to replace the candlestick flare, which is more than 40 years old with a new Aereon Flare System to enhance reliability and SCAQMD compliance.

The scope of work for this project is as follows:

- Replace existing non-compliant candlestick flare
- Design and install pre-selected Aereon three-flare system
- Install low pressure gas-holding tank to enhance digester gas pressure control
- Provide reliable control with integration to RP-1 SCADA system
- Commission and operate new flare system under new SCAQMD Permit

On March 5, 2020, a request for bids was advertised on *PlanetBids* to five prequalified contractors. On May 14, 2020, IEUA received five construction bids. W.M. Lyles Co. was the lowest responsive, responsible bidder with a bid price of \$5,540,000; Engineer's estimate was \$6,000,000.

The following table presents the anticipated project cost:

Description	Estimated Cost
Design Services	\$962,000
Design Contract (actuals)	\$493,684
IEUA Design Services (actuals)	\$443,316
Aereon Engineering Services	\$25,000
Construction Services	\$570,350
Engineering Services During Construction	\$182,550
IEUA Construction Services (~7%)	\$387,800
Construction	\$6,094,000
Construction Contract (This Action)	\$5,540,000
Contingency (~10%)	\$554,000
Total Project Cost:	\$7,626,350
Total Project Budget:	\$5,682,000*
Augmented Project Budget Request:	\$1,968,000**
Total Revised Budget:	\$7,650,000**

*Approved total project budget for Fiscal Year 2020/21

**In June 2020, staff will be requesting the Board of Directors to approve a budget amendment in the amount of \$1,968,000 in the Regional Capital (RC) Fund.

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	June 2020
Construction Completion	October 2021

The RP-1 Flare Improvements Project is consistent with *IEUA's Business Goal of Wastewater Management*, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

RP-1 Flare Improvements Construction Contract Award

Project No. EN18006



Regional Water Recycling Plant No. 1 Project Location



The Project

- Existing flare is more than 40 years old with limited permitted capacity
- More future stringent SCAQMD regulatory requirements
- Project Purpose: Enhanced safety, reliability and compliance
- Scope includes:
 - Replace existing non-compliant flare
 - Install three new more advanced flare systems
 - Install low pressure gas holding tank
 - Upgrade digester gas system pressure control to prevent venting to atmosphere
 - Commissioning, testing, and startup



Similar Flare System (Riverside)



RP-1 Existing Flare System

Contractor Selection

Five (5) bids were received on May 14, 2020, from pre-qualified contractors:

Bidder's Name	Final Bid Amount
W.M Lyles Co.	\$5,540,000
J.R. Filanc Construction	\$5,760,547
PCL Construction	\$6,081,485
W.A. Rasic Construction Co., Inc.	\$6,418,000
Kiewit Infrastructure	\$6,722,000
Engineer's Estimate	\$6,000,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services	\$962,000	Construction	
Design Consultant Contract (actual)	\$493,684	Construction Contract Award	June 2020
IEUA Design Services (actuals)	\$443,316	Construction Completion	October 2021
Aereon Engineering Services	\$25,000		
Construction Services	\$570,350		
Engineering Services During Construction	\$182,550		
IEUA Construction Services (estimate)	\$387,800		
Construction	\$6,094,000		
Construction Contract (not-to-exceed)	\$5,540,000		
Contingency (~10%)	\$554,000		
Total Project Cost:	\$7,626,350		
Total Project Budget:	\$5,682,000*		
Augmented Project Budget Request:	\$1,968,000**		
Total Revised Budget:	\$7,650,000**		

* Approved total project budget for Fiscal Year 2020/21

** Staff will request the Board of Directors to approve a budget amendment

Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the RP1 Flare System Improvements Project, Project No. EN18006, to the lowest, responsive bidder W.M. Lyles Co. for the not-to-exceed amount of \$5,540,000.

The RP-1 Flare Improvements Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2019/20



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

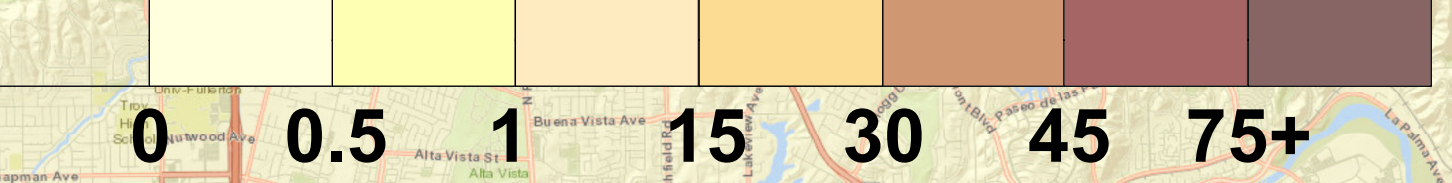
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

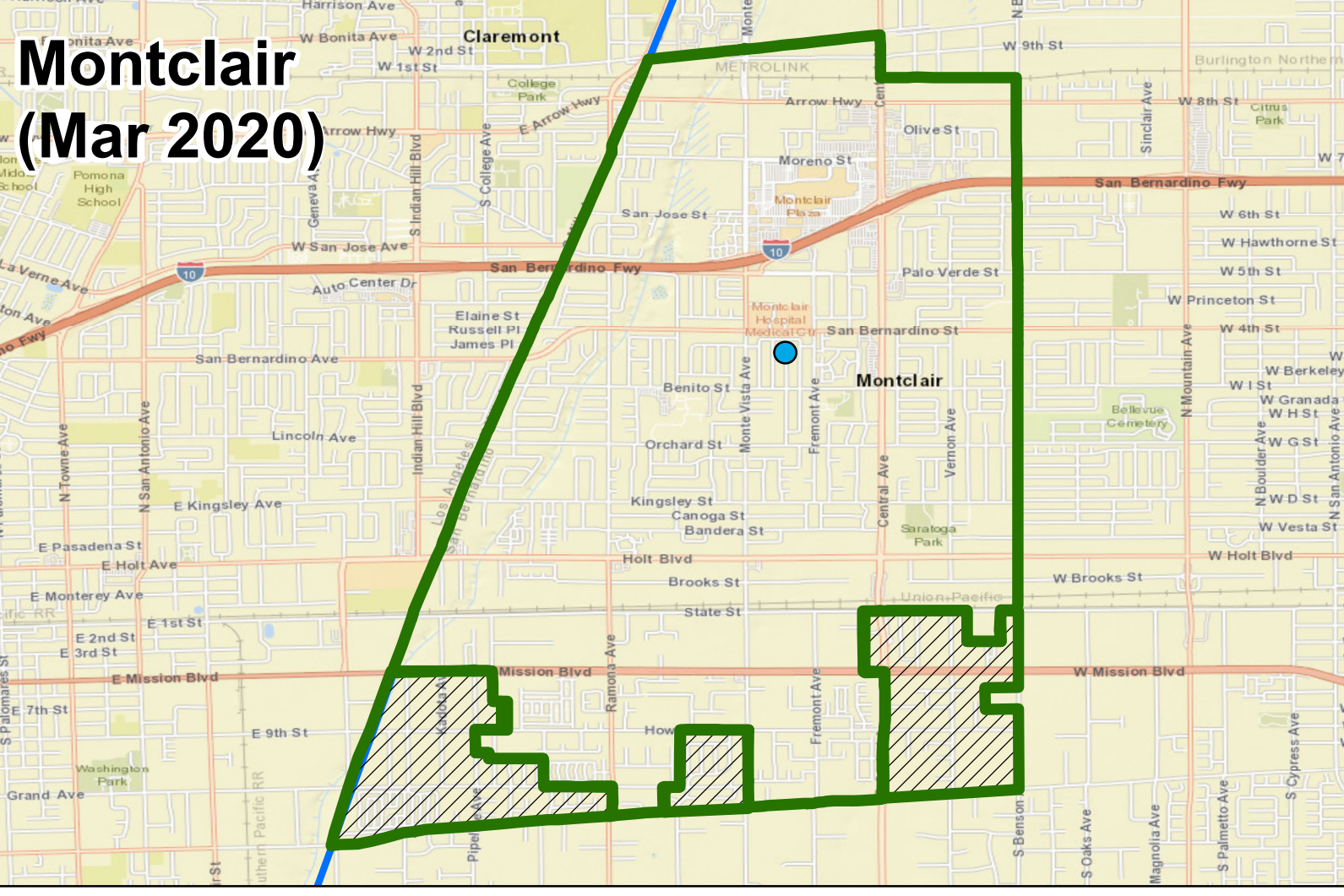
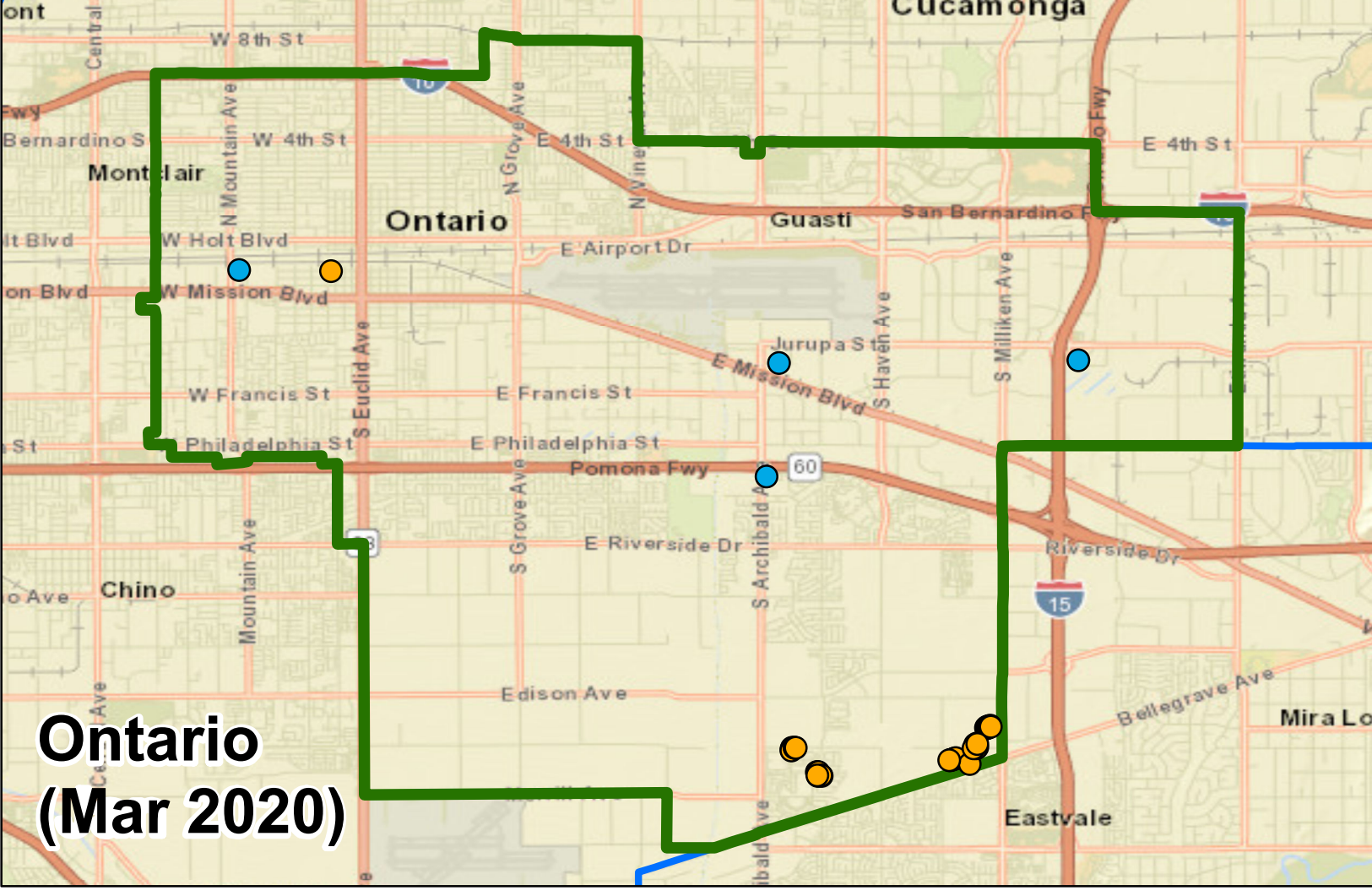
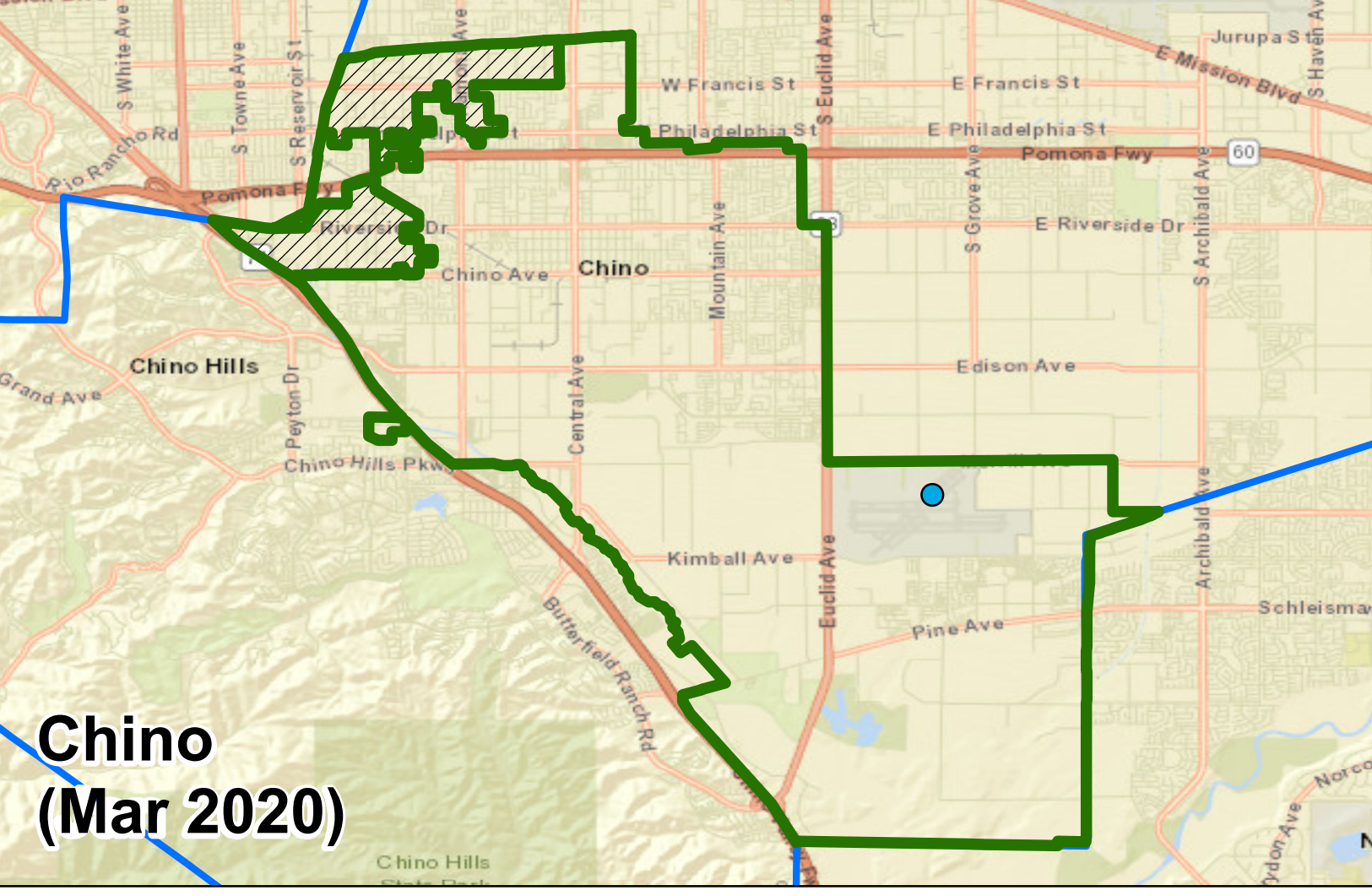
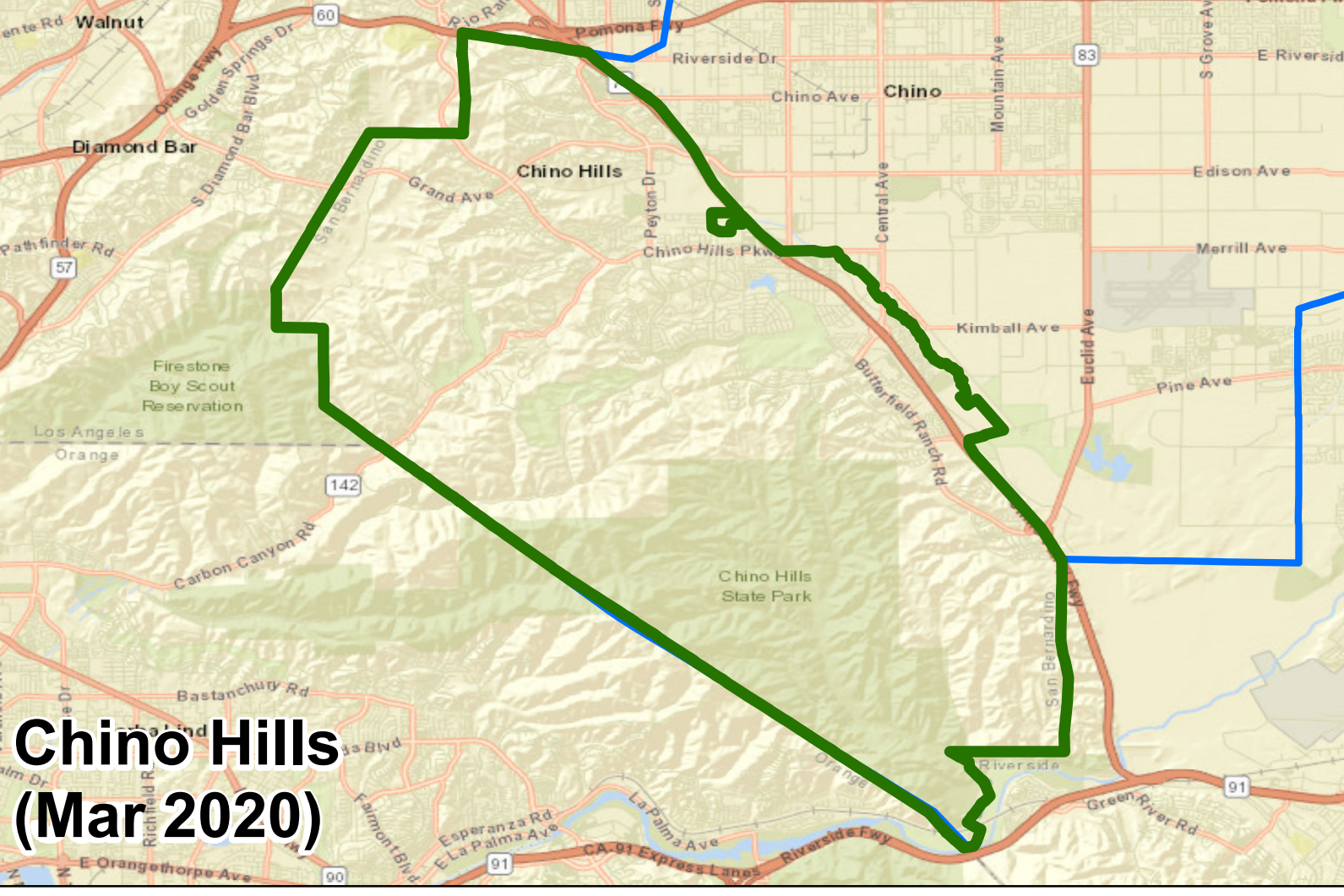
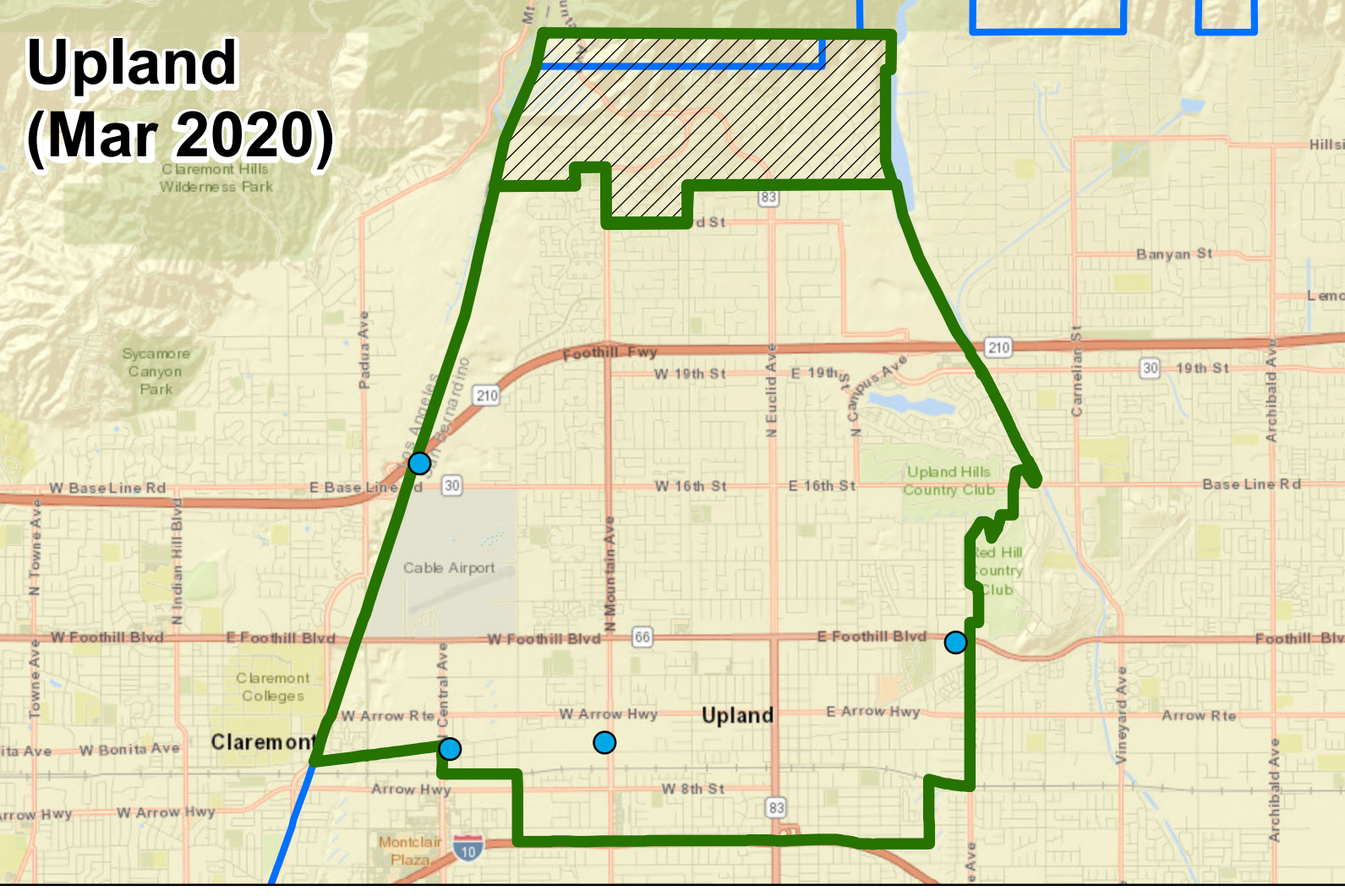
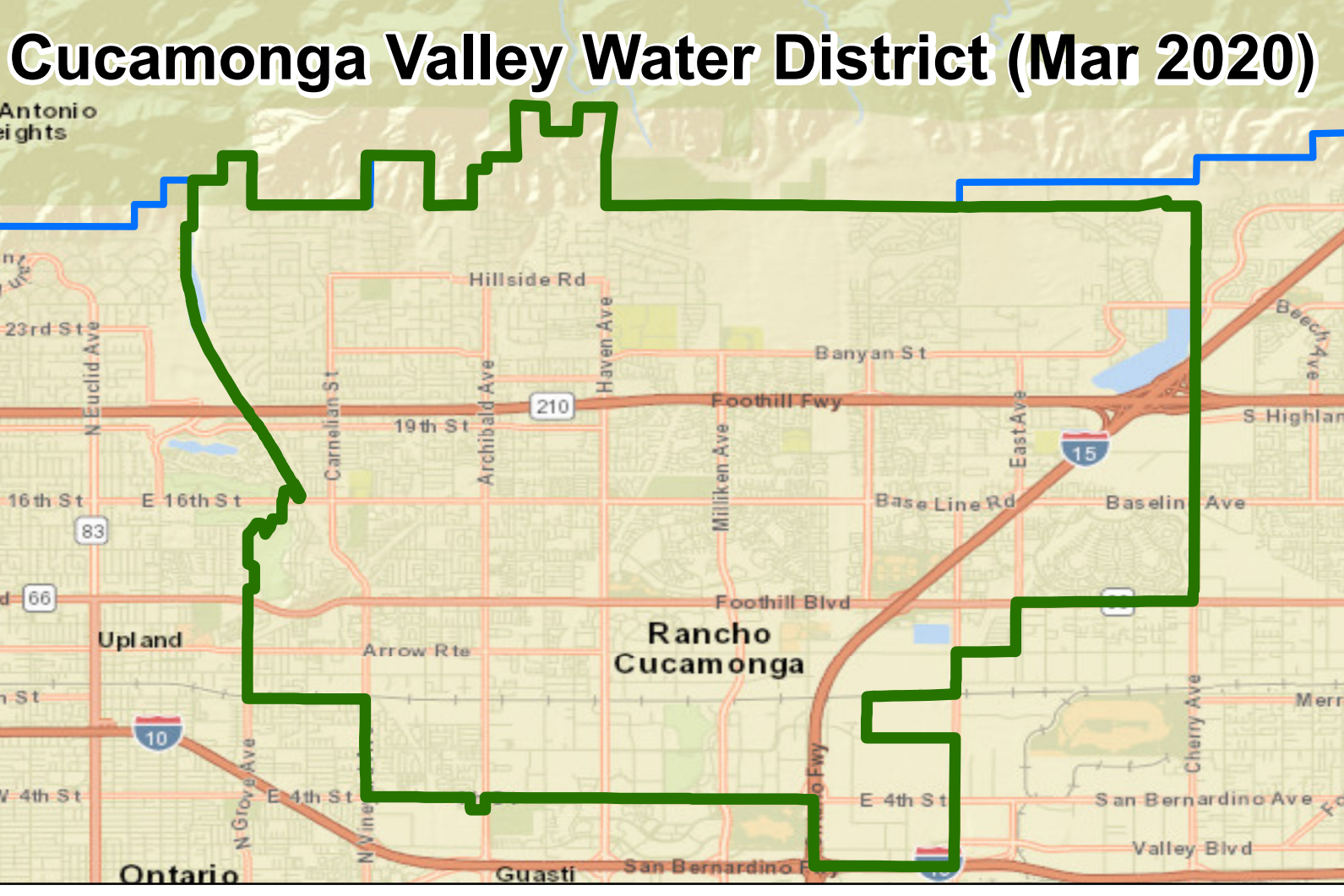
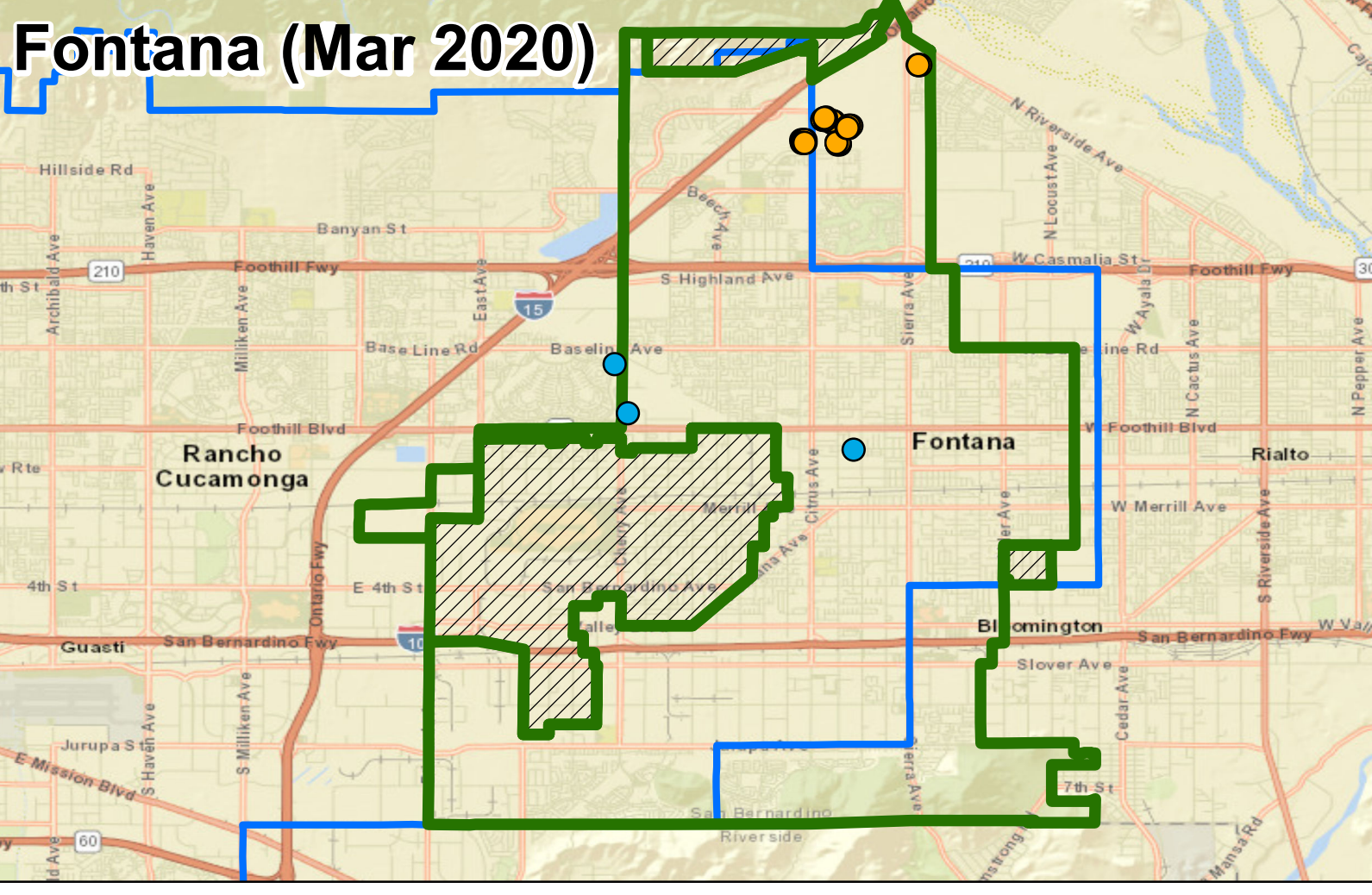
- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	26	38	323	387	470
Chino Hills	43	0	17	60	272
CVWD	76	1	134	211	1240
Fontana	53	3	516	572	595
Montclair	17	0	90	107	407
Ontario	134	92	1148	1374	2960
Upland	15	0	324	339	446
Total	364	134	2552	3050	6390



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IEUA RECYCLED WATER DISTRIBUTION – APRIL 2020

TOTAL ALL PLANTS

Influent: 49.2 MGD

Delivered: 17.7 MGD

Percent Delivered: 36%

RP-4

Delivered: 7.1 MGD

RP-1

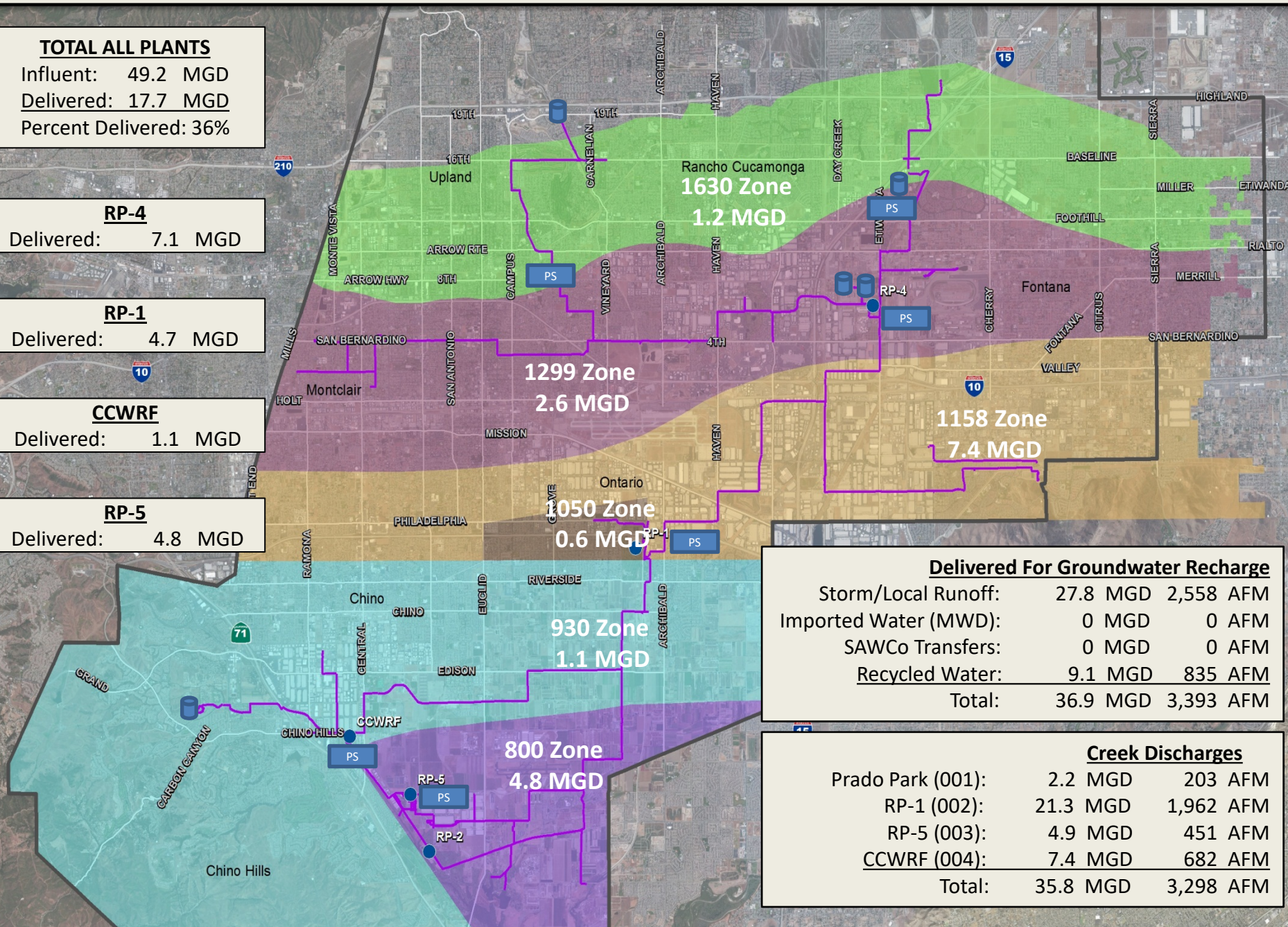
Delivered: 4.7 MGD

CCWRF

Delivered: 1.1 MGD

RP-5

Delivered: 4.8 MGD



Delivered For Groundwater Recharge

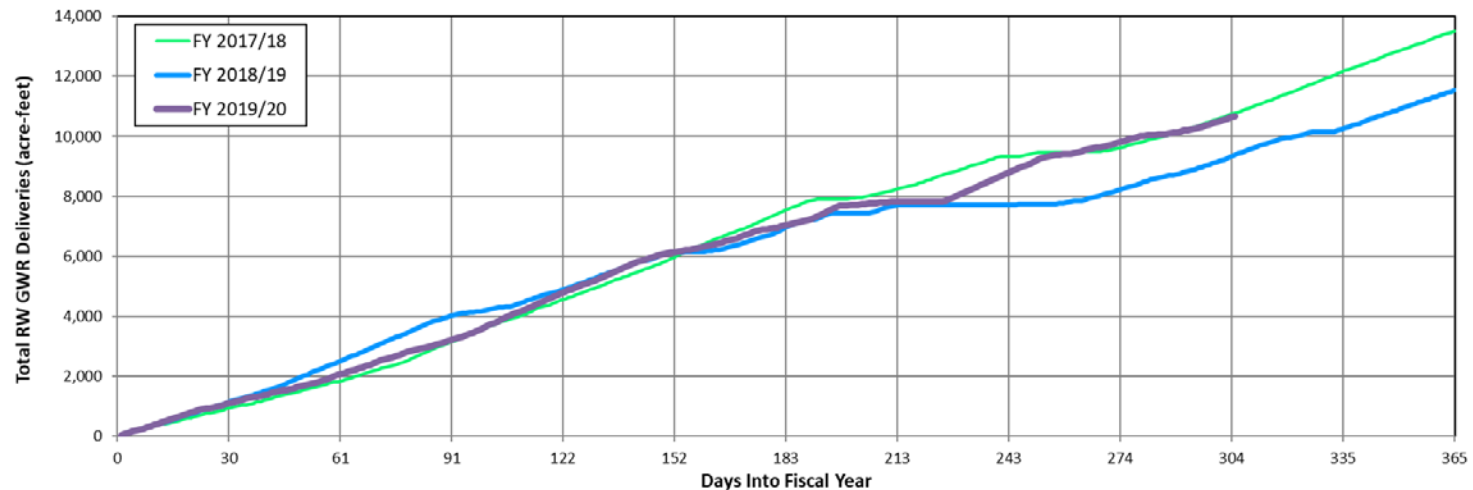
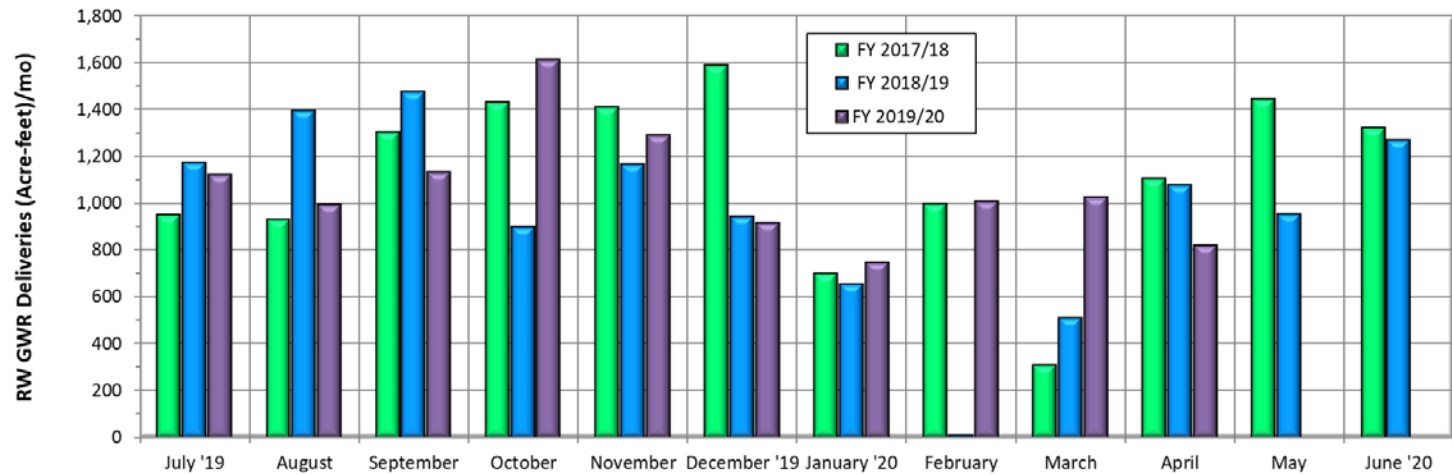
Storm/Local Runoff:	27.8 MGD	2,558 AFM
Imported Water (MWD):	0 MGD	0 AFM
SAWCo Transfers:	0 MGD	0 AFM
Recycled Water:	9.1 MGD	835 AFM
Total:	36.9 MGD	3,393 AFM

Creek Discharges

Prado Park (001):	2.2 MGD	203 AFM
RP-1 (002):	21.3 MGD	1,962 AFM
RP-5 (003):	4.9 MGD	451 AFM
CCWRF (004):	7.4 MGD	682 AFM
Total:	35.8 MGD	3,298 AFM

Recycled Water Recharge Deliveries / Plan - April 2020 (Acre-Feet)

Basin	4/1-4/6	4/7-4/13	4/14-4/20	4/21-4/27	4/28-4/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.	
Ely	0.0	0.0	28.5	78.5	34.0	141.0	1211		
Banana	0.0	0.0	0.0	18.1	0.0	18.1	873		
Hickory	3.1	0.0	0.0	16.5	0.0	19.6	297		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0.0	199		
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0	0.0			
8th Street	0.0	0.0	0.0	7.7	3.7	11.4	759		
Brooks	15.7	0.0	0.0	0.0	0.0	15.7	706		
RP3	131.2	82.6	137.7	122.4	44.2	518.1	5160		
Declez	0.0	0.0	0.0	0.0	0.0	0.0	593		
Victoria	20.7	0.0	15.3	55.4	4.2	95.6	878		
San Sevaïne	0.0	0.0	0.0	0.0	0.0	0.0	0		
Total	170.7	82.6	181.5	298.6	86.1	819.5	0	10,675	9,318 AF previous FY to day actual



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IEUA BILL POSITIONS—April 30, 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
AB 2182	Rubio ACWA Sponsored	Emergency backup generators: water and wastewater facilities: exemption	Would exempt the operation of an alternative power source, as defined, to provide power to a critical facility, as defined, from any local, regional, or state regulation regarding the operation of that source. The bill would authorize providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedure set forth in the National Fire Protection Association Standard for Emergency and Standby Power System, NFPA 110, for alternative power sources designated by the providers for the support of critical facilities.	SUPPORT Assembly Utilities and Energy Committee
AB 2560	Quirk OCWD/CMUA Sponsored	Water quality: notification and response levels: procedures	The California Safe Drinking Water Act requires the State Water Resources Control Board to adopt drinking water standards for contaminants in drinking water based upon specified criteria and requires any person who owns a public water system to ensure that the system, among other things, complies with those drinking water standards. The act requires a public water system to provide prescribed notices within 30 days after it is first informed of a confirmed detection of a contaminant found in drinking water delivered by the public water system for human consumption that is in excess of a maximum contaminant level, a notification level, or a response level established	SUPPORT Assembly Environmental Safety and Toxic Materials Com. May 14

			by the state board. This bill would require the state board to comply with specified public notice and comment and peer review procedures, as prescribed, when establishing or revising notification or response levels.	
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 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.	SUPPORT 2- year bill Assembly 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.	SUPPORT IF AMENDED

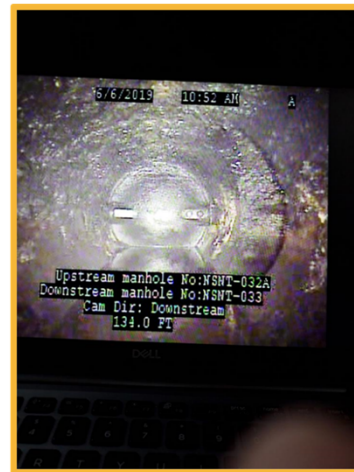
			The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer and the California Pollution Control Financing Authority, to develop financial incentive mechanisms, including, among other mechanisms, loans and incentive payments, to fund and accelerate public and private capital towards organic waste diversion and recycling infrastructure.	2-year bill Assembly Appropriations
SB 996	Portantino MWD/CMUA	SWRCB: Constituents of Emerging Concern	<i>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.</i>	<i>Bill Dropped by Author to keep focus on emergency measures.</i>
SB 1052	Hertzberg CASA/CA Coastkeeper	Water Quality: Municipal Wastewater Agencies	<i>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.</i>	<i>Bill Dropped by Author to keep focus on emergency measures.</i>

SB 1099	Dodd CMUA/Las Virgenes Sponsored	Emergency backup generators: critical facilities: exemption	Would, consistent with federal law, require air districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a deenergization event or other loss of power, and to test and maintain that emergency backup generator, as specified, without having that usage, testing, or maintenance count toward that emergency backup generator's time limitation on actual usage and routine testing and maintenance. The bill would prohibit air districts from imposing a fee on the issuance or renewal of a permit issued for those critical facility emergency backup generators	SUPPORT Senate Environmental Quality Committee
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Engineering and Construction Management Project Updates



Jerry Burke, P.E.
May 2020/June 2020

San Bernardino Lift Station Facility Improvements

Project Goal: Improve Efficiency



Final Improvement

Total Project Budget: \$500 K
Project Completion: April 2020
Construction Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	WSC	\$45 K	0%
Construction (Current)	AToM Engineering	\$118 K	0%

Non-Reclaimable Wastewater System Manhole Upgrades - 19/20

Project Goal: Extend Asset Life

Total Project Budget: \$200 K

Project Completion: June 2020

Construction Percent Complete: 70%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	In-house	\$0	0%
Construction (Current)	Ferreira Construction	\$87 K	0%



Placing Asphalt

RP-4 Aeration Diffuser Replacement/Wall Reinforcement

Project Goal: Increase operational efficiency



Piping to be coated

Total Project Budget: \$6 M
Project Completion: July 2021
Design Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Carollo Engineering	\$90 K	0%
Construction	TBD	\$0 M	0%

Wineville/Jurupa/Force Main Improvements

Project Goal: Increase Storm Water Recharge

Total Project Budget: \$14.9 M
Project Completion: February 2022
Design Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Stantec/Carollo	\$885 K	1%
Construction	TBD	\$0	0%



Wineville - Proposed Location of Pump Station 1

Collection System Asset Management

Project Goal: Improve monitoring and increase reliability



Manhole CT-003

Total Project Budget: \$3.0 M
Project Completion: July 2021
Planning Percent Complete: 95%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Planning (Current)	GHD	\$95 K	0%
Assessment	TBD	\$0	0%