



**AGENDA
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

**WEDNESDAY, JUNE 17, 2020
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
Telecon: (415) 856-9169/Conference ID: 794 202 809#**

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.

TELECONFERENCE ACCESSIBILITY FOR THE GENERAL PUBLIC:

In all efforts to prevent the spread of COVID-19, until further notice, the Inland Empire Utilities Agency will be holding all Board and Committee meetings by teleconferencing.
The meeting will be accessible at: (415) 856-9169 / Conf Code: 794 202 809#

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. The public may also view the meeting live through the Agency's website. Alternatively, you may email your public comments to the Board Secretary/Office Manager April Woodruff at awoodruff@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 OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

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

ADDITIONS TO THE AGENDA

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

1. CONSENT ITEMS

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

A. MINUTES

The Board will be asked to approve the minutes from the May 6, 2020 Board Workshop/Meeting and May 20, 2020 Board Meeting.

B. REPORT ON GENERAL DISBURSEMENTS (*Fin & Admin*)

Staff recommends that the Board approve the total disbursements for the month of April 2020, in the amount of \$12,392,970.89.

C. FY 2020/21 ANNUAL AUDIT PLAN (*Audit*)

Staff recommends that the Board:

1. Approve the FY 2020/21 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to implement the FY 2020/21 Annual Audit Plan.

D. CONTRACT AWARD FOR PLANNING AND SCHEDULING SOFTWARE (*Eng/Ops/WR*)

Staff recommends that the Board:

1. Approve a contract with P&RO Solutions to include installation, training, and licensing for five years for a not-to-exceed value of \$218,000; and
2. Authorize the General Manager to finalize and execute the contract.

E. IEUA TEN-YEAR FORECAST (*Eng/Ops/WR*) (*Fin & Admin*)

Staff recommends that the Board adopt the Fiscal Year 2020/21-2029/30 Ten-Year Forecast

F. UTILITY LOCATING SERVICES CONTRACT AWARD (Eng/Ops/WR)

Staff recommends that the Board:

1. Award a five-year contract, with two one-year time extensions, to UtiliQuest, LLC., for utility marking services, for a not-to-exceed amount of \$900,000; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

G. ADOPTION OF RESOLUTION NO. 2020-6-1, AMENDING THE AGENCY'S SALARY SCHEDULE/MATRIX FOR ALL GROUPS

Staff recommends that the Board adopt Resolution No. 2020-6-1, amending the Agency's Salary Schedule/Matrix for all groups.

H. RESOLUTION FOR US BUREAU OF RECLAMATION WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR 2021 GRANT APPLICATION

Staff recommends that the Board adopt Resolution No. 2020-6-2, authorizing the General Manager or his designee to execute the USBR WaterSMART Drought Response assistance agreement and to submit all required documents to the USBR.

I. ADOPTION OF RESOLUTION NO. 2020-6-3, ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR (FY) 2020/21 (Fin & Admin)

Staff recommends that the Board adopt Resolution No. 2020-6-3, establishing the appropriations limit for Fiscal Year 2020/21.

J. WATER QUALITY LABORATORY TESTING SERVICES CONTRACT AWARD (Eng/Ops/WR)

Staff recommends that the Board:

1. Award the Water Quality Laboratory Testing contract to Eurofins Easton Analytical for a total not-to-exceed value of \$6,500,000 over a three-year period, with two one-year options to extend; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

K. RP-1 FLARE IMPROVEMENT CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR) (Fin & Admin)

Staff recommends that the Board:

1. Award a construction contract for the RP-1 Flare System Improvements, Project No. EN18006, to W.M. Lyles Co., in the amount of \$5,540,000;

2. Approve a contract amendment to Lee & Ro, Inc., for engineering services during construction for a not-to-exceed amount of \$182,550;
3. Approve a total project budget amendment in the amount of \$1,968,000 in the Regional Capital (RC) Fund; and
4. Authorize the General Manager to execute the contract, contract amendment, and budget augmentation, subject to non-substantive changes.

L. FORCE MAIN IMPROVEMENTS CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR) (Fin & Admin)

Staff recommends that the Board:

1. Award a construction contract for the Regional Force Main Improvements, Project No. EN19025, to Ferreira Construction Company, Inc., in the amount of \$3,786,070;
2. Approve a contract amendment to GHD for engineering services during construction for a not-to-exceed amount of \$125,428;
3. Approve a total project budget amendment in the amount of \$627,000 in the Regional Capital (RC) fund; and
4. Authorize the General Manager to execute the contract, contract amendment, and budget augmentation, subject to non-substantive changes.

M. APPROVAL OF 2020A REFUNDING BONDS AND 2020B REVENUE NOTES (Fin & Admin)

Staff recommends that the Board:

1. Adopt Resolution No. 2020-6-4, authorizing the issuance of the Chino Basin Regional Financing Authority Refunding Revenue Bonds, Series 2020A (Inland Empire Utilities Agency) (2020A Bonds) in the principal amount not-to-exceed \$75,000,000 and approve the execution and delivery of certain documents in connection therewith and certain other matters; and
2. Adopt Resolution No. 2020-6-5, authorizing the issuance of the Chino Basin Regional Financing Authority Revenue Notes, Series 2020B (Inland Empire Utilities Agency) (2020A Bonds) based on specified conditions, in the principal amount not-to-exceed \$250,000,000 and approve the execution and delivery of certain documents in connection therewith and certain other matters.

2. ACTION ITEMS

A. ADOPTION OF RESOLUTION NO. 2020-6-6 TO EXTEND THE EXPIRATION DATE OF RATE RESOLUTIONS

Staff recommends that the Board adopt Resolution No. 2020-6-6 to extend the rates established with Resolution Nos. 2015-5-4 through 2015-5-6, 2016-6-7, and 2019-6-1 through 2019-6-8 set to expire on June 30, 2020 until rescinded by new resolutions adopted by the Board of Directors.

3. INFORMATION ITEMS

A. UPPER SANTA ANA RIVER MULTIPLE SPECIES HABITAT CONSERVATION PLAN UPDATE (POWERPOINT)

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

C. RP-5 EXPANSION BID UPDATE (POWERPOINT) *(Eng/Ops/WR) (Fin & Admin)*

D. MWD UPDATE (ORAL)

E. CBWM UPDATE (ORAL)

F. SAWPA UPDATE (ORAL)

G. CBP UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

H. FY 2019/20 THIRD QUARTER BUDGET VARIANCE PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT) *(Fin & Admin)*

I. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT) *(Fin & Admin)*

J. 2019 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE (WRITTEN) *(Eng/Ops/WR)*

K. FY 2019/20 FINANCIAL AUDIT – COMMUNICATIONS REQUIRED BY SAS 114 (WRITTEN/POWERPOINT) *(Audit)*

L. HUMAN RESOURCES: WORKLOAD INDICATORS REVIEW (WRITTEN/POWERPOINT) *(Audit)*

M. RECYCLED WATER REVENUES AUDIT REPORT (WRITTEN/POWERPOINT) *(Audit)*

N. APPROVALS AND DISBURSEMENTS AUTOMATION FOLLOW-UP REVIEW (WRITTEN/POWERPOINT) *(Audit)*

- O. INTERFUND TRANSACTIONS – FOLLOW-UP REVIEW (WRITTEN/POWERPOINT) *(Audit)*
 - P. REPORT OF OPEN AUDIT RECOMMENDATIONS (WRITTEN) *(Audit)*
 - Q. INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR JUNE 2020 (WRITTEN) *(Audit)*
 - R. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN) *(Community & Leg)*
 - S. STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS (WRITTEN) *(Community & Leg)*
 - T. FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN) *(Community & Leg)*
 - U. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN) *(Community & Leg)*
4. AGENCY REPRESENTATIVES' REPORTS
- A. SAWPA REPORT (WRITTEN)
June 16, 2020 SAWPA Commission meeting.
 - B. MWD REPORT (WRITTEN)
June 9, 2020 Board meeting.
 - C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT
June 4, 2020 Regional Sewerage Program Policy Committee meeting.
 - D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
May 28, 2020 CBWM Board meeting.
 - E. CHINO BASIN DESALTER AUTHORITY (WRITTEN)
June 4, 2020 Special CDA Board meeting.
 - F. INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
Next regular meeting is scheduled for August 3, 2020.
5. GENERAL MANAGER'S REPORT (WRITTEN)
6. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS
7. DIRECTORS' COMMENTS
- A. CONFERENCE REPORTS

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

8. CLOSED SESSION

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

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

**B. PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC
EMPLOYMENT**

1. Board Secretary/Office Manager

9. ADJOURN

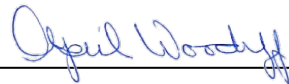
*A Municipal Water District

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

Proofed by: shl

Declaration of Posting

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, June 11, 2020.



April Woodruff

**CONSENT
CALENDAR
ITEM**

1A



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

**WEDNESDAY, MAY 6, 2020
10:00 A.M.**

DIRECTORS PRESENT via teleconference:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

Shivaji Deshmukh, General Manager
Daniel Solorzano, Technology Specialist I
Wilson To, Technology Specialist II
April Woodruff, Board Secretary/Office Manager
Christina Valencia, Executive Manager of Finance & Administration/AGM

STAFF PRESENT via teleconference:

Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Christiana Daisy, Executive Manager of Engineering/AGM
Randy Lee, Executive Manager of Operations/AGM
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Lisa Dye, Manager of Human Resources
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning & Environmental Resources
Kanes Pantayatiwong, Manager of Business Information Services
Cathleen Pieroni, Manager of Government Relations
Jesse Pompa, Manager of Grants
Teresa Velarde, Manager of Internal Audit

OTHERS PRESENT via Teleconference:

May Atencio, City of Fontana
Jean Cihigoyenetché, JC Law Firm
Chuck Hays, City of Fontana
Darren Hodge, PFM
Brian Thomas, PFM

A meeting of the Board of Directors of the Inland Empire Utilities Agency* was held via teleconference on the above date.

President Parker called the meeting to order at 10:00 a.m. and led the Pledge of Allegiance to the flag. She stated that the 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 comments during the meeting by calling into the number provided on the agenda. She added that the public may also view the meeting live through the Agency's website and alternatively, may email comments to the Board Secretary/Office Manager April Woodruff at awoodruff@ieua.org no later than 24 hours prior to the scheduled meeting time. Comments will then be read into the record during the meeting.

Board Secretary/Office Manager April Woodruff took a voice roll call to establish a quorum. A quorum was present.

PUBLIC COMMENT

President Parker stated that members of the public may address the Board. The Agency received two public comments, the first comment was received from the city of Fontana over the phone, and the second comment was received as a letter from the Cucamonga Valley Water District addressing the deferral of monthly wastewater equivalent dwelling unit (EDU) rate for Fiscal Year 2020/21. These two public comments will be heard at the time the item is presented.

ADDITIONS TO THE AGENDA

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

CONSENT ITEMS

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

Upon motion by Director Elie, seconded by Director Camacho, the motion carried (5:0):

M2020-5-1

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the April 15, 2020 Board Meeting.
- B. The Board:

- 1. Adopted Resolution No. 2020-5-4, authorizing IEUA to enter into a funding agreement with the State Water Resources Control Board and designating the General Manager to sign, for and on behalf of IEUA, the funding agreement for the project and any amendments;

RESOLUTION 2020-5-4

**RESOLUTION OF THE INLAND EMPIRE UTILITIES AGENCY*
AUTHORIZING THE EXECUTION AND DELIVERY OF AN
INSTALLMENT SALE AGREEMENT BETWEEN THE INLAND EMPIRE
UTILITIES AGENCY* AND THE STATE WATER RESOURCES
CONTROL BOARD RELATING TO THE DROUGHT RELIEF BASELINE
EXTENSION PROJECT AND APPROVING OTHER MATTERS IN
CONNECTION THEREWITH** (for full text, see Resolution Book)

Continued...

M2020-5-1, continued

C. The Board:

1. Approved a one-year extension for the EPI-USE America Contract No. 4600001414, for the Application Management Services (AMS) support in the amount of \$25,000, and a not-to-exceed amount of \$205,000; and
2. Authorized the General Manager to execute the contract amendment.

With the following roll call vote:

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

WORKSHOP

FINANCIAL PLANNING OVERVIEW

PFM Advisors Darren Hodge presented the Financial Planning Overview. He gave a brief overview of the current market, financial opportunities, RP-5 Expansion Project WIFIA loan, refunding of the variable rate bonds, the Agency's refunding opportunities, and next steps for the Agency. Discussion ensued regarding the comparison of options and reset history of the variable rate demand obligation (VRDOs), reserve requirements, EPA requirements on the completion of a project, letter of credits, and fixed rates bonds. Director Elie requested that alternatives be presented to the Board that will provide staff flexibility to take advantage of favorable market opportunities.

Executive Manager of Finance & Administration/AGM Christina Valencia stated that in June, staff will ask the Board to authorize staff to move forward if the market conditions are advantageous to fix/out the bonds, refund existing debt, and provided for interim financing to support the Project. She stated that staff will be monitoring the markets carefully to ensure that the cost savings are beneficial to the Agency and to the rate payers. A portion of the 2008B VRDOs is an obligation shared with Chino Basin Watermaster. Watermaster is supportive of the Agency's recommendation to move forward with fixing out the 2008B VRDO interest rate. The Agency is planning to take this matter to the Chino Basin Watermaster Board of Directors in May.

ACTION ITEMS

APPROVAL OF UNDERWRITING SERVICES TO SUPPORT PROPOSED ISSUANCE OF INTERIM FINANCING AND REFUNDING OF EXISTING DEBT

Executive Manager of Finance & Administration/AGM Christina Valencia stated that putting together the underwriting team is part of ensuring that the Agency is ready to act when conditions are advantageous. She gave an overview of the RFP process. She stated that staff received four responses from very strong entities, which were evaluated by staff and advisors. It was advised that the Agency establish a team of underwriters rather than just a sole underwriter given that these market conditions can fluctuate and can be volatile. She stated that the underwriting team will consist of two teams: 1) J. P. Morgan as the Lead Manager, Citi and SBMC Nikko as Co-Managers to underwrite the proposed interim financing transaction to support the RP-5 Expansion Project; and 2) Citi as the Lead Manager and J.P. Morgan as the Co-Manager to underwrite the proposed fix-out of the 2008B Variable Rate Demand Bonds and refunding of existing debt that result in cost savings. She stated that there were many factors considered by the evaluation team and it is important to ensure that these companies have the liquidity, capacity, and market access,

that even in times of volatility, they will have the retail market bandwidth to effectively price and sell the bonds.

Upon motion by Director Elie, seconded by Director Hofer, the motion carried (5:0):

M2020-5-2

MOVED, to:

1. Approve J.P. Morgan as the Lead Manager, Citi and SBMC Nikko as Co-Managers to underwrite the proposed interim financing transaction to support the RP-5 Expansion Project; and
2. Approve Citi as the Lead Manager and J.P. Morgan as the Co-Manager to underwrite the proposed fix-out of the 2008B Variable Rate Demand Bonds and refunding of existing debt that result in cost savings.

With the following roll call vote:

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

DEFERRAL OF MONTHLY WASTEWATER EQUIVALENT DWELLING UNIT RATE FOR FISCAL YEAR 2020/21

General Manager Shivaji Deshmukh gave brief history of the actions taken by the IEUA Board of Directors in relation to the equivalent dwelling unit (EDU) rate. Due to the significant financial impact from COVID-19, staff has developed a recommendation to consider a deferral of the approved rate and will be presenting an information item on other rates that the Board of Directors will need to consider in the near future. There is one public comment following staff's presentation. He stated that since the agenda for this meeting has been posted, the Agency has received two comments. The first from the city of Fontana over the phone and has received a letter from the Cucamonga Valley Water District addressing the request for deferral. Executive Manager of Finance & Administration/AGM Christina Valencia gave presentation on staff's proposal to defer the effective date of FY 2020/21 EDU rates and fees. She summarized Option 1, deferring the effective date of FY 2020/21 EDU rates for six months; and Option 2, deferring the effective date of FY 2020/21 EDU rates for 12 months and maintain the rates as adopted and proposed for FY 2021/22. She gave an overview of the Water Connection Fee, Water Resources, Recycled Water Direct Use, Recycled Water Recharge rates and staff's recommendation on implementation of increased rates. She shared that staff continues to budget conservatively for revenues. She also demonstrated the impact of Option 1 and Option 2 in estimated revenue shortfall for the Agency. General Manager Shivaji Deshmukh commended the Agency's financial team in quickly putting this analysis together due to the nature of the quickly evolving situation. He stated that management staff have been considering where the Agency can find potential reduction in expenses and looking to ensure that cost deferral are done appropriately to match the fund/program.

Discussion ensued on EDU revenue and required reserves. Director Elie suggested staff to correspond with Building Industry Association (BIA) regarding this matter.

Mr. Chuck Hays, Deputy City Manager at the city of Fontana, commented that the city of Fontana collects monthly EDU rates by County tax rolls. They must provide a notice of increase to the county by mid-June to place the charges on the next year's tax roll. If the Agency's Board of Directors decide to move forward with Option 1, Fontana will need to conduct a Public Hearing next week, May 12 to meet the county's deadline. If the Board of Directors decide to move forward with Option 2, the city of Fontana will be able to reschedule the Public Hearing to a later date. Mr. Hays respectfully requested that the Board of Directors consider adopting Option 2 due to the concerns raised by the member agencies and to help keep them from raising rates during a pandemic. Director Elie thanked Mr. Hays for his comments.

Discussion ensued regarding deferring non-essential programs. General Manager Deshmukh stated that at this time, staff has already began to review the budget to identify as many expenses that can be deferred while safeguarding the safety of our employees and essential services to our customers. Staff is prioritizing projects and will have a better recommendation in June on what can be deferred. Christina Valencia also stated that if rates are deferred, in order to mitigate the revenue shortfall, rates will be increased to what it would have been increased at that time as originally scheduled. For example, for Option 2, rates will be increased 6 percent in FY 2021/22. In order to not spike the rates for rate payers, the Agency has aimed to adopt incremental increases to these rates. It is important to the Agency to maintain the modest incremental rate increases moving forward to avoid higher increases for rate payers in the future.

Director Camacho stated the city of Fontana, city of Rancho Cucamonga, Cucamonga Valley Water District, has expressed their concern regarding the financial strain put on our constituents due to COVID-19, and he would like to recommend adopting Option 2.

Director Elie stated that this is a difficult issue. He stated that he seen the negative impacts to the Agency from the Board of Directors not raising rates for a long period of time. He stated that he understands the need to defer rates due to the current situation. He stated that the full rate will need to be implemented on July 2021. He commended staff for moving quickly in their analysis. He stated that especially during these challenging times, it is imperative for member agencies to work together.

President Parker stated that she supports Option 2, which will implement a 6 percent increase in FY 2021/22. She stated that there is a compounding loss that comes with not implementing rate increases at the scheduled times.

Vice President Hall stated that with the ongoing discussion and communication the Agency has received from the various cities and CVWD, the Agency will continue to work with the General Managers at the member agencies, as well as staff. She stated that she also supports option 2. She stated that all agencies have been negatively impacted by COVID-19 and must work together during this challenging time. She thanked Mr. Hays for taking time to help the Agency understand the city of Fontana's process.

Director Hofer stated that the world is on untrodden ground that is changing daily. It is incumbent on our staff and staff of other agencies to work together, especially during these times.

Upon motion by Director Camacho, seconded by Director Elie, the motion carried (5:0) by roll call vote:

M2020-5-3

MOVED, to adopt Resolution 2020-5-2, approving Option 2, which maintains the monthly sewer rate at \$20.00 per equivalent dwelling unit (EDU) for FY 2020/21, and \$21.22 per EDU for FY 2021/22.

Continued...

M2020-5-3, continued

RESOLUTION 2020-5-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, REVISING THE ESTABLISHED SERVICE RATES FOR IMPROVEMENT DISTRICT "C" FOR FISCAL YEAR 2020/21 THROUGH YEAR 2021/22 (for full text, see Resolution Book)

With the following roll call vote:

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

ADOPTION OF RESOLUTION NO. 2020-5-3, AMENDING THE 2018-2021 MEMORANDUMS OF UNDERSTANDING FOR ALL GROUPS

General Manager Deshmukh stated that in an effort to continue providing support for Agency employees during the pandemic, staff asks that the Board consider amending the MOUs and Personnel Manuals to provide the following, pandemic-related benefits of rolling unused Floating Holidays over to June 30, 2021, and providing staff with an opportunity to cash out 70 percent of their vacation leave accruals in June 2020. He stated that the Agency has reached tentative agreements with the Bargaining Units on both items and recommends adopting these benefit enhancements across the organization, to include the unrepresented staff. A financial analysis was performed, and the Agency does not anticipate any significant impact to the organization. General Manager Deshmukh commended the bargaining units and Human Resources department who have been working well during these challenging times.

Director Elie stated that he appreciated staff for their continual service and work for the good of the Agency. President Parker and Director Camacho concurred with Director Elie's comments.

Upon motion by Director Hofer, seconded by Vice President Hall, the motion carried (5:0):

M2020-5-4

MOVED, to adopt Resolution 2020-5-3, approving an amendment to the 2018-2021 Memorandums of Understanding for the General Unit, Laboratory Unit, Operators' Association, Professional Unit, and Supervisors' Unit Employees, by adopting a Side Letter of Agreement.

RESOLUTION 2020-5-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2018 - 2021 MEMORANDUM OF UNDERSTANDING FOR THE GENERAL UNIT, LABORATORY UNIT, OPERATORS' ASSOCIATION, PROFESSIONAL UNIT, AND SUPERVISORS' UNIT EMPLOYEES, BY ADOPTING A SIDE LETTER OF AGREEMENT (for full text, see Resolution Book)

With the following roll call vote:

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

GENERAL MANAGERS COMMENTS

General Manager Deshmukh reported that as part of the credit review process for the Environmental Protection Agency (EPA) WIFIA loan, there were two public letters that required the assessment of the risks. Moody's Analytics and S&P Global assigned the RP-5 Expansion project WIFIA Loan a high-quality credit rating of Aa2 and AA, respectively. He thanked the Board for their leadership and the Agency's financial team. He also reported that the Safety Officer Tony Arellano has ordered each employee two face masks from our California Water/Wastewater Agency Response Network Coordinator.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS

There were no requested future agenda items.

DIRECTORS COMMENTS

The Board of Directors commended staff for their hard work during these difficult times.

With no further business, President Parker adjourned the meeting at 11:34 a.m.

Steven J. Elie, Secretary/Treasurer

APPROVED: JUNE 17, 2020



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

**WEDNESDAY, MAY 20, 2020
10:00 A.M.**

DIRECTORS PRESENT via Teleconference:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

Shivaji Deshmukh, General Manager
Christiana Daisy, Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Daniel Solorzano, Technology Specialist I
Wilson To, Technology Specialist II
April Woodruff, Board Secretary/Office Manager

STAFF PRESENT via Teleconference:

Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Kevin Asprer, Associate Engineer
Josh Biesiada, Project Manager II
Jerry Burke, Manager of Engineering
Pietro Cambiaso, Deputy Manager of Planning & Environmental Compliance
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Robert Delgado, Manager of Operations & Maintenance
Lucia Diaz, Facilities Program Supervisor
Gary Dix, Construction Project Manager
Jennifer Ferguson, Administrative Assistant II
Christopher Garcia, Environmental Resources Planner I
Don Hamlett, Acting Deputy Manager of ISS
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning & Environmental Compliance
Ken Monfore, Manager of Asset Management
Liza Muñoz, Senior Engineer

Scott Oakden, Manager of Operations & Maintenance
Cathleen Pieroni, Manager of Government Relations
Craig Proctor, Source Control/Environmental Resources Supervisor
John Scherck, Senior Project Manager
James Spears, Associate Engineer
Travis Sprague, Senior Associate Engineer
Rachael Solis, Supervisor of Engineering Services
Yvonne Taylor, Administrative Assistant II
Jeff Traugott, Control Systems Administrator
Albert VanBreukelen, Deputy Manager of Maintenance
Teresa Velarde, Manager of Internal Audit
Brian Wilson, Senior Engineer
Jeff Ziegenbein, Manager of Regional Compost Operations
Jamal Zughbi, Senior Engineering/Project Manager

OTHERS PRESENT via Teleconference:

Jean Cihigoyenetché, JC Law Firm

A meeting of the Board of Directors of the Inland Empire Utilities Agency* was held via teleconference on the above date.

President Parker called the meeting to order at 10:00 a.m. and dispensed the pledge allegiance to the flag. Board Secretary/Office Manager April Woodruff took a voice roll call to establish a quorum. A quorum was present.

PUBLIC COMMENT

President Parker stated that members of the public may address the Board. She stated that the 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. She added that the public may also view the meeting live through the Agency's website. Alternatively, you may email your public comments to the Board Secretary/Office Manager April Woodruff at awoodruff@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. There was no one desiring to do so.

ADDITIONS TO THE AGENDA

President Parker asked if there were any changes/additions/deletions to the agenda. General Manager Shivaji Deshmukh stated that staff would like to request to pull Consent Calendar Item 1E – IEUA-Chino Basin Watermaster Master Agreement Task Order Amendments. He stated that based on the May 14, 2020 CBWM Pool Meetings, staff would like to revise their recommendation to the Board of Directors, prior to taking action.

CONSENT ITEMS

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

Upon motion by Camacho, seconded by Elie, the motion carried (5:0):

M2020-5-5

MOVED, to approve the Consent Calendar.

- A. The Board approved the total disbursements for the month of March 2020, in the amount of \$20,720,582.59.
- B. The Board:
 - 1. Approved the amended 2020 Legislative Policy Principles; and
 - 2. Authorized the General Manager to engage in legislation in support of the new policy principle, if needed.
- C. The Board:
 - 1. Approved the award of Contract No. 4600002888 to Howden Roots, LLC and Contract No. 4600002887 to Lone Star Blower, Inc. to provide preventative and corrective maintenance service and repair support of Aeration Blowers for a total aggregate not-to-exceed amount of \$700,000 over three years with two one-year options to extend; and
 - 2. Authorized the General Manager to execute the service contracts, subject to non-substantive changes.
- D. The Board:
 - 1. Awarded a construction contract for the Agency-wide Chemical Containment Rehabilitation Phase I, Project No. EN20037, to MC Painting, in the amount of \$251,660; and
 - 2. Authorized the General Manager to execute the contract, subject to non-substantive changes.
- E. PULLED
- F. The Board:
 - 1. Ratified the emergency project approval for the RP-1 Hot Water Loop, Project No. EN20019.01, to Ferreira Construction, in the amount of \$130,546; and
 - 2. Authorized the General Manager to approve the emergency task order, subject to non-substantive changes.

Continued...

M2020-5-5, continued.

G. The Board:

1. Awarded Master Contracts for emergency construction contractors to the following companies with two one-year extension options: Baker Electric, CSI Electrical Contractors, Inc., JF Shea Construction, Inc., Kingmen Construction, Inc., Norstar Plumbing and Engineering, Inc., and Southern Contracting Corp.; and
2. Authorized the General Manager to execute the contracts, subject to non-substantive changes.

H. The Board adopted Resolution No. 2020-5-5, amending the Agency's Salary Schedule/Matrix for all groups.

RESOLUTION 2020-5-5

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

- I. The Board adopted Resolution Cal OES Form 130, authorizing the General Manager or his designee to execute the FEMA assistance agreement and to submit all required documents to the California Office of Emergency Services.
- J. The Board adopted the proposed updated Debt Management Policy governing all debt instruments issued or delivered by the Agency or other entities controlled by the Agency, including the Chino Basin Regional Financing Authority.

K. The Board:

1. Approved the sale of four (4) Brine Line capacity units to In-N-Out Burger, Inc. for \$860,000; and
2. Authorized the General Manager to execute the Capacity Right Agreement, subject to non-substantive changes.

L. The Board:

1. Adopted a finding pursuant to Public Contract Code 3400(c) that the use of SSI Fine Bubble Diffusers: 1) Standardize equipment with RP-5; 2) the components are only available from SSI Aeration; and
2. Authorized the RP-4 Fine Bubble Diffuser Replacement procurement as a sole source to be executed through a pre-selection agreement with SSI with a future price guarantee to the general contractor in an amount of \$789,209.

Continued...

M2020-5-5, continued.

M. The Board:

1. Approved the award of Contract No. 4600002893 to Liberty Landscape, Inc. to provide Landscape Maintenance Services for a total monthly amount of \$18,175 over a fixed price period of two-years with three one-year options to extend with CPI increases; and
2. Authorized the General Manager to execute the service contract, subject to non-substantive changes.

With the following roll call vote:

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

ACTION ITEMS

IEUA-CHINO BASIN WATERMASTER MASTER AGREEMENT TASK ORDER AMENDMENTS

General Manager Deshmukh stated the Master Agreement Task Order amendments were included as Business Items last week at the Watermaster Pool Meetings. The task orders were initiated with an agreed upon cost-sharing methodology based on the benefits received, Item E1 is for the coordinated efforts for the Santa Ana River Integrated Model support. He shared that Item E2 is for groundwater modeling to help support siting, determining impacts to basin, and finalizing project cost estimates. He also mentioned that this effort was coordinated with Watermaster and arranged as such since it was the most efficient, cost-effective, and transparent, as opposed to having the analysis completed under the PDR Team's contract. He continued that the CBWM Appropriative Pool (Pool) did not approve Item E2 because the Pool did not see the value that the additional modeling for Chino Basin Program (CBP) provided to complete the economic and financial analysis. Although, Agency staff believes that additional modeling does support staff's ability to develop informed options to get to the next decision point. The item was then later approved by the Non-Ag and Agricultural Pools. The item will be moving forward through the Watermaster Pool process, this week to the Advisory Committee and scheduled for Watermaster Board next week Thursday. He stated that pending recommendation and approval from the Watermaster Board, staff cannot determine the final outcome at Watermaster. He concluded that as a result, staff would like to revise recommendation 2 to the Board: the CBWM Board approves the Task Order No. 4 Amendment, Approve the Amendment to Task Order No. 4 of the Master Agreement between IEUA and CBWM in the amount of \$149,950, increasing the contract from \$190,568 to a revised not-to-exceed amount of \$340,518. If the CBWM Board does not approve the Task Order No. 4 Amendment, authorize the General Manager to initiate and enter into a sole source contract with Wildermuth Environmental Inc., in the amount of \$149,950 to complete the needed modeling for the Chino Basin Program.

Director Elie stated that the Board members have asked staff to carefully consider input regarding the Chino Basin Program (CBP). He stated that he was surprised by the city of Ontario's comments on the process and their opposition to necessary projects in evaluating the CBP. He stated that he did not appreciate staff from other member agencies trying to control what the

Board members have been elected to do. General Manager Deshmukh stated that the intent of the partnership was to take advantage of existing resources and reduce overall costs. Director Elie stated that this project was recommended by the team to evaluate alternatives within the CBP to assist in determining if the CBP is viable and to decide future steps. Wildermuth would be asked to complete this project based on their extensive preexisting knowledge and continuity.

President Parker stated that she agrees with Director Elie. She commented that all member agencies have requested that alternatives to reviewed for the CBP. By partnering with CBWM, the Agency was seeking ways to reduce costs. She stated that if there is no agreement, the Agency may need to enter into a sole source contract causing cost to increase, impacting public funds. She expressed the need for mutual cooperation with member agencies to meet the common goals to keep rates as low as possible for rate payers.

Upon motion by Elie, seconded by Camacho, the motion carried (5:0):

M2020-5-6

MOVED, to:

1. Approve the Amendment to Task Order No. 2 of the Master Agreement between IEUA and CBWM in the amount of \$42,400, increasing the contract from \$39,920 to a revised not-to-exceed amount of \$82,320; and
2. If the CBWM Board approves the Task Order No. 4 Amendment, approve the Amendment to Task Order No. 4 of the Master Agreement between IEUA and CBWM in the amount of \$149,950, increasing the contract from \$190,568 to a revised not-to-exceed amount of \$340,518; or
If the CBWM Board does not approve the Task Order No. 4 Amendment, authorize the General Manager to initiate and enter into a sole source contract with Wildermuth Environmental Inc., in the amount of \$149,950 to complete the needed modeling for the Chino Basin Program.
3. Authorize the General Manager to finalize and execute the Amendments, subject to non-substantive changes.

With the following roll call vote:

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

ADOPTION OF RESOLUTION NO. 2020-5-2, AUTHORIZING THE INCURRENCE OF A WATER INFRASTRUCTURE FINANCING AND INNOVATIONS ACT LOAN AGREEMENT FOR THE RP-5 EXPANSION PROJECT

Executive Manager of Finance & Administration/AGM Christina Valencia stated that the RP-5 Expansion Project is the largest construction project undertaken by the Agency. The plan of finance by staff is a balanced combination of taking state and federal loans at a low interest rate, which will support approximately 75 percent of the project. The remainder of the project will be funded on a pay-go basis by water connection fees, which are currently collected and held by member agencies until needed. This diversified financing strategy is consistent with the Agency's commitment to ensure that the Agency builds and operates at the lowest cost to our rate payers. Staff is requesting the approval of the Water Infrastructure Financing and Innovation Acts (WIFIA) Loan agreement for the RP-5 project. The loan agreement is for a not-to-exceed principal amount of \$196,436,445, which does not include the interest or other associated costs. The \$196,436,445 represent 49 percent, the maximum eligible amount of the \$404 million project. The bid opening for the construction contract award is scheduled for May 21. Staff is uncertain what the final construction contract award will be, thus staff has increased the \$196.4 million to a not-to-exceed amount of \$225 million. The Environmental Protection Agency (EPA) has indicated, though not guaranteed, that they may be able to increase the loan amount if the construction contract bid is a higher amount than anticipated. The not-to-exceed amount of \$225 million will allow staff to go back to EPA and request an increase to meet the 49 percent maximum. She stated that the loan is set based on the long-term US treasury rate, which is historically a low rate. This loan is 35-year loan, which establishes a final amortization date to November 2060. She explained the other associated costs. She stated that based on statutory requirement under the Municipal Water Codes, the WIFIA loan is being issued under the Chino Basin Financing Authority (Authority) as the borrower, under the agreement that the Agency is an agency to the Authority. She summarized all items being brought to the Board for approval.

Director Elie thanked staff for continually looking for ways to save rate payers' money. He asked staff to continue to look for ways to do so.

Upon motion by Elie, seconded by Camacho, the motion carried (5:0):

M2020-5-7

MOVED, to:

1. Adopt Resolution No. 2020-5-2, authorizing the WIFIA Loan Agreement between the Agency, the Authority and the US Environmental Protection Agency to finance a portion of the RP-5 Expansion Project for a not-to-exceed amount of \$225,000,000, excluding interest and other related costs, effective May 27, 2020 and a final maturity of November 1, 2060;
2. Approve the WIFIA Installment Purchase Agreement between the Authority and the Agency for the acquisition of the WIFIA portion of the RP-5 Expansion Project, and other related substantially final drafts of the financing documents that have been prepared; and

Continued...

M2020-5-7, continued.

3. Authorize the General Manager to execute such documents, subject to non-substantive changes, and authorize certain other matters in connection therewith, as required.

RESOLUTION 2020-5-2
RESOLUTION OF THE INLAND EMPIRE UTILITIES AGENCY*
AUTHORIZING THE EXECUTION AND DELIVERY OF AN
INSTALLMENT PURCHASE AGREEMENT PROVIDING FOR THE
ACQUISITION OF CERTAIN IMPROVEMENTS AND THE EXECUTION
OF CERTAIN OTHER DOCUMENTS AND OTHER MATTERS IN
CONNECTION THEREWITH (for full text, see Resolution Book)

With the following roll call vote:

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

INFORMATION ITEMS

FY 2020/21 PROPOSED BUDGET AMENDMENT FOR ADMINISTRATIVE SERVICES, NON-RECLAIMABLE WASTEWATER, RECHARGE WATER, AND WATER RESOURCES PROGRAMS

Manager of Finance & Accounting Javier Chagoyen-Lazaro gave a brief presentation on the Fiscal Year 2020/21 proposed budget amendment for the Administrative Services, Non-Reclaimable Wastewater Recharge Water, and Water Resources Programs funds. He gave an overview of assumptions for sources of funds and uses of funds, how they may have changed due to COVID-19, and what this means for the Agency.

ENGINEERING AND CONSTRUCTION MANAGEMENT UPDATES

Manager of Engineering Jerry Burke gave updates on the following projects: San Bernardino Lift Station Facility Improvements; NRWS Manhole Upgrades – 19/20; RP-4 Influent Screen Replacement; Wineville/Jurupa/Force Main Improvements; and RP-4 Aeration Diffuser Replacement/Wall Reinforcement.

MWD UPDATE

General Manager Deshmukh reported that after months of preparation, MWD has officially kicked off the stakeholder involvement stage of its Integrated Resources Plan (IRP) development. Two public outreach sessions are scheduled for May - the first of which is occurring now (May 20, 10:00 am - 11:30 am) and the second will be held this Friday, May 22. He also stated that from a process point of view, it has been important to the General Managers of the MWD Member Agencies that the timeline for the completion of the IRP supports a robust and iterative approach. This approach may stretch out its conclusion past 2020, but it was widely believed that the outcomes of this important planning document be allowed sufficient time to be done correctly and not rushed. MWD agreed. He concluded that IEUA is sharing information about MWD's IRP with our member agency General Managers as the Agency seeks to represent the region's planning priorities.

CBWM UPDATE

General Manager Deshmukh reported that the CBWM Board received a presentation on updated safe yield recalculation. The new proposed safe yield for the period of 2021 – 2030 is 131,000 AF compared to the current 135,000 AF. A special Board meeting date is scheduled for this Friday, May 22 for the Board's consideration on the safe yield.

SAWPA UPDATE

General Manager Deshmukh reported that on April 21, the Commission unanimously authorized staff to execute an amendment to the Prop. 84 Round 2 Grant Agreement between SAWPA and the Department of Water Resources (DWR), to replace the Riverside Public Utilities Phase 1B recycled water pipeline project with the Groundwater Well Rehabilitation Project for rehabilitating 2 groundwater production wells. Staff provided an update on the Prop. 1 Round 1 Integrated Water Management Draft Funding Award. He stated that as reported to the Commission back in August 2019, ten projects were submitted by SAWPA for grant funding. On April 2, the DWR notified SAWPA that they plan on fully funding either of the ten projects including the IEUA/JCSD Water Recycling Program for \$2.6M. The other 2 disadvantaged community (DAC) projects are also expected to be fully funded subject to additional information being provided to DWR on how the projects directly benefit DAC. He continued that the Commission directed the General Manager to defer the Strategic Plan Facilitator Services Contract Award with Water Systems Consulting until June 2. On May 19, the Commission deferred adoption of the FY 2020/21 Inland Empire Brine Line rates until the June 2 Commission meeting, to allow time to notify the Brine Line customers of the proposed deferral of any rate increases until January 2021. Staff provided a detailed presentation on the Santa Ana River Watershed Weather Modification for Water Supply Feasibility Study by North American Weather Consultants commonly known as the cloud seeding program.

CBP UPDATE

General Manager Deshmukh reported that IEUA, along with the other Water Storage Investment Program (WSIP) applicants, jointly signed a letter to the California Water Commission requesting for modifications to the early funding availability in light of the current emergency conditions. Early funding in the WSIP offers funding up to five percent of the project cost towards projects planning and design efforts. The item was presented yesterday at the Commission meeting, and the Commission is expected to take action on the item at its June meeting.

Staff has been working on compiling the results of the economics evaluation and is forecasting to present the information to the CBP Ad Hoc and stakeholders in June/July.

THE FOLLOWING ITEMS WERE RECEIVED AND FILED BY THE BOARD

THIRD QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE

TREASURER'S REPORT OF FINANCIAL AFFAIRS

FY 2020/21 ADOPTED BUDGET FOR THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

PUBLIC OUTREACH AND COMMUNICATION

STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS

FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

President Parker stated that although the FY 2020/21 Inland Empire Brine Line rates has been postponed to the following month, based on the PA 24 meeting, she stated that the intent is to postpone the rate increase for six months to help with the current COVID-19 situation.

MWD REPORT

Director Camacho stated that he had nothing further to add.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

President Parker reported that the Committee approved the Agency's Ten-Year Forecast at the May 7 meeting.

CHINO BASIN WATERMASTER REPORT

Director Elie reported that the courts in San Bernardino County are currently closed, which could impact some items such as the Safe-Yield. A hearing is scheduled at the end of June.

CHINO BASIN DESALTER AUTHORITY

President Parker reported that at the May 7 meeting, there were additional contracts approved relative to the South Archibald Plume Clean Up.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

President Parker reported that the FY 2020/21 budget was approved at the May 4 meeting.

GENERAL MANAGER'S REPORT

General Manager Deshmukh stated that on May 6, the city of Ontario notified its agricultural users of a change in the recycled water use agreement. Due to increased levels of storage and increasing costs of recycled water, starting July 1, 2020, the city no longer wanted to receive water rights in lieu of payment and would instead charge a rate of \$743 per acre-foot, equivalent to Watermaster replenishment rates, which are MWD Tier 1 rates. He stated that this action could potentially affect IEUA Recycled Water sales revenue, approximately by 20 percent. Agricultural use is approximately 30 percent of all recycled water uses, split approximately 50/50 between Ontario and Chino.

Discussion ensued regarding proper procedures and rights regarding this matter.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no requested future agenda items.

DIRECTORS' COMMENTS

Director Elie stated that he attended a meeting with Senator Portantino, President Parker and General Manager Deshmukh on May 8; the Chino Valley Leaders Webinar regarding Coronavirus as a panelist on May 12; the Chino Valley Independent Fire District meeting on May 13; and Chino City Council meeting on May 19. Director Elie stated that at the Chino City Council Meeting, Chino Mayor Ulloa asked Director Elie to thank the Agency's Board of Directors for deferring the rate

increase. He thanked staff members for their flexibility in continuing to accomplish critical tasks in a timely manner during this time.

Director Camacho stated that he has been attending the CSDA 2020 Virtual Special District Legislative Days event.

Director Hall stated that she attended a Virtual Water, Energy, & Education Alliance Meeting on April 16; Latest Coronavirus Research Update Webcast hosted by the Water Research Foundation on April 16; Leveraging FEMA and other Federal Grant Funding Opportunities for COVID-19 Response webinar hosted by Best Best & Krieger LLP on April 22; Water Advocacy Update and How to Virtually Lobby Congress During Water Week 2020 webinar on April 22; Wastewater and Coronavirus Update #2 hosted by CWEA and CASA on May 6; San Bernardino County Town Call on May 11; Human Resources Matters: Working and Managing Reporting and More webinar on May 14; COVID-19's Financial Impact on Water Utilities hosted by American Water Works Association on May 15; and the CSDA 2020 Virtual Special District Legislative Days event, which began on May 18 and will last to Friday, May 22.

President Parker stated that she also attended a meeting with Senator Portantino, Director Elie, and General Manager Deshmukh. She expressed her appreciation to Agency's staff members for their work during these times. She also thanked the city of Fontana for the way they dealt with their request to defer the EDU rate increase. She thanked Mr. Chuck Hays and Mayor Acquanelta Warren for taking the time to work with the Agency's existing governance structure to discuss matters at a staff and policy level. She also commented that she was concerned by Monte Vista Water District's (MVWD) request that was made at a General Managers meeting, which was to develop alternatives on how to change the current governance structure at IEUA. She expressed concerns that MVWD wants more control over the Agency's Conservation Program. She continued that MVWD is a member agency that is within her service district and she has 20 years of experience of working within the water industry and it is well known that she is deeply passionate about water conservation. She has 11 years of experience at IEUA, 16.5 years working at the Chino Basin Water Conservation District at a policy level, therefore, it would be helpful for MVWD to have a discussion with her at a policy level, in addition to discussions with staff members regarding issues. The current governance structure at the Agency is that the General Manager works for five elected Board members. She stated that therefore, it is appropriate for him to receive input from the member agencies, but overall Board members are who he reports to. She stated that policy makers should reach out to other policy makers. She expressed that progress could be made if entities work within the current governance structure. She concluded that this is a drain on the Agency's staff time, which correlates to a waste of public rate payer monies. She requested MVWD to work within the current governmental structure until such time where they can provide a solution to the proposed problem so as to be more productive.

Director Camacho concurred with President Parker's comments.

CLOSED SESSION

The Board went into Closed Session at 11:17 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010 (2) Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two cases; C. PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT: Board Secretary/Office Manager

The meeting resumed at 12:31 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

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

The Board did not discuss.

Regarding Conference with Legal Counsel – Existing Litigation:

PERB, Case No. LA-CE-1095-M

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) Case

The Board did not discuss.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) Case

The Board took no reportable action.

Regarding Conference with Legal Counsel – Public Employment

Board Secretary/Office Manager

The Board took no reportable action.

With no further business, President Parker adjourned the meeting at 12:32 p.m. in memory of Western Municipal Water District's Board Member Bob Stockton and former IEUA Financial Officer Larry Rudder.

Steven J. Elie, Secretary/Treasurer

APPROVED: JUNE 17, 2020

**CONSENT
CALENDAR
ITEM**

1B

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

SSD

Committee: Finance & Administration

06/10/20

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

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of April 2020 were \$12,392,970.89. Disbursement activity included check payments of \$3,017,970.21 to vendors and \$107,407.46 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$4,171,616.82 and wire transfers (excluding payroll) of \$3,375,926.00. Total payroll was \$1,714,799.17 for employees and \$5,251.23 for the Board of Directors.

Staff's Recommendation:

Approve the total disbursements for the month of April 2020, in the amount of \$12,392,970.89.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On May 20, 2020 the Board of Directors approved the March 2020 Report on General Disbursements totaling \$20,720,582.59.

Environmental Determination:

Not Applicable

Business Goal:

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

Attachments:

Attachment 1 - Background

Attachment 2 - Details of General Disbursements

Background

Subject: Report on General Disbursements

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

Table 1: Disbursement Details

Attachment	Payment Type	Amount
2A	Vendor Checks	\$ 3,017,970.21
2B	Workers' Comp Checks	\$ 107,407.46
2C	Vendor ACHs	\$ 4,171,616.82
2D	Vendor Wires (excludes Payroll)	\$ 3,375,926.00
2E	Payroll-Net Pay-Directors	\$ 5,251.23
2F	Payroll-Net Pay-Employees	\$ 1,714,799.17
Total Disbursements		\$12,392,970.89

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

Vendor	Amount	Description
MWD	\$ 1,720,036.65	February 2020 Water Purchases
IRS	\$ 748,717.04	P/R 08, 09, 108; Dir 04 Payroll Taxes
PERS	\$ 684,536.75	04/20 Health Ins / P/R 8, 09 Def Comp
PLUMBERS DEPOT	\$ 520,616.09	Professional Svc's for: EP20005 – Gap Vax Combo / Vacuum Truck Replacement

Attachment 2A

Vendor Checks

Inland Empire Util.Agency
Chino, CA
Company code 1000

Check Register
CBB Disbursement Account-April 2020

05/16/2020 / 16:46:38
User: CCAMPBRL
Page: 1

Bank	CBB	CITIZENS BUSINESS BANK			ONTARIO CA	917610000
Bank Key	122234149					
Acct number	CHECK	231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
232234	2200106617	04/02/2020	USD	949.12	AGILENT TECHNOLOGIES INC LOS ANGELES CA	04/06/2020
232235	2200106658	04/02/2020	USD	2,849.43	AMERICAN PRINTING & PROMOTIONSCHINO CA	04/07/2020
232236	2200106657	04/02/2020	USD	267.50	AMTEC CHINO HILLS CA	04/07/2020
232237	2200106610	04/02/2020	USD	2,191.25	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	04/07/2020
232238	2200106638	04/02/2020	USD	389.77	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/08/2020
232239	2200106643	04/02/2020	USD	17,339.00	BRIGHTVIEW LANDSCAPE SERVICES PASADENA CA	04/06/2020
232240	2200106659	04/02/2020	USD	15,000.00	CAEATFA SACRAMENTO CA	05/01/2020
232241	2200106627	04/02/2020	USD	48,063.50	CAL-LIFT INC CITY OF INDUSTRY CA	04/07/2020
232242	2200106613	04/02/2020	USD	483.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	04/21/2020
232243	2200106623	04/02/2020	USD	580.37	CAMBRIDGE ISOTOPE LABORATORIESCHICAGO IL	04/06/2020
232244	2200106653	04/02/2020	USD	36,890.72	CAPO PROJECTS GROUP LLC SAN JUAN CAPISTRANO CA	04/06/2020
232245	2200106635	04/02/2020	USD	7,912.87	CARRIER CORPORATION FARMINGTON CT	05/04/2020
232246	2200106649	04/02/2020	USD	1,000.00	CASA EDUCATION FOUNDATION SACRAMENTO CA	04/23/2020
232247	2200106625	04/02/2020	USD	2,910.00	CASC ENGINEERING AND CONSULTINCOLTON CA	04/10/2020
232248	2200106612	04/02/2020	USD	9,512.58	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	04/09/2020
232249	2200106631	04/02/2020	USD	2,691.43	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/07/2020
232250	2200106606	04/02/2020	USD	4,297.12	CITY OF CHINO CHINO CA	
232251	2200106599	04/02/2020	USD	58.00	CITY RENTALS INC ONTARIO CA	04/07/2020
232252	2200106619	04/02/2020	USD	207.96	CITY TOOL WORKS INC ONTARIO CA	04/07/2020
232253	2200106634	04/02/2020	USD	628.50	CONCENTIRA MEDICAL CENTERS RANCHO CUCAMONGA CA	04/08/2020
232254	2200106644	04/02/2020	USD	10,300.39	D & H WATER SYSTEMS INC OCEANSIDE CA	04/07/2020
232255	2200106637	04/02/2020	USD	2,010.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/08/2020
232256	2200106611	04/02/2020	USD	16,672.34	DELL MARKETING L P PASADENA CA	04/06/2020
232257	2200106666	04/02/2020	USD	143.30	DIAS, MICHAEL CHINO HILLS CA	04/27/2020
232258	2200106616	04/02/2020	USD	743.25	EASTERN MUNICIPAL WATER DIST FERRIS CA	04/07/2020
232259	2200106650	04/02/2020	USD	15,955.00	ECTIVIS INC PASADENA CA	04/13/2020
232260	2200106651	04/02/2020	USD	2,960.00	ENDEMIC ENVIRONMENTAL SERVICESFULLERTON CA	04/07/2020
232261	2200106601	04/02/2020	USD	1,383.83	FISHER SCIENTIFIC LOS ANGELES CA	04/06/2020
232262	2200106609	04/02/2020	USD	743.12	FLW INC HUNTINGTON BEACH CA	04/14/2020
232263	2200106661	04/02/2020	USD	1,158.02	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/10/2020
232264	2200106640	04/02/2020	USD	25,649.50	GHD PASADENA CA	04/06/2020
232265	2200106605	04/02/2020	USD	5,772.66	GRAINGER PALATINE IL	04/07/2020
232266	2200106656	04/02/2020	USD	7,000.00	HALLSTEN CORPORATION NORTH HIGHLANDS CA	04/08/2020
232267	2200106641	04/02/2020	USD	16,760.00	HARPER & ASSOCIATES ENGINEERINGCORONA CA	04/16/2020
232268	2200106602	04/02/2020	USD	58.87	HOME DEPOT CREDIT SERVICES PHOENIX AZ	04/08/2020
232269	2200106655	04/02/2020	USD	7,500.00	HYAS GROUP LLC PORTLAND OR	04/14/2020
232270	2200106670	04/02/2020	USD	43.70	JAUREGUI, DANIEL CHINO HILLS CA	
232271	2200106629	04/02/2020	USD	11,185.00	KENNEDY/JENKS CONSULTANTS INC PORTLAND OR	04/08/2020
232272	2200106639	04/02/2020	USD	95.00	KIM'S MASTER AUTO REPAIR CHINO CA	04/14/2020
232273	2200106664	04/02/2020	USD	1,733.26	LENING, SCOTT CHINO HILLS CA	04/27/2020
232274	2200106668	04/02/2020	USD	10.00	MARTINEZ, ARNOLDO CHINO HILLS CA	04/08/2020
232275	2200106663	04/02/2020	USD	115.27	MCCHRISTY, KAREN CHINO HILLS CA	05/11/2020
232276	2200106620	04/02/2020	USD	1,788.65	MCR TECHNOLOGIES INC LAKE FOREST CA	04/10/2020
232277	2200106614	04/02/2020	USD	1,202.00	O RINGS & THINGS FONTANA CA	04/10/2020

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232281	2200106622	04/02/2020	USD	30,170.00	PARKSON CORP ORLANDO FL	04/06/2020
232282	2200106603	04/02/2020	USD	381.65	PERKINELMER HEALTH SCIENCES INCHICAGO IL	04/07/2020
232283	2200106604	04/02/2020	USD	1,566.89	PETE'S ROAD SERVICE FULLERTON CA	04/07/2020
232284	2200106652	04/02/2020	USD	4,860.00	POLITICO LLC BOSTON MA	04/06/2020
232285	2200106665	04/02/2020	USD	68.82	POMPA, JESSE CHINO HILLS CA	04/28/2020
232286	2200106646	04/02/2020	USD	445.78	PSA PRINT GROUP RANCHO CUCAMONGA CA	04/07/2020
232287	2200106615	04/02/2020	USD	334.03	RAINBOW BOLT & SUPPLY RIVERSIDE CA	04/13/2020
232288	2200106598	04/02/2020	USD	2,986.70	REM LOCK & KEY ONTARIO CA	04/08/2020
232289	2200106633	04/02/2020	USD	732.64	READY REFRESH BY NESTLE LOUISVILLE KY	04/14/2020
232290	2200106654	04/02/2020	USD	1,920.00	RED HAWK FIRE & SECURITY LLC LOS ANGELES CA	04/08/2020
232291	2200106618	04/02/2020	USD	225.00	RED WING BUSINESS ADVANTAGE DALLAS TX	04/06/2020
232292	2200106621	04/02/2020	USD	1,882.29	RESTEK CORP LANCASTER PA	04/07/2020
232293	2200106628	04/02/2020	USD	4,022.67	RITE-WAY ROOF CORPORATION FONTANA CA	04/07/2020
232294	2200106636	04/02/2020	USD	6,500.00	ROGERS ANDERSON MALODY & SCOTTISAN BERNARDINO CA	04/06/2020
232295	2200106662	04/02/2020	USD	43.70	SCALERA, TYRONE CHINO HILLS CA	05/11/2020
232296	2200106660	04/02/2020	USD	7,053.38	SO CALIF EDISON ROSEMEAD CA	04/08/2020
232297	2200106642	04/02/2020	USD	3,500.00	STAFFING NETWORK LLC CAROL STREAM IL	04/08/2020
232298	2200106632	04/02/2020	USD	39,391.56	U S BANK ST LOUIS MO	04/08/2020
232299	2200106626	04/02/2020	USD	72,291.48	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/07/2020
232300	2200106667	04/02/2020	USD	35.65	WANG, PHEBE CHINO HILLS CA	04/23/2020
232301	2200106608	04/02/2020	USD	267.00	WATER ENVIRONMENT FEDERATION BALTIMORE MD	04/08/2020
232302	2200106648	04/02/2020	USD	39,303.00	WATER RESEARCH FOUNDATION DENVER CO	04/14/2020
232303	2200106645	04/02/2020	USD	14,690.76	WESTERN AUDIO VISUAL ORANGE CA	04/06/2020
232304	2200106630	04/02/2020	USD	496.77	WORLDWIDE EXPRESS ALBANY NY	04/20/2020
232305	2200106669	04/02/2020	USD	103.50	ZAMORANO, JUAN CHINO HILLS CA	05/12/2020
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232308	2200106809	04/09/2020	USD	7,831.43	A & J TRUCK REPAIR NORCO CA	04/15/2020
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232310	2200106784	04/09/2020	USD	1,632.67	AGILENT TECHNOLOGIES SAN FRANCISCO CA	04/13/2020
232311	2200106774	04/09/2020	USD	1,338.39	AIRGAS WEST INC PASADENA CA	04/13/2020
232312	2200106797	04/09/2020	USD	4,502.22	AUTOZONE INC ATLANTA GA	04/14/2020
232313	2200106801	04/09/2020	USD	1,357.50	CAMET RESEARCH, INC. GOLETA CA	04/22/2020
232314	2200106820	04/09/2020	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	04/15/2020
232315	2200106786	04/09/2020	USD	102.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	
232316	2200106793	04/09/2020	USD	3,184.61	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/14/2020
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232318	2200106800	04/09/2020	USD	800.00	CIVILTEC ENGINEERING, INC. MONROVIA CA	04/22/2020
232319	2200106768	04/09/2020	USD	1,854.51	COLE FARMER INSTRUMENT CO CHICAGO IL	04/13/2020
232320	2200106821	04/09/2020	USD	42.55	CUNNINGHAM, RICHARD CHINO HILLS CA	04/24/2020
232321	2200106823	04/09/2020	USD	39.98	DIAS, MICHAEL CHINO HILLS CA	04/27/2020
232322	2200106806	04/09/2020	USD	10,719.05	DORGAN LEGAL SERVICES LLP PASADENA CA	04/20/2020

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232325	2200106817	04/09/2020	USD	125.00	FRANCHISE TAX BOARD SACRAMENTO CA	04/21/2020
232326	2200106813	04/09/2020	USD	560.27	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/16/2020
232327	2200106775	04/09/2020	USD	6,899.43	GRAINGER PALATINE IL	04/14/2020
232328	2200106798	04/09/2020	USD	3,480.00	HARPER & ASSOCIATES ENGINEERING CORONA CA	04/23/2020
232329	2200106770	04/09/2020	USD	71.01	HOME DEPOT CREDIT SERVICES PHOENIX AZ	04/13/2020
232330	2200106815	04/09/2020	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	04/15/2020
232331	2200106781	04/09/2020	USD	3,055.17	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	04/14/2020
232332	2200106818	04/09/2020	USD	237.20	LEGALSHIELD ADA OK	04/16/2020
232333	2200106795	04/09/2020	USD	1,717.71	LILLESTRAND LEADERSHIP CONSULTING CHINO HILLS CA	04/17/2020
232334	2200106802	04/09/2020	USD	744.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	04/15/2020
232335	2200106808	04/09/2020	USD	10,942.71	M BRYE ELECTRIC INC BEAUMONT CA	04/15/2020
232336	2200106824	04/09/2020	USD	18.07	MARTINEZ, ARNOLDO CHINO HILLS CA	04/13/2020
232337	2200106794	04/09/2020	USD	14,500.00	MAUREEN ERBEZNIK AND ASSOCIATES LOS ANGELES CA	04/15/2020
232338	2200106787	04/09/2020	USD	291.01	MIDPOINT BEARING ONTARIO CA	04/14/2020
232339	2200106778	04/09/2020	USD	753.78	MOTION INDUSTRIES INC LOS ANGELES CA	04/13/2020
232340	2200106805	04/09/2020	USD	34,719.00	MWH CONSTRUCTORS INC BROOMFIELD CO	04/24/2020
232341	2200106807	04/09/2020	USD	185,150.65	MYERS AND SONS CONSTRUCTION LPSACRAMENTO CA	04/16/2020
232342	2200106771	04/09/2020	USD	7,370.40	ORANGE COUNTY WATER DISTRICT FOUNTAIN VALLEY CA	04/14/2020
232343	2200106822	04/09/2020	USD	190.00	PARKER, STEPHEN CHINO HILLS CA	04/20/2020
232344	2200106816	04/09/2020	USD	205.38	PERS LONG TERM CARE PROGRAM PASADENA CA	04/13/2020
232345	2200106782	04/09/2020	USD	334.03	RAINBOW BOLT & SUPPLY RIVERSIDE CA	04/21/2020
232346	2200106789	04/09/2020	USD	3,003.96	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/15/2020
232347	2200106776	04/09/2020	USD	29,240.00	SAN BERNARDINO VALLEY MWD SAN BERNARDINO CA	04/20/2020
232348	2200106804	04/09/2020	USD	334.82	SCP SCIENCE CHAMPLAIN NY	04/17/2020
232349	2200106814	04/09/2020	USD	421.13	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	04/20/2020
232350	2200106811	04/09/2020	USD	50,061.25	SO CALIF EDISON ROSEMEAD CA	04/16/2020
232351	2200106812	04/09/2020	USD	2,445.22	SO CALIF GAS MONTEREY PARK CA	04/15/2020
232352	2200106772	04/09/2020	USD	4,852.00	SOUTHWEST ALARM SERVICE UPLAND CA	04/23/2020
232353	2200106799	04/09/2020	USD	3,275.00	STAFFING NETWORK LLC CAROL STREAM IL	04/15/2020
232354	2200106780	04/09/2020	USD	150.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	04/17/2020
232355	2200106803	04/09/2020	USD	12,394.32	STOTZ EQUIPMENT MONTECLAIR CA	04/15/2020
232356	2200106810	04/09/2020	USD	8,613.67	SUPPLY SOLUTIONS CERRITOS CA	04/13/2020
232357	2200106790	04/09/2020	USD	3,402.91	SYSTEMS SOURCE INC NEWPORT BEACH CA	04/14/2020
232358	2200106791	04/09/2020	USD	11,900.00	TOM DAY TREE SERVICE INC UPLAND CA	04/14/2020
232359	2200106773	04/09/2020	USD	1,644.44	UNDERGROUND SERVICE ALERT/SC CORONA CA	04/27/2020
232360	2200106792	04/09/2020	USD	2,000.00	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	04/14/2020
232361	2200106788	04/09/2020	USD	8,614.96	VERIZON WIRELESS DALLAS TX	04/14/2020
232362	2200106779	04/09/2020	USD	819.06	WATER EDUCATION FOUNDATION SACRAMENTO CA	05/01/2020
232363	2200106777	04/09/2020	USD	332.00	WATER ENVIRONMENT FEDERATION BALTIMORE MD	04/16/2020
232364	2200106783	04/09/2020	USD	4,452.92	WM CORPORATE SERVICES INC LOS ANGELES CA	04/13/2020
232365	2200106929	04/16/2020	USD	25,000.00	AERCON AUSTIN TX	04/21/2020
232366	2200106894	04/16/2020	USD	976.67	AGILENT TECHNOLOGIES INC LOS ANGELES CA	04/20/2020

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232369	2200106945	04/16/2020	USD	659.48	ARELLANO, TONY CHINO HILLS CA	04/23/2020
232370	2200106912	04/16/2020	USD	3,060.62	AUTOZONE INC ATLANTA GA	04/21/2020
232371	2200106878	04/16/2020	USD	163,536.56	BROWN AND CALDWELL WALNUT CREEK CA	04/29/2020
232372	2200106905	04/16/2020	USD	725.00	BUILDING BLOCK ENTERTAINMENT WOODLAND HILLS CA	04/20/2020
232373	2200106900	04/16/2020	USD	935.00	CASC ENGINEERING AND CONSULTING COLTON CA	04/22/2020
232374	2200106890	04/16/2020	USD	2,702.08	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	04/22/2020
232375	2200106899	04/16/2020	USD	2,020.31	CHINO MFG & REPAIR INC CHINO CA	04/20/2020
232376	2200106904	04/16/2020	USD	2,494.65	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/22/2020
232377	2200106931	04/16/2020	USD	11,000.00	CITO CLOUD SOFTWARE LLC CORONA CA	04/27/2020
232378	2200106936	04/16/2020	USD	1,162.31	CITY OF CHINO CHINO CA	04/22/2020
232379	2200106898	04/16/2020	USD	775.80	CITY TOOL WORKS INC ONTARIO CA	04/21/2020
232380	2200106907	04/16/2020	USD	1,880.00	CONSTRUCTION MANAGEMENT BALTIMORE MD	04/23/2020
232381	2200106920	04/16/2020	USD	11,400.00	CSI SERVICES INC SANTA CLARITA CA	04/22/2020
232382	2200106937	04/16/2020	USD	313.36	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	04/21/2020
232383	2200106889	04/16/2020	USD	21,559.97	DELL MARKETING L P PASADENA CA	04/20/2020
232384	2200106935	04/16/2020	USD	4,209.00	DGC FOODS INC NORCO CA	04/27/2020
232385	2200106913	04/16/2020	USD	8,138.37	ENVIRONMENTAL SCIENCE ASSOCIATE ELK GROVE IL	04/22/2020
232386	2200106911	04/16/2020	USD	850.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	04/21/2020
232387	2200106896	04/16/2020	USD	677.21	EXPRESS PIPE & SUPPLY INC ANAHEIM CA	04/20/2020
232388	2200106880	04/16/2020	USD	970.21	FISHER SCIENTIFIC LOS ANGELES CA	04/20/2020
232389	2200106939	04/16/2020	USD	1,083.43	FONTANA WATER COMPANY FONTANA CA	04/22/2020
232390	2200106942	04/16/2020	USD	3,955.73	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/24/2020
232391	2200106926	04/16/2020	USD	1,238.73	GARRATT CALLAHAN COMPANY BURLINGAME CA	04/21/2020
232392	2200106910	04/16/2020	USD	37,139.91	GHD PASADENA CA	04/20/2020
232393	2200106886	04/16/2020	USD	2,054.58	GRAINGER PALATINE IL	04/21/2020
232394	2200106881	04/16/2020	USD	3.48	HOME DEPOT CREDIT SERVICES PHOENIX AZ	04/23/2020
232395	2200106932	04/16/2020	USD	244.31	INGERSOLL RAND COMPANY CHICAGO IL	04/20/2020
232396	2200106921	04/16/2020	USD	8,190.00	INTERA INCORPORATED AUSTIN TX	04/22/2020
232397	2200106885	04/16/2020	USD	359.14	INTERSTATE BATTERY SYSTEM ALITA LOMA CA	05/05/2020
232398	2200106908	04/16/2020	USD	1,194.85	JB'S POOLS & PONDS INC UPLAND CA	04/21/2020
232399	2200106941	04/16/2020	USD	873.98	LEVEL 3 COMMUNICATIONS LLC DENVER CO	04/23/2020
232400	2200106925	04/16/2020	USD	360.00	LITTLER MENDELSON PC SAN FRANCISCO CA	04/21/2020
232401	2200106946	04/16/2020	USD	61.12	MCCARTHY, CARINA CHINO HILLS CA	04/24/2020
232402	2200106891	04/16/2020	USD	2,950.00	METTLER-TOLEDO PASADENA CA	04/20/2020
232403	2200106895	04/16/2020	USD	87.11	MIDPOINT BEARING ONTARIO CA	04/20/2020
232404	2200106930	04/16/2020	USD	7,990.00	MOMENTUM GRASS VALLEY CA	04/30/2020
232405	2200106947	04/16/2020	USD	37.56	MONFORE, KENNETH CHINO HILLS CA	
232406	2200106879	04/16/2020	USD	8,914.84	OFFICE DEPOT PHOENIX AZ	04/23/2020
232407	2200106944	04/16/2020	USD	250.00	PARKER, STEPHEN CHINO HILLS CA	
232408	2200106923	04/16/2020	USD	1,118.42	QUINN COMPANY LOS ANGELES CA	04/20/2020
232409	2200106928	04/16/2020	USD	4,522.00	RBC RESOURCES MURRIETA CA	04/21/2020
232410	2200106882	04/16/2020	USD	1,025.00	RMA GROUP RANCHO CUCAMONGA CA	04/21/2020

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232413	2200106893	04/16/2020	USD	560.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	04/24/2020
232414	2200106943	04/16/2020	USD	88.99	STONE, VICTORIA CHINO HILLS CA	05/08/2020
232415	2200106916	04/16/2020	USD	1,229.00	TECHNICAL SAFETY SERVICES INC SAN FRANCISCO CA	04/20/2020
232416	2200106917	04/16/2020	USD	20,952.50	TECHNICAL SYSTEMS INC LYNNWOOD WA	04/21/2020
232417	2200106892	04/16/2020	USD	201.02	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/20/2020
232418	2200106897	04/16/2020	USD	9,032.38	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/20/2020
232419	2200106918	04/16/2020	USD	30.00	THE SHREDDERS LOS ANGELES CA	04/22/2020
232420	2200106927	04/16/2020	USD	679.09	TRAJAN SCIENTIFIC AMERICAS INCPFLUGERVILLE TX	04/21/2020
232421	2200106884	04/16/2020	USD	14,317.12	TRANSCAT INC BALTIMORE MD	04/22/2020
232422	2200106922	04/16/2020	USD	331.28	TRANSENE COMPANY INC DANVERS MA	04/22/2020
232423	2200106915	04/16/2020	USD	514.50	TRIPEPI SMITH AND ASSOCIATES, IRVINE CA	05/06/2020
232424	2200106933	04/16/2020	USD	1,920.74	UGSI CHEMICAL FEED INC VINELAND NJ	04/21/2020
232425	2200106914	04/16/2020	USD	10,679.75	UTILIQUEST LLC ATLANTA GA	04/20/2020
232426	2200106903	04/16/2020	USD	7,663.88	V & A CONSULTING ENGINEERS OAKLAND CA	04/21/2020
232427	2200106940	04/16/2020	USD	459.64	VERIZON BUSINESS ALBANY NY	04/21/2020
232428	2200106919	04/16/2020	USD	64,054.61	VIRAMONTES EXPRESS INC CORONA CA	04/22/2020
232429	2200106906	04/16/2020	USD	1,394.02	VULCAN FLARE & MECHANICAL SERVDOWNEY CA	05/11/2020
232430	2200106887	04/16/2020	USD	744.00	WATER ENVIRONMENT FEDERATION BALTIMORE MD	04/22/2020
232431	2200106924	04/16/2020	USD	71,212.77	WESTIN TECHNOLOGY SOLUTIONS LLMILWAUKEE WI	04/23/2020
232432	2200106934	04/16/2020	USD	7,171.25	WESTWATER RESEARCH LLC BOISE ID	04/27/2020
232433	2200106901	04/16/2020	USD	300.03	WORLDWIDE EXPRESS PASADENA CA	04/20/2020
232434	2200106888	04/16/2020	USD	758.47	YALE CHASE EQUIPMENT AND SERVILLOS ANGELES CA	04/20/2020
232435	2200106948	04/16/2020	USD	84.93	YANEZ, PABLO A OLVERA CHINO HILLS CA	04/27/2020
232436	2200106952	04/16/2020	USD	4,273.76	BUSINESS CARD WILMINGTON DE	04/21/2020
232437	2200106951	04/16/2020	USD	6,891.24	KONICA MINOLTA PASADENA CA	04/22/2020
232438	2200106953	04/16/2020	USD	500.37	KUJUNDZICH, PETER UPLAND CA	04/28/2020
232439	2200107005	04/23/2020	USD	654.36	AGILENT TECHNOLOGIES INC LOS ANGELES CA	04/27/2020
232440	2200106998	04/23/2020	USD	370.29	AIRGAS WEST INC PASADENA CA	04/27/2020
232441	2200107026	04/23/2020	USD	15,319.96	BANNER BANK CARLSBAD CA	04/28/2020
232442	2200107025	04/23/2020	USD	2,328.71	BERLIN PACKAGING LLC CHICAGO IL	
232443	2200107031	04/23/2020	USD	4,912.75	BUCKNAM INFRASTRUCTURE GROUP IOCEANSIDE CA	04/30/2020
232444	2200107002	04/23/2020	USD	384.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	
232445	2200107042	04/23/2020	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	04/28/2020
232446	2200107001	04/23/2020	USD	55,535.64	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	04/28/2020
232447	2200107006	04/23/2020	USD	51.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	
232448	2200107019	04/23/2020	USD	3,200.34	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/28/2020
232449	2200107041	04/23/2020	USD	414.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	04/28/2020
232450	2200107034	04/23/2020	USD	302.50	CUCAMONGA VALLEY WATER DISTRICLOS ANGELES CA	04/28/2020
232451	2200107021	04/23/2020	USD	810.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/28/2020
232452	2200107022	04/23/2020	USD	14,245.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	04/28/2020
232453	2200106995	04/23/2020	USD	5,209.57	FISHER SCIENTIFIC LOS ANGELES CA	04/27/2020
232454	2200107040	04/23/2020	USD	125.00	FRANCHISE TAX BOARD SACRAMENTO CA	05/11/2020

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232457	2200106999	04/23/2020	USD	1,233.58	GRAINGER PALATINE IL	04/29/2020
232458	2200106996	04/23/2020	USD	397.99	HOME DEPOT CREDIT SERVICES PHOENIX AZ	04/27/2020
232459	2200107028	04/23/2020	USD	6,212.87	HOWDEN ROOTS LLC DALLAS TX	04/27/2020
232460	2200107007	04/23/2020	USD	1,006.39	IMPRESSIONS GOURMET CATERING ONTARIO CA	04/28/2020
232461	2200107020	04/23/2020	USD	415.26	INDUSTRIAL RUBBER & SUPPLY INCSAN BERNARDINO CA	04/28/2020
232462	2200107039	04/23/2020	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	04/27/2020
232463	2200107003	04/23/2020	USD	3,286.00	INLAND OVERHEAD DOOR CO COLTON CA	04/28/2020
232464	2200107032	04/23/2020	USD	2,381.28	JJ PRINTING AND PACKAGING SANTA FE SPRINGS CA	05/01/2020
232465	2200107011	04/23/2020	USD	7,266.07	LEE & RO INC CITY OF INDUSTRY CA	04/28/2020
232466	2200107045	04/23/2020	USD	26.93	MAKOWSKI, EDWARD CHINO HILLS CA	
232467	2200107015	04/23/2020	USD	15,506.66	MIELE INC PRINCETON NJ	04/29/2020
232468	2200107016	04/23/2020	USD	10,920.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	04/30/2020
232469	2200107013	04/23/2020	USD	2,978.39	NAUMANN HOBBS MATERIAL HANDLINLOS ANGELES CA	04/29/2020
232470	2200107044	04/23/2020	USD	20.82	NIEHO, ANDREW CHINO HILLS CA	
232471	2200107033	04/23/2020	USD	5,846.74	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/27/2020
232472	2200107023	04/23/2020	USD	63.84	PROJECT WET FOUNDATION BOZEMAN MT	05/05/2020
232473	2200107008	04/23/2020	USD	399.54	RED WING BUSINESS ADVANTAGE DALLAS TX	04/27/2020
232474	2200106997	04/23/2020	USD	1,200.00	RMA GROUP RANCHO CUCAMONGA CA	05/01/2020
232475	2200107014	04/23/2020	USD	9,980.16	ROSEMOUNT INC CHICAGO IL	04/27/2020
232476	2200107027	04/23/2020	USD	650.00	ROYALTY CAKES CHINO CA	05/04/2020
232477	2200107018	04/23/2020	USD	420.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	05/05/2020
232478	2200107038	04/23/2020	USD	421.13	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	04/30/2020
232479	2200107004	04/23/2020	USD	921.83	SKILLPATH SEMINARS KANSAS CITY MO	04/30/2020
232480	2200107035	04/23/2020	USD	155,220.08	SO CALIF EDISON ROSEMEAD CA	04/27/2020
232481	2200107036	04/23/2020	USD	55.01	SO CALIF GAS MONTEREY PARK CA	04/28/2020
232482	2200107024	04/23/2020	USD	1,421.50	STAFFING NETWORK LLC ITASCA IL	05/13/2020
232483	2200107043	04/23/2020	USD	269.95	STONE, VICTORIA CHINO HILLS CA	05/08/2020
232484	2200107009	04/23/2020	USD	15,841.45	STRADLING YOCOA CARLSON & RAUTINEWPORT BEACH CA	04/27/2020
232485	2200107029	04/23/2020	USD	5,447.00	THE SOLIS GROUP PASADENA CA	04/28/2020
232486	2200107012	04/23/2020	USD	1,674.00	U S POSTAL SERVICE CHINO HILLS CA	05/06/2020
232487	2200107010	04/23/2020	USD	9,571.28	VERIZON WIRELESS DALLAS TX	04/29/2020
232488	2200107030	04/23/2020	USD	20,233.00	WATER SYSTEMS CONSULTING INC SAN LUIS OBISPO CA	04/29/2020
232489	2200107017	04/23/2020	USD	295.03	WORLDWIDE EXPRESS ALBANY NY	05/11/2020
232490	2200107250	04/30/2020	USD	49,119.85	ABTECH TECHNOLOGIES INC CARLSBAD CA	05/06/2020
232491	2200107245	04/30/2020	USD	3,849.22	AGILENT TECHNOLOGIES INC LOS ANGELES CA	05/04/2020
232492	2200107229	04/30/2020	USD	594.73	AIRGAS WEST INC PASADENA CA	05/04/2020
232493	2200107319	04/30/2020	USD	188.02	AMERICAN HERITAGE LIFE INSURANDALLAS TX	05/08/2020
232494	2200107318	04/30/2020	USD	539.86	ANDERSON, JOHN L CHINO CA	05/08/2020
232495	2200107223	04/30/2020	USD	78.58	APPLIED INDUSTRIAL TECHNOLOGIEPASADENA CA	05/04/2020
232496	2200107278	04/30/2020	USD	202.71	BIOTAGE LLC PHILADELPHIA PA	05/06/2020
232497	2200107314	04/30/2020	USD	200.43	BREIG, ANNA VICTORVILLE CA	
232498	2200107288	04/30/2020	USD	18,101.93	BRIGHTVIEW LANDSCAPE SERVICES PASADENA CA	05/04/2020

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232500	2200107272	04/30/2020	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	05/11/2020
232501	2200107279	04/30/2020	USD	35,358.00	CARRIER CORPORATION CHICAGO IL	05/05/2020
232502	2200107253	04/30/2020	USD	5,000.00	CASA SACRAMENTO CA	05/07/2020
232503	2200107238	04/30/2020	USD	4,743.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	
232504	2200107270	04/30/2020	USD	2,979.88	CINTAS CORPORATION LOC#150 PHOENIX AZ	05/05/2020
232505	2200107254	04/30/2020	USD	4,038.28	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	05/07/2020
232506	2200107323	04/30/2020	USD	297.62	COLONIAL LIFE & ACCIDENT INSURCOLUMBIA SC	05/12/2020
232507	2200107244	04/30/2020	USD	1,836.77	COMMERCIAL DOOR CO POMONA CA	05/08/2020
232508	2200107273	04/30/2020	USD	279.00	CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	05/11/2020
232509	2200107280	04/30/2020	USD	9,126.58	CORPRO COMPANIES INC DALLAS TX	05/07/2020
232510	2200107281	04/30/2020	USD	1,235.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	05/06/2020
232511	2200107236	04/30/2020	USD	2,556.22	DELL MARKETING L P PASADENA CA	05/04/2020
232512	2200107265	04/30/2020	USD	9,551.93	EN POINTE TECHNOLOGIES SALES ILOS ANGELES CA	
232513	2200107283	04/30/2020	USD	1,000.00	EPIC LAND SOLUTIONS INC PHOENIX AZ	05/04/2020
232514	2200107285	04/30/2020	USD	2,050.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	05/05/2020
232515	2200107329	04/30/2020	USD	2,244.62	FIDELITY SECURITY LIFE INSURANCINCINNATI OH	05/07/2020
232516	2200107304	04/30/2020	USD	5,824.97	FLUME INC SAN LUIS OBISPO CA	05/08/2020
232517	2200107232	04/30/2020	USD	1,743.98	FLW INC HUNTINGTON BEACH CA	05/11/2020
232518	2200107233	04/30/2020	USD	178.12	FONTANA HERALD NEWS FONTANA CA	05/06/2020
232519	2200107313	04/30/2020	USD	1,059.58	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/11/2020
232520	2200107309	04/30/2020	USD	2,488.58	G/M BUSINESS INTERIORS RIVERSIDE CA	05/06/2020
232521	2200107268	04/30/2020	USD	64,756.94	GEI CONSULTANTS INC BOSTON MA	05/05/2020
232522	2200107284	04/30/2020	USD	26,837.98	GHD PASADENA CA	05/05/2020
232523	2200107230	04/30/2020	USD	3,040.94	GRAINGER PALATINE IL	05/06/2020
232524	2200107240	04/30/2020	USD	3,134.79	HI-WAY SAFETY RENTALS INC CHINO CA	05/05/2020
232525	2200107317	04/30/2020	USD	539.86	HOBBS, DIANA APPLE VALLEY CA	05/12/2020
232526	2200107315	04/30/2020	USD	539.86	HORNE, WILLIAM YUCCA VALLEY CA	05/06/2020
232527	2200107328	04/30/2020	USD	237.20	LEGALSHIELD ADA OK	05/06/2020
232528	2200107326	04/30/2020	USD	15,237.24	LIFE INSURANCE COMPANY OF PHILADELPHIA PA	05/06/2020
232529	2200107332	04/30/2020	USD	820.00	MENDEZ, JOSE CHINO HILLS CA	05/06/2020
232530	2200107249	04/30/2020	USD	226.85	MIDPOINT BEARING ONTARIO CA	05/04/2020
232531	2200107316	04/30/2020	USD	864.82	MILLER, ELMER L BLUE JAY CA	
232532	2200107234	04/30/2020	USD	8,000.00	MOODY'S INVESTORS SERVICE ATLANTA GA	05/06/2020
232533	2200107333	04/30/2020	USD	24.01	NANGIA, SAPNA CHINO HILLS CA	
232534	2200107331	04/30/2020	USD	99.00	NOH, BRIAN CHINO HILLS CA	
232535	2200107241	04/30/2020	USD	91.42	O RINGS & THINGS FONTANA CA	05/08/2020
232536	2200107310	04/30/2020	USD	1,579.64	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	05/04/2020
232537	2200107307	04/30/2020	USD	23,355.00	OSISOFT LLC SAN FRANCISCO CA	05/06/2020
232538	2200107256	04/30/2020	USD	532.22	PANTHER PROTECTION ORANGE CA	05/06/2020
232539	2200107224	04/30/2020	USD	1,617.09	PERKINELMER HEALTH SCIENCES INCCHICAGO IL	05/05/2020
232540	2200107325	04/30/2020	USD	410.76	PERS LONG TERM CARE PROGRAM PASADENA CA	05/05/2020
232541	2200107261	04/30/2020	USD	520,616.09	PLUMBERS DEPOT INC HAWTHORNE CA	05/11/2020
232542	2200107320	04/30/2020	USD	2,268.81	PUBLIC EMPLOYEES RETIREMENT SYSACRAMENTO CA	

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232543	2200107225	04/30/2020	USD	6,800.66	RAMONA TIRE & SERVICE CENTERS HEMET CA	05/12/2020
232544	2200107296	04/30/2020	USD	7,815.15	ROCKWELL SOLUTIONS INC NEWPORT COAST CA	05/12/2020
232545	2200107275	04/30/2020	USD	3,769.27	SAFE-ENTRY TECHNICAL INC RANCHO CUCAMONGA CA	05/06/2020
232546	2200107298	04/30/2020	USD	1,190.00	SHAW HR CONSULTING INC NEWBURY PARK CA	05/06/2020
232547	2200107239	04/30/2020	USD	261.72	SIGMA-ALDRICH INC ATLANTA GA	05/08/2020
232548	2200107290	04/30/2020	USD	3,234.27	SKILLSOFT CORPORATION ATLANTA GA	05/04/2020
232549	2200107311	04/30/2020	USD	174.60	SO CALIF EDISON ROSEMEAD CA	05/06/2020
232550	2200107312	04/30/2020	USD	365.05	SO CALIF GAS MONTEREY PARK CA	05/07/2020
232551	2200107306	04/30/2020	USD	12,250.00	SOFTRESOURCES LLC KIRKLAND WA	
232552	2200107243	04/30/2020	USD	646.11	SPECIALIZED PRODUCT CO DALLAS TX	05/05/2020
232553	2200107287	04/30/2020	USD	725.00	STAFFING NETWORK LLC CAROL STREAM IL	05/06/2020
232554	2200107242	04/30/2020	USD	210.00	STATE WATER RESOURCES CNTRL ERSACRAMENTO CA	05/06/2020
232555	2200107301	04/30/2020	USD	3,558.00	THE SOLIS GROUP PASADENA CA	05/06/2020
232556	2200107267	04/30/2020	USD	4,895.00	TOM DAY TREE SERVICE INC UPLAND CA	05/07/2020
232557	2200107330	04/30/2020	USD	89.00	TRAN, VINCENT CHINO HILLS CA	05/05/2020
232558	2200107264	04/30/2020	USD	13,325.07	TRUSSELL TECHNOLOGIES INC PASADENA CA	
232559	2200107262	04/30/2020	USD	627.00	URIMAGE BLOOMINGTON CA	05/06/2020
232560	2200107276	04/30/2020	USD	9,978.93	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	05/05/2020
232561	2200107308	04/30/2020	USD	18,151.00	VALUED ENGINEERING INC UPLAND CA	05/05/2020
232562	2200107269	04/30/2020	USD	18,015.45	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	05/06/2020
232563	2200107336	04/30/2020	USD	270.00	WARD, RYAN CHINO HILLS CA	05/13/2020
232564	2200107327	04/30/2020	USD	25.00	WILCO LIFE INSURANCE COMPANY CHARLOTTE NC	05/12/2020
232565	2200107274	04/30/2020	USD	347.38	YRC INC PASADENA CA	05/04/2020
232566	2200107337	04/30/2020	USD	12,393.20	SO CALIF EDISON ROSEMEAD CA	05/06/2020
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Bank	CBB	CITIZENS BUSINESS BANK	ONTARIO CA 917610000				
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232306	2200106607	04/02/2020	USD	336.00	CITY OF CHINO CHINO CA	05/01/2020	
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**			USD	3,017,970.21		

Attachment 2B

Workers' Comp Checks

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05371	2200107190	04/01/2020	USD	4,653.20	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/09/2020
05372	2200107191	04/01/2020	USD	63,814.30	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/09/2020
05373	2200107192	04/01/2020	USD	1,959.52	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/08/2020
05374	2200107194	04/01/2020	USD	24.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/10/2020
05375	2200107195	04/01/2020	USD	352.14	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/03/2020
05376	2200107196	04/01/2020	USD	12.63	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/07/2020
05377	2200107197	04/08/2020	USD	250.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05378	2200107198	04/08/2020	USD	4.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/14/2020
05379	2200107199	04/08/2020	USD	495.12	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/10/2020
05380	2200107200	04/08/2020	USD	2,443.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05381	2200107201	04/08/2020	USD	168.05	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/16/2020
05382	2200107202	04/08/2020	USD	725.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05383	2200107203	04/08/2020	USD	520.87	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05384	2200107204	04/08/2020	USD	155.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05385	2200107205	04/08/2020	USD	3,919.96	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05386	2200107206	04/08/2020	USD	24.80	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05387	2200107207	04/08/2020	USD	95.99	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/13/2020
05388	2200107208	04/15/2020	USD	1,959.52	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/21/2020
05389	2200107209	04/15/2020	USD	271.74	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/20/2020
05390	2200107210	04/15/2020	USD	165.04	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/21/2020
05391	2200107211	04/15/2020	USD	243.67	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/20/2020
05392	2200107212	04/22/2020	USD	880.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/27/2020
05393	2200107213	04/22/2020	USD	331.68	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/27/2020
05394	2200107214	04/22/2020	USD	209.97	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/28/2020
05395	2200107215	04/22/2020	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/29/2020
05396	2200107216	04/22/2020	USD	2,917.35	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				04/27/2020
05397	2200107217	04/22/2020	USD	78.05	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				
05398	2200107342	04/29/2020	USD	139.97	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				
05399	2200107343	04/29/2020	USD	367.91	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				
05400	2200107344	04/29/2020	USD	330.08	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				
05401	2200107345	04/29/2020	USD	158.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				
05402	2200107346	04/29/2020	USD	224.10	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA				
* Payment method Checks created manually			USD	107,407.46					

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	107,407.46		

Attachment 2C

Vendor ACHs

Check	Payee / Description	Amount
ACH	AQUA BEN CORPORATION RP1-23,000 Lbs Hydrofloc 750A 40203 26,319.02 DAFT-4,600 Lbs Hydrofloc 748E 40202 4,460.85 RP2-23,000 Lbs Hydrofloc 748E 40130 22,304.25 AQUA BEN CORPORATION \$ 53,084.12	
ACH	PATTON SALES CORP Plates 3932924 2,127.62 PATTON SALES CORP \$ 2,127.62	
ACH	ACCUSTANDARD INC Iron Standard, Calibration Standard 915610 82.14 ACCUSTANDARD INC \$ 82.14	
ACH	MCMASTER-CARR SUPPLY CO Refill oil kit, Hvy.dty.hook, Extra long 36513066 1,298.35 6 V-Belts, Bent Nose Pliers 37271090 127.45 MCMASTER-CARR SUPPLY CO \$ 1,425.80	
ACH	PALM AUTO DETAIL INC 2/20 Carwash Svcs f/Agency Fleet Vehicle 20299-4 2,080.00 PALM AUTO DETAIL INC \$ 2,080.00	
ACH	ALFA LAVAL INC 1 Lower Belt 280013001 2,398.62 ALFA LAVAL INC \$ 2,398.62	
ACH	O S T S INC 2/5 Confined Space Entry Training f/2 52403 250.00 1/27 AB1825 Harassment Supervisor Trng f 52291 525.00 O S T S INC \$ 775.00	
ACH	KVAC ENVIRONMENTAL SERVICES IN RP1-1/15-16 Vac Pump/Transport Lqd Wst R KS2001144 3,711.25 FcltMgmtRP5-Hazmat Dspsl Rmvl-E-Wst,Lmps KS2001245 1,525.86 FcltMgmtRP1-Hazmat Dspsl Rmvl-E-Wst,Lmps KW1912016 3,183.83 KVAC ENVIRONMENTAL SERVICES IN\$ 8,420.94	
ACH	CS-AMSCO 2 Valve Plugs 15697 8,091.61 CS-AMSCO \$ 8,091.61	
ACH	KAESER COMPRESSORS RP1Mnt- Rpr Compressor 913600135 760.13 KAESER COMPRESSORS \$ 760.13	
ACH	RSD Time Delay Fuses 50238619-00 334.64	

Check	Payee / Description	Amount
	Recovery Cylinder, Vac Coils, Relay Base Di 55317194-00	188.49
	102 Pleated Filters 55311307-00	4,875.03
	Duct Sealant 55317226-00	29.87
	Pump Out Chg f/Recovery Cylinder, Caulkin 55317360-00	73.14
	Insulation Slug, Capacitors 55317583-00	24.89
	Pleated Filters 55318210-00	819.24
	Jiffy Chucks, Current Sensors, Test Lead S 55318261-00	149.70
	Pump Out Chgs f/Recovery Cylinders 55318424-00	120.00
		- - - - -
	RSD \$	6,615.00
ACH	PEST OPTIONS INC	
	February 2020 Weed Abatement Services 344551	4,420.00
		- - - - -
	PEST OPTIONS INC \$	4,420.00
ACH	DAVE'S PLUMBING	
	2 Water Softener Removal 3/2020 5245	490.00
		- - - - -
	DAVE'S PLUMBING \$	490.00
ACH	ALTA FOODCRAFT COFFEE	
	WRHS-Coffee 52002920	128.00
	WRHS-Coffeemate, Tea 52004059	77.79
		- - - - -
	ALTA FOODCRAFT COFFEE \$	205.79
ACH	CONSERV CONSTRUCTION INC	
	Repay Unearned Discount Taken 1550 DISCOUNT	612.50
		- - - - -
	CONSERV CONSTRUCTION INC \$	612.50
ACH	ELECTRO-CHEMICAL DEVICES, INC	
	CL2 Sensor 0.5-20 PPM (replaces 1391000- 69900	1,843.53
		- - - - -
	ELECTRO-CHEMICAL DEVICES, INC \$	1,843.53
ACH	MICROAGE	
	Conference Phone 2098114	1,813.14
	Veeam Backup for Microsoft Office 2098421	5,334.00
		- - - - -
	MICROAGE \$	7,147.14
ACH	CALIFORNIA WATER TECHNOLOGIES	
	RP1-16,867 lbs Ferric Chloride Solution 37000	5,323.38
	RP1-17,870 lbs Ferric Chloride Solution 37020	5,640.13
		- - - - -
	CALIFORNIA WATER TECHNOLOGIES \$	10,963.51
ACH	EVOQUA WATER TECHNOLOGIES LLC	
	PM Contract 11/1/19-4/30/20 904351720	1,352.00
	PM Contract 11/1/19-4/30/20 904351705	1,352.00
	PM Contract 11/1/19-4/30/20 904351686	1,352.00
	PM Contract 11/1/19-1/31/20 and 2/1/20-4 904351666	3,635.84
	PM Contract 11/1/19-4/30/20 904351735	1,664.00
		- - - - -
	EVOQUA WATER TECHNOLOGIES LLC \$	9,355.84
ACH	ARCADIS U.S., INC.	

Check	Payee / Description	Amount
	PL17001-7/2019-2/2020 Professional Servi 34147498	7,270.00
	ARCADIS U.S., INC.	\$ 7,270.00
ACH	MICRO MOTION INC Flow Meter 40581623	4,774.96
	MICRO MOTION INC	\$ 4,774.96
ACH	AMAZON BUSINESS Binders, Whiteboard, Wastebasket, Magnets 17VQ-WFK9-FMH 355.98 22 Stylus Pens 1VCV-1FLJ-3YH 15.06 Weekly/Monthly Planner 1R3Y-FCVX-C9F 21.52	392.56
	AMAZON BUSINESS	\$ 392.56
ACH	PAUL REDVERS BROWN INC 2/1-2/29 Strategic Assessment Plan Svcs IEUA005	1,522.50
	PAUL REDVERS BROWN INC	\$ 1,522.50
ACH	ROYAL INDUSTRIAL SOLUTIONS Nylon Cable Ties 6046-678764 950.34 PanelView Plus 7 Adapter Kits 6046-678422 579.48 PVC Coated Hubs 6046-678493 692.23 2 Wire Tracer Kits 6046-678522 2,832.09 SealtightConnectors, Terminals, LiqTite, Lu 6046-678555 2,852.95 Relays 6046-678677 80.17 Oldcastle Keys & Bolt Kit 6046-678064 106.05 Ultrasonic Occupancy Sensors, Power Pack 6046-678758 403.52 Overload Relay, Heaters 6046-678191 1,155.88 Lamps 6046-678229 54.52 Conduit Bodies, Recessed Plugs, Couplings, 6046-678341 112.37 Overload Relay, Heaters 6046-678190 723.77 Wire 6046-678353 802.82 Prox Sensor Body/Head/Rcp 6046-678070 1,218.34 Repaired Analog Module 6046-677698 949.00 Holophane Fixture 6046-677938 742.83 Emerg Lite Fixtures, Ballasts, Flex Connec 6046-678472 700.34 Fusible HD Switch, Fuses, Wire 6046-678261 915.13 Wall Mount Enclosure, Terminal Blocks, Pan 6046-678178 2,433.79 Pressure Calibrator 6046-678177 4,088.34 Enclosures, Wire, Conduit, Channels, Tape, Tr 6046-678325 3,555.69 Photohead 6046-678589 430.53 Insulated Static Discharge Stick 6046-676076 499.99 Couplings, Connectors 6046-678235 13.30 Conduit, Slot Channels, Screwdriver Set, Cl 6046-678234 422.46 Timing Relay 6046-678237 176.18 Miniature Bulbs 6046-678227 20.90 Lamps 6046-678228 54.52 Relays 6046-678959 53.16 Cable 6046-678744 45.72 Enclosures, Terminal Blocks, Connectors, Con 6046-678755 951.92 Size-1 Starter, Aux Contact Kit 6046-678958 1,392.35 Fishtapes, Flex LiqTite, Connectors, Coupli 6046-678999 560.28 EZ Trim Locks 6046-678728 437.06 Conduit, Slot Channels, Clamp, Connectors 6046-678915 147.76 Plug-In Multi-Function Timers 6046-678828 290.12	

Check	Payee / Description	Amount
	ROYAL INDUSTRIAL SOLUTIONS \$	31,445.90
ACH	ICMA RETIREMENT TRUST 457	
	P/R 8 4/10/20 Deferred Comp Ded HR 0087600	20,552.92
	ICMA RETIREMENT TRUST 457 \$	20,552.92
ACH	LINCOLN NATIONAL LIFE INS CO	
	P/R 8 4/10/20 Deferred Comp Ded HR 0087600	36,631.34
	LINCOLN NATIONAL LIFE INS CO \$	36,631.34
ACH	ICMA RETIREMENT TRUST 401	
	P/R 8 4/10/20 Exec Deferred Comp HR 0087600	6,762.95
	ICMA RETIREMENT TRUST 401 \$	6,762.95
ACH	AQUA BEN CORPORATION	
	DAFT-4,600 Lbs Hydrofloc 748E 40238	4,460.85
	RP1-13,800 Lbs Hydrofloc 750A 40239	17,546.01
	AQUA BEN CORPORATION \$	22,006.86
ACH	HASCO OIL COMPANY, INC.	
	RP5Mnt-Hydraulic AW 68,Drum Fee 0231713-IN	838.68
	RP5Mnt-Mobilgear 600 XP Pails 0232139-IN	531.33
	HASCO OIL COMPANY, INC. \$	1,370.01
ACH	NAPA GENUINE PARTS COMPANY	
	2 Batteries,Core Charges,Enviro Fee 4584-301115	611.22
	2 - WH Chock 4584-301453	20.45
	1 - WH Chock 4584-301449	10.23
	2 - WH Chock 4584-301450	20.45
	2 - WH Chock 4584-301448	20.45
	2 - WH Chock 4584-301454	20.45
	2 - WH Chock 4584-301455	20.45
	2 - WH Chock 4584-301446	20.45
	NAPA GENUINE PARTS COMPANY \$	744.15
ACH	UNIVAR SOLUTIONS USA INC	
	CCWRP-12,050 Lbs Sodium Bisulfite 48502072	2,809.71
	TP1-12,265 Lbs Sodium Bisulfite 48502071	2,859.85
	UNIVAR SOLUTIONS USA INC \$	5,669.56
ACH	HDR ENGINEERING INC	
	EN19024-1/15-2/29 Prof Svcs 1200254463	73,541.68
	HDR ENGINEERING INC \$	73,541.68
ACH	ACCUSTANDARD INC	
	Custom Method,Volatile Organic,Fortifica 915951	614.44
	Dioxane 915701	249.45
	ACCUSTANDARD INC \$	863.89
ACH	CAROLLO ENGINEERS	

Check	Payee / Description	Amount
	4600002677-2/2020 Professional Services 0185504	6,742.01
	EN24001/EN24002-2/2020 Professional Serv 0185355	6,461.30
	CAROLLO ENGINEERS	\$ 13,203.31
ACH	TOM DODSON & ASSOCIATES	
	RW15003-1/1-1/31 Prof Svcs IE-305 20-2	1,937.15
	WR15021-1/15-1/27 Prof Svcs IE-320 20-3	3,030.53
	TOM DODSON & ASSOCIATES	\$ 4,967.68
ACH	ALFA LAVAL INC	
	Horis Washbox Seal 280014715	568.15
	ALFA LAVAL INC	\$ 568.15
ACH	ATMAA INC	
	Analysis Reduced Sulfur Compounds 36144	220.00
	ATMAA INC	\$ 220.00
ACH	SCHNEIDER ELECTRIC SYSTEMS INC	
	pH/ORP Sensors 94126872	1,776.91
	2/14/20-5/13/20 IA/DCS Tech Support Svc 94128224	20,432.88
	SCHNEIDER ELECTRIC SYSTEMS INC\$	22,209.79
ACH	HACH COMPANY	
	RP1Mnt-Stblcl1 STDs,ORP Slolns, DPD TOT C 11851626	2,458.17
	TP1Ops-Ammn TNT+ LRs,Tnstt Ppts,DPD Ttl& 11782832	2,134.71
	HACH COMPANY	\$ 4,592.88
ACH	KVAC ENVIRONMENTAL SERVICES IN	
	EN13001-Rmv Bttm Sttlmnt Frm Wt Wll KS2001151	3,183.75
	KVAC ENVIRONMENTAL SERVICES IN\$	3,183.75
ACH	STANTEC CONSULTING INC	
	EN14042-12/28-1/24 Prof Svcs 1617187	9,694.71
	EN15012-11/23-12/27 Prof Svcs 1612702	2,644.00
	EN14042-11/23-12/27 Prof Svcs 1612747	15,652.26
	EN17082-11/23-12/27 Prof Svcs 1613147	7,488.00
	EN17082-12/28-1/24 Prof Svcs 1617173	10,669.50
	EN14043-12/28-1/24 Prof Svcs 1617181	10,235.00
	EN15012-12/28-1/24 Prof Svcs 1617203	4,269.00
	STANTEC CONSULTING INC	\$ 60,652.47
ACH	PEST OPTIONS INC	
	February 2020 GWR Weed Abatement Service 344615	8,531.84
	PEST OPTIONS INC	\$ 8,531.84
ACH	OLIN CORP	
	CCWRP-4,898 Gals Sodium Hypochlorite 2803004	3,937.99
	TP1-4,830 Gals Sodium Hypochlorite 2802085	3,883.32
	TP1-4,896 Gals Sodium Hypochlorite 2801159	3,936.38
	TP1-4,828 Gals Sodium Hypochlorite 2800812	3,881.71

Check	Payee / Description	Amount
	TP1-4,776 Gals Sodium Hypochlorite 2799914	4,083.48
	TP1-4,838 Gals Sodium Hypochlorite 2799399	3,889.75
	RP5-4,922 Gals Sodium Hypochlorite 2798540	3,957.29
	TP1-4,900 Gals Sodium Hypochlorite 2798538	3,939.60
	TP1-4,782 Gals Sodium Hypochlorite 2798025	4,088.61
	TP1-4,922 Gals Sodium Hypochlorite 2796955	3,957.29
	TP1-4,966 Gals Sodium Hypochlorite 2796506	3,992.66
	TP1-4,974 Gals Sodium Hypochlorite 2796202	3,999.10
	CCWRP-3,014 Gals Sodium Hypochlorite 2796201	2,576.97
	TP1-4,776 Gals Sodium Hypochlorite 2795754	4,083.48
	RP5-4,840 Gals Sodium Hypochlorite 2795272	3,891.36
	TP1-4,872 Gals Sodium Hypochlorite 2795271	3,917.09
	CCWRP-3,168 Gals Sodium Hypochlorite 2794788	2,708.64
	TP1-4,890 Gals Sodium Hypochlorite 2794237	3,931.56
	TP1-4,858 Gals Sodium Hypochlorite 2793822	3,905.83
	TP1-4,890 Gals Sodium Hypochlorite 2793482	3,931.56
	RP5-4,854 Gals Sodium Hypochlorite 2792886	3,902.62
	TP1-4,838 Gals Sodium Hypochlorite 2792885	3,889.75
	RP5-4,800 Gals Sodium Hypochlorite 2792410	4,104.00
	TP1-4,966 Gals Sodium Hypochlorite 2792409	3,992.66
	TP1-4,802 Gals Sodium Hypochlorite 2802494	3,860.81
	RP5-4,894 Gals Sodium Hypochlorite 2803005	3,934.78
	RP5-4,756 Gals Sodium Hypochlorite 2803474	4,066.38
	TP1-4,898 Gals Sodium Hypochlorite 2803475	3,937.99
	TP1-4,888 Gals Sodium Hypochlorite 2803971	3,929.95
	RP5-4,806 Gals Sodium Hypochlorite 2805255	3,864.02
	CCWRP-4,820 Gals Sodium Hypochlorite 2791970	3,875.28
	CCWRP-4,928 Gals Sodium Hypochlorite 2797517	3,962.11
	CCWRP-4,950 Gals Sodium Hypochlorite 2800442	3,979.80
	OLIN CORP \$	127,793.82
ACH	SAP AMERICA INC Acctg-2/13-7/12 Trng-CT-TFIN5e 7008389117	7,276.00
	SAP AMERICA INC \$	7,276.00
ACH	ALTA FOODCRAFT COFFEE HQA-Coffee,Tea,Cocoa 52004057	193.76
	ALTA FOODCRAFT COFFEE \$	193.76
ACH	SIEMENS INDUSTRY INC Radar Level Transmitter 5604175118 Transducer 5604034589	3,693.67 1,036.56
	SIEMENS INDUSTRY INC \$	4,730.23
ACH	CONSERV CONSTRUCTION INC WR20006-3/2020 Professional Services 1554 WR20025-3/2020 Professional Services 1556 WR20019-3/2020 Professional Services 1555	4,561.90 37,068.50 2,469.60
	CONSERV CONSTRUCTION INC \$	44,100.00
ACH	CALIFORNIA WATER TECHNOLOGIES RP1-17,813 lbs Ferric Chloride Solution 37061 RP1-16,907 lbs Ferric Chloride Solution 37062	5,622.14 5,336.04

Check	Payee / Description	Amount
	CALIFORNIA WATER TECHNOLOGIES \$	10,958.18
ACH	ARCADIS U.S., INC.	
	EN19001-11/2019 Professional Services 6	44,781.62
	PL17001-2/2020 Professional Services 34149606	8,810.00
	EN19001/EN19006-11/2019 Professional Ser 34150395	11,983.45
	WR18028-1/2020 Professional Services 34150660	20,395.25
		- - - - -
	ARCADIS U.S., INC. \$	85,970.32
ACH	ECOTECH SERVICES INC	
	2/20 Residential Home Pressure Regulatio 1658	21,971.16
		- - - - -
	ECOTECH SERVICES INC \$	21,971.16
ACH	JC LAW FIRM	
	2/20 IEUA vs Spicer-EN17018 00716	6,270.00
	2/20 Regional Contract 00715	10,260.00
	2/20 Watermaster 00717	10,200.00
	2/20 Kaiser vs CBWCD (Ely Basin) 00718	480.00
	2/20 RCA Legal 00714	1,320.00
	2/20 General Legal 00713	25,890.00
		- - - - -
	JC LAW FIRM \$	54,420.00
ACH	AMAZON BUSINESS	
	Bindeer Divideers,Fatigue Mat,Sheet Cove 1Q9Q-3TRT-F4X	213.85
	Flash Lanyard 179P-L49J-4FV	207.51
	2 Wall Calendars not Delivered 1PDG-XC16-F4X	31.66-
		- - - - -
	AMAZON BUSINESS \$	389.70
ACH	AMERICAN OFFICE PROFESSIONALS	
	Service Call HP M600/M601,Maint Kit (89. 2522	538.16
	Service Call HP M600/M601 (labor only) 2519	89.95
		- - - - -
	AMERICAN OFFICE PROFESSIONALS \$	628.11
ACH	KEARNS & WEST	
	PL19002-2/1-2/29 Prof Svcs 017254	22,116.31
		- - - - -
	KEARNS & WEST \$	22,116.31
ACH	REDWOOD ENERGY STORAGE LLC	
	2/20 RP1/RP5/CCWRP Energy Storage System 16	9,880.83
		- - - - -
	REDWOOD ENERGY STORAGE LLC \$	9,880.83
ACH	REDWOOD ENERGY STORAGE II LLC	
	2/7/20-3/7/20 RP4 Energy Storage System 12	27,130.83
		- - - - -
	REDWOOD ENERGY STORAGE II LLC \$	27,130.83
ACH	SOLAR STAR CALIFORNIA V LLC	
	RP5/TP5/HQA/B-2/1-2/29 6075 Kimball Ave E02M0614-3415	20,155.47
	RP1-2/1-2/29 2450 Phila St E02M0616-3415	3,027.66
	CCWRP/TP/RWPS-2/1-2/29 14950 Telephone A E02M0613-3415	10,567.52
	RP1-2/1-2/29 2450 Phila St E02M0615-3415	16,757.30
		- - - - -

Check		Payee / Description	Amount	
		SOLAR STAR CALIFORNIA V LLC	\$	50,507.95
ACH		IEUA EMPLOYEES' ASSOCIATION		
		P/R 8 4/10/20 Employee Ded	HR 0087600	210.00
		P/R DIR 4 4/10/20 Employee Ded	HR 0087400	12.00
			- - - -	-
		IEUA EMPLOYEES' ASSOCIATION	\$	222.00
ACH		IEUA SUPERVISORS UNION ASSOCIA		
		P/R 8 4/10/20 Employee Ded	HR 0087600	315.00
			- - - -	-
		IEUA SUPERVISORS UNION ASSOCIA	\$	315.00
ACH		IEUA GENERAL EMPLOYEES ASSOCIA		
		P/R 8 4/10/20 Employee Ded	HR 0087600	1,106.60
			- - - -	-
		IEUA GENERAL EMPLOYEES ASSOCIA	\$	1,106.60
ACH		IEUA PROFESSIONAL EMPLOYEES AS		
		P/R 8 4/10/20 Employee Ded	HR 0087600	510.00
			- - - -	-
		IEUA PROFESSIONAL EMPLOYEES AS	\$	510.00
ACH		DISCOVERY BENEFITS INC		
		P/R 8 4/10/20 Cafeteria Plan	HR 0087600	4,175.26
			- - - -	-
		DISCOVERY BENEFITS INC	\$	4,175.26
ACH		PATRICK W HUNTER		
		P/R 8 4/10/20	HR 0087600	248.50
			- - - -	-
		PATRICK W HUNTER	\$	248.50
ACH		CAMACHO, MICHAEL		
		MlgReim-3/20 Meetings-Camacho,M	MLG 3/20	127.82
			- - - -	-
		CAMACHO, MICHAEL	\$	127.82
ACH		ELIE, STEVE		
		MlgReim-3/20 Meetings-Elie,S	MLG 3/20	16.45
			- - - -	-
		ELIE, STEVE	\$	16.45
ACH		HALL, JASMIN		
		MlgReim-3/20 Meetings-Hall,J	MLG 3/20	63.65
			- - - -	-
		HALL, JASMIN	\$	63.65
ACH		PARKER, KATI		
		MlgReim-3/20 Meetings-Parker,K	MLG 3/20	44.16
			- - - -	-
		PARKER, KATI	\$	44.16
ACH		HALL, JASMIN		
		Hall,J-ExpRpt-3/11-3/12 Annl IEOC Leg Re 3/11-12 ANNL		709.08
			- - - -	-
		HALL, JASMIN	\$	709.08
ACH		AQUA BEN CORPORATION		

Check	Payee / Description	Amount
	RP1-18,400 Lbs Hydrofloc 750A 40244	23,394.68
	RP2-29,900 Lbs Hydrofloc 748E 40254	28,995.53
	DAFT-9,200 Lbs Hydrofloc 748E 40243	8,921.70
	AQUA BEN CORPORATION \$	61,311.91
ACH	UNIVAR SOLUTIONS USA INC	
	CCWRP-12,215 Lbs Sodium Bisulfite 48524818	2,848.19
	TP1-12,260 Lbs Sodium Bisulfite 48524819	2,858.67
	UNIVAR SOLUTIONS USA INC \$	5,706.86
ACH	TG SCIENTIFIC GLASS FABRICATIO	
	LB20004-Extractors, Columns, Flasks 19096	4,196.05
	TG SCIENTIFIC GLASS FABRICATIO\$	4,196.05
ACH	ENVIRONMENTAL RESOURCES ASSOC	
	Ceriodaphnia Dubia 931704	368.18
	ENVIRONMENTAL RESOURCES ASSOC \$	368.18
ACH	R F MACDONALD	
	RP1 Boiler #1 Annual Cleaning & Tune Up 289490	5,542.00
	R F MACDONALD \$	5,542.00
ACH	ACCUSTANDARD INC	
	ICP-MS Calibration Standard 916343	141.29
	ACCUSTANDARD INC \$	141.29
ACH	CAROLLO ENGINEERS	
	EN17110/EN17043-2/2020-Professional Srvs 0185503	112,017.36
	CAROLLO ENGINEERS \$	112,017.36
ACH	MCMMASTER-CARR SUPPLY CO	
	Gaskets 37002419	280.57
	4 Flat Free Wheels with Ball Bearing 37001819	99.39
	MCMMASTER-CARR SUPPLY CO \$	379.96
ACH	BABCOCK LABORATORIES, INC	
	East End Dissolved/POC Samples CC01747-2045	288.00
	BABCOCK LABORATORIES, INC \$	288.00
ACH	WILLIAMS SCOTSMAN INC	
	PL19005-4/7-5/6 Chino Basin Project Trai 7686399	2,171.46
	WILLIAMS SCOTSMAN INC \$	2,171.46
ACH	HACH COMPANY	
	RP5Mnt-Rplc Sensor Cap Kit, Sample Cell 11884673	349.68
	Inv-Rplcmnt Sensor Cap Kits 11865782	1,110.86
	Inv-Rplcmnt Sensor Cap Kits 11871064	3,514.81
	RP1Ops-Tensette Pipets 11851610	612.88

Check	Payee / Description		Amount
	HACH COMPANY	\$	5,588.23
ACH	CS-AMSCO 2 Stonel SEH90	15739	1,168.50
	CS-AMSCO	\$	1,168.50
ACH	INSIDE PLANTS INC FcltyMgt/Lab-3/20 Indoor Plant Care	78857	636.00
	INSIDE PLANTS INC	\$	636.00
ACH	STANTEC CONSULTING INC EN17082-10/26-11/22 Prof Svcs	1600394	7,078.30
	EN15012-10/26-11/22 Prof Svcs	1598638	3,416.00
	STANTEC CONSULTING INC	\$	10,494.30
ACH	NATIONAL CONSTRUCTION RENTALS 3/20/20-4/16/20 Potty/Handicap Potty/Sin 5689089		994.80
	NATIONAL CONSTRUCTION RENTALS	\$	994.80
ACH	PEST OPTIONS INC March 2020 Weed Abatement Services	346518	4,420.00
	PEST OPTIONS INC	\$	4,420.00
ACH	OLIN CORP CCWRP-2,962 Gals Sodium Hypochlorite	2801648	2,576.94
	CCWRP-3,016 Gals Sodium Hypochlorite	2798980	2,578.68
	RP5-4,886 Gals Sodium Hypochlorite	2798026	3,928.34
	CCWRP-2,994 Gals Sodium Hypochlorite	2804469	2,604.78
	CCWRP-2,974 Gals Sodium Hypochlorite	2793481	2,587.38
	CCWRP-2,984 Gals Sodium Hypochlorite	2790676	2,596.08
	RP5-4,898 Gals Sodium Hypochlorite	2806362	3,937.99
	RP5-4,950 Gals Sodium Hypochlorite	2807348	3,979.80
	CCWRP-3,004 Gals Sodium Hypochlorite	2807345	2,568.42
	RP5-4,884 Gals Sodium Hypochlorite	2807347	3,926.74
	OLIN CORP	\$	31,285.15
ACH	GK & ASSOCIATES 46-2849-2/20 Prof Svcs	20-013	13,280.00
	46-2849-2/20 Prof Svcs	20-014	23,200.00
	46-2849-2/20 Prof Svcs	20-015	13,280.00
	GK & ASSOCIATES	\$	49,760.00
ACH	DOWNS ENERGY RP2-422.90 Gals Red Dyed Diesel Fuel	0263336-IN	833.05
	DOWNS ENERGY	\$	833.05
ACH	TRICO CORPORATION Oil Analysis	P54463	192.00
	Oil Analysis	P53848	160.00
	Oil Analysis	P53822	352.00

Check	Payee / Description	Amount
	TRICO CORPORATION \$	704.00
ACH	EPI-USE AMERICA INC 2/2020 HCM Consulting 263910115	1,550.00
	EPI-USE AMERICA INC \$	1,550.00
ACH	MICROAGE SonicWall Gold Support 2100837	850.75
	MICROAGE \$	850.75
ACH	CALIFORNIA WATER TECHNOLOGIES RP1-16,556 lbs Ferric Chloride Solution 37117	5,225.26
	CALIFORNIA WATER TECHNOLOGIES \$	5,225.26
ACH	V3IT CONSULTING INC SAP BASIS February 2020 Support V3IT2020IEUA0	6,184.00
	V3IT CONSULTING INC \$	6,184.00
ACH	WEST COAST ADVISORS 2/20 Prof Svcs 12682	9,800.00
	WEST COAST ADVISORS \$	9,800.00
ACH	NAVEX GLOBAL INC 4/20-4/21 US Hotline/Subscription Renewa INV-223951	1,575.76
	NAVEX GLOBAL INC \$	1,575.76
ACH	ECOTECH SERVICES INC Civil Wage and Penalty Assessment Dismis PENLTY DISMIS	4,250.00
	ECOTECH SERVICES INC \$	4,250.00
ACH	AMAZON BUSINESS MICR Toner Cartridge 1KHY-1H9H-4QX 226.28 Blueprint Storage Racks 1QVW-N7X3-KPQ 520.00 Print Clamps 1QMP-CCH3-114 352.12	
	AMAZON BUSINESS \$	1,098.40
ACH	JWC ENVIRONMENTAL LLC CCWRPMnt-Assy Brushes 101367	5,073.62
	JWC ENVIRONMENTAL LLC \$	5,073.62
ACH	MAGNATROL VALVE CORPORATION Hum Free Rectifiers, Valves, Assemblies 373672	4,367.06
	MAGNATROL VALVE CORPORATION \$	4,367.06
ACH	SHELL ENERGY NORTH AMERICA LP 3/20 Gas Cmndty-Core, 1/20 Adj 1100002880303	2,676.59
	SHELL ENERGY NORTH AMERICA LP \$	2,676.59

Check	Payee / Description	Amount
ACH	SHELL ENERGY NORTH AMERICA LP RP1/RP2/RP5/CCWRP-2/1-2/29 Power Usage 202002	159,107.60
	SHELL ENERGY NORTH AMERICA LP \$	159,107.60
ACH	CAMBIASO, PIETRO Reim-SWRCB Certificate Renewal 2020 28253 2020	110.00
	CAMBIASO, PIETRO \$	110.00
ACH	MCCHRISTY, KAREN Reim-4/2/20 Printer Ink,Wite-Out,Pens,Cl 4/2/20 OFF SU	116.07
	MCCHRISTY, KAREN \$	116.07
ACH	WATERS-LEIVA, TORRES Waters'Leive,T-ExpRpt-2/19-2/20 CAPPO Co 2/19-20 CAPPO	652.09
	WATERS-LEIVA, TORRES \$	652.09
ACH	RECINTO, SARAH Recinto,S-ExpRpt-2/27 DWP Seminlar Local 2/27 DWP SMNR	61.28
	RECINTO, SARAH \$	61.28
ACH	DUNCAN, BRANDON Duncan,B-EspRpt-2/11-2/14 Lsrfeh Empwr 2 2/11-14 LSRFC	85.46
	DUNCAN, BRANDON \$	85.46
ACH	GARCIA, CHRISTOPHER Garcia,C-ExpRpt-3/9 Water Suppy Workshop 3/9 WTR SPPY	94.18
	GARCIA, CHRISTOPHER \$	94.18
ACH	MARTINEZ, ARNOLDO Reim-4/7/20 Overtime Meal 4/7/20 OT MEA Emp Assist PC Loan Purchase PC LOAN	10.00 1,438.29
	MARTINEZ, ARNOLDO \$	1,448.29
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Hydrofloc 748E 40290 RP1-23,000 Lbs Hydrofloc 750A 40291 DAFT-4,600 Lbs Hydrofloc 748E 40097 RP1-23,000 Lbs Hydrofloc 750A 40098 RP1-23,000 Lbs Hydrofloc 750A 40324 DAFT-4,600 Lbs Hydrofloc 748E 40323	4,460.85 29,243.35 4,460.85 29,243.35 29,243.35 4,460.85
	AQUA BEN CORPORATION \$	101,112.60
ACH	HASCO OIL COMPANY, INC. RP5Mnt-Mobil SCH 630-1 Drum 0232416-IN RP5Mnt-Mobil SCH 629-1 Drum 0232254-IN	4,626.89 4,565.79
	HASCO OIL COMPANY, INC. \$	9,192.68
ACH	J R FILANC CONSRUCTION CO INC EN15012.01-3/20 Pay Est 5 PE 5-EN15012.	35,458.27

Check	Payee / Description		Amount
	J R FILANC CONSRUCTION CO INC	\$	35,458.27
ACH	SANTA ANA WATERSHED		
	February 2020 Service	9676	88,280.07
	February 2020 Truck Discharge	9670	3,229.46
	SANTA ANA WATERSHED	\$	91,509.53
ACH	MCMASTER-CARR SUPPLY CO		
	Narrow Wedge Cogged V-Belt	38119819	262.71
	MCMASTER-CARR SUPPLY CO	\$	262.71
ACH	ALFA LAVAL INC		
	Level Switch	280017797	964.75
	ALFA LAVAL INC	\$	964.75
ACH	W A RASIC CONSTRUCTION CO INC		
	EN17042-3/20 Pay Est 14	PE 14-EN17042	45,182.00
	W A RASIC CONSTRUCTION CO INC	\$	45,182.00
ACH	INLAND EMPIRE REGIONAL		
	RP1/RP2-3/20 Biosolids	90026357	333,050.48
	INLAND EMPIRE REGIONAL	\$	333,050.48
ACH	PARSONS WATER & INFRASTRUCTURE		
	EN19001/EN19006-2/1-2/28 Prof Svcs	2003A423	329,425.23
	PARSONS WATER & INFRASTRUCTURE	\$	329,425.23
ACH	HACH COMPANY		
	RP4Ops-DPD Free Chlorine PP 25ML	11889367	361.44
	Inv-Ryton Salt Bridges	11859764	282.32
	HACH COMPANY	\$	643.76
ACH	CS-AMSCO		
	1 Day Start Up Servicess	15664	1,350.00
	CS-AMSCO	\$	1,350.00
ACH	STANTEC CONSULTING INC		
	EN14042-1/25-2/21 Prof Svcs	1628790	4,492.00
	EN14042-10/26-11/22 Prof Svcs	1598664	6,174.00
	EN14043-1/25-2/21 Prof Svcs	1628815	5,030.00
	STANTEC CONSULTING INC	\$	15,696.00
ACH	NATIONAL CONSTRUCTION RENTALS		
	RP1-3/26/20-4/22/20 Toilet,Handwash	5696400	211.55
	NATIONAL CONSTRUCTION RENTALS	\$	211.55
ACH	ZASIO ENTERPRISES INC		
	5/20-4/21 Versatile Retention Support&Ci	20097409	2,415.00

Check Payee / Description		Amount
ZASIO ENTERPRISES INC		\$ 2,415.00
ACH	STANEK CONSTRUCTORS INC	
	EN19010-3/20 Pay Est 3	PE 3-EN19010 40,422.50
	EN14042-3/20 Pay Estimate 15	PE 15-EN14042 250,656.69
STANEK CONSTRUCTORS INC		\$ 291,079.19
ACH	SUNGARD AVAILABILITY SERVICES	
	4/20 Disaster Recovery Svc	152737248 853.00
	3/20 Disaster Recovery Svc	152734677 853.00
	5/20 Disaster Recovery Svc	152737833 853.00
SUNGARD AVAILABILITY SERVICES		\$ 2,559.00
ACH	PFM ASSET MANAGEMENT LLC	
	2/1-2/29 Investment Portfolio Mgmt Svcs	SMA-M0220-156 5,977.72
PFM ASSET MANAGEMENT LLC		\$ 5,977.72
ACH	BIG SKY ELECTRIC INC	
	EN17044-3/20 Pay Est 11	PE 11-EN17044 135,802.50
BIG SKY ELECTRIC INC		\$ 135,802.50
ACH	SPIESS CONSTRUCTION COMPANY IN	
	EN21004-3/20 Pay Est 3	PE 3-EN21004 188,911.06
	EN22004-3/20 Pay Est 3	PE 3-EN22004 64,244.94
SPIESS CONSTRUCTION COMPANY IN\$		253,156.00
ACH	CALIFORNIA WATER TECHNOLOGIES	
	RP1-18,796 lbs Ferric Chloride Solution	37084 5,932.17
	RP1-17,792 lbs Ferric Chloride Solution	37140 5,615.26
CALIFORNIA WATER TECHNOLOGIES		\$ 11,547.43
ACH	FERREIRA COASTAL CONSTRUCTION	
	WR15021-3/20 Pay Est 16	PE 16-WR15021 24,054.00
FERREIRA COASTAL CONSTRUCTION		\$ 24,054.00
ACH	WALLACE & ASSOCIATES CONSULTIN	
	4600002051-2/3-3/1 Prof Svcs	2020-02-IEUA 49,844.00
	PL19005-2/3-3/1 On-Call Admin Svcs	20-02-IEUA-AD 7,800.00
WALLACE & ASSOCIATES CONSULTIN\$		57,644.00
ACH	PRIORITY BUILDING SERVICES LLC	
	February 2020 Lab Janitorial Service	67955 3,408.64
	February 2020 Trailer Janitorial Service	67956 500.00
PRIORITY BUILDING SERVICES LLC\$		3,908.64
ACH	ECOTECH SERVICES INC	
	3/20 Residential Home Pressure Regulatio	1668 11,908.57
ECOTECH SERVICES INC		\$ 11,908.57

Check Payee / Description	Amount
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ACH	GILLIS + PANICHAPAN ARCHITECTS		12,505.00
	EN20051-2/20 Prof Svcs	107610J	-
			-
	GILLIS + PANICHAPAN ARCHITECTS\$		12,505.00

ACH	CSI SERVICES INC		570.00
	EN17042-3/6/2020 Professional Services	9691	-
	EN17042-1/2020-2/2020 Professional Servi	9637	1,900.00
			-
	CSI SERVICES INC	\$	2,470.00

ACH	AMAZON BUSINESS		1,172.40
	3 Humidifier Tanks	1XLF-V1LW-4CX	90.51
	1 Atomic Digital Wall Clock	1KVL-Y7JD9L3W	-
			-
	AMAZON BUSINESS	\$	1,262.91

ACH	LITTLER MENDELSON PC		630.00
	2/20 Genrl Legal #097433.1003	5194292	-
	1/20 Genrl Legal #097433.1003	5183892	270.00
			-
	LITTLER MENDELSON PC	\$	900.00

ACH	LONE STAR BLOWER INC		398.41
	CCWRPMnt-Cntr Gskt/Seals,Fstnr Pcks	PS-INV103924	-
			-
	LONE STAR BLOWER INC	\$	398.41

ACH	KIEWIT INFRASTRUCTURE WEST CO		56,285.12
	EN17082-3/20 Pay Est 5	PE 5-EN17082	-
			-
	KIEWIT INFRASTRUCTURE WEST CO	\$	56,285.12

ACH	IEUA EMPLOYEES' ASSOCIATION		210.00
	P/R 9 4/24/20 Employee Ded	HR 0087700	-
			-
	IEUA EMPLOYEES' ASSOCIATION	\$	210.00

ACH	IEUA SUPERVISORS UNION ASSOCIA		315.00
	P/R 9 4/24/20 Employee Ded	HR 0087700	-
			-
	IEUA SUPERVISORS UNION ASSOCIA\$		315.00

ACH	IEUA GENERAL EMPLOYEES ASSOCIA		1,106.60
	P/R 9 4/24/20 Employee Ded	HR 0087700	-
			-
	IEUA GENERAL EMPLOYEES ASSOCIA\$		1,106.60

ACH	IEUA PROFESSIONAL EMPLOYEES AS		490.00
	P/R 9 4/24/20 Employee Ded	HR 0087700	-
			-
	IEUA PROFESSIONAL EMPLOYEES AS\$		490.00

ACH	DISCOVERY BENEFITS INC		4,175.26
	P/R 9 4/24/20 Cafeteria Plan	HR 0087700	-
			-
	DISCOVERY BENEFITS INC	\$	4,175.26

Check	Payee / Description	Amount
ACH	PATRICK W HUNTER P/R 9 4/24/20	248.50
	PATRICK W HUNTER	\$ 248.50
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem	539.86
	ESTRADA, JIMMIE J	\$ 539.86
ACH	LICHTI, ALICE Reim Monthly Health Prem	200.43
	LICHTI, ALICE	\$ 200.43
ACH	NOWAK, THEO T Reim Monthly Health Prem	539.86
	NOWAK, THEO T	\$ 539.86
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	200.43
	SONNENBURG, ILSE	\$ 200.43
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	200.43
	DYKSTRA, BETTY	\$ 200.43
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	200.43
	MUELLER, CAROLYN	\$ 200.43
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	200.43
	GRIFFIN, GEORGE	\$ 200.43
ACH	CANADA, ANGELA Reim Monthly Health Prem	200.43
	CANADA, ANGELA	\$ 200.43
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	200.43
	CUPERSMITH, LEIZAR	\$ 200.43
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	339.43
	DELGADO-ORAMAS JR, JOSE	\$ 339.43
ACH	GRANGER, BRANDON Reim Monthly Health Prem	169.72
	GRANGER, BRANDON	\$ 169.72

Check	Payee / Description	Amount
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 169.72
	GADDY, CHARLES L	\$ 169.72
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 30.72
	BAKER, CHRIS	\$ 30.72
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 139.00
	WEBB, DANNY C	\$ 139.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 169.72
	HUMPHREYS, DEBORAH E	\$ 169.72
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 169.72
	MOUAT, FREDERICK W	\$ 169.72
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 139.00
	MORGAN, GARTH W	\$ 139.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 30.72
	ALLINGHAM, JACK	\$ 30.72
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 501.91
	MAZUR, JOHN	\$ 501.91
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 30.72
	RUDDER, LARRY	\$ 30.72
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 139.00
	HAMILTON, MARIA	\$ 139.00
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 30.72
	RAMOS, CAROL	\$ 30.72
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 139.00

Check	Payee / Description	Amount
	FISHER, JAY \$	139.00
ACH	KING, PATRICK Reim Monthly Health Prem HEALTH PREM	30.72
	KING, PATRICK \$	30.72
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem HEALTH PREM	30.72
	HOWARD, ROBERT JAMES \$	30.72
ACH	DIETZ, JUDY Reim Monthly Health Prem HEALTH PREM	139.00
	DIETZ, JUDY \$	139.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem HEALTH PREM	30.72
	DAVIS, GEORGE \$	30.72
ACH	MONZAVI, TAGHI Reim Monthly Health Prem HEALTH PREM	30.72
	MONZAVI, TAGHI \$	30.72
ACH	PETERSEN, KENNETH Reim Monthly Health Prem HEALTH PREM	200.43
	PETERSEN, KENNETH \$	200.43
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem HEALTH PREM	200.43
	TRAUTERMAN, HELEN \$	200.43
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem HEALTH PREM	539.86
	TIEGS, KATHLEEN \$	539.86
ACH	DIGGS, GEORGE Reim Monthly Health Prem HEALTH PREM	539.86
	DIGGS, GEORGE \$	539.86
ACH	HAYES, KENNETH Reim Monthly Health Prem HEALTH PREM	539.86
	HAYES, KENNETH \$	539.86
ACH	HUNTON, STEVE Reim Monthly Health Prem HEALTH PREM	169.72
	HUNTON, STEVE \$	169.72
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem HEALTH PREM	169.72

Check		Payee / Description	Amount	
		RODRIGUEZ, LOUIS	\$	169.72
ACH	VARBEL, VAN	Reim Monthly Health Prem	HEALTH PREM	501.91
		VARBEL, VAN	\$	501.91
ACH	CLIFTON, NEIL	Reim Monthly Health Prem	HEALTH PREM	501.91
		CLIFTON, NEIL	\$	501.91
ACH	WELLMAN, JOHN THOMAS	Reim Monthly Health Prem	HEALTH PREM	501.91
		WELLMAN, JOHN THOMAS	\$	501.91
ACH	TROXEL, WYATT	Reim Monthly Health Prem	HEALTH PREM	200.43
		TROXEL, WYATT	\$	200.43
ACH	CORLEY, WILLIAM	Reim Monthly Health Prem	HEALTH PREM	501.91
		CORLEY, WILLIAM	\$	501.91
ACH	CALLAHAN, CHARLES	Reim Monthly Health Prem	HEALTH PREM	30.72
		CALLAHAN, CHARLES	\$	30.72
ACH	LESNIAKOWSKI, NORBERT	Reim Monthly Health Prem	HEALTH PREM	200.43
		LESNIAKOWSKI, NORBERT	\$	200.43
ACH	VER STEEG, ALLEN J	Reim Monthly Health Prem	HEALTH PREM	169.72
		VER STEEG, ALLEN J	\$	169.72
ACH	HACKNEY, GARY	Reim Monthly Health Prem	HEALTH PREM	501.91
		HACKNEY, GARY	\$	501.91
ACH	CAREL, LARRY	Reim Monthly Health Prem	HEALTH PREM	30.72
		CAREL, LARRY	\$	30.72
ACH	TOL, HAROLD	Reim Monthly Health Prem	HEALTH PREM	200.43
		TOL, HAROLD	\$	200.43
ACH	BANKSTON, GARY			

Check	Payee / Description	Amount
	Reim Monthly Health Prem HEALTH PREM	362.91
	BANKSTON, GARY \$	362.91
ACH	ATWATER, RICHARD Reim Monthly Health Prem HEALTH PREM	139.00
	ATWATER, RICHARD \$	139.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem HEALTH PREM	501.91
	FIESTA, PATRICIA \$	501.91
ACH	DIGGS, JANET Reim Monthly Health Prem HEALTH PREM	678.86
	DIGGS, JANET \$	678.86
ACH	CARAZA, TERESA Reim Monthly Health Prem HEALTH PREM	30.72
	CARAZA, TERESA \$	30.72
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem HEALTH PREM	863.71
	SANTA CRUZ, JACQUELYN \$	863.71
ACH	HECK, ROSELYN Reim Monthly Health Prem HEALTH PREM	30.72
	HECK, ROSELYN \$	30.72
ACH	SOPICKI, LEO Reim Monthly Health Prem HEALTH PREM	339.43
	SOPICKI, LEO \$	339.43
ACH	GOSE, ROSEMARY Reim Monthly Health Prem HEALTH PREM	139.00
	GOSE, ROSEMARY \$	139.00
ACH	KEHL, BARRETT Reim Monthly Health Prem HEALTH PREM	139.00
	KEHL, BARRETT \$	139.00
ACH	RITCHIE, JANN Reim Monthly Health Prem HEALTH PREM	139.00
	RITCHIE, JANN \$	139.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem HEALTH PREM	525.39
	LONG, ROCKWELL DEE \$	525.39

Check	Payee / Description	Amount
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM 139.00
	FATTAHI, MIR	\$ 139.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 339.43
	VERGARA, FLORENTINO	\$ 339.43
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 200.43
	ROGERS, SHIRLEY	\$ 200.43
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 332.20
	WALL, DAVID	\$ 332.20
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 169.72
	CHUNG, MICHAEL	\$ 169.72
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 30.72
	ADAMS, PAMELA	\$ 30.72
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 525.39
	BLASINGAME, MARY	\$ 525.39
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 169.72
	ANDERSON, KENNETH	\$ 169.72
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 30.72
	MOE, JAMES	\$ 30.72
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 863.71
	POLACEK, KEVIN	\$ 863.71
ACH	ELROD, SONDRAL Reim Monthly Health Prem	HEALTH PREM 169.72
	ELROD, SONDRAL	\$ 169.72
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 183.62
	FRAZIER, JACK	\$ 183.62

Check	Payee / Description	Amount
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 139.00
	HOAK, JAMES	\$ 139.00
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 193.20
	FOLEY III, DANIEL J.	\$ 193.20
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 139.00
	CLEVELAND, JAMES	\$ 139.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 629.49
	LANGNER, CAMERON	\$ 629.49
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 30.72
	HAMILTON, LEANNE	\$ 30.72
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 139.00
	HOOSHMAND, RAY	\$ 139.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 139.00
	SCHLAPKOHL, JACK	\$ 139.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 193.20
	POOLE, PHILLIP	\$ 193.20
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 169.72
	ADAMS, BARBARA	\$ 169.72
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 362.91
	RUESCH, GENECE	\$ 362.91
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 856.19
	VANDERPOOL, LARRY	\$ 856.19
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 339.43

Check	Payee / Description	Amount
	AMBROSE, JEFFREY \$	339.43
ACH	MERRILL, DIANE Reim Monthly Health Prem HEALTH PREM	497.60
	MERRILL, DIANE \$	497.60
ACH	HOUSER, ROD Reim Monthly Health Prem HEALTH PREM	501.91
	HOUSER, ROD \$	501.91
ACH	RUSO, VICKI Reim Monthly Health Prem HEALTH PREM	193.20
	RUSO, VICKI \$	193.20
ACH	HUSS, KERRY Reim Monthly Health Prem HEALTH PREM	856.19
	HUSS, KERRY \$	856.19
ACH	BINGHAM, GREGG Reim Monthly Health Prem HEALTH PREM	525.39
	BINGHAM, GREGG \$	525.39
ACH	CHARLES, DAVID Reim Monthly Health Prem HEALTH PREM	139.00
	CHARLES, DAVID \$	139.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem HEALTH PREM	139.00
	YEBOAH, ERNEST \$	139.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem HEALTH PREM	362.91
	ALVARADO, ROSEMARY \$	362.91
ACH	BARELA, GEORGE Reim Monthly Health Prem HEALTH PREM	139.00
	BARELA, GEORGE \$	139.00
ACH	FETZER, ROBERT Reim Monthly Health Prem HEALTH PREM	863.71
	FETZER, ROBERT \$	863.71
ACH	SPAETH, ERIC Reim Monthly Health Prem HEALTH PREM	193.20
	SPAETH, ERIC \$	193.20
ACH	DAVIS, MARTHA Reim Monthly Health Prem HEALTH PREM	30.72

Check	Payee / Description	Amount
	DAVIS, MARTHA	\$ 30.72
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 193.20
	BRULE, CHRISTOPHER	\$ 193.20
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 525.39
	ROOS, JAMES	\$ 525.39
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 332.20
	MULLANEY, JOHN	\$ 332.20
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 525.39
	VALENZUELA, DANIEL	\$ 525.39
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 525.39
	PACE, BRIAN	\$ 525.39
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 139.00
	KING, JOSEPH	\$ 139.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 193.20
	VILLALOBOS, HECTOR	\$ 193.20
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 193.20
	BAXTER, KATHLEEN	\$ 193.20
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 525.39
	PENMAN, DAVID	\$ 525.39
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 525.39
	ANGIER, RICHARD	\$ 525.39
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 362.91
	MERRILL, DEBORAH	\$ 362.91
ACH	O'DEA, KRISTINE	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 169.72
	O'DEA, KRISTINE	\$ 169.72
ACH	OAKDEN, LISA	
	Reim Monthly Health Prem	HEALTH PREM 863.71
	OAKDEN, LISA	\$ 863.71
ACH	LAUGHLIN, JOHN	
	Reim Monthly Health Prem	HEALTH PREM 139.00
	LAUGHLIN, JOHN	\$ 139.00
ACH	HUGHBANKS, ROGER	
	Reim Monthly Health Prem	HEALTH PREM 193.20
	HUGHBANKS, ROGER	\$ 193.20
ACH	SPENDLOVE, DANNY	
	Reim Monthly Health Prem	HEALTH PREM 169.72
	SPENDLOVE, DANNY	\$ 169.72
ACH	HOULIHAN, JESSE	
	Reim Monthly Health Prem	HEALTH PREM 193.20
	HOULIHAN, JESSE	\$ 193.20
ACH	WARMAN, EVELYN	
	Reim Monthly Health Prem	HEALTH PREM 30.72
	WARMAN, EVELYN	\$ 30.72
ACH	HERNANDEZ, DELIA	
	Reim Monthly Health Prem	HEALTH PREM 193.20
	HERNANDEZ, DELIA	\$ 193.20
ACH	AVILA, ARTHUR L	
	Reim Monthly Health Prem	HEALTH PREM 193.20
	AVILA, ARTHUR L	\$ 193.20
ACH	GUARDIANO, GARY	
	Reim Monthly Health Prem	HEALTH PREM 169.72
	GUARDIANO, GARY	\$ 169.72
ACH	POMERLEAU, THOMAS	
	Reim Monthly Health Prem	HEALTH PREM 30.72
	POMERLEAU, THOMAS	\$ 30.72
ACH	BARRER, SATURNINO	
	Reim Monthly Health Prem	HEALTH PREM 332.20
	BARRER, SATURNINO	\$ 332.20

Check	Payee / Description	Amount
ACH	LACEY, STEVEN Reim Monthly Health Prem	HEALTH PREM 724.71
	LACEY, STEVEN	\$ 724.71
ACH	MILLS, JOHN Reim Monthly Health Prem	HEALTH PREM 30.72
	MILLS, JOHN	\$ 30.72
ACH	REED, RANDALL Reim Monthly Health Prem	HEALTH PREM 664.39
	REED, RANDALL	\$ 664.39
ACH	RAMIREZ, REBECCA Reim Monthly Health Prem	HEALTH PREM 332.20
	RAMIREZ, REBECCA	\$ 332.20
ACH	RAZAK, HALLA Reim Monthly Health Prem	HEALTH PREM 139.00
	RAZAK, HALLA	\$ 139.00
ACH	OSBORN, CINDY L Reim Monthly Health Prem	HEALTH PREM 332.20
	OSBORN, CINDY L	\$ 332.20
ACH	FESTA, GARY Reim Monthly Health Prem	HEALTH PREM 245.25
	FESTA, GARY	\$ 245.25
ACH	MENDEZ, DAVID G Reim Monthly Health Prem	HEALTH PREM 193.20
	MENDEZ, DAVID G	\$ 193.20
ACH	DELGADO, FLOR MARIA Reim Monthly Health Prem	HEALTH PREM 139.00
	DELGADO, FLOR MARIA	\$ 139.00
ACH	GROENVELD, NELLETJE Reim Monthly Health Prem	HEALTH PREM 193.20
	GROENVELD, NELLETJE	\$ 193.20
ACH	BATONGMALAQUE, CHARLIE L Reim Monthly Health Prem	HEALTH PREM 562.23
	BATONGMALAQUE, CHARLIE L	\$ 562.23
ACH	BOBBITT, JOHN Reim Monthly Health Prem	HEALTH PREM 139.00
	BOBBITT, JOHN	\$ 139.00

Check	Payee / Description	Amount
ACH	NEIGHBORS, CLAUDIA Reim Monthly Health Prem	HEALTH PREM 193.20
	NEIGHBORS, CLAUDIA	\$ 193.20
ACH	JONES, LONDON S Reim Monthly Health Prem	HEALTH PREM 193.20
	JONES, LONDON S	\$ 193.20
ACH	CHENG, TINA Y Reim Monthly Health Prem	HEALTH PREM 200.43
	CHENG, TINA Y	\$ 200.43
ACH	JACKSON, PATRICIA M Reim Monthly Health Prem	HEALTH PREM 169.72
	JACKSON, PATRICIA M	\$ 169.72
ACH	GIBSON, CONSTANCE A Reim Monthly Health Prem	HEALTH PREM 139.00
	GIBSON, CONSTANCE A	\$ 139.00
ACH	GU, JASON Reim Monthly Health Prem	HEALTH PREM 193.20
	GU, JASON	\$ 193.20
ACH	KOPP, LINDA L Reim Monthly Health Prem	HEALTH PREM 193.20
	KOPP, LINDA L	\$ 193.20
ACH	HASCO OIL COMPANY, INC. RP5-Mbl SHC 630,Mbl SHC 626,Shll Trb T 4 0232155-IN	10,548.62
	HASCO OIL COMPANY, INC.	\$ 10,548.62
ACH	FISHER SCIENTIFIC Dark Green Exam Gloves	6470353 321.33
	Buffer Ricca Blue	2434990 68.04
	ISO Octane	6765432 693.09
	Gloves	6674892 667.19
	FISHER SCIENTIFIC	\$ 1,749.65
ACH	ROYAL INDUSTRIAL SOLUTIONS Slotted Channels,Angles	6046-679347 264.88
	Wire,Flex Liq-Tite,Lugs	6046-679293 636.86
	Pressure Switch	6046-679289 45.32
	Light Fixtures	6046-678660 242.87
	Flex Liq-Tite,Wire	6046-679385 206.40
	Slotted Channels,Wire	6046-679287 1,627.71
	ROYAL INDUSTRIAL SOLUTIONS	\$ 3,024.04

Check	Payee / Description	Amount
ACH	SANTA ANA WATERSHED Cost Sharing for SARCCUP Program 62830	100,798.00
	SANTA ANA WATERSHED \$	100,798.00
ACH	UNIVAR SOLUTIONS USA INC TP1-12,275 Lbs Sodium Bisulfite 48521366	2,862.17
	TP1-12,345 Lbs Sodium Bisulfite 48519414	2,878.50
	TP1-11,911 Lbs Sodium Bisulfite 48458523	2,777.28
	UNIVAR SOLUTIONS USA INC \$	8,517.95
ACH	ENVIRONMENTAL RESOURCES ASSOC Surfactants,Uranium,Silica,Perchlorate 933053	494.25
	Source Water Microbe 933150	205.72
	ENVIRONMENTAL RESOURCES ASSOC \$	699.97
ACH	STANDARD & POOR'S 08B Bnds-4/20-3/21 Analytical Svcs-Stand 11389806	5,000.00
	STANDARD & POOR'S \$	5,000.00
ACH	ACCUSTANDARD INC Toxaphene 917060	78.12
	Violatile,Acetone,4-Methyl-2-pentanone 917025	853.36
	ACCUSTANDARD INC \$	931.48
ACH	CAROLLO ENGINEERS EN19051-2/2020 Professional Services 0185272	740.95
	EN17049-3/2020 Professional Services 0185932	3,284.10
	CAROLLO ENGINEERS \$	4,025.05
ACH	MCMaster-CARR SUPPLY CO Enclosures,Conduit,Adapters 36575872	585.56
	Tubular Gauge Glass, Neoprene Gasket 37622155	64.44
	CPVC Pipe Fitting,Spray Nozzze 38499418	546.88
	MCMaster-CARR SUPPLY CO \$	1,196.88
ACH	AUTOMATED GATE SERVICES INC RP2-Troubleshoot Gate will not Close 142140	190.00
	AUTOMATED GATE SERVICES INC \$	190.00
ACH	LOCKMASTERS USA INC Inv-Padlocks-2" shackles Blue Bumpers 1050730	324.19
	LOCKMASTERS USA INC \$	324.19
ACH	CHINO BASIN DESALTER AUTHORITY CDA-EN16021.90-IEUA Contrib #20 Proj Cle RSTRCTD CNTRB	309,363.42
	CHINO BASIN DESALTER AUTHORITY\$	309,363.42
ACH	NATIONAL BUSINESS INVESTIGATIO Employee Background Chk ET, JAA IEUA-1083	386.50

Check	Payee / Description	Amount
	NATIONAL BUSINESS INVESTIGATIO\$	386.50
ACH	CASC ENGINEERING AND CONSULTIN RW15003-2/2020 Professional Svcs 0041903	471.00
	CASC ENGINEERING AND CONSULTIN\$	471.00
ACH	HACH COMPANY Inv-Assy Probes, Photocell Assy's 11900707	13,795.66
	Inv-Digital pH Sensors 11897202	3,612.97
	Inv-Digital Inductive Conductivity Senso 11898858	1,207.82
	TP4Mnt-Fiber Wipers 11900732	146.56
	Inv-Lamp Assys 11898848	472.80
	HACH COMPANY \$	19,235.81
ACH	O S T S INC 3/11 CPR/First Aid/AED/BBP Oxygen Trng f 52507	1,000.00
	O S T S INC \$	1,000.00
ACH	INNOVATIVE FEDERAL STRATEGIES 4/20 Prof Svcs 042020	8,000.00
	INNOVATIVE FEDERAL STRATEGIES \$	8,000.00
ACH	RSD Pleated Filters 55318642-00	742.83
	End Louver, Side Louver, Belts 55318570-01	2,504.28
	Filter Bags, Casing Gaskets 55318570-00	261.67
	Pleated Air Filters 55317888-00	378.08
	Filters 55317295-00	566.59
	Pleated Filters 55319725-00	819.24
	RSD \$	5,272.69
ACH	OLIN CORP RP4-4,954 Gals Sodium Hypochlorite 2807346	3,983.02
	RP4-4,884 Gals Sodium Hypochlorite 2806364	3,926.74
	RP4-4,892 Gals Sodium Hypochlorite 2798539	3,933.17
	RP4-4,850 Gals Sodium Hypochlorite 2795273	3,899.40
	RP4-4,892 Gals Sodium Hypochlorite 2792411	3,933.17
	RP4-4,886 Gals Sodium Hypochlorite 2789625	3,928.34
	CCWRP-2,996 Gals Sodium Hypochlorite 2813602	2,606.52
	RP4-4,946 Gals Sodium Hypochlorite 2812757	3,976.58
	RP4-4,834 Gals Sodium Hypochlorite 2809853	3,886.54
	CCWRP-2,970 Gals Sodium Hypochlorite 2810424	2,583.90
	OLIN CORP \$	36,657.38
ACH	ADVANCED CHEMICAL TECHNOLOGY I 1/2/2020 Wtr Treatment Svc f/RP1,RP2,RP5 875198	445.00
	2/2/2020 Wtr Treatment Svc f/RP1,RP2,RP5 875930	445.00
	3/2/2020 Wtr Treatment Svc f/RP1,RP2,RP5 875932	445.00
	ADVANCED CHEMICAL TECHNOLOGY I\$	1,335.00
ACH	BIG SKY ELECTRIC INC	

Check	Payee / Description	Amount
	RP5-Replace 300 HP VFD 20-004-01	44,057.50
	BIG SKY ELECTRIC INC \$	44,057.50
ACH	ELECTRO-CHEMICAL DEVICES, INC Sensor S80 70058	532.78
	ELECTRO-CHEMICAL DEVICES, INC \$	532.78
ACH	CALIFORNIA WATER TECHNOLOGIES Phills-18,095 lbs Ferric Chloride Soluti 37035	5,711.07
	Phills-17,604 lbs Ferric Chloride Soluti 37143	5,556.04
	RP1-16,505 lbs Ferric Chloride Solution 37228	5,209.18
	Phills-17,685 lbs Ferric Chloride Soluti 37055	5,581.70
	RP1-16,872 lbs Ferric Chloride Solution 37167	5,324.99
	CALIFORNIA WATER TECHNOLOGIES \$	27,382.98
ACH	EVOQUA WATER TECHNOLOGIES LLC 4/1/20-6/30/20 DI Tank Rental 904407950	118.24
	EVOQUA WATER TECHNOLOGIES LLC \$	118.24
ACH	ARCADIS U.S., INC. EN19001/EN19006-2/2020 Professional Serv 34154648	134,937.40
	ARCADIS U.S., INC. \$	134,937.40
ACH	MANAGED MOBILE INC Repair Parts/Labor for Agency Vehicles IN00-0195712	215.61
	MANAGED MOBILE INC \$	215.61
ACH	PACIFIC COURIERS INC February 2020 Messenger Svc & Lab Delive 20-02-2009	3,449.61
	March 2020 Messenger Svc & Lab Delivery 20-03-2009	3,607.45
	PACIFIC COURIERS INC \$	7,057.06
ACH	GILLIS + PANICHAPAN ARCHITECTS FM20001-2/20 Prof Svcs 107609J	160.00
	FM20002-2/1-3/24 Prof Svcs-Consultants 107619J	675.00
	GILLIS + PANICHAPAN ARCHITECTS\$	835.00
ACH	AMAZON BUSINESS Dewatering Pumps,Discharge Hoses,Hose Fi 16H9-CWP1-1D1	3,505.30
	AMAZON BUSINESS \$	3,505.30
ACH	ALL CAL EQUIPMENT SERVICES INC Annual Certificaion, Inspection 59143	9,952.50
	ALL CAL EQUIPMENT SERVICES INC\$	9,952.50
ACH	GARRATT CALLAHAN COMPANY RP2-3/20 Boiler/Piping Sys Maint 1038986	578.51
	RP1-3/20 Boiler/Piping Sys Maint 1039130	660.22

Report: ZFIR TREASURER Inland Empire Utilities Agency		Page	31
For 04/01/2020 ~ 04/30/2020 Treasurer Report		Date	05/16/2020
Check	Payee / Description	Amount	
	GARRATT CALLAHAN COMPANY \$	1,238.73	
ACH	DEGRAVE COMMUNICATIONS INC Development, Photo Shoot, Design, Managemen 204	7,797.00	
	DEGRAVE COMMUNICATIONS INC \$	7,797.00	
ACH	CAPO PROJECTS GROUP LLC February 2020 Professional Services 3660	24,199.68	
	CAPO PROJECTS GROUP LLC \$	24,199.68	
ACH	DECALS BY DESIGN INC Install IEUA Decal Graphics Veh 1906,191 14338 Decal Graphics Sets, Install Veh 1907 14561	150.00 96.06	
	DECALS BY DESIGN INC \$	246.06	
ACH	WESTERN DENTAL PLAN 4/20 Agency Dental Plan 4/2020	2,179.93	
	WESTERN DENTAL PLAN \$	2,179.93	
ACH	PREFERRED BENEFIT INSURANCE 4/20 Agency Dental Plan EIA32203	18,190.50	
	PREFERRED BENEFIT INSURANCE \$	18,190.50	
ACH	DISCOVERY BENEFITS INC March 2020 Admin Fees 0001140649-IN	251.75	
	DISCOVERY BENEFITS INC \$	251.75	
ACH	MANTILLA, LAURA MlgReim-2/26/20 CSD Training-Mantilla, L MLG 2/26/20	68.54	
	MANTILLA, LAURA \$	68.54	
ACH	DELGADO, ROBERTO Reim-Mobius 2020 Certificate Renewal M-136810-01 2	300.44	
	DELGADO, ROBERTO \$	300.44	
ACH	SO CALIF EDISON VctrBsn/MWDCB11-3/19-4/17 Victoria St/Ba 2264009051 4/ 1630EPmpStn-1/17-4/16 7420 1/2 East 3035490419 4/ SBLfStn-1/16-3/17 13707 San Bernardino A 3032571461 3/ Phills-1/8-4/7 1818 Phila St 3001323331 3/ RP4-3/6-4/6 12811 6th St 3012355379 3/ RP2MntLnchRm-1/17-4/16 16400 El Prado Rd 3000173128 4/	63.80 21,787.22 7,870.10 18,791.76 314.09 8,840.81	
	SO CALIF EDISON \$	57,667.78	

Grand Total Payment Amount: \$ 4,171,616.82

Attachment 2D

Vendor Wires
(excludes Payroll)

Report: ZFIR TREASURER Inland Empire Utilities Agency		Page	1
For 04/01/2020 ~ 04/30/2020 Treasurer Report		Date	05/16/2020
Check	Payee / Description	Amount	
Wire	STATE DISBURSEMENT UNIT		
	P/R 7 3/27/20	HR 0087300	198.00
	P/R 7 3/27/20	HR 0087300	3,294.44
			- - - - -
	STATE DISBURSEMENT UNIT	\$	3,492.44
Wire	METROPOLITAN WATER DISTRICT		
	February 2020 Water Purchase	9990	1,720,036.65
			- - - - -
	METROPOLITAN WATER DISTRICT	\$	1,720,036.65
Wire	STATE BOARD OF EQUALIZATION		
	3/20 Sales Tax Deposit	23784561 3/20	7,481.00
			- - - - -
	STATE BOARD OF EQUALIZATION	\$	7,481.00
Wire	CALPERS		
	GASB 68 Reports & Schedules	1000000159993	2,250.00
			- - - - -
	CALPERS	\$	2,250.00
Wire	SUMITOMO MITSUI BANKING CORP		
	08B 1/1/20-3/31/20 LOC Fees	NY-091282 040	38,066.18
			- - - - -
	SUMITOMO MITSUI BANKING CORP	\$	38,066.18
Wire	PUBLIC EMPLOYEES' RETIREMENT S		
	4/20 Health Ins-Retirees, Employees	15986764 4/20	273,940.49
	4/20 Health Ins-Board	15986768 4/20	7,253.15
			- - - - -
	PUBLIC EMPLOYEES' RETIREMENT S\$		281,193.64
Wire	PUBLIC EMPLOYEE'S RETIREMENT S		
	P/R 8 4/10/20 Deferred Comp Ded	HR 0087600	32,464.41
			- - - - -
	PUBLIC EMPLOYEE'S RETIREMENT S\$		32,464.41
Wire	STATE DISBURSEMENT UNIT		
	P/R 8 4/10/20	HR 0087600	198.00
	P/R 8 4/10/20	HR 0087600	3,294.44
			- - - - -
	STATE DISBURSEMENT UNIT	\$	3,492.44
Wire	EMPLOYMENT DEVELOPMENT DEPARTM		
	P/R 108 Vac Buy Back 4/10/20 Taxes	HR 0087500	9,819.05
	P/R 8 4/10/20 Taxes	HR 0087600	70,973.46
	P/R 8 4/10/20 Taxes	HR 0087600	13,869.37
	P/R 108 Vac Buy Back 4/10/20 Taxes	HR 0087500	1,757.04
	P/R DIR 4 4/10/20 Taxes	HR 0087400	411.62
			- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$		96,830.54
Wire	INTERNAL REVENUE SERVICE		
	P/R 108 Vac Buy Back 4/10/20 Taxes	HR 0087500	53,311.18
	P/R 8 4/10/20 Taxes	HR 0087600	377,214.14
	P/R DIR 4 4/10/20 Taxes	HR 0087400	2,388.82
			- - - - -
	INTERNAL REVENUE SERVICE	\$	432,914.14

Report: ZFIR TREASURER		Inland Empire Utilities Agency		Page	2
For 04/01/2020 ~ 04/30/2020		Treasurer Report		Date	05/16/2020
Check	Payee / Description	Amount			
Wire	PUBLIC EMPLOYEES RETIREMENT SY				
	P/R 8 4/10/20 PERS Adj	P/R 8 4/10 AD		1.76-	
	P/R 8 4/10/20 PERS	HR 0087600		186,274.36	
				- - - - -	
	PUBLIC EMPLOYEES RETIREMENT SY\$			186,272.60	
Wire	EMPLOYMENT DEVELOPMENT DEPARTM				
	P/R 9 4/24/20 Taxes	HR 0087700		55,522.93	
	P/R 9 4/24/20 Taxes	HR 0087700		12,007.59	
				- - - - -	
	EMPLOYMENT DEVELOPMENT DEPARTM\$			67,530.52	
Wire	INTERNAL REVENUE SERVICE				
	P/R 9 4/24/20 Taxes	HR 0087700		315,802.90	
				- - - - -	
	INTERNAL REVENUE SERVICE	\$		315,802.90	
Wire	PUBLIC EMPLOYEES RETIREMENT SY				
	P/R 9 4/24/20 PERS Adj-Emp (er)	P/R 9 4/24 AD		0.02-	
	P/R 9 4/24/20 PERS	HR 0087700		184,606.12	
				- - - - -	
	PUBLIC EMPLOYEES RETIREMENT SY\$			184,606.10	
Wire	STATE DISBURSEMENT UNIT				
		HR 0087700		198.00	
	P/R 9 4/24/20	HR 0087700		3,294.44	
				- - - - -	
	STATE DISBURSEMENT UNIT	\$		3,492.44	

Grand Total Payment Amount: \$ 3,375,926.00

Attachment 2E

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

Ratification of Board of Directors

Payroll for April 10 ,2020

Presented at Board Meeting on June 17, 2020

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
Jasmin Hall	\$3,312.32	\$2,093.14
Katherine Parker	\$3,938.24	\$1,237.49
Michael Camacho	\$2,944.74	\$254.44
Steven J. Elie	\$5,198.24	\$1,666.16
Paul Hofer	\$0.00	\$0.00
TOTALS	\$15,393.54	\$5,251.23

	Count	Amount
TOTAL EFTS PROCESSED	4	\$5,251.23
TOTAL CHECKS PROCESSED	0	\$0.00
CHECK NUMBERS USED	N/A	

DIRECTOR PAYSHEETS
IEUA/MWD/IERCA
CBWM (alternate)/
CBWB (alternate)/SAWPA (alternate)
 (Page 1 of 2)

MICHAEL CAMACHO
 EMPLOYEE NO. 1140
 ACCOUNT NO. 10200 120100 100000 501010

MARCH 2020

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-09-20	MWD – Committee Meetings	Yes	\$260.00
03-10-20	MWD – Committee & Board Meeting	Yes	\$260.00
03-11-20	IEUA – Eng., Ops, & Water Resources and Finance & Admin. Committee (alt)	Yes	\$260.00
03-18-20	IEUA – Board Meeting	Yes	\$260.00
TOTAL REIMBURSEMENT			\$1,040.00
<u>IEUA/MWD/IERCA</u>			
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (<i>eff. 07/01/19</i>). IEUA pays both primary and alternate for attendance.			
<u>CBWM</u>			
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$135.00 – difference between Watermaster \$125.00 and Agency meetings \$260.00 (<i>eff. 7/01/19</i>), including MWD meetings. Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1.b, c, e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting. <u>Record full amount on timesheet for attendance by alternates</u>			
<u>CBWB</u>			
Up to 10 days of service per month per Ordinance No. 105. (i.e., \$160.00 – difference between CBWB (\$100.00 and Agency meetings \$260.00 (<i>eff. 7/01/19</i>), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.			
<u>SAWPA</u>			
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$50.00 – difference between SAWPA (\$220.00 (<i>eff. 1/20</i>) and Agency meetings \$260.00 (<i>eff. 7/01/19</i>), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			

DIRECTOR PAYSHEETS
IEUA/MWD/IERCA
CBWM (alternate)/
CBWB (alternate)/SAWPA (alternate)
(Page 2 of 2)

Total No. of Meetings Attended	4
Total No. of Meetings Paid	4

DIRECTOR
SIGNATURE



Michael Camacho, Director

Approved by:



DIRECTOR PAYSHEETS
IEUA/CBWM/ CBWB
CDA - alternate
 (Page 1 of 2)

STEVEN J. ELIE
 EMPLOYEE NO. 1175
 ACCOUNT NO. 10200 120100 100000 501010

MARCH 2020

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-20	IEUA – SCWC Legislative Task Force Meeting Conference Call	Yes	\$260.00
03-03-20	IEUA – Water Now Alliance (WNA) Leadership Council Meeting	Yes	\$260.00
03-04-20	IEUA – Board Meeting	Yes	\$260.00
03-05-20	CDA – Board Meeting (alternate)	Yes (same day)	\$-0-
03-05-20	IEUA – CBP Ad Hoc Committee Meeting	Yes	\$260.00
03-09-20	IEUA – Audit Committee Meeting	Yes	\$260.00
03-11-20	IEUA – Community & Leg. Affairs and Finance & Admin Committees	Yes	\$260.00
03-11-20	IEUA – Chino Valley Fire Board Meeting	Yes (same day)	\$-0-
03-18-20	IEUA – Board Meeting	Yes	\$260.00
03-20-20	IEUA – SCWC Bond Priorities Meeting Conference Call	Yes	\$260.00
03-23-20	IEUA – CBP Ad Hoc Meeting conference Call	Yes	\$260.00
03-23-20	IEUA – SCWC Legislative Task Force Meeting Conference Call	Yes (same day)	\$-0-
03-24-20	IEUA – Chino Valley Leadership – COVID-19 Webinar	Yes (decline pymt.)	\$-0-
03-26-20	CBWM – Board Meeting	Yes (decline pymt.)	\$-0-*
03-30-20	IEUA – Special Communications and Legislative Affairs Committee Meeting	Yes	\$260.00
03-31-29	IEUA – WNA COVID-19 Peer to Peer Response	Yes (10 mtgs. max.)	\$-0-
TOTAL REIMBURSEMENT IEUA Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance. CBWM Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance. (i.e., \$135.00 – difference between Watermaster \$125.00 and Agency meetings \$260.00 (eff. 7/01/19). Chino Basin Watermaster does not compensate an alternate Director unless the alternate			\$2,600.00

DIRECTOR PAYSHEETS
IEUA/CBWM/ CBWB
CDA - alternate
 (Page 2 of 2)

Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1.b, c, e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting. Record full amount on timesheet for attendance by alternates

CDA

Up to 10 days of service per month per Ordinance No. 105 (i.e., **\$120.00** – difference between CDA (\$150.00 and Agency meetings \$260.00 *eff. 7/01/19*), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet.

CBWB

Up to 10 days of service per month per Ordinance No. 105. (i.e., **\$160.00** – difference between CBWB (\$100.00 and Agency meetings \$260.00 *eff. 7/01/19*), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.


max

Total No. of Meetings Attended	16
Total No. of Meetings Paid	10

***Decline IEUA portion of CBWM**

DIRECTOR
SIGNATURE


 Steven J. Elie, Director

Approved by: 

DIRECTOR PAYSHEETS
IEUA

(Page 1 of 1)

JASMIN A. HALL

EMPLOYEE NO. 1256

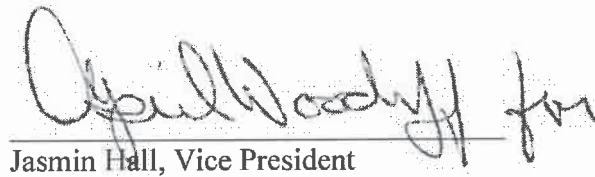
ACCOUNT NO. 10200 120100 100000 501010

MARCH 2020

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-20	IEUA – SCWC Legislative Task Force Meeting Conference Call	Yes	\$260.00
03-03-20	IEUA – Bloomington-Municipal Advisory Council	Yes	\$260.00
03-04-20	IEUA – Board Meeting	Yes	\$260.00
03-06-20	IEUA – CASA Finance Committee Telecon	Yes	\$260.00
03-07-20	IEUA – Rialto State of Women Event	Yes	\$260.00
03-11-20	IEUA – Annual Inland Empire/OC Legislative Reception	Yes	\$260.00
03-12-20	IEUA – ACWA Legislative Symposium	Yes	\$260.00
03-18-20	IEUA – Board Meeting	Yes	\$260.00
03-23-20	IEUA – SCWC Legislative Task Force	Yes	\$260.00
03-26-20	IEUA – CASA Air Quality, Climate Change, and Energy Webinar	Yes	\$260.00
03-26-20	IEUA – AWWEE Webinar	Yes (10 mtg. max.)	\$-0-
03-27-20	IEUA – Meeting w/General Manager Shivaji Deshmukh	Yes (10 mtg. max.)	\$-0-
03-30-20	IEUA – CAAWEF Website Review Meeting	Yes (10 mtg. max.)	\$-0-
03-31-20	IEUA – AABE CA Chapter Membership Telecon	Yes (10 mtg. max.)	\$-0-
TOTAL REIMBURSEMENT			\$2,600.00
<u>IEUA</u> <i>Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.</i>			
Total No. of Meetings Attended			14
Total No. of Meetings Paid			10

DIRECTOR PAYSHEETS
IEUA/MWD
SAWPA-alternate
(Page 2 of 2)

DIRECTOR
SIGNATURE

 for
Jasmin Hall, Vice President

Approved by:



DIRECTOR PAYSHEETS
IEUA/IERCA
REGIONAL POLICY (alternate)
 (Page 1 of 1)

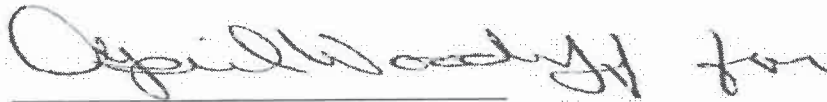
PAUL HOFER
 EMPLOYEE NO. 1349
 ACCOUNT NO. 10200 120100 100000 501010

MARCH 2020

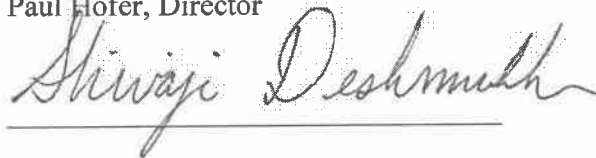
DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-04-20	IEUA – Board of Director Workshop	Yes	\$-0-
03-11-20	IEUA – Finance and Admin. Committee Meetings	Yes	\$-0-
TOTAL REIMBURSEMENT			\$-0-
<u>IEUA/IERCA</u> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance. <u>Regional Policy Committee Meeting</u> (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19.) IEUA pays Regional Policy Committee members (total amount of \$260.00, should reflect on timesheet)			
Total No. of Meetings Attended			2
Total No. of Meetings Paid			0

Director Hofer has waived all stipend payments.

DIRECTOR
SIGNATURE


 Paul Hofer, Director

Approved by:



**IEUA DIRECTOR PAYSHEET
IEUA/REGIONAL POLICY/
SAWPA/CDA/IERCA (alternate)**

(Page 1 of 2)

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10200 1200100 100000 501010

MARCH 2020

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-05-20	IEUA – CBP Ad Hoc Committee Meeting	Yes	\$260.00
03-09-20	IEUA – Audit Committee Meeting	Yes	\$260.00
03-11-20	IEUA – Community & Legislative Affairs and Engineering, Operations & Water Resources Committee Meeting	Yes	\$260.00
03-12-20	IEUA – Meeting w/Leadership Consultant	Yes (staff)	\$-0-
03-17-20	SAWPA – SAWPA Regular Commission Meeting Conference Call	Yes	\$40.00
03-18-20	IEUA – Board Meeting (Telecon)	Yes	\$260.00
03-30-20	IEUA – Special Communication and Legislative Affairs Committee Meeting (Telecon)	Yes	\$260.00
TOTAL REIMBURSEMENT <u>IEUA/IERCA</u> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (<i>eff. 07/01/19</i>). IEUA pays both primary and alternate for attendance. <u>Regional Policy Committee</u> (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (<i>eff. 07/01/19</i> .) IEUA pays Regional Policy Committee members (<u>total amount of \$260.00, should reflect on timesheet</u>) <u>SAWPA</u> Up to 10 days of service per month per Ordinance No. 105 (i.e., \$40.00 – difference between SAWPA (\$220.00 (<i>eff. 1/20</i>) and Agency meetings \$260.00 (<i>eff. 7/01/19</i>), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage. <u>CDA</u> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (<i>eff. 7/01/19</i>). Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency. Record full amount on timesheet. CDA pays both primary and alternate for attendance			\$1,340.00

**IEUA DIRECTOR PAYSHEET
IEUA/REGIONAL POLICY/
SAWPA/CDA/IERCA (alternate)**

(Page 2 of 2)

Total No. of Meetings Attended	7
Total No. of Meetings Paid	6

DIRECTOR
SIGNATURE



Kati Parker, President

Approved by:



Attachment 2F

Payroll-Net Pay-Employees

Non-Board Members	PP 8 Checks	PP 8 EFTs	PP 9 Checks	PP 9 EFTs	April
NET PAY TO EE	\$0.00	\$969,855.95	\$0.00	\$744,943.22	\$1,714,799.17

INLAND EMPIRE UTILITIES AGENCY

Payroll for April 10, 2020

Presented at Board Meeting on June 17, 2020

GROSS PAYROLL COSTS			\$1,706,187.65
DEDUCTIONS			(\$736,331.70)
NET PAYROLL			969,855.95
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED	0	344	344
AMOUNT	\$0.00	\$969,855.95	<u>\$969,855.95</u>

INLAND EMPIRE UTILITIES AGENCY

Payroll for April 24, 2020

Presented at Board Meeting on June 17, 2020

GROSS PAYROLL COSTS			\$1,343,349.84
DEDUCTIONS			(\$598,406.62)
NET PAYROLL			744,943.22
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED		301	301
AMOUNT	\$0.00	\$744,943.22	<u>\$744,943.22</u>

**CONSENT
CALENDAR
ITEM**

1C

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: FY 2020/21 Annual Audit Plan

Executive Summary:

The Board-approved Audit Committee Charter requires the Audit Committee to approve a flexible Annual Audit Plan of proposed audit projects, and recommend the plan and periodic updates to the Board of Directors for review and approval. The Board-approved Internal Audit Department (IA) Charter requires that IA submit a flexible Annual Audit Plan of proposed audit projects, with the goal of targeting for audit activities depending on the assessed risk, level of priority, and/or specific requests.

The Institute of Internal Auditors (IIA) audit standards require that periodic risk assessments be performed to ensure information captured is relevant, timely, and aligned with the Agency's changing environment, goals, and objectives. IA performs the required risk assessment, prepares the Annual Audit Plan, and submits quarterly status reports and amendments, as required. The audit projects proposed for FY 2020/21 include: The Human Resources Operational Audit - Training, Education & Employee Development, Agency Disbursements and Accounts Payable Audit, Agency Performance Workload Indicators, and follow-up reviews to evaluate the implementation status of prior audit recommendations provided and miscellaneous on-going audit projects and responsibilities. The attached plan provides details.

Staff's Recommendation:

1. Approve the FY 2020/21 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to implement the FY 2020/21 Annual Audit Plan.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

Only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

Prior Board Action:

On December 18, 2019, the Board of Directors reconfirmed the approved Audit Committee and the IA Department Charters. Both Charters require the Manager of IA to complete and present the Annual Audit Plan.

Environmental Determination:

Not Applicable

Business Goal:

The Annual Audit Plan is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that audits and recommendations evaluate and promote a strong internal control environment, evaluate efficiency and effectiveness of processes and operations and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - FY 2020/21 Internal Audit Department Annual Audit Plan
Attachment 2 - PowerPoint



***Fiscal Year
2020-2021***

Internal Audit Department Annual Audit Plan

**Submitted by:
Teresa V. Velarde
Manager of Internal Audit Department
June 17, 2020**

The Annual Audit Plan is a plan of audit projects that is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that audits and recommendations evaluate and promote a strong control environment and assist management in achieving organizational goals.

Annual Audit Plan Contents

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Purpose of the Internal Audit Department	3
Mission Statement & Values	4
Purpose of the Annual Audit Plan	5
Annual Audit Plan Methodology	6
FY 2020/21 Annual Audit Plan	7
On-Going Projects	8
Outstanding Recommendations	9
Long Range Audit Planning – Additional Audit Areas	10
Risk Assessment Strategy & Audit Universe	12
Quality Assurance and Improvement Program	13

Purpose of the Internal Audit Department

According to the Board-approved Charter, the purpose of the Internal Audit Department (Internal Audit or IA) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations.

The purpose of the Internal Audit Department is also to provide consulting services, analyses, recommendations and information concerning the operations of the Agency as a service to management and as a way of adding value to improve the operations of the Agency. Internal Audit assists management and staff in achieving organizational goals and objectives by providing recommendations and advisory services based on results of analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations.

The Internal Audit Department follows the guidance of the globally accepted *International Standards for the Professional Practice of Internal Auditing (Standards)* as documented in the International Professional Practices Framework (IPPF) and the Code of Ethics issued by the Institute of Internal Auditors (IIA) (<https://theiia.org>). This guidance is documented in the Internal Audit Department Charter and a requirement in the Internal Audit Department Standard Operating Procedures, as all auditors are required to follow.

The Internal Audit Department reports directly to the Board of Directors through the Audit Committee. The Internal Audit Department has a dotted line reporting relationship to the General Manager and works in cooperation with the Executive Management Team to coordinate audit projects and resources. As described in the Charter and according to the IIA *Standards* and best practices, Internal Audit is an independent function from Agency management, to provide objective analysis and recommendations, as a value-added service for the Board and Agency Management. Independence is essential to the effectiveness of internal auditing and is emphasized by the Institute of Internal Auditors (IIA). The authority and responsibilities of the Internal Audit Department are specifically defined in the Internal Audit Department Charter approved by the Board of Directors.

Mission Statement

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve accountability and integrity, improve operations and instill confidence among its employees and the citizens it serves by:

- *Promoting a sound control environment.*
- *Providing independent, objective assurance and consulting services.*
- *Improving Agency risk management, control and governance.*
- *Promoting the Agency's vision and mission with a high degree of professionalism.*

Internal Audit Department Values

The Internal Audit Department has adopted the following value statements that form the foundation for the Internal Audit Department:

Independence

As documented in the Charter, the Internal Audit Department is an independent function of the Agency for the purpose of providing independent, objective, unbiased opinions.

Integrity

The Internal Audit Department staff is required to maintain the highest degree of integrity in conducting its audit work.

Professionalism

The Internal Audit Department will perform its work with professionalism at all times.

Collaboration

The Internal Audit Department will foster collaboration with all Agency personnel to promote teamwork within the various business units.

Purpose of the Annual Audit Plan

The Annual Audit Plan (Audit Plan) has been prepared in accordance with recommendations and best practices provided by the Institute of Internal Auditors (IIA). The Audit Plan allows the Manager of Internal Audit to carry out the responsibilities of the Internal Audit Department by prioritizing projects and allocating necessary resources where audit efforts are deemed appropriate and necessary. The Audit Plan is created to assist management and the Board in achieving organization goals and objectives.

The Audit Plan is a flexible plan of internal audit activities and was developed using an appropriate risk-based methodology, including any risks or control concerns identified or communicated by Management, the Internal Audit Department, External Auditors, the Audit Committee's Independent Advisor, the Audit Committee or Board. Additionally, IA discussed with the Agency's legal counsel information that came through the Agency's anonymous hotline, Ethics-Point, to determine if any of the reported items are under the responsibility and scope of IA's activities or should be considered in planning audit projects. The overall objective is to develop a plan consistent with the Agency's goals and objectives, to address the highest risk areas within the Agency and to evaluate and contribute to the improvement of risk management, control and governance processes, additionally to add value by recommending opportunities for improvements to increase effectiveness and efficiency of operations.

To provide practical guidance and an authoritative framework for the development of the Annual Audit Plan, the Internal Audit Department recognizes the following items: Achieving one hundred percent audit coverage each year is not practical or achievable. It should be noted that audit resources are limited; therefore, a system for prioritizing audits has been employed. The Annual Audit Plan must be a flexible plan and should be amended periodically as deemed necessary to reprioritize areas that require attention. In preparing the Annual Audit Plan, consideration is given to the work performed by other auditors, regulatory authorities, established rules, laws and ordinances and the Agency's system of controls. Auditable areas are ranked by knowledge of known or perceived areas of risk and understanding of the systems of internal controls. It should be noted that there are inherent risks, residual risks and limitations with any methodology applied when prioritizing risks and ranking audit projects; risk factors exist with any system of controls.

As stated in the Internal Audit Department Charter, the Manager of Internal Audit will set audit frequencies, select the subjects and set objectives, determine the scope of work and apply the techniques required to accomplish the audit objectives. The Manager of Internal Audit has the authority to deviate from the approved annual Audit Plan, when necessary, and if warranted by unforeseen issues that require immediate attention. The Manager of Internal Audit will use professional discretion and judgment in response to such unforeseen issues and resolve them according to the requirements of the Charter. Significant changes to or deviations from the approved Annual Audit Plan shall be reported to the Audit Committee and to the Board at the next regularly scheduled Audit Committee meeting.

Both the IAD Charter and the IIA's Code of Ethics have strict standards of ethical conduct for internal auditors. Internal auditors have a responsibility to maintain independence, ensure integrity, objectivity, confidentiality and competency in work performed.

Annual Audit Plan Methodology

In planning for the Internal Audit projects the following were also considered:

- The Internal Audit Department Charter
- The Audit Committee Charter
- Communications with the Audit Committee and the Board of Directors
- Communications with Executive Management and key Agency personnel
- Communications with the External Financial Auditors
- Communications with the Audit Committee Independent Advisor
- Prior audit findings and recommendations
- Assessed risks in business practices and operations
- Agency's goals and objectives, including activities, developments and changes
- Agency policies & procedures
- Key areas that affect revenue and expenses
- Identified opportunities to improve operations and add value to services
- New audit requirements, audit trends and leading practices
- Audit Department resources

For the Fiscal Year 2019/2020 Annual Audit Plan, the audits were selected based on all things considered as discussed above, the results of audits completed, risks identified, discussions with key individuals and auditor judgement. Significant deviations and changes to the Audit Plan will be communicated to the Audit Committee through an Amended Audit Plan and progress information is provided through Quarterly Status Reports presented to the Audit Committee.

FY 2020/21 Annual Audit Plan:

Human Resources Operational Audit – Training, Education & Employee Development

The Training and Development audit will evaluate the administration of the Agency's Training and Development programs by the HR Department, and if the Training and Development programs are meeting the needs of its stakeholders (i.e., management and staff). Also, to evaluate the completeness of the Training and Development recordkeeping practices and to identify opportunities for improvement for the Training and Development program.

Agency Disbursements and Accounts Payable Audit

Select a specific vendor or types of payments, to ensure transactions do not bypass the required procurement processes and there are sufficient internal controls in place for the following:

- FEMA Expenditures
- Electronic Payments
- Agency Credit Cards & P-cards

Scope to include:

- Review financial transactions and supporting documents
 - Review proper expense coding and justifications
 - Evaluate internal controls
 - Compliance with policies and procedures
-

GFOA Budget Preparation Guidelines for Performance Measures/Workload Indicators

The purpose of this review is to evaluate the Budget document Workload Indicators as documented by each of the Agency departments. To evaluate if the indicators are tied to the department goals and objectives and the Agency's goals and objectives.

Follow-up Reviews to evaluate the status of outstanding recommendations

As required by the Charters and audit standards, IA will follow up on the status of outstanding recommendations to determine if corrective actions or alternate internal controls were implemented. There are currently 116 outstanding audit recommendations, 85 of which require follow-up action and 31 of which are associated with the renegotiation of the Regional Contract and are deferred. Follow-up reviews are scheduled as noted in the chart on Page 9.

On-Going Projects for FY 2020/21

- ❖ Internal Audit Department Quality Assurance and Improvement Program
- ❖ Assist with annual CAFR Review and Filing
- ❖ Review and update IA Department and Committee Charters
- ❖ Continue to assist with SAP internal control inquiries
- ❖ Continue to participate with the Enterprise Content Management System (ECMS) Committee, Safety Committee and the Technology/Cybersecurity Committee.
- ❖ Provide needed support related to audit topics, internal controls, Agency policies and procedures and compliance items
- ❖ Further utilize capabilities of SAP to enhance IA functions
- ❖ On-going required administrative reporting, such as budget, goals/objectives, staff appraisals, and other administrative items.
- ❖ Conduct special requests and/or unforeseen projects
- ❖ Provide recommendations to strengthen/streamline policies and procedures
- ❖ Update IA Annual Audit Plan and corresponding Risk Assessment
- ❖ Continue to work with auditees to resolve outstanding recommendations
- ❖ Assist with requests for internal controls questions, discussions and evaluations
- ❖ Continue to review, update and document IA Policies and Procedures
- ❖ Continuous Professional Development of all auditors
- ❖ Plan, prepare and coordinate Audit Committee Meetings
- ❖ Utilize the IA site on AIM as an Agency-wide communication tool
- ❖ Unannounced Petty Cash Audits
- ❖ Provide "audit approach" presentations to requesting departments and/or for/within professional associations as a guest speaker

Outstanding Recommendations

The Internal Audit Department Charter requires follow-up action be taken to ensure that management has effectively implemented recommendations or alternate controls have been incorporated to mitigate the risks identified. Follow-up audit work includes detailed testing and verification by Internal Audit staff. Below is a table of the Outstanding Recommendations:

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2021
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2021
Master Trade Contracts	September 1, 2016	6	FY 2021
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2021
Audit of Master Services Contracts	December 5, 2016	3	FY 2021
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2021
Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2022
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2022
Payroll Operations Audit	August 30, 2017	6	FY 2022
Procurement Card Audit	March 1, 2018	7	FY 2022
Wire Transfers Audit	March 1, 2018	5	FY 2022
Garden in Every School®	May 31, 2018	1	FY 2022
Inter-fund Transactions Audit	August 30, 2018	3	FY 2023
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	November 29, 2018	3	FY 2023
Water Connection Fees Audit	February 25, 2019	5	FY 2023
Accounts Payable Follow-Up Audit	May 30, 2019	5	FY 2024
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2024
Total Outstanding Audit Recommendations		79	
Recommendations related to the Regional Contract Review (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these unless requested to do so or after the new contract is executed.)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

**See the Report of Open Recommendations under separate cover.*

During FY 2019/20, IA reviewed and verified the implementation status of 19 open recommendations related to 6 different audits. The list reports there are 79 open recommendations, of which 40 recommendations relate to audits completed recently. An additional separate 31 recommendations stem from the Regional Contract Review, which will most likely be implemented through the renegotiation of the Regional Contract. Because all audit resources were utilized primarily for this effort, follow-up activities were temporarily on hold. Audit guidelines suggest that an adequate amount of time be granted to provide auditees with sufficient time to implement corrective action plans. Follow-up audit work for some of the open recommendations will be incorporated and completed along with the proposed projects. Required follow-up audit work will include a desk review of supporting documentation, follow-up discussions with the auditee, and/or the application of testing procedures to verify implementation.

Long Range Audit Planning - Additional / Possible Audit Areas

Internal Audit has identified additional audit areas. This list has been compiled as a preliminary list of future potential audits and as a list of additional, important audit areas where audit resources and efforts could be utilized. This is not a comprehensive/complete list. These audit areas have been selected based on identified risks at the time of completing this Audit Plan. If the risk/priority in any of the identified auditable areas increases, IA would perform the required audit/evaluation.

Capital Projects

The external financial auditors have in the past noted deficiencies with the process for closing completed capital projects. Projects were left open long after the project had been completed, therefore, impacting the accounting value of capital assets. This audit would focus on evaluating when open capital projects have been completed and examining when the construction in progress balances are closed to capital assets. The departments primarily engaged are the Finance and Accounting and the Engineering departments.

Personal Computer Loan Program and Policy Compliance

Review Agency policies and internal controls as they relate to the employee personal computer loan program and reimbursements to ensure adequate controls and that policy requirements are followed. The Finance and Accounting Department and the Integrated Systems Services Department will be the primary contact department.

Accounts Payable Audit – Review of Agency Credit Cards

Select a specific vendor or types of payments, for example travel credit cards and gas credit cards to ensure that transactions do not bypass the required procurement processes.

- Review financial transactions and supporting documents
- Evaluate internal controls
- Compliance with policies and procedures

Various or Other Agreements

Evaluate the variety of special and/or other types of agreements the Agency may have with other agencies or vendors that may or may not be formalized under an official Agency contract. This audit would also evaluate whether the special agreements provide preferential treatment or significant discounts/credits when compared to similar agencies for similar services.

Bid and Selection Process for Construction Contracts

To review the bid and selection process to ensure all legal and regulatory requirements are considered in the process, including grant requirements, where applicable, and that all contracts include required language. Additionally, to evaluate the process to award contracts and projects to pre-qualified contractors/vendors and ensure processes conform to legal and Board-approved requirements and are documented in formal operating procedures.

Asset Management

The Agency currently has \$1.1 billion in total assets. An audit of this area would evaluate the accountability and controls to ensure assets are properly recorded in the Agency's financial records. Additionally, to determine if periodic inventories or other valuation processes are performed to validate the amount of assets reported in accounting records.

Operations

Facility Operations, Groundwater Recharge and Organics Management are programs under Operations Administration. The audit scope of any of these areas would focus on permit compliance requirements, preventive maintenance of plants, staff training and staff certifications to operate plants/facilities, chemical and equipment use, and customer service to the service area, where applicable.

Payroll Audit

Payroll Audits were performed in 2010, 2012 and again in 2017. This is a sensitive area that should be continuously monitored and evaluated. This review would be a new audit focusing on any current changes in payroll requirements or Agency policy changes as well as test to ensure employee requested changes took effect. This audit would also focus on any outstanding recommendations that resulted from the prior audits.

Data Analytics

Fully utilize existing technology to gather additional data and analytical information to assist auditing. In addition, explore and expand utilizing new technology and tools to build and customize dashboards, reports and other analytics tools to assist with audit reviews and monitoring of transactions in various areas, such as payments, payroll, contract payments, etc.

Risk Assessment Strategy

The IIA IPPF standard 2120 states that Internal Audit must evaluate the effectiveness and contribute to the improvement of risk management processes.

The IIA IPPF defines Risk as follows:

- **Risk** – The possibility of an event occurring that will have an **impact on the achievement of objectives**. Risk is measured in terms of impact and likelihood and;
- **Residual Risks** – As the risk remaining **after management acts to reduce the impact** and likelihood of an adverse event, including control activities in response to a risk.

The risk assessment is a general assessment performed using best practice guidance, professional judgment and consideration for the impact on the Agency's operations if the targeted units fail to function in the most effective and efficient manner or neglect to comply with required policies. In performing the Risk Assessment for this FY 2018/19 Annual Audit Plan, the following were considered:

- Agency Policies and Procedures
- Communication with the External Auditors
- Communication with the Audit Committee and Board
- Communications with key Agency personnel
- Assessing risks and exposures that may affect the organization
- New Agency activities, developments and major changes
- Key areas that affect revenue and expenses
- Observations resulting from previous audits and reviews
- New audit requirements and trends
- Opportunities to improve operations

Audit Universe

The IIA PPF defines Universe as all possible auditable areas. For the purposes of this Annual Audit Plan, the universe includes all Agency Departments, operations, contracts, transactions, processes, and activities.

Quality Assurance and Improvement Program

The Institute of Internal Auditing (IIA), International Professional Practices Framework (IPPF) defines a Quality Assurance and Improvement Program: “A quality assurance and improvement Program is designed to enable an evaluation of internal audit activity’s conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.”

Standard 1311 of the IPPF requires that internal assessments include ongoing monitoring of the performance of internal audit activity; and periodic reviews performed through self-assessments.

Standard 1312 of the IPPF requires that external assessments be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

As part of IA’s commitment for continued quality audit services, beginning FY 2020/21, IAD will perform internal assessments of the IAD. An external assessment by an independent reviewer is planned for FY 2020/21. Results will be presented and discussed at the regularly scheduled Audit Committee meetings.

Audit Committee Meeting

June 8, 2020

FY 2020/21 Annual Audit Plan



Teresa V. Velarde,
Manager of Internal Audit

FY 2020/21 Annual Audit Plan

Proposing the following audits:

Completion of Human Resources Operational Audit – Training & Education

Agency Disbursements and Accounts Payable Audit

Select a specific vendor or types of payments, to ensure transactions do not bypass the required procurement processes and there are sufficient internal controls in place for the following:

- FEMA Expenditures
- Electronic Payments
- Agency Credit Cards & P-cards
-

Scope to include:

- Review financial transactions and supporting documents
- Review proper expense coding and justifications
- Evaluate internal controls
- Compliance with policies and procedures

GFOA Budget Preparation Guidelines for Performance Measures/Workload Indicators

Requests for audits/evaluations

CAFR Review

External Auditor RFP, Proposal Evaluations and Selection

Follow-Up Reviews

Outstanding Recommendations

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2021
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2021
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Audit of Master Services Contracts	December 5, 2016	3	FY 2021
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Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2022
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2022
Payroll Operations Audit	August 30, 2017	6	FY 2022
Procurement Card Audit	March 1, 2018	7	FY 2022
Wire Transfers Audit	March 1, 2018	5	FY 2022
Garden in Every School®	May 31, 2018	1	FY 2022
Inter-fund Transactions Audit	August 30, 2018	3	FY 2023
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	November 29, 2018	3	FY 2023
Water Connection Fees Audit	February 25, 2019	5	FY 2023
Accounts Payable Follow-Up Audit	May 30, 2019	5	FY 2024
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2024
Total Outstanding Audit Recommendations		79	
Recommendations related to the Regional Contract Review (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these unless requested to do so or after the new contract is executed.)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

Long Range Audit Planning – Additional / Possible Audit Areas

- Capital Projects
- Accounts Payable
- Agency Agreements & Contracts
- Bid and Selection Process for Construction Contracts
- Asset Management
- Operations
- Payroll Audit
- Personal Computer Loan Program & Policy Compliance
- Data Analytics

FY 2020/21 Annual Audit Plan

Action:

- 1. Approve the FY 2020/21 Annual Audit Plan; and*
- 2. Direct the Manager of Internal Audit to implement the FY 2020/21 Annual Audit Plan.*

FY 2020/21 Annual Audit Plan

The Annual Audit Plan is a proposed plan of audit projects that is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that audits and recommendations evaluate and promote a strong control environment and assist management in achieving organizational goals.

**CONSENT
CALENDAR
ITEM**

1D

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Engineering, Operations & Water Resources

06/10/20

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Contract Award for Planning and Scheduling Software

Executive Summary:

The Inland Empire Utilities Agency (Agency) Maintenance Department provides maintenance services to over 14,000 pieces of equipment on a regular basis. To consistently provide a safe and reliable level of services to the Operations Department, maintenance staff typically work on over 13,000 work orders (WO) annually. Currently, the staff is using Microsoft Excel spreadsheets to facilitate the assignment of these WOs to approximately 70 maintenance technicians. This process is slow, tedious, and inefficient. To improve the efficiency of this process, the Agency initiated a request for information (RFI) seeking to understand technology options from leading software providers. Staff then used the information learned from the RFI process to develop and issue a Request For Proposal in February 2020 and received three proposals. A team of seven Agency staff, all subject matter experts, reviewed the proposals and completed a scoring matrix. The selection was based on integration with the existing system, product features, ease of use, vendor experience, references, and cost. Staff selected P&RO Solutions - PaSTA Planning and Scheduling Software as the best value. The software will enable staff to standardize planning and scheduling, provide real-time monitoring, improve oversight and accountability, and provide Agency-wide key performance indicator reports.

Staff's Recommendation:

1. Approve a contract with P&RO Solutions to include installation, training, and licensing for five years for a not-to-exceed value of \$218,000; and
2. Authorize the General Manager to finalize and execute the contract.

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

Account/Project Name:

Maintenance Planning and Scheduling Software Procurement

Fiscal Impact (explain if not budgeted):

If approved, funds are available for the first-year procurement, installation, licensing, training, and support in the capital account IS21009 at \$170,000. Future year's funds will be included in the O&M budgets at \$12,000 per year for a not-to-exceed value of \$218,000.

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The Planning and Scheduling Software Contract is consistent with IEUA's Business Goal of Wastewater Management; specifically, Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements sustainably managed, and can accommodate changes in regional water use.

Attachments:

Attachment 1 – PowerPoint

Attachment 2 – Contract

Maintenance Planning and Scheduling Software



Jeff Ziegenbein
Manager of Regional Compost Operations

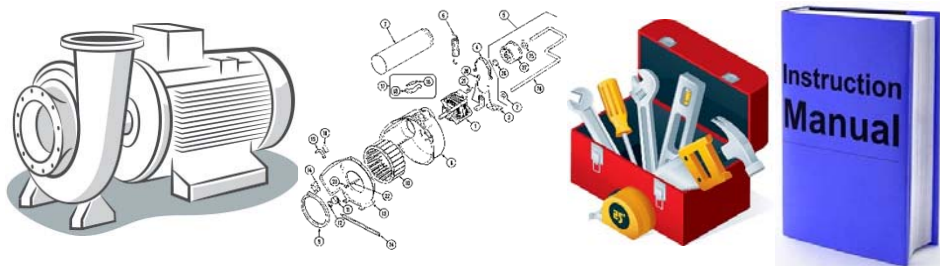
Why is Planning and Scheduling important?

- Critical Component of Asset Management Program
- Planning and Scheduling drives efficiency
 - Right work gets done
 - with the right parts
 - with the right tools
 - with the right people
 - at the right time



What is Maintenance Planning and Scheduling?

Planning = What + How



Planning
minimizes
delays
During
jobs

Scheduling = Who + When



Scheduling
minimizes
delays
Between
jobs

How will Planning and Scheduling benefit IEUA?

- Current method is labor intensive, slow, tedious, and inefficient
- Aligns and supports the Asset Management Program
- Increase maintenance efficiency and assets reliability
- Transparent Key Performance Indicators (KPI)
- Work-management visibility
- Process standardization & optimization



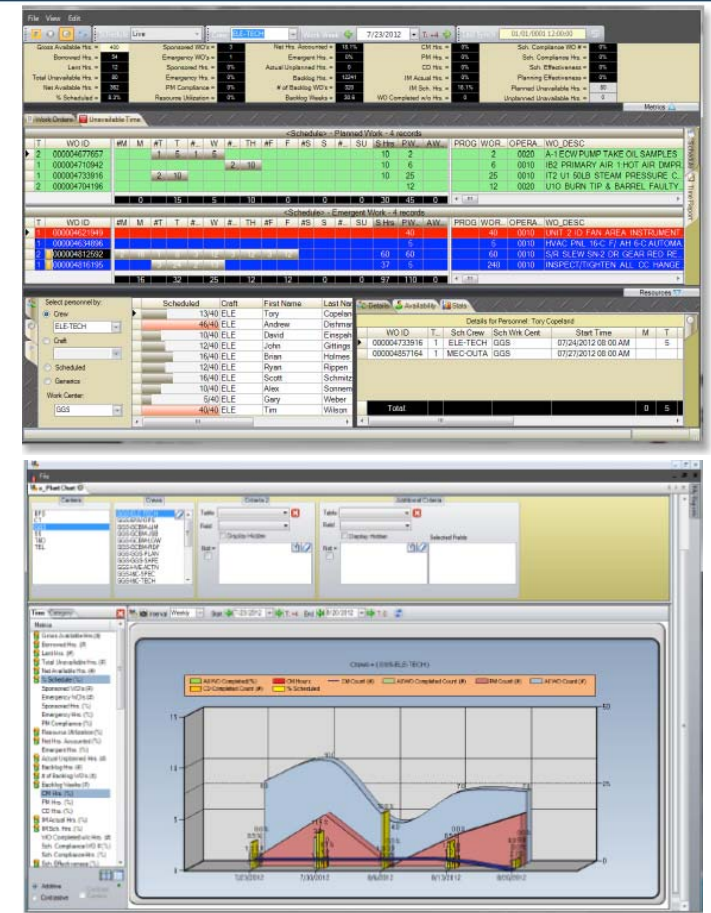
Planning and Scheduling Software Product Search

- Request for Proposal in 2020
 - Product demos
 - Compatibility with SAP
 - Reference check
 - Best Value
- Inter-department participation:
 - Maintenance, Operations, Business Information Systems, HR, Contract and Procurement, Integrated Systems Services
- Staff unanimously selected PaSTA

		RFP (55%)		Experience/Approach (20%)			Availability & Ease of Conducting Business (25%)			Total Points
#	Scheduling Software	Did they submit sufficient references of comparable agencies. Does the costing provide the best value in regards to meeting the specific needs of the agency.		The proposer shows relevant experience on similar projects & Knowledge of Agency's demand & service areas. Shows a solid understanding of the project & provides unique tools, methods & other approaches to ensuring the quality & timeliness for the implementation of the project.			Readiness to start project, Project duration and post go live support duration. (How well they can adhere to our timeline and specific requests).			
		References & Feedback	Cost Value & Warranty	Software is User Friendly	Software provides advanced KPI Reporting	Software meets the specific needs of your department	Can vendor meet our Project timelines	Does vendor provide sufficient training & support	Can vendor support custom changes to meet specific needs.	
1	Viziya	8	180	17.75	21.5	36	33	54	42	392.25
2	Pasta	13	247	31.5	32	59.5	34	63	62.5	542.5
3	Prometheus	11	151	30	30	61.5	35	68	62.5	449

Key Features

- Integration with SAP CMMS
- Work week assignment and scheduling
- Real-time alerts and triggers
- Customizable work templates
- Unlimited user licenses
- Mobile solution
- Ease of use
- Reports



Recommendation

- Approve a contract with P&RO Solutions to include procurement, installation, training and licensing for five years for a total not-to-exceed amount of \$218,000; and
- Authorize the General Manager to finalize and execute the contract.

The Planning and Scheduling Software Contract is consistent with **IEUA's Business Goal of Wastewater Management**; specifically, Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements sustainably managed, and can accommodate changes in regional water use.



PaSTA SOLUTIONS PRODUCT LICENSE AGREEMENT

This PaSTA Solutions Product License Agreement (the “Agreement”) is entered into on the last signature date (the “Effective Date”), between P&RO Solutions, Inc. (hereinafter “P&RO Solutions”), a Pennsylvania corporation, located at 51 Street Road, Newtown Square, Pennsylvania 19073, and _____, (hereinafter “Licensee”), a _____ corporation.

1.0 Grant of License. Subject to the terms and conditions of this Agreement, P&RO Solutions hereby grants to Licensee a nontransferable, nonexclusive license to use, solely for Licensee’s internal business purposes, the PaSTA Solutions software, as identified in Exhibit A, (the “Software”). This Agreement includes the right to use, for internal purposes only, all supporting documentation, data, methods, or other material, (the “Materials”) provided to Licensee by P&RO Solutions, hereunder. For purposes of this Agreement the Software and Materials are referred to as the (“Product”). The authorized use of the Software shall be limited to the physical site(s) (“Licensee Site”) as described in Exhibit A.

ACCESS AND USE. The use of the Product is limited to Licensee’s own internal use and does not otherwise extend to any affiliate or other third party. Product may only be accessed and used for Licensee Site(s) that have been purchased as described in Exhibit A.

Notwithstanding any contrary terms of this Agreement, Licensee’s third-party contractors or consultants (“Contractor”) shall be permitted to use the Product: (a) solely for the benefit of Licensee; (b) only according to the terms of this Agreement (including the requirement that Product remains installed only on Licensee’s equipment at Licensee’s Site); and (c) with technical support to Contractor to be coordinated through Licensee. Licensee shall at all times be responsible for Contractor’s compliance with the terms of this Agreement.

Licensee shall not, without P&RO Solutions’ prior written approval, directly or indirectly: (i) disclose Product to any third party; (ii) prepare or have prepared derivative works of Product; (iii) copy Product; (iv) use any method to obtain the source code version of the Software; (v) reverse engineer the Product; (vi) install or use any Software source code which may be provided hereunder at any unauthorized location; (vii) use any Product or confidential information to create materials the same as or substantially similar to the Product; or (viii) remove or cover any proprietary rights notices from the Product.

Licensee shall inform all users of the Product of the terms and conditions of this Agreement. Title to and full ownership of all copies of the Product remain with P&RO Solutions and are protected by United States copyright laws, patent laws, international treaties, and all other applicable laws. All rights not explicitly granted to Licensee herein are reserved to P&RO Solutions.

Licensee shall maintain complete accurate records relating to its use of the Product under this Agreement, including without limitation, the location of the Product. No more than once per year, P&RO Solutions may, at its own expense, audit Licensee’s records, provided that Licensee is notified at least fifteen (15) days in advance of such audit. If an audit reveals that the Product is being used without payment of the applicable fee, P&RO Solutions will be entitled to the fee for such use at the current rate, plus a fifty percent (50%) penalty, and for the cost of such audit expense.

ASSIGNMENT AND TRANSFER. Licensee may not assign, allow the assumption of, or otherwise transfer this Agreement, including, but not limited to, transfer by operation of law, or assignment or transfer to parent companies, subsidiaries or affiliates without the prior written consent of P&RO Solutions, which shall not be unreasonably withheld. Nevertheless, upon written notice to P&RO Solutions, this Agreement may be transferred to the successor entity in the event of a Change of Control of Licensee, defined as a third party acquiring direct or indirect ownership or control of more than fifty-one percent (51%) of the outstanding securities representing the right to vote for the election of directors or other governing authorities of the Licensee. Any such assignment shall be subject to the terms and conditions stated herein. After any such assignment or transfer, the assigning or transferring Licensee shall have no rights with regard to this Agreement.

2.0 Payment. In consideration of the rights granted hereunder, Licensee shall pay the one-time license fee (“License Fee”) and the annual use/support fees (“Annual fee”), specified in Exhibit A upon the Effective Date of this Agreement. Applicable Annual Fees will thereafter be due and payable on January 1st of each year, as specified in Exhibit B, or in the case of monthly payment option, payment will be due on the first of each month. Such payment shall be in U.S. dollars. Any amount not paid within fifteen (15) days of

due date shall bear interest at the lesser of one and one-half percent (1.5%) per month or the maximum allowed by law, plus collection costs.

3.0 Term and Termination. This Agreement shall be valid from the Effective Date and shall remain in effect unless (a) Licensee fails to pay the Annual Fee; (b) terminated by mutual consent; (c) terminated by Licensee's election; or (d) terminated by either Party upon the other Party's failure to cure a material breach of this Agreement within thirty (30) days of receipt of written notice of breach, or immediately upon written notice if the breach by its nature is incurable. In the event of any termination of this Agreement, Licensee shall immediately return to P&RO Solutions all copies of the Product and certify to P&RO Solutions that any and all copies of the Product have been destroyed. If termination is for P&RO Solutions' material breach of this Agreement, a proportional amount of fees paid by Licensee hereunder, based on a useful life of five (5) years shall be refunded by P&RO Solutions within thirty (30) days of effective termination date.

4.0 Updates, Support and Product Releases. With the purchase of the Software, P&RO Solutions will provide technical help line support ("Support"), Monday through Friday, between the hours of 9:00am and 5:00pm, mountain time. The Annual Fee also includes applicable Software releases and patches (hereafter referred to as "Product Support"). Licensee must provide a single point-of-contact ("POC") for any Product Support provided hereunder. P&RO Solutions will only respond to requests or matters of Product Support that are provided by the POC. To ensure proper function and efficiency, Licensee must maintain the Software with any applicable annual releases and/or patches, provided under this Agreement. Licensee agrees to take a new build at least once per year

In the event that Licensee does not pay the Annual Fee, P&RO Solutions may terminate this Agreement in accordance with Section 3.0. **Licensee understands that this Agreement does not grant rights to any customized improvements, modifications, or enhancements; installation, configuration, or other services, other than those provided hereunder.** Professional services may be purchased separately from P&RO Solutions under an applicable Services Agreement. Use of any improvements, modifications, enhancements, or updates to the Product shall be governed by the terms and conditions of this Agreement. In the event of a new Product release, P&RO Solutions shall continue to support the current Product for a period of one (1) year from the date of the new Product release, after which the current Product will become obsolete. At any time after a new Product release, Licensee may opt to upgrade to the new Product under separate terms, with the understanding that after the one (1) year period, if they have not upgraded, P&RO Solutions will no longer support the obsolete Product.

5.0 Proprietary Rights and Confidentiality. Disclosure of the Product shall be strictly limited to Licensee's employees and Contractors on a need to know basis only and subject to a written agreement, which protects the Product at least as well as this Agreement.

The parties may provide to one another, information that is Proprietary ("Proprietary Information"), which the parties hereby agree includes the subject Product. All other information which is Proprietary Information must, prior to its disclosure, (a) be labeled as such or otherwise clearly identified as not for release to third parties, or (b) if disclosed orally, be identified as such at the time of disclosure. The parties agree to hold each other's Proprietary Information in confidence for a period of five (5) years from the Effective Date of this Agreement, provided however, that protection of the Product shall remain perpetual.

6.1 Limited Warranties.

DEFINITIONS:

- Core PaSTA – Workweek assignment and scheduling screens, the reports module, and the administration module. The interface is not part of Core PaSTA and is not included under this warranty provision.
- Bug – A problem found within Core PaSTA and within the warranty period.
- Issue – A problem discovered outside of Core PaSTA and/or outside the warranty period. In the case of a generic Issue, correction may be made with a patch or new build, this may or may not be covered by the Annual Fee. If the Issue is non-generic, or unique to Licensee, Licensee may request services to address the Issue under a separate Services Agreement.

P&RO Solutions warrants the media on which the Software is furnished to Licensee will be free of defects in material and workmanship and that the "Core PaSTA" Software will substantially operate according to P&RO Solutions' specifications for a period of ninety (90) days from the delivery date. No specific warranty is provided for the add-on modules described in Exhibit A, under PaSTA⁵, ("Core PaSTA"). Any applicable patches or new builds will be warranted for a period of thirty (30) days from delivery. Further, all products shall be free from any infringement of patent, copyright, trademark, trade secret, or other intellectual property right. P&RO Solutions further warrants that the Product Support will be provided consistent with generally accepted industry practices. The warranty herein is exclusive and in lieu of all other warranties, whether express or implied, including the implied warranties of merchantability and fitness for a particular purpose.

P&RO Solutions' sole liability and Licensee's exclusive remedy for breach of any warranties shall be, at P&RO Solutions' option: (a) to repair or replace Licensee's defective media or Software or; (b) to refund the fees paid by Licensee and cancel this Agreement. Any modification of the Software or use other than that specified, shall void this warranty.

P&RO SOLUTIONS DOES NOT WARRANT THAT THE PRODUCT WILL BE ERROR-FREE. EXCEPT TO THE EXTENT PROHIBITED OR LIMITED BY LAW FROM JURISDICTION TO JURISDICTION, P&ROSOLUTIONS EXPRESSLY DISCLAIMS ALL WARRANTIES (OTHER THAN THOSE WARRANTIES STATED ABOVE), EXPRESS OR IMPLIED, WITH RESPECT TO THE MEDIA AND PRODUCT, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR, FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL P&ROSOLUTIONS OR ITS LICENSORS BE LIABLE TO LICENSEE OR A THIRD PARTY FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES INCLUDING LOST PROFITS, LOST DATA AND THE LIKE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT EVEN IF PROSOLUTIONS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS OF PARAGRAPH 7.0, IN NO EVENT SHALL THE CUMULATIVE LIABILITY OF PROSOLUTIONS TO LICENSEE OR ANY OTHER PARTY FOR ANY LOSS OR DAMAGES RESULTING FROM ANY CLAIMS, DEMANDS, OR ACTIONS RELATED TO, ARISING FROM, OR BASED UPON THIS AGREEMENT EXCEED THE LICENSE AND ANNUAL FEES PAID BY LICENSEE FOR USE OF THE PRODUCT.

7.0 Indemnification P&RO Solutions shall, except as otherwise provided below, indemnify, hold harmless and defend Licensee for any claim made or any suit or proceeding brought against Licensee so far as it is based on an allegation that the Product furnished hereunder infringes any patent, copyright, trademark, trade secret or other intellectual property right, if P&RO Solutions is notified promptly in writing and given reasonable information and assistance, and P&RO Solutions is given the sole authority to defend or settle same at P&RO Solutions' expense. P&RO Solutions shall pay all damages and costs, including attorney's fees finally awarded therein against Licensee. In the event the Product in such suit is held to infringe and the use of the Product is enjoined, or in the case of a settlement as referred to above, Licensee will permit P&RO Solutions, at its own option and expense, to: (a) procure for Licensee the right to continue using the Product; (b) replace the Product with a non-infringing Product without degradation in performance; (c) modify the Product so it becomes non-infringing without degradation in performance; or, (d) if none of the foregoing is practicable in the reasonable judgment of P&RO Solutions, P&RO Solutions will refund the price paid for the Product. If P&RO Solutions refunds the price paid for the Product, the Product license under this Agreement shall immediately terminate. P&RO Solutions shall have no liability for any infringement of patents, copyrights, or other intellectual property rights, trademarks or trade secret resulting, in whole or in part, from: (1) compliance with Licensee's designs, specifications, or instructions; (2) modifications of the Product by any party other than P&RO Solutions; (3) use of the Product other than as specified by P&RO Solutions; (4) use of an infringing Product by Licensee after P&RO Solutions has made available to Licensee a non-infringing version of the Product or has refunded to Licensee the price paid for the Product; or (5) use of the Product with infringing software or data. THIS SECTION 7.0 STATES P&RO SOLUTIONS' ENTIRE LIABILITY FOR COPYRIGHT, TRADE SECRET, PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT INFRINGEMENT BY THE PRODUCT FURNISHED HEREUNDER.

8.0 Licensee Responsibilities Licensee agrees not to reproduce, deactivate, or bypass the security devices, including any hardware key, supplied with the Product. Licensee agrees to comply with all P&RO Solutions Product licensing procedures and authorization codes, and not to utilize programs, scripts or any other automatic devices to access or use the Product in a manner inconsistent with the terms of this Agreement. Licensee agrees to preserve and respect all copyright, patent, proprietary rights and confidentiality notices and restricted rights legends included in the Product. Licensee agrees not to disassemble or reverse-compile the Product or any portion thereof and to not permit others to do so, except as permitted by applicable law, but then only to the extent that: (a) P&RO Solutions is not legally entitled to exclude or limit such rights by contract and; (b) Licensee notifies P&RO Solutions of Licensee's requirements with respect to interoperability or functional compatibility before engaging in reverse engineering and give P&RO Solutions the opportunity to provide to Licensee the information necessary to achieve such interoperability or compatibility without reverse engineering. Licensee hereby acknowledges that Licensee is aware of the fact that the Product contains professional and confidential know-how and, therefore, agrees not to disclose, transfer, or otherwise provide to any third party any portion of the Product except as provided in this Agreement or with the express written permission of P&RO Solutions. Licensee shall be responsible for all taxes including, but not limited to, sales, use, withholding, value-added, goods and services and excise taxes assessed or levied by any jurisdiction arising out of the performance of this Agreement, except for taxes based on the net income of P&RO Solutions.

Licensee shall not modify in any way, the database schema, including but not limited to, tables, fields, relationships, views, indexes, packages, functions, queues, triggers, types, sequences, materialized views, synonyms, database links, directories, XML schemas, or other elements, without the express written approval from Licensor. Licensee is responsible for ensuring that all computer systems and programs are compatible with the Product prior to installation. Licensor claims no liability in the event that Licensee systems or programs are not compatible or functioning properly, rendering the Software unusable. Licensee shall be responsible for providing any necessary resources to restore such systems or programs to the required specification, allowing the Software to be installed and operating properly.

9.0 Export Control The Product is subject to all applicable export laws in accordance with the U.S. Export Administration Regulations and Licensee hereby agrees that neither the technical data nor the direct product thereof is intended to be shipped, either directly or indirectly to any embargoed countries nor used for or in support of any prohibited activities.

10. Force Majeure

P&RO Solutions shall not be responsible for delay or nonperformance of its obligations under this Agreement, in whole or in part, due to an event of force majeure. Force majeure may include, but not be limited to, war, fire, strikes, flood, earthquake, governmental priorities or regulations, or other events beyond P&RO Solutions' reasonable control.

11.1 General. This Agreement represents the complete and exclusive statement of the agreements concerning the license between the parties, supersedes all prior agreements and understandings and may be modified only in writing signed by Licensee and P&RO Solutions. The acceptance of any purchase order placed by Licensee is expressly made conditional on Licensee's assent to fully comply with all applicable laws and regulations, the terms and conditions set forth herein, and any additional or inconsistent terms or conditions contained in Licensee's purchase order or other writing pertaining to this license are hereby rejected. Any dispute hereunder, which cannot be resolved through amicable means, shall be fully and finally resolved through binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. In the event of an irreparable or incurable breach of this Agreement including, but not limited to, unauthorized access to or use of the Product, Licensee agrees that P&RO Solutions shall be entitled to seek injunctive relief, without posting a bond or proving damages. If any provision of this Agreement is held to be unenforceable or illegal under certain circumstances for any reason, such decision shall not affect the validity or enforceability of such provisions under other circumstances or the remaining provisions hereof and such provisions shall be reformed only to the extent necessary to make them enforceable under such circumstances. This Agreement shall be governed by the laws of the State of Pennsylvania, and venue shall be in Philadelphia, Pennsylvania.

AUTHORIZED REPRESENTATIVES FROM EACH PARTY ACKNOWLEDGE THEIR UNDERSTANDING AND ACCEPTANCE OF THE ABOVE TERMS AND CONDITIONS BY EXECUTING THE AGREEMENT BELOW.

P&RO Solutions, Inc.

Licensee

Signature

Signature

Name/Title

Name/Title

Date

Date

EXHIBIT A

PaSTA Solutions Site License* and Applicable Fees

**Site License allows use of the Product(s) described below for the listed physical location(s)*

ONE-TIME LICENSE FEE PRODUCTS*

- PaSTA⁵
- Projects
- CICS
- OPEX₃₆₀
- Op Logs/Rounds

ANNUAL FEE PRODUCT

MoPaSTA

*All purchased products require an annual Use/Support Fee as described below.

SITE NAME	SITE ADDRESS	PRODUCT(S)	LICENSE FEE
Site 1	Site 1 address	PaSTA ⁵	\$20,000
Site 2	Site 1 address	PaSTA ⁵	\$20,000
Site 3	Site 1 address	PaSTA ⁵	\$20,000
SUBTOTAL			\$60,000

User/Support Fee for each of the above purchased Products is 20% of the License Fee for a total of \$12,000.

SUBTOTAL: \$12,000

MoPaSTA Annual Use/Support Fee:

\$00,000 if paid on January 1, of each support year

\$00,000 if paid monthly over each support year (\$00.00 per month)

[illegible]

SUBTOTAL \$0		SUBTOTAL \$00,000	
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TOTAL AMOUNT DUE AT SIGNING:
\$60,000.00

EXHIBIT B

Annual Support Agreement For PaSTA

This Annual Support Agreement (the "Agreement") is made by and between P&RO Solutions, Inc. ("P&RO Solutions"), a Pennsylvania corporation with offices located at 51 Street Road, Newtown Square, Pennsylvania 19073 and _____ ("Licensee"), a _____ corporation, with offices located at _____.

1.0 Support

This Agreement provides the Licensee with; a) technical telephone support between the hours of 9:00am and 5:00pm mountain time related to bugs and issues (not software use, "push button"); b) applicable releases and patches and c) user-group enrollment related to the PaSTA software (hereinafter referred to as the "Services"). This Agreement does not provide Licensee with on-site technical support; however, Licensee has the option, under separate agreement to purchase additional services related to the PaSTA software ("the Software").

2.0 Term

This Agreement shall commence on the PaSTA License purchase date (the "Effective Date") and continue through the last day of the applicable calendar year. Automatic renewal of this Agreement, beginning the next calendar year will occur unless Licensee provides a written notice of its intent to cancel at least thirty (30) days prior to the date of expiration.

3.0 Fees and Payment

The annual Services fee shall be \$ __12,000.00__ Fee for the initial support year shall be due and payable upon the Effective Date of this Agreement and will be prorated based on a calendar year of Services. P&RO Solutions shall provide a quote for subsequent years of Services and all such fees shall be due and payable on the first day of each calendar year.

In the event that Licensee does not maintain an active Annual Support Agreement, P&RO Solutions may terminate the PaSTA software License Agreement in accordance with the terms of such License.

4.0 Licensee Responsibilities

Licensee must provide a single point-of-contact ("POC") for all Services provided hereunder. P&RO Solutions will only respond to requests or matters of support that are provided by the POC.

To ensure proper function and efficiency, Licensee must maintain the PaSTA software with any applicable annual releases and/or patches, provided under this Agreement.

Licensee is responsible for ensuring that all computer systems and programs are compatible with the licensed Software and that such systems and programs are maintained in proper working condition. Licensor claims no liability in the event that Licensee systems or programs are not compatible or functioning properly, rendering the Software unusable. Licensee shall be responsible for providing any necessary resources to restore such systems or programs to the required specification, allowing the Software to run properly.

5.1 PaSTA User Group

The PaSTA User Group meeting is a two-day event, held in person or hosted and is comprised of users under a support agreement (the "User Group"). User Group topics may include but not be limited to:

- Future functionality
- General instruction for new and existing features
- Review of new release functional specifications
- Proposed functionality changes/additions

Other functions of the User Group are to share information, successes and lessons learned within the membership population.

P&RO Solutions will send invitations to any upcoming PaSTA User Group with reasonable advance notification of the time, place, and applicable pricing.

6.0 Warranty

P&RO Solutions warrants that the Services will be provided consistent with generally accepted industry practices. The warranty herein is exclusive and in lieu of all other warranties, whether express or implied, including the implied warranties of merchantability and fitness for a particular purpose.

7.0 Limitation of Liability

In no event shall P&RO Solutions be liable for any indirect, incidental, special, or consequential damages, or damages for loss of profits, revenue, data, or use, incurred by Licensee or any third party, whether in an action in contract or tort, even if the other party or any other person has been advised of the possibility of such damages. P&RO Solutions' entire liability for damages shall in no event exceed the amount of fees paid by Licensee hereunder.

8.0 Force Majeure

P&RO Solutions shall not be responsible for delay or nonperformance of its obligations under this Agreement, in whole or in part, due to an event of force majeure. Force majeure may include, but not be limited to, war, fire, strikes, flood, earthquake, governmental priorities or regulations, or other events beyond P&RO Solutions' reasonable control.

9.0 Governing Law/Disputes

This Agreement shall be governed by and construed in accordance with the laws of the State of ~~Pennsylvania~~, without regard to its choice of law principles.

Any dispute hereunder, which cannot be resolved through amicable means, shall be fully and finally resolved through binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association by one or more arbitrators chosen under said rules. Venue for any arbitration shall be in ~~Philadelphia, Pennsylvania~~. The parties' consent to the jurisdiction of the state and federal courts located in the county of Philadelphia, Pennsylvania for matters related to the arbitration. Any arbitration award shall be payable in U.S. Dollars and enforceable in any court of competent jurisdiction.

10.0 Non-Waiver

The failure of either party to enforce any rights herein shall not constitute a waiver of such rights or the enforcement of them in the event of subsequent breach. Consent by one party to a waiver of any term or condition of this Agreement by the other will neither excuse or constitute consent of subsequent waivers of the same or any other term or condition of the Agreement.

11.0 Severability

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement will remain in full force and effect.

12.0 Entire Agreement


This Agreement constitutes the entire agreement between the parties hereto and supersedes all previous negotiations, commitments, writings and verbal understandings. This Agreement may not be changed or modified except in a writing, which is signed by the duly authorized representatives of both parties.

**CONSENT
CALENDAR
ITEM**

1E

Date:

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager 

Committee:

Subject:

Executive Summary:

Staff's Recommendation:

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

Environmental Determination:

Business Goal:

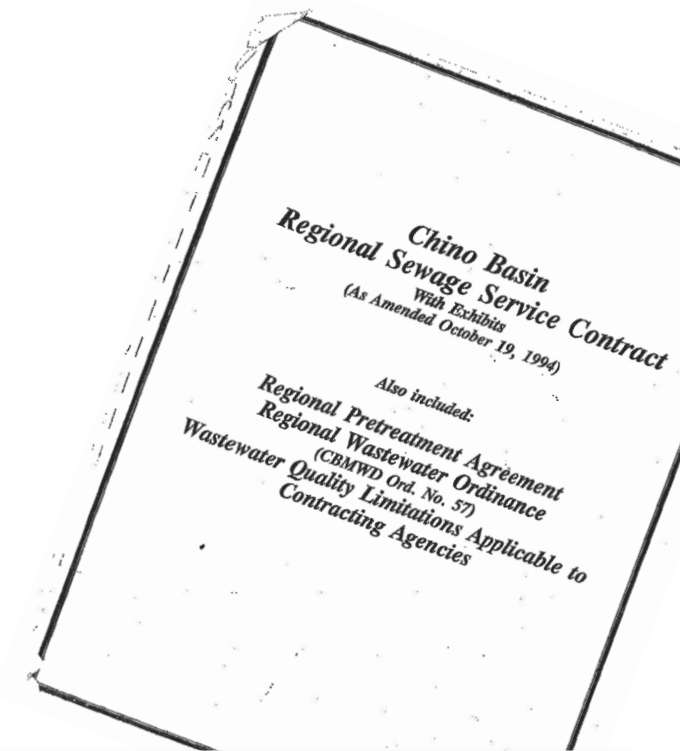
Attachments:

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

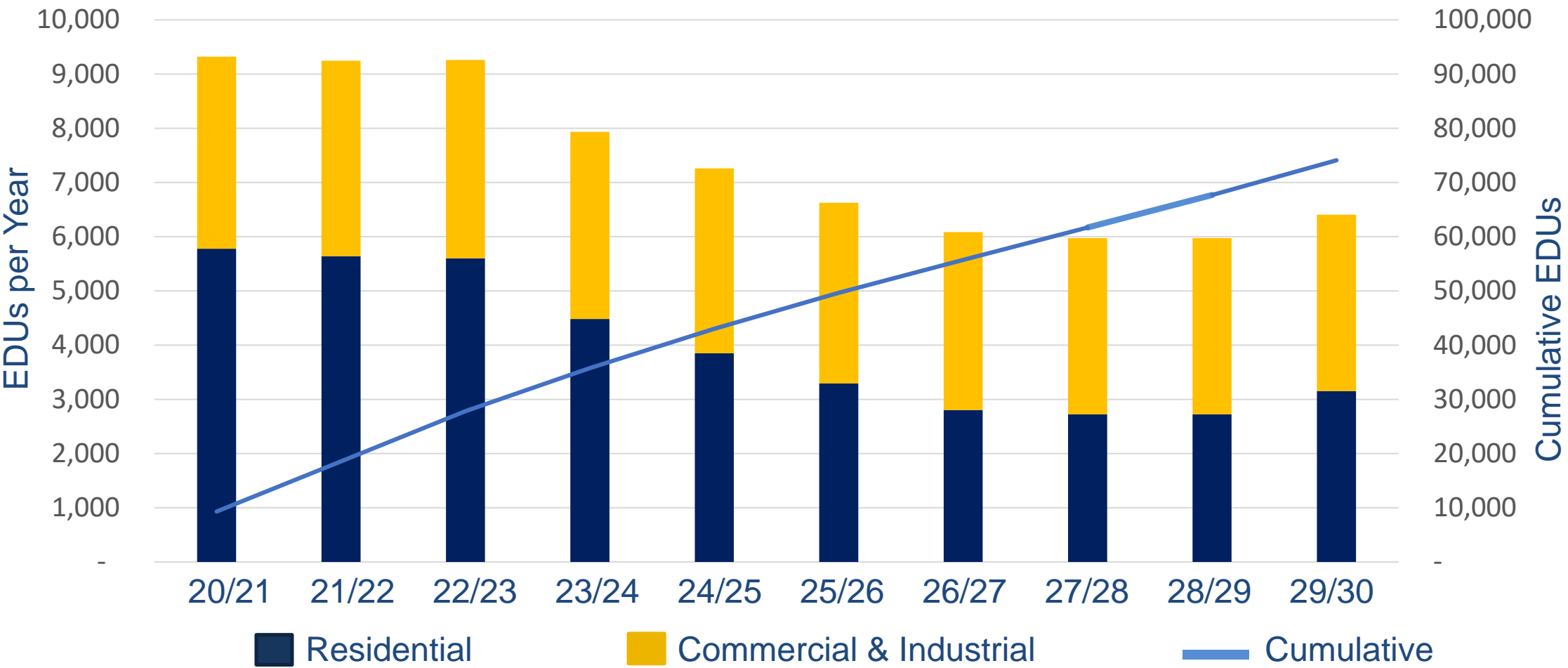


Regional Contract Section 9

"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

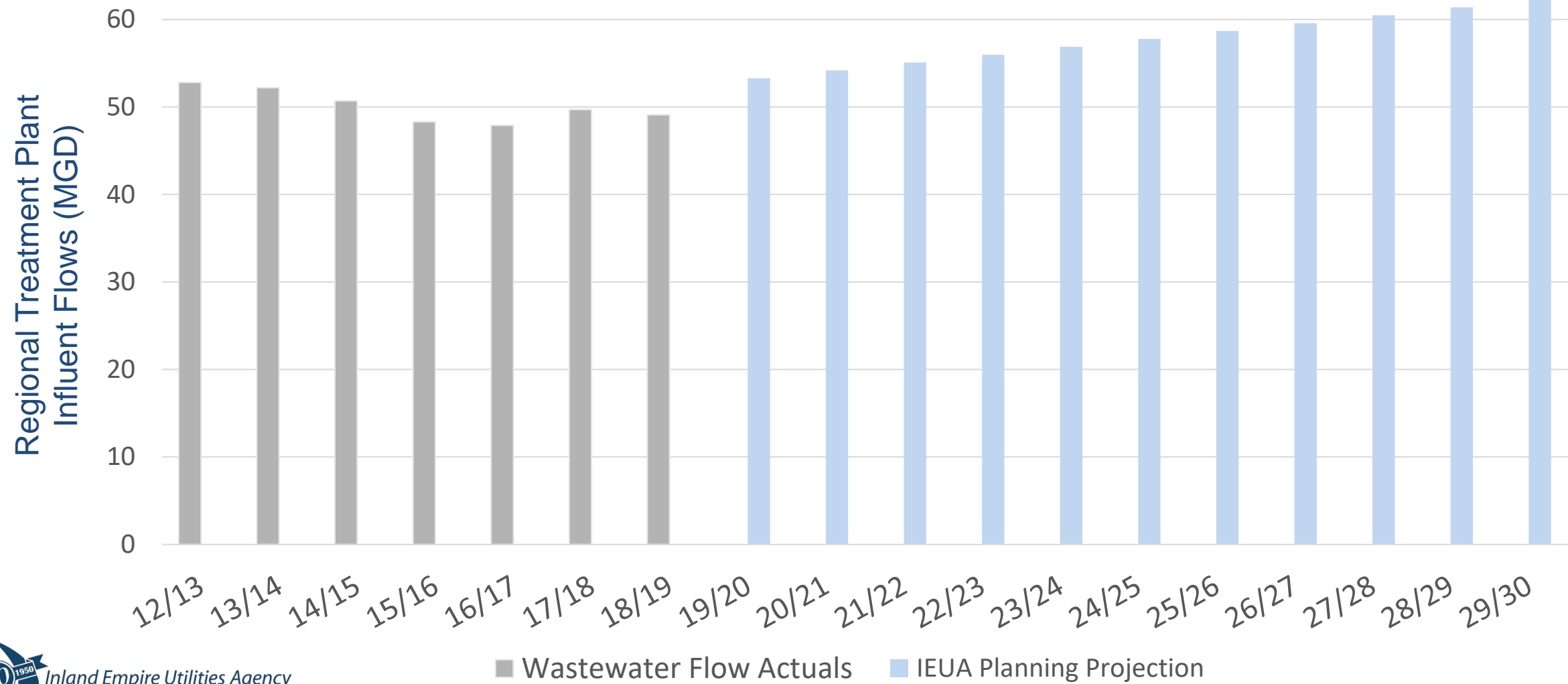
(2019 Regional Contract Agency Data)



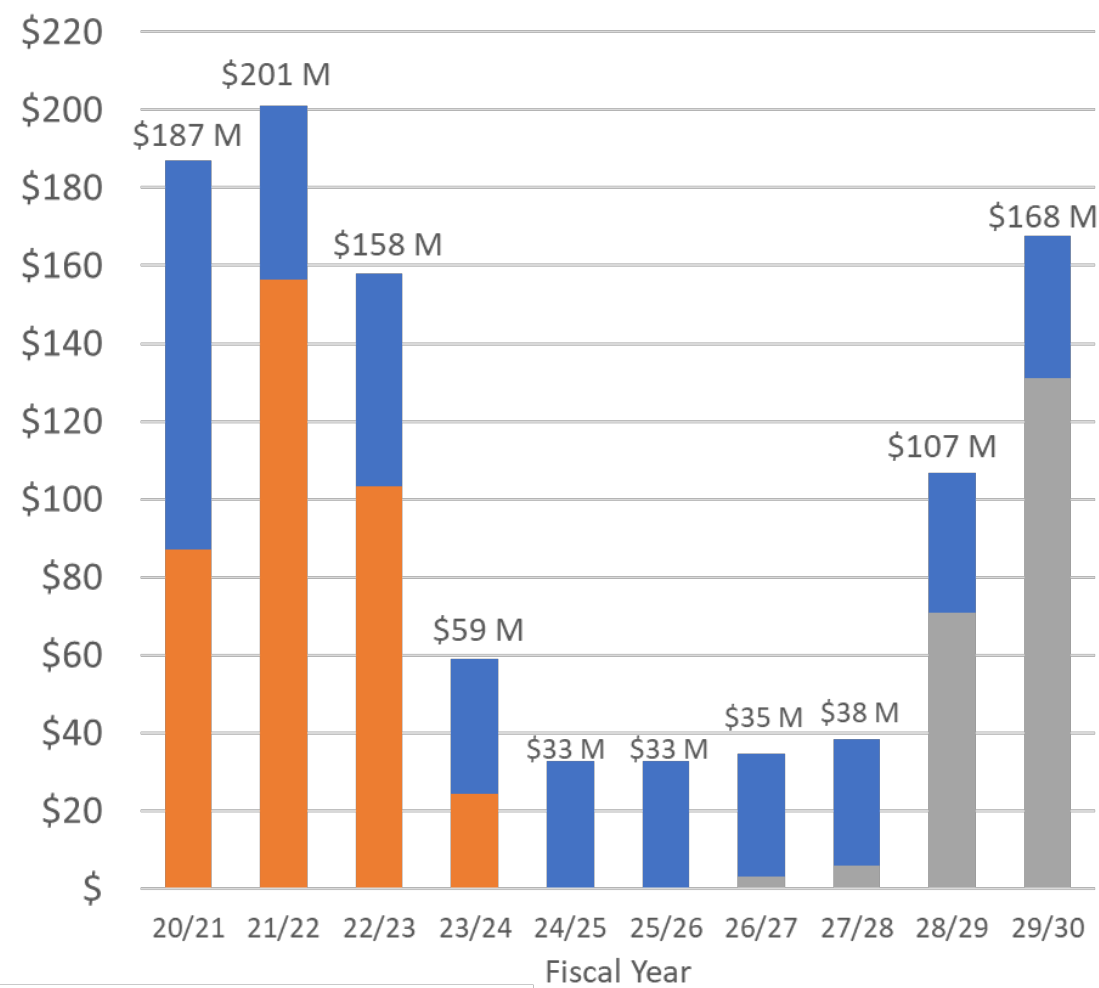
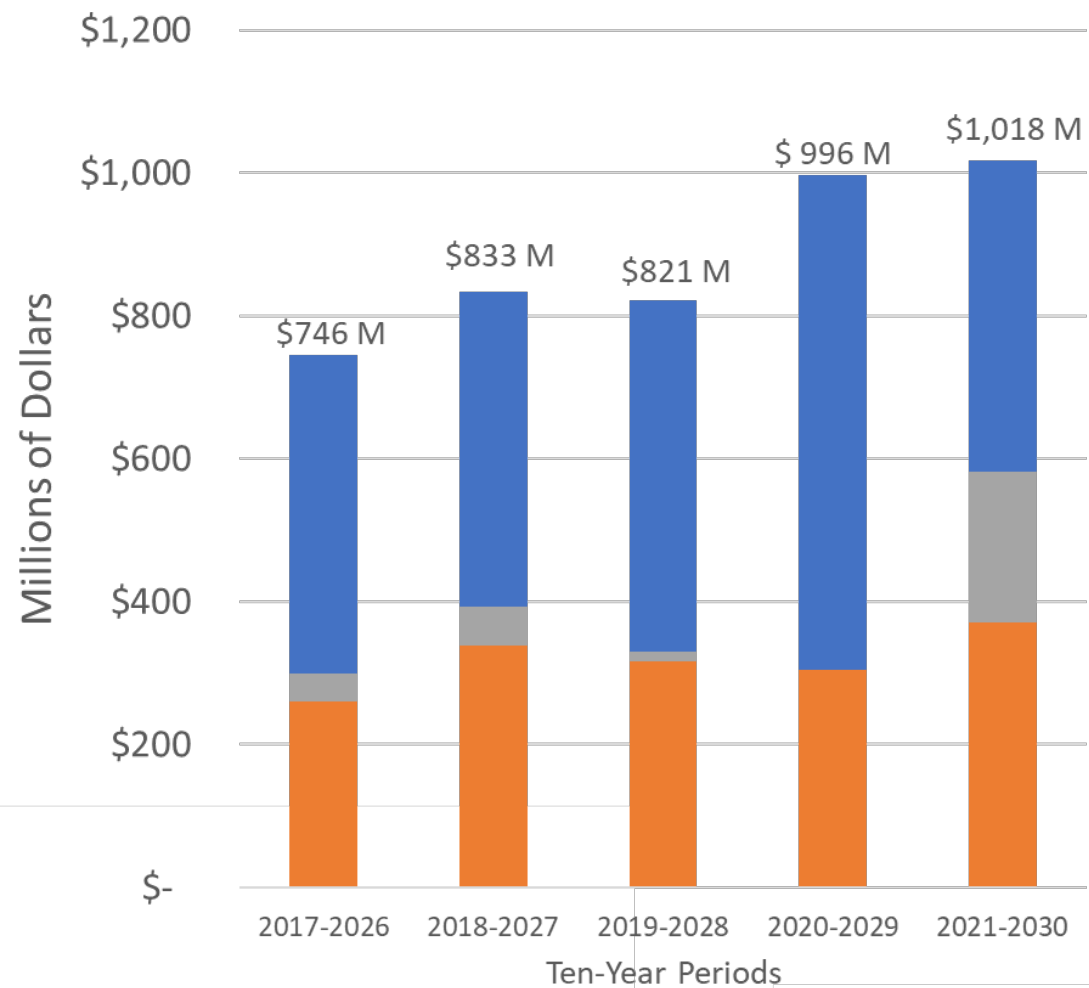
**EDUs based on updated projections received from Regional Contract Agencies Nov. 2019*

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

*Total TYF funds include OM & Capital funds

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 Policy Committees
- 6/10/20: Action item to IEUA Committees
- 6/17/20: Action item to IEUA Board



Recommendation

- It is recommended that 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.***

**CONSENT
CALENDAR
ITEM**

1F

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Engineering, Operations & Water Resources

06/10/20

Executive Contact: Christiana Daisy, Executive Manager of Engineering/AGM

Subject: Utility Locating Services Contract Award

Executive Summary:

Dig Alert is a service utilized by contractors and utility owners as a means to allow contractors to inform Agencies of construction projects requiring excavation in the public right-of-way. Upon notification by a contractor to Dig Alert Service Center, the limits of construction are marked by the contractor who informs utility owners where work is being performed. Since 2013, Inland Empire Utilities Agency (IEUA) has utilized a consultant (UtiliQuest) to manage and mark the Dig Alert requests within IEUA's service area. Utility marking is required by law, and failure to mark facilities could result in damage by the contractors. UtiliQuest's current contract with IEUA will expire at the end of July 2020. IEUA advertised a request for proposals and on April 1, 2020, received three proposals. A panel of IEUA staff reviewed each proposal and rated each in accordance with the categories established in the request for proposal. The panel determined that UtiliQuest is the best qualified to perform the work based on their past performance and knowledge of IEUA's GIS As-Built System, infrastructure, and fee price. Staff is recommending the award of a contract to UtiliQuest for a not-to-exceed amount of \$900,000 over a five-year period, with up to two, one-year options to extend. The contract amount is based on the ten-year capital improvement projection of new growth and the proposed unit cost for marking utilities.

Staff's Recommendation:

1. Award a five-year contract, with two one-year time extensions, to UtiliQuest, LLC., for utility marking services, for a not-to-exceed amount of \$900,000; and,
2. Authorize the General Manager to execute the Contract, subject to non-substantive changes.

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

Account/Project Name:

127100-10200-100000-521080/Engineering and Construction Management Other Contractual Services General Administration (GG-10200) Fund

Fiscal Impact (explain if not budgeted):

Utility locating services is budgeted every year during the budget process.

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

The Utility Marking contract is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainability managed, and can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

Attachments:

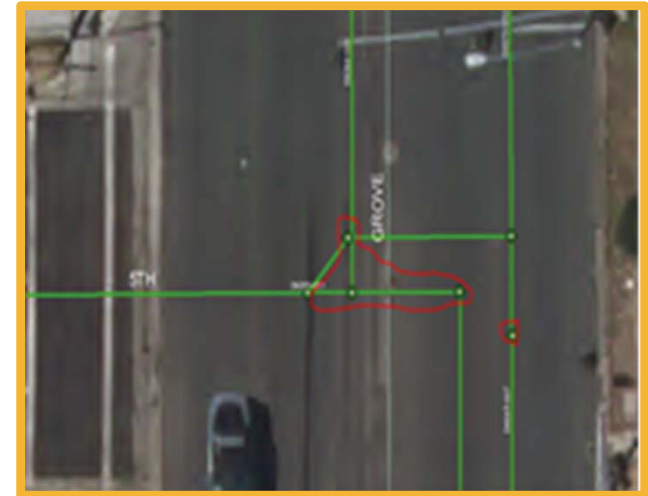
Attachment 1 - PowerPoint

Attachment 2 - Contract

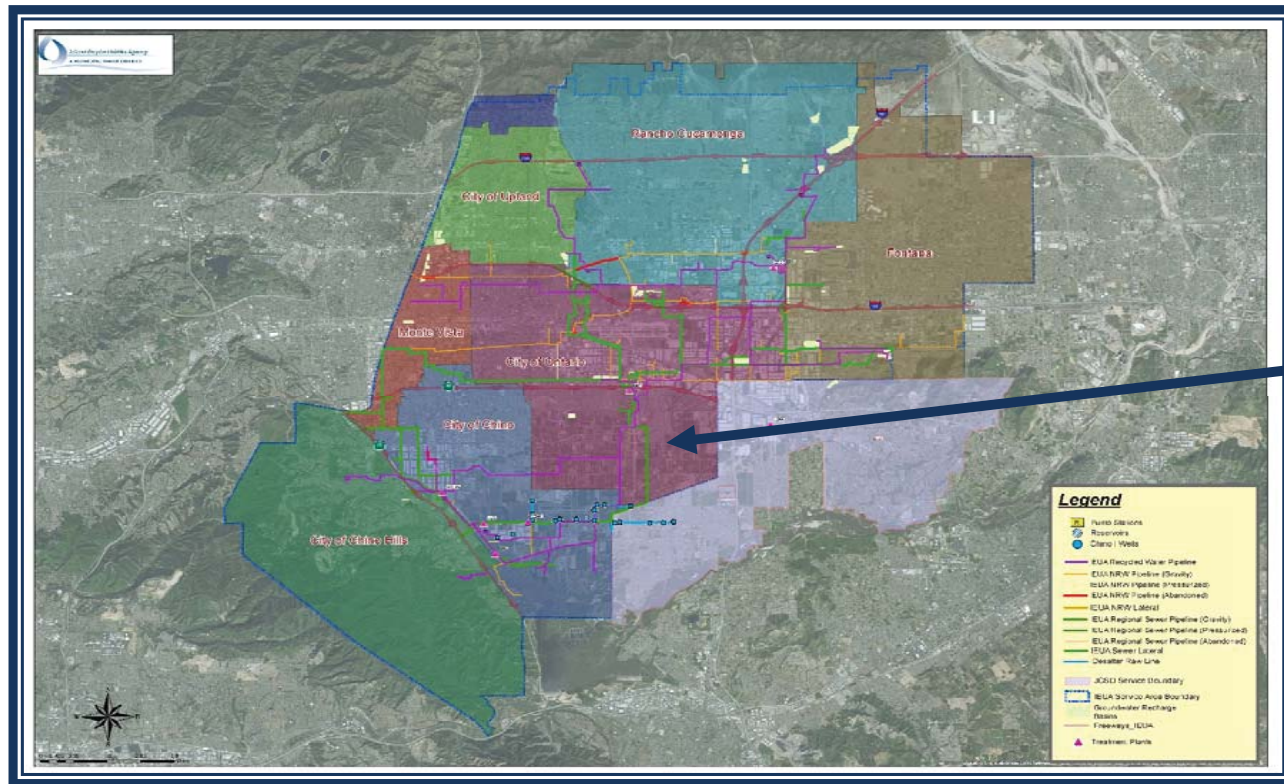
<https://www.dropbox.com/s/1885j9ei83c6zw8/20117%20C.%20Utility%20Locating%20Services%20Contract%20Award%20Final.pdf?dl=1>

Attachment 1

Utility Locating Services Contract Award



Location



IEUA Service
Area Needing
Marking
Services

Contract Scope

- Use as-built files and interactive GIS Utility Maps provided by IEUA
- Consultant will sort Dig Alert request each work-day and route technicians to mark IEUA utility locations
- Consultant will respond to Dig Alert requests and mark non-emergency facilities within 48-hours
- Consultant will coordinate with IEUA on field request for complex work around IEUA Facilities and “Meet-and-Greets”



Marking of Area



Marked Recycled and Potable Water

Consultant Selection

- Evaluation and Selection Committee
 - Engineering and Construction Management
- Three Proposals Received on April 1, 2020

Proposals Received
UtiliQuest, LLC
Builder's Protection Group, LLC
American Engineering

- Justification for unanimously selecting UtiliQuest
 - Successfully worked with IEUA since 2013
 - Knowledge of IEUA's GIS As-Built System, infrastructure, and fee price

Recommendation

- Award a five-year contract, with up to two one-year time extensions, to UtiliQuest, LLC, for utility marking services, for a not-to-exceed amount of \$900,000; and
- Authorize the General Manager to execute the contract, subject to non-substantive changes.

The Utility Marking contract is consistent with **IEUA's Business Goal of Wastewater Management** specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

**CONSENT
CALENDAR
ITEM**

1G

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee:

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Adoption of Resolution No. 2020-6-1, Amending the Agency's Salary Schedule/Matrix for All Groups

Executive Summary:

California Code of Regulations (CCR) §570.5 establishes the requirement for California Public Employees' Retirement System (CalPERS) agencies to have a current, duly approved and adopted pay schedule by the agency's governing body. CalPERS employers may only report payrates, for the purposes of calculating retirement benefits, that meet the definition of a Publicly Available Salary Schedule. Maintenance of the Agency's salary schedule falls under the responsibility of the Human Resources Department, which includes presenting a revised comprehensive salary resolution to the Board of Directors as changes occur. The last salary schedule/matrix update for all the groups was approved by the Board on May 20, 2020.

The Agency has a classification and compensation change as a result of a unit modification agreed upon between the Agency and the Professional Unit. The Agency received a request from the Professional Unit for a unit modification for the position of Risk Specialist, currently unrepresented. After reviewing the Professional Unit's request and the Agency's Employer-Employee Relations Resolution 2010-3-2, the Agency does not have an objection to adding the Risk Specialist classification to the Professional Unit. The adoption of resolution No. 2020-6-14 would finalize the process of the unit modification to move the classification of Risk Specialist into the Professional Unit.

Staff's Recommendation:

Adopt Resolution No. 2020-6-1, amending the Agency's Salary Schedule/Matrix for all groups.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Funding is appropriated in the FY 2020/21 Budget.

Prior Board Action:

On May 20, 2020, the Board of Directors adopted Resolution No. 2019-5-5, approving the amendment of the Salary matrix for all employee groups.

Environmental Determination:

Not Applicable

Business Goal:

Workplace Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Attachments:

Attachment 1 - Resolution No. 2020-6-1

RESOLUTION NO. 2020-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE AGENCY'S SALARY SCHEDULE/MATRIX

WHEREAS, the Agency has a classification and compensation change as a result of a unit modification agreement between the Agency and the Professional Unit for the position of Risk Specialist; and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5.

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

SECTION 1: The Agency's salary schedule/matrix is hereby adopted and set forth in Exhibit "1" this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of July 1, 2020.

ADOPTED the 17th day of June 2020.

Kati Parker
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-6-1, was adopted at a regular
Board Meeting on June 17, 2020, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

*A Municipal Water District

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Accountant I	173	UN	Exempt
Accountant II	175	PR	Exempt
Accounting Supervisor	184	SU	Exempt
Accounting Technician I	170	GU	Non-exempt
Accounting Technician II	173	GU	Non-exempt
Administrative Assistant I	171	GU	Non-exempt
Administrative Assistant I (confidential)	171	UN	Non-exempt
Administrative Assistant II	174	PR	Non-exempt
Administrative Assistant II (confidential)	174	UN	Non-exempt
Assistant Engineer	179	UN	Exempt
Associate Engineer	182	UN	Exempt
Biologist ¹	181	LB	Exempt
Board Secretary/Office Manager	188	UN	Exempt
Budget Officer	186	UN	Exempt
Business Systems Analyst I	179	PR	Exempt
Business Systems Analyst II	181	PR	Exempt
Business Systems Supervisor	184	SU	Exempt
CAD Designer	178	UN	Non-exempt
Chemist	181	LB	Exempt
Chief Financial Officer	192	UN	Exempt
Collection System Operator I	171	GU	Non-exempt
Collection System Operator II	175	GU	Non-exempt
Collection System Operator III	177	GU	Non-exempt
Collection System Supervisor	184	SU	Exempt
Compost Facility Supervisor	185	SU	Exempt
Compost Operator	174	GU	Non-exempt
Compost Sales Representative	181	PR	Exempt
Compost Worker	170	GU	Non-exempt
Construction Project Inspector	180	UN	Non-exempt
Construction Project Manager - PE	186	PR	Exempt
Contracts Administrator I	177	PR	Exempt
Contracts Administrator II	180	PR	Exempt
Contracts and Procurement Supervisor	184	SU	Exempt
Control Systems Analyst I	180	GU	Non-exempt
Control Systems Analyst II	182	GU	Non-exempt
Deputy Manager of Capital Improvement Projects	188	UN	Exempt
Deputy Manager of Construction Management	188	UN	Exempt
Deputy Manager of Engineering	189	UN	Exempt
Deputy Manager of Grants	188	UN	Exempt
Deputy Manager of Human Resources	188	UN	Exempt
Deputy Manager of Integrated Systems Services	188	UN	Exempt
Deputy Manager of Maintenance	188	UN	Exempt
Deputy Manager of Operations	188	UN	Exempt
Deputy Manager of Planning & Environmental Resources	189	UN	Exempt

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Deputy Manager of Safety	188	UN	Exempt
Electrical & Instrumentation Technician I	176	GU	Non-exempt
Electrical & Instrumentation Technician II	179	GU	Non-exempt
Electrical & Instrumentation Technician III	181	GU	Non-exempt
Electrical & Instrumentation Technician IV	182	GU	Non-exempt
Employee and Labor Relations Advocate	186	UN	Exempt
Engineering Services Analyst	182	PR	Exempt
Engineering Services Specialist	179	UN	Exempt
Engineering Services Supervisor	184	SU	Exempt
Engineering Technician	175	GU	Non-exempt
Environmental Resources Planner I	179	UN	Exempt
Environmental Resources Planner II	182	UN	Exempt
Executive Assistant	178	UN	Exempt
Executive Manager of Engineering/Assistant General Manager	196	EX	Exempt
Executive Manager of External Affairs and Policy Development/AGM	196	EX	Exempt
Executive Manager of Finance & Administration/Assistant General Manager	196	EX	Exempt
Executive Manager of Operations/Assistant General Manager	196	EX	Exempt
External Affairs Analyst	180	UN	Exempt
External Affairs Specialist I	171	UN	Exempt
External Affairs Specialist I (Y-Rated) ²	202	UN	Exempt
External Affairs Specialist II	177	UN	Exempt
Facilities Program Coordinator	181	PR	Exempt
Facilities Program Supervisor	184	SU	Exempt
Facilities Specialist	177	PR	Exempt
Facilities Specialist - Landscape	177	UN	Exempt
Financial Analyst I	179	PR	Exempt
Financial Analyst II	181	PR	Exempt
General Manager	205	EX	Exempt
GIS Specialist	178	UN	Exempt
Grants Administrator	179	PR	Exempt
Groundwater Recharge Supervisor	187	SU	Exempt
Human Resources Analyst I	177	UN	Exempt
Human Resources Analyst II	179	UN	Exempt
Human Resources Officer	183	UN	Exempt
Human Resources Technician	171	UN	Non-exempt
HVAC Technician	177	GU	Non-exempt
Industrial Engine Technician I	177	GU	Non-exempt
Industrial Engine Technician II	181	GU	Non-exempt
Information Systems Analyst I	179	PR	Exempt
Information Systems Analyst II	181	PR	Exempt
Intern	001	OTR	Non-exempt
Internal Auditor	179	PR	Exempt
Inventory Resources Coordinator	181	PR	Exempt
Laboratory Assistant	172	LB	Non-exempt

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Laboratory Scientist I	177	LB	Non-exempt
Laboratory Scientist II	179	LB	Non-exempt
Laboratory Supervisor	184	SU	Exempt
Maintenance Planner	181	GU	Non-exempt
Maintenance Supervisor	185	SU	Exempt
Manager of Asset Management	190	UN	Exempt
Manager of Business Information Services	190	UN	Exempt
Manager of Contracts & Procurement	190	UN	Exempt
Manager of Engineering	192	UN	Exempt
Manager of External Affairs	190	UN	Exempt
Manager of Finance & Accounting	190	UN	Exempt
Manager of Grants	190	UN	Exempt
Manager of Government Relations	190	UN	Exempt
Manager of Human Resources	190	UN	Exempt
Manager of Information Technology	192	UN	Exempt
Manager of Internal Audit	190	UN	Exempt
Manager of Laboratories	190	UN	Exempt
Manager of Operations & Maintenance	192	UN	Exempt
Manager of Planning & Environmental Resources	192	UN	Exempt
Manager of Regional Composting Authority	190	UN	Exempt
Manager of Technical Services	190	UN	Exempt
Materials Specialist	182	PR	Exempt
Mechanic I	172	GU	Non-exempt
Mechanic II	176	GU	Non-exempt
Mechanic III	179	GU	Non-exempt
Mechanic IV	181	GU	Non-exempt
Network Administrator	183	PR	Exempt
Office Assistant	166	GU	Non-exempt
Office Assistant (confidential)	166	UN	Non-exempt
Operations Specialist	179	UN	Exempt
Operations Supervisor	184	SU	Non-exempt
Pretreatment & Source Control Inspector I	174	GU	Non-exempt
Pretreatment & Source Control Inspector II	177	GU	Non-exempt
Principal Accountant	186	UN	Exempt
Process Automation & Controls Supervisor	185	SU	Exempt
Procurement Specialist I	174	PR	Non-exempt
Procurement Specialist II ³	175	PR	Non-exempt
Project Manager I	184	PR	Exempt
Project Manager II	185	PR	Exempt
Records Management Supervisor	184	SU	Exempt
Records Specialist	173	GU	Non-exempt
Recycled Water Distribution Operator	179	OP	Non-exempt
Risk Specialist	174	PR	Non-exempt

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
RW/Groundwater Recharge Operations & Maintenance Specialist	179	UN	Exempt
RW/Groundwater Recharge Maintenance Technician	176	GU	Non-exempt
Safety Analyst	178	PR	Exempt
Safety Officer	184	SU	Exempt
Senior Accountant	179	PR	Exempt
Senior Associate Engineer	184	UN	Exempt
Senior Associate Engineer - PE	185	UN	Exempt
Senior Compost Operations & Maintenance Technician	181	GU	Non-exempt
Senior Construction Project Inspector	182	UN	Exempt
Senior Engineer	187	PR	Exempt
Senior Environmental Resources Planner	184	UN	Exempt
Senior External Affairs Specialist	180	UN	Exempt
Senior Financial Analyst	183	PR	Exempt
Senior Information Systems Analyst	182	PR	Exempt
Senior Internal Auditor	182	PR	Exempt
Senior Inventory Analyst	182	PR	Exempt
Senior Management Analyst	182	PR	Exempt
Senior Operations Specialist	184	UN	Exempt
Senior Pretreatment & Source Control Inspector	180	GU	Non-exempt
Senior Project Manager	187	PR	Exempt
Senior Wastewater Treatment Plant Operator	181	OP	Non-exempt
Senior Water Plant Operator	181	OP	Non-exempt
Senior Water Resources Analyst	184	PR	Exempt
Source Control/Environmental Resources Supervisor	187	SU	Exempt
Supervisor - Environmental Compliance & Energy	188	SU	Exempt
Systems Administrator	181	PR	Exempt
Technology Specialist I	178	GU	Non-exempt
Technology Specialist II	180	GU	Non-exempt
Technology Specialist III	182	GU	Non-exempt
Warehouse Supervisor	184	SU	Exempt
Warehouse Technician	171	GU	Non-exempt
Wastewater Treatment Plant Operator I	174	OP	Non-exempt
Wastewater Treatment Plant Operator II	176	OP	Non-exempt
Wastewater Treatment Plant Operator III	178	OP	Non-exempt
Wastewater Treatment Plant Operator IV, V	180	OP	Non-exempt
Wastewater Treatment Plant Operator-in-Training	171	OP	Non-exempt
Water Plant Operator I	174	OP	Non-exempt
Water Plant Operator II	176	OP	Non-exempt
Water Plant Operator III	178	OP	Non-exempt
Water Plant Operator IV, V	180	OP	Non-exempt

Notes:

1. Incumbent Biologist in this position prior to 7/1/01 shall be non-exempt.

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
-----------------------------	---------------------	-------------	-------------

- | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 2. The Y-Rated salary for this position is reflective of the incumbent in the position effective 11/1/14 formerly classified as CIP Coordinator. | | | |
| 3. Incumbent Procurement Specialist I reclassified to Procurement Specialist II on 7/1/18 shall be exempt. | | | |

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
165				
1	20.5808	1,646.47	3,567.35	42,808
2	21.0953	1,687.62	3,656.52	43,878
3	21.6227	1,729.81	3,747.93	44,975
4	22.1633	1,773.06	3,841.64	46,100
5	22.7173	1,817.38	3,937.66	47,252
6	23.2853	1,862.82	4,036.12	48,433
7	23.8674	1,909.39	4,137.01	49,644
8	24.4641	1,957.13	4,240.44	50,885
9	25.0757	2,006.06	4,346.46	52,157
166				
1	21.6084	1,728.67	3,745.46	44,946
2	22.1486	1,771.89	3,839.09	46,069
3	22.7023	1,816.19	3,935.07	47,221
4	23.2699	1,861.59	4,033.44	48,401
5	23.8516	1,908.13	4,134.28	49,611
6	24.4479	1,955.83	4,237.64	50,852
7	25.0591	2,004.73	4,343.57	52,123
8	25.6855	2,054.84	4,452.16	53,426
9	26.3277	2,106.21	4,563.46	54,762
167				
1	22.6884	1,815.07	3,932.65	47,192
2	23.2555	1,860.44	4,030.95	48,371
3	23.8369	1,906.95	4,131.73	49,581
4	24.4328	1,954.63	4,235.03	50,820
5	25.0436	2,003.49	4,340.90	52,091
6	25.6697	2,053.58	4,449.42	53,393
7	26.3115	2,104.92	4,560.66	54,728
8	26.9693	2,157.55	4,674.69	56,096
9	27.6436	2,211.48	4,791.55	57,499
168				
1	23.8206	1,905.65	4,128.90	49,547
2	24.4161	1,953.29	4,232.12	50,785
3	25.0265	2,002.12	4,337.93	52,055
4	25.6521	2,052.17	4,446.37	53,356
5	26.2934	2,103.48	4,557.53	54,690
6	26.9509	2,156.07	4,671.49	56,058
7	27.6246	2,209.97	4,788.27	57,459
8	28.3152	2,265.22	4,907.97	58,896
9	29.0231	2,321.85	5,030.67	60,368
169				
1	25.0100	2,000.80	4,335.07	52,021

Inland Empire Utilities Agency

EXHIBIT 1

**Salary Matrix
Effective July 1, 2020**

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
2	25.6353	2,050.82	4,443.45	53,321
3	26.2761	2,102.09	4,554.52	54,654
4	26.9331	2,154.64	4,668.40	56,021
5	27.6063	2,208.50	4,785.09	57,421
6	28.2965	2,263.72	4,904.73	58,857
7	29.0039	2,320.31	5,027.35	60,328
8	29.7290	2,378.32	5,153.03	61,836
9	30.4722	2,437.77	5,281.85	63,382
170				
1	26.2612	2,100.90	4,551.95	54,623
2	26.9177	2,153.42	4,665.74	55,989
3	27.5906	2,207.25	4,782.37	57,388
4	28.2804	2,262.43	4,901.93	58,823
5	28.9874	2,318.99	5,024.48	60,294
6	29.7121	2,376.97	5,150.10	61,801
7	30.4549	2,436.40	5,278.86	63,346
8	31.2163	2,497.31	5,410.83	64,930
9	31.9968	2,559.74	5,546.10	66,553
171				
1	27.5742	2,205.94	4,779.53	57,354
2	28.2636	2,261.09	4,899.03	58,788
3	28.9702	2,317.61	5,021.49	60,258
4	29.6944	2,375.55	5,147.03	61,764
5	30.4369	2,434.95	5,275.72	63,309
6	31.1978	2,495.82	5,407.61	64,891
7	31.9777	2,558.22	5,542.80	66,514
8	32.7771	2,622.17	5,681.36	68,176
9	33.5966	2,687.73	5,823.40	69,881
172				
1	28.9539	2,316.31	5,018.67	60,224
2	29.6778	2,374.22	5,144.15	61,730
3	30.4197	2,433.58	5,272.75	63,273
4	31.1802	2,494.41	5,404.56	64,855
5	31.9597	2,556.78	5,539.69	66,476
6	32.7587	2,620.70	5,678.18	68,138
7	33.5776	2,686.21	5,820.12	69,841
8	34.4171	2,753.37	5,965.64	71,588
9	35.2775	2,822.20	6,114.77	73,377
173				
1	30.4002	2,432.02	5,269.37	63,232
2	31.1601	2,492.81	5,401.09	64,813
3	31.9392	2,555.14	5,536.14	66,434

Inland Empire Utilities Agency

EXHIBIT 1

**Salary Matrix
Effective July 1, 2020**

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
4	32.7376	2,619.01	5,674.52	68,094
5	33.5561	2,684.48	5,816.38	69,797
6	34.3950	2,751.60	5,961.79	71,542
7	35.2548	2,820.39	6,110.84	73,330
8	36.1363	2,890.91	6,263.63	75,164
9	37.0397	2,963.18	6,420.22	77,043
174				
1	31.9178	2,553.42	5,532.42	66,389
2	32.7157	2,617.26	5,670.72	68,049
3	33.5336	2,682.69	5,812.50	69,750
4	34.3721	2,749.76	5,957.82	71,494
5	35.2313	2,818.51	6,106.77	73,281
6	36.1121	2,888.97	6,259.43	75,113
7	37.0149	2,961.19	6,415.91	76,991
8	37.9402	3,035.22	6,576.31	78,916
9	38.8887	3,111.10	6,740.72	80,889
175				
1	33.5116	2,680.93	5,808.67	69,704
2	34.3494	2,747.95	5,953.89	71,447
3	35.2081	2,816.65	6,102.73	73,233
4	36.0883	2,887.07	6,255.31	75,064
5	36.9905	2,959.24	6,411.69	76,940
6	37.9153	3,033.22	6,571.98	78,864
7	38.8632	3,109.05	6,736.29	80,835
8	39.8347	3,186.78	6,904.68	82,856
9	40.8306	3,266.45	7,077.30	84,928
176				
1	35.1862	2,814.90	6,098.95	73,187
2	36.0659	2,885.27	6,251.42	75,017
3	36.9675	2,957.40	6,407.70	76,892
4	37.8917	3,031.33	6,567.89	78,815
5	38.8390	3,107.12	6,732.09	80,785
6	39.8100	3,184.80	6,900.40	82,805
7	40.8052	3,264.41	7,072.90	84,875
8	41.8253	3,346.02	7,249.72	86,997
9	42.8710	3,429.68	7,430.97	89,172
177				
1	36.9464	2,955.71	6,404.04	76,849
2	37.8701	3,029.61	6,564.15	78,770
3	38.8169	3,105.35	6,728.26	80,739
4	39.7873	3,182.99	6,896.47	82,758
5	40.7820	3,262.56	7,068.88	84,827

Inland Empire Utilities Agency

EXHIBIT 1

**Salary Matrix
Effective July 1, 2020**

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
6	41.8015	3,344.12	7,245.60	86,947
7	42.8466	3,427.73	7,426.75	89,121
8	43.9177	3,513.42	7,612.41	91,349
9	45.0156	3,601.25	7,802.71	93,632
178				
1	38.7923	3,103.38	6,724.00	80,688
2	39.7621	3,180.97	6,892.10	82,705
3	40.7562	3,260.50	7,064.41	84,773
4	41.7751	3,342.01	7,241.02	86,892
5	42.8195	3,425.56	7,422.04	89,065
6	43.8900	3,511.20	7,607.60	91,291
7	44.9873	3,598.98	7,797.80	93,574
8	46.1119	3,688.95	7,992.74	95,913
9	47.2647	3,781.17	8,192.54	98,311
179				
1	40.7334	3,258.67	7,060.46	84,726
2	41.7517	3,340.14	7,236.97	86,844
3	42.7955	3,423.64	7,417.88	89,015
4	43.8654	3,509.23	7,603.34	91,240
5	44.9621	3,596.97	7,793.43	93,521
6	46.0861	3,686.89	7,988.26	95,859
7	47.2383	3,779.06	8,187.97	98,256
8	48.4192	3,873.54	8,392.67	100,712
9	49.6297	3,970.38	8,602.49	103,230
180				
1	42.7696	3,421.57	7,413.39	88,961
2	43.8389	3,507.11	7,598.74	91,185
3	44.9348	3,594.79	7,788.70	93,464
4	46.0582	3,684.65	7,983.41	95,801
5	47.2096	3,776.77	8,182.99	98,196
6	48.3898	3,871.19	8,387.57	100,651
7	49.5996	3,967.97	8,597.26	103,167
8	50.8396	4,067.17	8,812.20	105,746
9	52.1106	4,168.85	9,032.51	108,390
181				
1	44.9057	3,592.45	7,783.65	93,404
2	46.0284	3,682.27	7,978.25	95,739
3	47.1791	3,774.33	8,177.71	98,132
4	48.3585	3,868.68	8,382.13	100,586
5	49.5675	3,965.40	8,591.70	103,100
6	50.8067	4,064.54	8,806.50	105,678
7	52.0769	4,166.15	9,026.66	108,320

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
8	53.3788	4,270.30	9,252.32	111,028
9	54.7132	4,377.06	9,483.62	113,803
182				
1	47.1512	3,772.10	8,172.88	98,075
2	48.3300	3,866.40	8,377.20	100,526
3	49.5382	3,963.06	8,586.62	103,039
4	50.7767	4,062.13	8,801.29	105,616
5	52.0461	4,163.69	9,021.33	108,256
6	53.3473	4,267.78	9,246.87	110,962
7	54.6809	4,374.47	9,478.02	113,736
8	56.0480	4,483.84	9,714.99	116,580
9	57.4491	4,595.93	9,957.85	119,494
183				
1	49.5108	3,960.87	8,581.88	102,983
2	50.7487	4,059.90	8,796.44	105,557
3	52.0174	4,161.40	9,016.36	108,196
4	53.3179	4,265.43	9,241.77	110,901
5	54.6508	4,372.06	9,472.80	113,674
6	56.0170	4,481.36	9,709.62	116,515
7	57.4175	4,593.40	9,952.37	119,428
8	58.8529	4,708.23	10,201.17	122,414
9	60.3243	4,825.94	10,456.21	125,475
184				
1	51.9848	4,158.78	9,010.69	108,128
2	53.2844	4,262.75	9,235.96	110,831
3	54.6165	4,369.32	9,466.86	113,602
4	55.9819	4,478.55	9,703.54	116,442
5	57.3815	4,590.52	9,946.12	119,353
6	58.8160	4,705.28	10,194.77	122,337
7	60.2864	4,822.91	10,449.65	125,396
8	61.7935	4,943.48	10,710.88	128,531
9	63.3385	5,067.08	10,978.67	131,744
185				
1	54.5824	4,366.59	9,460.95	113,531
2	55.9470	4,475.76	9,697.48	116,370
3	57.3456	4,587.64	9,939.90	119,279
4	58.7792	4,702.34	10,188.40	122,261
5	60.2487	4,819.90	10,443.11	125,317
6	61.7549	4,940.40	10,704.19	128,450
7	63.2988	5,063.90	10,971.79	131,662
8	64.8813	5,190.50	11,246.08	134,953
9	66.5034	5,320.27	11,527.25	138,327

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
186				
1	57.3131	4,585.05	9,934.27	119,211
2	58.7459	4,699.68	10,182.63	122,192
3	60.2146	4,817.17	10,437.19	125,246
4	61.7200	4,937.60	10,698.13	128,378
5	63.2630	5,061.04	10,965.59	131,587
6	64.8446	5,187.57	11,239.73	134,877
7	66.4656	5,317.25	11,520.71	138,249
8	68.1273	5,450.18	11,808.73	141,705
9	69.8305	5,586.44	12,103.96	145,248
187				
1	60.1772	4,814.18	10,430.71	125,169
2	61.6815	4,934.52	10,691.46	128,298
3	63.2236	5,057.89	10,958.75	131,505
4	64.8042	5,184.34	11,232.73	134,793
5	66.4243	5,313.94	11,513.54	138,162
6	68.0850	5,446.80	11,801.39	141,617
7	69.7870	5,582.96	12,096.42	145,157
8	71.5317	5,722.54	12,398.84	148,786
9	73.3200	5,865.60	12,708.80	152,506
188				
1	63.1839	5,054.71	10,951.88	131,423
2	64.7635	5,181.08	11,225.67	134,708
3	66.3826	5,310.60	11,506.31	138,076
4	68.0420	5,443.36	11,793.95	141,527
5	69.7431	5,579.45	12,088.81	145,066
6	71.4868	5,718.94	12,391.04	148,692
7	73.2739	5,861.92	12,700.82	152,410
8	75.1057	6,008.46	13,018.33	156,220
9	76.9834	6,158.68	13,343.80	160,126
189				
1	66.3428	5,307.42	11,499.41	137,993
2	68.0014	5,440.11	11,786.91	141,443
3	69.7014	5,576.11	12,081.58	144,979
4	71.4440	5,715.52	12,383.62	148,603
5	73.2301	5,858.40	12,693.21	152,319
6	75.0608	6,004.86	13,010.53	156,126
7	76.9373	6,154.98	13,335.79	160,030
8	78.8608	6,308.86	13,669.20	164,030
9	80.8323	6,466.58	14,010.93	168,131
190				
1	69.6587	5,572.70	12,074.18	144,890

Inland Empire Utilities Agency

EXHIBIT 1

**Salary Matrix
Effective July 1, 2020**

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
2	71.4002	5,712.02	12,376.04	148,512
3	73.1852	5,854.82	12,685.44	152,225
4	75.0148	6,001.19	13,002.57	156,031
5	76.8902	6,151.22	13,327.64	159,932
6	78.8124	6,305.00	13,660.82	163,930
7	80.7828	6,462.62	14,002.34	168,028
8	82.8024	6,624.19	14,352.41	172,229
9	84.8724	6,789.79	14,711.22	176,535
191				
1	73.1412	5,851.30	12,677.81	152,134
2	74.9697	5,997.58	12,994.75	155,937
3	76.8439	6,147.52	13,319.62	159,835
4	78.7651	6,301.20	13,652.61	163,831
5	80.7342	6,458.73	13,993.92	167,927
6	82.7526	6,620.21	14,343.78	172,125
7	84.8214	6,785.71	14,702.38	176,429
8	86.9419	6,955.35	15,069.94	180,839
9	89.1155	7,129.24	15,446.69	185,360
192				
1	76.7997	6,143.98	13,311.95	159,743
2	78.7197	6,297.58	13,644.75	163,737
3	80.6877	6,455.02	13,985.88	167,831
4	82.7048	6,616.39	14,335.51	172,026
5	84.7726	6,781.81	14,693.91	176,327
6	86.8918	6,951.34	15,061.24	180,735
7	89.0642	7,125.13	15,437.79	185,253
8	91.2907	7,303.25	15,823.72	189,885
9	93.5730	7,485.84	16,219.32	194,632
193				
1	80.6390	6,451.12	13,977.43	167,729
2	82.6549	6,612.39	14,326.85	171,922
3	84.7213	6,777.71	14,685.03	176,220
4	86.8393	6,947.15	15,052.15	180,626
5	89.0104	7,120.83	15,428.47	185,142
6	91.2356	7,298.85	15,814.17	189,770
7	93.5165	7,481.32	16,209.52	194,514
8	95.8544	7,668.35	16,614.76	199,377
9	98.2508	7,860.06	17,030.14	204,362
194				
1	84.6733	6,773.87	14,676.71	176,121
2	86.7901	6,943.21	15,043.62	180,523
3	88.9599	7,116.79	15,419.71	185,037

Inland Empire Utilities Agency

EXHIBIT 1

**Salary Matrix
Effective July 1, 2020**

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
4	91.1839	7,294.71	15,805.20	189,662
5	93.4635	7,477.08	16,200.35	194,404
6	95.8001	7,664.01	16,605.36	199,264
7	98.1951	7,855.61	17,020.48	204,246
8	100.6500	8,052.00	17,445.99	209,352
9	103.1662	8,253.30	17,882.14	214,586
195				
1	88.9074	7,112.59	15,410.62	184,927
2	91.1301	7,290.41	15,795.88	189,551
3	93.4084	7,472.68	16,190.80	194,290
4	95.7436	7,659.49	16,595.56	199,147
5	98.1372	7,850.98	17,010.45	204,125
6	100.5906	8,047.25	17,435.71	209,229
7	103.1054	8,248.43	17,871.61	214,459
8	105.6830	8,454.64	18,318.39	219,821
9	108.3252	8,666.01	18,776.36	225,316
196				
1	93.3509	7,468.07	16,180.83	194,170
2	95.6848	7,654.78	16,585.36	199,024
3	98.0768	7,846.14	16,999.98	204,000
4	100.5288	8,042.30	17,424.99	209,100
5	103.0419	8,243.35	17,860.59	214,327
6	105.6181	8,449.44	18,307.13	219,686
7	108.2585	8,660.68	18,764.80	225,178
8	110.9649	8,877.19	19,233.91	230,807
9	113.7390	9,099.12	19,714.76	236,577
197				
1	98.0180	7,841.44	16,989.78	203,877
2	100.4684	8,037.47	17,414.52	208,974
3	102.9802	8,238.41	17,849.89	214,199
4	105.5546	8,444.37	18,296.14	219,554
5	108.1935	8,655.48	18,753.54	225,042
6	110.8984	8,871.87	19,222.39	230,669
7	113.6709	9,093.67	19,702.95	236,435
8	116.5126	9,321.01	20,195.52	242,346
9	119.4254	9,554.03	20,700.41	248,405
198				
1	102.9182	8,233.46	17,839.15	214,070
2	105.4911	8,439.29	18,285.12	219,421
3	108.1284	8,650.27	18,742.25	224,907
4	110.8316	8,866.53	19,210.82	230,530
5	113.6024	9,088.19	19,691.08	236,293

Inland Empire Utilities Agency
Salary Matrix
Effective July 1, 2020

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
6	116.4425	9,315.40	20,183.36	242,200
7	119.3536	9,548.29	20,687.95	248,255
8	122.3374	9,786.99	21,205.14	254,462
9	125.3958	10,031.66	21,735.27	260,823
199				
1	110.6396	8,851.17	19,177.52	230,130
2	113.4055	9,072.44	19,656.95	235,883
3	116.2406	9,299.25	20,148.38	241,781
4	119.1467	9,531.73	20,652.09	247,825
5	122.1254	9,770.03	21,168.40	254,021
6	125.1785	10,014.28	21,697.61	260,371
7	128.3080	10,264.64	22,240.05	266,881
8	131.5157	10,521.25	22,796.05	273,553
9	134.8035	10,784.28	23,365.95	280,391
200				
1	118.9365	9,514.92	20,615.66	247,388
2	121.9100	9,752.80	21,131.06	253,573
3	124.9578	9,996.62	21,659.35	259,912
4	128.0817	10,246.53	22,200.82	266,410
5	131.2837	10,502.70	22,755.84	273,070
6	134.5658	10,765.26	23,324.74	279,897
7	137.9300	11,034.40	23,907.86	286,894
8	141.3782	11,310.26	24,505.55	294,067
9	144.9126	11,593.01	25,118.19	301,418
202				
1	42.9806	3,438.45	7,449.97	89,400
205				
1	145.3637	11,629.10	25,196.38	302,357
001				
1	13.0000			
2	14.0000			
3	15.0000			
4	16.0000			
5	17.0000			
6	18.0000			

**CONSENT
CALENDAR
ITEM**

1H

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee:

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Resolution for US Bureau of Reclamation WaterSMART Drought Response Program:
Drought Resiliency Projects for Fiscal Year 2021 Grant Application

Executive Summary:

On May 1, 2020, the US Bureau of Reclamation (USBR) released a grant funding opportunity for the USBR WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2021. The objective of this funding opportunity is to identify drought resiliency projects that will increase the reliability of water supplies, improve water management, and mitigate impacts caused by drought. IEUA is applying for a grant under this program for the Montclair Basin Improvements Project.

The project improvements will enhance the storm water capture capability in the Montclair Basin by approximately 96 acre-feet per year (AFY). The application will request \$750,000 in funding from the USBR, with the remaining \$1,000,000 in project costs being funded by low-interest SRF loans.

One of the application requirements is for the Board of Directors to pass a resolution that authorizes representatives to execute a public assistance agreement and authorizes the submittal of all required documents pertaining to the application.

Staff's Recommendation:

Adopt Resolution 2020-6-2, authorizing the General Manager or his designee to execute the USBR WaterSMART Drought Response assistance agreement and to submit all required documents to the USBR.

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

Account/Project Name:

RW15003.3 - Montclair Basin Improvements

Fiscal Impact (explain if not budgeted):

If awarded, the USBR grant will reimburse a portion of IEUA's costs for the Montclair Basin Improvements Project. There will be no impact to the IEUA's current fiscal year budget, However, if awarded, the 2020/2021 budget for the RMPU projects, RW15003.00 of which Montclair Basin's subproject is RW15003.03, will be adjusted by the amount of the award.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

None.

Environmental Determination:

Project Environmental Impact Report

The environmental compliance was done the Facilities Master Plans Program Environmental Impact Report. One of the master plans considered, was the Recharge Master Plan Update (RMPU). The RMPU examined alternatives for increasing storm water and recycled water recharge by 7,091 acre-feet per year to the Chino Groundwater Basin aquifer.

Business Goal:

This action supports the Agency's Business Goals of fiscal responsibility and water reliability.

Attachments:

Attachment 1 - Resolution 2020-6-2

RESOLUTION NO. 2020-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FY 2021 WITH THE U.S. DEPARTMENT OF INTERIOR, BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE RECHARGE MASTER PLAN UPDATE, MONTCLAIR BASIN IMPROVEMENTS PROJECT

BE IT RESOLVED, that the Inland Empire Utilities Agency* (IEUA) is authorized to enter into a financial assistance agreement under the WaterSMART: Drought Response Program: Drought Resiliency Projects for Fiscal Year 2021 with the U.S. Department of Interior - Bureau of Reclamation (USBR) for the Recharge Master Plan Update (RMPU) Montclair Basin Improvements Project;

BE IT RESOLVED, that the General Manager has reviewed and supports the application for the Montclair Basin Improvements Project;

BE IT RESOLVED, that IEUA's Board of Directors authorizes the General Manager, or in his absence, his designees, to execute the financial assistance agreement, any amendments, and any grant related documents thereto;

BE IT RESOLVED, that IEUA has the capacity to provide the amount of funding and/or in-kind contributions specified in the funding plan;

BE IT RESOLVED, that IEUA will work with the USBR to meet established deadlines for entering into a cooperative agreement, and

BE IT FURTHER RESOLVED, that IEUA's Board of Directors hereby adopts Resolution No. 2020-6-2 on this 17th day of June, 2020.

Kati Parker, President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Steven J. Elie, Secretary/Treasurer of the
Inland Empire Utilities Agency* and of the

Board of Directors thereof

* A Municipal Water District

Page 3 of 3

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution No. 2020-6-2 was adopted at a regular meeting
on June 17, 2020 of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**CONSENT
CALENDAR
ITEM**

11

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager *SSD*

Committee: Finance & Administration

06/10/20

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

Subject: Adoption of Resolution No. 2020-6-3, Establishing the Appropriations Limit for Fiscal Year (FY) 2020/21

Executive Summary:

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

To calculate the annual appropriations limit, the Agency applies the population growth and per capita personal income tax (PIT) growth factors to the prior year's appropriations limit. For FY 2020/21, San Bernardino County population increased by 0.51% and the State of California PIT index was 1.0373 percent. As a result, the Agency's total appropriations limit for FY 2020/21 is \$203.5 million, an increase of \$8.3 million, or 4.3 percent, compared to the limit of \$195 million for the current fiscal year. The expenses that will utilize anticipated property tax revenue of \$54 million are well below the FY 2020/21 calculated appropriations limit.

The calculation of the FY 2020/21 appropriations limit has been affirmed by the external auditors, and the state required minimum 15-day notice of the Agency's intent to adopt the appropriations limit and documentation of staff's determination of the limit has been met.

Staff's Recommendation:

It is recommended that the Board of Directors adopt Resolution No. 2020-6-3, establishing the appropriations limit for Fiscal Year 2020/21.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The appropriations limit will not affect the Agency's proposed spending levels or reserves, as the proposed expenditures are projected to be supported primarily by non-ad valorem tax revenue sources, such as user fees and rates. Expenses that will utilize tax revenue are expected to be well below the FY 2020/21 appropriations limit.

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

- - -

Prior Board Action:

On June 19, 2019, the Board of Directors adopted Resolution No. 2019-6-9, establishing the appropriations limit for FY 2019/20.

Environmental Determination:

Not Applicable

Business Goal:

Establishing the appropriations limit for FY 2020/21 is consistent with the Agency's business goal of Fiscal Responsibility in funding and appropriation.

Attachments:

Attachment 1 - Background

Attachment 2 - Resolution No. 2020-6-3

Background

Subject: Adoption of Resolution No. 2020-6-3, Establishing the Appropriations Limit for Fiscal Year (FY) 2020-21

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

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

The Agency's appropriations limit 1978-79 base year calculation was retroactively modified each year for changes in one of two factors. The Agency applies the population and PIT factors to calculate its annual appropriations limit (Exhibit II of Resolution No. 2019-6-9). For FY 2019/20, factors reported are as follows: San Bernardino population was 0.51%, and the State of California PIT index was 3.73%.

Based on the change in population and PIT index, the Agency's total appropriations limit for FY 2020/21 is \$203.5 million, an increase of \$8.3 million compared to \$195 million for FY 2019/20. The Agency's FY 2020/21 budget subject to the appropriations limit is \$54 million, equal to the projected amount of property tax proceeds. This is well below the fiscal year calculated limit.

RESOLUTION NO. 2020-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020/21

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

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

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

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

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

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

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

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2020/21 Appropriation Limits are now available.

NOW, THEREFORE, the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

Section 3. Appropriations Limit. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriations Limit for Fiscal Year **2020/21 is \$203,521,116.**

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriations Limit and the Total Appropriations Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 45-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon adoption of this Resolution, Resolution No. 2019-6-9 is hereby rescinded in its entirety.

Adopted this 17th day of June 2020

Kati Parker
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2020-6-3, was adopted at a regular meeting on June 17, 2020, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriations Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2020/21 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2020/21. The change in the limit is based upon population change of 0.51% within the county and a per capita personal income change of 3.73%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2015/16	\$159,570,580	\$ 41,156,629
2016/17	\$169,703,311	\$ 44,704,800
2017/18	\$178,006,894	\$ 46,046,000
2018/19	\$186,293,115	\$ 47,887,800
2019/20	\$195,207,240	\$ 52,364,002
2020/21	\$203,521,116	\$53,934,900

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriations limit and has been in compliance.

EXHIBIT II**INLAND EMPIRE UTILITIES AGENCY**

Proposed Budget Fiscal Year 2020/21

Appropriations Limit Calculation

	Agency Total
2019/20 Appropriations Limit	\$195,207,240
2020/21 Change in Per Capital Personal income @ 1.0373	
2020/21 Change in Population @ 1.0051	
Ratio of Change (1.0373 x 1.0051)	1.04259
2020/21 APPROPRIATIONS LIMIT	\$203,521,116

	Agency Total
Total Expenses	\$168,423,379
Net Change in Capital Outlay	169,164,165
Debt Service	<u>27,841,081</u>
Subtotal of Appropriations	\$365,428,625
Increase/(Decrease) in Working Capital Reserves	<u>-12,958,394</u>
Total Appropriations	\$352,470,231
Less: Non-Tax Proceeds	<u>-298,535,331</u>
APPROPRIATIONS SUBJECT TO LIMITATION	\$53,934,900

**CONSENT
CALENDAR
ITEM**

1J

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Engineering, Operations & Water Resources

06/10/20

Executive Contact: Christiana Daisy, Executive Manager of Engineering/AGM

Subject: Water Quality Laboratory Testing Services Contract Award

Executive Summary:

The Laboratory performs compliance testing for National Pollution Discharge Elimination System (NPDES), Groundwater Recharge (GWR), and Pretreatment and Source Control (PTSC) permits. Historically, Inland Empire Utilities Agency (IEUA) has used contract lab services for testing that IEUA is not certified to perform. The current contract was approved in January 2019 and amended in February 2020 for a total not-to-exceed value of \$599,925. The scope for the new contract has been broadened to include additional costs for new or more frequent testing mandated by new regulations, which include quarterly screen for bioanalytical tools for recycled water, more frequent testing of PFAS and 1,2,3 TCP for GWR and new testing of PFAS in Wastewater. To meet the demands of the compliance testing for the various regulatory programs, IEUA solicited proposals for laboratory contract services.

On April 9, 2020, staff posted the Request for Proposal (RFP) for Water Quality Laboratory Testing Services and received five proposals through PlanetBids. A panel of IEUA staff reviewed each proposal and rated in accordance with the categories established in the RFP. The panel determined Eurofins Eaton Analytical to be the best match for IEUA's needs based on the the evaluation of fee schedule rates, qualifications, and experience.

Staff's Recommendation:

1. Award the Water Quality Laboratory Testing contract to Eurofins Eaton Analytical for a total not-to-exceed value of \$6,500,000 over a three-year period, with two one-year options to extend; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

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

Account/Project Name:

521220/Water Quality Laboratory Testing Services, Outside Lab
Funds: Wastewater (10800), Recycled Water (10600), General (10200)

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

The Laboratory Services Contract is consistent with IEUA's Business Goal of Environmental Stewardship, specifically the regulatory compliance objective that IEUA will comply with all federal, state, local, and environmental laws and regulations.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Consultant Contract

<https://www.dropbox.com/sh/5ch07tob295b68o/AADoVvGjeDHrAwz183I-XRKsa?dl=1>

Attachment 1

WATER QUALITY LABORATORY TESTING SERVICES

Contract Award



Background/Scope

- Contract Laboratory proposal solicitation to meet compliance testing demands for regulatory programs
 - National Pollutant Discharge Elimination System (NPDES)
 - Groundwater Recharge (GWR)
 - Pretreatment and Source Control (PTSC)
- Test for Parameters IEUA laboratory is not certified to perform

Background/Scope

- Broader scope for Increased Costs due to New and Updated Regulations
 - Increased Testing
 - More frequent monitoring for PFAS and 1,2,3 Trichloropropane at two GWR Sites
 - Weekly Monitoring at @1,800/Site
 - Additional Site added – 001B for GWR
 - Quarterly Monitoring @ \$6,000/Sample
 - New Testing
 - Recycled Water for Bioanalytical Tools – 3 Sites
 - Quarterly @ \$2,500/Sample
 - Wastewater for PFAS

Contract Selection

- Evaluation and Selection Committee
 - Regional plants, GWR, Compliance, Pretreatment, Laboratory
- Five proposals received

Bidders Ranked using Selection Criteria
Eurofins Eaton Analytical
BSK Analytical
BC Laboratories
Babcock Laboratories
Weck Analytical

- Justification for selecting Eurofins Eaton Analytical
 - Best Value: Methodology, experience, references, and reasonable pricing

Water Quality Laboratory Testing Services Award

- Current Contract:
 - Contract term: 2019 – 2020
 - Not-to-Exceed amount: \$599,925
- Eaton Eurofins Analytical:
 - Three-Year term, with two one-year extensions
 - Not-To-Exceed amount of \$6,500,000
- No direct impact on the Agency's Fiscal Year Budgets
 - The funding for this work is included in the department O&M budget by fund

Recommendation

- Award the water quality laboratory testing services contract to Eurofins Analytical for a total not-to-exceed amount of \$6,500,000 over a three-year period, with two, one-year options to extend; and
- Authorize the General Manager to execute the contract, subject to non-substantive changes.

The Laboratory Services Contract is consistent with **IEUA's Business Goal of Environmental Stewardship**, specifically the regulatory compliance objective that IEUA will comply with all federal, state, local, and environmental laws and regulations.

**CONSENT
CALENDAR
ITEM**

1K

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

SSD

Committee: Engineering, Operations & Water Resources

06/10/20

Finance & Administration

06/10/20

Executive Contact: Christiana Daisy, Executive Manager of Engineering/AGM

Subject: RP-1 Flare Improvements Construction Contract Award

Executive Summary:

Regional Water Recycling Plant No.1 (RP-1) uses the method of conventional activated sludge to treat wastewater, liquids, and solids to produce digester gas for power and heat generation. Excess digester gas is flared through the existing candlestick flare, which is more than forty years old with limited permitting capacity. In September 2019, Inland Empire Utilities Agency (IEUA) pre-selected Aereon to supply the flare system. The project design was completed in early March 2020.

On May 14, 2020, IEUA received five construction bids from five pre-qualified contractors. 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 construction contract award was unanimously recommended for IEUA Board approval by the Regional Technical and Policy Committees. For continuity, staff recommends the existing design contract with Lee & Ro, Inc. be amended by \$182,550 to provide the engineering services during construction, increasing the contract from \$493,684 to \$676,234 (37% increase).

Due to material price increase and extended schedule, IEUA staff is requesting an augmentation of the original total project budget from \$5,682,000 to \$7,650,000 (35% increase) in the Regional Capital (RC) Fund.

Staff's Recommendation:

1. Award a construction contract for the RP-1 Flare System Improvements, Project No. EN18006, to W.M. Lyles Co., in the amount of \$5,540,000;
2. Approve a contract amendment to Lee & Ro, Inc., for engineering services during construction for a not-to-exceed amount of \$182,550;
3. Approve a total project budget amendment in the amount of \$1,968,000 in the Regional Capital (RC) Fund; and
4. Authorize the General Manager to execute the contract, contract amendment, and budget augmentation, subject to non-substantive changes.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Y Amount for Requested Approval: \$ 1,968,000

Account/Project Name:

EN18006/RP-1 Flare Improvements

Fiscal Impact (explain if not budgeted):

If approved, the total project budget for the RP-1 Flare System Improvements, Project No. EN18006, will increase from \$5,682,000 to \$7,650,000 (35% increase) in the Regional Capital (RC) Fund.

Prior Board Action:

On September 18, 2019, the Board of Directors awarded a contract amendment to Lee & Ro, Inc., for additional consulting engineering services for a not-to-exceed amount of \$76,524.

On January 18, 2017, the Board of Directors awarded a contract to Lee & Ro, Inc., for the consulting engineering services for a not-to-exceed amount of \$378,030.

Environmental Determination:

Categorical Exemption

CEQA identifies certain categories of projects as exempt from more detailed environmental review because these categories have been deemed to have no potential for significant impact on the environment. This project qualifies for a Categorical Exemption Class 1 and Class 2 as defined in Section 15301 of the State CEQA Guidelines.

Business Goal:

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.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

Attachment 3 - Consultant Amendment

Attachment 1

RP-1 Flare Improvements

Construction Contract Award

Project No. EN18006



Regional Water Recycling Plant No. 1 Project Location



Project Background

- Flare operates as a large safety valve
- Combusts excess digester gas not used at the facility
- Controls digester gas system pressure to prevent venting to atmosphere
- Existing system cannot maintain continuous compliance with SCAQMD requirements or with future, more stringent emission limits



RP-1 Existing Flare System

Project Scope

- Replace existing non-compliant flare
- Design and install pre-selected Aereon three-flare system
- Install low pressure gas-holding tank
- Provide reliable control system with integration to RP-1 SCADA system
- Engineering services during construction by Lee & Ro (Consultant)
- System commissioning, testing and startup



Similar Aereon Flares (Riverside)

Contractor Selection

Five 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 (this action)	\$182,550		
IEUA Construction Services	\$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:	\$1,968,000**		
Total Revised Budget:	\$7,650,000**		

* Approved total project budget for Fiscal Year 2020/21

** Budget amendment request

Recommendation

- Award a construction contract for the RP-1 Flare System Improvements, Project No. EN18006, to W.M. Lyles Co., in the amount of \$5,540,000;
- Approve a contract amendment to Lee & Ro, Inc., for engineering services during construction for the not-to-exceed amount of \$182,550;
- Approve a total project budget amendment in the amount of \$1,968,000 in the Regional Capital (RC) Fund; and
- Authorize the General Manager to execute the contract, contract amendment, and budget augmentation, subject to non-substantive changes.

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.

Attachment 2

SECTION D - CONTRACT AND RELEVANT DOCUMENTS

1.0 CONTRACT

THIS CONTRACT, made and entered into this ____ day of _____, 20____, by and between W.M. Lyles Co., hereinafter referred to as "CONTRACTOR," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "IEUA".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, IEUA and the CONTRACTOR agree as follows:

- A. CONTRACTOR agrees to perform and complete in a workmanlike manner, all Work required under these Bid Documents FOR RP-1 Flare Improvements Project No. EN18006, in accordance with the Bid Documents, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said Bid Documents to be furnished by IEUA, and to do everything required by this Contract and the said Bid Documents.
- B. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said Bid Documents; also for all loss and damage arising out of the nature of the Work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the Work until its acceptance by IEUA, and for all risks of every description connected with the Work; also for all expenses resulting from the suspension or discontinuance of Work, except as in the said Bid Documents are expressly stipulated to be borne by IEUA; and for completing the Work in accordance with the requirements of said Bid Documents, IEUA will pay and said CONTRACTOR shall receive, in full compensation therefore, the price(s) set forth in this Contract.
- C. That IEUA will pay the CONTRACTOR progress payments and the final payment, in accordance with the provisions of the Contract Documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract Requirements, Section C - Bid Forms and accepted by IEUA, and set forth in this below.

Total Bid Price \$ Five Million, Five Hundred Forty Thousand Dollars.

and Zero Cents.

- D. IEUA hereby employs the CONTRACTOR to perform the Work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said Bid Documents; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.
- E. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractor's License Declaration, Specifications, Drawings, all General Conditions, Special Conditions and all Project Requirements, and all Addenda issued by IEUA with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
- F. The CONTRACTOR agrees to commence Work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said Work to the satisfaction of IEUA Three Hundred Sixty-Five (365) calendar days after award of the Contract. All Work shall be completed before final payment is made.
- G. Time is of the essence on this Contract.
- H. CONTRACTOR agrees that in case the Work is not completed before or upon the expiration of the Contract Time, damage will be sustained by IEUA, and that it is and will be impracticable to determine the actual damage which IEUA will sustain in the event and by reason of such delay, and it is therefore agreed that the CONTRACTOR shall pay to IEUA the amounts as set forth in General Conditions, Section C – Changes to the Contract for each day of delay, which shall be the period between the expiration of the Contract Time and the date of final acceptance by IEUA, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by IEUA, and the CONTRACTOR agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the CONTRACTOR agrees that IEUA may deduct the amount thereof from any money due or that may become due to the CONTRACTOR by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.
- I. In addition to the liquidated damages, which may be imposed if the CONTRACTOR fails to complete the Work within the time agreed upon, IEUA may also deduct from any sums due or to become due to the CONTRACTOR, penalties and fines for violations of applicable local, state, and federal law.
- J. That the CONTRACTOR shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.

- K. That the CONTRACTOR shall have furnished, prior to execution of the Contract, two bonds approved by IEUA, one in the amount of one hundred (100) percent of the Contract Price, to guarantee the faithful performance of the Work, and one in the amount of one hundred (100) percent of the Contract Price to guarantee payment of all claims for labor and materials furnished.
- L. The CONTRACTOR hereby agrees to protect, defend, indemnify and hold IEUA and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of IEUA and the CONTRACTOR) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the CONTRACTOR, its employees agents, representatives or subcontractors under or in connection with this Contract to the extent permitted by law.

The CONTRACTOR further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the CONTRACTOR

IN WITNESS WHEREOF, The CONTRACTOR and the General Manager of Inland Empire Utilities Agency*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

- M. The CONTRACTOR, by signing the contract does swear under penalty of perjury that no more than one final unappeasable finding of contempt of court by a Federal court has been issued against the CONTRACTOR within the immediately preceding two year period because of the CONTRACTOR's failure to comply with an order of a Federal court which orders the CONTRACTOR to comply with an order of the National Labor Relations Board (Public Contract Code 10296).

Inland Empire Utilities Agency*,
San Bernardino County, California.

By _____
General Manager

CONTRACTOR

W. M. Lyles Co.

By  _____

Robert P. Saleen, Sr. Vice President

Title

* A Municipal Water District

Attachment 3



CONTRACT AMENDMENT NUMBER: 4600002261-003

FOR

CONSULTING ENGINEERING SERVICES

FOR THE

RP-1 FLARE IMPROVEMENTS PROJECT,

PROJECT NO. EN18006

THIS CONTRACT AMENDMENT THREE is made and entered into this ____ day of _____, 2020, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "IEUA" and "Agency") and LEE & RO, Inc. with offices located in City of Industry, California (hereinafter referred to as "Consultant"), to provide professional consulting engineering services in support of Project EN18006 ("the Project") and shall revise the Contract as herein amended:

SECTION FOUR, SCOPE OF WORK AND SERVICES, IS REVISED TO ADD: Additional Consultant services and responsibilities shall include, and be in accordance with tasks identified in Consultant's Proposal dated April 2, 2020, attached hereto, referenced herein, and made a part hereof as **Exhibit 1-B**.

SECTION SIX, COMPENSATION, IS REVISED TO ADD THE FOLLOWING PARAGRAPH:

In compensation for the additional Work represented by this Contract Amendment, Agency shall pay Consultant a **NOT-TO-EXCEED maximum total of \$676,234.00** for all services provided, which includes an **additional \$182,550.00** as outlined in Consultant's Proposal, attached hereto, made a part hereof, and referenced herein as **Exhibit 1-B**.

All Other Provisions Of This Contract Remain Unchanged, In Full Force, And Effect.

[Signature Page Immediately Follows]

Witnesseth, that the parties hereto have mutually covenanted and agreed as per the above Amendment items, and in doing so have caused this document to become incorporated into the Contract documents.

INLAND EMPIRE UTILITIES AGENCY:
(A Municipal Water District)

Shivaji Deshmukh (Date)
General Manager

LEE & RO, INC.:

Charles Ro, P.E. 5/26/20 (Date)
President

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Exhibit 1-B



April 2, 2020

Mr. Jamal Zughbi, PE
Inland Empire Utilities Agency (IEUA)
6075 Kimball Ave.
Chino Hills, California 91708

Subject: Fee Proposal for Engineering Services During Construction for RP-1 Flare Improvements Project, Project No. EN18006

Dear Mr. Zughbi:

LEE & RO submits the following proposal for Engineering Services During Construction (ESDC) in support of IEUA EN18006, *RP-1 Flare Improvements Project*. We have based our proposal on the assumption that the construction duration will be 12 months.

The scope of work includes:

- Pre-Construction Conference Support
- Issuance of Conformed Plans and Specifications
- Attendance of weekly construction meetings
- Submittal Review
- RFI Review
- Develop O&M Manual
- Permitting Assistance
- Coordination / Assistance for controls and systems integration with TSI, Aereon, and GC
- Assistance with Start-up and Commissioning, including Start-Up witness testing
- As built drawings
- Two (2) 8-hr training workshops

Based on this scope of work, our proposed fee is **\$182,550**. Please see our attached *Exhibit 1, Fee Proposal – Engineering Services During Construction* for an itemized breakdown. We look forward to completing this project with IEUA. Please feel free to contact us if you have any questions or comments.

Very truly yours,

LEE & RO, Inc.

A blue ink signature of Dhiru Patel, written in a cursive style.

Dhiru Patel, P.E.
President

Attachments – **Exhibit 1: Fee Proposal**

Exhibit 1: Fee Proposal - Engineering Services During Construction
Inland Empire Utilities Agency RP-1 Flare Improvements Project, Project No. EN18006

Task ID	Labor Category Used for Fee Estimate: E8 Managing Engineer, E7 Supervising Engineer, E5 Senior Engineer, E3 Associate Engineer, T4 Designer, T3 Associate Designer, and A3 Word Processor	Hours per Labor Category							Total Hour s	Labor Cost	Other Direct Costs (ODCs)	Sub-consultant s*	TOTAL FEES
		E8	E7	E5	E3	T4	T3	A2					
		LABOR CLASSIFICATION AND BILLING RATE (\$/hr)											
Task ID	Task Description	\$250	\$225	\$185	\$155	\$138	\$118	\$118					
Task 1	Engineering Services During Construction												
1.1	Attend Pre-Construction Conference			2					2	\$370	\$50		\$420
1.2	Prepare One Conformed Set of Bid Plans			8	12		24	8	52	\$7,116	\$200		\$7,316
1.3	Attend Weekly Construction Meetings		60					12	72	\$14,916	\$1,500		\$16,416
1.4	Review Contractor's RFIs		40	40	40				120	\$22,600	\$300		\$22,900
1.5	Review Contractor's Shop Drawing Submittals	10	40	40	92			10	192	\$34,340	\$300		\$34,640
1.6	Prepare O&M Manual		8	16	24		8	8	64	\$10,368	\$150		\$10,518
1.7	Permitting Assistance		16	16				4	36	\$7,032	\$100	\$2,500	\$9,632
1.8	Assist with Controls Coordination and Systems Integration	24	40	40	40	20			164	\$31,360	\$250	\$5,000	\$36,610
1.9	Assist with Start-up & Commissioning	8	36	16	36			12	108	\$20,056	\$250	\$5,000	\$25,306
1.10	Prepare As-Built Record Drawings		8	8	12	12	36	4	80	\$11,516	\$100		\$11,616
1.11	Provide Two 8-hr Training Sessions		12	16				12	40	\$7,076	\$100		\$7,176
	Subtotal Task 8 - Engineering Services and Support During Construction	42	260	202	256	32	68	70	930	\$166,750	\$3,300	\$12,500	\$182,550

* Includes 10% markup

**CONSENT
CALENDAR
ITEM**

1L

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Engineering, Operations & Water Resources

06/10/20

Finance & Administration

06/10/20

Executive Contact: Christiana Daisy, Executive Manager of Engineering/AGM

Subject: Force Main Improvements Construction Contract Award

Executive Summary:

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

On May 14, 2020, Inland Empire Utilities Agency (IEUA) received four construction bids from pre-qualified contractors. 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 construction contract award was unanimously recommended for IEUA Board approval by the Regional Technical and Policy Committees. For continuity, staff recommends the existing design contract with GHD Inc., be amended by \$125,428 to include engineering services during construction, increasing the contract from \$1,136,574 to \$1,262,002 (11% increase). Due to material price increase and extended schedule, IEUA staff is requesting an amendment of the original total project budget from \$4,173,000 to \$4,800,000 (15% increase).

Staff's Recommendation:

1. Award a construction contract for the Regional Force Main Improvements, Project No. EN19025, to Ferreira Construction Company, Inc., in the amount of \$3,786,070;
2. Approve a contract amendment to GHD for engineering services during construction for a not-to-exceed amount of \$125,428;
3. Approve a total project budget amendment in the amount of \$627,000 in the Regional Capital (RC) fund; and
4. Authorize the General Manager to execute the contract, contract amendment, and budget augmentation, subject to non-substantive changes.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Y Amount for Requested Approval: \$ 627,000

Account/Project Name:

EN19025/Regional Force Main Improvements

Fiscal Impact (explain if not budgeted):

If approved, the total project budget for the Regional Force Main Improvements, Project No. EN19025, will increase from \$4,173,000 to \$4,800,000 (15% increase) in the Regional Capital (RC) Fund.

Prior Board Action:

On February 19, 2020, the Board of Directors amended the consultant contract for GHD, Inc., for the additional engineering services in the amount of \$248,334, increasing the contract from \$888,240 to \$1,136,574.

On July 18, 2018, the Board of Directors awarded a consultant contract to GHD Inc., for the total amount of \$873,696.

Environmental Determination:**Categorical Exemption**

CEQA identifies certain categories of projects as exempt from more detailed environmental review because these categories have been deemed to have no potential for significant impact on the environment. This project qualifies for a Categorical Exemption Class 1 as defined in Section 15301 of the State CEQA Guidelines.

Business Goal:

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, sustainably managed, and can accommodate changes in regional water use.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

Attachment 3 - Consultant Amendment

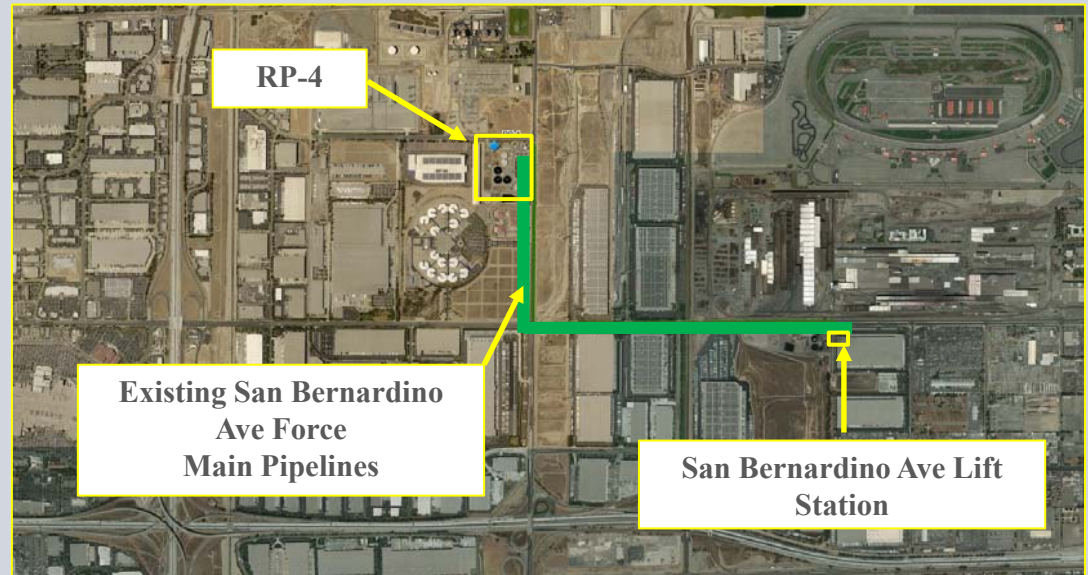
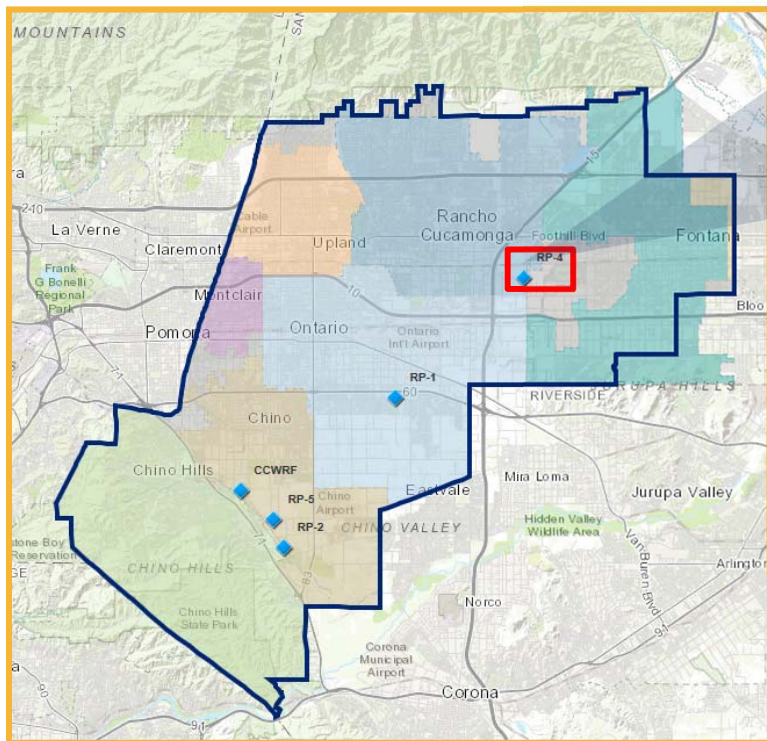
Attachment 1

Regional Force Main Improvements Construction Contract Award

Project No. EN19025



Project Location – Regional Force Main Improvements



**San Bernardino Ave
Lift Station Force Main**

The Project

- Regional Force Main Improvements
 - Condition assessment of pipelines
 - Installation of 15 maintenance vaults on existing force mains



San Bernardino Lift Station



Existing Dual Force Main

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*

* Budget amendment request

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

- Award a construction contract for the Regional Force Main Improvements, Project No. EN19025, to Ferreira Construction Company, Inc., in the amount of \$3,786,070;
- Approve a contract amendment to GHD for engineering services during construction for a not-to-exceed amount of \$125,428;
- Approve a total project budget amendment in the amount of \$627,000 in the Regional Capital (RC) fund; and
- Authorize the General Manager to execute the contract, contract amendment, and budget augmentation, subject to non-substantive changes.

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.

Attachment 2

SECTION D - CONTRACT AND RELEVANT DOCUMENTS

1.0 CONTRACT

THIS CONTRACT, made and entered into this 17th day of June, 2020, by and between Ferreira Construction Company, Inc, hereinafter referred to as "Contractor," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "Agency".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Agency and the Contractor agree as follows:

1. Contractor agrees to perform and complete in a workmanlike manner, all work required under the bidding schedule of said Agency's specifications entitled SPECIFICATIONS FOR THE CONSTRUCTION OF THE REGIONAL FORCE MAIN IMPROVEMENTS PROJECT NO. EN19025, in accordance with the specifications and drawings, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said specifications to be furnished by said Agency, and to do everything required by this Contract and the said specifications and drawings.
2. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said specifications and drawings; also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Agency, and for all risks of every description connected with the work; also for all expenses resulting from the suspension or discontinuance of work, except as in the said specifications are expressly stipulated to be borne by said Agency; and for completing the work in accordance with the requirements of said specifications and drawings, said Agency will pay and said Contractor shall receive, in full compensation therefore, the price(s) set forth in this Contract.
3. That the Agency will pay the Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract Requirements, Section C - Bid Forms and accepted by the Agency, and set forth in this below.

Total Bid Price \$Three Million Seven-hundred Eighty-Six thousand, Seventy Dollars and Zero Cents. Numerically written: \$3,786,070

If this is not a lump sum bid and the contract price is dependent upon the quantities constructed, the Agency will pay and said Contractor shall receive, in full compensation

for the work the prices named in the Bidding and Contract Requirements, Section C - Bid Forms.

4. The Agency hereby employs the Contractor to perform the work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.
5. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractors License Declaration, Specifications, Drawings, all General Conditions and all Special Conditions, and all addenda issued by the Agency with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
6. The Contractor agrees to commence work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said work to the satisfaction of the Agency two hundred and sixty (260) calendar days after award of the Contract. All work shall be completed before final payment is made.
7. Time is of the essence on this Contract.
8. Contractor agrees that in case the work is not completed before or upon the expiration of the contract time, damage will be sustained by the Agency, and that it is and will be impracticable to determine the actual damage which the Agency will sustain in the event and by reason of such delay, and it is therefore agreed that the Contractor shall pay to the Agency the amount of four thousand (\$4,000) dollars for each day of delay, which shall be the period between the expiration of the contract time and the date of final acceptance by the Agency, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by the Agency, and the Contractor agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the Contractor agrees that the Agency may deduct the amount thereof from any money due or that may become due to the Contractor by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.

In addition to the liquidated damages, which may be imposed if the Contractor fails to complete the work within the time agreed upon, the Agency may also deduct from any sums due or to become due the Contractor, liquidated damages in accordance with the Bidding and Contract Requirements, Section B - Instruction to Bidders, Part 5.0 "Liquidated Damages", for any violation of the General Conditions, Section D - Contractor's Responsibilities, Part 8, "Law and Regulations"; Bidding and Contract Requirements Contract Section D -Contract and Relevant Documents, Part 1.0, Paragraphs 9 through 11; General Conditions , Section D – Contractor's Responsibilities, Part 4.0, "Labor, Materials and Equipment"; General Conditions Section D – Contractor's Responsibilities, Part 12.0, "Safety and Protection" or General Conditions Section H – Legal Responsibilities, Part 8.0, "Disturbance of the Peace".

9. That the Contractor will pay, and will require subcontractors to pay, employees on the work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents.
10. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to the Agency, as a penalty, not more than Fifty (\$50.00) Dollars for each day, or portion thereof, for each worker paid, either by the Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.
11. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that the Contractor shall not require more than eight (8) hours of labor in a day nor more than forty hours of labor in a week from any person employed by the Contractor or any subcontractor; that the Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that the Contractor shall forfeit to the Agency, as a penalty, the sum of Twenty-Five (\$25.00) Dollars for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.
12. That the Contractor shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
13. That the Contractor shall have furnished, prior to execution of the Contract, two bonds approved by the Agency, one in the amount of one hundred (100) percent of the contract price, to guarantee the faithful performance of the work, and one in the amount of one hundred (100) percent of the contract price to guarantee payment of all claims for labor and materials furnished.
14. The Contractor hereby agrees to protect, defend, indemnify and hold the Agency and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency and the Contractor) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the Contractor, its employees agents, representatives or subcontractors under or in connection with this Contract.

The Contractor further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Contractor.

IN WITNESS WHEREOF, The Contractor and the General Manager of Inland Empire Utilities Agency*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

Inland Empire Utilities Agency,*
San Bernardino County, California.

By _____
General Manager

Contractor Ferreira Construction Co. Inc. dba
Ferreira Coastal Construction Co.

By  _____
Title Brandon Pensick - Vice President

*Municipal Water District

Attachment 3



CONTRACT AMENDMENT NUMBER: 4600002572-003

FOR

DESIGN CONSULTING SERVICES

FOR

PHILADELPHIA FORCE MAIN IMPROVEMENTS, PROJECT NO. EN23002,

AND

THE REGIONAL FORCE MAIN IMPROVEMENTS, PROJECT NO. EN19025

THIS CONTRACT AMENDMENT THREE is made and entered into this ____ day of _____, 2020, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter interchangeably referred to as "IEUA" and "Agency") and GHD Inc. with offices located in Irvine, California (hereinafter referred to as "Consultant"), for professional design services in support of Projects EN23002 and EN19025, and shall revise the Contract as herein amended:

SECTION FOUR, SCOPE OF WORK AND SERVICES, IS REVISED TO ADD THE FOLLOWING PARAGRAPH: Consultant's additional services and responsibilities shall be in accordance with **Exhibit 4**, attached hereto, referenced herein and made a part hereof.

SECTION SIX, COMPENSATION, ADDS THE FOLLOWING PARAGRAPH: In compensation for the additional Work represented by this Contract Amendment, Agency shall pay Consultant a **NOT-TO-EXCEED maximum total of \$1,262,002.00** for all services provided. This includes an additional \$ 125,428.00 in accordance with **Exhibit 4** and as per SAP Purchase Requisition 10053625.

Balance of contract remains unchanged. Signature page immediately follows.

Witnesseth, that the Parties hereto have mutually covenanted and agreed as per the above Amendment items, and in doing so have caused this document to become incorporated into the contract documents.

INLAND EMPIRE UTILITIES AGENCY:
(A Municipal Water District)

GHD INC.:

Shivaji Deshmukh
General Manager

(Date)

 5-19-2020

Greg Watanabe, PE, PACP, MACP (Date)
Principal-in-Charge

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Exhibit 4



2020 May 18

GHD Project No. 11180699

Mr. Adham Almasri, PE
Project Manager
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Dear Mr. Almasri:

**Re: Regional Force Main Improvements (Project No. EN19025) / Amendment No. 3 –
Potholing and Construction Phase Services**

Background

The San Bernardino Avenue Lift Station discharges wastewater flows to the Regional Plant No. 4 Wastewater Treatment Plant via two (2) forcemains: 24-inch and 30-inch ductile iron pipe. These forcemains are approximately 8,800 linear feet and were constructed with two (2) 5-inch fiber optic conduits along the entire alignment. During the bid phase, Inland Empire Utilities Agency requested potholing services be added to the project to determine the exact horizontal separation between the 24-inch ductile iron force main and the fiber optic conduits so that the sizing of the access vaults can be determined. This will be achieved via potholing methods at each of the fifteen (15) vault locations. Additionally, eight (8) manholes for the gravity sewer pipelines adjacent to the proposed vault locations will be dipped to determine the vertical location of the pipelines. This scope of services has been added to Phase 3 – Bid and Award Administration Assistance.

IEUA will be receiving public bids for the construction of the Regional Sewer Force Main Improvements on May 14, 2020 and IEUA staff will recommend an approval of a construction contract award to the lowest responsible responsive bidder on June 17, 2020. IEUA has requested GHD to prepare a proposal to provide construction support services. This scope of services are shown below as Phase 5 – Construction Support Services.

Amended Scope of Services

Phase 2 – Final Design

For the scope of work that was removed for the construction of directional clean out vaults along the Montclair Lift Station force main, GHD is providing a credit of \$28,251, which is the current budget remaining in Phase 2.

Phase 3 – Bid and Award Administration Assistance

To determine the exact locations of the force mains and the fiber optic conduits, potholing at each of the fifteen (15) vault locations was performed. Additionally, eight (8) manholes for the gravity sewer pipelines adjacent to the proposed vault locations were dipped to determine the vertical location of the pipelines. Specifically, this work included the following:

- Slot trench potholing at fifteen (15) locations to identify the exact locations of the force mains and fiber optic conduits;
- Permitting and traffic control setup to perform the potholing;
- Determination of existing asphalt thickness on San Bernardino Avenue and Etiwanda Avenue, and;
- Dip eight (8) manholes of adjacent gravity sewer pipelines to determine invert elevation at proposed access vault locations.

Phase 4 – Condition Assessment During Construction

For the scope of work that was removed for the condition assessment of the Montclair Lift Station force main during construction, GHD is providing a credit of \$18,154, which is roughly 20% of the Phase 4 budget and prorated based on the length of the Montclair Lift Station force main.

Phase 5 – Construction Support Services

GHD will support IEUA during construction with the following tasks:

- Attend a Pre-Construction Meeting – The GHD team will attend a single pre-construction meeting at IEUA or other IEUA-designated location including an on-site visit with the Contractor to answer technical or project related questions.
- Attend Weekly Construction Progress Meetings – GHD will attend weekly construction progress meetings with IEUA and the Contractor, with the assumption that approximately 80% will be held virtually.
- Review Shop Drawings Submittals – GHD will review submittals and shop drawings submitted by the Contractor per the specifications. Revise comments will be submitted to IEUA's construction manager in a mutually-agreeable format to return to the Contractor. At this time, the budget for this task is based on a total of forty (40) shop drawing submittals.
- Respond to Contractor RFIs – GHD will provide timely response to Requests for Information (RFIs) initiated by the Contractor and forwarded by IEUA. At this time, the budget for this task is based on a total of forty (40) RFIs.
- Assist IEUA with Deviation Evaluations – GHD will assist IEUA staff with the evaluation of all deviations from the conformed contract documents. GHD will provide a review of any proposed deviations or field changes to the original design and prepare and issue design plan revisions as necessary for construction.
- Prepare As-Built Drawings – GHD will prepare as-built drawings based on a single consolidated set of redlines from the Contractor.

Amended Fee

Our original proposal (June 2018) was in the amount of \$873,696. The approved Amendment No. 1 was for \$14,544 and the approved Amendment No. 2 was for \$248,334 to cover additional scope on Project No. EN23002 for the Philadelphia Force Main Improvements. The attached additional work request is for **\$125,428**, which brings the total to \$1,262,002 this time.

Feel free to contact me if you have any questions or comments regarding this request.

Sincerely,

GHD

A handwritten signature in black ink, appearing to read 'C. Raines', with a long horizontal flourish extending to the right.

Casey Raines, P.E.

FEE PROPOSAL

Inland Empire Utilities Agency
Regional Force Main Improvements (Project No. EN19025)
Amendment No. 3
May 18, 2020



Task Description	QA/QC Manager	Principal-in-Charge	Project Manager	Senior Project Engineer	Project Engineer	Staff Engineer	CAD Designer	Project Assistant	GHD Hours	GHD Labor Costs	Subconsultants Including Markup	Other Direct Costs	Total
Hourly Rates	\$210	\$265	\$240	\$205	\$185	\$145	\$125	\$85					
PHASE 2 – FINAL DESIGN													
Prepare PS&E for Montclair Lift Station Force Main Clean Outs	-	-	-	-	-	-	-	-	-	\$ (28,251)	\$ -	\$ -	\$ (28,251)
Subtotal – PHASE 2 – FINAL DESIGN	-	-	-	-	-	-	-	-	-	\$ (28,251)	\$ -	\$ -	\$ (28,251)
PHASE 3 – BID AWARD AND ADMINISTRATION ASSISTANCE													
Potholing for the San Bernardino Lift Station Force Mains	-	1	2	-	4	-	-	2	9	\$ 1,655	\$ 65,506	\$ 54	\$ 67,215
Subtotal – PHASE 3 – BID AWARD AND ADMINISTRATION ASSISTANCE	-	1	2	-	4	-	-	2	9	\$ 1,655	\$ 65,506	\$ 54	\$ 67,215
PHASE 4 – CONDITION ASSESSMENT DURING CONSTRUCTION													
Perform Condition Assessment of Montclair Lift Station Force Main	-	-	-	-	-	-	-	-	-	\$ (18,154)	\$ -	\$ -	\$ (18,154)
Subtotal – PHASE 4 – CONDITION ASSESSMENT DURING CONSTRUCTION	-	-	-	-	-	-	-	-	-	\$ (18,154)	\$ -	\$ -	\$ (18,154)
PHASE 5 – CONSTRUCTION PHASE SERVICES													
Attend a Pre-Construction Meeting	-	4	4	4	4	-	-	-	16	\$ 3,580	\$ -	\$ 96	\$ 3,676
Attend Weekly Construction Progress Meetings	-	8	60	-	60	-	-	-	128	\$ 27,620	\$ -	\$ 768	\$ 28,388
Review Shop Drawing Submittals	-	-	40	8	80	-	-	8	136	\$ 26,720	\$ -	\$ 816	\$ 27,536
Respond to Contractor RFIs	-	4	40	12	80	-	-	8	144	\$ 28,600	\$ -	\$ 864	\$ 29,464
Assist IEUA with Deviation Evaluations	-	2	12	4	24	-	16	4	62	\$ 11,010	\$ -	\$ 372	\$ 11,382
Prepare As-Built Drawings	1	-	2	2	4	-	16	2	27	\$ 4,010	\$ -	\$ 162	\$ 4,172
Subtotal – PHASE 5 – CONSTRUCTION PHASE SERVICES	1	18	158	30	252	-	32	22	513	\$ 101,540	\$ -	\$ 3,078	\$ 104,618
TOTAL - AMENDMENT NO. 3	1	19	160	30	256	-	32	24	522	\$ 56,790	\$ 65,506	\$ 3,132	\$ 125,428

**CONSENT
CALENDAR
ITEM**

1M

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

Committee: Finance & Administration

06/10/20

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

Subject: Approval of 2020A Refunding Bonds and 2020B Revenue Notes

Executive Summary:

Today's current interest rate environment provides the Agency an opportunity to refinance the 2008B Variable Rate Demand Bonds (2008B VRDOs) to a fixed rate and eliminate future interest rate risk, as well eliminate the need for a letter of credit which is set to expire on January 2021. In addition to the 2008B VRDOs for \$34.0 million, the proposed 2020A Refunding Bonds (2020A Bonds) not-to-exceed principal amount of \$75.0M, also include refinancing of the 2010A Refunding Revenue Bonds for \$5.1 million and certain State Revolving Fund loans for \$32.8 million, resulting in present value savings of approximately \$2.0 million, subject to market conditions. The proposed 2020B Revenue Notes (2020B Notes) for a not to exceed amount of \$225 million to support construction costs for the RP-5 Expansion Project (Project). provides for the use of interim short term notes to 1) lower the all-in-cost of the WIFIA loan, and/or 2) provide funding if needed should the state revolving fund (SRF) loan for the Project be further delayed, and/or 3) supplement pay-go funding should connection fees be significantly lower than projected. The proposed 2020B Notes will provide staff flexibility to leverage favorable market conditions and further reduce borrowing costs, as well as avoid any potential disruptions in the timely execution of the Project should there be further unanticipated delays in finalizing the SRF loan, a key funding source for the Project.

Staff's Recommendation:

1. Adopt Resolution 2020-6-4, authorizing the issuance of the Chino Basin Regional Financing Authority Refunding Revenue Bonds, Series 2020A (Inland Empire Utilities Agency) (2020A Bonds) in the principal amount not-to-exceed \$75,000,000 and approve the execution and delivery of certain documents in connection therewith and certain other matters, and
2. Adopt Resolution 2020-6-5, authorizing the issuance of the Chino Basin Regional Financing Authority Revenue Notes, Series 2020B (Inland Empire Utilities Agency) (2020A Bonds) based on specified conditions, in the principal amount not-to-exceed \$250,000,000 and approve the execution and delivery of certain documents in connection therewith and certain other matters.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The estimated cost savings for the 2020A Refunding Bonds will reduce debt service costs in the Regional Wastewater, Recycled Water and Recharge Water funds.

Prior Board Action:

On December 2015, the Board adopted Resolution 2015-12-1 authorizing the LOC agreement with SMBC for the 2008B Variable Revenue Demand Obligation bonds.

On October 17, 2012, the Board approved the substitution of the LOC service provider for or the 2008B Variable Revenue Demand Obligation bonds and authorized distribution of the Supplement to Official Statement.

Environmental Determination:

Not Applicable

Business Goal:

Proactive management of outstanding debt to leverage favorable market conditions that result in lower debt service costs is consistent with the Agency's Fiscal Responsibility and ongoing commitment to sustainable cost containment.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Resolution No. 2020-6-4

Attachment 4 - 2020A Preliminary Official Statement (Substantive Final Draft)

Link: <https://bit.ly/3hcWCPe>

Attachment 5 - 2020A Installment Purchase Agreement (Substantive Final Draft)

Link: <https://bit.ly/37jGNsm>

Attachment 6 - Continuing Disclosure Certificate_2020A Bonds (Substantive Final Draft)

Link: <https://bit.ly/2XNmXeR>

Attachment 7 - Policy for Disclosure Procedures (Substantive Final Draft)

Link: <https://bit.ly/2YfURYY>

Attachment 8 - Resolution No. 2020-6-5

Attachment 9 - 2020B Preliminary Official Statement (Substantive Final Draft)

Link: <https://bit.ly/3haIp5k>

Attachment 10 - 2020B Installment Purchase Agreement (Substantive Final Draft)

Link: <https://bit.ly/2XNNwAU>

Attachment 11 - Continuing Disclosure Certificate_2020B Notes (Substantive Final Draft)

Link: <https://bit.ly/2Ac0v6q>

Background

Subject: Approval of 2020A Refunding Bonds and 2020B Revenue Notes

As reported to the Board of Directors on May 6, 2020, staff has been working with the Agency's financial advisors on a financing strategy to leverage today's current interest rate environment to refinance the 2008B Variable Rate Demand Bonds (2008B VRDOs) to a fixed rate and eliminate future interest rate risk, refinance outstanding debt for cost savings, as well as provide for the use of interim short term financing to support construction costs for the RP-5 Expansion Project.

Proposed "Fix-Out" of 2008B VRDOs and Refunding to Lower Debt Service Costs

The Variable Rate Demand Revenue Refunding Bonds (Inland Empire Utilities Agency), Series 2008B (2008B VRDOs) were issued in the original principal amount of \$55,675,000 to refinance the 2002B Bonds that were issued to finance; 1) acquisition and construction of certain improvements to the Agency regional sewer system, 2) the Agency's share of the composting facility, and 3) the Chino Basin Facilities Improvement Project (Recharge Project). The Recharge Project cost share is approximately 34% of the principal amount and is equally shared by the Agency and the Chino Basin Watermaster. As of March 31, 2020, the outstanding principal amount is \$36,175,000 with a final maturity date of June 1, 2032.

The 2008B VRDOs bear a variable rate interest that resets on a weekly basis as determined by the Remarketing Agent. For marketing purposes, investors require the 2008B VRDOs be secured by a Letter of Credit (LOC) which guarantees timely payment of principal and interest to bondholders in the event of a failed remarketing. In addition to annual principal payments, the 2008B VRDOs are subject to the following ongoing costs:

Table 1: 2008B VRDOs Ongoing Costs and Providers

Costs	Provider	Rate	Payment Frequency
Interest Rates	USBancorp	Variable	Resets Weekly
LOC Facility Fee ¹	SMBC	0.40%	Quarterly
Remarketing Fee ¹	USBancorp	0.05%	Weekly
Trustee Fee	USBank	Fixed Fee	Quarterly

¹Based on the amount of outstanding principal.

Up to now, the 2008B VRDOs have performed well with an average interest rate reset of 0.47%, (not including other ongoing fees summarized on Table 1). These low interest rates were, in part, due to the Fed Funds Rate being held at historically low levels between 2009 through 2016. However, during times of economic stress, interest rates can jump significantly as experienced in 2008 at the onset of economic downturn when the weekly interest rates increased to 7.5%, and more recently to 4.90% due to concerns related to the Coronavirus pandemic, as highlighted in Figure 1, Appendix A.

In addition to the interest rate risk inherent of variable debt, is the credit risk related to the LOC liquidity provider. The current LOC is set to expire on January 15, 2021. At or prior to expiration, the LOC must either be renewed or replaced. If the LOC were to be replaced today, the ongoing

fees could be significantly higher (potentially as much as double) as banks' capacities for LOCs have contracted substantially during the current economic disruption.

To date the LOC provider has been changed four times. Each renewal or replacement requires the issuance of request for proposals (RFPs) for underwriting, remarketing and LOC facility providers, as well as the issuance of an Official Statement to investors. Each transaction requires the assistance of financial advisors, bond counsel, and general counsel. The average cost of a LOC replacement is \$250,000, not including Agency and Watermaster resources.

Today's low interest rate environment provides for an opportunity to fix-out the 2008B VRDOs and eliminate future interest rate risk and the LOC requirement. Table 2 compares the net cost of the 2008B VRDOs recent reset to various averages of the comparable tax-exempt variable rate Securities Industry and Financial Markets Association (SIFMA) index.

Table 2: Comparison of Variable Interest Rate¹
(\$Millions)

YTD Average 2008B Reset	1.44%
10-year SIFMA Average	0.94%
20-year SIFMA Average	1.74%
30-year SIFMA Average	2.26%
Estimated Fixed Rate Refunding²	1.45%

¹Included are LOC and remarketing fees of .45 bps and an assumed trading spread to SIFMA of -4 bps.

²Utilizing rates as of May 21, 2020

While there is no guarantee of future variable interest rates, the estimated fixed rate refunding rate of 1.45% reduces the risk of rising interest rates, eliminates the need for an LOC and associated credit risks, reduces staff time needed to manage the portfolio in the future, and can be done at near historic lows in the current market. For the Agency and Watermaster, a fixed rate will eliminate the unpredictability of debt service costs and the need to reconcile the actual costs to the budget amount paid by Watermaster in advance at the beginning of each fiscal year.

The proposed fix-out of the 2008B VRDOs also provides an opportunity to refinance portions of outstanding debt that result in cost savings. These include the 2010A Revenue Bonds at \$5.1 million and certain SRF Loans at approximately \$32.7 million, resulting in present value savings (discounted to today's dollars) of approximately \$2.1 million. Appendix A provides a listing of the outstanding debt obligations proposed to be refunded. If approved, the 2020A Refunding Revenue Bonds (2020A Bonds) will be issued for a not-to-exceed principal amount of \$75,000,000.

Proposed Use of Interim Short-Term Financing

On May 20, 2020, the Board approved the U.S. Department of Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement in the amount of \$196,436,445 to finance a portion of the RP-5 Expansion Project based on an estimated total cost of \$400,436,445. Other financing sources include a Clean Water State Revolving Fund Loan (SRF) of \$101,530,000 and pay-go of approximately \$102,470,000. The opening bid date for

construction bids originally scheduled in March had to be deferred to May 21, 2020 due to COVID-19. The lowest bid, still subject to final review by Agency staff, was approximately \$20 million higher than the Engineer's estimate. After adjusting contingency amounts and other associated costs, the total project costs increased from \$400.4 million to \$450 million.

On May 27, 2020, the EPA approved the RPF-5 Expansion Project WIFIA loan agreement for a not-to-exceed amount of \$196,436,445. The fixed annual interest rate will be set at closing of the loan, and based on rates as of May 22, 2020, would be fixed at 1.31% with a final maturity of November 1, 2060. Due to the proximity of the bid opening date and the EPA's approval of the WIFIA Loan; the EPA was unable to adjust the loan amount to the maximum 49% of eligible project costs. While staff will continue to evaluate other funding opportunities, for now the \$50 million in additional costs will be added to the pay-go funding portion of the project.

As reported to the Board on May 6, staff has been exploring the use of the interim financing notes to support construction costs in lieu of WIFIA loan draws, should the long-term interest rate on the WIFIA loan be higher than short term rates. Even at the WIFIA loan's low estimated interest rate of 1.31%, today's dynamic market conditions may provide us an opportunity to further reduce financing costs with the use of interim short-term debt.

Additionally, interim financing notes may also be used to provide needed funding should the State Water Resources Control Board encounter additional delays in finalizing the SRF loan agreement expected in early fall 2020; a key funding source for the RP-5 Expansion Project. Based on the current construction schedule, SRF loan proceeds will be needed in FY2020/21, along with WIFIA and pay-go funding. Interim financing may also be needed to supplement pay-go funding should connection fee revenue be significantly lower than currently projected.

In order to be prepared to take advantage of favorable market conditions, staff recommends the Board authorize the issuance of interim financing 2020B Revenue Notes (2020B Notes) to support construction costs for the RP-5 Expansion Project for a not to exceed amount of \$250 million and approve the preparation of the Preliminary Official Statement and other related legal documents. The 2020B Notes will only be issued if; 1) it lowers the all-in-cost of the WIFIA loan, and/or 2) to provide funding to support construction costs of the RP-5 Expansion project to avoid potential disruptions to the timely execution of the project should the SRF loan agreement be further delayed, and/or 3) to supplement pay-go funding should connection fees be significantly lower than projected. If issued, the interim notes will be repaid within 5 years by a draw from either the RP-5 Expansion Project WIFIA loan or SRF loan proceeds, or other available funding sources.

Staff, with the assistance of the Agency's financial advisors, will closely monitor market conditions to leverage opportunities favorable to the Agency. If and when the 2020B Revenue Notes are issued, staff will update the Board at its next regularly scheduled meeting.

Legal Documents

In order to issue the 2020A Bonds and the 2020B Notes, the Agency and the Chino Basin Regional Financing Authority (Authority) will need to enter into certain financing documents to support each transaction. All documents have been reviewed by the Agency's Financial Advisor, Bond Counsel, and the General Counsel.

These documents are described below:

- Preliminary Official Statements. The Preliminary Official Statement is the disclosure document sent to potential investors. The Preliminary Official Statement describes IEUA, the Authority and the terms of the bonds. The bond underwriter uses the Preliminary Official Statement as a marketing document. IEUA, as the party making the installment payments from which the 2020A Bonds and 2020B Notes are payable, is subject to federal securities law, including ensuring that the Preliminary Official Statement is accurate.
- Policy for Disclosure Procedures. The Policy for Disclosure Procedures communicates key principles, procedures and training in connection with obligations, including notes, bonds and certificates of participation, issued by the Inland Empire Utilities Agency (the “Agency”) so as to ensure that the Agency continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.
- Continuing Disclosure Certificates. The Continuing Disclosure Certificate is executed by IEUA. Under federal securities law, IEUA, as the party making the installment payments from which the 2020A Bonds and 2020B Notes are payable, is required to provide an annual report to investors, which includes, among other things, the audited financial statements of IEUA. IEUA is also required to report certain events which are significant to investors, as provided in the Continuing Disclosure Certificate.
- Installment Purchase Agreements. The Installment Purchase Agreement is entered into by and between IEUA and the Authority. Pursuant to the Installment Purchase Agreement, IEUA agrees to pay to the Authority installment payments equal to the principal and interest on the 2020A Bonds and 2020B Notes. The Installment Purchase Agreement includes a pledge of Revenues on a parity with the WIFIA Loan and outstanding SRF Loans and subordinate to the 2017A Revenue Bonds.
- Purchase Agreements. The Purchase Agreement is by and between the Authority and the bond underwriter. Pursuant to the Purchase Agreement, the Authority agrees to sell the bonds to the bond underwriter and the bond underwriter agrees to purchase the bonds, subject to usual closing conditions. The underwriting teams for the 2020A Bonds and 2020B Notes, approved by the Board on May 6, 2020, are summarized in Table 2, Appendix A.

Indenture of Trusts. The Indenture of Trust is by and between the Authority and U.S. Bank National Association, the bond trustee. The Indenture of Trust includes (i) an instruction to the Trustee to issue the bonds, (ii) an assignment by the Authority of the right to receive the installment payments of the Agency pursuant to the Installment Purchase Agreement, and (iii) provides instructions to the trustee on how to handle the proceeds of the 2020A Bonds and 2020B Notes.

The 2020A Bonds and the 2020B Notes (if issued) will be sold to the underwriter, subject to the final terms as agreed to by the General Manager, with concurrence by the Executive Manager of Finance and Administration, Assistant General Manager, within the guidelines established in Resolutions (2020-6-4 and 2020-6-5), and the respective Purchase Agreement. It is anticipated that the 2020A Bonds will price during the week of June 22, 2020 and settlement date will occur in early July. Timing for the sale of the 2020B Bonds will be

subject to: i) market conditions making it economic to do so or ii) a need to fund project costs on an interim basis due to a delay in receipt of SRF funds or reduced connection fees.

Conclusion

Today's low interest rate environment provides for an opportunity to fix-out the 2008B VRDOs and refinance existing debt obligations that result in cost savings. A fix-out of the 2008B Bonds will eliminate future risk exposure to market interest rates, as well the need for an LOC. A fixed rate will also reduce monitoring, reporting and reconciliation requirements resulting in more efficient budgeting and more cost-effective administration. Packaging the refunding of existing debt with the 2008B VRDOs fix-out reduces the cost of issuance by utilizing a single Official Statement and related legal documents.

If approved, the 2020B Notes will provide staff the flexibility, based on the aforementioned conditions, to leverage favorable market conditions to lower borrowing costs, as well as to ensure timely completion of essential projects, such as the RP-5 Expansion.

APPENDIX A

Table 1: Outstanding Debt Proposed for Refunding: 2020A Bonds

Bonds/Loan Number	Project	Interest Rate	Principal Amount Outstanding as of June 30, 2020
2008B Variable Rate Demand Bonds	Various	Reset Weekly	\$33,995,000
2010A Refunding Revenue Bonds	Various	5.0%	\$5,075,000
Loan Number C-06-4846-110	Phase 1: Etiwanda Power	2.50%	\$152,020
Loan Number C-06-4846-120	Phase 1: Wineville Ave Pipeline	2.50%	\$159,547
Loan Number C-06-4846-130	Phase 1 RP-1/RP-4 Regional Water Recycling Plant Pump Stations	2.50%	\$1,568,512
Loan Number C-06-4846-140	Phase 1: RP-4 West Extension Recycled Water Pipeline	2.40%	\$1,602,508
Loan Number C-06-4846-150	Phase 1: North Etiwanda Ext	2.50%	\$550,491
Loan Number C-06-4846-160	Phase 1: Philadelphia Street	2.60%	\$413,959
Loan Number C-06-4899-110	Phase 2: Recycled Water Pump Station and Pipelines	2.20%	\$6,791,836
Loan Number C-06-5319-110	Phase 6: S. Area 930 Zone	2.60%	\$21,513,543
Total			\$71,822,416

Figure 1: 2008B VRDOs Reset

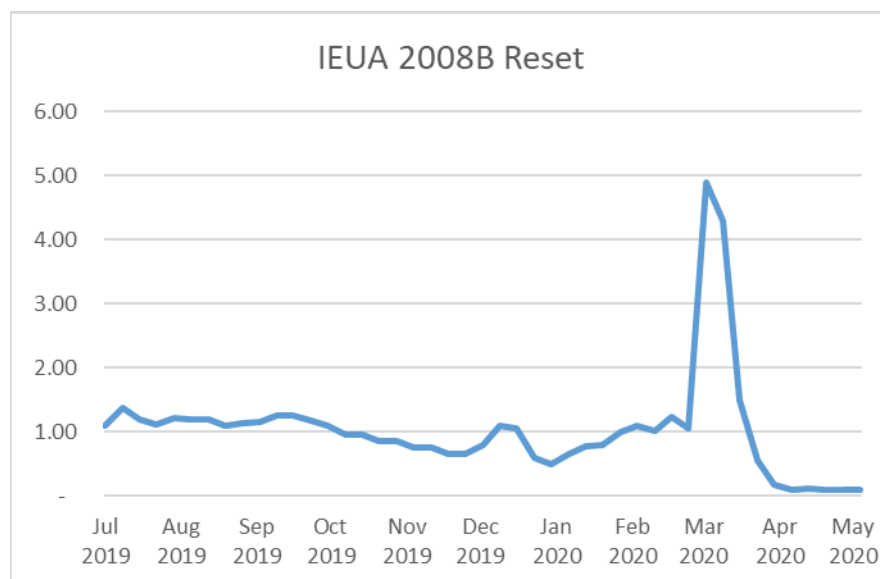


Table 2: Approved Underwriting Teams

Transaction	*Estimated Par Amount	Firm	Role
Interim Financing	\$250 million	J.P. Morgan	Lead Manager
		Citi	Co-Manager
		SMBC Nikko	Co-Manager
2008B VRDOs Fix-Out and Refunding of Existing Debt	\$75 million	Citi	Lead Manager
		J.P. Morgan	Co-Manager

*Subject to change based on market conditions.

Approval of the 2020A Refunding Bonds and 2020B Revenue Notes



Christina Valencia
Board Meeting June 2020

Historically Low Levels

Today's low interest rate environment provides the Agency an opportunity to;

- Fix-out the 2008B Variable Rate Demand Rate Bonds (2008 VRDOs),
- Refinance outstanding obligations for cost savings, and
- Provide financing for the RP-5 Expansion Project.

2000B VRDOs

\$34M Outstanding Principal Amount

- Interest rate resets weekly
 - On average rates have performed well since inception
 - Rates do fluctuate and can spike during times of economic stress
 - Cannot predict future interest rates
- Letter of Credit (LOC) is required for remarketing purposes
 - LOC has been replaced four times since inception
 - Current LOC is set to expire on January 15, 2021
- Fixed Interest Rate
 - No interest rate risk, rate is fixed at pricing for the life of the bonds
 - Provides stability and predictability with established principal and interest payments
 - Eliminates the need for a LOC saving future staff time and associated costs
 - Frees up future variable rate borrowing capacity

Package Refunding to Optimize Savings

The proposed 2020A Refunding Bonds for a not-to-exceed amount of \$75M also include other outstanding debt that results in cost savings and share the cost of issuance expenses;

- \$5.1M 2010A Refunded Revenue Bonds
- \$32.8M State Revolving Fund Loans

Total refunding principal amount and estimated savings;

- \$71.8 million amortized over 12 years
- \$2.0 million estimated present value savings over life of the bonds

Benefit of Short-Term Financing for the RP-5 Expansion Project

RP-5 Expansion Project plan of finance includes;

- \$196.4M WIFIA low interest federal loan
 - Closed on May 27, 2020 at a fixed interest rate of 1.36%
 - Estimated gross savings of \$152.8M (compared to current public financing rates)
- \$101.5M SRF low interest state loan
 - Agreement expected in the Fall 2020
 - Current interest is ~1.4%
- \$ 152.1M pay-go (includes the additional construction costs)
- \$450.0M Total Estimated Project Costs

Potential Benefits for Use of Interim Financing

Proposed 2020B Revenue Notes for a not-to-exceed amount of \$250M to support construction costs for the RP-5 Expansion Project will only be issued to;

- Further reduce borrowing costs should short-term interest rates be lower rates than the WIFIA rate, *and/or*
- Avoid potential disruptions to the project schedule should;
 - SRF Loan be further delayed and/or
 - Connection fees be significantly lower than projected

Issuance of the 2020B Revenue Notes will be communicated to the Board at the next regularly scheduled meeting.

Next Steps

- June 17 Post Preliminary Official Statement
- June 22 Pre-pricing call
 - Price 2020A Bonds
 - Price 2020B Notes
- June 29 Post Official Statement
- July 6 Closing

Recommendation

1. Adoption of Resolution 2020-6-4, authorizing the issuance of the 2020A Refunding Revenue Bonds for a not-to-exceed principal amount of \$75,000,000 and approve the execution and delivery of certain documents in connection therewith and certain other matters, and
2. Adoption of Resolution 2020-6-5, authorizing the issuance of the 2020B Revenue Notes based on specified conditions for a not-to-exceed principal amount of \$250,000,000 and approve the execution and delivery of certain documents in connection therewith and certain other matters.

RESOLUTION NO. 2020-6-4

RESOLUTION OF THE INLAND EMPIRE UTILITIES AGENCY* AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$75,000,000 REFUNDING REVENUE BONDS (INLAND EMPIRE UTILITIES AGENCY), SERIES 2020A AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the Inland Empire Utilities Agency* (the “Agency”), a municipal water district duly organized and existing under and pursuant to the Constitution and laws of the State of California, proposes to undertake the refinancing of certain improvements to the Agency’s wastewater system and of certain groundwater recharge facilities which in each case were financed or refinanced from the proceeds of the following outstanding obligations:

(a) Chino Basin Regional Financing Authority Variable Rate Demand Revenue Refunding Bonds (Inland Empire Utilities Agency), Series 2008B (the “2008B Bonds”);

(b) Chino Basin Regional Financing Authority Refunding Revenue Bonds, Series 2010A (Inland Empire Utilities Agency) (the “2010A Bonds”); and

(b) certain Clean Water State Revolving Fund Financing Agreements from the California State Water Resources Control Board (the “CSWRCB Loans”); and

WHEREAS, this Board has determined that it is in the best interest of the Agency to cause the Chino Basin Regional Financing Authority (the “Authority”) to issue revenue bonds (the “Bonds”) to refinance such improvements and facilities; and

WHEREAS, this Board has determined to authorize the refinancing of the 2008B Bonds, all or a portion of the 2010A Bonds, and certain of the CSWRCB Loans (such obligations to be refinanced are referred to herein as the “Refunded Obligations”) and to approve certain documents in connection therewith;

NOW THEREFORE, the Board of Directors (the “Board”) of the Inland Empire Utilities Agency* hereby finds, determines, declares and resolves as follows:

1. The issuance by the Chino Basin Regional Financing Authority of its Refunding Revenue Bonds (Inland Empire Utilities Agency), Series 2020A (the “2020A Bonds”) in the principal amount not to exceed \$75,000,000 in order to (i) refinance the Refunded Obligations, and (ii) pay the cost of issuance for the 2020A Bonds, is hereby requested and approved. The sale and issuance of the 2020A Bonds by the Authority on behalf of the Agency is determined to be consistent with the Agency’s Debt Management Policy and to the extent the sale and issuance of the 2020A Bonds is not in compliance with the Agency’s Debt Management Policy, such noncompliance is waived in accordance with the terms of the Agency’s Debt Management Policy.

* A municipal water district.

2. The Installment Purchase Agreement in substantially the form on file with the Agency is hereby approved. Each of the President, the Vice President, the General Manager or the written designee thereof (each an "Authorized Officer") is hereby individually authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, A Professional Corporation ("Bond Counsel") and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

3. The Purchase Contract with the underwriters named therein, in substantially the form on file with the Agency is hereby approved. The General Manager or the written designee thereof is hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel and Bond Counsel approved by the General Manager or such written designee executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed \$75,000,000, nor shall the underwriters' discount exceed 0.5% of the principal amount of the Bonds.

4. The Continuing Disclosure Certificate in substantially the form on file with the Agency is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the person executing the same, said execution being conclusive evidence of such approval.

5. The preparation and distribution of the Agency information in the Preliminary Official Statement, in substantially the form on file with the Agency (the "Agency Portion"), is hereby approved. Each of the General Manager or the written designee thereof is hereby individually authorized to approve such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and is authorized and directed to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 with respect to the Agency Portion of the Preliminary Official Statement. The General Manager or the written designee thereof is further authorized and directed to update the Agency Portion for inclusion in the final Official Statement. The underwriters named in the Purchase Contract are hereby authorized to distribute copies of the Agency Portion of the Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and are directed to deliver copies of the Agency Portion of the final Official Statement to all actual initial purchasers of the Bonds.

6. The Board hereby authorizes the General Manager or the written designee thereof to select a municipal bond insurer to insure payments of interest and principal on all or a portion of the Bonds so long as the General Manager or such written designee determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on such Bonds. Bond Counsel is hereby directed to make all changes to the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement and the final Official Statement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

7. The updated Policy for Disclosure Procedures in substantially the form on file with the Agency is hereby approved.

8. The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit A to this resolution and are available to the public at the meeting at which this resolution is approved.

9. Each Authorized Officer, the General Manager, the Executive Manager of Finance and Administration/Assistant General Manager or the written designee thereof and any other proper officer of the Agency, acting singly, is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, Purchase Contract, Continuing Disclosure Certificate, the Preliminary Official Statement, the final Official Statement, and this resolution.

10. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

11. This Resolution shall take effect immediately.

ADOPTED this 17th day of June, 2020.

Kati Parker
President of the Inland Empire Utilities Agency* and
the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary of the Inland Empire Utilities
Agency* and the Board of Directors thereof

(SEAL)

* A Municipal Water District

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2020A Revenue Refunding Bonds and the Installment Purchase Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Agency by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Agency that, based on the Agency's financing plan and current market conditions, its good faith estimate of the aggregate amount of the Installment Purchase Agreement is \$57,160,000.

True Interest Cost of the Installment Purchase Agreement. The Municipal Advisor has informed the Agency that based on the expected interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Installment Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Purchase Agreement, is 1.46%.

Finance Charge of the Installment Purchase Agreement. The Municipal Advisor has informed the Agency that, assuming that the Installment Purchase Agreement is executed, their good faith estimate of the finance charge for the Installment Purchase Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Purchase Agreement), is \$353,212.74.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Agency that based on estimated interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the Agency for sale of the Installment Purchase Agreement, less the finance charge of the Installment Purchase Agreement, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, is \$69,477,973.60.

Total Payment Amount. The Municipal Advisor has informed the Agency that based on interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the Agency will make to pay debt service on the Installment Purchase Agreement, plus the finance charge for the Installment Purchase Agreement, as described above, paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement, is \$75,601,388.89, which excludes any reserves funded with proceeds of the Installment Purchase Agreement (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of May 21, 2020, and are based on information provided in the draft Installment Purchase Agreement at the time of preparation of such estimates. The actual principal amount of the Installment Purchase Agreement, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the entering into the Installment Purchase Agreement being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Installment Purchase Agreement executed by the

Agency being different from the Principal Amount, (c) the actual amortization of the payments under the Installment Purchase Agreement being different than the amortization assumed for purposes of such estimates, (d) the actual interest rates at the time of execution of the Installment Purchase Agreement being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations in the Agency's financing plan, or a combination of such factors. The actual date of execution of the Installment Purchase Agreement and the actual principal amount of the Installment Purchase Agreement will be determined by the Agency based on the timing of the need for proceeds of the Installment Purchase Agreement and other factors. Factors such as the final loan repayment schedule, any changes to the interest rate on the Installment Purchase Agreement and timing of the execution of the Installment Purchase Agreement may be affected by factors beyond the control of the Agency, or the Municipal Advisor.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency^{*}, DO HEREBY CERTIFY that the foregoing Resolution being No. 2020-6-4, was adopted at a regular Board Meeting on June 17, 2020, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

^{*} A Municipal Water District

RESOLUTION NO. 2020-6-5

RESOLUTION OF THE INLAND EMPIRE UTILITIES AGENCY* AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$250,000,000 REVENUE NOTES (INLAND EMPIRE UTILITIES AGENCY INTERIM FINANCING) AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the Inland Empire Utilities Agency* (the “Agency”), a municipal water district duly organized and existing under and pursuant to the Constitution and laws of the State of California, proposes to undertake the interim financing of certain improvements to the Agency’s wastewater system at Regional Plant 5 (RP-5) (the “Project”); and

WHEREAS, in order to acquire certain additions to the Project, the Agency entered into an Installment Purchase Agreement (the “Installment Purchase Agreement”) with the Chino Basin Regional Financing Authority (the “Authority”), pursuant to which the Authority will acquire additions to the Project and convey such additions to the Agency and the Agency will make installment payments to the Authority in consideration thereof; and

WHEREAS, in order to fulfill its obligation to the Agency under the Installment Purchase Agreement, the Authority obtained a loan under the authority of the Water Infrastructure Finance and Innovation Act (the “WIFIA Loan”) from the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”), pursuant to a loan agreement (the “WIFIA Loan Agreement”) among the Authority, the WIFIA Lender and the Agency; and

WHEREAS, the Agency has applied for a loan from the California State Water Resources Control Board (the “SRF Loan”) to finance a portion of the cost of the Project; and

WHEREAS, this Board has determined that it is in the best interest of the Agency to cause the Chino Basin Regional Financing Authority (the “Authority”) to issue revenue notes to finance certain such improvements and facilities on an interim basis if the General Manager reasonably determines that (a) the use of interim financing with respect to the WIFIA Loan will lower the all-in-cost of the Project or (b) the use of interim financing is appropriate to avoid potential disruption or delays in the execution of the Project in the event of (i) a delay in the execution of the SRF Loan, (ii) a delay in the disbursement of SRF Loan proceeds to the Agency, or (iii) a deferral of connection fee revenue due to an unanticipated slowdown in new development; and

WHEREAS, this Board has determined to authorize the financing of all or a portion of the Project and to approve certain documents in connection therewith;

NOW THEREFORE, the Board of Directors (the “Board”) of the Inland Empire Utilities Agency* hereby finds, determines, declares and resolves as follows:

* A municipal water district.

1. The issuance by the Chino Basin Regional Financing Authority of its Revenue Notes (Inland Empire Utilities Agency Interim Financing), in one or more series from time to time (the “Notes”), in the cumulative principal amount not to exceed \$250,000,000, is hereby requested and approved, in order to finance a portion of the Project on an interim basis if the General Manager reasonably determines that (a) the use of interim financing with respect to the WIFIA Loan will lower the all-in-cost of the Project or (b) the use of interim financing is appropriate to avoid potential disruption or delays in the execution of the Project in the event of (i) a delay in the execution of the SRF Loan, (ii) a delay in the disbursement of SRF Loan proceeds to the Agency, or (iii) a deferral of connection fee revenue due to an unanticipated slowdown in new development. Proceeds of the Notes shall be used to (A) finance a portion of the cost of the Project, (B) pay capitalized interest on the Notes, and (C) pay the cost of issuance for the Notes. The sale and issuance of the Notes by the Authority on behalf of the Agency is determined to be consistent with the Agency’s Debt Management Policy and to the extent the sale and issuance of the Notes is not in compliance with the Agency’s Debt Management Policy, such noncompliance is waived in accordance with the terms of the Agency’s Debt Management Policy.

2. The form of Installment Purchase Agreement in substantially the form on file with the Agency is hereby approved. Each of the President, the Vice President, the General Manager or the written designee thereof (each an “Authorized Officer”) is hereby individually authorized and directed to execute and deliver an Installment Purchase Agreement in connection with the issuance of each series of Notes, with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, A Professional Corporation (“Note Counsel”) and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

3. The form of Purchase Contract with the underwriters named therein, in substantially the form on file with the Agency is hereby approved. The General Manager or the written designee thereof is hereby authorized and directed to execute and deliver a Purchase Contract in connection with the issuance of each series of Notes, with such changes, insertions and omissions as may be recommended by General Counsel and Note Counsel approved by the General Manager or such written designee executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the cumulative principal amount of the Notes issued from time to time pursuant to this resolution exceed \$250,000,000, nor shall the underwriters’ discount exceed 0.5% of the principal amount of the applicable series of Notes.

4. The form of Continuing Disclosure Certificate in substantially the form on file with the Agency is hereby approved. Each Authorized Officer is hereby individually authorized and directed to execute and deliver a Continuing Disclosure Certificate in connection with the issuance of each series of Notes, with such changes, insertions and omissions as may be recommended by General Counsel or Note Counsel and approved by the person executing the same, said execution being conclusive evidence of such approval.

5. The preparation and distribution of the Agency information in the Preliminary Official Statement with respect to each series of Notes, in substantially the form on file with the Agency (the “Agency Portion”), is hereby approved. Each of the General Manager or the written designee thereof is hereby individually authorized to approve such changes, insertions and omissions as may be recommended by General Counsel or Note Counsel, including to refer to specific series of Notes proposed to be issued, and is authorized and directed to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 with respect to the Agency Portion of the Preliminary Official Statement. The General Manager or the written designee thereof is further

authorized and directed to update the Agency Portion for inclusion in the final Official Statement. The underwriters named in the Purchase Contract are hereby authorized to distribute copies of the Agency Portion of each Preliminary Official Statement to persons who may be interested in the initial purchase of each series of Notes and are directed to deliver copies of the Agency Portion of each final Official Statement to all actual initial purchasers of each series of Notes.

6. The Board hereby authorizes the General Manager or the written designee thereof to select a municipal bond insurer to insure payments of interest and principal on all or a portion of a series of Notes so long as the General Manager or such written designee determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on such Notes. Note Counsel is hereby directed to make all changes to the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement and the final Official Statement for the applicable series of Notes as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

7. The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit A to this resolution and are available to the public at the meeting at which this resolution is approved.

8. Each Authorized Officer, the General Manager, the Executive Manager of Finance and Administration/Assistant General Manager or the written designee thereof and any other proper officer of the Agency, acting singly, is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, Purchase Contract, Continuing Disclosure Certificate, the Preliminary Official Statement, the final Official Statement, and this resolution.

9. The authorization in this Resolution shall terminate on the one year anniversary of the date of adoption hereof.

10. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

11. This Resolution shall take effect immediately.

ADOPTED this 17th day of June, 2020.

Kati Parker
President of the Inland Empire Utilities Agency* and
the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary of the Inland Empire Utilities
Agency* and the Board of Directors thereof

(SEAL)

* A Municipal Water District

EXHIBIT A
GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2020B Revenue Notes and the Installment Purchase Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Agency by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Agency that, based on the Agency's financing plan and current market conditions, its good faith estimate of the aggregate amount of the Installment Purchase Agreement is \$250,000,000.

True Interest Cost of the Installment Purchase Agreement. The Municipal Advisor has informed the Agency that based on the expected interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Installment Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Purchase Agreement, is 0.89%.

Finance Charge of the Installment Purchase Agreement. The Municipal Advisor has informed the Agency that, assuming that the Installment Purchase Agreement is executed, their good faith estimate of the finance charge for the Installment Purchase Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Purchase Agreement), is \$672,750.00.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Agency that based on estimated interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the Agency for sale of the Installment Purchase Agreement, less the finance charge of the Installment Purchase Agreement, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, is \$303,480,000.

Total Payment Amount. The Municipal Advisor has informed the Agency that based on interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the Agency will make to pay debt service on the Installment Purchase Agreement, plus the finance charge for the Installment Purchase Agreement, as described above, paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement, is \$316,215,277.78, which excludes any reserves funded with proceeds of the Installment Purchase Agreement (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of May 26, 2020, and are based on information provided in the draft Installment Purchase Agreement at the time of preparation of such estimates. The actual principal amount of the Installment Purchase Agreement, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the entering into the Installment Purchase Agreement being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Installment Purchase Agreement executed by the Agency being different from the Principal Amount, (c) the actual amortization of the payments under

the Installment Purchase Agreement being different than the amortization assumed for purposes of such estimates, (d) the actual interest rates at the time of execution of the Installment Purchase Agreement being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations in the Agency's financing plan, or a combination of such factors. The actual date of execution of the Installment Purchase Agreement and the actual principal amount of the Installment Purchase Agreement will be determined by the Agency based on the timing of the need for proceeds of the Installment Purchase Agreement and other factors. Factors such as the final loan repayment schedule, any changes to the interest rate on the Installment Purchase Agreement and timing of the execution of the Installment Purchase Agreement may be affected by factors beyond the control of the Agency, or the Municipal Advisor.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency *, DO HEREBY CERTIFY that the foregoing Resolution being No. 2020-6-5, was adopted at a regular Board Meeting on June 17, 2020, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**ACTION
ITEM**

2A

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager ASD

Committee:

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Adoption of Resolution No. 2020-6-6 to Extend the Expiration Date of Rate Resolutions

Executive Summary:

The current rate resolutions for all of the Agency's programs are set to expire on June 30, 2020. The proposed rates for FY 2020/21 and future fiscal years summarized in Attachment 1 were presented to the Finance and Administration Committee on June 10. The proposed wastewater connection fee, One water connection fee and recycled water rates were presented to the Regional Technical Committee on May 28 and the Regional Policy Committee on June 4 as part of the proposed budget amendment for FY 2020/21 for the Regional Wastewater and Recycled Water programs. Both Committees unanimously recommended approval of the proposed budget amendment. However, approval of the proposed connection fees and recycled water rates for the Regional Wastewater and Recycled Water programs was not directly requested.

To ensure full transparency, staff is recommending Board approval of the proposed rates summarized on Attachment 1 be deferred from June 17, 2020 to July 15, 2020 and provide the Regional Committees the opportunity to recommend approval of the proposed rates for the Regional Wastewater and Recycled Water programs.

Staff recommends the Board adopt Resolution 2020-6-6 to extend existing rate resolutions set to expire on June 30, 2020 until rescinded by new resolutions are adopted by the Board.

Staff's Recommendation:

Adopt Resolution No. 2020-6-6 to extend the rates established with Resolution Nos. 2015-5-4 through 2015-5-6, 2016-6-7, and 2019-6-1 through 2019-6-8 set to expire on June 30, 2020 until rescinded by new resolutions adopted by the Board of Directors.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

See Resolution 2020-6-6 for prior Board actions.

Environmental Determination:

Not Applicable

Business Goal:

Adoption of multi year rates to support the Agency's programs is consistent with the IEUA Business Goals of Fiscal Responsibility to establish rates that fully recover the cost of service and provide predictability and stability to our ratepayers.

Attachments:

Attachment 1 - Resolution No. 2020-6-6

RESOLUTION NO. 2020-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, EXTENDING RATES ESTABLISHED WITH RESOLUTION NOS. 2015-5-4 THROUGH 2015-5-6, 2016-6-7, AND 2019-6-1 THROUGH 2019-6-8

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2015-5-4, establishing Rates Covering the Sale of Recycled Water to Support Future Expansion of IEUA's Regional Water System for FY 2015-16 through 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-5-5, establishing the Reimbursement Payment for FY 2015/16 through 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-5-6, establishing the Water Connection Fee for FY 2015/16 through 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2016-6-7, establishing Meter-Equivalent Unit (MEU) Rates for October 1, 2016 through FY 2019/20

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-1, establishing Service Rates for Wastewater Dischargers to the Regional Wastewater System for Septage, Commercial or Industrial Wastewaters, and Excessive Strength Charges for FY 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-2, establishing Capacity Charges, Volumetric Charges, Strength Charges, Capital Improvement (CIP) Charges, IEUA Administrative Charges, Application and Wastewater Discharge Permit Application Fees for the Etiwanda Wastewater Line (EWL) for FY 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-3, establishing Capacity Charges, Volumetric Charges, Strength Charges, Agency Program Charges, and Application Fees for the Non-Reclaimable Wastewater System (NRWS) for FY 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-4, establishing Initial and Monthly Capacity Charges, Volumetric Charges, Excess Strength Charges, Capital Improvement Project (CIP) Charges, IEUA Administrative Charges, Application and Wastewater Discharge Permit Application Fees for the Inland Empire Brine Line (Brine Line) for FY 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-5, establishing Charges for Laboratory Analyses for FY 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-6, establishing Extra-Territorial Sewer Service Charge for System Users Outside the Agency's Boundaries for FY 2019/20;

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-7, establishing Imported Water Rates for FY 2019/20; and

WHEREAS, the IEUA Board of Directors adopted Resolution No. 2019-6-8, establishing Equipment Rental Rates for FY 2019/20.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the rates established in Resolution Nos. 2015-5-4 through 2015-5-6, 2016-6-7, 2019-6-1 through 2019-6-8 for FY 2019/20 set to expire on June 30, 2020 be extended until rescinded by new resolutions.

Rates

* * *

ADOPTED this 17th day of June 2020

Kati Parker
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2020-6-6 as adopted at a regular Board meeting on June 17, 2020, of said Agency* by the following vote:

ABSENT:

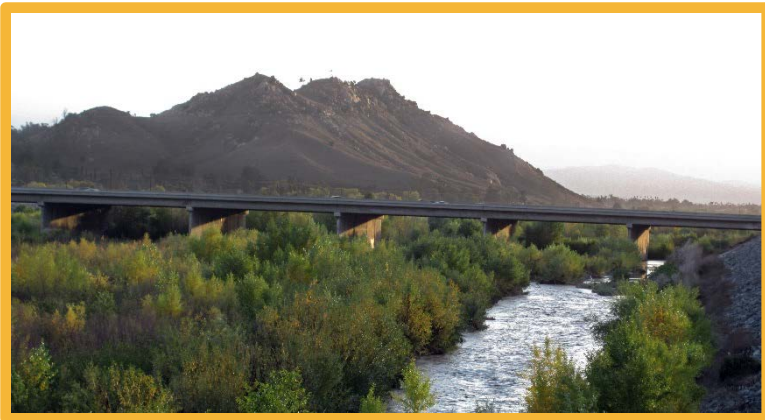
(SEAL)

* A Municipal Water District

**INFORMATION
ITEM**

3A

Upper Santa Ana River Multiple Species Habitat Conservation Plan Update



Tuberculated SAS @
Sunnyslope / 04_09_12

Upper Santa Ana River Multiple Species Habitat Conservation Plan Overview

- Collaborative Regional Project
 - 20+ stakeholder agencies
 - Regulatory Agencies
- IEUA Projects
 - Groundwater Recharge Basin construction projections
 - 30-year O&M permits for all existing operations
 - Wastewater treatment plant flow diversions
 - Dry weather flow diversions



Upper Santa Ana River Habitat Conservation Plan Components

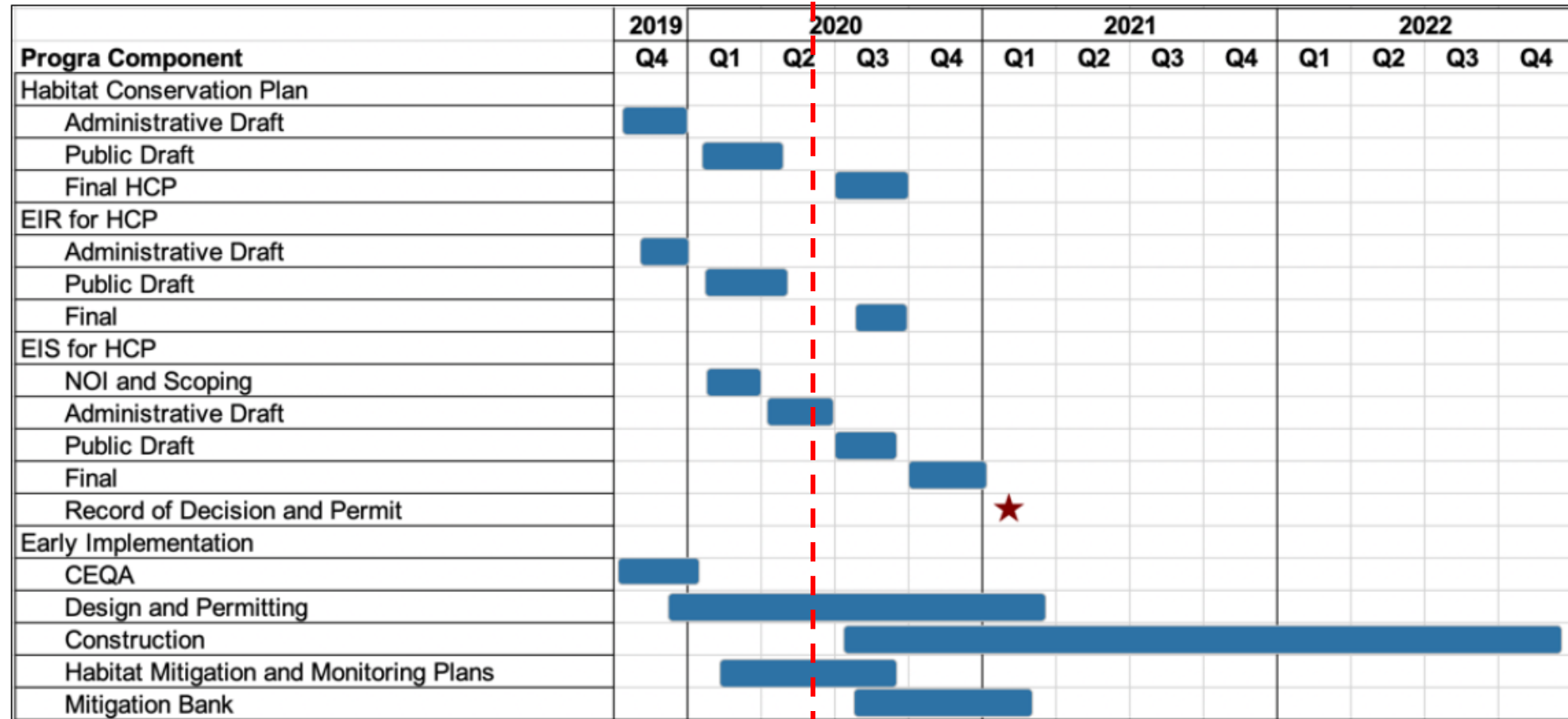
- Integrated Model
 - Establish groundwater and surface flow interaction
 - Closely monitoring with Chino Basin Watermaster & Wildermuth Environmental
- Minimum flow discharges during critically dry years
 - Rapid Infiltration and Extraction (RIX) Treatment Plant discharges
 - Opportunity to partner with upstream agencies
- Conservation restoration work
 - Along tributary streams near the Narrows

DRAFT Estimated Annual Cost for Implementation

	Surface Hydrology Impact Total (AFY)	Relative Total Hydrology Impact	Baseflow Impact (AFY)	Relative Share Baseflow Impact	Stormflow Impact (AFY)	Relative Share Stormflow Impact	Permanent Terrestrial (Acres)	Relative Proportion % Perm	Temp Terrestrial (Acres)	Relative Proportion % Temp	TOTAL SHARE	ESTIMATED ANNUAL COST PROGRAM IMPLEMENTATION
Valley District	45,714	54.3%		0%	45,714	85%	578.5	54.9%	32.6	6.5%	51.0%	\$ 1,173,000
East Valley	6,721	8.0%	6,721	22%	-	0%	51.4	4.9%	10.0	2.0%	5.8%	\$ 132,478
RPU	5,000	5.9%	5,000	16%		0%	27.43	2.6%	45.9	9.2%	5.8%	\$ 132,584
IEUA	18,650	22.2%	11,800	39%	6,850	13%	180.2	17.1%	0.3	0.1%	20.6%	\$ 473,800
Western	300	0.4%	-	0%	300	1%	23	2.2%	298.2	59.5%	3.6%	\$ 82,800
SB Water Department	5,600	6.7%	5,600	18%		0%	2.8	0.3%	33.9	6.8%	4.5%	\$ 103,500
MWDSC	-	0.0%	-	0%	-	0%	113.9	10.8%	41.6	8.3%	2.0%	\$ 46,000
Rialto	1,390	1.7%	1,390	5%	-	0%	14.8	1.4%	0.3	0.1%	2.0%	\$ 46,000
SB Conservation District	796	0.9%	-	0%	796	1%	41.1	3.9%	3.9	0.8%	3.0%	\$ 69,000
OCWD	-	0.0%	-	0%	-	0%	2.7	0.3%	0.0	0.0%	1.0%	\$ 23,000
West Valley	-	0.0%	-	0%	-	0%	17.4	1.7%	34.8	6.9%	1.0%	\$ 23,000
			-									
TOTAL	84,171	100%	30,511	100%	53,660		1053.23	100%	501.5	100%	100%	\$ 2,300,000

Upper Santa Ana River Habitat Conservation Plan Schedule

HCP Completion Timeline & Transition to Implementation



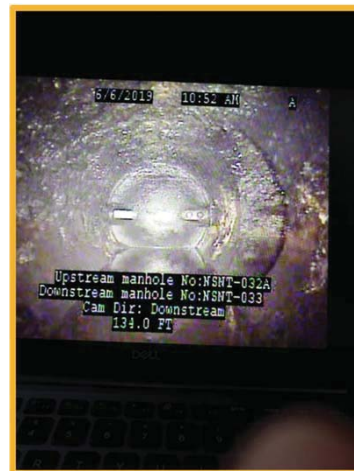
Next Steps

- Environmental Document Review
- Final Plan Adoption by the parties
- GM discussions about establishing a JPA and the Mitigation Bank
- Cost share agreements

**INFORMATION
ITEM**

3B

Engineering and Construction Management Project Updates



Jerry Burke, P.E.
June 2020

RP-1 Primary Effluent Conveyance Improvements – Phase 2

Project Goal: Increase Utilization and Capacity



Clearing 27-in Abandoned Pipeline

Total Project Budget: \$2.9 M
Project Completion: January 2021
Construction Percent Complete: 30%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Stantec	\$363 K	0%
Construction (Current)	J.R. Filanc	\$1.9 M	7%

RP-1 12 kV Switchgear and Generator Control Upgrades

Project Goal: Increase Reliability

Total Project Budget: \$6.0 M
Project Completion: August 2020
Construction Percent Complete: 40%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Black & Veatch	\$331 K	394%
Construction (Current)	Big Sky Electric	\$4.4 M	2%



RP-1 12kV Switchgear Extension

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%

North South Northern Trunk (NSNT) Odor Complaints Mitigation

Project Goal: Increase reliability

Total Project Budget: \$500 K
Project Completion: August 2021
Planning Percent Complete : 10%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Michael Baker International	\$90 K	0%
Construction	TBD	\$0	0%



Closed-Circuit Television (CCTV) Footage of Siphon

**INFORMATION
ITEM**

3C

RP-5 Expansion Bid Update

Project Nos. EN19001 and EN19006



The Bid Phase

- **November 2018:** Initial General Contractor Outreach
- **October 31, 2019:** Bid Documents Released
- **December 2, 2019 & February 3, 2020:** Two Half-Day Workshops
- **February 20, 2020:** Questions Due (~1,300 questions on ~30,000 pages of bid documents)
- **March 17, 2020:** CAEATFA approved RP-5 Expansion Sales Tax Exemption
- **March 26, 2020:** Bid delayed due to Coronavirus to allow IEUA and General Contractors to adjust to electronic bid submission
- **May 21, 2020:** Bids Received
- **Maintained open communication with all 4 pre-qualified contractors throughout bid phase**



Contractor Bids

- Four bids received on May 21, 2020 from the Prequalified Contractors:

Bids Received	Bid Amount
W.M. Lyles	\$329,982,900
J.F. Shea	\$339,726,750
Kiewit	\$375,707,000
PCL	\$425,939,779
Engineer's Estimate:	\$309,000,000

- Apparent low bidder is W.M. Lyles:
 - Review of low bid has not been completed.
 - Parsons and Arcadis are reviewing bid amount to verify it is justified and reasonable:
 - Additional scope added through addendum, changed site conditions, and COVID19 impacts

The Apparent Construction Team



Prequalified Electrical Subs

- Helix
- Mass
- Morrow Meadows
- Southern

Prequalified System Integrators

- Prime Controls
- Rovisys
- TSI
- Wunderlich-Malec

Preselected Manufacturers

- Centrisys (Centrifuges)
- Duperon (Coarse Screens)
- EnviroCare (Fine Screens)
- FKC (RDT's)
- Neuros (Aeration Blowers)
- SSI (Aeration Diffusers)
- Suez (MBR)

Project Budget with Low Apparent Bid

EN19001 and EN19006

Description	Estimated Cost
Design Phase Services	\$26,406,753
Construction Services	\$43,361,716
Construction Management	\$22,625,523
Engineering Services During Construction	\$11,346,349
Other Construction Services	\$7,325,000
Contingency (5%)	\$2,064,844
Construction	\$376,181,190
RP-5 Expansion Bid (Low Bid)	\$329,982,900
Offsite Facilities Bid (estimate)	\$12,000,000
Contingency (~10%)	\$34,198,290
Total Project Cost:	\$445,949,659
Total Requested Project Budget:	\$450,000,000

Project Milestone	Date
Award Phase	
✓ Contractor Bids Due	May 21, 2020
IEUA Board Bid Update (This Item)	June 17, 2020
IEUA Tech Committee Approval	June 25, 2020
IEUA Policy Committee Approval	July 2, 2020
Construction	
IEUA Board Construction Contract Award	July 15, 2020
Solids Facility Completion	January 2024
Liquids Construction Completion	January 2025

The Finances



- WIFIA Loan Closed on May 27, 2020 in an amount of \$196M.
- SRF Loan is scheduled to close in October 2020 in an amount of \$101M
- Staff is reviewing impacts of additional project cost and will incorporate in future forecasts and budgets.

INFORMATION
ITEM

3H

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

SSD

Committee: Finance & Administration

06/10/20

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

Subject: Fiscal Year 2019/20 Third Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

Executive Summary:

The budget variance report presents the Agency's financial performance through the third quarter ended March 31, 2020, and various related analyses are provided in the attachments.

The Agency's total revenues and other funding sources were \$190 million, or 88 percent of the fiscal year to date budget of \$215 million. The slight unfavorable variance can be attributed to timing of grant and loan receipts which are primarily reimbursable in nature as a result of lower capital and non-capital project expenditures.

The Agency's total expenses and other uses of funds were \$170 million, or 76 percent of the fiscal year to date budget of \$224 million. The timing of capital and non-capital project execution account for the favorable variance.

The net change of the unaudited total revenues and other funding sources over the total expenses and other uses of funds for this quarter is an increase of \$20 million.

Staff's Recommendation:

The Fiscal Year (FY) 2019/20 third quarter budget variance, performance goal updates, and budget transfers is an informational item for the Board of Directors to receive and file.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The net change of the total revenues and other funding sources over total expenses and other uses of funds is an increase of \$20 million for the quarter ended March 31, 2020.

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

The quarterly budget variance report is consistent with the Agency's business goal of fiscal responsibility to demonstrate the Agency has appropriately funded operational, maintenance, and capital costs.

Attachments:

Attachment 1 - Background

Exhibit A - Q3 Budget Variance Summary and Detail Report

Exhibit B - Business Goals and Objectives Report by Initiatives

Exhibit C-1 - Summary of Annual Budget Transfers in the Third Quarter

Exhibit C-2 - Summary of the GM Contingency Account Activity

Exhibit D - Project Budget Transfers for Capital and Non-Capital Projects

Attachment 2 - PowerPoint

Background

Subject: Fiscal Year 2019/20 Third Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

The Budget Variance report presents the Agency's financial performance through the third quarter ending March 31, 2020 and includes the following highlights.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency's total revenue and other funding sources were \$190.0 million, or 88.4 percent of the year to date budget of \$214.9 million for the quarter ended March 31, 2020 (Exhibit A). The following section highlights key variances:

- **Grants & Loans** – Grant and loan receipts were \$9.6 million, or 39.6 percent of the fiscal year to date budget. \$5.5 million in State Revolving Fund (SRF) loans proceeds were received for the Napa Lateral project. The majority of remaining receipts were for Santa Ana River Conservation and Conjunctive Use, water use efficiency programs, and for the San Sevaine Basin Improvement project. Grants and loan receipts are primarily reimbursable in nature and as such are dependent upon related capital project expenditures. Grant receipts consist of reimbursements from federal, state, and local programs and may contain pass-through funding for other agencies.
- **Property Taxes** – General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$32.4 million. Payment of \$9.6 million of former redevelopment agencies (RDA) pass-through was received in December. Property tax receipts are budgeted based on assessed valuation projections by the County taking into account home sales, and anticipated adjustments in property tax distribution to taxing entities due to the dissolution of the redevelopment agencies in 2012.
- **Recycled Water Sales** – Recycled water direct sales were \$6.2 million for 13,269 acre feet (AF) and groundwater recharge sales were \$4.7 million for 8,830 acre feet (AF), for a combined total of \$10.9 million or 22,099 AF. Total deliveries of 35,800 AF (22,000 AF Direct and 13,800 AF Recharge) are budgeted for the fiscal year. Demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and recharge basin availability. A wet third quarter reduced demand for recycled water and groundwater recharge.
- **Connection Fees** – Total connection fee receipts of \$28.0 million or 104.3 percent of the year to date budget. Receipts include \$21.2 million for new regional wastewater system connections and \$6.7 million for new One Water connections. The number of new wastewater connections reported through the third quarter were 3,051 equivalent dwellings unit (EDU) compared to the annual budget of 4,000 and the member agency projection of 6,294. The total number of new water connections were 3,936 meter equivalent dwelling units (MEU) compared to the budgeted 4,700.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total third quarter expenses and uses of funds were \$169.8 million, or 75.7 percent of the \$224.2 million year to date amended budget. Key expense variances for the third quarter ending March 31, 2020 include:

Administrative and Operating Expenses

- ***O&M (Non-Capital) and Reimbursable Projects*** – The combined O&M and reimbursable project costs were \$11.9 million or 60.5 percent of the combined year to date budget. The favorable balance is mainly due to delays in project spending with invoices anticipated in the fourth quarter. \$1.8 million of variance is due to low spending on various fund planning documents. \$1.3 million of variance is due to the Agency-wide Roofing Replacement project, a portion of which may be capitalized. \$0.8 million of variance is due to drought related project delays.
- ***Professional Fees & Services*** – Total expenses were \$6.1 million, or 56.0 percent of the year to date budget. The positive variance can be attributed to the timing of contract services scheduled in the following quarter such as: cleaning and restoration of the Ely, Jurupa, and Declez groundwater recharge basins; repairs and calibration of critical compliance equipment and treatment process; and other contractor and consultant support for project management and administrative services.
- ***Utilities*** – Total utilities expenses were \$5.6 million or 77.0 percent of the year to date budget. This category includes the purchase of electricity from Southern California Edison (SCE) or the grid, natural gas, and cost of renewable energy generated on site from solar and wind. The favorable variance is mainly attributed to a slightly lower utility rates. Through the third quarter, the average rate for imported electricity ranged between \$0.11/kWh - \$0.12/kWh compared to the budgeted rate of \$0.12/kWh.

Non-Operating Expenses

- ***Capital Projects*** – Total capital project expenditures year to date were \$38.3 million or 51.7 percent of the year to date budget. The favorable variance can be attributed to contractor delays, design recommendation reviews, and extended request for proposals and related contract award delays. Capital project costs related to the Regional Wastewater program through the third quarter were \$16.7 million, or 34 percent of the \$48.9 million of the annual program budget. Recycled Water program capital projects accounted for \$16.6 million, or 69.7 percent of the \$23.8 million annual program budget.

A detailed explanation of significant revenues and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

The net change of the total revenues and other funding sources over the total expenses and other uses of funds for the third quarter is an increase of \$20.2 million compared to the year-to-date budget of \$224.2 million.

Table 1 provides an overview of the fiscal year to date budget variance for revenues, expenses, and fund balance.

Table 1: Fiscal Year and Year to Date (YTD) Revenues, Expenses, and Fund Balance (\$ Millions) Quarter Ending March 31, 2020

Operating	FY 2019/20 Amended Budget	Budget YTD	Actual YTD	% Budget Used YTD
Operating Revenue	\$161.5	\$121.1	\$117.6	97.1%
Operating Expense	(\$175.8)	(\$131.9)	(\$113.5)	86.0%
Net Operating Increase/(Decrease)	(\$14.3)	(\$10.8)	\$4.1	
Non- Operating				
Non-Operating Revenue	\$125.1	\$93.8	\$72.4	77.2%
Non-Operating Expense	(\$123.1)	(\$92.3)	(\$56.3)	61.0%
Net Non-Operating Incr./(Decrease)	\$2.0	\$1.5	\$16.1	
Total Sources of Funds	\$286.6	\$214.9	\$190.0	88.4%
Total Uses of Funds	(\$298.9)	(\$224.2)	(\$169.8)	75.7%
Total Net Increase/(Decrease)	(\$12.3)	(\$9.3)	\$20.2	

GOALS AND OBJECTIVES

Exhibit B provides information on division and related department goals and objectives and the status of each through the end of the third quarter. The goals and objective indicators are used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff use the performance indicators to track productivity and to justify current resource allocations, re-allocation, and requests for additional staff.

BUDGET TRANSFERS AND AMENDMENTS

Intra-fund O&M budget transfers for the third quarter accounted for \$0.7 million as detailed in Exhibit C-1.

The *General Manager (GM) Contingency Account* adopted budget of \$300,000 in the Administrative Services Fund and \$100,000 was utilized as detailed in Exhibit C-2.

Intra-fund Capital and O&M project annual and total budget transfers accounted for \$1.9 million as listed in Exhibit D.

The budget variance analysis report is consistent with the Agency's business goal of fiscal responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

IMPACT ON BUDGET

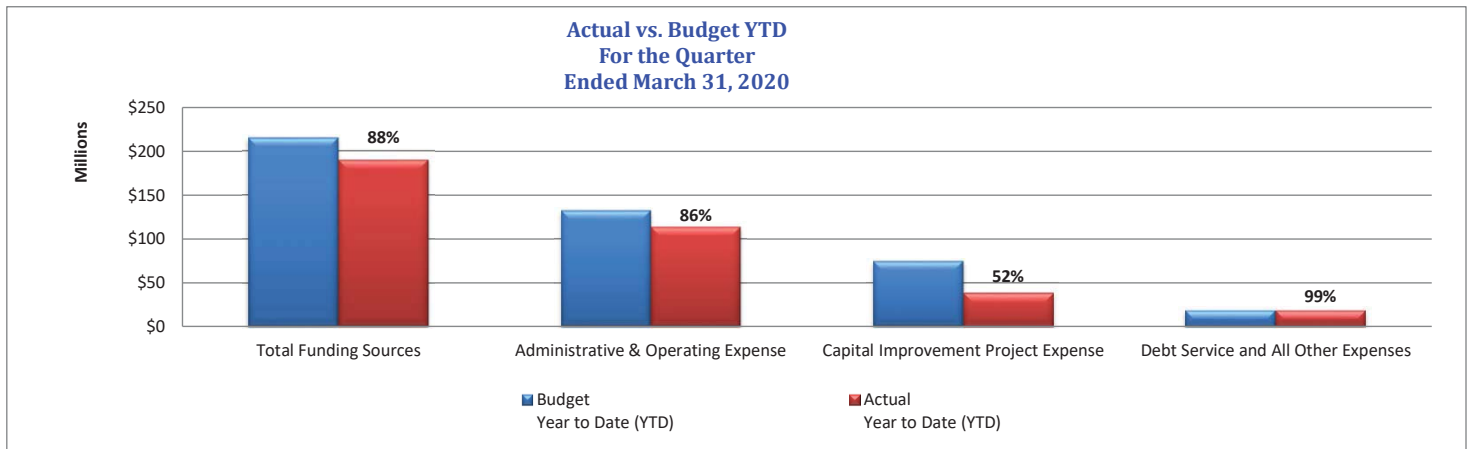
The net change of the total revenues and other funding sources over the total and other uses of funds for this quarter is an increase of \$20.2 million.



I. Actual vs. Budget Summary:

Quarter Ended March 31, 2020

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues	\$161,505,455	\$121,129,091	\$117,557,689	(\$3,571,402)	97.1%
Non-Operating (Other Sources of Fund)	125,064,900	93,798,675	72,441,049	(21,357,626)	77.2%
TOTAL FUNDING SOURCES	286,570,355	214,927,766	189,998,738	(24,929,028)	88.4%
Administrative & Operating Expense	(175,866,653)	(131,899,991)	(113,473,729)	18,426,262	86.0%
Capital Improvement Project Expense	(98,888,091)	(74,166,068)	(38,312,058)	35,854,010	51.7%
Debt Service and All Other Expenses	(24,175,105)	(18,131,330)	(18,004,864)	126,466	99.3%
TOTAL USES OF FUNDS	(298,929,849)	(224,197,389)	(169,790,651)	54,406,738	75.7%
Surplus/(Deficit)	(\$12,359,494)	(\$9,269,623)	\$20,208,087	\$29,477,710	



2. Actual Revenue vs. Budget:

Quarter Ended March 31, 2020

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues:					
User Charges	\$87,284,597	\$65,463,448	\$65,884,760	\$421,312	100.6%
Recycled Water Sales	18,120,000	13,590,000	10,897,790	(\$2,692,210)	80.2%
MWD Water Sales	44,724,000	33,543,000	32,567,365	(\$975,635)	97.1%
Cost Reimbursement	6,683,675	5,012,756	5,193,507	\$180,751	103.6%
Interest	4,693,183	3,519,887	3,014,267	(\$505,620)	85.6%
OPERATING REVENUES	161,505,455	121,129,091	117,557,689	(3,571,402)	97.1%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$52,364,000	\$39,273,000	\$32,403,619	(\$6,869,381)	82.5%
Connection Fees	35,734,799	26,801,100	27,954,473	\$1,153,373	104.3%
Grants & Loans	32,346,086	24,259,565	9,606,022	(\$14,653,543)	39.6%
Other Revenue	4,620,015	3,465,010	2,476,935	(\$988,075)	71.5%
NON-OPERATING REVENUES	125,064,900	93,798,675	72,441,049	(21,357,626)	77.2%
Total Revenues	\$286,570,355	\$214,927,766	\$189,998,738	(\$24,929,028)	88.4%

User Charges, 100.6%	User charges were \$65.9 million, or 100.6 percent of the year to date budget. The category includes \$52.0 million monthly sewer charges based on equivalent dwelling units (EDU), \$7.8 million non-reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system, and \$5.8 million of monthly meter equivalent unit charges (MEU) imposed on all potable water connections and Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charges to meet our Readiness-to-Serve obligation to Metropolitan Water District (MWD).
Property Tax/ AdValorem, 82.5%	General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$32.4 million. Payment of \$9.6 million of former redevelopment agencies (RDA) pass-through was received in December. Property tax receipts are budgeted based on assessed valuation projections by the County taking into account home sales, and anticipated adjustments in property tax distribution to taxing entities due to the dissolution of the redevelopment agencies in 2012.
Recycled Water Sales, 80.2%	Recycled water direct sales were \$6.2 million for 13,269 acre feet (AF) and groundwater recharge sales were \$4.7 million for 8,830 acre feet (AF), for a combined total of \$10.9 million or 22,099 AF. Total deliveries of 35,800 AF (22,000 AF Direct and 13,800 AF Recharge) are budgeted for the fiscal year. Demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
Interest Income, 85.6%	Interest Income is \$2.2 million or 85.6 percent of the year to date budget. The Agency earns interest income by investing funds not immediately required for daily operations. The Agency's average portfolio yield for March 2020 was 2.19%. The budgeted interest rate assumption for FY 2019/20 is 2.5%.
MWD Water Sales, 97.1%	Total Metropolitan Water District of Southern California (MWD) pass-through imported water revenue was \$32.6 million or 97.1 percent of the year to date budget. Imported water deliveries were 47,822 AF compared to the annual budgeted quantity of 60,000 AF. High demand occurred in the first and second quarters, attributed to increased usage due to warm weather.
Connection Fees, 104.3%	Total connection fee receipts of \$28.0 million or 104.3 percent of the year to date budget. Receipts include \$21.2 million for new regional wastewater system connections and \$6.7 million for new water connections. The number of new wastewater connections reported through the third quarter were 3,051 equivalent dwellings unit (EDU) compared to the annual budget of 4,000 and the member agency projection of 6,294. The total number of new water connections were 3,936 meter equivalent dwelling units (MEU) compared to the budgeted 4,700.
Grants and Loans, 39.6%	Grant and loan receipts were \$9.6 million, or 39.6 percent of the fiscal year to date budget. \$5.5 million in State Revolving Fund (SRF) loans proceeds were received for the Napa Lateral project. The majority of remaining receipts were for Santa Ana River Conservation and Conjunctive Use, water use efficiency programs, and for the San Seavine Basin Improvement project. Grants and loan receipts are primarily reimbursable in nature and as such are dependent upon related capital project expenditures. Grant receipts consist of reimbursements from federal, state, and local programs and may contain pass-through funding for other agencies. The annual grants budget of \$13.1 million includes \$7.0 million for various recycled water optimization and lateral projects in the Recycled Water fund, \$4.8 million for Recharge Master Plan Update (RMPU) projects in the Recharge Water fund, and \$1.3 million for groundwater supply wells and the Chino Creek park in the Regional Wastewater Operations fund. The SRF loan proceeds annual budget of \$19.2 million include \$9.8 million for the RP-5 Solids Treatment and Liquid Expansion projects in the Regional Wastewater Capital fund, \$8.1 million for various recycled water optimization and lateral projects in the Recycled Water Fund, and \$1.3 million for Recharge Master Plan Update projects in the Recharge Water Fund.
Cost Reimbursements JPA, 103.6%	Total cost reimbursements were \$5.2 million or 104 percent of the year to date budget. Actuals include reimbursements of \$3.1 million from the Inland Empire Regional Composting Authority (IERCA) and \$1.1 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities respectively. Also included is \$1.0 million for operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs. Annual total cost reimbursement budget of \$6.7 million includes: \$4.1 million from IERCA, \$1.4 million from CDA, and \$1.2 million from Chino Basin Water Master (CBWM).
Other Revenues, 71.5%	Total other revenues and project reimbursements were \$3.5 million, or 71.5 percent of the year to date budget. Actual receipts include \$0.8 million from Chino Basin Waster Master (CBWM) for their share of the 2008B Rate Variable bond debt service and fixed project costs and \$1.2 million of miscellaneous revenues which includes the \$0.6 million easement sale to Chino Preserve development and \$0.5 million LIBOR settlement from Citibank.

3. Actual Operating and Capital Expense vs. Budget:

Quarter Ended March 31, 2020

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Expenses:					
Employment	\$51,365,894	\$38,524,422	\$36,873,629	\$1,650,793	95.7%
Admin & Operating	79,776,759	59,832,570	44,032,734	\$15,799,836	73.6%
MWD Water Purchases	44,724,000	33,543,000	32,567,365	\$975,635	97.1%
OPERATING EXPENSES	\$175,866,653	\$131,899,992	\$113,473,728	\$18,426,264	86.0%

Non-Operating Expenses:

Capital	98,888,091	74,166,068	38,312,058	\$35,854,009	51.7%
Debt Service and All Other Expenses	24,175,105	18,131,329	18,004,864	\$126,465	99.3%
NON-OPERATING EXPENSES	\$123,063,196	\$92,297,397	\$56,316,923	\$35,980,474	61.0%
Total Expenses	\$298,929,849	\$224,197,389	\$169,790,651	\$54,406,738	75.7%

Employment Expenses
net of allocation to
projects

Employment, 95.7%
Employment expenses were \$36.9 million or 95.7 percent of the year to date budget. At the end of the third quarter, 262 regular positions (FTEs) were filled compared to the 286 budgeted (290 authorized) and 15 limited term positions were filled compared to the 18 budgeted positions. Recruitment of key positions as part of the Agency's succession planning effort is expected to lower the vacancy factor going forward.

Administrative &
Operating Expenses

Office and Administrative, 58.4%
Total expenses through the third quarter were \$1.1 million or 58.4 percent. The favorable variance was in part due to the inclusion of \$200 thousand for the GM contingency budget which represents eight percent of the overall category budget. The GM contingency supports unexpected costs that may arise during the fiscal year. Also contributing to the positive variance are lower advertising, office supply costs, and department training expenses.

Professional Fees & Services, 56%
Total expenses were \$6.1 million, or 56.0 percent of the year to date budget. The positive variance can be attributed to the timing of contract services scheduled in the following quarter such as: cleaning and restoration of the Ely, Jurupa, and Declez basins; repairs and calibration of critical compliance equipment and treatment process; and other contractor and consultant support for project management and administrative services.

Materials & Supplies/Leases/Contribution, 95.4%
Expenses through the end of third quarter were \$2.6 million or 95.4 percent of year to date budget. The majority of the category budget and actuals includes costs for operations and maintenance supplies, equipment leases, and small tools and equipment.

Biosolids Recycling, 101.5%
Biosolids expenses through the end of third quarter were \$3.4 million or 101.5 percent of the year to date budget. The biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. Year to date tonnage of the Agency's biosolids generated from all its water recycling facilities shipped to IERCA was 52,160 tons with a hauling rate of \$56.00 per ton.

Chemicals, 93.7%
Chemical expenses were \$3.8 million, or 93.7 percent of the year to date budget. Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high quality recycled water. Spending on Sodium Hypochlorite was at 73% of budget and Polymer consumption was approximately 80% at the end of the third quarter. Year end consumption of these chemicals are anticipated to be within the FY budget.

MWD Water Purchases, 97.1%
Total Metropolitan Water District of Southern California (MWD) pass-through imported water purchases were \$32.6 million or 97.1 percent of the year to date budget. Imported water deliveries were 47,822 AF compared to the annual budgeted quantity of 60,000 AF. High demand occurred in the first and second quarters, attributed to increased usage due to warm weather.

Operating Fees, 97.2%
Total expenses were \$8.9 million or 97.2 percent of the year to date budget. The majority of the expense is non-reclaimable wastewater system (NRWS) "pass-through" fees from Sanitation District of Los Angeles County (SDLAC) and Santa Ana Watershed Project Authority (SAWPA). The category also includes \$2.3 million of MWD readiness-to-serve (RTS) obligation pass-through fees, budgeted at \$3.1 million.

Utilities, 77%
Total utilities expenses were \$5.6 million or 77.0 percent of the year to date budget. This category includes the purchase of electricity from Southern California Edison (SCE) or the grid, natural gas, and purchase of renewable energy generated on site from solar and wind. The favorable variance is mainly attributed to a slightly lower utility rates. Through the third quarter, the average rate for imported electricity ranged between \$0.11/kWh - \$0.12/kWh compared to the budgeted rate of \$0.12/kWh.

O&M and Reimbursable Projects, 62.3% and 26.2%
The combined O&M and reimbursable project costs were \$11.9 million or 60.5 percent of the combined year to date budget. The favorable balance is mainly due to delays in project spending with invoices anticipated in the fourth quarter. \$1.8 million of variance is due to low spending on various fund planning documents. \$1.3 million of variance is due to the Agency-wide Roofing Replacement project, a portion of which may be capitalized. \$0.8 million of variance is due to drought related project delays.

Financial Expenses	Financial Expense, 98.8% Total financial expenses were \$17.7 million or 98.8 percent through the end of the third quarter. Actual costs included \$13.4 million paid towards principal for the 2010A and 2017A Revenue Bonds, and State Revolving Fund (SRF) notes. Total interest and financial administration fees were \$4.3 million.
Other Expenses	Other Expenses, 133% Total other expenses were \$0.3 million or 133 percent of the year to date budget. The category expense includes the annual contribution-in-aid to the Santa Ana Watershed Project Authority.
Capital Expenses	Capital Costs, 51.7% Total capital project expenditures year to date were \$38.3 million or 51.7 percent of the year to date budget. The favorable variance can be attributed to contractor delays, design recommendation reviews, and extended request for proposals and related contract award delays. Capital project costs related to the Regional Wastewater program through the third quarter were \$16.7 million, or 34 percent of the \$48.9 million of the annual program budget. Recycled Water program capital projects accounted for \$16.6 million, or 69.7 percent of the \$23.8 million annual program budget.

Summary of major capital and non-capital project expenses and status as of December 31, 2019

Capital Projects		Annual Budget	Actual YTD	% of Budget Used YTD
EN17049	Baseline Recycled Water Pipeline Extension The project is to construct 8,200 linear feet of recycled water pipeline. Recycled water will be available for landscape irrigation by CVWD in the Village of Heritage and allow for future expansion of the City of Fontana's recycled water system to the northern area of the city. Project is currently in the construction phase.	6,030,000	5,089,906	84.4%
EN17082	RP-1 Mechanical Restoration The RP-1 Mechanical Restoration and Improvements Project is procuring equipment with longer delivery leadtimes than the budget process anticipated. The project will be completed in March 2021. 15% of construction has been completed for the project to date.	8,855,000	945,622	10.7%
EN19001	RP-5 Liquids Treatment Expansion The project will expand RP-5 liquid treatment from 15 mgd to 30 mgd. The RP-5 Expansion is under budget for the fiscal year due to the delay in bidding and construction due to COVID 19. The construction bid opening is scheduled for May with award in July 2020.	3,000,000	3,803,460	126.8%
EN19006	RP-5 Solids Handling Facility The construction of the RP-5 Expansion Project is scheduled to begin in Q4 of this year carrying most of the fiscal year budget. The RP-5 Expansion is under budget for the fiscal year due to the delay in bidding and construction due to COVID 19. The construction bid opening is scheduled for May with award in July 2020.	8,000,000	2,767,038	34.6%
WR15021	Napa Lateral Project is the design and construction of approximately 10,000 linear feet of recycled water pipeline to convey water from the existing pipeline near RP-4 to California Steel Industries and Auto Club Speedway. Project funding is a combination of grants, state loans and reimbursements. The project is currently in the acceptance and close-out phase.	5,070,496	4,878,308	96.2%
O&M & Reimbursable Projects		Annual Budget	Actual YTD	% of Budget Used YTD
FM20002	Agency-Wide Roofing Project is to ensure that Regional Plants and Headquarters buildings roofs are maintained in good condition or replaced if needed. An assessment for Regional Plants are currently be evaluated for repair and replacement needs. This project has been tranfered over to Engineering and will be extended into the next fiscal year.	1,481,064	129,032	8.7%
WR18005	Turf Removal Rebate This project supports the rebate program of \$2 per square foot for customers, residential and commercial, applying for a turf removal rebate supported by Metropolitan Water District (MWD). Invoices are expected in the fourth quarter.	915,744	215,018	23.5%
WR18028	Water Bank The project will conduct an evaluation to understand institutional agreements and models to be developed in order to implement and coordinate storage recovery programs within the Chino Groundwater Basin for local, regional, and statewide benefits. The region's supplemental water providers and members of the regions groundwater recharge, surface water treatment, and groundwater production facilities will work together to accomplish project goals. The project is funded equally between the Agency, Monte Vista Water District, City of Ontario, and Cucamonga Valley Water District. Project was still ongoing through the third quarter and invoices are being proccessed as they are received. Going forward, the project is on hold, so invoices beyond March will be substantially reduced.	795,342	149,302	18.8%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2019/20
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended March 31, 2020

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget YTD Used	% Annual Budget Used
<u>OPERATING REVENUES</u>						
User Charges	\$87,284,597	\$65,463,448	\$65,884,760	\$421,312	100.6%	75.5%
Recycled Water	18,120,000	13,590,000	10,897,790	(2,692,210)	80.2%	60.1%
MWD Water Sales	44,724,000	33,543,000	32,567,365	(975,635)	97.1%	72.8%
Cost Reimbursement from JPA	6,683,675	5,012,756	5,193,507	180,750	103.6%	77.7%
Interest Revenue	4,693,183	3,519,887	3,014,267	(505,620)	85.6%	64.2%
TOTAL OPERATING REVENUES	\$161,505,455	\$121,129,091	\$117,557,689	(\$3,571,403)	97.1%	72.8%
<u>NON-OPERATING REVENUES</u>						
Property Tax	\$52,364,000	\$39,273,000	\$32,403,619	(\$6,869,381)	82.5%	61.9%
Connection Fees	35,734,799	26,801,100	27,954,473	1,153,373	104.3%	78.2%
Grants	13,137,244	9,852,933	2,846,283	(7,006,650)	28.9%	21.7%
SRF Loan Proceeds	19,208,842	14,406,632	6,759,739	(7,646,893)	46.9%	35.2%
Project Reimbursements	3,421,915	2,566,436	778,781	(1,787,656)	30.3%	22.8%
Other Revenue	1,198,100	898,575	1,698,154	799,579	189.0%	141.7%
TOTAL NON OPERATING REVENUES	\$125,064,900	\$93,798,675	\$72,441,049	(\$21,357,628)	77.2%	57.9%
TOTAL REVENUES	\$286,570,355	\$214,927,766	\$189,998,738	(\$24,929,031)	88.4%	66.3%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>						
EMPLOYMENT EXPENSES						
Wages	\$28,124,131	\$21,093,099	\$21,889,750	(\$796,652)	103.8%	77.8%
Benefits	23,241,763	17,431,322	14,983,879	2,447,444	86.0%	64.5%
TOTAL EMPLOYMENT EXPENSES	\$51,365,894	\$38,524,422	\$36,873,629	\$1,650,792	95.7%	71.8%
ADMINISTRATIVE EXPENSES						
Office & Administrative	\$2,525,941	\$1,894,456	\$1,106,770	\$787,687	58.4%	43.8%
Insurance Expenses	1,019,801	764,850	595,668	169,182	77.9%	58.4%
Professional Fees & Services	14,596,689	10,947,517	6,126,972	4,820,545	56.0%	42.0%
O&M Projects	24,969,286	18,726,965	11,660,222	7,066,742	62.3%	46.7%
Reimbursable Projects	1,254,905	941,179	246,233	694,946	26.2%	19.6%
TOTAL ADMINISTRATIVE EXPENSES	\$44,366,623	\$33,274,967	\$19,735,866	\$13,539,102	59.3%	44.5%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2019/20
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended March 31, 2020

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget YTD Used	% Annual Budget Used
OPERATING EXPENSES						
Material & Supplies/Leases	\$3,687,911	\$2,765,933	\$2,638,059	\$127,875	95.4%	71.5%
Biosolids Recycling	4,423,537	3,317,653	3,368,654	(51,001)	101.5%	76.2%
Chemicals	5,401,133	4,050,849	3,795,859	254,991	93.7%	70.3%
MWD Water Purchases	44,724,000	33,543,000	32,567,365	975,635	97.1%	72.8%
Operating Fees/RTS Fees/Exp. Alloc.	12,223,533	9,167,650	8,908,661	258,989	97.2%	72.9%
Utilities	9,674,023	7,255,517	5,585,637	1,669,880	77.0%	57.7%
TOTAL OPERATING EXPENSES	\$80,134,136	\$60,100,603	\$56,864,233	\$3,236,369	94.6%	71.0%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$175,866,653	\$131,899,991	\$113,473,729	\$18,426,263	86.0%	64.5%
<u>NON-OPERATING EXPENSES</u>						
CAPITAL OUTLAY	\$98,888,091	\$74,166,068	\$38,312,058	\$35,854,010	51.7%	38.7%
FINANCIAL EXPENSES						
Principal, Interest and Financial Expenditures	23,835,185	17,876,389	17,665,909	210,479	98.8%	74.1%
OTHER NON-OPERATING EXPENSES	339,920	254,940	338,955	(84,015)	133.0%	99.7%
TOTAL NON-OPERATING EXPENSES	\$123,063,196	\$92,297,398	\$56,316,922	\$35,980,474	61.0%	45.8%
TOTAL EXPENSES	\$298,929,849	\$224,197,389	\$169,790,651	\$54,406,737	75.7%	56.8%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$12,359,494)	(\$9,269,621)	\$20,208,086	\$29,477,709		

Totals may not add up due to rounding

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
AGENCY MANAGEMENT			Staff continues to complete courses offered by Skill Soft, attend virtual seminars and cross training within the dept.		

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
DIVISION					
EXTERNAL AFFAIRS AND POLICY DEVELOPMENT		The Grants Department continues to provide support for the RP-5 Expansion (\$400M) Project by leading negotiations of federal and state loan agreements.	The Records Management (RM) Supervisor continues classes from Feith University, Liebert Cassidy Whitmore and SkillPath. Records Specialist attended the Laserfiche conference in February and continues to pursue Laserfiche System Administration III Certification. RM Specialist is also participating in the Agency's Career Management Program. RM staff continues to train new IEUA employees on RM procedures as well as training staff on how to use the Laserfiche software. Division staff continue to attend webinars, cross train within their areas, and use Skillsoft for additional courses.	The Grants Department began coordinating efforts to compile information on costs incurred due to the Agency's response to the COVID-19 pandemic, including the costs for facilities disinfection and personal protective equipment. The supporting documentation will be used to claim reimbursement from the Federal Emergency Management Agency (FEMA).	

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
ENGINEERING, PLANNING & SCIENCE	Under the asset management initiative, Engineering and Operations continue to provide ongoing support to coordinate and schedule needed condition assessment of critical processes for the purpose of planning repairs, replacement or rehabilitation. One major effort is the project to perform a comprehensive condition assessment of the Agency's sewer system and prepare an optimize maintenance and capital plan to support the ongoing life cycle of the sewer lines. Currently, proposals from an RFP are under review to select the best qualified firm to support this project. In parallel to this, a comprehensive strategic planning of the Agency's asset management program is nearing completion and will be finalized and presented by the newly created position,	As part of the Engineering and Construction Management Department's goal of providing high quality project management for the completion of Capital Improvement Projects the Department's KPIs are as follows: 3 rd Quarter Capital Spending was 64% (the amount we project as a department to spend this FY against our FY Budget. Actual vs Budget). 3 rd Quarter Actual Expenditures as a percentage of our forecasted expenditures was 71% (How accurate the department is with our capital call projections each quarter). 3 rd Quarter Design Scope Amendment ratio was 18.39%. 3 rd Quarter Change Order ratio was 6.33%	The Engineering and Construction Management Department had one monthly mentoring session during the 3rd quarter. In January, the management staff requested the interns think about various career goals and define measurable criteria necessary to achieve them. They were instructed to select two and share at the next scheduled mentoring session. Afterwards the staff conducted a roundtable discussion about what the interns learned during this period. Learning experiences included working with the ArcGIS software, writing stop notices, preparing a project summary for the Tesla battery project at RP-4 and the chance to attend an actual pre-bid job walk at RP-1.		

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
	<p>the Manager of Asset Management. The study will identify needs and gaps within the Agency's program and recommend strategies to effectively implement asset management practices. Recently, two recommended tasks from the draft strategic plan have been completed: developing an AM Policy document to guide the Agency's efforts in AM and establishing a governance structure by having key leadership to support the asset management program.</p>	<p>3rd Quarter Project Costs within 110% of Total Project Budget Established in the Project Charter was 58.33%. Seven out of twelve projects that had a Notice of Completion met the goal.</p> <p>RP-5 Expansion Project: The RP-5 Expansion Design was completed, and the project was released for bid on November 1, 2019. Staff has held workshops with the pre-qualified general contractors on December 2, 2019 and February 3, 2020 to answer questions pertaining to the project. The bid opening was delayed to May 21st due to the Coronavirus pandemic. The construction award is scheduled for July 2020</p>	<p>The Engineering and Construction Management staff conducted 1 Lesson Learned during the 3rd quarter. In April, a member of EC&M staff attended CMAA: COVID-19 Webinar - A Panel Discussion on Construction, Labor, and Cal/OSHA. The staff member shared a recap of the presentation and discussed the implications of COVID-19 and how contractual obligations will be affected. The staff member also discussed safety requirements for outside contractors.</p>		

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
DIVISION					
FINANCE & ADMINISTRATION					<p>Deployment of the electronic signature tool called DocuSign, which proved to be invaluable during the COVID-19 pandemic. Former paper-based approval processes have been transformed into electronic ones, improving the ease of use (i.e., ability to approve via mobile phones), visibility (i.e., see where the approval status at all time) and reduction of turnaround time of the overall approval.</p> <p>Deployment of the online W-2 forms for the previous 3 years, accessible from the Employee Self-Service website. Employees no longer need to contact HR or payroll staff and wait to obtain such document. Employees can download a copy of this document at any time.</p>

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
					<p>Collaborating with the Records Management and Operations teams, BIS deployed the online safety tailgate signup sheets using a tablet. The completed signup sheet is then stored and managed directly in the Agency’s enterprise records management system – Laserfiche.</p> <p>Collaborating with the ISS team, SAP servers are now more secured with the latest encryption protocol (TLS 1.2), elimination of unnecessary backend services (TomCat web server and BSI Client), streamlined system and payroll tax update processes, and deployment of the latest SAP desktop software (SAP GUI 760) to minimize cybersecurity exposure.</p>

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
					Completed the new dashboard for IERCF, providing quick and easy access for data on energy consumption, productions and operating costs by calendar year.

Business Goals Status Updates – FY 2019/20 3rd Quarter

Exhibit B

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
DIVISION					
OPERATIONS	(ISS) Most servers scheduled for retirement have been completed. Some which were delayed due to supply chain issues will be finished by end of Q4. Due to COVID-19, retired laptops had to be placed back into service. Replacement with new equipment has been delayed due to supply chain issues but will be completed by the end of Q4.	(ISS) Most capital projects have been completed. Projects that remain are in the final stages of completion and will be done by end of Q4	<p>(ISS) staff have completed training on PI Enterprise Historian, Microwave communications and Cybersecurity.</p> <p>(O/M) Career Development Program continues with members from the Operations Division</p> <p>(O/M) CWEA III E/I certification test passed by James McShane</p>	(ISS) ISS has implemented intrusion prevention sensors at key points, updated firewall software, improved antivirus coverage, implemented security information and event monitoring, and cybersecurity training.	(ISS) ISS, working with BIS has updated patching and encryption on SAP servers and developed offsite disaster recovery procedures.

Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2019/20
Budget Transfer

Fund	Fund Name	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	Administrative Services	1/6/2020	511110	Office & Administration	\$665	511110	Office & Administration	\$665	The Career Management Program Graduation Lunch was expensed under the Agency Management cost center when it should have been expensed under Human Resources' cost center 122100.	3
		2/3/2020	545370	Utilities	\$8,500	519310	Operating Fees	\$8,500	Funds were budgeted incorrectly in Utilities instead of Operating Fees. These funds are for permits requirements for five cities at approximately \$500 each.	3
		2/19/2020	521010	Professional Fees & Services	\$8,500	511140	Office & Administration	\$8,500	Requesting funds for transfer to Office & Administration account to cover the new certificate requests and the scheduled renewals for Wastewater, Water, and CWEA for the current fiscal year.	3
					\$10,000	512010		\$10,000		3
		3/24/2020	512350	Office & Administration	\$7,000	512160	Materials & Supplies	\$7,000	This budget transfer is required to purchase general laboratory consumables.	3
		3/31/2020	509930	Benefits	\$75,000	520980	Professional Fees & Services	\$75,000	Details: HR requires immediate support from legal professional assistance in order to navigate the complex Emergency Sick Leave and Expanded Family and Medical Leave Act provisions of the new law, we require guidance and support from LCW.	3
10500	Non-Reclaimable Wastewater	3/12/2020	521010	Professional Fees & Services	\$22,500	512170	Materials & Supplies	\$22,500	Increased O&M materials upgrades, costs, and replacements have exhausted the O&M budget within this fiscal year and more funds are necessary to maintain the level of service the Collections team provides throughout the year.	3
10600	Recycled Water	2/6/2020	545110	Utilties	\$25,000	512710	Materials & Supplies	\$25,000	New water flow cells and monitoring equipment needed to be purchased due to failure of existing equipment.	3
		2/7/2020	545110	Utilties	\$20,000	521080	Professional Fees & Services	\$20,000	The extensive review of recycled and groundwater rates has consumed the original budget assigned to this section of the rate study and additional budget is needed for additional review of the recycled and groundwater rates.	3
		3/24/2020	520980	Professional Fees & Services	\$15,000	512160	Materials & Supplies	\$15,000	The budget transfer is required for general lab recycled water consumables.	3
10800	Regional Wastewater Operations & Maintenance	1/23/2020	530016	Chemicals	\$174,000	530016	Chemicals	\$125,000	Transfer from North Operations to South Operations because South Ops used an outdated projected chemical use formula that does not take into account the current water quality and operational issues.	3
			530020		\$19,000	530020		\$13,000		3
			530025		\$19,000	530020		\$18,000		3
			530028		\$13,000	530024		\$45,000		3
			530024		\$34,000	530028		\$58,000		3
		2/6/2020	521050	Professional Fees & Services	\$10,000	512660	Materials & Supplies	\$20,000	Transfer to cover replacement of multiple tools were stolen from these vehicles at RP-1 and RP-4 totaling approximately \$18,000.	3
			521010		\$10,000					3
		2/6/2020	512110	Materials & Supplies	\$4,000	530039	Chemicals	\$18,000	An additional Iron Sponge change out will need to be completed this FY, but was not budgeted for.	3
			521080	Professional Fees & Services	\$14,000					3
		2/6/2020	545110	Utilities	\$250,000	520980	Professional Fees & Services	\$250,000	Transfer needed to cover the contract for Redwood split between RP-4 at 25% and IERCF at 75%. IEUA to bill IERCA after payment of bill.	3
				Total O&M Transfers Out	\$739,165		Total O&M Transfers In	\$739,165		

**Inland Empire Utilities Agency
FY 2019/20 General Manager Contingency Account Activity
Budget Transfer**

Date	From Expense Account	Amount Transfer Out	Receiver Fund Name	Receiver Fund Center Name	Receiver Project / Expense Account	Receiver Project / Expense Account Name	Amount Transfer In	Balance	Justification
Beginning Balance, July 1, 2019								\$300,000	
No Activity									
Balance, September 30, 2019							\$0	\$300,000	
No Activity									
Balance, December 31, 2019							\$0	\$300,000	
2/13/2020	GM Contingency	\$100,000	Groundwater Recharge	Agency Management	520230	Legal - Litigation	\$100,000		
Balance, March 31, 2020							\$100,000	\$200,000	

GM Contingency Transfers Summary by Fund	
Administrative Services program	-
Recharge Water program	\$100,000
Non-Reclaimable Wastewater program	-
Recycled Water program	-
Regional Wastewater O&M program	-
Regional Wastewater Capital program	-
Water Resources program	-
Total GM Contingency Transfers	100,000

Inland Empire Utilities Agency

Exhibit D

Changes in Total Project Budget: Inter-Departmental/Division Capital & O&M Transfers FY 2019/20

Fund	Transfer Date	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
Capital Projects												
10200	1/8/2020	EN20021	Agency SCADA Integration with SAP	\$250,000	\$200,000	(\$4,000)	\$446,000	\$87,000	(\$4,000)	\$83,000	LB20003	An additional amount of \$4,000 is required for LB2003 for taxes, freight, and training for the Titrator Instrument.
		LB20003	Titrator	\$50,000	\$0	\$4,000	\$54,000	\$50,000	\$4,000	\$54,000	(EN20021)	
	1/27/2020	EN20021	Agency SCADA Integration with SAP	\$250,000	\$196,000	(\$82,000)	\$364,000	\$83,000	(\$82,000)	\$1,000	EN16012	Transfer is required for the capital cost associated with development and implementation of CIPO V3.0.
		EN16012	CIPO Enhancements	\$128,000	(\$20,000)	\$82,000	\$190,000	\$0	\$82,000	\$82,000	(EN20021)	
	3/2/2020	EN20040	HQ Driveway Improvements	\$400,000	\$0	\$0	\$400,000	\$400,000	(\$110,000)	\$290,000	EN16012	CIPO V3.0 contract was awarded in November 2019, with a portion of the contract award to the Capital Project EN16012 for the initial website configuration. CIPO V3.0 EN16012 has enough Total Project Budget, however, the project needs FY Budget to finish the project configuration (design, bid and award, and close-out/asset management modules).
		EN16012	CIPO Enhancements	\$128,000	\$62,000	\$0	\$190,000	\$82,000	\$110,000	\$192,000	(EN20040)	
Subtotal Administration (GG):				\$1,206,000			\$1,644,000	\$702,000		\$702,000		
10500	1/27/2020	EN23002	Philadelphia Lift Station Force Main Improvements	\$6,000,000	\$348,000	(\$500,000)	\$5,848,000	\$5,000,000	(\$500,000)	\$4,500,000	EN20064	Transfer to create new project, EN20064, to design and install a complete 21-inch VCP sewer bypass to the double siphon at the Cucamonga channel and 8th Street to alleviate self-cleaning of the North System North Trunk sewer.
		EN20064	NSNT Odor Complaints Mitigation	\$0	\$0	\$500,000	\$500,000	\$0	\$500,000	\$500,000	(EN23002)	
Subtotal Non-Reclaimable Wastewater (NC):				\$6,000,000			\$6,348,000	\$5,000,000		\$5,000,000		
10600	1/27/2020	WR15021	Napa Lateral	\$6,967,717	(\$200,000)	(\$100,000)	\$6,667,717	\$5,205,496	(\$100,000)	\$5,105,496	EN20063	Transfer to create new project EN20063 to remove and replace one 30" triple offset valve for the RW 930 zone along the San Antonio channel with a double offset valve. The existing valve is not functional and must be replaced under a warranty claim.
		EN20063	930 Zone Valve Replacement	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	(WR15021)	
	2/3/2020	EN22004	1158 East Reservoir Re-coating/painting	\$1,000,000	\$1,180,000	(\$430,000)	\$1,750,000	\$980,000	\$0	\$980,000	EN21004	Transfer Total Project Budget from EN22004 to EN21004. The projects were bid and awarded under one contract. This transfer will align these two project budgets per the construction contract award cost.
		EN21004	1158 West Reservoir Re-coating/painting	\$1,000,000	\$381,000	\$430,000	\$1,811,000	\$1,380,000	\$0	\$1,380,000	(EN22004)	
	2/26/2020	WR15021	Napa Lateral	\$6,967,717	(\$300,000)	(\$35,000)	\$6,632,717	\$5,105,496	(\$35,000)	\$5,070,496	EN19029	The RP-4 Outfall Project requires a budget transfer to cover the cost of project close-out. Additional funds are needed due to a combination of a change order for unanticipated retaining walls and changes in pipe alignments, and the additional costs incurred for overnight shutdowns requested by the cities.
		EN19029	RP-4 Outfall Pipeline Air Relief/Blow-Off	\$945,000	\$0	\$35,000	\$980,000	\$605,000	\$35,000	\$640,000	(WR15021)	
Subtotal Recycled Water (WC):				\$16,880,434			\$17,941,434	\$13,275,992		\$13,275,992		
10900	2/25/2020	EN17006	CCWRF Assets Management and Improvements	\$27,268,299	\$0	(\$465,000)	\$26,803,299	\$4,000,000	(\$465,000)	\$3,535,000	EN14019	The RP-1 Headworks Primary and Secondary Upgrades Project needs additional requested funds for internal labor to review as-builts, close out the project, and troubleshoot some faulty equipment that was installed during the project. The delay in spending was due to additional bypass pumping needed during construction to mitigate leaking gates at the Headworks.
		EN14019	RP-1 Headworks Primary and Secondary Upgrades	\$9,750,000	\$0	\$465,000	\$10,215,000	\$15,000	\$465,000	\$480,000	(EN17006)	
Subtotal Regional Capital (RC):				\$37,018,299			\$37,018,299	\$4,015,000		\$4,015,000		
				Capital Total Project Budget			Total Annual Capital Budget					
				Adopted \$61,104,733			Amended \$62,951,733	Adopted \$22,992,992			Amended \$22,992,992	

Inland Empire Utilities Agency

Exhibit D

Changes in Total Project Budget: Inter-Departmental/Division Capital & O&M Transfers FY 2019/20

Fund	Transfer Date	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
O&M Projects												
10600	3/24/2020	EN20036	WC On-Call/Small Projects FY 19/20	\$150,000	\$0	\$50,000	\$200,000	\$30,000	\$50,000	\$80,000	(O&M: 520980)	Transfer \$50,000 from the Engineering and Construction Management Professional Fees and Services Account to fund the installation of the new manways on the carpenter recycled water line. These manways are needed for a CCTV crew to come in and inspect the line.
Subtotal Recycled Water (WC):				\$150,000			\$200,000	\$30,000		\$80,000		
10700	2/4/2020	WR20027	Urban Water Management Plan 2020	\$750,000	\$0	(\$100,000)	\$650,000	\$750,000	(\$100,000)	\$650,000	PL20002	A budget transfer for a total of \$200,000 is required to fund the new project PL20002 - Land Use Demand Model 2020.
		PL20002	Land Use Demand Model 2020	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	(WR20027)	
	2/4/2020	WR16025	WW Planning Documents	\$2,145,387	\$1,550,874	(\$100,000)	\$3,596,261	\$862,044	(\$100,000)	\$762,044	PL20002	A budget transfer for a total of \$200,000 is required to fund the new project PL20002 - Land Use Demand Model 2020.
		PL20002	Land Use Demand Model 2020	\$0	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$200,000	(WR16025)	
Subtotal Water Resources (WW):				\$2,895,387			\$4,446,261	\$1,712,044		\$1,712,044		
10800	3/3/2020	EP17005	Agency-Wide Condition Assessment	\$329,000	\$0	\$0	\$329,000	\$251,250	(\$100,000)	\$151,250	EN19023	Transfer FY Budget only from EP17005 to EN19023. The budget transfer is required due to recent incidents with loose manhole covers on Haven Avenue has resulted in scheduling earlier condition assessment efforts than planned in order to investigate causes and maintain public safety.
		EN19023	Asset Managment Planning Document	\$7,500,000	\$0	\$0	\$7,500,000	\$150,000	\$100,000	\$250,000	(EP17005)	
	3/3/2020	EP17005	Agency-Wide Condition Assessment	\$329,000	\$0	\$0	\$329,000	\$151,250	(\$100,000)	\$51,250	EN19024	Transfer FY Budget only from EP17005 to EN19024. The budget transfer is required due to recent incidents with loose manhole covers on Haven Avenue has resulted in scheduling earlier condition assessment efforts than planned in order to investigate causes and maintain public safety.
		EN19024	Collection System Asset Management	\$1,250,000	\$0	\$0	\$1,250,000	\$250,000	\$100,000	\$350,000	(EP17005)	
Subtotal Regional Operations (RO):				\$9,408,000			\$9,408,000	\$802,500		\$802,500		
				O&M Total Project Budget			Total Annual O&M Project Budget					
				Adopted			Amended	Adopted		Amended		
				\$12,453,387			\$14,054,261	\$2,544,544		\$2,594,544		

Total TP Capital and O&M Project Transfers:	\$1,866,000
Total Project Budget Change - Capital:	\$1,847,000
Total Project Budget Change - O&M Proj:	\$1,600,874
Total Project Budget - Net Change:	\$3,447,874

FY 2019/20 Budget Variance Report

3rd Quarter Ended March 31, 2020



FY 2019/20 3rd Quarter Ending March 31, 2020

(\$ Millions)

	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Total Sources of Funds	\$286.6	\$214.9	\$190.0	88.4%
Total Uses of Funds	298.9	224.2	169.8	75.7%
Net Increase/(Decrease)	(\$12.3)	(\$9.3)	\$20.2	

*YTD – Year to Date

Highlights

- Total Sources of Funds were below the year to date budget by ~12%
- Total Uses of Funds were below YTD budget by ~24%
- Estimated net increase of \$20.2 million to fund balance, higher than the budgeted decrease of \$9.3 million year to date

FY 2019/20 3rd Quarter Ending March 31, 2020

(\$ Millions)

Sources of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Operating Revenue				
User Charges	\$87.3	\$65.5	\$65.9	100.6%
Recycled Water Sales	18.1	13.6	10.9	80.2%
MWD Imported Water Sales	44.7	33.5	32.6	97.1%
Other Operating Revenues*	11.4	8.5	8.2	96.2%
Total Operating Revenues	\$161.5	\$121.1	\$117.6	97.1%

Note: Totals may vary from values due to rounding.

* Other Operating Revenue includes contract cost reimbursements and interest revenue

Highlights

- A wet third quarter reduced demand for recycled water and groundwater recharge.
- Metropolitan Water District (MWD) imported water sales high during first and second quarters due to warm weather and dipped in third quarter due to wet winter.

FY 2019/20 3rd Quarter Ending March 31, 2020

(\$ Millions)

Sources of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Non-Operating Revenue				
Property Tax	\$52.4	\$39.3	\$32.4	82.5%
Connection Fees	35.7	26.8	28.0	104.3%
Grants & Loans	32.3	24.3	9.6	39.6%
Other Non-Operating Revenues*	4.6	3.5	2.5	71.5%
Total Non-Operating Revenues	\$125.1	\$93.8	\$72.4	77.2%
Total Operating Revenues	161.5	121.1	117.6	97.1%
Total Sources of Funds	\$286.6	\$214.9	\$190.0	88.4%

Note: Totals may vary from values due to rounding.

* Other Non-Operating revenues includes project reimbursements, lease revenue, and miscellaneous sales

Highlights

- Property tax receipts began in November 2019. In FY 2018/19, 42 percent of receipts occurred in the fourth quarter.
- New connections reported YTD:
 - 3,051 Equivalent Dwelling Units (EDU) – budgeted at 4,000 (projected 6,294)
 - 3,936 Meter Equivalent Units (MEU) – budgeted at 4,700
- Grant and loan receipts are primarily reimbursable and dependent upon related capital project expenditures.

FY 2019/20 3rd Quarter Ending March 31, 2020

(\$ Millions)

Uses of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Operating Expense				
Employment Expense (net of allocation to projects)	\$51.4	\$38.5	\$36.9	95.7%
Professional Fees & Services	14.6	10.9	6.1	56.0%
Utilities	9.7	7.3	5.6	77.0%
MWD Water Purchases	44.7	33.5	32.6	97.1%
O&M and Reimb. Project Exp.	26.2	19.7	11.9	60.5%
Other Operating Expenses*	29.3	22.0	16.6	75.5%
Total Operating Expense	\$175.8	\$131.9	\$113.5	86.0%

Highlights

- Professional fees & services below YTD Budget due to timing of scheduled contract services
- O&M and Reimbursement Projects below budget due to lower spending for conservation, planning, and emergency projects.

Note: Totals may vary from values due to rounding.

* Other operating expense includes operating fees, chemicals, biosolids recycling, materials & supplies and office & administrative expenses

FY 2019/20 3rd Quarter Ending March 31, 2020

(\$ Millions)

Uses of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Non-Operating Expense				
Capital Projects	\$98.9	\$74.2	\$38.3	51.7%
Financial Expense	23.8	17.9	17.7	98.8%
Other Non-Operating Expense*	0.3	0.3	0.3	133.0%
Total Non-Operating Expense	\$123.1	\$92.3	\$56.3	61.0%
Total Operating Expense	175.8	131.9	113.5	86.0%
Total Uses of Funds	\$298.9	\$224.2	\$169.8	75.7%

Note: Totals may vary from values due to rounding.

* Other Non-Operating Expense includes Santa Ana Watershed Project Authority (SAWPA) member contributions and other miscellaneous expense

Highlights

- Total capital project expenditures below budget due to scope changes and bidding, permitting, and contractor delays
- Financial expense includes payment of principal and interest payments for the 2010A and 2017A Revenue Bond and various State Revolving Fund loans

Questions



The Budget Variance Analysis report is consistent with the Agency's business goal of fiscal responsibility to ensure actual revenues and expenditures are consistent with those approved by the Board of Directors.

**INFORMATION
ITEM**

31



Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

SSD

Committee: Finance & Administration

06/10/20

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

Subject: Treasurers Report of Financial Affairs

Executive Summary:

The Treasurer's Report of Financial Affairs for the month ended April 30, 2020 is submitted in a format consistent with the State requirement.

For the month of April 2020, total cash, investments, and restricted deposits of \$287,926,465 reflects an increase of \$17,857,270 compared to the total of \$270,069,195 reported for March 2020. The increase was primarily due to property tax receipts of \$13.6 million and increases in restricted deposits balance. As a result, the average days cash on hand for the month ended April 2020 increased from 233 days to 256 days.

The unrestricted Agency investment portfolio yield in April 2020 was 2.031 percent, a decrease of 0.155 percent compared to the March 2020 yield of 2.186 percent. The slight decrease in overall yield is mainly attributed to a decrease in the yield of the Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) accounts as a result of the current economic climate and overall declining interest rate environment.

Staff's Recommendation:

The Treasurer's Report of Financial Affairs for the month ended April 30, 2020 is an information item for the Board of Director's review.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On May 20, 2020, the Board of Directors approved the Treasurer's Report of Financial Affairs for the month ended March 31, 2020.

Environmental Determination:

Not Applicable

Business Goal:

The Treasurer's Report of Financial Affairs is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Treasurer's Report of Financial Affairs

Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended April 30, 2020 is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2020-4-3).

Agency total cash, investments, and restricted deposits for the month of April 2020 was \$287.9 million, an increase of \$17.8 million from the \$270.1 million reported for the month ended March 2020. The increase was primarily due to property tax receipts and an increase in restricted deposits, mainly the capital capacity reimbursement account and debt service funds held by fiscal agents.

During April, interest rates continue to remain relatively low. Due to the uncertainties associated with economic recovery, PFM maintained neutral portfolio durations, while increasing investments in federal agencies which provide less credit risk and better liquidity than other sectors.

Table 1 represents the unrestricted Agency investment portfolio, by authorized investment and duration, with a total portfolio amount of \$149.7 million. The Agency portfolio excludes cash and restricted deposits in the amount of \$138.2 million held by member agencies and with fiscal agents.

Table 1: Agency Portfolio

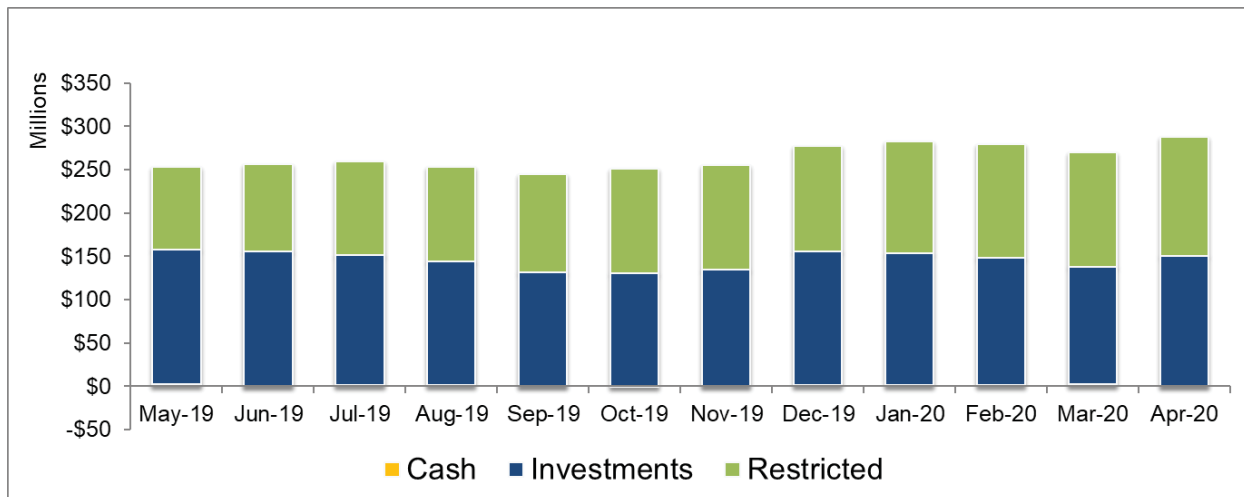
Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of April 30, 2020 (\$ million)				Average Yield %	Portfolio% (Unrestricted)
		Under 1 Year	1-3 Years	Over 3 Years	Total		
LAIF*- Unrestricted	\$75	\$37.0	\$0	\$0	\$37.0	1.648%	24.74%
CAMP** – Unrestricted	n/a	12.5			12.5	0.980%	8.37%
Citizens Business Bank – Sweep	40%	6.0			6.0	0.500%	3.97%
Sub-Total Agency Managed		\$55.5	\$0	\$0	\$55.5	1.37%	37.09%
Brokered Certificates of Deposit	30%	\$3.0	\$2.5	\$0	\$5.5	2.747%	3.68%
Medium Term Notes	30%	0.2	12.1	4.5	16.8	2.836%	11.21%
US Treasury Notes	n/a		23.8	20.2	44.0	2.388%	29.37%
US Gov't Securities	n/a	7.5	8.0	12.4	27.9	2.153%	18.66%
Sub-Total PFM Managed		\$10.7	46.4	37.1	94.2	2.42%	62.91%
Total		\$66.2	\$46.4	\$37.1	\$149.7	2.031%	100.0%

*LAIF – Local Agency Investment Fund

**CAMP – California Asset Management Program

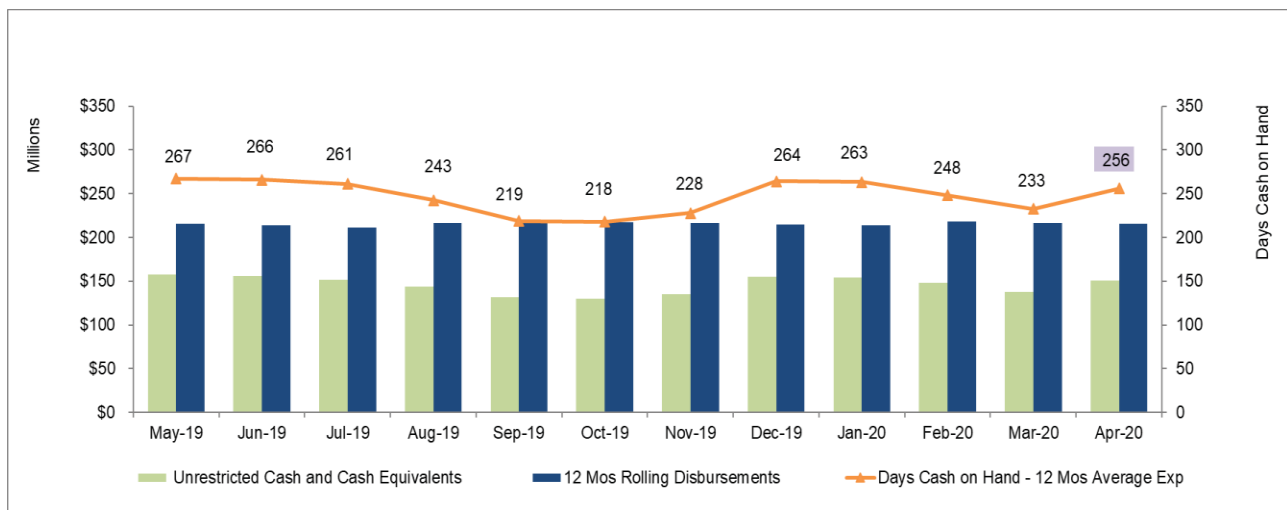
+/- due to rounding

Figure 1: Cash, Investments, and Restricted Deposits



Average days cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency's cash flow. The average days cash on hand for the month ended April 2020 increased from 233 days to 256 days as shown in Figure 2.

Figure 2: Days Cash on Hand – 12 Month Rolling Average



Monthly cash and investment summaries are available on the Agency's website at:
<https://www.ieua.org/fy-2019-20-cash-and-investment-summary/>

Treasurer's Report of Financial Affairs for Month Ended April 30, 2020



Agency Liquidity

- Increase in agency total investment primarily due to property tax receipts of \$13.6 million and increases in the Capital Capacity Reimbursement Account (CCRA) account balance.
- Slight decrease in overall yield continues due to the current economic climate. Decreases in Local Agency Investment Fund and California Asset Management Program yields account for the Agency's declining interest rate.

Description	April (\$ million)	March (\$ million)	Increase/ (Decrease) (\$ million)
Investment Portfolio	\$149.7	\$135.4	\$14.3
Cash and Restricted Deposits	\$138.2	\$134.7	\$3.5
Total Investments, Cash, and Restricted Deposits	\$287.9	\$270.1	\$17.8
Investment Portfolio Yield	2.031%	2.168%	(0.155%)
Weighted Average Duration (Years)	1.09	1.15	(0.6)
Average Cash on Hand (Days)	256	233	23

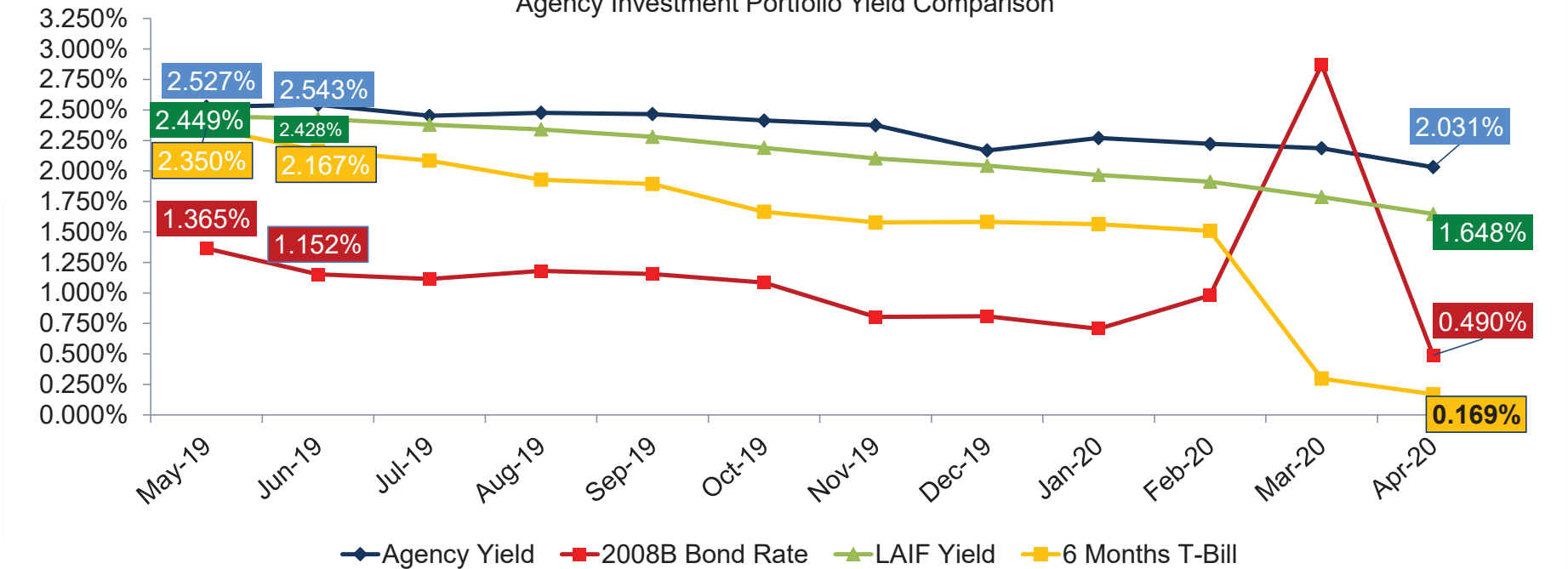
Monthly cash and investment summaries available at <https://www.ieua.org/read-our-reports/cash-and-investment/>

Agency Investment Position

Authorized Investments	Allowable Threshold (\$ million or %)	Under 1 Year	1 – 3 Years	Over 3 Years	Total	Average Yield %	Portfolio % (Unrestricted)
Local Agency Investment Fund	\$75	\$37.0	\$0	\$0	\$37.0	1.65%	24.7%
California Asset Management Program	n/a	12.5	-	-	12.5	0.98	8.4
Citizens Business Bank – Sweep	40%	6.0	-	-	6.0	0.50	4.0
Sub-Total Agency Managed		\$55.5	\$0	\$0	\$55.5	1.37%	37.1%
Brokered Certificates of Deposit (CD)	30%	\$3.0	\$2.5	\$0	\$5.5	2.75%	3.7%
Medium Term Notes	30%	0.2	12.1	4.5	16.8	2.84	11.2
US Treasury Notes	n/a	-	23.8	20.2	44.0	2.39	29.4
US Government Securities	n/a	7.5	8.0	12.4	27.9	2.15	18.7
Sub-Total PFM Managed		\$10.7	\$46.4	\$37.1	\$94.2	2.42%	62.9%
Total		\$66.2	\$46.4	\$37.1	\$149.7	2.03%	100.0%

Portfolio Yield Comparison

Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
Month Ended April 30, 2020
Agency Investment Portfolio Yield Comparison



Questions



The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility.

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended April 30, 2020



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2020-4-3) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on April 15, 2020.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

	April	March	Variance
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>	\$826,958	\$2,312,540	(\$1,485,582)
<u>Investments</u>			
Agency Managed			
Citizens Business Bank (CBB) Repurchase (Sweep)	\$5,949,646	\$5,829,339	\$120,307
Local Agency Investment Fund (LAIF)	37,030,616	23,898,080	\$13,132,536
California Asset Management Program (CAMP)	12,533,207	12,523,140	\$10,067
Total Agency Managed Investments	55,513,469	42,250,559	\$13,262,910
PFM Managed			
Certificates of Deposit	\$5,514,922	\$5,514,951	(\$29)
Medium Term Notes	16,776,567	16,771,889	\$4,678
U.S. Treasury Notes	43,961,206	46,100,540	(\$2,139,334)
U.S. Government Sponsored Entities	27,925,165	24,734,772	\$3,190,393
Total PFM Managed Investments	94,177,860	93,122,152	\$1,055,708
Total Investments	\$149,691,329	\$135,372,711	\$14,318,618
Total Cash and Investments Available to the Agency	\$150,518,287	\$137,685,251	\$12,833,036
<u>Restricted Deposits</u>			
CAMP Water Connection Reserve	\$21,629,380	\$21,038,338	\$591,042
LAIF Self Insurance Reserve	6,561,244	6,525,056	\$36,188
Debt Service Accounts	4,075,392	2,633,042	\$1,442,350
Capital Capacity Reimbursement Account (CCRA) Deposits Held by Member Agencies**	87,688,117	85,720,511	\$1,967,606
California Employers' Retirement Benefit Trust Account - CERBT (Other Post Employment Benefits - OPEB)	17,249,831	16,278,198	\$971,633
Escrow Deposits	204,214	188,799	\$15,415
Total Restricted Deposits	\$137,408,178	\$132,383,944	\$5,024,234
Total Cash, Investments, and Restricted Deposits	\$287,926,465	\$270,069,195	\$17,857,270

**Total reported as of March 2020

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Negative balance offset by CBB Sweep Balance)	\$208,063
CBB Payroll Account	-
CBB Workers' Compensation Account	113,397
Subtotal Demand Deposits	<u>\$321,460</u>

Other Cash and Bank Accounts

Petty Cash	\$2,250
Subtotal Other Cash	<u>\$2,250</u>

US Bank Pre-Investment Money Market Account

\$503,248

Total Cash and Bank Accounts

\$826,958

Unrestricted Investments

CBB Repurchase (Sweep) Investments

Freddie Mac	\$5,133,415
Fannie Mae	816,231
Subtotal CBB Repurchase (Sweep)	<u>\$5,949,646</u>

Local Agency Investment Fund (LAIF)

LAIF Fund	\$37,030,616
Subtotal Local Agency Investment Fund	<u>\$37,030,616</u>

California Asset Management Program (CAMP)

Short Term	\$12,533,207
Subtotal CAMP	<u>\$12,533,207</u>

Subtotal Agency Managed Investment Accounts

\$55,513,469

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

Unrestricted Investments Continued

Brokered Certificates of Deposit

Brokered Certificates of Deposit	\$5,514,922
Subtotal Brokered Certificates of Deposit	<u>\$5,514,922</u>

Medium Term Notes

Hershey Company	334,920
American Honda Finance	787,795
UnitedHealth Group Inc	750,635
Toyota Motor	1,190,254
Bank of NY Mellon	2,770,379
American Express	793,118
Walt Disney Company	807,261
Paccar Financial Corp	929,661
Visa Inc	809,074
Bank of America	783,148
Oracle Corporation	1,402,066
Amazon Inc	928,437
Burlington North Santa Fe Corp	794,620
Pfizer Inc	1,272,827
Walmart Inc	1,485,706
Walt Disney Company	<u>936,666</u>
Subtotal Medium Term Notes	<u>\$16,776,567</u>

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

Unrestricted Investments Continued

U.S. Treasury Notes

Treasury Note	\$43,961,206
Subtotal U.S. Treasury Notes	<u>\$43,961,206</u>

U.S. Government Sponsored Entities

Fannie Mae Bank	14,077,590
Freddie Mac Bank	8,671,470
Federal Home Loan Bank	<u>5,176,105</u>
Subtotal U.S. Government Sponsored Entities	\$27,925,165

Subtotal PFM Managed Investment Accounts	<u>\$94,177,860</u>
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<i>Total Investments</i>	<u>\$149,691,329</u>
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Restricted Deposits

Investment Pool Accounts

CAMP -Water Connection Reserves	\$21,629,380
LAIF - Self Insurance Fund Reserves	<u>6,561,244</u>
Subtotal Investment Pool Accounts	\$28,190,624

Debt Service

2008B Debt Service Accounts	\$2,633,737
2010A Debt Service Accounts	3
2017A Debt Service Accounts	<u>1,441,652</u>
Subtotal Debt Service	\$4,075,392

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

Restricted Deposits Continued

CCRA Deposits Held by Member Agencies

City of Chino	\$13,817,004
Cucamonga Valley Water District	12,750,634
City of Fontana	13,337,907
City of Montclair	3,844,930
City of Ontario	30,461,065
City of Chino Hills	6,692,350
City of Upland	6,784,227
Subtotal CCRA Deposits Held by Member Agencies**	<u>\$87,688,117</u>

**Total reported as of March 2020

CalPERS

CERBT Account (OPEB)	<u>\$17,249,831</u>
Subtotal CalPERS Accounts	\$17,249,831

Escrow Deposits

Stanek Construction	<u>\$204,214</u>
Subtotal Escrow Deposits	\$204,214

<i>Total Restricted Deposits</i>	<u><u>\$137,408,178</u></u>
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<i>Total Cash, Investments, and Restricted Deposits as of April 30, 2020</i>	<u><u>\$287,926,465</u></u>
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Total Cash, Investments, and Restricted Deposits as of 4/30/2020	\$287,926,465
Less: Total Cash, Investments, and Restricted Deposits as of 3/31/20	<u>270,069,195</u>

<i>Total Monthly Increase (Decrease)</i>	<u><u>\$17,857,270</u></u>
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INLAND EMPIRE UTILITIES AGENCY**Cash and Investment Summary**Month Ended
April 30, 2020

	Par	Cost Basis	Term	April	% Coupon	% Yield to Maturity	Maturity	Market
	Amount	Amount	(Days)	Value		Date	Value	
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>								
Citizens Business Bank (CBB)								
Demand Account	\$208,063	\$208,063	N/A	\$208,063		N/A	N/A	\$208,063
Payroll Checking	0	0	N/A	0		N/A	N/A	0
Workers' Compensation Account	113,397	113,397	N/A	113,397		N/A	N/A	113,397
Subtotal CBB Accounts	\$321,460	\$321,460		\$321,460				\$321,460
US Bank (USB)								
Custodial Money Market <i>(Investment Mgmt.)</i>	\$96,669	\$96,669	N/A	\$96,669		0.01%	N/A	\$96,669
Custodial Money Market <i>(Debt Service)</i>	406,579	406,579	N/A	406,579		0.01%	N/A	406,579
Subtotal USB Account	\$503,248	\$503,248		\$503,248		0.01%		\$503,248
Petty Cash	\$2,250	\$2,250	N/A	\$2,250		N/A	N/A	\$2,250
Total Cash, Bank Deposits and Bank Investment Accounts	\$826,958	\$826,958		\$826,958				\$826,958
<u>Investments</u>								
CBB Daily Repurchase (Sweep) Accounts								
Freddie Mac	\$5,133,415	\$5,133,415	N/A	\$5,133,415		0.50%	N/A	\$5,133,415
Fannie Mae	816,231	816,231	N/A	816,231		0.50%	N/A	816,231
Subtotal CBB Repurchase Accounts	\$5,949,646	\$5,949,646		\$5,949,646		0.50%		\$5,949,646
LAIF Accounts								
Non-Restricted Funds	\$37,030,616	\$37,030,616	N/A	\$37,030,616		1.648%	N/A	\$37,030,616
Subtotal LAIF Accounts	\$37,030,616	\$37,030,616		\$37,030,616		1.648%		\$37,030,616
CAMP Accounts								
Non-Restricted Funds	\$12,533,207	\$12,533,207	N/A	\$12,533,207		0.98%	N/A	\$12,533,207
Subtotal CAMP Accounts	\$12,533,207	\$12,533,207		\$12,533,207		0.98%		\$12,533,207
Subtotal Agency Managed Investment Accounts	\$55,513,469	\$55,513,469		\$55,513,469		1.37%		\$55,513,469
Brokered Certificates of Deposit (CDs)								
Bank of Nova Scotia Houston	\$1,410,000	\$1,409,464	729	\$1,409,922	3.08%	3.10%	06/05/20	\$1,413,181
Bank of Montreal Chicago	1,400,000	1,400,000	731	1,400,000	3.19%	3.19%	08/03/20	1,409,768
Synchrony Bank	240,000	240,000	1827	240,000	2.25%	2.25%	10/02/20	241,633
Royal Bank of Canada NY	815,000	815,000	1095	815,000	3.24%	3.24%	06/07/21	835,073
Societe Generale NY	935,000	935,000	726	935,000	1.80%	1.80%	02/14/22	930,493
DNB Bank ASA NY	715,000	715,000	1092	715,000	2.04%	2.03%	12/02/22	730,646
Subtotal Brokered CDs	\$5,515,000	\$5,514,464		\$5,514,922		2.75%		\$5,560,794

INLAND EMPIRE UTILITIES AGENCY**Cash and Investment Summary**Month Ended
April 30, 2020

	Par	Cost Basis	Term	April	% Coupon	% Yield to Maturity	Maturity	Market
	Amount	Amount	(Days)	Value			Date	Value
<u>Investments (continued)</u>								
US Treasury Note								
US Treasury Note	1,541,000	1,529,984	838	1,535,413	2.125%	2.45%	06/30/21	1,575,673
US Treasury Note	2,615,000	2,588,543	1201	2,604,955	2.250%	2.57%	07/31/21	2,682,009
US Treasury Note	580,000	567,426	1202	574,267	2.000%	2.69%	10/31/21	595,588
US Treasury Note	2,555,000	2,480,346	1323	2,522,385	1.750%	2.60%	11/30/21	2,617,278
US Treasury Note	1,575,000	1,523,813	1436	1,550,084	1.875%	2.75%	03/31/22	1,624,957
US Treasury Note	3,070,000	2,969,266	1336	3,017,295	1.875%	2.82%	03/31/22	3,167,377
US Treasury Note	3,790,000	3,678,225	1302	3,729,992	1.875%	2.75%	03/31/22	3,910,214
US Treasury Note	1,605,000	1,558,480	1474	1,581,993	1.875%	2.64%	04/30/22	1,657,664
US Treasury Note	1,300,000	1,252,570	1456	1,274,265	1.750%	2.72%	06/30/22	1,343,062
US Treasury Note	2,065,000	1,980,706	1577	2,017,855	1.750%	2.76%	09/30/22	2,140,502
US Treasury Note	894,000	864,177	1641	877,407	2.000%	2.80%	10/31/22	933,112
US Treasury Note	1,040,000	990,356	1580	1,008,423	1.750%	2.93%	01/31/23	1,082,738
US Treasury Note	310,000	293,289	1699	299,840	1.500%	2.74%	02/28/23	320,947
US Treasury Note	1,235,000	1,189,508	1508	1,202,902	1.500%	2.44%	03/31/23	1,280,155
US Treasury Note	2,000,000	1,899,453	1618	1,928,225	1.38%	2.58%	06/30/23	2,069,375
US Treasury Note	1,260,000	1,196,951	1630	1,214,125	1.25%	2.44%	07/31/23	1,299,769
US Treasury Note	650,000	667,088	1611	663,227	2.88%	2.25%	09/30/23	707,078
US Treasury Note	3,450,000	3,484,904	1713	3,476,346	2.75%	2.52%	11/15/23	3,747,024
US Treasury Note	2,525,000	2,479,826	1786	2,491,916	2.13%	2.52%	11/30/23	2,689,125
US Treasury Note	120,000	120,356	1795	120,266	2.63%	2.56%	12/31/23	130,125
US Treasury Note	2,345,000	2,355,534	1792	2,353,583	2.00%	1.90%	04/30/24	2,500,723
US Treasury Note	575,000	580,930	1824	579,945	2.00%	1.78%	06/30/24	614,531
US Treasury Note	1,000,000	1,016,172	1818	1,013,806	2.13%	1.78%	07/31/24	1,075,000
US Treasury Note	1,310,000	1,349,146	1824	1,344,618	2.13%	1.50%	09/30/24	1,411,934
US Treasury Note	1,100,000	1,135,965	1822	1,132,451	2.25%	1.57%	10/31/24	1,192,984
US Treasury Note	100,000	102,055	1789	101,887	2.13%	1.69%	11/30/24	108,031
US Treasury Note	1,710,000	1,749,611	1789	1,747,064	2.13%	1.63%	11/30/24	1,847,334
US Treasury Note	1,895,000	2,000,039	1900	1,996,671	0.85%	0.85%	02/15/25	2,041,270
Subtotal US Treasuries	44,215,000	43,604,719		43,961,206		2.39%		\$46,365,579

INLAND EMPIRE UTILITIES AGENCY**Cash and Investment Summary**Month Ended
April 30, 2020

	Par	Cost Basis	Term	April	% Coupon	% Yield to Maturity	Maturity	Market
	Amount	Amount	(Days)	Value			Date	Value
<u>Investments (continued)</u>								
<u>U.S. Government Sponsored Entities</u>								
Freddie Mac Bond	2,500,000	2,485,350	1,036	2,495,885	2.38%	2.59%	02/16/21	2,542,695
Freddie Mac Bond	2,550,000	2,527,994	1,028	2,543,771	2.38%	2.70%	02/16/21	2,593,549
Fannie Mae Bond	2,510,000	2,502,671	1,092	2,507,671	2.50%	2.60%	04/13/21	2,564,409
Federal Home Loan Bank	1,865,000	1,882,718	992	1,874,448	3.00%	2.63%	10/12/21	1,938,060
Fannie Mae Bond	795,000	794,428	1,096	794,676	2.63%	2.65%	01/11/22	826,138
Fannie Mae Bond	890,000	886,903	1,096	887,575	1.38%	1.49%	09/06/22	911,187
Fannie Mae Bond	1,655,000	1,603,678	1,632	1,627,106	2.00%	2.74%	10/05/22	1,721,801
Federal Home Loan Bank	1,280,000	1,277,645	1,092	1,277,796	1.38%	1.44%	02/17/23	1,315,750
Fannie Mae Bond	1,520,000	1,520,152	1,091	1,520,096	1.70%	1.70%	02/21/23	1,525,983
Freddie Mac Bond	1,450,000	1,444,461	1,810	1,446,499	2.75%	2.83%	06/19/23	1,555,551
Fannie Mae Bond	855,000	853,273	1,741	853,781	2.88%	2.92%	09/12/23	924,757
Fannie Mae Bond	1,820,000	1,803,274	1,772	1,808,400	2.88%	3.08%	09/12/23	1,968,488
Federal Home Loan Bank	870,000	895,642	1,772	889,044	3.38%	2.72%	12/08/23	960,530
Fannie Mae Bond	680,000	677,470	1,823	678,092	2.50%	2.58%	02/05/24	731,681
Federal Home Loan Bank	190,000	189,327	1,824	189,490	2.50%	2.58%	02/13/24	204,525
Fannie Mae Bond	2,055,000	2,130,234	1,789	2,127,809	1.63%	0.85%	01/07/25	2,155,124
Freddie Mac Bond	1,215,000	1,214,064	1,825	1,214,104	1.50%	1.52%	02/12/25	1,267,085
Federal Home Loan Bank	950,000	945,288	1,824	945,327	0.50%	0.60%	04/14/25	944,484
Fannie Mae Bond	1,275,000	1,272,374	1,824	1,272,384	0.63%	0.67%	04/22/25	1,275,361
Freddie Mac Bond	970,000	971,212	1,826	971,211	1.10%	1.07%	04/28/25	971,764
Subtotal U.S. Gov't Sponsored Entities	27,895,000	27,878,158		27,925,165		2.15%		\$28,898,922
<u>Medium Term Notes</u>								
Toyota Motor	200,000	199,880	731	199,959	3.05%	3.08%	01/08/21	201,556
Hershey Company	335,000	334,769	1101	334,920	3.10%	3.12%	05/15/21	342,573
American Honda Finance	800,000	767,016	1181	787,795	1.65%	3.00%	07/12/21	795,104
Toyota Motor	1,000,000	978,790	1355	990,295	2.60%	3.21%	01/11/22	1,019,901
Bank of NY Mellon	1,400,000	1,371,048	1391	1,386,534	2.60%	3.18%	02/07/22	1,437,624
American Express	800,000	785,488	1415	793,118	2.70%	3.20%	03/03/22	816,461
Walt Disney Company	815,000	798,692	1416	807,261	2.45%	3.00%	03/04/22	835,299
Paccar Financial Corp	930,000	929,498	1096	929,661	2.65%	2.67%	05/10/22	949,931
Visa Inc	825,000	795,407	1611	809,074	2.15%	3.03%	09/15/22	850,984
Bank of America	800,000	769,264	1647	783,148	2.50%	3.43%	10/21/22	815,791
Oracle Corp	1,420,000	1,389,001	1763	1,402,066	2.63%	3.11%	02/15/23	1,485,302
Amazon Inc	935,000	925,996	1409	928,437	2.40%	2.66%	02/22/23	981,977
Burlington North Santa Fe Corp	800,000	790,800	1792	794,620	3.00%	3.26%	03/15/23	840,415
Bank of NY Mellon	1,375,000	1,387,595	1555	1,383,845	3.50%	3.27%	04/28/23	1,468,715
UnitedHealth Group Inc	720,000	755,741	1330	750,635	3.50%	2.08%	06/15/23	774,163
Pfizer Inc	1,260,000	1,276,392	1807	1,272,827	2.95%	2.67%	03/15/24	1,352,765
Walmart Inc	1,425,000	1,495,196	1768	1,485,706	2.85%	1.78%	07/08/24	1,535,389
Walt Disney Company	940,000	936,165	1820	936,666	1.75%	1.83%	08/30/24	954,705
Subtotal Medium Term Notes	\$16,780,000	\$16,686,738		\$16,776,567		2.84%		\$17,458,655

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

	Par	Cost Basis	Term	April	% Coupon	% Yield to Maturity	Maturity	Market
	Amount	Amount	(Days)	Value			Date	Value
Subtotal PFM Managed Investment Accounts	\$94,405,000	\$93,684,078		\$94,177,860		2.42%		\$98,283,950
Total Investments	\$149,918,469	\$149,197,547		\$149,691,329				\$153,797,419
<i>(Source of Investment Amortized Cost: PFM)</i>								
Restricted Deposits								
Investment Pool Accounts								
CAMP - Water Connection Reserves	\$21,629,380	\$21,629,380	N/A	\$21,629,380		0.98%	N/A	\$21,629,380
LAIF - Self Insurance Reserves	6,561,244	6,561,244	N/A	6,561,244		1.65%	N/A	6,561,244
Total Investment Pool Accounts	28,190,624	28,190,624		28,190,624		1.14%		28,190,624
Debt Service and Arbitrage Accounts								
2008B Debt Service Accounts	\$2,633,737	\$2,633,737	N/A	\$2,633,737		0.01%		\$2,633,737
2010A Debt Service Accounts	3	3	N/A	3		0.00%		3
2017A Debt Service Accounts	1,441,652	1,441,652	N/A	1,441,652		0.01%		1,441,652
Total Debt Service Accounts	\$4,075,392	\$4,075,392		\$4,075,392		0.01%		\$4,075,392
CCRA Deposits Held by Member Agencies								
City of Chino	\$13,817,004	\$13,817,004	N/A	\$13,817,004		N/A	N/A	\$13,817,004
City of Chino Hills	6,692,350	6,692,350	N/A	6,692,350		N/A	N/A	6,692,350
Cucamonga Valley Water District	12,750,634	12,750,634	N/A	12,750,634		N/A	N/A	12,750,634
City of Fontana	13,337,907	13,337,907	N/A	13,337,907		N/A	N/A	13,337,907
City of Montclair	3,844,930	3,844,930	N/A	3,844,930		N/A	N/A	3,844,930
City of Ontario	30,461,065	30,461,065	N/A	30,461,065		N/A	N/A	30,461,065
City of Upland	6,784,227	6,784,227	N/A	6,784,227		N/A	N/A	6,784,227
Subtotal CCRA Deposits Held by Member Agencies**	\$87,688,117	\$87,688,117		\$87,688,117				\$87,688,117
<i>**Total reported as of March 2020</i>								
CalPERS Deposits								
CERBT Account (OPEB)	\$15,000,000	\$15,000,000	N/A	\$17,249,831		N/A	N/A	\$17,249,831
Subtotal CalPERS Deposits	\$15,000,000	\$15,000,000		\$17,249,831				\$17,249,831
<i>CERBT Strategy 2 Performance as of March 2020 based on 1 Year Net Return was -2.00%.</i>								
Escrow Deposits								
Stanek Contractors Escrow #1537 & #1661	\$204,214	\$204,214	N/A	\$204,214		N/A	N/A	\$204,214
Subtotal Escrow Deposits	\$204,214	\$204,214		\$204,214				\$204,214
Total Restricted Deposits	\$135,158,347	\$135,158,347		\$137,408,178				\$137,408,178
Total Cash, Investments, and Restricted Deposits as of April 30, 2020	\$285,903,774	\$285,182,852		\$287,926,465				\$292,032,556

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
April 30, 2020

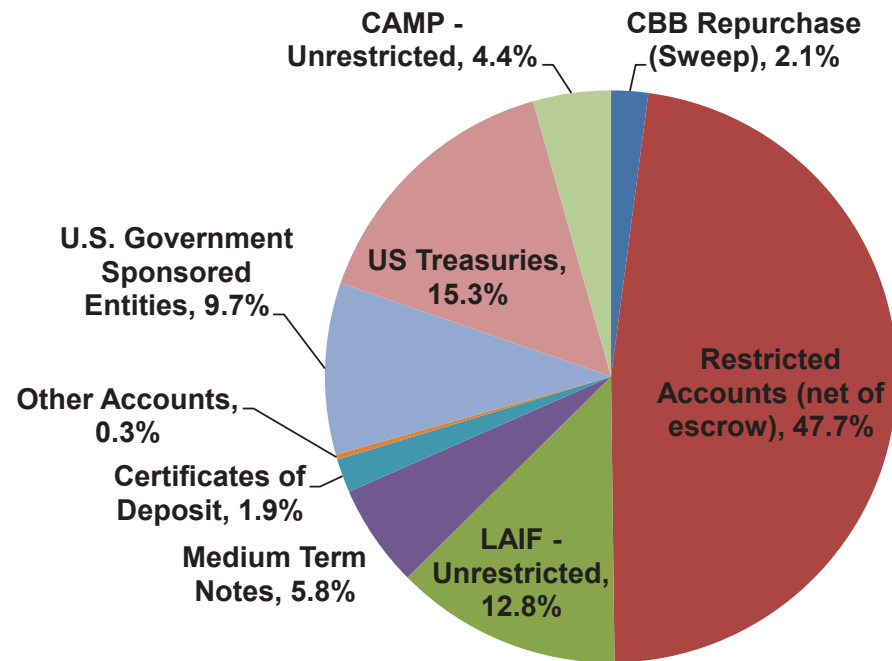
April Purchases

No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield to Maturity
1	04/16/20	Purchase	Federal Home Loan Bank Note	Federal Agency Bond	\$950,000	0.62%
2	04/24/20	Purchase	Fannie Mae Note	Federal Agency Bond	1,275,000	0.62%
3	04/28/20	Purchase	Freddie Mac Note	Federal Agency Bond	970,000	1.06%
4						
5						
					\$ 3,195,000	

April Investment Maturities, Calls & Sales

No.	Date	Transaction	Investment Security	Type	Par Amount Matured/Sold	Investment Yield to Maturity
1	04/16/20	Sell	US Treasury Note	Treasury Bond	880,000	0.36%
2	04/24/20	Sell	US Treasury Note	Treasury Bond	1,240,000	0.16%
3						
4						
5						
6						
Total Maturities, Calls & Sales					\$ 2,120,000	

Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
Month Ended April 30 2020
Agency Investment Portfolio (Net of Escrow Accounts)
\$287,722,251



INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2020

Directed Investment Category

CBB Repurchase (Sweep)
LAIF - Unrestricted
CAMP - Unrestricted
Brokered Certificates of Deposit
Medium Term Notes
US Treasury Notes
U.S. Government Sponsored Entities

Total Investment Portfolio

Investment Portfolio Rate of Return

Amount Invested	Yield
\$5,949,646	0.500%
\$37,030,616	1.648%
\$12,533,207	0.980%
\$5,514,922	2.747%
\$16,776,567	2.836%
\$43,961,206	2.388%
\$27,925,165	2.153%
<i>\$149,691,329</i>	

2.031%

Restricted/Transitory/Other Accounts

CCRA Deposits Held by Member Agencies
CalPERS OPEB (CERBT) Account
CAMP Restricted Water Connection Reserve
LAIF Restricted Insurance Reserve
US Bank - 2008B Debt Service Accounts
US Bank - 2017A Debt Service Accounts
US Bank - Pre-Investment Money Market Account
Citizens Business Bank - Demand Account
Citizens Business Bank - Workers' Compensation Account
Other Accounts*
Escrow Account

Total Restricted/Transitory/Other Accounts

Average Yield of Other Accounts

Amount Invested	Yield
\$87,688,117	N/A
17,249,831	N/A
21,629,380	0.980%
6,561,244	1.648%
2,633,737	0.010%
1,441,652	0.010%
503,248	0.010%
208,063	N/A
113,397	N/A
2,250	N/A
204,214	N/A
<i>\$138,235,136</i>	

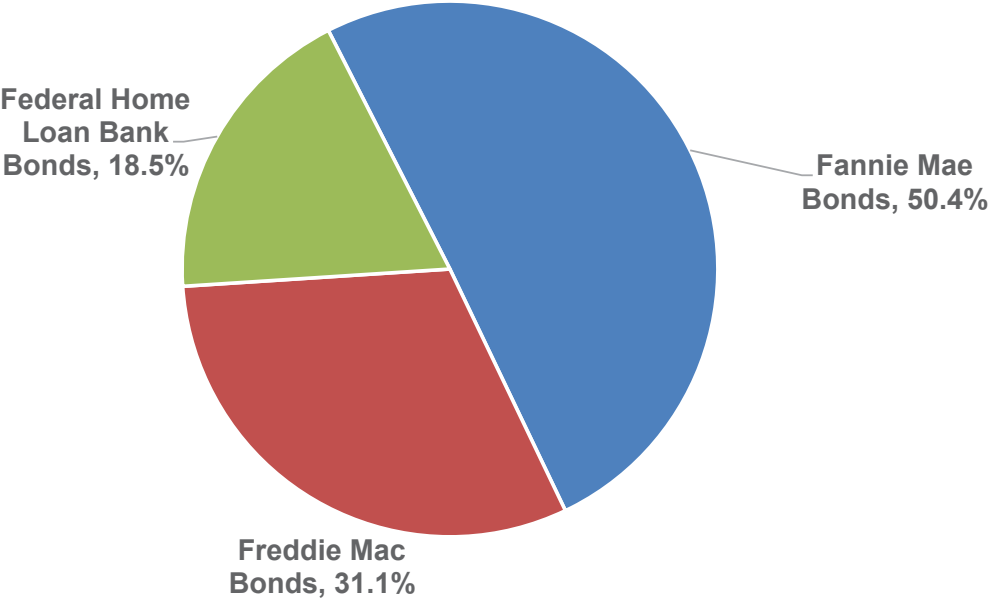
1.023%

Total Agency Directed Deposits

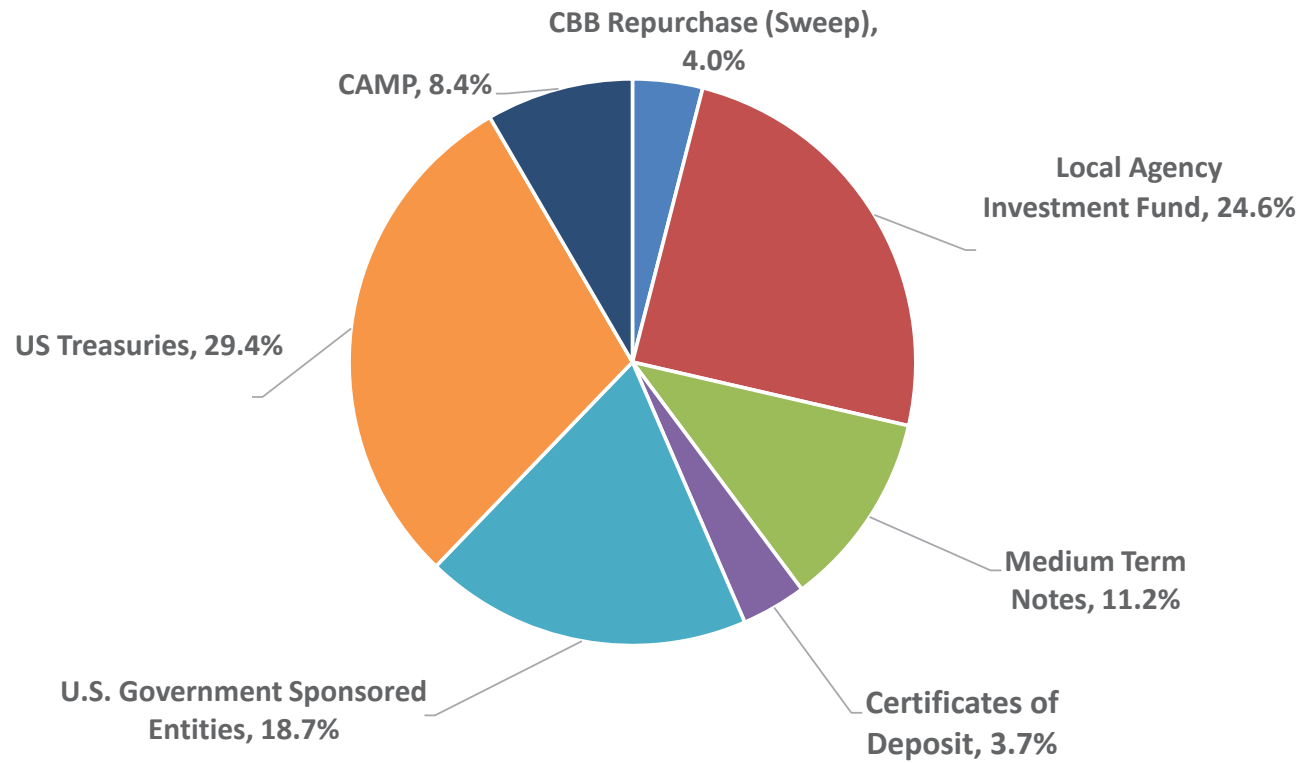
\$287,926,465

**Petty Cash*

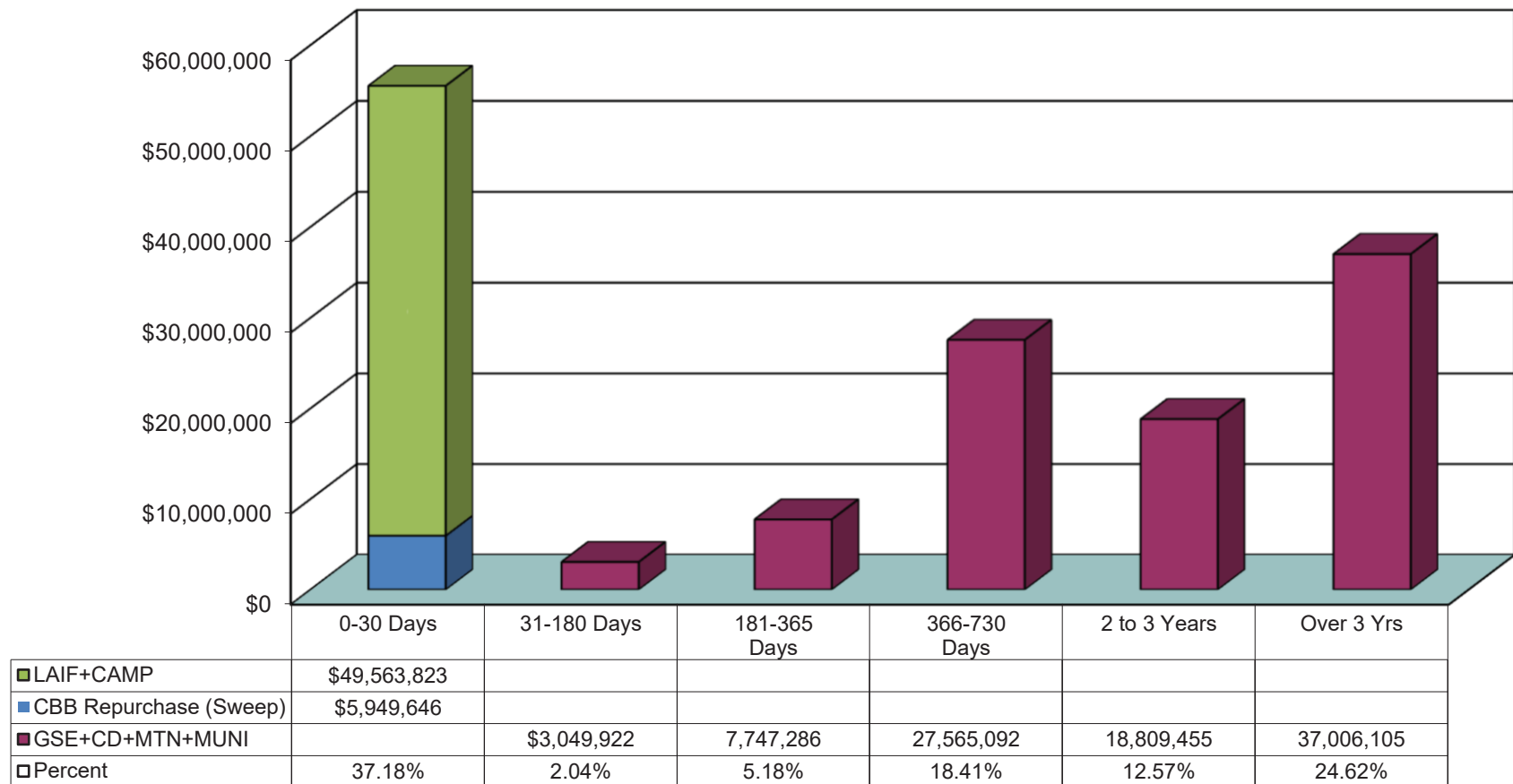
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
Month Ended April 30 2020
U.S. Government Sponsored Entities Portfolio
\$27,925,165



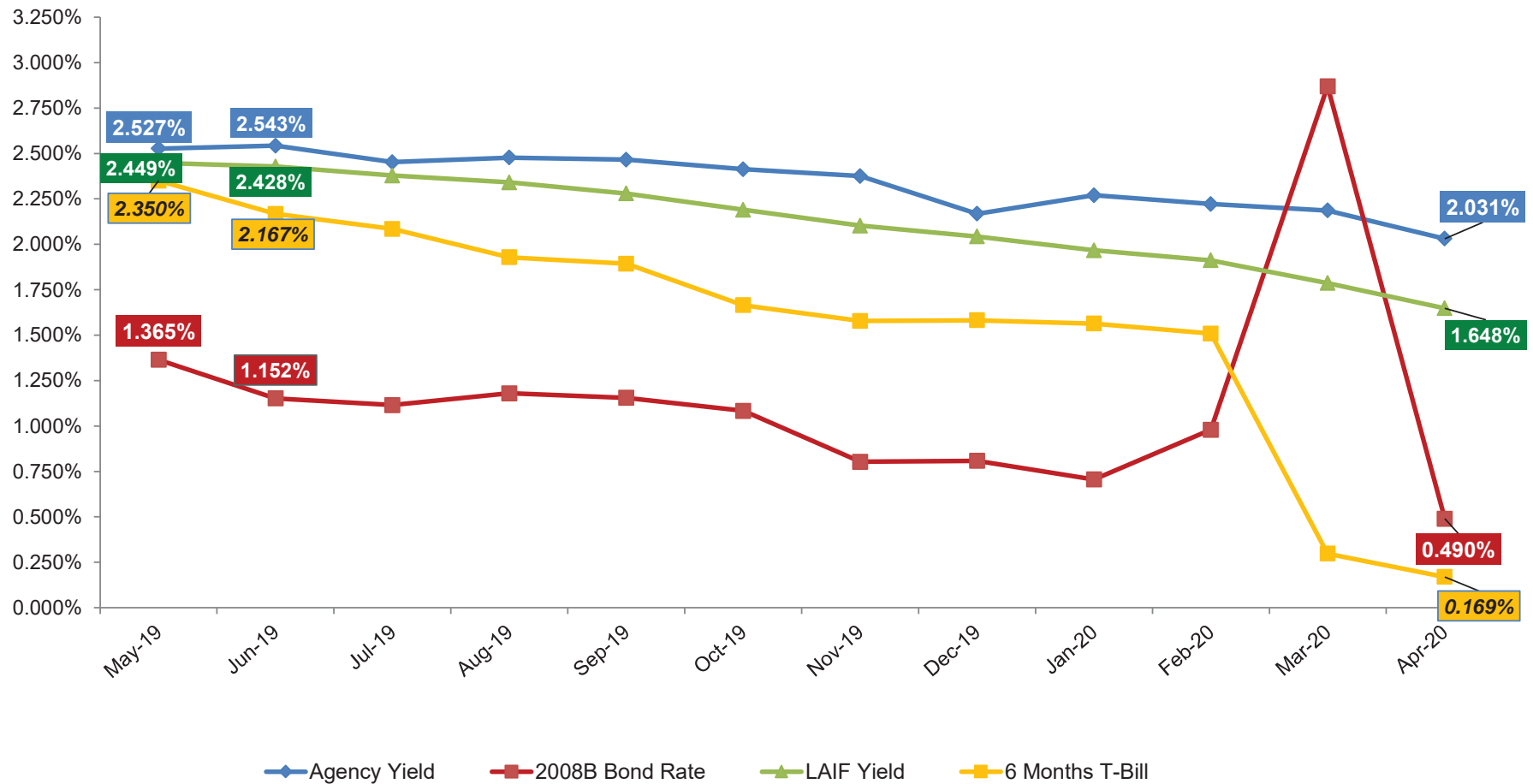
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
Month Ended April 30 2020
Unrestricted Agency Investment Portfolio
\$149,691,329



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 Month Ended April 30, 2020
Agency Investment Portfolio Maturity Distribution (Unrestricted)
\$149,691,329



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
Month Ended April 30, 2020
Agency Investment Portfolio Yield Comparison



**INFORMATION
ITEM**

3J

Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Engineering, Operations & Water Resources

06/10/20

Executive Contact: Christiana Daisy, Executive Manager of Engineering/AGM

Subject: 2019 Annual Report of the Prado Basin Habitat Sustainability Committee

Executive Summary:

The 2019 Annual Report of the Prado Basin Habitat Sustainability Committee for Water Year 2019 was prepared on behalf of the Prado Basin Habitat Sustainability Committee (PBHSC), pursuant to the mitigation monitoring and reporting requirements of the Peace II Subsequent Environmental Impact Report (SEIR). This report is an annual requirement for the re-operation and expansion of the Chino Basin Desalters to monitor potential environmental impacts that could result from attaining “hydraulic control” of groundwater outflow from the Chino Basin to the Santa Ana River.

Monitoring and analyses indicate a general increase in the health of riparian vegetation throughout Prado Basin from 2018 to 2019. Groundwater levels have remained stable during this period, which indicates that the greening of the habitat is likely due to the above-average precipitation and slightly lower temperatures and not the result of changes in groundwater pumping levels. The PBHSC is not recommending any changes in the Adaptive Management Plan nor any mitigation measures for Hydraulic Control or Basin Re-Operation necessary at this time. The draft Annual Report for Water Year 2019 was published and distributed in April 2019.

Staff's Recommendation:

The 2019 Annual Report is an information item for the Board of Directors to receive and file.

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

Account/Project Name:

EN18021: Prado Basin HSP. The project is cost-shared at 50/50 between IEUA and CBWM.

Fiscal Impact (explain if not budgeted):

No impact.

Prior Board Action:

On July 17, 2019, the Board of Directors received and filed the 2018 Annual Report of the Prado Basin Habitat Sustainability Committee

On July 18, 2018, the Board of Directors received and filed the 2017 Annual Report of the Prado Basin Habitat Sustainability Committee

Environmental Determination:

Project Environmental Impact Report

The Annual Report for Water Year 2018 of the Prado Basin Habitat Sustainability Committee is a Mitigation Monitoring and Reporting Program requirement of the 2010 Peace II Subsequent Environmental Impact Report.

Business Goal:

The 2019 Annual Report of the Prado Basin Habitat Sustainability Committee is consistent with the Agency's Business Goal of Environmental Stewardship by being committed to the responsible use and protection of the environment through conservation and sustainable practices.

Attachments:

Attachment 1 - 2019 Annual Report of the Prado Basin Habitat Sustainability Committee
(Click on link below to access report):

https://cbwm.syncedtool.com/shares/folder/e83081106c3072/?folder_id=2501

INFORMATION
ITEM

3K

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: FY 2019/20 Financial Audit - Communications Required by SAS 114

Executive Summary:

Statement on Auditing Standards No. 114 (SAS 114) requires the financial statement auditors to communicate the planned scope and timing of the financial audit. SAS 114 also describes the auditor's responsibility to inquire of the Audit Committee and those charged with governance, information that should be considered in the auditor's risk assessment in planning the financial audit. The Agency's external auditors are Lance, Soll & Lunghard, LLP (LSL), independent Certified Public Accountants (CPA), based in Brea, CA. This year will be LSL's fifth year performing the financial audit and Single Audit of the Agency, as well as the financial statements of the Chino Basin Regional Financing Authority for the fiscal year ending June 30, 2020. It is their responsibility to provide an opinion as to whether the financial statements are presented fairly.

Attached is the required communication letter under SAS 114. During the Audit Committee meeting, Mr. Ryan Domino, a CPA and partner with LSL will provide a presentation about the audit scope and approach, as well as the required communications. Additional one-on-one meetings may be scheduled separately to discuss the scope and approach of the audit.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On March 16, 2016, the Board approved Contract Numbers 4600002079, in the amount of \$100,820, and 4600002081, in the amount of \$12,450 with Lance, Soll and Lunghard, LLP, to provide Annual Financial and Single Audit Services for the Inland Empire Utilities Agency and the Chino Basin Regional Financing Authority for the three fiscal years ending June 30, 2016, 2017 and 2018 with options for an additional two fiscal years. The second option for an additional year was exercised on October 10, 2019.

Environmental Determination:

Not Applicable

Business Goal:

The annual financial statement audit of the Agency is a requirement per the Agency's approved Fiscal Ordinance and other regulatory requirements and is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that the financial audit evaluate and promote a strong control environment and assist management in achieving organizational goals.

Attachments:

Attachment 1 - Communication Letter - LSL



April 29, 2020

To the Board of Directors
Inland Empire Utilities Agency
Chino, California

Via Email

Attn: Christina Valencia, Chief Financial Officer
cvalencia@ieua.org

We are engaged to audit the financial statements of each major fund and the aggregate remaining fund information of the Inland Empire Utilities Agency (the "Agency") for the year ended June 30, 2020. In addition, we were engaged to perform an audit of the financial statements for the Chino Basin Regional Financing Authority component unit and perform the Single Audit for the year ended June 30, 2020. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

**Our Responsibilities under U.S. Generally Accepted Auditing Standards,
Government Auditing Standards and the Uniform Guidance.**

As stated in our engagement letter dated May 12, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Agency's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Agency's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Agency's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios, the schedule of changes



in the net OPEB liability and related ratios, and the schedules of plan contributions which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical sections of the Comprehensive Annual Financial Report, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited, and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately May 26, 2020 and issue our report on approximately December 4, 2020. Deborah Harper, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and management of the Inland Empire Utilities Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

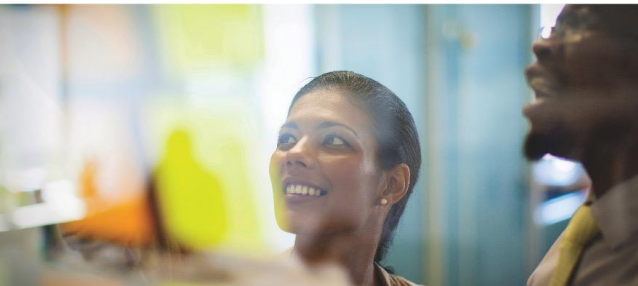
Very truly yours,





CPAs AND ADVISORS

INLAND EMPIRE UTILITIES AGENCY FISCAL YEAR ENDED JUNE 30, 2020 FINANCIAL AUDIT INTRODUCTION



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Focused
on YOU



CPAs AND ADVISORS



FY 2020 Audit Plan and Approach

Interim Audit

- Evaluation of internal controls, policies, and procedures
- Provide feedback to management
- Plan final audit procedures based on identified risk

Year-End Audit

- Scheduled for week of 9/28/2020
- Perform tests of account balances and changes
- Issue Auditors' Reports



Auditors' Responsibilities for the Audit

- Perform an audit under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and the Uniform Guidance.
- Consider internal control for the purpose of planning our audit procedures, not to render an opinion on the effectiveness of internal control.
- Consider internal controls which would have a direct and material effect on IEUA's compliance with the terms of its federal award programs.



Auditor's Responsibilities for the Audit (cont.)

- Perform tests of compliance with laws, regulations, contracts, and grant agreements.
- Examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- Perform limited procedures to those items included with the financial statements that are designated as "Required Supplementary Information."



Auditors' Responsibilities for the Audit (cont.)

- Evaluate the supplementary information in relation to the financial statements as a whole.
 - Schedule of Expenditures of Federal Awards
 - Combining and individual fund statements and schedules
- We are not engaged to report on the introductory or statistical sections of the CAFR.
- Communicate any significant findings, fraud, or internal control matters required to be communicated.



CPAs AND ADVISORS



HIGHLIGHTS FROM INTERIM FIELDWORK

- Due to COVID-19, interim fieldwork was completed 100% remotely. Interviews were held using MS Teams, and documentation was provided electronically.
- Interviews discussing fraud and ethics with random staff were performed in accordance with SAS 99, with no indication of fraud, ethics violations, or abuse noted.



CPAs AND ADVISORS



Status on the Implementation of New GASBs

- All new GASB Pronouncements have been delayed one year due to COVID-19
- 2021
 - Fiduciary Activity changes (GASB 84)
- 2022
 - Lease reporting (GASB 87)



CPAs AND ADVISORS



Thank you

- Contact information:
 - Deborah Harper, Engagement Partner: Deborah.Harper@lslcpas.com
 - Ryan Domino, Audit Manager: Ryan.Domino@lslcpas.com
 - 714-672-0022

- Any Questions?



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

INFORMATION
ITEM

3L

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Human Resources: Workload Indicators Review

Executive Summary:

Internal Audit (IA) completed a review of the Human Resources Department's (HR) Workload Indicators as reported in the Fiscal Year 19/20 and 20/21 Operating and Capital Program Budget (Budget document). HR performs a variety of tasks and activities for Agency staff. Workload Indicators measure and track and report some of the department's processes and activities which should be consistent with current department and overall Agency goals and objectives. HR currently reports 13 workload indicators, IA selected four for further review and analysis. The audit noted observations and recommendations to tighten processes and controls, and improve the information reported through the Workload Indicators. The bullet points below provide a summary of the observations:

- Consider additional and/or different Workload Indicators that provide information about the various activities of the department and ensure they are aligned to the department's goals.
- Document a Standard Operating Procedure or desk procedure to ensure consistency in the data collected and accuracy in the method for calculating workload indicators.
- Compare the target goals established for each workload indicator to their actual results and perform an analysis to determine differences.

The complete report with observations and recommendations is attached.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On December 18, 2019, the Board of Directors approved the Audit Committee and the Internal Audit Department Charters.

On September 18, 2019, the Board of Directors approved the amended Fiscal Year (FY) 2019/20 Annual Audit Plan. The original FY 2019/20 Annual Audit Plan was approved on June 19, 2019. This review was scheduled as part of the HR Operational Audit in the Annual Audit Plan.

Environmental Determination:

Not Applicable

Business Goal:

The Human Resources: Workload Indicators Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices. IA's ongoing monitoring activities are to follow-up on the status of open audit recommendations to determine if the Agency has taken corrective action to address issues identified and to assist the Agency in achieving organizational goals.

Attachments:


Attachment 1 - Human Resources: Workload Indicators Review Report
Attachment 2 - PowerPoint



6075 Kimball Avenue • Chino, CA 91708
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 993-1985
www.ieua.org

DATE: May 29, 2020

TO: Shivaji Deshmukh
General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Human Resources: Workload Indicators Review

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed an audit of the Human Resources Department's (HR) Workload Indicators. The audit was performed under the authority given by the IEUA Board of Directors (Board) and the Fiscal Year (FY) 2019/20 Annual Audit Plan. The attached report provides IA's observations and recommendations.

Audit Scope

The overall objective of the HR Operational Audit is to evaluate various processes and operations of the department and determine whether Agency policies are followed, and department-specific standard operating procedures are implemented. The objectives of the Workload Indicators Review were to:

- Evaluate workload indicator calculations and supporting information
- Compare with other similar agencies
- Identify opportunities for improvements

IA is performing the HR Operational Audit in multiple stages. To-date, IA has completed the Workload Indicators Review (attached report) along with the previously completed HR audits:

- Hiring and Promotions Operations Review (dated December 2, 2019): this report evaluated policies and processes for hiring and promoting Agency employees.
- Grievance Policies and Procedures Comparable Survey (dated February 20, 2020): this report compared the Agency's Grievance process and procedures to other Agencies to evaluate current trends and best practices.

IA will also evaluate the Agency's Training and Development program and follow up on outstanding recommendations from prior audit reports. An audit report is finalized after the completion of each area reviewed.

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

Audit Techniques:

Audit techniques included:

- Discussions and correspondence with Agency staff
- Review of Agency's Budget documents
- Review and analysis of supporting documentation
- Review of comparable agencies' workload indicators and performance measures

Audit Results – Executive Summary:

HR performs a variety of essential services for the Agency. Some of HR's processes and activities are tracked, measured, and reported through Workload Indicators and published in the Agency's budget document. HR currently reports 13 Workload Indicators as part of the *FY 2019/20 and 20/21 Operating and Capital Program Budget*.

Since the adoption of the most recent biennial budget document, there have been changes in leadership within HR and Agency management. HR noted that the documented goals and objectives may have changed or may continue to evolve since they were originally adopted to ensure they are aligned with the current Agency goals. Different indicators and data could be published that is more reflective of HR's current priorities. IA's review identified opportunities and suggestions to improve processes and controls, and the information reported. The bullet points provide a summary:

- Department Workload Indicators: IA selected four of the 13 Workload Indicators for a detailed evaluation. Based on the review, IA observed there were inconsistencies in the methodology used to calculate the indicators. IA suggests HR ensure uniformity in the data and methodology used to compute the indicators, which would allow for accurate calculation of the information and comparison from year to year. IA recommends HR develop a Standard Operating Procedure or desk procedures to serve as a guide for staff computing the department's workload indicators.
- Comparison of Actual to Target results: For the Workload Indicators reported in the Budget document, IA observed the actual results are not compared to the target levels established. Comparison and analysis of this type of information can provide insight about processes and/or functions that may require attention or further review, in addition to, highlighting areas where the department is performing well. An analysis of actual results to target goals can be completed as part of the department's accomplishments.
- Other Possible Workload Indicators: IA identified other potential Workload Indicators that the HR Department could consider in the future to track, measure, and report the various other activities of the department. IA recommends HR consider additional and/or different Workload Indicators that provide information about the various activities of the department and ensure they are aligned to the department's goals.

The Human Resources: Workload Indicators Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of the Human Resources Department, providing recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

Acknowledgements

IA would like to extend our appreciation to the HR Department staff for their cooperation and assistance during this review.

Discussions with Management

Drafts of this audit report were provided to Lisa Dye, Manager of HR and Blanca Arambula, Deputy Manager of HR, for their review and input; their comments have been incorporated prior to finalizing the report.

Background

The *Operating and Capital Program Budget* (Budget document) is approved by the Board every two years and documents the Board-adopted Business Goals which align with the Agency's mission, vision, and values. The Budget document provides estimates of the Agency's revenues, programs, funds, capital projects, debt and personnel for the upcoming two years. The Budget document also reports each Agency department's mission statement, department goals, initiatives, workload indicators and performance measures.

The Finance and Accounting Department (FAD) is responsible for compiling the Budget document. FAD also submits the Budget document to the Government Finance Officers Association (GFOA) for their distinguished budget presentation award. The Budget document must meet various criteria for award recognition. According to FAD, a **performance measure** reflects outputs of an organizational unit/department that provides a meaningful way to assess the effectiveness and efficiency of the unit and a **workload indicator** is a tracking mechanism for linking performance and output.

HR's Department Workload Indicators

The HR Department's Workload Indicators track and document some of the department's functions and services. According to IAs observations, the HR's workload indicators were established to align with the department's and the Agency's Business goals and major accomplishments. The workload indicators tracked by HR are utilized as a mechanism to measure work performed over time and show how the HR Department has contributed to the Agency's overall goals. The most recent Board-approved Budget document for FY 2019/20 and 2020/21, shows:

MISSION STATEMENT

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

DESCRIPTION AND PURPOSE

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

HR tracks, measures and reports the following 13 workload indicators:

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

HRs section of the Budget document is included as **Attachment 1** of this report, which includes the additional sections:

- Position summary information
- Organizational chart
- Summary of the business goal's performance for the past year (FY 2018/19),
- Business goals and objectives planned for FY 2019/20 and 2020/21 to be measured using various Key Performance Indicators (KPIs) with an estimated timeline.

The Board-approved Budget document provides the actual results of the Workload Indicators from the prior fiscal year, projected results for the current fiscal year, and the target levels for the upcoming two fiscal years. To provide a longer-range comparison, IA used the Agency's current and prior budget documents to compile HR's target and actual Workload Indicators for the last five fiscal years for the purpose of comparing target to actual and evaluating any differences:

Human Resources Other Department Workload Indicators*

	2018/19	2018/19	2017/18	2017/18	2016/17	2016/17	2015/16	2015/16	2014/15	2014/15
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
New Hires	35	41	25	42	40	49	40	35	30	32
Average Recruitment Processing Time (reported in weeks)	10	11	10	11	6.4	11.5	6.4	9.6	6.4	15.5
Average New Hire Processing Time (reported in days)	25	23	17.5	17	14	22.5	14	22.7	14	25.6
Separations	30	41	30	47	35	36	35	30	30	30
Turnover Ratio (Percentage)	12%	9%	12%	12%	10%	13.5%	10%	11.6%	10%	11.8%
Open Enrollment Transactions Processed	90	119	90	78	60	103	60	91	60	60
FMLA Requests	30	32	30	43	30	36	30	33	35	35
Customer Satisfaction Surveys	5	5	5	5	5	5	5	5	5	5
Training Hours Per Employee	20	21	20	19	20	16	20	20	20	20
Grievances Filed	5	4	5	7	5	14	5	22	6	11
Grievances Resolved at Appeals Committee Level	0	0	0	1	0	0	0	1	0	0
Disciplinary Actions Processed	5	6	5	7	5	12	5	8	5	6
Disciplinary Actions Appealed	0	2	0	0	0	0	0	0	2	0

*Source: HR Department and IEUA's *Operating and Capital Program Budget* for the corresponding fiscal year. Some actual figures were updated by the HR Department and provided to IA during the review. Therefore, some of the actual figures in this chart may differ from the information reported in the Budget document. Also, prior Budget Documents included indicators related to Safety, which are not included in this table and/or reviewed because the Safety Division has moved to the Contracts and Procurement Department and beyond the scope of IA's review.

Note: in some instances, for the purpose of comparisons for this table, for years 2014 through 2016, IA recalculated to provide comparison (i.e. days to weeks or weeks to days).

Observations and Recommendations

Performance measures and workload indicators serve to establish goals and provide the means to evaluate a department or activity. FAD has noted that information captured by performance measures and workload indicators should be relevant, useful and clearly tied to the end results and services provided by a department. Additionally, performance measures and workload indicators should be developed with the overall goals of the Agency in mind.

HR reports 13 workload indicators that provide information about the department's activities and measure those along with data about other staff activities. Based on IA's observation, the table Other Department Workload Indicators, compiled by HR, includes a combination of both performance measures and workload indicators.

IA selected four of the 13 workload indicators for additional analysis:

- Turnover Ratio
- Average Recruitment Processing Time
- Average New Hire Processing Time
- Customer Satisfaction Survey

For each of the workload indicator selected, IA performed the following:

- Obtained an understanding of the purpose of the workload indicator
- Obtained an understanding of how the indicators were measured
- Reviewed supporting data for the calculations
- Determined if the indicators were accurately calculated and reported
- Reviewed the results for five fiscal years to evaluate the trend

Turnover Ratio:

The Turnover Ratio is meant to measure the total number of employee separations from the Agency in a fiscal year, reported as a percentage of total staff. Turnover Ratio may vary by type of industry/employer, and all organizations experience employee turnover. HR's target indicates the goal is to have 10-12% of the permanent full-time employees separate from Agency employment, with at least a 90% employee retention rate.

HR provided an Excel Workbook that contained a spreadsheet for each fiscal year. The information in this spreadsheet showed the number of authorized employees, vacancies, positions on hold and filled, filled rate, and number of separations (full-time employees and interns). HR uses this information to calculate:

- Turnover ratio (separately for interns, full-time employees and overall)
- Average number of positions filled for the fiscal year
- Average vacancies per month

The Turnover Ratio is calculated as follows:

$$\frac{\text{Number of Employees Separated (full time employees)}}{\text{Average number of employees}} \times 100 = \text{Turnover Ratio}$$

Number of Employee Separations: is the total number of employees who separated from Agency employment in that fiscal year.

Average number of employees: HR calculates the number of positions filled using permanent full-time employee data (authorized minus vacancies) on a monthly basis and averages this over the fiscal year to determine the average number of positions filled.

In the table below, the Turnover Ratio has been higher than the Target rate for each year. According to HR, the number of interns that separated from the Agency was inadvertently included in the calculation of the Turnover Ratio for three fiscal years (2014/15 to 2016/17) when it should not have been. HR noted interns should not be included in the ratio because only permanent full-time employee data is used. As a result, the figures reported in the approved Budget document were higher than the Target, as seen in the table below:

Turnover Ratio

FY	<u>Target</u> Reported in the Budget Document	<u>Actual</u> Reported in the Budget Document or provided by HR	Correct Actual Rate that should have been reported
			Full-time employee Turnover Ratio
2014/15	10%	12%	7.9%
2015/16	10%	12%	7.4%
2016/17	10%	14%	9.8%
2017/18	12%	12%	12.8%
2018/19	12%	9%	8.7%

IA's recalculation of the ratios indicates that the Turnover Rate was lower than the target established in the Budget document for the three fiscal years. This indicates full-time employees did not separate from Agency employment at the rate anticipated.

IA recommends HR ensure consistency in the methodology used to calculate the Agency's rates and indicators, including the Turnover Ratio, to ensure information is accurately calculated and can be compared from Target to Actual and from year to year. Additionally, when errors or changes are identified, consider reporting the information in the subsequent publication and/or internal documents kept as reference, to ensure information is clearly communicated to readers and recorded/reconciled.

Average Recruitment Processing Time:

The Average Recruitment Processing Time calculates the average amount of time to recruit for an Agency position in a fiscal year, reported in weeks. It is calculated as:

Formula used prior to FY 2017/18:

$$\frac{\text{Approval Date} - \text{Offer date}}{\text{Total number of recruitments}} = \text{Average Recruitment Processing Time divided by 7 days in a week}$$

Data used for FY 2017/18 to current:

Overall average of number of days from Approval Date to Offer Date

Approval Date: This is the date the General Manager approved the Request to Fill a Vacant Position (RFVP) form.

Offer Date: This is the date there was an official job offer to the selected applicant.

Total number of recruitments: This is the number of positions that the Agency recruited for in a fiscal year.

IA recalculated the rates reported for Average Recruitment Processing Time and noted:

FY	Average Recruitment Processing Time (in weeks)		
	Total Reported	Total IA Recalculated	Difference in Weeks
2014/15	15.5	15.5	-
2015/16	9.6	12.8	3.3
2016/17	11.5	11.7	0.2
2017/18	N/A	N/A	N/A
2018/19	N/A	N/A	N/A

N/A = Not enough information available to calculate and compare.

Average New Hire Processing Time:

The Average New Hire Processing Time calculates the average number of days it takes to bring a new employee on-board, from the date the job offer was made to the date the employee reported to their first day of work. It is calculated as:

Formula used prior to FY 2017/18:

$$\frac{\text{Offer Date} - \text{Hire Date}}{\text{Total number of recruitments}} = \text{Average New Hire Processing Time}$$

Data used for FY 2017/18 to current:

Overall average of days from Offer Date to Hire Date

HR tracks and records detailed information about the various steps in the recruitment process (at least 18 elements of information are compiled). Using the data recorded for each recruitment, HR calculates the following:

- Total number of business days from the recruitment start date to hire date,
- Total number of business days from the approval date by the General Manager on the RFVP form to the offer date, and
- Total number of business days from the offer date to the hire date.

IA recalculated the rates reported for Average New Hire Processing Time and noted:

FY	Average New Hire Processing Time (in days)		
	Total Reported	Total IA Recalculated	Difference In Days
2014/15	25.6	25.6	-
2015/16	22.7	22.5	0.2
2016/17	22.5	23	0.5
2017/18	N/A	N/A	N/A
2018/19	N/A	N/A	N/A

N/A = Not enough information available to calculate and compare.

Based on the results of this audit and using the formulas outlined above, the two indicators had calculation errors in the three years tested (FY 2015 to 2017). The differences range from less than a day up to 3 weeks. According to HR, starting in FY 2017/18, the process and formula used to calculate these workload indicators changed from the prior fiscal years. Therefore, IA is unable to recalculate the indicators for the two most current fiscal years as they are not comparable to the other fiscal years.

For these indicators, HR now obtains the overall average of the Approval Date to Offer Date (Average Recruitment Processing Time) and Offer Date to Hire Date (Average New Hire Processing Time). HR stated the change in the formula resulted from collaboration with Agency staff and because the new formula was better suited to capture the data required by the department. Additionally, HR noted the data needs of the department have evolved, which effects recruitment information collected and has resulted in many updates and changes to the data gathered by the department.

HR currently does not have any Standard Operating Procedure (SOPs) or desk procedures related to the compilation and/or computation of the department's workload indicators. IA recommends a desk procedure, or an SOP be documented to serve as a guide in providing instructions for collecting the data and calculating the indicators. As the audit noted, it took some staff effort and time to gather the information for the purpose of this review. Having desk procedures would facilitate tracing and verifying the information published (See Recommendation #2).

IA recommends HR ensure consistency in the methodology used to calculate the Agency's rates and indicators, to ensure information is accurately calculated and can be compared from Target to Actual and from year to year in a consistent manner. The HR Department should consider developing procedures to serve as a guide for staff to follow in the calculation of the workload indicators. Additionally, when errors or changes are identified, consider reporting the information in the subsequent publication that includes the HR Department's Workload Indicators, to ensure information is clearly communicated to readers and/or at minimum, changes be documented in the supporting documentation and made available for future reference.

Customer Satisfaction Survey:

This indicator reflects the number of training and/or information sessions that were hosted and provided to employees by the HR Department. This includes: Benefits Fair, Liebert Cassidy Whitmore trainings, and any in-house training sponsored directly by HR (i.e., Harassment, Diversity & Inclusion, Generational, etc.). Each training session is counted as an event and the annual goal is to provide five training/information events per fiscal year. HR offers a satisfaction survey for employees to complete after each event to gather information from employees about the training/event hosted.

It may appear that the name of this Workload Indicator may be confusing or misleading, because the indicator provides the total number of events not just the surveys given.

According to HR, the survey given after each event hosted is meant to gather feedback for the purpose of planning future events. HR may want to consider renaming this indicator, for example, "HR sponsored training/benefits events". Additionally, HR may want to consider creating a new indicator to rate the level of satisfaction with the training events based on the results of the surveys received for each event. The feedback generated from the survey responses does not appear to be tracked as part of the HR Department's Workload Indicators. It would be helpful to track the percentage of survey responses and the percentage of employees satisfied with the trainings.

IA suggests HR review the purpose and intent of the Customer Satisfaction Survey Workload Indicator and determine what type of information should be gathered, collected, measured and reported to more accurately align with its department goals and objectives.

Comparison of Actual results vs Target goals

The Agency's Budget document reports the Workload Indicators for prior years and the target goals for current and future years. Currently, there is no comparison of actual results to previously projected or targeted totals. IA reviewed the Budget document for all Agency departments and the same observation applies Agency-wide. Currently, there is no comparison of the actual to target results. IA prepared a table to compare actual results as reported by HR to the target goals established for the four indicators selected:

Comparison of HR's Actual results to Target goals*

Workload Indicator	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Turnover Ratio	11.8%	10%	11.6%	10%	13.5%	10%	12%	12%	9%	12%
Average Recruitment Processing Time (Weeks)	15.5	6.4	9.6	6.4	11.5	6.4	11	10	11	10
Average New Hire Processing Time (Days)	25.6	14	22.7	14	22.5	14	17	17.5	23	25
Customer Satisfaction Survey	5	5	5	5	5	5	5	5	5	5

*Source: Agency's Operating and Capital Program Budget and HR Department

Comparing the actual results to the target goals can provide information about the processes that may require attention or further evaluation, as well as highlight areas where the department is performing well. If not in the Budget document, the comparison can be performed separately, perhaps as part of an annual evaluation of department accomplishments.

For example, using the table above, if an analysis were performed of HR's actual results to the target levels established, the following would be observed:

- **Turnover Ratio:** The actual results were higher than the target for three fiscal years, one year there was no variance, and the actual was lower in the most recent fiscal year. Having this information could have resulted in the department researching to determine the reasons for the differences.
- **Average Recruitment Processing Time:** The target was 6.4 weeks for three fiscal years and the actual results showed it took longer than the target results. The comparable information would have provided an indication that it is taking longer than expected to recruit for Agency positions and prompted the department to evaluate probable causes.
- **Average New Hire Processing Time:** The target was 14 days for three fiscal years and the actual results showed it took longer. This analysis shows it took longer than 14 days to bring a new employee on-board. This information could have prompted the department to evaluate reasons for the differences from the original goal.

According to HR, each requirement is unique and various factors can contribute to the recruitment and/or new hire processing time, and many of those factors are not exclusively controllable by HR. HR's goal has been a two month or 60 days to fill Agency positions; 45 days/6 weeks to recruit and 14 days/2 weeks to hire. Performing an analysis comparing actual results to target goals, HR may be able to evaluate and identify areas in the processing time that require additional attention. Additionally, the results may indicate that the benchmarks established may need to be reevaluated and reestablished to a more realistic goal.

HR should consider comparing the target goals established for each workload indicator to their actual results and perform an analysis to determine why the targeted results were not met and/or exceeded. Comparison and analysis of the actual versus target results of the measures and/or indicators would provide insight on functions and/or areas that could be requiring improvement within the HR Department. Having this information could result in the HR Department requiring additional resources that could assist them in achieving their targeted benchmarks, which would require consultation with Executive Management.

IA provides this as a "soft recommendation" for the HR Department's consideration. It is considered "soft" because currently, this is not a requirement for any Agency department and the Budget document and Workload indicators are required for all departments. IA will evaluate all Agency-wide workload indicators as part of a future audit.

IA suggestions on other Workload Indicators that could be considered in the future

Using the definitions provided by FAD, IA identified from the Workload Indicators currently reported, what appears to be an indicator versus a measurement:

Workload Indicator:		Performance Measure:
<ul style="list-style-type: none">• New Hires• Separations• Open Enrollment Transactions Processed• FMLA Requests• Customer Satisfaction Survey	<ul style="list-style-type: none">• Grievances Filed• Grievances Resolved at Appeals Committee Level• Disciplinary Actions Processed• Disciplinary Actions Appealed	<ul style="list-style-type: none">• Average Recruitment Processing Time• Average New Hire Processing Time• Turnover Ratio• Training Hours per Employee

Based on IA's review, most of the indicators reported are not HR driven and/or controllable. For example, Family Medical Leave Act (FMLA) requests, these are the number of requests received by HR from employees. The HR Department provides guidance, ensures eligibility and completion of the forms, and compliance with the FMLA's requirements. This indicator provides a figure on the number of requests, it does not measure HR's processing and/or handling of these requests which could be linked to the department's performance. The same observation could be applied to Open Enrollment Transactions Processed, Grievances Filed, etc.; they do not originate with the department, employee initiated.

IA recommends HR evaluate the current workload indicators reported and consider adding others that may be reflective of the department's mission and goals. For example, other workload indicators to consider include:

- Average number of days to resolve grievances (at each step in the process)
- Average number of days to resolve complaints (prior to filling a grievance)
- Number and/or time to process FMLA requests and/or Open Enrollment requests
- Number and/or amount of time to process wellness reimbursements
- Number and/or amount of time to process tuition reimbursements
- Number and/or amount of time to process the Personal Computer Loan program
- Number of job fairs/recruitment fairs attended
- Number of in-person interviews facilities

HR's Response

According to HR, the department believes it would be beneficial to reexamine the workload indicators reported in the Budget document to ensure they align with the department's goals and objectives as well as the Agency's goals and objectives. The Budget document is created biennially, and the goals and desired accomplishments may have shifted since the budget document was first approved. Other areas the department would consider reporting on include:

- Employee Motivation/Engagement
- Equity and Inclusion
- Innovation and Technology
- Labor/Management Relations
- Leadership Development
- Organizational Culture
- Outreach
- Strategic Orientation

IA supports HR's response and efforts to reevaluate the performance measures and workload indicators to ensure they are more reflective of the current goals and objectives.

Comparison to other Public Agencies

IA compared the workload indicators reported by the HR Department in the Agency's Budget document with other public agencies. The purpose was to determine what performance measures and/or workload indicators are being assessed and measured by other agencies, and whether any of these could potentially be useful to the Agency's HR Department.

IA reviewed websites and budget documents for over eight water & wastewater agencies, and many of the agencies researched generally listed the goals and/or accomplishments of the Administrative Services, HR and/or Personnel department. Specific performance measures, workload indicators and other metrics were not listed for their designated HR/personnel department/function on their website and/or budget document. With the information that was available, IA compiled the following two examples:

Cucamonga Valley Water District measures the following Performance Measures:
(Taken from Budget: Fiscal Years 2019 & 2020)

- Average number of days to hire staff, from recruitment posting to candidate's effective date of hire (start date)
- Number of compensation and classification studies conducted
- Percentage of annual performance evaluations completed
- Number of workdays lost per workers compensation claim
- Number of ergonomic assessments completed
- Percentage of employees who completed first-aid/CPR training
- Percentage of employees utilizing Target solutions online modules
- Percentage of security camera monitored campus coverage
- Number of key emergency operations center staff who completed CSTI emergency preparedness training

East Bay Municipal Utility District measures the following Key Performance Indicators:
(Taken from Strategic Plan, 8th Edition, July 2018)

- Percentage completing Leadership Program: Graduates who place on applicable promotional lists
- Annual average training hours per employee
- Number of employees in development programs (academies, rotations, internships, mentorships)
- Percentage of performance plans completed on time
- Percentage of performance appraisals completed on time
- Number of injury and illness incidents resulting in time away from work per 100 employees
- Annually implemented outreach campaigns on wellness (“Well Being”) themes
- Percentage of exams resulting in hiring lists within 60 days or less
- Percentage of minorities and percentage of women on District eligibility lists

Conclusion

Overall, HR is in compliance with the current Agency practice for documenting Workload Indicators, as there is no policy or requirement for what should be captured. Based on the results of this review, IA recommends HR reevaluate current Workload Indicators and determine if the current ones track, measure, and report information reflective of the current activities and department goals and objectives and if those are tied to the overall Agency goals. This audit report identifies opportunities to improve this process.

2020 Recommendation #1:

HR should evaluate the Department Workload Indicators as reported in the Agency’s Budget document and consider additional and/or different Workload Indicators that provide information about the various activities of the department and ensure they are aligned to the department’s goals.

2020 Recommendation # 2:

HR should document a Standard Operating Procedure or desk procedures to ensure consistency in the data collected and the method in calculating workload indicator results as documented in the Budget Book.

Attachment 1:
Excerpts from the HR Department Budget Document:

POSITION SUMMARY

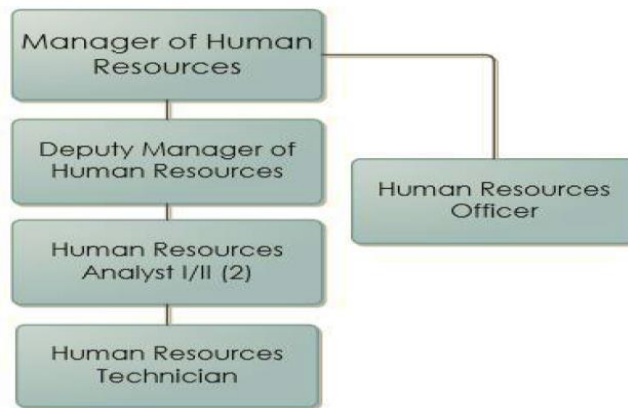
In FY 2018/19 the Human Resource department was moved from the Finance and Administration division to the Agency Management division and will report directly to the Agency's General Manager. Additionally, a departmental realignment moved safety services from Human Resources to the Contracts and Procurement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

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

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

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

ORGANIZATIONAL CHART



SUMMARY OF FY 2018/19 BUSINESS GOALS PERFORMANCE

Major Accomplishments

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

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

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

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

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

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

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

Audit Committee Meeting

June 8, 2020

Human Resources Workload Indicators Review



Other Performance Workload Indicators

The most recent Board-approved Budget document for FY 2019/20 and 2020/21, shows:

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

Workload Indicators

Workload Indicator:

- **Track and document some of the department's functions and services**
- Indicates results, outputs and total items done and workload activity
- Reported in the Agency's Budget Document

IA selected 4 indicators for additional review:

- **Average Recruitment Processing Time**
- **Average New Hire Processing Time**
- **Turnover Ratio**
- **Customer Satisfaction Surveys**

Audit Observations

- Performance Measure vs. Workload Indicator
- Accuracy in calculation methods
- Consistency from year to year
- Ensure indicators capture what is intended to capture
- Comparing Actual to Target and from year to year
- Align to department's goals and objectives
- Align to Agency's goals and objectives

Other Workload Indicators to Consider

- Average number of days to resolve grievances (at each step in the process)
- Average number of days to resolve disciplinary actions
- Number and/or time to process FMLA requests and/or Open Enrollment requests
- Number and/or amount of time to process wellness reimbursements
- Number and/or amount of time to process tuition reimbursements
- Number and/or amount of time to process the Personal Computer Loan program
- Number of job fairs/recruitment fairs attended

Recommendations

Document an SOP or desk procedures to ensure consistency in the data collected and the method in calculating workload indicator results as documented in the Budget Book.

HR should consider comparing the target goals established for each workload indicator to their actual results and perform an analysis to determine differences.

Consider additional and/or different Workload Indicators that provide information about the various activities of the department and ensure they are aligned to the department's goals.

Human Resources Workload Indicators Review

The Human Resources Workload Indicators Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of the Human Resources Department, providing recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

**INFORMATION
ITEM**

3M

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit

From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Recycled Water Revenues Audit Report

Executive Summary:

Internal Audit completed a limited review of recycled water revenues. Overall, the Agency has effective processes in place to record and collect recycled water revenues. The audit identified opportunities to further strengthen and tighten processes and controls, including:

- As described and permitted in Agency Ordinance #63, the Agency should consider whether to review and verify records and processes at the individual contracting agencies to ensure completeness of information and to prevent and detect errors.
- Staff should document procedures for its reconciliation between recycled water usage reported by the contracting agencies and Agency recycled water distribution information and document evidence of supervisor review and the reasons for and the resolution of variances.
- Staff should take the lead to work with Agency departments and contracting agencies to standardize and automate the reports and methods for providing recycled water usage information reported by contracting agencies.
- Staff should update the Standard Operating Procedure which documents procedures for preparing Recycled Water billing to provide current instructions and contact information staff to use as a guide.

Overall, staff agreed with the recommendations and plans to implement in the future.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On December 18, 2019, the Board of Directors reconfirmed the Audit Committee and the Internal Audit Department Charters.

On September 18, 2019, the Board of Directors approved the amended FY 2019/20 Annual Audit Plan. The original FY 2019/20 Annual Audit Plan was approved on June 19, 2019. The plan was in accordance with auditing standards and the Charter.

Environmental Determination:

Not Applicable

Business Goal:

The Recycled Water Revenues Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of Recycled Water Revenues, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

Attachments:


Attachment 1 - Recycled Water Revenues Report
Attachment 2 - PowerPoint



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DATE: May 28, 2020

TO: Shivaji Deshmukh
General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Recycled Water Revenues Audit

Audit Authority

The Inland Empire Utilities Agency Internal Audit Department (IA) has performed a limited review under the authority given by the Board of Directors (Board), the Fiscal Year 2019/20 Annual Audit Plan and the IA Charter.

Audit Scope

This review was limited to evaluating controls and reports over recycled water revenues. The objectives of the Recycled Water Revenues Audit were to:

- Determine if adequate internal controls are in place over revenues
- Determine compliance with the Agency's Ordinances and Resolutions
- Evaluate the collection and recognition of revenue
- Determine whether there are procedures to reconcile revenues collected
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

The recycled water revenues review is considered a limited review since audit procedures were limited to reviewing responses to an internal control questionnaire completed by the Planning and Environmental Compliance Department (Planning), reviewing the written procedures in the Engineering and Construction Management Department's (Engineering) Standard Operating Procedure (SOP), analyzing revenues and the related supporting documentation maintained in the Agency's accounting records in SAP and considering responses to e-mailed questions. IA also recently met with Planning representatives and obtained spreadsheets documenting annual reconciliations of recycled water entitlements and of comparisons of recycled water production to the total of amounts billed, creek discharges and ground water recharge. IA did not observe Engineering's current monthly procedures for processing recycled water activity to compare to the department's SOP and IA did not review the reconciliation activity maintained by Planning to any source documents.

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

Executive Summary

Actual recycled water demands/usage are reported to Engineering by the contracting agencies. Using this information, revenues are processed, recorded and collected in the Agency's financial records by the Finance and Accounting Department (FAD). The audit found that the Agency has effective controls in place over collecting recycled water revenues. IA identified opportunities to improve and strengthen processes and controls. The details of IA's observations and recommendations are presented in the report that follows this summary. IA noted:

- Recycled Water Ordinance #63 (dated 1998) establishes procedures for examining contracting agency and retail customer records, including verifying meters and obtaining calibration data. Planning noted that when discrepancies in the amount of recycled water reported by the member agencies have been observed in the past, they have coordinated with Operations to perform inspections/examinations. IA recommends Planning consider whether a formal review and verification of contracting agency records and processes would be beneficial and appropriate as allowed under the Ordinance. This would provide additional assurance of the completeness and accuracy of information provided to the Agency and potentially prevent and/or correct any discrepancies noted. Planning noted that the contracting agencies have been cooperative about providing original documentation when needed for other audits. Planning agreed to consider adopting an oversight/verification process in the future.
- Planning prepares and documents periodic review and reconciliation processes as a tool to compare Agency metered records to information reported by the contracting agencies. IA recommends Planning maintain additional documentation to show that the reconciliations have been properly reviewed by a supervisor and provide clear written descriptions of the reasons for variances, if any, and how they were resolved. The documented reconciliations should be kept on file for future reference to demonstrate oversight over the information obtained from contracting agencies and as a reference tool. IA also makes a "soft recommendation" for Planning to document the reconciliation and review procedures in a departmental Standard Operating Procedure or desk procedure to serve as a guide for staff to follow.
- IA's limited review evaluated Engineering's SOP that describes the process of collecting, collating and reporting the monthly recycled water usage information received from contracting agencies. According to staff, additional aspects of the process have been updated, but contracting agencies still report their usage information in more than one way; each agency may have a different approach to reporting the information. This approach differs from the ways that the Agency obtains information for other types of revenues. For instance, Planning has collaborated with contracting agencies to provide a consistent, automated method for reporting Wastewater Connection Fees on a monthly basis. Another example is Planning's successful collaboration with BIS to automate and simplify the collection and reporting of Water Connection Fees. Similarly, Planning should take

the lead to work with Agency staff and the contracting agencies to develop standardized information reporting of recycled water usage to the Agency. Standardized and automated reports and methods of providing information would create efficiencies and ensure accuracy of the information. Planning agrees that further standardizing and automating the information received from the contracting agencies is an appropriate long-term goal.

- Engineering should update their Standard Operating Procedure (attached Exhibit #1: Work Instruction for Preparing Recycled Water Billing) to provide current detailed step-by-step instructions and contact information for recording and reporting recycled water information received from the member agencies. Engineering plans to update their SOP to use position titles and not individual contacts and to remove tasks that are now obsolete due to newer processes.

Acknowledgements

IA would like to extend our appreciation to Planning, Engineering and FAD staff for their cooperation and assistance during this review.

Discussion with Management

IA provided the results of this review to Christiana Daisy, Executive Manager of Engineering/Assistant General Manager and Sylvie Lee, Manager of Planning and Environmental Resources on April 29, 2020 and received initial responses on May 5, 2020. IA provided a revised draft on May 19, 2020 and obtained additional information and responses on May 26, 2020. Where possible, comments have been incorporated prior to finalizing the report.

If you have any questions or need additional information, please contact me at Extension 1521 or at tvelarde@ieua.org.

The Recycled Water Revenues Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Recycled Water Revenues Audit – Limited Review

Background

The parameters for recycled water (effluent) distribution and use in the Agency's service area were first established in the Regional Sewage Service Contract from 1972 and as subsequently amended. Agency Ordinances #63, 69 and 75 provided further guidelines, incentives and procedures for the expansion of recycled water distribution in the Agency's service area.

The Recycled Water Business Plan (RWBP) was then adopted in December 2007 to maximize the beneficial use of recycled water and develop climate resilient local supplies. The RWBP was updated in 2015 with the Recycled Water Program Strategy (RWPS). The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year and through the planning period ending in 2035. Recycled water provides a cost effective and more reliable local water supply and is a key part of the Agency's goal of drought proofing its service area by 2030.

The Agency publishes several reports about Recycled Water each year. These include an annual "Recycled Water Quality Report" and the "Recycled Water Annual Report". Both reports include information about water quality: Effluent monitoring data and water compliance data. According to the Recycled Water Annual Report, the Agency's recycled water revenues have varied from year to year depending on hydrologic conditions and the amount of rainfall in the region.

Description	2014/15	2015/16	2016/17	2017/18	2018/19
Recycled Water – Direct Use	\$6,267,821	\$6,035,896	\$7,681,448	\$9,717,408	\$7,671,217
Ground Water Recharge	\$3,700,343	\$5,353,286	\$6,624,157	\$7,160,349	\$6,230,569
TOTAL REVENUES	\$9,968,164	\$11,389,182	\$14,305,605	\$16,877,757	\$13,901,786

The annual report also provides additional information about customers and historical demands. Some of the data included is:

Direct use and Recharge statistics for the past 10 years:

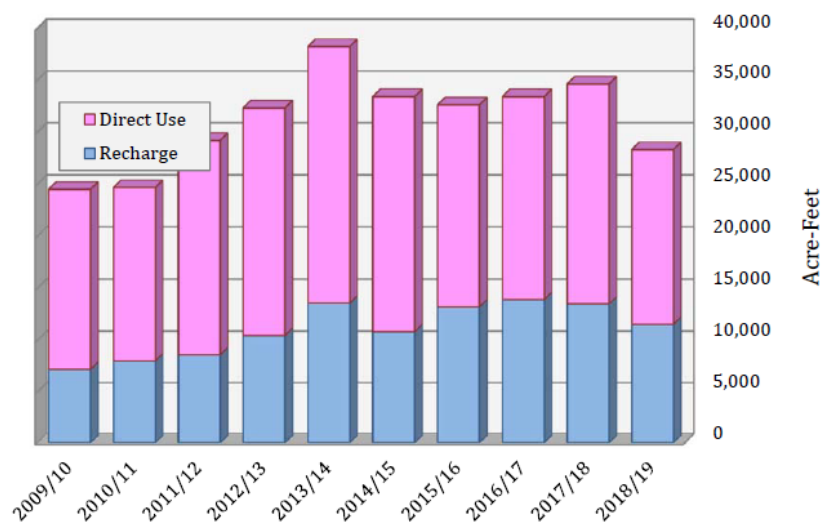


Figure 2 – Historical Recycled Water Direct Use and Groundwater Recharge

Recycled water demand by use type:

Table 1 – Recycled Water Demand by Use Type for 2018/19

Type of Use	Demand (AF)	Percent of Demand
Recharge	11,542	41%
Agriculture	5,850	21%
Landscape	9,469	33%
Industrial	1,078	4%
Construction	406	1%
Total Demand	28,345	100%

Recycled water usage by contracting agency:

Table 2 – Recycled Water Demand by Agency for 2018/19

Retail Agency	Direct Use (AF)	Recharge Allocation (AF)	Agency Total (AF)
Chino	4,760	1,240	6,000
Chino Hills	1,548	1,018	2,566
CVWD	996	2,837	3,833
Fontana/FWC	143	2,233	2,377
Montclair/MVWD	289	495	784
Ontario	7,511	2,634	10,145
Upland	709	1,084	1,793
IEUA	685	0	685
San Bernardino County	162	0	162
Subtotal	16,803	11,542	28,345

Top 10 customers:

Table 3 – Top 10 Recycled Water Customers for 2018/19

Customer	Use (AF)	Type of Use	Retailer
Cleveland Farm	2,203	Agricultural	Ontario
New Indy Ontario	907	Industrial	Ontario
Cal Poly Pomona	875	Agricultural	Chino
Murai Farm	596	Agricultural	Ontario
Whispering Lakes Golf Course	554	Landscape	Ontario
IEUA Headquarters	529	Landscape	IEUA
GH Dairy	485	Agricultural	Ontario
Superior Sod	448	Agricultural	Chino
Weststeyn Dairy	409	Agricultural	Chino
Los Serranos Golf Course	385	Landscape	Chino Hills
Subtotal	7,390		

Recycled Water Rates:

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

*Fee subject to change pending 2019 rate study results

Because of the amount and variety of information collected about Recycled Water revenues, the Agency can spot trends, missing information and other anomalies.

Process

IA obtained an understanding from FAD about the method and process for recording recycled water revenues for direct use. Additionally, IA reviewed the responses received by Planning staff to the Internal Control Questionnaire, followed up with e-mailed questions and most recently met with Planning staff on May 26, 2020. The recycled water revenue recognition process has multiple steps:

1. The process is initiated when Engineering staff receive monthly recycled water usage information from the contracting agencies. Each contracting agency reports their monthly usage with an e-mail (although some contracting agencies utilize a bi-monthly billing cycle). The information is provided to the Agency on the "honor system", meaning that there is no information available to independently verify the individual contracting agency's reports. Some agencies provide reports with beginning and ending meter usage readings and others report only monthly usage per meter without providing beginning and ending meter readings.
2. Engineering staff creates a monthly summary report of contracting agency reported recycled water usage and Operations reported recycled water recharge usage. This report is forwarded by e-mail to FAD staff for billing purposes each month.
3. Engineering staff also maintain and update a Recycled Water Database each month from the information submitted by the contracting agencies and Operations. This provides information to track recycled water usage and to update the Agency's GIS system and facilitate future statistical analysis.
4. Based on the information received from Engineering, accounts receivable staff in FAD prepare a billing to each of the contracting agencies which is sent to each contracting agency by e-mail and regular mail. This entry credits the revenues to the recycled water fund and debits accounts receivable from each contracting agency.
5. Contracting agencies can remit their payments electronically directly to the Agency's bank account or by check. Checks are received and logged at the Agency's front desk which provides segregation of duties. When FAD is made aware of a check being received at the front desk, one of the General Ledger accountants collects the check, prepares the deposit slip and makes the accounting entry to clear the receivable and recognize the cash receipt.
6. The deposit slip is reviewed and approved by a FAD supervisor. The deposit is then scanned, and an online deposit is made to the Agency's main bank account.
7. The bank accounts are reconciled monthly.

Evaluation

In order to evaluate the recycled water process, IA performed the following steps:

1. Reviewed the Agency's Ordinances that govern Recycled Water activities:
 - *Ordinance #63: "Regulating the availability and use of recycled water; approved February 18, 1998:* This Ordinance establishes the rules and regulations for wholesale and retail recycled water distribution. The Ordinance also establishes the regulations for oversight and inspection of resale agencies and direct retail recycled water users.

Inspection and entry authorization of indirect and resale recycled water users includes:

SECTION 111 - INSPECTION AND ENTRY

- (A) The District, the RWQCB and/or DOHS shall be authorized at any reasonable time and/or hours of operations to enter the Premises of all Indirect Recycled Water Users or Resale Agency to determine compliance with all applicable requirements, to inspect the Districts facilities and monitoring equipment, and/or take photographs. Reasonable hours shall include hours when irrigation is occurring. Such inspection shall also include the right to inspect and copy records required to be maintained by the Indirect Recycled Water User under Federal, State, local or Recycled Water Use Permit requirements. The District shall provide a 24-hour notice to the Resale Agency and the Indirect Recycled Water User prior to inspection.
- (B) Inspection may include every facility that is directly or indirectly involved with the use of recycled water as determined by the District, and the respective Indirect Recycled Water User and/or Resale Agency. Authorized personnel of the District shall be provided immediate access to all of the above facilities at reasonable times and/or hours of operation. No Person shall interfere with, delay, resist or refuse entrance to authorized District's personnel attempting to inspect any facility involved directly or indirectly with the use of recycled water.

Inspection and entry authorization of direct recycled water users includes:

SECTION 212 - DUTY TO PROVIDE INFORMATION

The Direct Recycled Water User shall furnish to the District, within a reasonable time, any documents or records maintained by the Direct Recycled Water User which may be requested to determine whether cause exists for modifying, revoking, reissuing, or to determine compliance with the Recycled Water User Permit. The Direct Recycled Water User shall also furnish to the Chief Executive Officer/General Manager upon request, copies of records required to be kept by the Direct Recycled Water User.

SECTION 213 - INSPECTION AND ENTRY

- (A) The District, the RWQCB and/or DOHS shall be authorized at any reasonable time and/or hours of operation to enter the Premises of all Direct Recycled Water Users to determine compliance with all applicable requirements, to inspect the Districts facilities and monitoring equipment, and/or take photographs. Reasonable hours shall include hours when irrigation is occurring. Such inspection shall also include the right to inspect and copy records required to be maintained by the Direct Recycled Water User under Federal, State, local or Recycled Water Use Permit requirements.
- (B) Inspection may include every facility that is directly or indirectly involved with the use of recycled water as determined by the District, and the respective Direct Recycled Water User. Authorized personnel of the District shall be provided immediate access to all of the above facilities at reasonable times and/or hours of operation. No Person shall interfere with, delay, resist or refuse entrance to authorized District's personnel attempting to inspect any facility involved directly or indirectly with the use of recycled water.

- *Ordinance #69: "Regulating the availability and use of recycled water; approved May 18, 2000:* This Ordinance establishes billing procedures to retail agencies and customers supplied directly by IEUA (customers whose property falls outside a retail agency's service area).
 - *Ordinance #69: "Establishing incentives and encouraging the use of recycled water; approved May 15, 2002:* This Ordinance provides for using recycled water in new development where possible and provides for reviewing parcels in the service area for suitability for mandatory use of recycled water and provides for surcharges for failure to use recycled water.
2. Performed a walkthrough of the steps in the Recycled Water revenue recognition process.
 3. Reviewed Engineering's Standard Operating Procedure (and the attached Exhibit #1: Work Instruction for Preparing Recycled Water Billing) that provides detailed step-by-step instructions and contact information for recording and reporting recycled water information received from the contracting agencies. IA did not observe Engineering's current monthly procedures for processing recycled water activity to compare to the department's SOP.
 4. Obtained and reviewed information and responses from Planning to questions included in an IA prepared "Internal Control Questionnaire":
 - Responses received April 13, 2020
 - Additional comments provided to first draft audit report, dated May 5, 2020
 - Additional comments received, examples of reconciliations provided and meeting with Planning staff on May 26, 2020
 5. Compared the pdf, excel, e-mail and other information provided by Engineering to the financial information in SAP and the financial statements and to the annual Recycled Water Annual Report.
 6. Analyzed the information to ensure consistency in the various Agency documents.

Summary of Results

Based on the steps performed by IA, the limited review found that the Agency has effective controls in place over collecting recycled water revenues. IA's review identified opportunities to improve and strengthen processes and controls to ensure information received is verified for accuracy of reporting and recording revenues.

Contracting Agency Reporting

The Agency relies on the "honor system" for reporting recycled water revenue by the contracting agencies to IEUA. The information is reported in various e-mail reports by the contracting agencies. Currently, there is no verification or cross check done by IEUA staff

to verify that what is reported by the contracting agencies is accurate; for example, requesting additional supporting information. Further, the Agency is not provided meter readings, logs, or other reports to support/validate the totals reported to IEUA. According to Planning staff, if the monthly recycled water usage is within historic trends, no further monitoring is done by staff. If individual months are not within historic trends, Engineering works with the contracting agency to confirm the accuracy of abnormal reading deviations. Planning staff also performs a review of the overall results reported by the member agencies annually and compares these to the Agency's own metered distribution information. The review is documented in Planning's files and involves tracking total annual contracting agency reported recycled water direct use data and comparing this to the Agency's total recycled water production data. This is stored in an internal spreadsheet and according to Planning, staff has averaged an approximate 3% difference with the Agency's metered data over the last 10 years. IA has not validated this data as part of this limited review and IA is available to review if the evaluation is requested. Without redundant meters at major recycled water distribution connection points, the Agency does not have the means to more formally review/compare/verify the data. If there are deviations from industry standard for meter accuracy (+/- 5 – 10%), Planning described a process that is initiated to work with Operations and member agencies to identify the sources of variation and work to a resolution.

Planning staff suggested to IA (in the initial Internal Control Questionnaire responses) that a review of how member agencies are collecting and reporting recycled water usage - including how often their meters are checked, maintained, and calibrated would provide additional assurance about the reliability of the information received from the member agencies. IA supports Planning and reinforces their suggestion with a recommendation in this report. IA has performed similar evaluations as part of the periodic EDU audits performed to validate wastewater connection fees and monthly sewerage charges. IA agrees with Planning staff that a validation would provide additional assurance.

Several of IEUA's other revenue sources also rely on information provided by the Agency's contracting agencies on the "honor system" with no additional supporting documentation. These include Wastewater Connection Fees and Monthly Sewerage Fees. Recycled water revenues are similarly dependent on information provided by the member agencies. The Agency's recycled water Ordinance #63 has specific provisions for inspecting and validating information provided by member agencies and by individual retail customers.

To verify Wastewater Connection Fees and Monthly Sewerage Fees, the Agency has performed "EDU audits" every few years that include reviewing and testing records and processes at the individual contracting agencies to ensure completeness of information provided to the Agency.

RECOMMENDATION #1:

IA recommends implementing a process to review and verify recycled water records and processes (including how meters are checked, maintained and calibrated) at the individual contracting agencies to ensure completeness and

accuracy of information provided to the Agency as provided in Agency Ordinance #63. An internal or external audit and/or review of contracting agency reporting of recycled water would provide an independent analysis of the information received from the contracting agencies to verify the data reported to the Agency. At a minimum, Planning staff should request additional supporting documentation from the contracting agencies periodically, to verify the information reported. This would potentially prevent, detect and/or correct any discrepancies to minimize any potential risk of error in reporting.

DEPARTMENT RESPONSE: The Metropolitan Water District (MWD) has performed occasional audits over the years in connection with their incentive programs and in other instances. The Agency has served as MWD's contact point and the contracting agencies (resale agencies) have been cooperative about providing original documentation when needed. Although Planning is aware that the Agency's Ordinance #63 allows for periodic audits and inspection of "resale agencies" Planning has determined that there is no need at this time for additional verification and is currently focusing on higher priority recycled water issues. At a future date, Planning will consider adopting an oversight control that provides for obtaining calibration and other supporting information from the resale agencies from time to time.

Reconciliations

Planning has noted that there is an annual overall review of recycled water distribution reported by contracting agencies as compared to the Agency's own internal reports of recycled water production as well as an annual reconciliation of contracting agency reported usage to their recycled water entitlements.

According to Planning staff, the Agency knows how much recycled water is produced from each of the plants, sent to each pressure zone, and discharged to the Santa Ana River, however specific contracting agency use is self-reported and there are no checks in place to determine accuracy of their readings other than the annual data review. The installation of redundant meters at major member agency connection points would minimize risks of unintentional under-reporting but has been found to be cost-prohibitive. Overall annual recycled water use reported by the Agency in its annual permit reports is compared to the annual billings to ensure that the discrepancies, if observed, are within industry standards.

Planning comment and suggestion: *An annual reconciliation process was collaboratively developed with the contracting agencies. The final annual recycled water use data is reviewed and confirmed with the contracting agencies before a final adjustment bill is issued. This process occurs within 90 days after the close of the fiscal year and involves Engineering, Operations, Planning, and Accounting. This process is formal and allows the Chino Basin Watermaster to finalize an annual assessment package which reports each stakeholder's recycled water use and quantities recharged/drawn.*

Engineering also performs a comparison between reported recycled water use data and historical reported recycled water use data each month and Planning compares total reported recycled water use (external data) to total reported recycled water production (internal data reported for regulatory compliance) each year. Discrepancies in the monthly data are checked with the member agencies. Discrepancies in the annual metered data is logged for tracking purposes and thus far has averaged an approximate 3% difference with the Agency's metered data over the last 10 years.

IA agrees with the steps being taken to compare and reconcile recycled water use data for accuracy. IA's recommendation is intended to ensure a complete, documented record of these steps is maintained and to support staff's suggestion.

Based on responses received from Planning and this evaluation, IA understands that Planning prepares and documents periodic review and reconciliation processes that are complete and well-documented. Based on IA's evaluation of the information provided, IA provides the following "soft recommendation":

RECOMMENDATION #2 (soft recommendation):

IA suggests that Planning staff maintain additional documentation that shows that the reconciliations have been properly reviewed by a supervisor and provide clear written descriptions of the reasons for any variances and how they were resolved. These should be kept on file for future reference to ensure oversight over the information obtained from the contracting agencies. Additionally, Planning should consider documenting the review/reconciliation procedures in a departmental SOP or desk procedure to serve as a guide for staff.

DEPARTMENT RESPONSE: Planning prepares an annual reconciliation of recycled water entitlements that compares the total available recycled water entitlement for each contracting agency based on their total purchased Equivalent Dwelling Units (EDU's) to the amount of recycled water billed to their retail customers plus their total Groundwater Recharge (GWR) amounts. This entitlement reconciliation serves as the basis for determining any "entitlement exceedance" which is used to determine the annual GWR adjustment allocation credit to contracting agencies with surplus entitlement.

The Department also performs a comparison of recycled water production from the Agency's treatment plants to the total amounts used by the contracting agencies, the Agency and San Bernardino County as well as for GWR and the amount of creek discharge. The Department ensures that these differences are limited to a 3% to 5% average variance attributable to water meter accuracy limitations and other natural phenomena. Additionally, Planning works with Operations to investigate any discrepancies exceeding the 5% average variance threshold, should there be any.

Tracking and Billing

As a wholesaler, the Agency relies on its contracting agencies to self-report recycled water usage to the Agency Engineering Department's "water-data email list" on a monthly basis, the contracting agencies have some differences in the methods with which data is reported:

Report beginning and ending usage meter readings: Planning reported that Cucamonga Valley Water District (CVWD), The Fontana Water Company, Monte Vista Water District (MVWD) and the City of Upland each report beginning and ending usage meter readings. With this information, IEUA staff can review prior reports to check that the new beginning balance matches the ending balance from the prior period.

Report monthly usage: The Cities of Ontario, Chino, and Chino Hills report only monthly usage per meter and do not submit beginning and ending usage readings. With this information, IEUA staff cannot verify beginning balance to ending balance to verify total meter reading amounts.

Additionally, the Agency's Operations Department reports the amount of recycled water that was recharged at the region's basins each month.

Engineering collects the data from the contracting agencies and from Operations and organizes it into a recycled water database and billing spreadsheet to be sent to FAD for billing purposes. After the billing spreadsheet is sent to FAD, a file with all active meters is sent to GIS where it is coded and placed on the recycled water GIS map. Lastly, the BIS dashboard/application is updated with the new usage data.

Because each contracting agency maintains their own billing system (including some contracting agencies that bill on a bi-monthly basis), the format of what they extract to submit to the Agency depends on their individual systems. The multiple methods used to e-mail reports of recycled water usage to Engineering cause Engineering staff to "cut and paste" the relevant information from their e-mail submittals and then input the information into a standardized format which is then uploaded into the RW database, resulting in multiple e-mails and documents saved on the Agency's server every month. Additional manual processes are then performed by Accounting to create the bills that are sent back to the contracting agencies each month.

In contrast, IA notes that the monthly wastewater connection fee submissions from the contracting agencies to Planning are now all submitted on a standard format and multiple, redundant data entry and "cutting and pasting" has been eliminated.

Planning stated Engineering has previously attempted to standardize the way data is reported to the Agency. This has resulted in complaints from the contracting agencies claiming this results in an undue training burden to contracting agency staff. Additionally, much like the monthly sewerage information that the Agency requests from contracting agencies, recycled water meter information is collected differently by different contracting agencies, including every two months by some agencies. Having to report information

that is not consistent with their current billing processes has caused discussion and issues with contracting agencies about the Agency's monthly billing methodology.

Although Engineering and FAD staff provide reliable information and billings, the potential exists for errors as a result of the way the information must be processed. After the 2015 EDU audit, the Planning department streamlined contracting agency reporting of monthly wastewater connection fees and created additional automation in the way the fees are reported to the Agency. Planning has also successfully collaborated with BIS to automate and simplify the collection and reporting of Water Connection Fees to eliminate redundant data entry. In both cases the Agency's workload has been reduced and the accuracy of the information enhanced.

RECOMMENDATION #3:

Planning should take the lead to work together with Agency staff and the contracting agencies to develop standardized information reporting. Standardized and automated reports and methods of providing information would create efficiencies, make the process consistent and ensure accuracy.

DEPARTMENT RESPONSE: Planning and Engineering have made attempts to automate the reporting of recycled water billings from the contracting agencies in the same way that Planning successfully standardized and automated the Building Activity Reports and the Water Connection Fees billings. However, due to differences between the way each of the seven contracting agencies maintains their own records, it is not practical to create a reporting tool that is acceptable for all the contracting agencies to use at this time. Instead, the Department has worked with Engineering and the Agency's own Business Information Systems Department to develop greater quality control when monthly usage information is received from the contracting agencies. Engineering is able to process and upload the information into the Recycled Water Database.

Planning agrees that further standardizing and automating the information received from the contracting agencies is appropriate and will work towards this as a long-term goal.

Standard Operating Procedure (SOP) and Exhibit #1: Work Instruction for Preparing Recycled Water Billing

In 2015 Engineering staff developed SOP #79 to document the steps involved in collecting and reporting recycled water usage. The SOP provides an outline of the different steps in the process and who has responsibility for them. Exhibit #1 of the SOP provides comprehensive and detailed step-by-step "work instructions" to perform the monthly information collection.

Since this valuable information was documented some of it has become obsolete as contact information and roles have changed. IA was also informed that some additional automation of processes has occurred.

Having up-to-date information is important to ensure job continuity and to provide cross-training resources. Therefore, IA suggests that the Engineering staff update SOP #79 and the related work instructions.

RECOMMENDATION #4:

Engineering should update the Standard Operating Procedure and attached Exhibit #1: Work Instruction for Preparing Recycled Water Billing (last updated in 2015) to provide current detailed instructions and information for recording and reporting the recycled water information received from the contracting agencies.

Engineering response: *The 2015 SOP will be updated to use position and not individual contacts and to remove tasks that are now obsolete.*

Overall Conclusion

Based on the results of recycled water revenues audit overall the Agency provides effective oversight of the program. IA provides recommendations to enhance controls and processes and to support Planning's suggestions.

IA is available to discuss or perform additional audit procedures, if requested. Please contact Internal Audit for additional information or questions.

Audit Committee Meeting

June 8, 2020

Recycled Water Revenues Review



Recycled Water Revenues

Background Information

Description	2014/15	2015/16	2016 /17	2017/18	2018/19
Recycled Water – Direct Use	\$6,267,821	\$6,035,896	\$7,681,448	\$9,717,408	\$7,671,217
Ground Water Recharge	\$3,700,343	\$5,353,286	\$6,624,157	\$7,160,349	\$6,230,569
TOTAL REVENUES	\$9,968,164	\$11,389,182	\$14,305,605	\$16,877,757	\$13,901,786

Retail Agency	Direct Use (AF)	Recharge Allocation (AF)	Agency Total (AF)
Chino	4,760	1,240	6,000
Chino Hills	1,548	1,018	2,566
CVWD	996	2,837	3,833
Fontana/FWC	143	2,233	2,377
Montclair/MVWD	289	495	784
Ontario	7,511	2,634	10,145
Upland	709	1,084	1,793
IEUA	685	0	685
San Bernardino County	162	0	162
Subtotal	16,803	11,542	28,345

Recycled Water Revenues

Observations & Recommendations

RECOMMENDATION #1:

Consider performing additional validation of the data provided by member agencies

- a process to review and verify recycled water records and processes (including how meters are checked, maintained and calibrated) as provided in Agency Ordinance #63.*
- An independent analysis of the information received from the contracting agencies.*
- At a minimum, staff requesting additional supporting information, to verify the information reported.*

The purpose:

- To add a preventive control*
- As a periodic or spot check to verify the information*
- Mitigate any potential risks of any errors*

Recycled Water Revenues

Observations & Recommendations

RECOMMENDATION #2:

Consider having a documented procedure to ensure reconciliations are completed, reviewed by a supervisor and document reasons for any variances and how they were resolved.

The purpose:

- Staff to maintain additional documentation to support the reconciliation***
- To add a control to identify any variances that need to be addressed***
- Filed and retained for future reference and ensure oversight over the information obtained***

Recycled Water Revenues

Observations & Recommendations

RECOMMENDATION #3:

Staff should work together with contracting agencies to develop standardized and automated methods of providing information

The purpose:

- Ensures all contracting agencies provide the same information in a similar manner***
- Eliminate the need for duplicate entry and/or cut and paste***
- Create efficiencies***

Recycled Water Revenues Observations & Recommendations

RECOMMENDATION #4:

Engineering should update the Standard Operating Procedure (Exhibit #1) Work Instruction for Preparing Recycled Water Billing

The purpose:

- To provide current detailed step-by-step instructions***
- Update information for recording and reporting recycled water***
- To serve as a guide for staff to follow***

Questions/Comments?

The Recycled Water Revenues Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

INFORMATION
ITEM

3N

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit

From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Approvals and Disbursements Automation Follow-Up Review

Executive Summary:

Internal Audit completed a follow-up review of automated approvals processes at the Agency. Since 2016, through several audits, IA has made various recommendations about automating approvals and disbursements and eliminating the need for manual signatures and multiple copies, scanning and emails. This follow up review evaluates how four recommendations have been addressed with the recent implementation of “work from home” requirements, the Business Information Systems Department and the Finance and Accounting Department (FAD) have established a new process to provide digital signature authorization for internal documents using security features available in PDFs. Human Resources and FAD are also moving forward on automating payroll and vendor disbursements to eliminate the need for manual checks. IA’s review indicates that the internal controls for the digital signature authorization and over the automation of disbursements through direct deposit and ACH payments are adequate and provide a sufficient audit trail to support Agency operations and there are no significant risks to the Agency. IA also supports that the new processes to use automated signatures for internal documents should be implemented permanently and not just on a temporary to ensure efficiencies and eliminate duplicate printing, uploading and saving of documents.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

None. Efficiencies gained from eliminating manual processes.

Prior Board Action:

On September 18, 2019, the Board of Directors approved the amended Fiscal Year 2019/20 Annual Audit Plan. The original Fiscal Year 2019/20 Annual Audit Plan was approved on June 19, 2019. This follow-up review was scheduled in the Annual Audit Plan.

On December 19, 2018, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Approvals and Disbursements Automation Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of automated approval processes, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

Attachments:


Attachment 1 - Approvals and Disbursements Automation Follow-Up Review Report
Attachment 2 - PowerPoint



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DATE: May 21, 2020

TO: Shivaji Deshmukh
General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Approvals and Disbursements Automation – Follow-Up Review

Audit Authority

The Inland Empire Utilities Agency Internal Audit Department (IA) has performed a follow-up review of recommendations associated with Approvals and Disbursements Automation. This follow-up review was performed under the authority given by the Board of Directors, the Fiscal Year 2019/20 Annual Audit Plan and as requested by the Audit Committee.

Additionally, the Internal Audit Department Charter states that IA must follow up on outstanding recommendations to ensure that corrective actions have been implemented.

Audit Scope

The objectives of the review were to:

- Ensure adequate internal controls are in place
- Determine whether the automation process has been implemented
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Executive Summary

IA has made several related recommendations about automating approvals and disbursements at the Agency and eliminating the need for “wet” (manual) signatures. With the Agency operating in compliance with the State’s “safer at home” order and the majority of Agency employees working remotely, the Business Information Systems Department (BIS) and the Finance and Accounting Department (FAD) have established a new process to provide digital signature authorization for internal documents using security features available in PDFs. This review found that the Agency has effective controls in place over digital signature authorizations using PDFs for internal approvals of some Agency documents.

IA has also recommended that the Agency automate as many disbursements as possible to eliminate the need for manual checks including that payroll payments should be made by direct deposit, whether for regular payroll payments or for less frequent payments such

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as vacation buy-backs. This review found that the Agency has effectively automated current payroll disbursements and is in the process of transitioning to automating as many other disbursements as possible. IA will monitor disbursements to verify that the Agency continues to reduce the number of manual checks to only in exceptional, non-routine circumstances.

Acknowledgements

IA would like to extend our appreciation to BIS and FAD Departments' staff for their cooperation and assistance during this review.

Discussion with Management

IA provided the results of this review to Christina Valencia, Executive Manager of Finance and Administration/Assistant General Manager, Javier Chagoyen-Lozaro, Manager of Finance and Accounting and Kanen Pantayatiwong, Manager of Business Information Systems on May xx, 2020. Where possible, comments have been incorporated prior to finalizing the report.

If you have any questions or need additional information, please contact me at Extension 1521 or at tvelarde@ieua.org.

The Approvals and Disbursements Automation – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Approvals and Disbursements Automation – Follow-Up Review

Background

Over the years, IA has made several recommendations about automating Agency internal approvals and disbursements processes. These include the following recommendations which are all now considered **implemented**:

Digital Approval:

Wire Transfers Audit: March 1, 2018

As the Agency moves towards automated recordkeeping using Laserfiche and possibly other tools, the Agency should consider utilizing electronic signature technology and implementing digital approval documentation.

Accounts Payable Follow-Up Audit: May 30, 2019

FAD should take the lead and work with BIS to implement efficiencies by fully utilizing automated workflows to process and approve invoices to migrate to a paperless environment, eliminate printing, manual/handwritten approvals, manual duplicate scanning of invoices/documents and additional emailing of documents. FAD should consider the process changes (to current largely manual procedures) necessary to efficiently utilize an automated process.

Master Trade Contracts Audit & Response: September 1, 2016

IA supports and encourages the initiative to fully implement the Agency's Enterprise Content Management System (ECMS) - Laserfiche. CFS should continue to work closely with BIS to implement the Agency's ECMS - Laserfiche to assist with the organization and centralizing of contract documents, facilitate research and access to information, streamline recordkeeping and eliminate multiple copies of the same documents.

Status: All Implemented

Direct Deposit and Automated Clearing House (ACH) Payments:

Payroll Operations Audit: August 30, 2017

As part of moving into a paperless, automated environment, HR should take the lead to promote and encourage having all payments made more efficiently through direct deposits instead of manually writing paper checks.

Department response: Regular payrolls for all employees and directors are currently done via ACH. Certain units already include one-time pay outs, (vacation and sick leave) with regular ACH payroll, but others still require a separate check. Those units were very clear that they had agreed to a one-time exception to pay the April vacation pay out via ACH, and that they would like to see a return to a separate check for future pay outs.

Status: Implemented

On March 19, 2020 California Governor, Gavin Newsom issued Executive Order N-33-20 which required all individuals in nonessential occupations living in the State of California to stay home or at their place of residence. To comply with this Executive Order, the

Agency now has most staff (other than those considered “essential”) working remotely. As a result, a new emphasis has been placed on automating processes and creating ways to complete Agency business that do not require staff to work physically at IEUA Headquarters to perform manual data entry and complete manual signatures. The Agency is pursuing two initiatives:

1. Creating a digital approval process for internal documents with rigorous internal controls and a clear “audit trail” that eliminates the need for a “wet” signature and multiple scanning and e-mailing of documents.
2. Developing automated disbursement and ACH processes for payroll and vendor payments, eliminating the need for processing manual checks.

Process

BIS undertook a review to determine what additional efficiencies could be implemented to enhance the ability of Agency employees to work remotely without disrupting the efficiency of processing required documents and ensuring internal controls are present. The approval and processing of invoices and the subsequent creation of the disbursement both included manual processes that had long been in place. In both instances, IA had previously made recommendations to automate the processes.

Digital Approval – Implemented:

To automate this process BIS and FAD needed to establish a new process that would eliminate manual signatures (“wet signatures”) that then needed to be scanned and e-mailed to Accounts Payable staff in FAD for processing. The most secure alternate approach is to develop a work-flow process using “Docu-Sign” and the Agency’s Laserfiche records management tool. This is a secure approach that is most effective when the Agency needs to maintain the integrity of the document and have a record of approvals with third parties that is distributed and/or shared with external entities such as contract signatures, construction change-orders and similar approvals. The Agency also needs to obtain official Docu-Sign licenses for any users that are authorized to use this approval process.

The Agency’s own internal approval process does not require as formal a mechanism as Docu-Sign. Accounts Payable in FAD routinely scans all invoices and distributes them via e-mail to departments for their approval. Current practice has been for managers to print the invoices, sign them manually signifying their approval, and then re-scan the signed invoices and e-mail them back to FAD for payment processing.

IA had previously recommended that this process be streamlined to eliminate the printing and scanning by allowing for a digital signature and either e-mailing the document back to FAD or documenting the approval directly through SAP (the Agency’s financial system) on the attachment using a workflow process.

In response to the current need to work remotely, BIS and Accounting rapidly implemented existing PDF technology to implement a digital signature option and

provided written instructions and documentation to Agency managers and executives about the automated option.

IA's review indicates that the internal controls for the digital signature authorization are adequate and provide a sufficient audit trail to support Agency operations and that there are not significant risks to the Agency. IA also believes the new processes should be implemented permanently and not just on a temporary basis during the "safer at home" mandate.

ACH Payments and Direct Deposit – Implemented

IA has also recommended that the Agency automate as many disbursements as possible to eliminate the need for manual checks. In particular, IA recommended that payroll payments should all be made by direct deposit, whether for regular payroll payments or for less frequent payments such as vacation buy-backs. Direct deposits do not require any significant changes to Agency processes, just the employee's authorization.

In response to working remotely, regular payrolls for all employees and directors are now done via ACH. Certain units already included one-time pay-outs, (vacation and sick leave) with regular ACH payroll, but others still require a separate check. Those units were very clear that they had agreed to a one-time exception to pay the April vacation pay out via ACH, and that they would like to see a return to a separate check for future pay outs. This recommendation is considered currently implemented, and IA makes a soft suggestion to negotiate these automated processes for future vacation and sick leave pay-outs with the affected bargaining units.

Similarly, making vendor payments electronically through the banking system's ACH process does not require significant changes to Agency processes. The procedures consist of obtaining the necessary bank account information and establishing the appropriate mechanisms with vendors.

IA considers this recommendation "Implemented" as the Agency transitions to having all vendors included in the automated payment processes. IA will continue to monitor disbursements to verify that the Agency continues to reduce the number of manual checks until manual checks are issued only in exceptional, non-routine circumstances.

Evaluation

In order to evaluate the approvals and disbursements automation projects, IA performed the following procedures:

1. Reviewed the documented process and sample screen prints.
2. Tested the steps in the process for validity of the process.
3. Compared the process to prior IA reports and recommendations.

Summary of Results

Based on the steps performed, IA's limited review found that the internal controls that the Agency has in place for digital signature authorization are adequate and provide a

sufficient audit trail to support Agency operations and that there are not significant risks to the Agency. IA supports the new processes should be implemented permanently and not just as a temporary approach during the “safer at home” mandate.

IA also found that the internal controls that the Agency has in place for automating disbursements through direct deposit and ACH payments are adequate and provide a sufficient audit trail to support Agency operations and that there are not significant risks to the Agency. IA considers its recommendations as “Implemented” and IA will monitor disbursements activity to verify that the Agency continues to reduce the number of manual checks to only in exceptional, non-routine circumstances.

During this review, IA did not test any actual transactions that have been processed with this method. Testing of the transactions to observe the computerized digital signatures will be performed as part of a separate audit, planned through the approved Annual Audit Plan. This brief report intends to follow up on outstanding recommendations to ensure those have been addressed.

IA is available to discuss or perform additional steps, if requested.

Attachment 1:
Introduction to new digital PDF document approval



How-To Series

Sign PDF Document via Adobe Reader/Acrobat

How to Sign PDF Document via Adobe Reader/Acrobat

Overview

This document shows how to use the free version of Adobe Reader to digitally write the text (e.g., PO information and account assignment), digitally sign the document, save it and email it back to AP staff for payment processing.

The goal is to avoid a need to print the invoice, sign it with pen, rescan it and then email it back to AP staff.

NOTE: This is for internal approval only. It is intended to confirm to AP staff that the invoice has been reviewed and approved by the appropriate person.

Audit Committee Meeting

June 8, 2020

Approvals and Disbursements Automation – Follow-Up Review



Approvals and Disbursement Automation – Follow-Up Report

- **Scope:**
 - **Evaluate internal controls**
 - **Determine whether the automation process has been implemented**
 - **Determine compliance with Agency policies and procedures**
 - **Identify opportunities for improvements**

Follow up on 4 prior outstanding recommendations

Prior Audit Recommendations - Implemented

Wire Transfers Audit: March 1, 2018

As the Agency moves towards automated recordkeeping using Laserfiche and possibly other tools, the Agency should consider utilizing electronic signature technology and implementing digital approval documentation.

Accounts Payable Follow-Up Audit: May 30, 2019

FAD should take the lead and work with BIS to implement efficiencies by fully utilizing automated workflows to process and approve invoices to migrate to a paperless environment, eliminate printing, manual/handwritten approvals, manual duplicate scanning of invoices/documents and additional emailing of documents. FAD should consider the process changes (to current largely manual procedures) necessary to efficiently utilize an automated process.

Master Trade Contracts Audit & Response: September 1, 2016

IA supports and encourages the initiative to fully implement the Agency's Enterprise Content Management System (ECMS) - Laserfiche. CFS should continue to work closely with BIS to implement the Agency's ECMS - Laserfiche to assist with the organization and centralizing of contract documents, facilitate research and access to information, streamline recordkeeping and eliminate multiple copies of the same documents.

Prior Audit Recommendations - Implemented

Direct Deposit and Automated Clearing House (ACH) Payments:

Payroll Operations Audit: August 30, 2017

As part of moving into a paperless, automated environment, HR should take the lead to promote and encourage having all payments made more efficiently through direct deposits instead of manually writing paper checks.

Discussion & Questions

The Approvals and Disbursements Automation – Follow-Up Review is consistent with the Agency’s Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA’s evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

**INFORMATION
ITEM**

30

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Interfund Transactions - Follow-Up Review

Executive Summary:

The Interfund Transactions Audit Report, dated August 30, 2018, provided recommendations for Agency staff to work together to provide more descriptive information in the Notes to the Financial Statements included in the Comprehensive Annual Financial Report (CAFR). Additionally to make an annual presentation about Interfund Transactions to the Board. The intent of the recommendations is to ensure the information about Interfund Transactions is complete and clearly documented in the CAFR and to the Board. This follow-up review found that the Agency provided additional, clear and comprehensive information in the Notes to the 2019 CAFR about Interfund Transactions and that the Finance and Accounting Department (FAD) provided a complete oral and written report to the Board as part of the presentation of the audited CAFR, both as recommended by IA.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

None, other than potential efficiencies that may occur from eliminating manual processes.

Prior Board Action:

On September 18, 2019, the Board of Directors approved the amended Fiscal Year 2019/20 Annual Audit Plan. The original Fiscal Year 2019/20 Annual Audit Plan was approved on June 19, 2019. This follow-up review was scheduled in the Annual Audit Plan.

On December 19, 2018, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Interfund Transactions Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of disclosures and presentations about interfund transfers, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

Attachments:


Attachment 1 - Interfund Transactions - Follow-Up Review Report
Attachment 2 - PowerPoint



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DATE: May 21, 2020

TO: Shivaji Deshmukh
General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Interfund Transactions – Follow-Up Review

Audit Authority

The Inland Empire Utilities Agency Internal Audit Department (IA) has performed a follow-up review of two recommendations from the Interfund Transactions Audit. The review was performed under the authority given by the Board of Directors (Board) in the approved Fiscal Year 2019/20 Annual Audit Plan and the Internal Audit (IA) Department's Charter. The Charter states that follow up reviews will be performed on IA recommendations to ensure corrective actions are taken.

Audit Scope

The objectives of the follow-up review were to:

- Determine whether the recommendations have been implemented
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Executive Summary

The Interfund Transactions Audit Report, dated August 30, 2018, provided recommendations for the Agency to provide more descriptive information in the Notes to the Financial Statements included in the Comprehensive Annual Financial Report (CAFR) and to make an annual presentation about Interfund Transactions to the Board. The intent of the recommendations is to ensure the information about Interfund Transactions is complete and clearly documented in the CAFR and to the Board. This follow-up review found that the Agency provided additional clear and comprehensive information in the Notes to the 2019 CAFR about Interfund Transactions and that the Finance and Accounting Department (FAD) provided a complete and clear oral and written report to the Board as part of the presentation of the audited CAFR, both as recommended by IA.

The original audit report is available on the Agency intranet website or by contacting IA.

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Kati Parker
President

Jasmin A. Hall
Vice President

Steven J. Elie
Secretary/Treasurer

Michael E. Camacho
Director

Paul Hofer
Director

Shivaji Deshmukh
General Manager

Acknowledgements

IA would like to extend our appreciation to FAD staff for their cooperation and assistance during this review.

Discussion with Management

IA provided the results of this review to Christina Valencia, Executive Manager of Finance and Administration/Assistant General Manager and Javier Chagoyen-Lozaro, Manager of Finance and Accounting on May 8, 2020 and received comments on May 18, 2020. Where possible, comments have been incorporated prior to finalizing the report.

If you have any questions or need additional information, please contact me at Extension 1521 or at tvelarde@ieua.org.

The Interfund Transactions – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

TV:ps

Interfund Transactions – Follow-Up Review

Background

The CAFR is the Board-approved document that communicates the overall fiscal health of the Agency. The Financial Statements are audited annually by external CPAs to provide assurance that they are free from material misstatements. The Financial Statements are relied upon by financial institutions, creditors, grantors, etc. The Notes to the Financial Statements provide additional details about the Financial Statements and serve to clarify and further explain what the financial information includes.

The Governmental Accounting Standards Board (GASB) issued an Exposure Draft on February 11, 2020 called: *“Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements”* where the GASB describes the importance of the Notes to the Financial Statements in paragraph 7:

The purpose of notes to financial statements is to provide information that (a) explains, describes, or supplements the financial statements and (b) is essential to users in making economic, social, or political decisions or assessing accountability. Notes to financial statements are integral to basic financial statements; they are necessary to make the basic financial statements complete.

And, in paragraph 9 the GASB describes the types of information included in the notes to the financial statements:

- a. Descriptions of the accounting and finance-related policies underlying amounts recognized in financial statements
- b. More detail about or explanations of amounts recognized in financial statements
- c. Information about financial position or inflows and outflows of resources that does not meet the criteria for recognition
- d. Other finance-related information associated with the accountability of the government.

Notes to financial statements may be narrative or quantitative with appropriate explanations and may include measures other than dollars.

The Agency has seven funds representing different Agency programs with different purposes. Inter-fund transfers are transactions to transfer funds between the different Agency Funds and are recorded as increases or decreases within the Agency's accounting records. Although they have an impact on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position for the individual Agency Funds, they offset one another and do not impact the overall net position of the Agency. Transfers are processed to transfer funds from revenue generating funds to offset the related expenses of other funds that support those programs and vice versa.

Sufficient, complete, detailed information about Interfund Transactions is necessary to ensure that readers of the Financial Statements fully understand the revenue and expense sources of the Agency's individual funds and can make educated decisions about the Agency's financial health.

The Interfund Transactions Audit Report dated August 30, 2018 included three Recommendations:

1. ***FAD should provide additional, detailed information in the Notes to the Financial Statements to clarify what the inter-fund transfers represent, including the reasoning/methodology used to calculate and determine the amounts of the transfers. Although, complete information is provided through various financial and budget documents, the Financial Statements should stand alone to provide sufficient information that a reader can understand the details of the transfers.***
2. ***FAD should document a Standard Operating Procedure and/or Inter-Fund Transfer policy that provides clear guidance as to the methodology applied to calculate and process inter-fund transfers, including the purpose, authorization procedures and methodology applied.***
3. ***FAD should take the lead to provide an annual informational written and oral presentation for the Board of Directors that describes the reasons for past and/or anticipated inter-fund transfers, the amounts, how those amounts were calculated and how inter-fund transfers compare to prior years.***

This follow-up review examines the implementation of Recommendations #1 and #3.

Evaluation

Recommendation #1: Implemented

IA performs an annual quality control review of the Agency's CAFR. During the 2018 CAFR review, IA recommended staff evaluate the information and include additional details to ensure readers of the CAFR have comprehensive information about the interfund transactions. The Audit Committee supported the value of having additional information documented and presented related to the transactions. FAD staff agreed with IA's recommendation and noted they would provide additional information to the Note to the Financial Statements and their communications/presentations to the Board. During the 2019 CAFR review IA noted that the wording of the Financial Statement Note about Interfund Transactions had been revised and additional information was included.

IA performed a follow-up review to assess the revised wording to determine whether the revised Note to the Financial Statements provides sufficient information to inform a reader of the details of the transfers, IA performed the following procedures:

1. Analyzed the information in the Note to the Financial Statements to determine whether transfers in or out of each fund or fund group describes the amount and the reasons for the transfer.
2. Compared the descriptive information in the Note to the Financial Statements to the accompanying financial Table of dollar amounts to and from the individual funds and fund groups for consistency and comparability.
3. Compared the information in the Note to the Financial Statements to the dollar amounts shown in the financial statements themselves.

Based on IA's review, IA determines the additional information is sufficient to identify the interfund transfers made to and from each fund or fund group, provides sufficient

information for readers to understand the reasons for the interfund transfers and that the information agrees to the presentation in the financial statements themselves.

IA considers this recommendation as “Implemented” and is available to discuss or perform additional steps, if requested.

Recommendation #2: **Deferred to a later date**

Recommendation #3: **Implemented**

The most recent annual CAFR was presented to the Board by FAD staff on December 18, 2019. At that presentation FAD staff provided the Board with information about Interfund Transactions. IA performed a follow-up review to assess the completeness of information provided to the Board. IA performed the following procedures:

1. Reviewed the information about Interfund Transactions included in the Board packet from the December 18, 2019 Board meeting including the written information and the PowerPoint presentation.
2. Compared the information in the presentation to the information included in the Note to the Financial Statement for consistency.

Based on IA’s review, IA determines the presentation to the Board provided sufficient information to identify the interfund transfers made to and from each fund or fund group, provided sufficient information for the Board members to understand the reasons for the interfund transfers and that the information presented agreed to the presentation in the financial statements themselves.

IA considers this recommendation as “Implemented” and is available to discuss or perform additional steps, if requested.

Attachment 1:
2019 CAFR NOTE DISCLOSURE ABOUT INTERFUND TRANSACTIONS
(Including additional information recommended by IA)

NOTE 15: INTERFUND TRANSFERS

The Regional Wastewater Capital Improvement Fund received capital support from the Regional Wastewater Operations & Maintenance Fund in the amount of \$5,359,000 for project expenses. These projects were EN17006-CCWRF Headworks and Odor Control Replacement, EN19006-RP-5 Biosolids Facility, EN24001 RP-1 Liquids Treatment Expansion, and EN24002 RP-1 Solids Treatment Expansion.

The Regional Wastewater Operations & Maintenance Fund received \$1,800,000 from the Recycled Water Fund for reimbursement of EN13016 SCADA Enterprise/Wineville project costs. It also received \$4,787,221 from the Regional Wastewater Capital Improvement Fund, \$4,481,429 to support regional wastewater system management and expansion, and \$305,792 for debt service support.

The Recycled Water Fund received transfers in the amount of \$2,474,869 from the Regional Wastewater Fund for the fund's share of the 2017A debt service payment and \$83,697 from the Administrative Services Fund for Southern California Edison receipts. It transferred a total of

\$1,136,702, to the Water Fund, Recharge Fund, and Administrative Services Fund amounting to \$436,414, \$645,767, and \$54,521 respectively.

The Water Resources Fund received \$436,414 in Water Connection Fee transfers from the Recycled Water Fund for capital support of water resource management, water expansion, and conservation projects.

Non-Major enterprise funds received transfers in the amount of \$2,998,649. These included capital support transfers totaling \$1,932,946 from the Regional Wastewater Capital Improvement Fund to Non-Reclaimable Wastewater Fund, the Recharge Fund, and the Administrative Services Fund amounting to \$166,347; \$473,421; \$1,293,178 respectively, and operations support totaling \$319,700 from Regional Wastewater Operations & Maintenance Fund to the Administrative Services Fund. The Administrative Services Fund also received \$45,715 from the Non-Reclaimable Wastewater Fund.

The following table reflects the interfund transfer balances in and out by fund as of June 30, 2019.

Transfers Out:	Transfers In:					Total
	Regional Wastewater Capital Imprv Fund	Regional Wastewater O & M Fund	Recycled Water	Water Resources	Non-Major Enterprise Funds	
Regional Wastewater Capital Improvement Fund	\$	\$	4,787,221	2,474,869	\$	9,195,036
Regional Wastewater Operations & Maintenance Fund	5,359,000				319,700	5,678,700
Recycled Water Fund		1,800,000		436,414	700,288	2,936,702
Non-Major Enterprise Funds			83,697		45,715	129,412
Total Transfers	\$ 5,359,000	\$ 6,587,221	\$ 2,558,566	\$ 436,414	\$ 2,998,649	\$ 17,939,850

Attachment 2:
2018 CAFR NOTE DISCLOSURE ABOUT INTERFUND TRANSFERS
(Note disclosure prior to IA review)

NOTE 15: INTERFUND TRANSFERS

The Regional Wastewater Capital Improvement Fund received capital support from the Regional Wastewater Operations & Maintenance Fund in the amount of \$1,825,921 for project expenses. These projects were EN17006-CCWRF Headworks and Odor Control Replacement, EN19001-RP-5 Expansion to 30 mgd, and EN19006-RP-5 Biosolids Facility.

The Recycled Water Fund received transfers in the amount of \$2,396,979 from the Regional Wastewater Fund for the fund's share of the 2017A debt service payment.

The Water Resources Fund received \$321,152 in Water Connection Fee transfers from the Recycled Water Fund for capital support of water resource management, water expansion, and conservation projects.

Non-Major enterprise funds received transfers in the amount of \$4,387,007. These included capital support transfers totaling \$3,036,664 from the Regional Wastewater Capital Improvement Fund to Non-Reclaimable Wastewater Fund, the Recharge Fund, and the Administrative Services Fund amounting to \$107,447; \$450,811; \$2,478,406 respectively, and operations support totaling \$648,768 from Regional Wastewater Operations & Maintenance Fund to the Administrative Services Fund. Administrative Service Fund projects were for replacement of assets such as headquarters roofing (EN18055), conference rooms audio-visual upgrades (EN16049), and Agency vehicle replacement (EP17004).

The Recycled Water Fund transferred a total of \$613,143, to the Recharge Fund and Administrative Services Fund amounting to \$480,513 and \$132,630 respectively. The Administrative Services Fund also received \$88,432 from the Non-Reclaimable Wastewater Fund.

The following table reflects the interfund transfer balances in and out by fund as of June 30, 2018.

Transfers Out:	Transfers In:				Total
	Regional Wastewater Capital	Recycled Water	Water Resources	Non-Major Enterprise Funds	
Regional Wastewater Capital Improvement Fund	\$ -	\$ 2,396,979	\$ -	\$ 3,036,664	\$ 5,433,643
Regional Wastewater Operations & Maintenance Fund	1,825,921			648,768	2,474,689
Recycled Water Fund			321,152	613,143	934,295
Non-Major Enterprise Funds				88,432	88,432
Total Transfers	\$ 1,825,921	\$ 2,396,979	\$ 321,152	\$ 4,387,007	\$ 8,931,059

Audit Committee Meeting

June 8, 2020

Interfund Transactions Follow-Up Report



Interfund Transactions Follow-Up Report

Original Audit Report: August 30, 2018

Audit Scope

- Determine the status of the 3 prior audit recommendations
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Interfund Transactions Follow-Up Report

Inter-fund Transfers

Transactions to transfer funds between the 7 different Agency Funds and are recorded as increases or decreases within the Agency's accounting records.

Purpose of Notes to the Financial Statements:

Sufficient, complete, detailed information about Interfund Transactions is necessary to ensure that readers of the Financial Statements fully understand the revenue and expense sources of the Agency's individual funds and can make educated decisions about the Agency's financial health.

Interfund Transactions Recommendations

Implemented

1. FAD should provide additional, detailed information in the Notes to the Financial Statements to clarify what the inter-fund transfers represent, including the reasoning/methodology used to calculate and determine the amounts of the transfers. Although, complete information is provided through various financial and budget documents, the Financial Statements should stand alone to provide sufficient information that a reader can understand the details of the transfers.

In Progress

2. FAD should document a Standard Operating Procedure and/or Inter-Fund Transfer policy that provides clear guidance as to the methodology applied to calculate and process inter-fund transfers, including the purpose, authorization procedures and methodology applied.

Implemented

3. FAD should take the lead to provide an annual informational written and oral presentation for the Board of Directors that describes the reasons for past and/or anticipated inter-fund transfers, the amounts, how those amounts were calculated and how inter-fund transfers compare to prior years.

Discussion & Questions

The Interfund Transactions – Follow-Up Review is consistent with the Agency’s Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA’s evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

INFORMATION
ITEM

3P

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit

From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Report of Open Audit Recommendations

Executive Summary:

The Board-approved Internal Audit Department Charter (Charter) requires the Internal Audit Department (IA) to provide the Audit Committee and the Board with an annual report listing all outstanding recommendations including action plans and expected resolution dates. The Charter also requires IA staff to follow-up on the status of outstanding audit recommendations to determine if corrective action efforts have been made to address the original observation or finding. A recommendation is considered "outstanding" when management agreed with the original recommendation at the time of the audit but the area audited has not yet addressed the recommendation or requires IA's verification. Responses to the recommendations, including any action plans were discussed and incorporated in the original audit report when provided. As of June 2020, a total of 110 recommendations remain outstanding: 31 relate to the Regional Contract Review and 79 are for Agency departments. Attached is a report showing the recommendations and the current status of each. In most cases, IA must perform a follow-up review to verify the implementation efforts and the corrective actions taken. Follow-up review is scheduled according to the proposed Annual Audit Plan or sooner if requested by management, the Audit Committee, the Board, or if risk and/or priority increases for the area reviewed. This report is updated, with the completion of new and follow-up audits.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

None, only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee. A proposal with proposed fees would be submitted through the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On December 18, 2019, the Board of Directors approved the Audit Committee and the Internal Audit Department Charters.

On June 19, 2019, the Report of Open Audit Recommendations (as of June 1, 2019) was provided to the Board of Directors as an information item.

Environmental Determination:

Not Applicable

Business Goal:

The Report of Open Audit Recommendations is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices. IA's ongoing monitoring activities are to follow-up on the status of open audit recommendations to determine if the Agency has taken corrective action to address issues identified and to assist the Agency in achieving organizational goals.

Attachments:

Attachment 1 - Report of Open Audit Recommendations

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Accounts Payable Follow-Up Audit August 29, 2013	4	AFM should work with the appropriate Agency personnel to update Agency policies and remind employees of the requirements of Agency Policy A-12, Employee Personal Computer Purchase Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy A-50, Non-Purchase-Order Invoice Approval Procedures; Policy A-55, Agency Credit Cards; and Agency Policy A-14 Vehicle Use.	IA provided the results of the Accounts Payable Follow-Up audit to the Audit Committee in June 2019. <i>Recommendation deferred to another audit related to Agency Policies scheduled for December 2019.</i>
Accounts Payable Follow-Up Audit August 29, 2013	5	Human Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the applicability of the computer loan program to tablet computers and operating systems other than Microsoft Windows.	IA provided the results of the Accounts Payable Follow-Up audit to the Audit Committee in June 2019. <i>Recommendation deferred to another audit related to Agency Policies scheduled for December 2019.</i>

Regional Contract Review - Final Report December 16, 2015	Overall	Consider legal, political and financial impacts of governing by ordinance vs. contract	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	Overall	Review and revise EDU formula	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	Overall	Resolve identified differences of over/under collected amounts of Connection fees and identified differences of over/under collected amounts of unreported monthly sewerage fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

Regional Contract Review - Final Report December 16, 2015	1	<u>Connection Fees:</u> Centralize the permitting process OR IEUA provides final sign-off and plumbing permit approval for all nonresidential entities.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<u>Connection Fees:</u> IEUA should establish monitoring program to inspect random facilities and those were there is a suspected discrepancy	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<u>Connection Fees:</u> Contract should include IEUA inspection, verification and recourse rights for under-collected/under-reported Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<u>Connection Fees:</u> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<u>Connection Fees:</u> Two tier connection fees process that distinguishes between common features and unique features (i.e., a toilet always costs the same regardless of type of business)	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<u>Connection Fees:</u> Update Exhibit J regularly to include new/evolving business types	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	7	<u>Connection Fees:</u> Update & clarify Fixture Unit descriptions of Exhibit J regularly	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	8	<u>Connection Fees:</u> Standardize calculation worksheet to ensure it is consistent with Exhibit J and consistent region-wide	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	9	<u>Connection Fees:</u> IEUA should require copies of calculation worksheets for all nonresidential customers along with the monthly Building Activity Reports.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	10	<u>Connection Fees:</u> Regular workshops, meetings, plant tours, etc. with staff in Building, Plan Check and Utility Billing/Financial Departments	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Regional Contract Review - Final Report December 16, 2015	11	<u>Connection Fees:</u> IEUA develop fixture count expertise and provide regular/ongoing training for Contracting Agencies - Building Departments	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	12	<u>Connection Fees:</u> Contracting Agency internal review of Connection Fees as part of preparing the Building Activity Report	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	1	<u>Monthly Sewerage:</u> Collect monthly sewerage fees for the entire region through County's property tax roll	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<u>Monthly Sewerage:</u> Evaluate methodology used for billing monthly sewerage fees (residential and commercial) and consider alternatives by water consumption, EDUs purchased or other methodology	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<u>Monthly Sewerage:</u> Standardize monthly report to provide IEUA automated, itemized listings of non-residential monthly sewerage charges	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<u>Monthly Sewerage:</u> Establish contract for monthly sewerage payments from Contracting Agencies rather than IEUA issuing monthly invoices	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<u>Monthly Sewerage:</u> IEUA exercise inspection, verification and recourse rights for under-collected/under-reported monthly sewerage fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<u>Monthly Sewerage:</u> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	7	<u>Monthly Sewerage:</u> Update 1997 billing memorandum regularly for new business types to provide detailed definitions and descriptions	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	8	<u>Monthly Sewerage:</u> Create a correlation between monthly sewerage fees and Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	9	<u>Monthly Sewerage:</u> Add billing guidance for locations with multiple types of businesses serviced by a master meter	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	10	<u>Monthly Sewerage:</u> Bill commercial businesses at least a minimum of one EDU per month	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	1	<u>Public Service Facility:</u> Consider legal, political and financial impacts of excluding Public Service Facilities from Connection Fees and monthly sewerage charges.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<u>Public Service Facility:</u> Consider legal, political and financial impacts of IEUA assuming responsibility for Connection Fees calculations, collections and CCRA accounts	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<u>Public Service Facility:</u> Contract should include IEUA inspection, verification and recourse rights for under-collected/under-reported Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<u>Public Service Facility:</u> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Regional Contract Review - Final Report December 16, 2015	5	Public Service Facility: Address difference between "Publicly Owned" vs. "Publicly Used"	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	Public Service Facility: Consider cross-departmental approach to the development review process as a regional model	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
IT Equipment August 21, 2012 (February 29, 2016 Follow-Up)	3	ISS implement appropriate tracking systems that include relevant information on IT purchases (i.e., serial numbers, etc.), are updated timely and are complete and accurate. ISS should establish procedures to enter, modify, and delete information in the tracking systems that address areas such as timeliness for updates, responsibilities for maintaining the systems, and the types of items included in the tracking system.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment November 14, 2012 (February 29, 2016 Follow-Up)	1	ISS should ensure that any services procured with P-cards are expressly authorized by the Manager of CAP, CFO, AGM, or GM prior to committing to services.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
Master Trade Contracts September 1, 2016	1	IA recommends that even in instances where a difference department has primary responsibility for the proposal evaluation process, CFS work with the end-user department to ensure the information is communicated to the Board of Directors accurately reflects the signed contract terms. Additionally, CFS should determine the need to request from the evaluating department the evaluation documentation, or a staff memo summarizing the selection process and have it available/filed.	Both CAP and CM stated they would begin steps to implement. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	2	IA recommends that CFS work with BIS to research built-in tools within SAP to implement automated controls necessary to ensure that spending on contracts and groups of contracts do not exceed Board approved limits and determine the cost benefit of implementing those monitoring tools.	Both CFS and BIS stated they would work together to evaluate implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	3	IA supports and encourages the initiative to fully implement the Agency's Enterprise Content Management System (ECMS) - Laserfiche. CFS should continue to work closely with BIS to implement the Agency's ECMS - Laserfiche to assist with the organization and centralizing of contract documents, facilitate research and access to information, streamline recordkeeping and eliminate multiple copies of the same documents.	Both CFS and BIS stated they would work together to evaluate implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	4	IA recommends that CFS enhance communications about the Agency's ethical procurement responsibilities and expectations to all Agency employees as well as Agency vendors and contractors to actively foster an ethical procurement environment. CFS should consider creating an ethics outreach plan and developing an approach with Agency Executive Management and Human Resources about reinforcing the "tone at the top" to actively remind employees and contractors/vendors about the Agency's ethical expectations including once again providing annual notifications of ethical guidelines to vendors and staff. Agency management may also want to incorporate references to the Agency's Ethics Hotline and Ethics Point "FAQs" in that communication.	CFS stated they would research the best approach and begin steps for implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	5	IA recommends CFS staff attend annual training related to ethics in their respective procurement activities.	CFS reported that all staff attended ethics training related to procurement activities shortly after the audit and will plan to attend training annually. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	6	In addition to the cross-training that is already occurring, IA suggests that CFS consider the potential benefits of job rotation within the CFS department as a training and internal control technique with multiple benefits.	CFS stated that they would evaluate and determine the need for rotation since currently there have been various retirements and changes. IA to verify during a future follow-up evaluation.
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	15	FMD should implement adequate controls to ensure that the stated capitalization policy for IT equipment is consistently followed to ensure that all items meeting the capitalization threshold are capitalized and to ensure that items not meeting the capitalization threshold are not capitalized.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	17	FMD should implement adequate controls to ensure that asset records established in SAP are accurate and complete, such as ensuring that all data fields in SAP are completed and ensuring that only those items allowed by the capitalization policy are capitalized.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	19	FMD should return incorrect or incomplete Project Closure Authorization Forms to the Project Manager for proper completion. FMD should also provide training to Project Managers on the importance of proper completion and instructions on completing the form.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	22	FMD should document Standard Operating Procedures to address the functions of setting up capital assets such as procedures for completing the SAP asset information, compliance with stated capitalization thresholds, and processing of Project Closure Authorization Forms.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
Follow-Up Review - Information Technology Equipment Audit December 5, 2016	1	FAD should take the lead to ensure a physical inventory and inspection of the Agency's IT fixed assets is completed on a periodic basis to verify existence, location, and working condition of assets.	FAD agrees with IA and the External Auditors recommendation and would evaluate implementation. IA to verify during a future follow-up evaluation.
Follow-Up Review - Information Technology Equipment Audit December 5, 2016	2	FAD should evaluate the Agency's current capitalization thresholds for IT equipment and determine if these need to be increased to ensure current practice meets policy and are consistent with current trends.	IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts December 5, 2016	1	Emergency projects are classified according to three levels. Level 3 emergencies are the least urgent and the work can be scheduled on a time-table set by the Agency. E&CM and CFS should consider establishing clear criteria that differentiate between a "Level 3" emergency procurement and routine minor construction and repairs procurements and/or determine and document whether the "Level 3" designation is necessary.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts December 5, 2016	2	To ensure that the Agency communicates sufficient information about emergency procurement activity, E&CM and CFS should consider developing and providing a comprehensive monthly update of emergency procurements for the Board. The information to consider could include the current month emergency procurement activity and a year-to-date total. It may also be useful to compare current year-to-date emergency procurement activity in dollars and numbers of task orders to prior years and to the total budget. Trends can be analyzed and comparisons can be made to ensure that the Agency's infrastructure is well maintained and emergency procurements are kept to a minimum.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts December 5, 2016	3	To ensure that contracts for Repairs and Minor Construction operate as intended, E&CM and CFS should consider developing specific criteria and/or additional guidance and definitions about what constitutes repairs or minor construction as compared to projects for prequalified contractors for contracts less than \$2 million. An additional control would be to consider establishing dollar maximums within the contract or the group of contractors to provide assurance that the contracts are being utilized as intended and spending is constrained.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	1	FAD should reinforce the guidelines of the petty cash fund, including custodian responsibilities and internal controls over petty cash accountability and record-keeping.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	2	FAD should consider updating the "Monthly Mileage Log and Reimbursement Request" to add a designated signature area for when the petty cash funds are utilized as a reimbursement for mileage.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	3	FAD should take the lead to communicate changes to the Petty Cash policy and forms immediately after implementation, to ensure employees understand the policy and utilize the updated forms.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	4	Petty cash custodians should only accept the appropriate forms and inform the requestor of the most appropriate procurement methods if the requestor's petty cash request does not conform to Agency policies.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
2017 Petty Cash Audit & Follow-up Review June 5, 2017	5	FAD should take the lead to review and determine if the Petty Cash limit of \$50 is adequate or if it should be updated (increased or decreased), or determine if there is a threshold that will require Executive Manager/General Manager authorization (i.e., anything over \$50).	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	6	Human Resources and FAD should work together to formally document or communicate the policy on the purchase and gifting of Gift Cards to ensure compliance with Federal requirements. The policy should be communicated to all Agency employees and be reminded periodically.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	7	Human Resources and FAD should continue to work with the appropriate personnel in making revisions and updates to the following Agency policies that relate to cash reimbursements and controls: A-75 Employee Recognition Rewards Program, A-68 Meal Reimbursement and Unscheduled Overtime, and A-34 Vehicle Maintenance.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	1	<u>Turf Removal Programs</u> While many retail customers received rebates, the range of customers could have been broader. Outreach to customers about WUE measures is a primary responsibility of member agencies, but IEUA may want to consider establishing a forum to discuss the goals and results of WUE Programs. The purpose of the discussions would be to evaluate and develop approaches to help (or consider joint efforts to) publicize, target and follow-up with entities in IEUA's service area when WUE opportunities become available, and tailor outreach towards specific and/or different entities in the region that match those characteristics and/or potentially maintain a database of the region's entities by unique characteristics (schools, churches, large lots, etc.).	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	2	Finance and Accounting (FAD) staff have already taken several practical measures to review and reduce the amounts included in Work in Process (WIP) to ensure only capital projects are capitalized. FAD may want to consider prioritizing additional efforts to ensure that prior period adjustments are eliminated, such as: <ul style="list-style-type: none"> • Developing a cross-departmental team including representatives from Engineering, Operations and FAD to approve items in advance for capitalization in WIP. • Establishing an automated log, register or report to be reviewed regularly that tracks project codes, amounts and purpose for FAD review to ensure accurate accounting of projects. • Engaging an outside consultant, accounting firm or additional temporary resources to make a thorough examination of WIP to: <ul style="list-style-type: none"> o Ensure only capital projects are included o Recommend policies and procedures for establishing projects to ensure only capital projects are capitalized o Develop written examples and guidelines of what constitutes a capital project and what constitutes an O & M project. 	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	3	The Agency may want to consider utilizing the Annual Water Use Efficiency Programs Report as an evaluative tool to compare actual results to those projected in the Regional WUE (five year) Business Plan. The Annual WUE Programs Report could discuss reasons for variances from that plan, document changes being made to the plan and describe progress on any other initiatives that expect to yield water savings in future years.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	4	information in the body of the Annual WUE Programs Report to describe the differing sources of information used to provide member agency information vs. regionwide information or alternatively (and/or in addition), presenting both the summary and member agency information on the same basis.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	5	IEUA may want to consider expanding the "Highlights" commentary and providing subheadings and organizing the section to match the order of the Summary Charts to align the descriptions to the charts that follow.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	6	WR staff may want to consider developing a desk procedure or other document to guide the preparation of the Annual WUE Programs Report for internal staff to follow.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Contracts and Procurement Follow-Up August 30, 2017	1	CAP should review the SAP assigned roles and transaction codes and ensure that good internal controls are followed and no conflicts exist. IA recommends CAP consider eliminating or reducing the ability to Create PRs and Receive Goods, for CAP buyers in order to strengthen internal controls and further reduce risks.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	1	IA recommends that HR consider evaluating alternatives to the manual files used to maintain employee information, for example: --Working with Business Information Systems (BIS) to develop or acquire a self-service portal for employees to make updates and changes to certain information that currently requires a hard-copy document, such as withholding information, beneficiary information, address changes, or for adding or deleting a family member from their policies, and contribution amounts to various accounts. --The Agency is in the process of implementing ECMS. HR may want to consider whether the new ECMS would provide an automated approach to maintaining and updating employee information or whether another automated approach would be possible.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	2	As part of the Agency's disaster preparedness effort, IA recommends that HR consider maintaining manual/hard-copy files in fire proof/water proof cabinets.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	3	FAD should update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process, communicate the procedure to all department employees and ensure the SOP is in the format outlined in accordance with Agency Policy A-51.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	4	FAD should ensure bank reconciliations are prepared monthly and supervisory review occurs in a timely manner to ensure all outstanding and reconciling items are researched, investigated and resolved.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	5	As part of moving into a paperless, automated environment, HR should take the lead to promote and encourage having all payments made more efficiently through direct deposits instead of manually writing paper checks.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	6	Both HR and FAD should encourage employees with payroll related functions to attend ethics/fraud awareness training specific to their job responsibilities to stay informed about new developments, risks and safeguards (for example, safeguards for potential payroll fraud, safeguarding personnel files and employee confidential information, etc.)	IA to verify during a future follow-up evaluation.

Recommendations that do not require follow-up at this time:

Procurement Card Audit March 1, 2018	1	Agency Policy A-89, Procurement Card Program should be updated to reflect desired internal controls and provide clearer guidelines about the proper use of P-Cards. The policy should provide greater clarity about the purchases that are allowed or not allowed (i.e.: food, restaurant, meals, training registrations, membership payments, etc.). Additionally, the policy should provide instructions for users to follow when there are situations that are unusual and note the additional written justification that is necessary. Lastly, A-89, should direct users to seek CAP's guidance when there is a unique need, keeping the Agency's need in mind and ensuring adequate controls are maintained.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	2	The P-Card Administrator role should be clarified in Policy A-89 and expanded to include greater oversight responsibilities to ensure compliance. The role should include duties to fully utilize the various on-line tools available through US Bank for reports, alerts, training and other controls for reviewing and monitoring activity. Additionally, the P-Card Administrator should provide assistance and give advice on the best procurement method and periodically review statements and identify purchases and transactions that are not aligned with policy and request additional information.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Procurement Card Audit March 1, 2018	3	CAP should update Department-specific SOP CAP-0012 to incorporate any changes in Agency Policy A-89 Procurement card Program, including any updates to the P-Card Administrator's role and responsibilities. Additionally, CAP should ensure the SOP CAP-0012 complies with the guidelines and format set forth in Agency Policy A-51.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	4	CAP and FAD should work together to utilize any in-house tools and/or online tools available through US Bank to make the review, approval, reconciliation and upload of P-Card purchases more efficient with adequate oversight.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	5	CAP should take the lead to evaluate the benefits of consolidating credit card programs to utilize P-Cards for all purchases (other than fuel) and to eliminate other vendor-specific credit card or credit programs. At a minimum, the Agency should ensure all Credit Card programs are governed by an approved Agency Policy.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	6	CAP should maximize the use of the US Bank online tools for downloading/reviewing reports, creating blocks and alert notices for unusual activity, streamlining the approval, reconciliation and upload/posting process and training end users and approvers.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	7	FAD should evaluate ways for the Agency to increase and/or maximize any rebates received.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	1	As the Agency moves towards automated recordkeeping using Laserfiche and possibly other tools, the Agency should consider utilizing electronic signature technology and implementing digital approval documentation.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	2	FAD should finalize the new SOPs in the format provided in Agency Policy A-51.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	3	The Agency should evaluate the cost/benefit of obtaining additional coverage and consider a per occurrence limit greater than \$2 million to ensure the Agency has adequate insurance coverage to address the Agency's risk tolerance. In addition, to address potential uncovered losses, the Agency should consider reducing the threshold for a bank call-back to any amounts that exceed the Agency's chosen limit for Fraud Transfer Insurance.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	4	FAD should develop standards for documentation of transactions in SAP and a process of reviewing transactions once posted to ensure that the information in the accounting records is consistent and complete.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	5	FAD should document or revise a separate SOP that describes the steps in the wire transfer process for investment transactions to provide guidelines for the processing of investment transactions.	IA to verify during a future follow-up evaluation.
Garden in Every School® May 31, 2018	7	Agency staff should develop a post-implementation evaluation of gardens after they have been in existence for an agreed upon amount of time. The purpose would be to gather feedback and information about the materials and equipment used for installing the garden and ensure these meet the school's needs or if anything needs to change. All parties involved in the installation, including Agency staff and most importantly	IA to verify during a future follow-up evaluation.
Inter-fund Transactions Audit August 30, 2018	1	FAD should provide additional, detailed information in the Notes to the Financial Statements to clarify what the inter-fund transfers represent, including the reasoning/methodology used to calculate and determine the amounts of the transfers. Although, complete information is provided through various financial and budget documents, the Financial Statements should stand alone to provide sufficient information that a reader can understand the details of the transfers.	IA to verify during a future follow-up evaluation.
Inter-fund Transactions Audit August 30, 2018	2	FAD should document a Standard Operating Procedure and/or Inter-Fund Transfer policy that provides clear guidance as to the methodology applied to calculate and process inter-fund transfers, including the purpose, authorization procedures and methodology applied.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Inter-fund Transactions Audit August 30, 2018	3	FAD should provide an annual informational written and/or oral presentation for the Board of Directors that describes the reasons for past and/or anticipated inter-fund transfers, the amounts, how those amounts were calculated and how inter-fund transfers compare to prior years.	IA to verify during a future follow-up evaluation.
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures November 29, 2018	1	Facilities Management should continue to work with the appropriate departments to make necessary updates, and/or consolidate Agency policies and procedures for Agency vehicles and ensure the revised policy(ies) address refueling and washing procedures, security, safety items, insurance, license requirements, etc. The new and final policy should be approved by Executive Management and made available to all Agency employees for their reference.	IA to verify during a future follow-up evaluation.
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures November 29, 2018	2	Facilities Management should perform regular vehicle inspections on all Agency vehicles. Vehicle inspections should evaluate the overall operational condition of the vehicle and determine whether all safety-related items are current and operational, such as the first aid kit, fire extinguisher, glove compartment contents, flashlight, etc. Inspections should be documented. Additionally, employees should be reminded of their responsibilities for vehicle maintenance through training and/or policy updates.	IA to verify during a future follow-up evaluation.
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures November 29, 2018	3	Facilities Management should work with Finance and Accounting to ensure periodic reconciliations of vehicle records are performed between Agency recordkeeping systems, reports and/or databases, such as SAP (financial system), GIS, etc.	IA to verify during a future follow-up evaluation.
Water Connection Fees Audit February 25, 2019	2	Planning should take the lead to continue to work with the contracting agencies and water districts to ensure the water connection fees information in the Agency's systems is reconciled to the building permits and/or water meters that have been issued by the contracting agencies and water districts (ideally quarterly, but at least semi-annually).	IA to verify during a future follow-up evaluation.
Water Connection Fees Audit February 25, 2019	4	Based on their experience in collecting fees Planning staff should provide Executive Management and the Board their suggestions and proposed updates for revised wording to the water connection fee Ordinance and Resolution for their consideration.	IA to verify during a future follow-up evaluation.
Water Connection Fees Audit February 25, 2019	5	Planning staff should work to update and finalize their draft SOP to document various tasks and procedures associated with the water connection fee process, including the processes to work with FAD and the contracting agencies/water districts.	IA to verify during a future follow-up evaluation.
Water Connection Fees Audit February 25, 2019	6	Planning should continue to work with the Agency's executive management to pursue all possible approaches, including establishing agreements or other methods to ensure water connection fees are collected as intended by the Board approved Ordinance.	IA to verify during a future follow-up evaluation.
Water Connection Fees Audit February 25, 2019	7	FAD should take the lead and work to pursue the collection of delinquent fees through various methods, including the lien process as provided under the Board approved Ordinance.	IA to verify during a future follow-up evaluation.
Accounts Payable Follow-Up Audit May 30, 2019	1	In evaluating access controls over all IEUA staff that have some level of AP authorization, IA noted that some staff members have transferred to other departments at IEUA or to different functions within FAD. There is a need to implement additional controls to regularly evaluate and monitor employees' SAP roles and authorizations to prevent the risk of conflicts of duties. Business Information Systems (BIS) should work with Finance and Accounting Department (FAD) and Human Resources (HR) to implement additional controls to regularly evaluate and monitor employees' SAP roles and authorizations to prevent the risk of conflicts of duties. Options include: - Business Information Systems (BIS) working closely with IA and FAD to perform regular (at minimum annual) reviews and evaluations of roles and authorizations to search for conflicts of duties. - BIS working with HR to establish a formal notification method/checklist when changes occur as a result of employees changing job duties and responsibilities that may present a risk and potential conflict of duties. - BIS determining the feasibility of seeking to implement an automated program or service to scan SAP for conflicts of duties on a regular basis, either through SAP or another third-party vendor.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Accounts Payable Follow-Up Audit May 30, 2019	2	FAD should take the lead and work with BIS to implement efficiencies by fully utilizing automated workflows to process and approve invoices to migrate to a paperless environment, eliminate printing, manual/handwritten approvals, manual duplicate scanning of invoices/documents and additional emailing of documents. FAD should consider the process changes (to current largely manual procedures) necessary to efficiently utilize an automated process.	IA to verify during a future follow-up evaluation.
Accounts Payable Follow-Up Audit May 30, 2019	3	FAD should perform a comprehensive review of all existing VMD records (particularly older records and those created by the conversion to SAP) and ensure all vendor information is complete and up-to-date and includes a verified physical address.	IA to verify during a future follow-up evaluation.
Accounts Payable Follow-Up Audit May 30, 2019	4	FAD should perform a comprehensive review of the VMD to ensure only active vendors remain active and those with no activity in the previous 3-5 years are blocked appropriately. Additionally, vendors created through the conversion process to SAP and never used should be deleted.	IA to verify during a future follow-up evaluation.
Accounts Payable Follow-Up Audit May 30, 2019	5	FAD should update all SOPs to reflect business process changes resulting from the implementation of the Agency's ERP SAP system of mid-2007 and any enhancements to internal controls since then.	IA to verify during a future follow-up evaluation.
Voyager Fuel Card Audit May 30, 2019	1	Operations & Maintenance Department should develop and document goals and objectives, Key Performance Indicators (KPIs), and/or other metrics for the Agency's fleet operations for measurement, analysis, tracking and reporting the fleet program's effectiveness. Goals should be aligned with the Division's overall mission and could include cost of fuel, fuel usage/consumption, cost of maintenance, asset value of the fleet by type of vehicle, etc. Goals should be measured, evaluated and updated periodically.	IA to verify during a future follow-up evaluation.
Voyager Fuel Card Audit May 30, 2019	2	Operations & Maintenance should work with US Bank to evaluate the reporting tools and features that are available to provide useful information about the Agency's fleet to identify inefficiencies, areas of improvement, and instances of unusual card usage where follow-up is required and reduce potential risks of misuse.	IA to verify during a future follow-up evaluation.
Voyager Fuel Card Audit May 30, 2019	3	The Fuel Card Administrator role should be clarified and enhanced, either in Agency Policy A-86 and/or other related policy. The Fuel Card Administrator role should be enhanced to include greater oversight roles and responsibilities, to include: - Responsibilities to maximize the use of online reports and tools available through the US Bank Fleet Commander® Online system. - Analysis and evaluation reports and communications to provide Operations & Maintenance information about the fuel card program.	IA to verify during a future follow-up evaluation.
Voyager Fuel Card Audit May 30, 2019	4	Operations & Maintenance should establish a process to periodically review the use of fuel cards and ensure cards no longer needed or used are deactivated to reduce risks to the Agency.	IA to verify during a future follow-up evaluation.
HR audit: Hiring and Promotions Operations Review December 2, 2019	1	Human Resources should include additional justification information for the final selection made in the recruitment file to close out the recruitment file and ensure it stands alone.	IA to verify during a future follow-up evaluation.
HR audit: Hiring and Promotions Operations Review December 2, 2019	2	Human Resources should take the lead and work with Business Information Services and determine ways to implement automated workflows for recruitment documents and forms and utilize electronic files.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations
as of June 1, 2020**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
HR audit: Hiring and Promotions Operations Review December 2, 2019	3	Human Resources should take the lead to install fireproof and waterproof filing cabinets to safeguard manual personnel, recruitment, and other HR related files, in the event of a disaster.	IA to verify during a future follow-up evaluation.
HR audit: Hiring and Promotions Operations Review December 2, 2019	4	Human Resources should take the lead to ensure all Agency policies related to hiring and recruitment, as well as the department's SOPs are updated to include the most recent and accurate requirements for the processes and Agency formats.	IA to verify during a future follow-up evaluation.
HR audit: Hiring and Promotions Operations Review December 2, 2019	5	Human Resources should work with Executive Management to determine the best approach to ensure compliance with the Agency Policy A-20 on completing timely performance appraisals for employees.	IA to verify during a future follow-up evaluation.
HR audit: Hiring and Promotions Operations Review December 2, 2019	6	Human Resources should work with Executive Management to determine an approach/method on how to address: having an Agency-wide Ethics Policy, the requirement for a Confidentiality Agreement for selected employees, and Conflict of Interest policy and related training that covers all topics. Any requirement should be documented and be clearly communicated to all Agency employees.	IA to verify during a future follow-up evaluation.
HR audit: Hiring and Promotions Operations Review December 2, 2019	7	IA recommends that Human Resources and Contracts and Procurement work together to establish written contracts for all vendors used by HR to document the scope, terms and conditions and prices for the services. The contracts should establish what information is included in the invoices for payment and what information needs to be maintained separately and confidentially.	IA to verify during a future follow-up evaluation.

Note: As of June 2020, 40 recommendations highlighted in gray do not require follow-up as the issuance date is within the last 18 months.

INFORMATION
ITEM

3Q

Date: June 17, 2020

To: The Honorable Board of Directors

Committee: Audit

From: Teresa Velarde, Manager of Internal Audit

06/08/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Internal Audit Department Quarterly Status Report for June 2020

Executive Summary:

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit Department Quarterly Status Report includes a summary of significant internal and external audit activities for the reporting period.

During this quarter, Internal Audit (IA) staff completed the Fiscal Year 2020/21 Annual Audit Plan and various audits and reviews, including Recycled Water Revenues Audit, Human Resources Workload Indicators Review, Interfund Transactions Follow-up Review and the Approvals and Disbursement Automation Follow-up Review, and the list of open recommendations. IA will continue to work on another review related to HR's Training, Education, and Development program. Lastly, IA worked on various on-going and required administrative items such as the budget process tasks and completed training as required by the IA Department's Charter, among other duties and responsibilities, as specified in the Annual Audit Plan. IA continues to assist with any requests for audit work, review of Agency policies, and provide recommendations to improve internal controls.

The attached report provides details and information of the audit projects.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On December 18, 2019, the Board of Directors approved the Audit Committee and the Internal Audit Department Charters.

On September 18, 2019, the Board of Directors approved the amended FY 2019/20 Annual Audit Plan. The original FY 2019/20 Annual Audit Plan was approved on June 19, 2019. The plan was in accordance with auditing standards and the Charter.

Environmental Determination:

Not Applicable

Business Goal:

The IA Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by describing IA's progress in providing independent evaluations and audit services of Agency financial and operational activities and making recommendations for improvement, to promote a strong ethical and internal control environment, safeguarding assets and fiscal health, providing recommendations to improve efficiencies and to assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Internal Audit Department Quarterly Status Report for June 2020

Attachment 2 - Association of Certified Fraud Examiners - 2020 Report to the Nations

Link: <https://acfe-public.s3-us-west-2.amazonaws.com/2020-Report-to-the-Nations.pdf>

**Internal Audit Department
Quarterly Status Report for June 2020**

Projects Completed This Period

Project: **Recycled Water Revenues**

Scope:

Recycled water revenues were approximately \$13.9 million in FY 2018/19, and almost \$16.9 million in FY 2017/18. Internal Audit (IA) performed a limited review to evaluate whether internal controls over revenue recognition comply with Agency policies and legal and regulatory requirements, revenues are collected and recorded accurately in the Agency's accounting records and financial statements and to identify opportunities for improvements. The Planning & Environmental Resources, Engineering and Finance and Accounting departments were the primary contact departments. This was a request by the Audit Committee to move this audit up in priority.

Status: **Complete**

IA completed a limited review of Recycled Water Revenues and makes the following recommendations:

- Consider whether a formal review and verification of member agency records and processes would be beneficial and appropriate as allowed under the Ordinance.
- Ensure that all periodic review and reconciliation processes are complete, well-documented, reviewed, provide clear information and are kept on file for future reference to ensure oversight over the information obtained from member agencies and that the review procedures are documented in a departmental SOP or desk procedure.
- Work together with the member agencies to develop standardized information reporting of recycled water usage to the Agency for billing.
- Update the Engineering Department's Standard Operating Procedure to provide current step-by-step instructions for recording and reporting recycled water usage information received from the member agencies.

IA extends our appreciation to Planning & Environmental Resources, Engineering and Finance and Accounting Department staff for their cooperation and assistance.

Project: **Approvals and Disbursements Automation – Follow-Up Review**

Scope:

The objectives of the review were to:

- Ensure adequate internal controls are in place
- Determine whether the automation process has been implemented
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Status: **Complete**

IA has made several related recommendations about automating approvals and disbursements at the Agency. As a result of the mandate to work remotely, a new emphasis has been placed on automating processes and creating ways to complete Agency business that do not require manual data entry and manual signatures. IA's review indicates that the internal controls for the digital signature authorization are adequate and provide a sufficient audit trail to support Agency operations and that there are not significant risks to the Agency. IA also believes the new processes should be implemented permanently and not just on a temporary basis during the "safer at home" mandate.

IA also found that the internal controls that the Agency has in place for automating disbursements through direct deposit and ACH payments are adequate and provide a sufficient audit trail to support Agency operations and that there are not significant risks to the Agency. IA suggests that the direct deposit of payroll transactions be made permanent and that the Agency continue to automate as many other disbursements as possible. IA will continue to monitor disbursements to verify that the Agency continues to reduce the number of manual checks until manual checks are issued only in exceptional, non-routine circumstances.

Internal Audit Department Quarterly Status Report for June 2020

Project: **Interfund Transactions – Follow-Up Review**

Scope:

The objectives of the follow-up review were to:

- Determine whether the recommendations have been implemented
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Status: **Complete**

The Interfund Transactions Audit Report, dated August 30, 2018, provided recommendations for the Agency to provide more descriptive information in the Notes to the Financial Statements included in the Comprehensive Annual Financial Report (CAFR) and to make an annual presentation about Interfund Transactions to the Board. The intent of the recommendations is to ensure the information about Interfund Transactions is complete and clearly documented in the CAFR and to the Board. This follow-up review found that the Agency provided additional clear and comprehensive information about Interfund Transactions in the Notes to the 2019 CAFR and that the Finance and Accounting Department provided a complete and clear oral and written report to the Board as part of the presentation of the audited CAFR, as recommended by IA.

IA's review is included in the attached report, which is presented under a separate cover.

Project: **Human Resources Audit: Workload Indicators Review**

Scope:

The purpose of this review was to evaluate the workload indicators to determine whether those are met, adequate documentation is retained to support the information reported, and to compare those with other similar agencies. This review is part of the multi-phase Human Resources (HR) Operational Audit, and to-date three audits have been completed including the attached report.

Status: **Completed**

IA completed a limited review of the HR Department's Workload Indicators as reported in the Agency's *Operating and Capital Program Budget* (Budget document). HR currently reports 13 Workload Indicators, and four indicators were chosen for detailed evaluation and analysis. Based on IA's review, inconsistencies were observed in the methodology used to calculate the indicators and there is no comparison of actual to target results. Two recommendations were provided for consideration by the department.

- Evaluate the HR Department's Workload Indicators as reported in the Agency's Budget document and consider additional and/or different Workload Indicators that provide information about the various activities of the department and ensure they are aligned to the department's goals.
- Document a Standard Operating Procedure or desk procedures to ensure consistency in the data collected and the method in calculating Workload Indicator results.

A report has been completed and included as an attached report, which is presented under a separate cover.

Project: **Report on Open Recommendations as of June 2020***

Scope:

The IAD Charter requires IA to follow-up on the status of outstanding recommendations to determine if corrective actions have been implemented. Follow-up reviews are scheduled through the Board-approved Annual Audit Plan. Executive Management supports the implementation efforts of the recommendations previously provided and/or the development of alternative controls to address the original risks identified.

Status: **Complete & On-going-** Status of outstanding recommendations as of March 2020.

Internal Audit Department Quarterly Status Report for June 2020

The table below provides the number of recommendations outstanding as of this Status Report. Additional details about each of the outstanding recommendations is submitted with the Annual Audit Plan each June. This summary provides an updated count of the outstanding recommendations. This summary includes new recommendations provided during this fiscal year as well as considers any recommendations cleared during the year (up to the prior quarter). A follow up review is typically scheduled between 12–24 months from the date of the original audit, to allow time for full implementation. If a recommendation is deemed not implemented, the recommendation remains outstanding or alternate controls to mitigate any risks are evaluated to determine if the risk has been addressed and the recommendation is no longer applicable. A follow up review is also scheduled sooner, if requested by the Audit Committee or Executive Management. The audited business units are encouraged to submit additional information for IA review if they determine the recommendation has been satisfied.

As shown on the following table, of the 79 recommendations:

- 19 recommendations are planned to be reviewed in the current fiscal year (approximately 24%)
- 20 recommendations are expected to be reviewed in the following fiscal year (approximately 25%)
- 40 recommendations that are highlighted in gray do not require follow-up as the issuance date is within the last 18 months (approximately 51%).

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA*	Planned Follow-Up
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2021
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2021
Master Trade Contracts	September 1, 2016	6	FY 2021
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2021
Audit of Master Services Contracts	December 5, 2016	3	FY 2021
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2021
Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2022
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2022
Payroll Operations Audit	August 30, 2017	6	FY 2022
Procurement Card Audit	March 1, 2018	7	FY 2022
Wire Transfers Audit	March 1, 2018	5	FY 2022
Garden in Every School	May 31, 2018	1	FY 2022
Inter-fund Transactions Audit	August 30, 2018	3	FY 2023
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	November 29, 2018	3	FY 2023
Water Connection Fees Audit	February 25, 2019	5	FY 2023
Accounts Payable Follow-Up Audit	May 30, 2019	5	FY 2024
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2024
Total Outstanding Audit Recommendations		79	

Recommendations related to the Regional Contract Review (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these items until the renegotiation has been finalized)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

*The Outstanding Recommendations Table does not update the status of recommendations resolved by follow-up audits during the current quarter or add any new recommendations resulting from the projects completed during this quarter (as noted in this Status Report). The table is revised for those changes once all items have been received by the Audit Committee and the Board of Directors which is when items are determined to be final.

Internal Audit Department Quarterly Status Report for June 2020

Project: **FY 2020/21 Annual Audit Plan**

Status: **Completed**

Scope: According to the Board-approved Internal Audit Department Charter, IA must annually submit a documented plan of proposed audit projects. The Annual Audit Plan is prepared in accordance with recommendations and best practices provided by the Institute of Internal Auditors. The Plan allows the Manager of IA to carry out the responsibilities of the Internal Audit function by prioritizing projects and allocating necessary resources. The proposed projects are scheduled based on a risk assessment to target the areas of highest risk in terms of impact and likelihood. The audits, and resulting recommendations are intended to assist Agency management and the Board in achieving organizational goals and objectives.

For the FY 2020/21 Annual Audit Plan, IA proposes the following audit projects: Human Resources Operations Audit – additional areas, Disbursements and accounts payable, including potential FEMA reimbursements. These projects are proposed, in addition to on-going and required projects, such as the annual CAFR review. In addition IA will be coordinating the RFP process for external auditors, since the current contract will be expiring after five years. The Annual Audit Plan is considered a flexible plan and projects can change or other projects with higher risks can take greater priority. Any changes or amendments to the Plan are communicated to the Audit Committee through the status report or other amendment document. The annual audit plan is provided under separate cover.

Projects in Process

Project: **Human Resources Audit: Employee Training and Development**

Scope:

IA is performing an operational audit of the HR Department that will be completed in phases. The purpose of the audit is to evaluate that goals and objective documented for employee training and development are being met and provide recommendations to improve practices.

Status: **On-going** - IA continues to work with HR through this audit, anticipated for completion Sept 2020.

Project: **FY 2019/20 Financial Audit by External Auditors LSL**

Scope:

IEUA's Fiscal Ordinance requires that a financial audit be completed by a CPA Firm by December 31st (6 months after the close of the fiscal year). LSL performed their interim work virtually in May and will begin year-end fieldwork in the fall. LSL will attend the Audit Committee Meeting on June 8 to discuss the scope of the financial audit and provide an opportunity to meet and discuss any concerns and the required communications.

IA stays involved and has on-going communication and coordination with LSL and Accounting staff working directly with the auditors. As required by the IA Charter, IA performs a quality control review of the Comprehensive Annual Financial Report (CAFR) documents and financial documents prior to finalizing the audit and the CAFR for Board approval.

This is the fifth and final year that LSL will be performing the required financial audit. State law requires that the engagement partner be rotated. The Agency will advertise for audit proposals through a Request for Proposal beginning in January 2021. IA takes the lead on evaluating potential audit firms. IA will continue to keep the Audit Committee informed of the process.

Internal Audit Department Quarterly Status Report for June 2020

Planned/Future/Additional Projects

Project: ***Management Requests***

Scope:

Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures, and/or provide review and feedback on new policies or procedures. These services are provided according to the IAD Charter, the Annual Audit Plan, and best practices. The management request projects are short-term projects, typically lasting no more than 60–75 hours where IA determines it has the necessary staff, skills and resources to provide the requested assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed upon between the department manager requesting the evaluation, review, analysis or assistance, the Manager of IA and when deemed appropriate by Executive Management.

During this quarter, IA was working on the following “Management Requests”:

- Continued to assist with review of Agency policies.
- Participated in Safety Committee and IT Security Committee
- Provided analysis and updates about risks and opportunities during the “safer at home” order

Project: ***Special Projects***

Scope:

Perform special reviews and projects including analyzing transactions, evaluating documents and policies, verifying information, assisting with interpretation of Agency Policies or other required procedures, and providing recommendations and feedback on results of the analysis, engaging necessary assistance if and/or when necessary, reporting to the General Manager and the Audit Committee. These services are provided according to the IA and Audit Committee Charters, the Annual Audit Plan, and/or best practices.

Special Projects can be short or long-term projects, typically requiring more than 80 hours of staff time and requiring setting aside or delaying work on scheduled audit projects. The scope of the review is not generally known, and the work must be handled with the highest degree of confidentiality and care, as with all audit projects. Special Projects are usually considered highly confidential.

Internal Audit Department Staffing

Internal Audit Staff Professional Development Activities:

As required by the *International Standards for the Professional Practice of Internal Auditing*, and the IA Charter, auditors must regularly enhance their knowledge, skills, and other competencies through continuing professional development. During the past quarter, IA staff has continued to stay abreast of industry developments through review of industry literature and participation in on-line webinars.

The Internal Audit Manager is a member of the governing board of the Inland Empire Chapter of the IIA. The governing board sets direction for the chapter. One Senior Auditor serves in the same Chapter and holds an officer position, Chapter Secretary.

Two IA members are preparing for the 3-part Certified Internal Auditor (CIA) examination and certification. The CIA is the only globally recognized certification for internal audit professionals and is the highest certification that can be attained by an internal auditor.

The Manager of IA has a Master’s degree in Public Administration. The Manager of IA and One Senior Auditor are Certified Government Audit Professionals (CGAP®). The CGAP® certification program is designed for auditors working in the public sector and demonstrates government knowledge and expertise. One Senior Auditor is a Certified Public Accountant (CPA) and Certified Internal Auditor (CIA).

Internal Audit Department Quarterly Status Report for June 2020

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 2 Full-time Senior Internal Auditors

Future Audit Committee Meetings:

- **September 2020 - Special Audit Committee Meeting (Date to be finalized)**
(this year, the regularly scheduled date falls on a Holiday)
 - *Monday, December 7, 2020 - Regularly Scheduled Audit Committee Meeting*
 - *Monday, March 8, 2021 – Regularly Scheduled Audit Committee Meeting*
-

INFORMATION
ITEM

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Date: June 17, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Community & Legislative Affairs

06/10/20

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Public Outreach Communication - June

Executive Summary:

- June 1, Great Outdoors Month begins
- June 5, IEUA's 70th Anniversary
- June 5, World Environment Day
- June 6, National Trails Day

MWD extended the deadline for Water is Life poster contest entries until September 1, 2020. In order to allow IEUA employees to vote for their favorite posters, the winner will be decided through online voting in June.

For the month of May, there were 8,087 searches for a park in IEUA's service area on Yelp, where Chino Creek Wetlands and Educational Park was viewed 952 times on a mobile device.

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

N/A

Environmental Determination:

Business Goal:

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

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

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

June

- June 1, Great Outdoors Month begins
- June 5, IEUA's 70th Anniversary
- June 5, World Environment Day
- June 6, National Trails Day
- June 8, World Oceans Day
- June 14, World Blood Donor Day

July

- July 1, Smart Irrigation Month Begins
- July 26, National Intern Day

August

- August 1, National Water Quality Month Begins

Media and Outreach

- The Agency has been reminding the public of what can/cannot be flushed through social posts and videos.
- The Agency promoted nationally/internationally recognized "weeks," including Drinking Water Week, Teacher Appreciation Week and National Nurses Week.
- Agency staff from Internal Audit, IERCF, Operations and Maintenance, and Laboratory staff were featured on social media for International Internal Audit Awareness Month, International Compost Awareness Week and for their dedication to ensure essential services continue to be provided.
- The Agency recognized May as Water Awareness Month by promoting water-wise habits and sharing educational information about the water required to produce certain foods and beverages. This was done through a combination of social media posts and Instagram polls to encourage and facilitate community engagement.
- On May 4, a new post was published on the IEUA Nextdoor page with a poll that asked how many gallons of water it takes to make one cheeseburger. The post highlighted the Hamburger Water Model at-home activity available on IEUA's website. The post received 9,578 impressions and 125 votes. Twenty-eight percent of participants guessed the correct answer.
- On May 16, a new post was published on the IEUA Nextdoor page highlighting the Inland Empire Landscape Content. This post received 12,576 impressions.
- "At-Home Activities" for the education program continue to be posted on the website and social media.

- Agency staff launched a new video series teaching those at home how to draw Owlie the Owl, the mascot for Chino Creek Wetlands and Educational Park.
- The Agency recognized the class of 2020 in a post as our future operators, engineers, technicians, analysts, accountants, scientists, and more.
- May 26, a post was published congratulating Los Osos High School students on placing 2nd and 4th in WEWAC's Broadcast Media and Digital Art Contest.
- May: 34 posts were published to the IEUA Facebook page, 34 posts were published to IEUA's Instagram and 33 tweets were sent on the @IEUAwater Twitter handle.
 - The top three Facebook posts, based on reach and engagement, in the month of May were:
 - 5/7 IERCF Video
 - 5/4 Teacher Appreciation
 - 5/14 On-Site Staff Appreciation
 - The top three tweets, based on reach and engagement, in the month of May were:
 - 5/7 IERCF Video
 - 5/19 2020 Graduates
 - 5/11 Save Water Indoors
 - The top three Instagram posts, based on reach and engagement, in the month of May were:
 - 5/21 Draw our Mascot Video
 - 5/7 IERCF Video
 - 5/19 Wipes Game Video
- A *Kick the Habit* ad ran in *La Opinion* on May 24.
- A digital banner ad ran in *La Opinion* on May 21 for two weeks.
- A spadea ad ran in the *Daily Bulletin* on May 3.
- A *Kick the Habit* ad ran in the *Chino Valley Champion's Chino Connection Magazine* section on May 16.
- The *Kick the Habit* digital banner ad continues to run in the *Fontana Herald News*.

For the month of May, there were 8,087 searches for a park in IEUA's service area on Yelp, where Chino Creek Wetlands and Educational Park was viewed 952 times on a mobile device.

Education and Outreach Updates

- The Water Discovery Program reached 1,669 students and 33 schools during the 2019/2020 current school year. As of March 12th, the Water Discovery field trip program has been put on hold.
- Participating Garden in Every School® sites have been placed on hold until fall.
- The Eco Art Contest concluded on May 4 and generated three winners.
- MWD extended the deadline for Water is Life poster contest entries until September 1, 2020. In order to allow IEUA employees to vote for their favorite posters, the winner will be decided through online voting in June.

Agency-Wide Membership Updates

- Richard Lao and Bonita Fan listened in on the Santa Ana River Dischargers Association (SARDA) meeting on Thursday, May 7.
- Richard Lao listened in on the Southern California Alliance of Publicly Owned Treatment Works (SCAP) Air Quality Committee meeting on Tuesday, May 19.
- Richard Lao listened in on the California Association of Sanitation Agencies (CASA) Regulatory Working Group Water Committee meeting Thursday, May 21.

**INFORMATION
ITEM**

3S



May 28, 2020

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso
Maddie Munson

RE: May Report

Overview:

Carryover water storage is the only shining light in the California water picture. With the Department of Water Resources announcing the final State Water Project allocation at 20 percent it is critical that water was saved in the state's reservoirs over the last several years. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at 82 percent of average and 67 percent capacity for this time of the year. Oroville is at 83 percent of average and 69 percent capacity.

On May 5, the State Water Resources Control Board (State Water Board) adopted regulations to update the Environmental Laboratory Accreditation Program (ELAP), which oversees the accreditation of environmental testing laboratories that test drinking water, wastewater discharges, and hazardous waste cleanup sites for compliance with state water quality standards.

Nine Orange County water agencies have retained a legal team to study whether to file suit to recoup the \$1 billion or more it could cost to purify drinking water in local wells contaminated with PFAS chemicals and to pay for more expensive imported water in the interim. It's likely that 3M and DuPont, the primary manufacturers of PFAS products, would be defendants.

The State Water Resources Control Board (SWRCB) and the Water Research Foundation (WRF) announced a partnership to advance water recycling. Through a \$4.5 million grant from the SWRCB and almost \$1 million from Metropolitan Water District of Southern California, WRF will use \$1.4 million for research that will help the Division of Drinking Water to develop direct potable reuse regulations by 2023.

A federal court recently temporarily blocked the Trump administration's efforts to pump more water to through the CVP, which critics said would threaten endangered species and salmon runs.

A judge issued a preliminary injunction in two lawsuits brought against the administration by California's Natural Resources Agency and Environmental Protection Agency and by a half-dozen environmental groups.

As is customary, the Governor released his May Revision of the state's 2020-2021 budget. While there is some debate if the Governor's projected \$54 billion deficit maybe a little high, there is no debate that the state is facing significant financial challenges. The Governor also announced that he is no longer pursuing his climate resilience bond in light of the significant budget concerns and not wanting to take on the debt service of a bond. The legislature is now working through their budget process ahead of the June 15 deadline for passage.

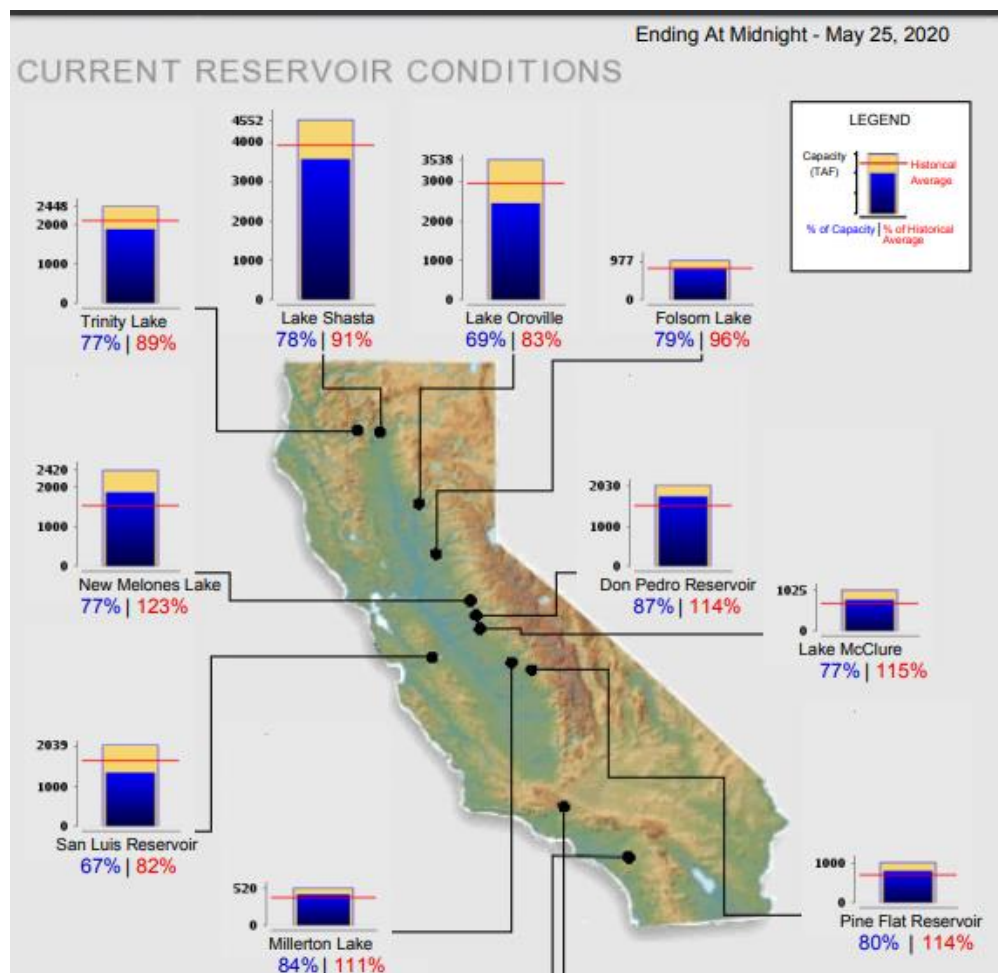
The state Senate and Assembly have both returned to the Capitol and are working through policy and budget measures. As reported previously, most members are only pursuing a very small number of bills this year, and a lot of those shelved have been water related measures. Nevertheless, legislation

considering PFAS regulations and flushable product labeling, among others, continue to move through the process. The legislature has about three weeks (until June 25) if they want to see a climate resilience bond reach the November ballot. If they are unable to do so, as seems increasingly likely, it is possible for the legislature to pursue non-bond measures that do not require voter approval.

Inland Empire Utilities Agency Status Report – May 2020

Water Supply Conditions

As summer temperatures hit the state early, and DWR announcing final SWP allocations, it is pretty clear how the water year is going to shape up. Carryover storage in California's reservoirs is a bright spot in the water supply outlook. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at 82 percent of average and 67 percent capacity for this time of the year. Oroville is at 83 percent of average and 69 percent capacity.



SWP Allocation Increased to 20 percent for 2020

The State Water Project (SWP) now expects to deliver 20 percent of requested supplies in 2020 thanks to above-average precipitation in May, the Department of Water Resources (DWR) announced today. An initial allocation of 10 percent was announced in December and increased to 15 percent in January. The recent announcement will likely be the final allocation update of 2020.

SWRCB Adopts New Regulations for Environmental Lab Accreditation

On May 5, the State Water Resources Control Board (State Water Board) adopted regulations to update the Environmental Laboratory Accreditation Program (ELAP), which oversees the accreditation of environmental testing laboratories that test drinking water, wastewater discharges, and hazardous waste cleanup sites for compliance with state water quality standards. Under the adopted regulations, laboratories are required to implement “The NELAC Institute” (TNI) Standard, a national accreditation standard for laboratory compliance, which will replace the current, state-specific accreditation standard. There is a three-year delayed implementation period before laboratories will be required to comply with the new standard.

The new accreditation standard is intended to address a lack of uniform testing practices across laboratories and to improve consistent data quality. While stakeholders disputed the utility of the 2016 TNI Standard for purposes of ensuring data quality, stakeholders and agency staff agreed there was a need for a more effective accreditation program and, specifically, a need to improve ELAP’s ability to consistently assess the quality and competency of laboratories.

Stakeholders also expressed concern regarding the agency’s estimate of the cost of implementing the 2016 TNI Standard. The State Water Board analyzed costs for small, medium, and large laboratories, but did not distinguish between costs for publicly- and privately-owned laboratories. State Water Board staff maintained that costs could be offset by redistributing some local agency staff responsibilities to third parties or state agency partners. In response to stakeholder concerns expressed at the adoption hearing, State Water Board staff suggested that existing annual reporting requirements could include an update on agency progress under the revised ELAP regulations.

Since the adoption of the regulations, ELAP has issued notices for two stakeholder meetings scheduled for the week of June 8, regarding clarification on the third-party assessment requirement, as well as changes to the fee schedule for ELAP. The fee schedule was not addressed in the recently adopted regulations and will proceed as a separate rulemaking proceeding. The adopted regulations are expected to take effect on October 1, 2020; however, to date, the State Water Board has not submitted the adopted regulations to the Office of Administrative Law for review.

Orange County Water Agencies Prepare to File PFAS Lawsuit

Nine Orange County water agencies have retained a legal team to study whether to file suit to recoup the \$1 billion or more it could cost to purify drinking water in local wells contaminated with PFAS chemicals and to pay for more expensive imported water in the interim. It’s likely that 3M and DuPont, the primary manufacturers of PFAS products, would be defendants.

If the Orange County agencies file suit, they would join of a growing trend of PFAS litigation in areas where there is no PFAS manufacturing.

A decade ago, the first wave of major lawsuits over PFAS chemicals came from places near production plants, where spilled or dumped toxins contaminated groundwater.

In 2017, chemical manufacturers DuPont and Chemours reached a \$671 million settlement in a class-action suit brought by 3,550 people in West Virginia, who said they suffered health consequences from

the toxic water. The case was portrayed in the last year’s Hollywood drama “Dark Waters.” And in 2018, 3M reached a \$850 million settlement with the state of Minnesota for contaminating groundwater near its plant.

But as researchers find toxic repercussions from ever smaller quantities of the chemicals, lawsuits have started to be filed in areas where there are no manufacturing plants. The attorney general of Vermont, for instance, has filed suit against manufacturers for groundwater that’s been tainted by treated wastewater and runoff from landfills.

Joining the Orange County Water District in possible litigation so far are the cities of Anaheim, Fullerton, Garden Grove, Tustin and Santa Ana as well as the Irvine Ranch, Yorba Linda and Serrano water districts.

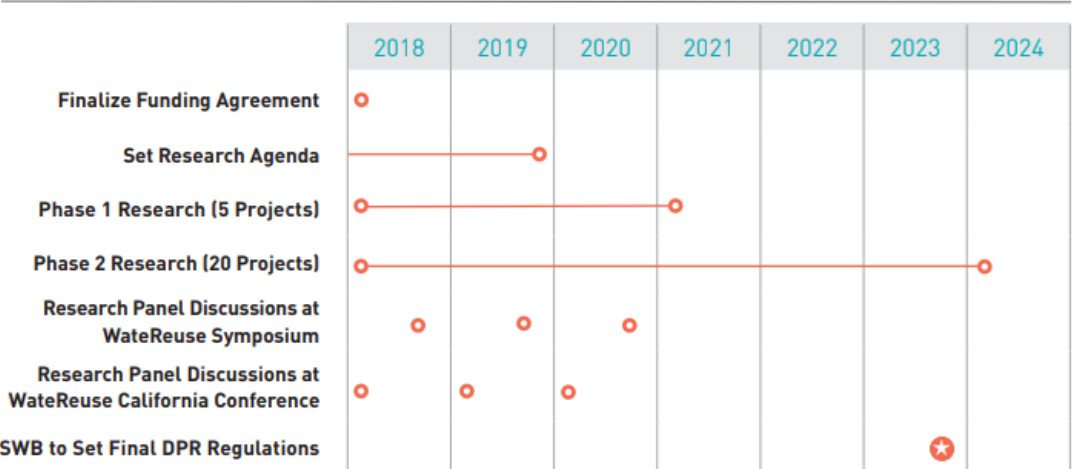
The city of Orange and the East Orange County Water District are still considering whether to join in the effort.

State Water Resources Control Board and WRF Announce DPR Funding

The State Water Resources Control Board (SWRCB) and the Water Research Foundation (WRF) announced a partnership to advance water recycling. Through a \$4.5 million grant from the SWRCB and almost \$1 million from Metropolitan Water District of Southern California, WRF will use \$1.4 million for research that will help the Division of Drinking Water to develop DPR regulations by 2023. The five research projects include:

- Tools to evaluate quantitative microbial risk and plant performance and reliability;
- Measuring pathogens in wastewater;
- Collecting pathogens in wastewater during outbreaks;
- Defining potential chemical peaks and management options;
- Assess methods for identifying unknown contaminants

RESEARCH TIMELINE & MILESTONES



Federal Court Issues Stay in Delta Pumping Case

A federal court recently temporarily blocked the Trump administration's efforts to pump more water to through the CVP, which critics said would threaten endangered species and salmon runs.

A judge issued a preliminary injunction in two lawsuits brought against the Administration by California's Natural Resources Agency and Environmental Protection Agency and by a half-dozen environmental groups.

The order bars the U.S. Bureau of Reclamation until May 31 from going ahead with expanding the amount of water it pumps from the San Joaquin Delta through the federal Central Valley Project. The suits argued that the exports would cause irreparable harm to species protected by state and federal law.

State Budget Update

As is customary, the Governor released his May Revision of the state's 2020-2021 budget. While there is some debate if the Governor's projected \$54 billion deficit is maybe a little high, there is no debate that the state is facing significant financial challenges.

General Fund Revenue Sources (Dollars in Millions)				
	2019-20	2020-21	Change from 2019-20	
			Dollar Change	Percent Change
Personal Income Tax	\$94,773	\$76,841	-\$17,932	-18.9%
Sales and Use Tax	24,941	20,613	-4,328	-17.4%
Corporation Tax	13,870	16,577	2,707	19.5%
Insurance Tax	3,052	2,986	-66	-2.2%
Alcoholic Beverage Taxes and Fees	385	389	4	1.0%
Cigarette Tax	58	56	-2	-3.4%
Motor Vehicle Fees	31	40	9	29.0%
Other	1,887	12,109	10,222	541.7%
Subtotal	\$138,997	\$129,611	-\$9,386	-6.8%
Transfer to/from the Budget Stabilization Account/Rainy Day Fund	-2,160	7,806	9,966	-461.4%
Total	\$136,837	\$137,417	\$580	0.4%

Note: Numbers may not add due to rounding.

Governors May Revise includes significant cost cutting measures. To close the gap, the Governor's major proposals include:

- Cancel \$6.1 billion in program expansions and spending increases;
- Draw down \$16.2 billion from the Rainy Day Fund over three years;
- Borrow and transfer \$4.1 billion from special funds;

Governor Newsom is also strongly advocating for funding from the federal government and has signed a letter with other governors asking for \$1 trillion for states. He has noted that if California receives significant federal funding, he will likely be able to reinstate many of the cuts he has proposed in the May Revise.

Most notably, the Governor announced that he will be pulling back his Water Resilience Bond, and not supporting a bond this year. The Governor also announced moving the Greenhouse Gas Reduction Fund (GGRF) to pay-as-you go. He noted that there is some significant concern that auction revenues could be significantly lower than expected which would decrease the discretionary funding for the Governor and the Legislature to allocate. One of the priorities he did outline for protection from cuts is the Safe and Affordable Drinking Water Fund. The fund that was created as an alternative to a water tax, is allocated \$130 million per year from GGRF to help small, failing water systems. Protection of this funding is important to keep water tax issue from resurfacing.

The Senate Budget Committee is expected to pass their version of the budget on May 28, with the Assembly not yet noticing a hearing date to pass their budget.

Legislative Update

Both houses have returned to the Capitol to begin working on the budget (as discussed above) and other essential measures.

Many water measures have been shelved by their authors, but there are still a few moving forward. Notably, AB 3256 (E. Garcia), the Assembly resilience bond proposal is in the Assembly Appropriations Committee. It is unclear if this measure will move forward with the withdrawal Governor's support. Additionally, the time for passing the measure is running out. The Assembly is going on Summer Recess June 19, so the bond would need to be passed by then in order for ballots to be printed.

There are discussions about other stimulus measures that do not require a public vote. None have materialized in any significant form, but WCA continues to monitor the discussions.

Bills still active:

AB 1672 (Bloom): CASA has been working on a flushable products labeling measure for several years. They are finally getting close to reaching an agreement with the industry that will not just remove the opposition to the bill, but bring the flushable products manufacturers on as a co-sponsor of the legislation to require specific "DO NOT FLUSH" labeling on wipes. The measure is already over in the Senate, so no action is expected until mid-August.

AB 2560 (Quirk) is CMUA and OCWD's bill on procedures for establishing notification and response levels at the SWRCB. The measure passed out of the Environmental Safety and Toxic Materials Committee on May 14 on the consent calendar.

Affordable Housing & Connection Fees

As expected, President Pro Tem Toni Atkins recently released a package of bills on affordable housing. As previously reported, WCA and others were concerned the package may include provisions that might inhibit a public agency's ability to charge connection fees. While these bills could be amended in the future none of the bills include any connection charge limitation at this time. WCA will continue to monitor this package and advise staff as appropriate.

IEUA BILL POSITIONS—May 28, 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	<i>Emergency backup generators: water and wastewater facilities: exemption</i>	<i>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.</i>	SUPPORT Assembly Utilities and Energy Committee DROPPED BY AUTHOR
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 Appropriations Committee

			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 5/29
SB 1386	Moorlach Irvine Ranch Water District and others	Local government: assessments, fees, and charges: water.	The Proposition 218 Omnibus Implementation Act prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Current law defines, among other terms, the term "water" for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. This bill would specify that "water" for purposes of the Proposition 218 Omnibus Implementation Act also includes the public fixtures, appliances, and appurtenances connected to an above-described system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source.	SUPPORT Senate Floor

INFORMATION
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Comprehensive Government Relations

MEMORANDUM

To: IEUA Community & Legislative Affairs Committee

From: Letitia White, Jean Denton, Drew Tatum, and Shavenor Winters

Date: June 1, 2020

Re: May Monthly Legislative Update

House Releases Revised Summer Schedule

On Friday, May 29, House Majority Leader Steny Hoyer (D-MD) released an updated summer schedule for the House in light of the ongoing coronavirus pandemic. Since the pandemic began, the House has largely been in recess only coming back during weeks that they plan to consider coronavirus response legislation.

As the schedule stands, the House is not scheduled to vote again until the week of June 29 with votes occurring June 30 – July 2. The House was originally scheduled to be in session for the majority of June with the last week scheduled as a district work period.

Days that the House is not scheduled to hold votes are being called “Committee Work Days” during the months of June and July. Leader Hoyer has noted that committee work will be the primary focus of the House during June. He further notes that he expects “must pass” legislation will be advanced during the months of June and July out of committee, including:

- FY21 Appropriations bills,
- the FY21 National Defense Authorization Act;
- the Water Resources Development Act; and
- legislation to strengthen and expand the Affordable Care Act.

The House is scheduled to return the last two weeks of July before taking its previously scheduled August recess / district work period. Hoyer notes that the June and July voting weeks may be longer than normal with votes occurring as early as 10am on the first day of the week and into the evening of the last day of the week.

The schedule for post-August appears to be unchanged.

Hoyer noted in a Dear Colleague to Members that he is expecting the House to be in session again at some point in June at a time not currently scheduled for votes on a COVID-19 response bill after Senate action. Members will be given at least 72 hours’ notice before any floor action related to COVID-19 response legislation.

Hoyer’s Dear Colleague also notes that committees are working to meet the requirements of H.Res.965 to hold a practice markup meeting and two hearings with remote participation—with at least one occurring at the full committee level. He specifically notes that the House

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Appropriations Committee held its first hearing with remote participation this week, and it will continue to hold necessary COVID-19 oversight hearings before beginning subcommittee and full-committee markups at the end of June and beginning of July.

House Passes COVID Relief Bill, Senate to Consider A Version Soon

Senate Majority Leader Mitch McConnell (R-KY) signaled that the Senate GOP's decision to pause before starting work on another coronavirus relief bill could be nearing an end.

"I think there's a high likelihood that we'll do another rescue package. ... We're not quite ready to intelligently lay down the next step, but it is not too far off. We need to work smart here, help the people who are desperately in need, try to save as many jobs as possible and begin to open up the states, which are decisions by the governors," McConnell added.

His remarks come amid growing calls from within his caucus for the Senate to pass another coronavirus bill, which would be the fifth piece of legislation passed by Congress to address the fallout from the pandemic, by the end of the June.

McConnell has said that the next bill will not resemble the roughly \$3 trillion bill that passed the House along party lines, and vowed that the White House and Senate Republicans will be on the same page. "We're taking a careful look at a fourth and final bill. You can anticipate the decision being made on whether to go forward in about a month. It will be narrowly crafted,"

The prediction that the bill would be the final economic package comes as lawmakers are nowhere near a deal that could pass both chambers and get President Trump's support.

McConnell told House Republicans that the next bill would not continue an additional \$600 per week in unemployment insurance. During a meeting with the White House McConnell stressed to President Trump that the next coronavirus relief package cannot exceed \$1 trillion, should be narrowly focused toward getting money in people's hands immediately, and that liability protection needs to be a part of a phase 4 measure.

In the House passed Heroes Act, more than \$3 trillion would be provided to federal agencies, state and local governments, small businesses, and individuals. The measure passed the House by a vote of 208 to 199. Only one Republican, Peter King (R-NY) voted for the measure while 14 Democrats, largely from swing districts, voted against the legislation.

To date, four aid packages have been enacted so far in response to the pandemic. They have provided loans to small businesses, expanded unemployment, boosted health care funding, and provided direct payments to individuals, among other provisions.

Nearly all Members of the House returned to Washington, DC to vote on the HEROES Act. The legislation would provide almost \$1 trillion to state and local governments, establish a Heroes Fund to provide \$200 billion in hazard pay to essential workers, make another round of payments to individuals of as much as \$1,200, and extend unemployment benefits.

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The legislation would also provide:

- \$500 billion to the Treasury Department for aiding state governments using an allocation that would include Washington, D.C. The District would also receive an additional \$755 million payment.
- \$375 billion for the Treasury Department for local and municipal governments.
- \$90 billion for an Education Department State Fiscal Stabilization Fund that would be used to support element and secondary schools, as well as public post-secondary institutions.
- \$20 billion each for tribal and territorial governments through the Treasury Department.

The measure would require the Federal Reserve, within seven days of enactment, to modify its Municipal Liquidity Facility to:

- Extend the facility through the end of 2021.
- Expand eligible issuers to include U.S. territories, localities with more than 50,000 residents, and entities that combine various states, territories, or the District of Columbia.
- Allow for the purchase of debt with a maximum maturity of 10 years.
- Ensure that purchases are made at an interest rate equal to the primary credit interest rate for loans issued through the Fed's discount window.

The measure also would authorize and provide \$5 billion for the Housing and Urban Development Department's Community Development Block Grant program. The grant funds would have to be allocated to state and local recipients within 30 days of the bill's enactment according to an existing formula. Emergency grants could be made over 121 consecutive months, instead of three months, for entities that provide families with food, clothing, housing, and more.

The Coronavirus Aid, Relief, and Economic Security Act, or CARES Act (Public Law 116-136) provided \$349 billion for the Paycheck Protection Program (PPP), which offers low-interest loans guaranteed by the Small Business Administration for small businesses and other entities to keep workers on the payroll and the program's lending authority was increased by an additional \$310 billion under a subsequent virus aid measure (Public Law 116-139), and the SBA received an additional \$321.3 billion in appropriated funds. This measure would extend the PPP authorization period to December 31 from June 30. The program could expire sooner if its first-come, first-served funds are exhausted.

The measure would maintain an authorized lending total of \$659 billion for PPP loans. It would establish a separate \$75 billion total for the SBA's traditional 7(a) lending program, which was set at \$30 billion for fiscal 2020 (Public Law 116-93). The provision would allow the 7(a) program to continue if PPP funds are exhausted.

Outlined within the legislation, and some would say key to successfully reopening, the measure would authorize and appropriate \$75 billion for a Covid-19 National Testing and Contact Tracing initiative. The effort would:

- Require the Centers for Disease Control and Prevention to create a nationwide system for Covid-19 testing, contact tracing, surveillance, containment, and mitigation and award grants to state, local, tribal, and territorial health departments to carry out those activities. A minimum level of funding would be allocated by formula, and then additional amount prioritized based on areas with the highest number of cases, a surge in cases, and high numbers of low-income and uninsured populations.
- Direct the CDC to award competitive grants to public or private entities to carry out awareness campaigns on Covid-19, testing, and tracing.
- Authorize \$500 million for the Labor Department to award grants for local workforce development boards and community-based organizations to recruit and train individuals as contact tracers. A minimum level of funding would be provided through a formula and then additional amounts would be prioritized based on the number of contact tracers involved, Covid-19 cases, and low-income and uninsured populations.
- Contact tracers supported through grants under the initiative would have to be paid at least the prevailing wage and fringe rates for the area.
- The measure would also authorize funding to improve testing and public health infrastructure, including:
 - \$6 billion for the CDC to establish a core public health infrastructure program that would award grants to state, local, tribal, and territorial health departments. Of the funding provided, 50% would be used for formula grants to state health departments and at least 30% would be for competitive grants to state and other health departments.
 - \$1 billion for grants to states and localities to improve testing capacity at labs.
 - \$1 billion for the CDC to improve its core public health infrastructure.
 - \$450 million for improving CDC and state and local public health data system

The White House has said Trump would veto the current version of the Heroes Act if it were sent to the White House.

Senators Introduce State and Local Coronavirus Support Legislation

At the end of May, a bipartisan group of Senators led by Bob Menendez (D-NJ) and Bill Cassidy (R-LA) introduced legislation that would deliver critical, federal resources to states and communities on the frontlines of the COVID-19 fight. The State and Municipal Assistance for Recovery and Transition (SMART) Act targets \$500 billion in emergency funding to every state, county, and community in the country, while prioritizing assistance to the areas with the greatest need.

Senators Joe Manchin (D-WV), Cindy Hyde-Smith (R-MS), Cory Booker (D-NJ) and Susan Collins (R-ME) have signed on as original cosponsors.

The bipartisan plan would provide \$500 billion in flexible funding to states to help cover rising costs to combat COVID-19 and lost revenues due to the economic fallout. Without this federal assistance, governors, mayors, and county leaders have warned of deep cuts to essential services and layoffs of police, firefighters, paramedics, teachers, sanitation, public health and public works employees, and other frontline workers.

These funds could be used to help state and local governments meet the current demand, expand testing capacity and contact tracing, provide further assistance to residents, local hospitals, small businesses and schools, in addition to maintaining critical services residents depend upon. The funding would be divided into equal thirds to provide funding based on population size, infection rates, and revenue losses.

After a \$16 billion set-aside for Native American tribal governments, the remaining funding would be allocated to states through three equally divided tranches:

1. **One-Third Based on Population Size.** This tranche of funding would be allocated to all 50 states, D.C., and U.S. territories in proportion to each respective state or territory's percentage of the U.S. population. Counties and municipalities would each get a share of one-sixth of their state's respective allocation for a combined total of one-third of their state's allocation from this tranche. Funding would be distributed to counties and municipalities based on each county or municipality's proportion of the state's population for this tranche.
2. **One-Third Based on Infection Rates.** This tranche of funding would be allocated based on each state's relative share of the nation's infection rate. States that have disproportionately high infection rates will incur significantly higher expenses and will likely need to continue stay-at-home orders for longer periods of time, leading to larger revenue losses. Counties and municipalities would each get a share of one-sixth of their state's respective allocation for a combined total of one-third of their state's allocation from this tranche. Funding would be distributed to counties and municipalities based on each county or municipality's proportion of the state's population for this tranche.
3. **One-Third Based on Revenue Losses.** This tranche of funding would be allocated based on each state's revenue loss in proportion to the combined revenue loss of all the states from January 1, 2020 through December 31, 2020. Counties and municipalities would each get a share of one-sixth of their state's allocation for a combined total of one-third of their state's allocation from this tranche. Funding would be distributed to counties and municipalities based on each county or municipality's revenue loss from January 1, 2020 to December 31, 2020 in proportion to the combined revenue loss for all counties and municipalities in the state over this period.

Representatives Mikie Sherrill (D-NJ) and Peter King (R-NY) are leading bipartisan companion legislation in the House of Representatives. The House bill is cosponsored by Representatives Josh Gottheimer (D-NJ), Tom Reed (R-NY), Tom O'Halleran (D-AZ), Fred Upton (R-MI), Ted Lieu (D-CA), Brian Fitzpatrick (R-PA), Debbie Dingell (D-MI) and Elise Stefanik (R-NY).

Reopening Conversations Take Main Stage

Amid calls to reopen the government, in early May the Trump Administration provided recommendations for states to safely reopen their business and services that had been closed and impacted as a result of the COVID pandemic.

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As demand increase to reopen the government the U.S. Supreme Court also stepped into the fray and refused to lift Pennsylvania's shutdown order, rejecting a request from businesses and a political campaign that said their constitutional rights were being violated.

Pennsylvania Governor Tom Wolf, a Democrat, ordered all non-life-sustaining businesses closed in March to stem the spread of the coronavirus. The state has since begun easing the restrictions.

The challengers included a golf course, laundromat, timber company, real-estate agent and political committee tied to a Republican state legislative candidate. They turned to the nation's top court after the Pennsylvania Supreme Court rejected their arguments.

The case marked the first time the Supreme Court had been asked to lift a coronavirus shutdown order. There were no noted dissents in the court's order on Wednesday, May 6.

House Natural Resources Committee Chairman Raúl Grijalva (D-AZ) also weighed in on reopening saying that sufficient safety measures had not been put in place at national parks to reopen following coronavirus-related closures.

After President Trump said last month that he wanted to open the parks, locations such as Everglades National Park and Great Smoky Mountains National Park have taken steps to do so.

Grijalva, in his letter to the heads of the National Park Service (NPS) and Interior Department, referenced reports of overcrowding.

"There have already been reports of overcrowding and visitors entering blocked-off areas that were closed off to comply with federal social distancing guidelines," he wrote. "At Great Smoky Mountains National Park, parking lots were immediately overfilled by visitors originating from 24 different states, many without masks."

"Evidently, the safeguards the NPS has implemented to protect employee and visitor safety at reopened sites are wholly insufficient to protect public health," Grijalva added.

The lawmaker and others on the Natural Resources panel have previously questioned the Department on its plans to reopen National Parks, writing that it is "crucial that any decisions to reopen national parks and other public land sites prioritize the health and safety of visitors, employees, and local communities."

In response to that prior letter, acting Assistant Interior Secretary for Policy, Management and Budget Scott Cameron wrote on Wednesday, May 6 that the Administration's priority has been protecting health and safety while making sure that its operations continue efficiently.

"Where parks have determined they could not adhere to applicable guidance, the Department has modified operations for buildings, facilities, programs, and units, which included closing parks in some cases," Cameron wrote.

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“By following this informed approach, an overwhelming majority of the 500 million acres of public lands stewarded by the Department have remained safely accessible to the American Public,” he added. “I can assure you that the decisions we have made and the priorities we have identified continue to be driven by the paramount goal of the health and safety of the public, our visitors, employees, volunteers, and partners.”

President Donald Trump has supported reopening, as social distancing has left businesses and the U.S. economy shuttered which has collapsed the U.S. economy.

In recent weeks, several states across the South and Midwest -- including Texas, Georgia, South Carolina, Florida, Ohio, and Missouri -- continue to take steps to significantly relax restrictions that were put in place against the coronavirus outbreak.

House Democrats Approve Proxy Voting Amid Pandemic

Speaker Nancy Pelosi(D-CA) and House Democrats voted earlier this month to allow lawmakers to serve as proxies for colleagues quarantined or otherwise stuck at home by the coronavirus pandemic, a change in more than 200 years of House precedent.

The Rules Committee approved the resolution along party lines, 8-4, after six hours of debate with dozens of failed GOP amendments to limit the changes. The measure passed the House by a vote of 217 to 189 with no Republicans voting for the Rule change while 3 Democrats voted against it.

This low-tech version of remote voting is the Democrats’ temporary answer to health and travel concerns raised by dozens of lawmakers. It would alter House rules to let individual members to cast votes on behalf of as many as 10 colleagues. It also allows those not present, but who have given proxy instructions, to count towards establishing a quorum for the purposes of passing legislation.

Enacting the changes will allow the House to revive legislative and oversight work that has largely been on hold for the last two months due to safety concerns about gathering all 430 members and their staffs together in the Capitol during the pandemic.

Under the measure, committees would also be permitted to conduct hearings, depositions, and markups of legislation virtually. There would be some flexibility for committees to conduct business meetings either in a “hybrid” setting with some lawmakers in a room and others participating remotely — which the Senate has done in recent days — or with everyone dialing in from afar.

The regulations require that Members participating remotely in a committee proceeding must be visible onscreen within the software platform when joining the proceeding for the purposes of identity verification and must continue to use the software platform’s video function for the remainder of the time they are attending the proceeding unless they experience connectivity issues.

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Further, before advancing legislation out of committee by holding markups, each committee is required to hold a non-public practice markup meeting and two hearings with remote participation—with at least one occurring at the full committee level.

The measure further authorizes the House Administration Committee to study the feasibility of using technology to conduct remote voting in the House and provide certification upon determining that the technology is secure.

The Rule change has been criticized by Republicans to let lawmakers stay home while other Americans are going to work and as a move that would have constitutional implications.

Several lawmakers have contracted Covid-19 and dozens of others placed themselves in self-quarantine after exposure to someone who was infected.

The proxy voting plan stops well short of proposals by some Democrats to let them vote electronically from their home states. Pelosi and others have expressed concern that remote-voting technology may not be secure or could present constitutional challenges.

While in session and on the House floor, face coverings or masks are “strongly” recommended in the guidance, and lawmakers will be called to the floor to vote alphabetically in groups of about 72. There are other limitations on when members can be on the floor during debate periods, and visitor galleries will be closed to the public.

Speaker Pelosi dismissed a lawsuit from House Republicans seeking to block the chamber from holding proxy voting, in which members vote for colleagues remotely on the House floor.

Pelosi issued a statement calling the lawsuit a "sad stunt" aimed at distracting from new efforts for an additional relief bill amid the coronavirus pandemic.

“The House made its will clear two weeks ago when it voted to implement remote voting by proxy and other necessary measures to ensure that Congress can continue to protect lives and livelihoods,” Pelosi said in a statement.

"The House’s position that remote voting by proxy during a pandemic is fully consistent with the Constitution is supported by expert legal analyses. Further, the Supreme Court made clear over a century ago that the Constitution empowers each chamber of Congress to set its own procedural rules," she added.

House Republicans filed a lawsuit late this month seeking to thwart the use of proxy voting. A rules change allowing the remote voting was approved along party lines earlier this month.

Republicans have for weeks fiercely criticized the effort, with House Minority Leader Kevin McCarthy (R-CA) dubbing it an "unconstitutional proxy voting scheme."

Major Water Infrastructure Bills Move Ahead in Senate, House

While both chambers of Congress are starting to move ahead on water infrastructure legislation, as the coronavirus pandemic underscores the demands for clean water, the Senate has quickly moved on two major bills.

The Senate Environment and Public Works Committee, pushed through two water infrastructure bills Wednesday, May 6 after rejecting a member's attempt to give Western states more authority over water supplies but agreeing to direct the EPA to set drinking water limits for "forever chemicals" known as PFAS.

The water packages, S. 3591, America's Water Infrastructure Act of 2020 and S. 3590, Drinking Water Infrastructure Act of 2020 will now go to the full Senate. It is unclear how soon the chamber will consider the legislation while it focuses on the coronavirus pandemic.

Committee Chairman John Barrasso (R-WY) has said the bills are crucial to addressing the pandemic, and has noted that Democrats and Republicans have typically moved water reauthorization measures to swift Senate passage. The committee on also approved by voice vote a substitute amendment making some additional technical changes to the drinking water infrastructure bill (S. 3590), including clarifying that the mission of the Advanced Drinking Water Technology Program authorized by the bill is to "enhance treatment, monitoring, affordability, efficiency, or safety of the drinking water."

The PFAS language included in S. 3590, Drinking Water Infrastructure Act of 2020 would direct the Environmental Protection Agency to develop a national drinking water standard for perfluoroalkyl and polyfluoroalkyl substances (PFAS), a group of chemicals used in everything from nonstick cookware to firefighting foam. The drinking water infrastructure measure proposes roughly \$2.5 billion in authorizations, and \$300 million in proposed grants for cleaning drinking water from emerging contaminants, particularly PFAS.

The language was pushed by Senator Shelley Moore Capito (R-WV), who was joined by committee Democrats in resurrecting the mandate for PFAS regulation. Supporters were able to get similar language attached to the fiscal 2020 defense authorization bill last year, only to have it struck in final House-Senate negotiations. The PFAS language was among several changes made to the Drinking Water Infrastructure Act of 2020 and- it was incorporated in a 57-page substitute amendment to which the committee agreed.

The Drinking Water Infrastructure Act of 2020 would also reauthorize Safe Drinking Water Act programs, including infrastructure that supports and improves drinking water, and provide resources and technical assistance for communities struggling to provide clean water.

The committee also agreed to a 326-page substitute amendment revamping America's Water Infrastructure Act of 2020 (S. 3591), largely making tweaks and technical changes.

S. 3591, the America's Water Infrastructure Act of 2020, focuses mostly on Army Corps of Engineers projects and policy, and would authorize roughly \$17 billion in infrastructure projects while increasing water storage and reducing flood risks.

It would reauthorize a 2018 water infrastructure law touted by Republicans and Democrats alike as the most sweeping infrastructure measure to be considered in the last Congress.

The committee voted down one amendment by Senator Kevin Cramer (R-ND) dealing with giving Western states more authority over water supplies. Members of both parties opposed Cramer's amendment, saying it would set a "bad precedent" by allowing upstream states to control the flow of water to downstream states.

The Senate committee's action comes as both chambers of Congress have picked up the pace on water infrastructure legislation. The coronavirus pandemic has underscored the demands for safe drinking water and more attention to hygiene, including increased hand-washing.

The House Transportation and Infrastructure Committee is gearing up to introduce its own major water bill in hopes of marking it up this summer.

While the bills could be moved to the Senate floor for consideration this summer the Senate schedule remains in flux in the wake of Covid-19. Floor timing will depend in part on how much time GOP Senate leaders want to give senators to return home for 2020 campaigning.

Together, the two bills reported out of the environment committee would authorize a total of \$18 billion in water resource development projects across the country.

House Democrats Introduce Bill to Block Trump Waters Rule

House Democrats introduced legislation earlier this month that would prevent the Trump administration from redefining the water bodies and wetlands subject to federal regulation under the Clean Water Act.

The Clean Water for All Act would overturn the Trump administration's Navigable Waters Protection Rule (RIN: 2040-AF75). The bill was introduced by Transportation and Infrastructure Chairman Peter DeFazio (D-OR) and Representative Grace Napolitano (D-CA), the chairwoman of the Water and Environment Subcommittee.

The Trump administration's rule, published April 21 by the Environmental Protection Agency and the U.S. Army Corps of Engineers, repealed and replaced the 2015 Clean Water Rule and a Reagan-era regulation. The new rule narrows the scope of Clean Water Act protections over water bodies, especially streams that do not flow year-round, and wetlands.

The bill, which has support from national and regional environmental groups, would give the EPA and the Army Corps two years to revise the regulation based on the best available science.

In a statement, the lawmakers said the bill, if implemented, would "restore and maintain the chemical, physical, and biological integrity of the Nation's waters," which it said the Trump rule fails to uphold. The House Transportation Committee, which oversees the EPA Clean Water Act

programs, and the Army Corp regulatory programs, has not yet set a date for a hearing or a markup.

The Trump rule has the backing of industry groups, the American Farm Bureau Federation, and Republican lawmakers such as Sen. John Barrasso (R-WY), Chairman of the Senate Environment and Public Works Committee. Even if the legislation were to pass the House, it would unlikely move in the Republican controlled Senate.

As we have previously reported, states and environmental groups have sued the Trump administration in court to challenge the rule.

Senate to Take Up Great American Outdoors Act

Senate Majority Leader Mitch McConnell announced that the Senate will take up the Great American Outdoors Act during the Senate's June work period. The announcement came after Leader McConnell worked out a deal with Senator Cory Gardner (R-CO) to allow the Senate to recess for the week of Memorial Day — something Gardner threatened to object to because the Senate had failed to draft a new round of coronavirus relief legislation after reconvening in Washington.

Gardner introduced S. 3422, the "Great American Outdoors Act," on March 9 under procedures that allowed the measure to bypass committee consideration and move directly to the Senate floor. It had 58 cosponsors—41 Democrats, 15 Republicans, and both independents—as of April 2020. The legislation would permanently fund the Land and Water Conservation Fund, which provides money to protect and conserve habitats of endangered species, develop parks and outdoor recreation sites and protect sensitive forests. It is a boon to hunters and fishers as it protects certain areas from development.

More than \$2.5 billion annually would be available without separate appropriations for spending on land acquisition and deferred maintenance for parkland under S. 3422.

The bill would convert money in the \$900 million-per-year Land and Water Conservation Fund (LWCF) into mandatory funding. The LWCF is funded by a portion of offshore oil leasing revenue, among other sources, and used to add land to national parks, wildlife refuges, ball fields, and city parks.

The new National Parks and Public Lands Legacy Restoration Fund would be used for "priority deferred maintenance projects" across federal land agencies.

Amounts in the fund would be allocated as follows:

- 70% would go to the National Park Service.
- 15% would go to the U.S. Forest Service, part of the Agriculture Department.
- 5% would go to the U.S. Fish and Wildlife Service.
- 5% would go to the Bureau of Land Management.
- 5% would go to the Bureau of Indian Education.

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Half of otherwise uncommitted energy development lease payments and related revenue paid to the U.S. from fiscal 2021 through 2025 would be deposited in the new fund. Deposits would be capped \$1.9 billion per year.

The Interior and Agriculture departments would have to submit to Congress, within 90 days of the bill's enactment, a list of shovel-ready deferred maintenance projects to be supported by the new fund in fiscal 2021.

The recreation bill will address the nearly \$12 billion deferred maintenance backlog at the National Park Service will be included in the Great American Outdoors Act. In addition the legislation will establish, fund, and provide for the use of amounts in a National Parks and Public Land Legacy Restoration Fund to address the maintenance backlog of the National Park Service, the United States Fish and Wildlife Service, the Bureau of Land Management, the Forest Service, and the Bureau of Indian Education, and to provide permanent, dedicated funding for the Land and Water Conservation Fund.

Supporters in Congress, along with conservation groups and the outdoor industry, are now promoting the legislation as an economic stimulus, arguing it will provide much-needed jobs in rural areas that have been especially hard hit by the pandemic-created recession. The bill is slated for a vote in the Senate next month.

President Trump has expressed his support for the bill.

Senate Eyes Return of Energy Bill this Summer

The Chairman of the Senate Energy Committee says to look for a big bipartisan energy package back on the floor this summer, as GOP leaders put a premium on bills that already have substantial bipartisan backing.

The energy bill—which stalled on the floor in March over a single amendment to curb HFCs, a “super” climate pollutant used as a refrigerant—still faces a big hurdle as long as the impasse over that issue remains unresolved.

Senate leaders have begun fleshing out the summer floor schedule, which thus far includes plans for taking up some must-pass bills, including the fiscal 2021 defense authorization bill, before the July 4 holiday.

But Energy and Natural Resources Committee Chairman Lisa Murkowski (R-Alaska) in an interview said she is optimistic opposing sides can break the impasse over phasing down hydrofluorocarbons that sidelined the energy bill (S. 2657) in March.

The bill, cosponsored by Sen. Joe Manchin (D-WV), includes measures to boost battery energy storage, more rapidly deploy more carbon capture and storage and advanced nuclear reactors, and improve energy efficiency.

Senate Majority Leader Mitch McConnell (R-KY) “is looking for those measures that are ready to go,” Murkowski said. McConnell put the energy package on pause during the March impasse. That means it can be reconsidered quickly if an HFC deal is reached.

GOP Senate leaders advised senators to expect the reauthorization of the National Defense Authorization Act “will be in front of us in June,” Murkowski said, adding that she also expects a pair of water infrastructure bills to hit the floor in the months ahead.

EPA Delays Managing Wastewater Rule Due to Coronavirus

The EPA has been too busy responding to the deadly coronavirus to work on its long-awaited proposal to manage huge volumes of pathogen-infested sewage and stormwater during heavy rains, the agency’s top wastewater official said.

“We think we have a potential path forward,” said Andrew Sawyers, director of the Environmental Protection Agency Office of Wastewater Management, said in a webinar on water priorities for the year. “With Covid-19, there are a lot of things under consideration,” he said, referring to the disease caused by the coronavirus. “We will provide additional information on timing and potentially when we can move this forward,” Sawyers said about the wastewater rule.

The proposal would clarify when and how treatment plants can skip treating some of their sewage and stormwater when they are overwhelmed by heavy rains.

That clarity would be crucial to cities that run their own treatment plants that blend huge volumes of water. The EPA had initially banned the practice of diversion, only to see seven states strike down the ban.

Environmental groups have opposed the practice because it allows inadequately treated wastewater to get into the nation’s waterways.

The EPA had planned to issue the wastewater proposal last July and released a final rule this summer. In its fall regulatory agenda, the agency pushed its deadline to December. Now, the rule’s release has been postponed until the agency can free up staff to work on the proposal.

Representative Peter DeFazio (D-OR), who chairs the House Committee on Transportation and Infrastructure, which oversees the EPA’s wastewater programs, has criticized any plan that would allow utilities to discharge partially treated sewage into rivers and streams.

The House Transportation Committee in October approved a water quality protection bill that would bar the EPA from issuing its proposal.

Utilities have long argued that blending treated and untreated wastewater during floods or storms is necessary to prevent the plant’s biological treatment processes from getting damaged when too much water flows through them.

The U.S. Court of Appeals for the Eighth Circuit struck down the EPA's ban on the practice of blending in 2013. Since that ruling, the agency has chosen to apply the Iowa League of Cities v. EPA decision only in the seven states where the court had jurisdiction, a move that caused much confusion among cities and counties.

The states within the Eighth Circuit's jurisdiction are Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

EPA to Miss Its Deadline for Chemical Evaluations

The EPA will not meet its statutory deadline for releasing final evaluations for 10 chemicals by June 22, agency chief Andrew Wheeler told the Senate Environment and Public Works Committee this month.

"I believe we will get at least two of the 10 done and release the remainder by the end of summer," Wheeler, the administrator of the Environmental Protection Agency.

Wheeler referred to a deadline in the 2016 Toxic Substances Control Act amendments. The amended law required the agency—for the first time ever—to examine the potential for chemicals made and used in the U.S. to unduly injure people or the environment.

June 22 is the law's deadline for completing the first 10 chemical risk evaluations.

"We are spending more time on the first 10. We want to make sure we get them right," Wheeler said.

"The EPA does not appear to be getting it right, based on the agency's draft evaluation of the risks of asbestos", said Senator Jeff Merkley (D-OR).

During the hearing, Merkley detailed concerns including the agency's decision to review the risks of only one type of asbestos fiber, chrysotile, instead of examining the six commercial fibers recognized by the Asbestos Hazard Emergency Response Act. The senator also criticized the EPA's decisions to omit air, waste, and drinking water exposures to its critique of the cancer-causing mineral.

"When a chemical is already managed by air, water, or waste regulations, the agency's chemicals risk analysis does not examine exposures that may occur despite those rules, he said. The agency chose to avoid the possibility that its TSCA risk analyses could lead to duplicate regulation", Wheeler said.

However, the agency will still examine some additional ways people may be exposed to asbestos due to a U.S. Court of Appeals for the Ninth Circuit ruling last year. The court said the agency omitted too many potential exposure scenarios from its risk evaluations.

The Asbestos Disease Awareness Organization echoed and elaborated on Merkley's concerns in a letter it submitted for the hearing to Committee Chairman Senators John Barrasso (R-WY) Ranking Member Tom Carper (D-DE).

EPA May Probe Agency's Response to California Water Issues

The Environmental Protection Agency's (EPA) internal watchdog is weighing a probe into the agency's actions toward California after President Trump made numerous claims about the state's water quality.

At issue is what California lawmakers described as "inconsistencies" in how the agency has responded to California water quality issues compared to those in other states, an issue the EPA's Office of Inspector General said it may investigate.

A September letter from the EPA focused on the state's homelessness issues in Los Angeles and San Francisco, citing articles on human feces on streets and warning the state was "failing to meet its obligations" on sewage and water pollution. It followed a letter written just days before threatening to withhold highway funds over the state's air quality issues.

"There's tremendous pollution being put into the ocean because they're going through what's called the storm sewer that's for rainwater," Trump said aboard Air Force One the week prior to the letter. "And we have tremendous things that we don't have to discuss pouring into the ocean. You know there are needles, there are other things."

The agency later reversed course on a permit for a San Francisco's wastewater treatment center. Sens. Diane Feinstein (D-CA) and Kamala Harris (D-CA) said the move stood in contrast to "EPA's lack of enforcement action against other municipalities with highly similar treatment systems for water quality discharges."

The inspector general did not commit to an investigation, but told lawmakers it is weighing a project "to review aspects of the EPA's oversight of state water enforcement that could include California, as well as other states, and are coordinating with the U.S. Government Accountability Office to avoid duplication."

Trump Administration Gives Renewables More Time for Tax Credits

The Trump Administration is making it easier for renewable energy projects to take advantage of certain tax credits amid the coronavirus pandemic.

The Treasury Department and Internal Revenue Service issued a notice Wednesday that said it would give some companies that started construction in 2016 or 2017 an extra year before they have to put their projects in service.

The notice also allows some companies additional time to receive materials for construction in order to meet a requirement to start construction.

Innovative Federal Strategies LLC

Now, those that paid for certain property or services starting on September 16, 2019, that would have allowed them to meet requirements for starting construction will have until October 15 of this year to receive them.

The rules are intended to help taxpayers qualify for the production tax credit (PTC) and investment tax credit (ITC).

“The IRS recognizes that COVID-19 has caused industry-wide delays in the supply chain for components needed to complete renewable energy projects otherwise eligible for important tax credits,” said a statement from the agency, which added that the notice aims to “provide tax relief to affected taxpayers.”

The response comes as Senators wrote to the Treasury department asking for an extended period under which companies can start construction on renewable energy projects. The senators also said that some companies might not be able to meet requirements for a “continuous program of construction” and instead asked for “continuous efforts” to be required.

The clean energy industry has been facing significant challenges during the economic downturn. A recent report found that since the start of the pandemic, nearly 600,000 clean energy jobs, including more than 70,000 renewable energy jobs, have been lost.

EPA Proposes to Give Up Some ‘Guidance’ Power

The Environmental Protection Agency has moved to restrain how it uses memos, advisors, and other informal statements to shape policy -- with a proposal that could open the door to court review of those guidance documents.

The EPA’s proposed rule would limit the scope of guidance documents and give the public a chance to weigh in on many of them. It would require the agency post such documents online -- including some that have been locked away in file cabinets for decades. It also would create a formal process for the public to request that guidance documents be modified or withdrawn.

“This is good government,” said EPA Administrator Andrew Wheeler in an interview this month. “If we’re going to rely on guidance documents for whatever reason, those guidance documents should be public, and people should know what they say.”

The measure is part of a broader Trump administration effort to rein in agency guidance documents.

The documents -- whether taking the form of frequently asked questions, memos, or advisories -- are meant to provide insight on how agencies interpret laws or are implementing legal requirements, not actually impose new mandates. Critics, however, say federal agencies have been more frequently leaning on informal guidance documents to do an end-run around formal notice-and-comment rule making.

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R. 2869	Rep. Nita Lowey (D-NY)	The HEROES Act	<p>The bill provides over \$3 trillion to federal agencies, state and local governments, small businesses, and individuals.</p> <p>The measure also would authorize and provide \$5 billion for the Housing and Urban Development Department's Community Development Block Grant program. The grant funds would have to be allocated to state and local recipients within 30 days of the bill's enactment according to an existing formula. Emergency grants could be made over 121 consecutive months, instead of three months, for entities that provide families with food, clothing, housing, and more.</p> <p>In addition, outlined within the legislation, and some would say key to successfully reopening, the measure would authorize and appropriate \$75 billion for a Covid-19 National Testing and Contact Tracing initiative.</p>	<p>The legislation was introduced on May 12, 2020.</p> <p>On May 15,2020 the measure passed the House by a vote of 208 - 199.</p> <p>The bill now heads to the Senate where Majority Leader Mitch McConnell(R-KY) has indicated that a Senate version will likely be notably different that the House passed version.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S.3752 / H.R.6954	Sen. Robert Mendndez (D-NJ) / Sen. Bill Cassidy (R-LA) Reps. Mikie Sherril (D- NJ) / Rep. Peter King (R-NY)	SMART Act	<p>The State and Municipal Assistance for Recovery and Transition (SMART) Act targets \$500 billion in emergency funding to every state, county and community in the country, while prioritizing assistance to the areas with the greatest need.</p> <p>These funds could be used to help state and local governments meet the current demand, expand testing capacity and contact tracing, provide further assistance to residents, local hospitals, small businesses and schools, in addition to maintaining critical services residents depend upon. The funding would be divided into equal thirds to provide funding based on population size, infection rates, and revenue losses.</p>	<p>The legislation was introduced on May 18 in the Senate and on May 19 in the House.</p> <p>Either a substitute amendment or new legislation negotiated by the bipartisan group of Members is expected to be introduced reflecting updated provisions agreed to by the coalition.</p> <p>The legislation has been referred to the respective committeess of jurisdiction in the Hosue and Senate.</p>
S.3591	Sen. John Barrasso (R-WY) / Tom Carper (D-DE)	America's Water Infrastructure Act of 2020	Provides roughly \$17 billion in new federal authorizations to invest in infrastructure projects across the country, sets a 2-year goal for completing feasibility studies for potential projects by the Corps, and reauthorizes the WIFIA program administered by the EPA.	<p>The legislation was introduced on May 4, 2020, and referred to the Committee on Environment and Public Works.</p> <p>On May 11, 2020, the legislation was reported by Senator Barrasso with an amendment in the nature of a substitute, and placed on the Senate Legislative Calendar under General Orders.</p> <p>The legislation has bipartisan cosponsorship.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S.3590	Sen. John Barrasso (R-WY) / Tom Carper (D-DE)	Drinking Water Infrastructure Act of 2020	The measure would provide roughly \$2.5 billion in authorizations, including reauthorizing a Safe Drinking Water Act emergency fund, and \$300 million in grants for cleaning drinking water of emerging contaminants, particularly toxic PFAS.	<p>The legislation was introduced on May 4, 2020, and referred to the Committee on Environment and Public Works.</p> <p>On May 11, 2020, the legislation was reported by Senator Barrasso with an amendment in the nature of a substitute, and placed on the Senate Legislative Calendar under General Orders.</p> <p>The legislation has bipartisan cosponsorship.</p>
S.1932	Sen. Cory Gardner (R-CO) / Sen. Dianne Feinstein(D-CA)	Drought Resiliency and Water Supply Infrastructure Act	<p>This legislation would authorize and/or reauthorize surface and groundwater storage and supporting projects, water recycling and reuse projects, and desalination projects. It would also establish an infrastructure finance and innovation pilot program at the Bureau of Reclamation. The legislation would also establish a process to deauthorize Bureau of Reclamation projects that have failed to receive a minimum federal investment or initiate construction.</p> <p>The bill would increase support for water infrastructure projects that are likely to provide a more-reliable water supply and increase the water management flexibility and water reliability.</p>	<p>The legislation was introduced on June 20, 2019. The Water and Power Subcommittee of the Energy and Natural Resources Committee held hearings on July 18, 2019.</p> <p>A markup has not been scheduled due to disagreements between the Ranking Member and Sponsors of the legislation.</p> <p>Senator Dianne Feinstein is expected to release an updated version of the bill.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S.3422	Sen. Cory Gardner (R-CO)	Great American Outdoors Act	<p>The legislation would create a National Parks and Public Lands Legacy Restoration Fund with income from 50% of the energy development revenues from oil, gas, coal, or alternative renewable energy from Federal land from fiscal years 2021 to 2025 for deferred maintenance projects in the National Park System, National Wildlife Refuge System, on BLM Public Lands, BIA Schools, or the National Forest.</p> <p>The legislation would also establish permanent funding for the Land and Water Conservation Fund that would not require further appropriations from Congress.</p>	<p>The legislation was introduced on 3/9/2020 in the Senate. The legislation has 58 cosponsors, including Senate Majority Leader Mitch McConnell (R-KY) who has indicated he plans to fast track the legislation in the Senate. While there were initially plans to consider the legislation in March, the Senate's schedule was changed to consider the third coronavirus response bill.</p> <p>The legislation is expected to be brought to the floor this spring or summer.</p>
Draft Legislation	Rep. Jared Huffman (D-CA)	FUTURE Drought Act	<p>Representative Huffman's draft legislation includes three titles on: Infrastructure Development, Improved Technology and Data, and Ecosystem Protection and Restoration. The draft legislation would create a water storage program, includes authorization of funding for desalination projects, created a water infrastructure fund, and extends and expands the WaterSMART program.</p>	<p>The legislation is expected to be introduced in the coming weeks. A section by section summary of the legislation can be found here: https://huffman.house.gov/imo/media/doc/FUTURE%20Drought%20Resiliency%20Act%20Discussion%20Draft%20SxS_Updated.pdf</p> <p>Huffman's office is still accepting comments on the legislation via his website: https://huffman.house.gov/future-drought-act/comments</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S. 2356	Sen. Mike Braun (R-IN)	Define WOTUS Act of 2019	The measure would create a new WOTUS definition the void the previous Obama era definition that is currently tied up in litigation.	The legislation was introduced on July 31, 2019 and referred to the Committee on Environment and Public Works.
S. 1087	Sen. John Barrasso (R-WY)	Water Quality Certification Improvement Act of 2019	The measure would amend the Federal Water Pollution Control Act to make changes with respect to water quality certification.	<p>The measure was introduced in the Senate on April 19, 2019 and was referred to Committee on Environment and Public Works.</p> <p>On November 19, 2019 the committee held a hearing to discuss impacts of the act if implemented.</p>
H.R. 1764	Rep. John Garamendi (D-CA)	The bill to amend the Federal Water Pollution Act	The legislation would amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.	<p>Introduced on March 15, 2019 and then referred to the Subcommittee on Water Resources and Environment.</p> <p>This legislation has bipartisan cosponsor ship and hearings were held on the measure in November 2019.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.1497	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2019	<p>Requires a report to Congress on the current and future workforce needs for publicly owned treatment works and information on steps taken to meet those needs.</p> <p>Reauthorizes sections of the Federal Water Pollution Control Act that provide grants to States and interstate agencies, including:</p> <p>State Management Assistance: Section 106(a);</p> <p>Watershed Pilot Projects: Section 122(c);</p> <p>Alternative Water Source Projects Pilot Program: Section 220(d);</p> <p>Sewer Overflow and Stormwater Reuse Municipal Grants: Section 221(f)1); and</p> <p>State Water Pollution Control Revolving Funds.</p> <p>Changes the length of permits for NPDES permits to not exceeding 10 years in certain circumstances.</p>	<p>Introduced on March 6, 2019 and referred to the Subcommittee on Water Resources and Environment of the House Transportation Committee.</p> <p>The Committee marked up the legislation and reported it with an amendment in the nature of a substitute--expanding the scope of the legislation.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R. 1508 / S. 146	Rep. Blumenauer (D-OR) / Sen. John Hoeven (R-ND)	Move America Act of 2019	The measure would amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits which would be applicable to projects relating to flood diversions, inland waterways, sewage facilities.	<p>The House bill was introduced on March 5, 2019 and then referred to the House Committee on Ways and Means.</p> <p>Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.</p> <p>The Senate bill was introduced in the Senate on January 16th and referred to the Senate Committee on Finance.</p>
H.R.1162	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	This legislation would create a competitive grant program for the funding of water recycling and reuse projects by raising the authorization cap for the Title XVI program from \$50 million to \$500 million. The legislation would also raise the authorization cap from \$20 million to \$30 million for the Reclamation Wastewater and Groundwater Study and Facilities Act.	<p>Introduced in the House on February 13, 2019.</p> <p>The House Natural Resources Subcommittee on Water, Oceans, and Wildlife held a hearing on the legislation on June 13, 2019.</p> <p>On March 11, 2020, the House Natural Resources Committee held a mark-up on the legislation and it was ordered to be reported out of Committee by a vote of 19-12.</p>
S. 361/H.R. 807	Sen. Cory Gardner (R-CO) / Rep. Ken Buck (R-CO)	Water and Agriculture Tax Reform Act of 2019	The measure would work to amend the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency.	Introduced and referred to the Committee on Finance (Senate) and Ways and Means Committee (House). Neither chamber has recently engaged on the measures.

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.579	Rep. Scott Tipton (R-CO)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	Introduced in the House on January 15th. Referred to the Conservation and Forestry Subcommittee of the Agriculture Committee on 2/7 and to the Water, Oceans, and Wildlife Subcommittee of the House Natural Resources Committee on 2/4. A similar amendment was submitted to the House Rules Committee for consideration in the Interior-Environment Appropriations bill, but was not made in order by the Committee for floor consideration.
H.R.34	Rep. Eddie Bernice Johnson (D-TX)	Energy and Water Research Integration Act of 2019	The legislation would ensure consideration of water intensity in the Department of Energy's energy research, development, and demonstration programs to help guarantee efficient, reliable, and sustainable delivery of energy and clean water resources.	The bill was introduced in the House on January 3rd. It was marked up and ordered to be reported by the House Science and Technology Committee on May 1, 2019 and was passed by the House on July 23, 2019 by voice vote. On July 24, the bill was referred to the Senate Committee on Energy and Natural Resources.
H.R. 2313	Rep. Jared Huffman (D-CA)	Water Conservation Rebate Tax Parity Act	The measure would amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.	The bill was introduced in the House on April 12, 2019 and then referred to the Committee on Ways and Means. Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.1747	Rep. Rob Wittman (R-VA)	National Fish Habitat Conservation Through Partnerships Act	<p>The measure aims to achieve measurable habitat conservation results through strategic actions of Fish Habitat Partnerships that lead to better fish habitat conditions and increased fishing opportunities, establish a consensus set of national conservation strategies as a framework to guide future actions and investment by Fish Habitat Partnerships, broaden the community of support for fish habitat conservation, fill gaps in the National Fish Habitat Assessment and the associated database of the National Fish Habitat Assessment, and communicate to the public and conservation partners.</p>	<p>A hearing has been held in the House Natural Resources Committee on the legislation and the legislation was ordered to be reported out of committee on September 25, 2019.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S.1419	Sen. James Lankford (R-OK)	Early Participation in Regulations Act	The legislation would direct agencies to issue advanced notices for rules costing more than \$100 million annually. The bill would require agencies must outline the problem the rule intends to solve and listen to the public's input on the subject.	<p>On May 13, the bill was introduced into the Senate. It was then referred to the Committee on Homeland Security and Governmental Affairs. Hearings on the bill were held in both the Committee on Homeland Security and the Committee on Small Business. On July 19 the Committee on Homeland Security and Governmental Affairs ordered the measure to be reported favorably with an amendment in the nature of a substitute.</p> <p>On September 10, the bill was placed on the Senate Legislative Calendar under General Orders. However the bill has yet to be considered on the Senate floor.</p> <p>The legislation has bipartisan cosponsor ship.</p>
S. 1087	Sen. John Barrasso (R-WY)	Water Quality Certification Improvement Act of 2019	The measure would amend the Federal Water Pollution Control Act to make changes with respect to water quality certification.	<p>The measure was introduced in the Senate on April 19 and was referred to Committee on Environment and Public Works.</p> <p>On November 19 the committee held a hearing to discuss impacts of the act if implemented.</p>
H.R. 1695	Rep. Betty McCollum (D-MN)	Community Services Block Grant Reauthorization Act of 2019	The legislation would amend the Community Services Block Grant Act to reauthorize and modernize the Act.	<p>The measure was introduced in the House on March 12, 2019 to the House Committee on Education and Labor.</p> <p>The legislation has bipartisan cosponsor ship.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R. 1744	Rep. Mark Takano (D-CA)	S.T.O.R.A.G.E. Act (Storage Technology for Operational Readiness And Generating Energy Act) Energy Storage Systems by Electric Utilities	The bill would provide for the consideration of energy storage systems by electric utilities as part of a supply side resource process, and for other purposes.	The bill was introduced on March 13, 2020 and the referred to the Committee on Energy and Commerce, and in addition to the Subcommittee on Energy of the Committee on Science, Space, and Technology.
H.R.579	Rep. Scott Tipton (R-CO)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	Introduced in the House on January 15th. Referred to the Conservation and Forestry Subcommittee of the Agriculture Committee on 2/7 and to the Water, Oceans, and Wildlife Subcommittee of the House Natural Resources Committee on 2/4.
H. R. 855	Rep. Scott Peters (D-CA)	STRONG (Strengthening the Resiliency of our Nation on the Ground Act) Act	The bill would work to minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth associated with extreme weather events by ensuring that the United States is more resilient to the impacts of extreme weather events in the short- and long-term, and for other purpose	Introduced in the House and referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management of the House Transportation Committee on February 7, 2019.
H.R. 420	Rep. Earl Blumenauer (D-OR)	Regulate Marijuana Like Alcohol Act	The bill would decriminalize marijuana and sets up legal framework to regulate marijuana.	Introduced in the House on January 9, 2019 and referred to the Committees on Energy and Commerce, Ways and Means, Natural Resources, and Agriculture.

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S.420 /H.R. 1120	Sen. Ron Wyden (D-OR) / Rep. Earl Blumenauer (D-OR)	Marijuana Revenue and Regulation Act	A bill to amend the Internal Revenue Code of 1986 to provide for the taxation and regulation of marijuana products, and for other purposes.	<p>The bill was introduced in the Senate on February 7, 2019 and was referred to the Finance Committee.</p> <p>Introduced in the House on February 8, 2019 and was referred to the Committees on Judiciary, Agriculture, and Natural Resources.</p>
H.R. 3794	Rep. Paul A. Gosar (R-AZ)	Public Land Renewable Energy Development Act of 2019	The bill would work to promote the development of renewable energy on public lands	<p>The measure was introduced in the House on July 17, 2019 and was then referred to both the Committee on Natural Resources and the Committee on Agriculture. A hearing on the bill was held on July 25 by the Subcommittee on Energy and Mineral Resources. On August 9th, the bill was referred to the Subcommittee on Conservation and Energy of the House Agriculture Committee.</p> <p>The measure was later referred to the Subcommittee on Energy and Mineral Resources where a hearing was held on the legislation. On November 20, 2019, a Mark-up session was held and the bill was ordered to be Reported by Voice Vote.</p> <p>The legislation has bipartisan cosponsor ship.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S. 1344	Sen. Cory Booker (D-NJ) and Tim Scott (R-SC)	Reinstate Opportunity Zone Data Mandates	<p>The bill would require the Secretary of the Treasury to collect data and issue a report on the opportunity zone tax incentives enacted by the 2017 tax reform legislation.</p> <p>The reporting requirements were part of the original legislation as introduced, but they were not incorporated in H.R.1 (the tax package) when it was advanced in the House and Senate.</p>	<p>The legislation was introduced in the Senate on May 7, 2019 and referred to the Finance Committee.</p> <p>The legislation has bipartisan cosponsor ship.</p>
H.R.535	Rep. Debbie Dingell (D-MI)	PFAS Action Act of 2019	<p>The legislation combines 12 different bills that had previously been introduced into one legislative package that would change the way the federal government regulates “forever chemicals” known as PFAS.</p> <p>The consolidated version of H.R. 535 would place these chemicals on the Superfund hazards substances list from the Environmental Protection Agency, force the agency to set nationwide drinking water standards for PFAS, and block companies from producing new chemicals in this class.</p>	<p>The legislation was reported out of the House Energy and Commerce Committee on November 20, 2019 by a vote of 31 to 19, largely along party lines. The bill passed the House on January 10, 2020 by a vote of 247 - 159. The bill was received in the Senate on January 13, 2020 and referred to the Senate Committee on Environment and Public Works. The legislation is not expected to be considered in the Senate in its current form.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.4236	Rep. Quigley, Mike (D-IL)	Reducing Waste in National Parks Act	The legislation would encourage recycling and reduction of disposable plastic bottles in units of the National Park System,	<p>The bill was introduced on September 6, 2019 and was referred to the House Subcommittee on National Parks, Forests, and Public Lands.</p> <p>The House Natural Resources Subcommittee on National Parks, Forests, and Public Lands held hearings on the legislation on February 27, 2020.</p>
S.3263 / H.R.5845	Sen. Tom Udall (D-N.M.) and Rep. Alan Lowenthal (D-CA)	Break Free from Plastic Pollution Act of 2020	This legislation would require plastic producers to take responsibility for collecting and recycling materials, require nationwide container deposits, ban certain pollutant products, impose a fee on the distribution of non-reusable carryout bags, create a new minimum recycled content requirement, protect state and local governments by allowing them to enact more stringent standards, requirements, and additional product bans, and give environmental agencies the valuable time needed to investigate the cumulative impacts of new plastic-producing facilities on the air, water, and climate.	<p>The bills were introduced in the House on 2/12/2020 and in the Senate on 2/11/2020. In the House, the legislation has been referred to the following committees: Energy and Commerce, Ways and Means, Transportation and Infrastructure, and Foreign Affairs.</p> <p>In the Senate, the legislation has been referred to the Finance Committee.</p>
Enacted Legislation (removed from report after 2 months)				

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.266	Sen. Mitch McConnell (R-KY)	Paycheck Protection Program and Health Care Enhancement Act (Coronavirus 3.5 response legislation)	<p>The nearly \$500 billion coronavirus rescue package that delivers emergency aid to small businesses and hospitals. The measure includes an immediate \$321 billion infusion for the Paycheck Protection Program, the small business rescue fund that ran out of money last week. The package also provides another \$60 billion in economic disaster loans for small businesses, \$75 billion in emergency relief for hospitals and \$25 billion to ramp up coronavirus testing</p>	<p>Passed unanimously by the Senate April 21, 2020.</p> <p>Passed by the House with a vote of 388-5-1 on April 23, 2020.</p> <p>The President signed the legislation on Friday, April 24, 2020.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.748	Sen. Mitch McConnell (R-KY)	CARES Act (third legislative package related to the Coronavirus response).	<p>The more than \$2 trillion legislative package:</p> <p>Made significant (temporary) changes to unemployment insurance by providing additional federal funding, increasing the weekly benefit, and expanding coverage for additional weeks. It also provides loans (with forgiveness) to many small businesses who take them out to meet payroll needs.</p> <p>Provides a tax rebate to many Americans through a direct check to cover unexpected expenses due to the pandemic. It also provides \$500 billion for businesses, governments, etc. through loans, provides the delay of payroll taxes, and other provisions designed to keep businesses afloat.</p> <p>Provides \$339 billion in supplemental appropriations with more than 80% going to state and local governments and communities.</p>	<p>Passed in the Senate on March 25, 2020 by a vote of 96-0 as a substitute amendment to legislation that had already passed the House.</p> <p>Passed the House on Friday, March 27, 2020 by voice vote.</p> <p>Enacted (signed by President Trump) on Friday, March 27, 2020.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.6201	Rep. Nita Lowey (D-NY)	Familied First Coronavirus Response Act (second legislative package related to the Coronavirus response).	Creates an emergency paid leave program to respond to the coronavirus outbreak. Private sector employers with fewer than 500 workers, government entities would have to provide as many as 12 weeks of partially paid family leave under the FMLA to care for a child whose school or day care has closed. The first 10 days would be unpaid unless an employee used other banked/available leave. Employers also would have to provide full- and part-time workers with two weeks paid sick time, including for a quarantine order or to care for another affected individual. New requirements were added to restrict leave for employees who could not work or telework due to sickness from the coronavirus. (continued)	<p>(continued) Provides \$1 billion for nutrition programs and allows USDA food programs latitude to ensure meals are provided. SNAP could provide extra benefits in areas where school closures impact the National Schools Lunch Program. SNAP Work Requirements are waived. Meals under the National School Lunch Program can be taken “to-go” rather than served.</p> <p>Joint federal-state unemployment insurance program generally provides income support for as long as 26 weeks to workers who have been involuntarily laid off.</p> <p>Passed the House on March 14, 2020.</p> <p>Passed the Senate on March 18, 2020.</p> <p>Enacted (signed by President Trump) on March 18, 2020.</p>

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.R.6074	Rep. Nita Lowey (D-NY)	Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (first legislative package related to the Coronavirus response).	<p>Provided \$6.5 billion for the Department of Health and Human Services. Provided \$1.25 billion for the State Department and USAID for global health programs, humanitarian and health assistance, diplomatic operations, evacuation and emergency preparedness costs.</p> <p>Enabled the Small Business Administration to provide approximately \$7 billion in disaster loans by expanding the disaster definition.</p>	<p>Passed the House on March 4, 2020.</p> <p>Passed the Senate on March 5, 2020.</p> <p>Enacted (signed by President Trump) on March 6, 2020.</p>

INFORMATION
ITEM

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CALIFORNIA STRATEGIES, LLC

Date: May 29, 2020
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: California Strategies, LLC May 2020 Activity Report

1. This month Jim Brulte and John Withers participated in the monthly senior staff meeting May 4th via Microsoft Teams due to the Coronavirus.
2. California Strategies is providing the General Manager and senior staff daily updates on the Governors' press conferences through Kathy Besser. California Strategies is also providing information from other leading agencies related to the COVID-19 response.
3. California Strategies is also providing current information on the State Budget and activities of the Governor and Legislature related to it.
4. Regional Contract
 - There was brief discussion regarding the Regional Contract.
5. Chino Basin Program
 - There was a discussion about the Chino Basin Program. The program will still need to do projects to meet permit requirements. The CA Water Commission meets 5/20.
6. Rate Study (Carollo)
 - Discussed item on upcoming Board Workshop on 5/6 recommending that Board defer Wastewater EDU rates due to expected economic challenges relating to COVID-19.
7. Discussed regional personnel changes and potential impacts at IEUA including recent external IEUA Board assignments
8. Member Questions and Answers
 - Discussed item related to SAWPA-OCWD.

**AGENCY
REPRESENTATIVES'
REPORTS**

4A



SAWPA

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

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 COMMISSION MEMBER MAY CALL INTO THE COMMISSION MEETING WITHOUT OTHERWISE COMPLYING WITH THE BROWN ACT'S TELECONFERENCING REQUIREMENTS.

VIRTUAL ACCESSIBILITY FOR THE GENERAL PUBLIC:

Due to the spread of COVID-19, and until further notice, the Santa Ana Watershed Project Authority will be holding all upcoming Board and Committee meetings by teleconferencing and virtually through Zoom.

This meeting will be accessible as follows:

Meeting Access Via Computer (Zoom)*:	Meeting Access Via Telephone*:
<ul style="list-style-type: none">• https://sawpa.zoom.us/j/93471713130	<ul style="list-style-type: none">• 1 (669) 900-6833
<ul style="list-style-type: none">• Meeting ID: 934 7171 3130	<ul style="list-style-type: none">• Meeting ID: 934 7171 3130
*Participation in the meeting via the Zoom app (a free download) is strongly encouraged; there is no way to protect your privacy if you elect to call in by phone to the meeting.	

All votes taken during this meeting will be conducted by oral roll call.

REGULAR COMMISSION MEETING TUESDAY, JUNE 16, 2020 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (David J. Slawson, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. ITEMS TO BE ADDED OR DELETED

Pursuant to Government Code §54954.2(b), items may be added on which there is a need to take immediate action and the need for action came to the attention of the Santa Ana Watershed Project Authority subsequent to the posting of the agenda.

5. **CONSENT CALENDAR**

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

A. **APPROVAL OF MEETING MINUTES: MAY 19, 2020**

Recommendation: Approve as posted.

B. **TREASURER'S REPORT – APRIL 2020**

Recommendation: Approve as posted.

6. **NEW BUSINESS**

A. **STATEMENT OF INVESTMENT POLICY (CM#2020.38)**

Presenter: Karen Williams

Recommendation: Adopt Resolution No. 2020-07, approving the Statement of Investment Policy and delegate authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.

B. **INLAND EMPIRE BRINE LINE RATE RESOLUTION (CM#2020.43)**

Presenter: Carlos Quintero

Recommendation: Adopt Resolution No. 2020-06 establishing the new Inland Empire Brine Line rates to be effective July 1, 2020 (FY20-21).

C. **TASK ORDER APPROVAL FOR THE ROUNDTABLE OF REGIONS NETWORK COORDINATOR (CM#2020.39)**

[This item is subject to the provisions of Project Agreement 25]

Presenter: Ian Achimore

Recommendation: Approve execution of a Task Order with JM Consultants in the amount of \$74,990 for the Roundtable of Regions Network Coordinator Project.

D. **DISADVANTAGED COMMUNITIES INVOLVEMENT (DCI) PROGRAM STATUS (CM#2020.40)**

[This item is subject to the provisions of Project Agreement 25]

Presenter: Rick Whetsel

Recommendation: Receive and file.

E. **EMERGING CONSTITUENTS PROGRAM TASK FORCE | SOCIAL MEDIA CONSULTANT SUPPORT (CM#2020.44)**

[This item is subject to the provisions of Project Agreement 26]

Presenter: Mark Norton

Recommendation: Approve (1) General Services Agreement with JPW Communications; and (2) Task Order JPW392-01 with JPW Communications for an amount not-to-exceed \$105,000 at \$35,000/year for three years for social media support for the Emerging Constituents Program Task Force.

F. ROUNDTABLES/TASK FORCE UPDATE AND FYE 2021 GOALS (CM#2020.41)

[This item is subject to the provisions of Project Agreement 26]

Presenter: Mark Norton

Recommendation: Receive and file.

7. INFORMATIONAL REPORTS

Recommendation: Receive for information.

A. CASH TRANSACTIONS REPORT – APRIL 2020

Presenter: Karen Williams

B. INTER-FUND BORROWING – APRIL 2020 (CM#2020.37)

Presenter: Karen Williams

C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – APRIL 2020 (CM#2020.36)

Presenter: Karen Williams

D. PROJECT AGREEMENT 25 – OWOW FUND – FINANCIAL REPORT, MARCH 2020

Presenter: Karen Williams

E. PROJECT AGREEMENT 26 – ROUNDTABLE FUND – FINANCIAL REPORT, MARCH 2020

Presenter: Karen Williams

F. BUDGET VS ACTUAL VARIANCE REPORT – FYE 2020 THIRD QUARTER – ENDING MARCH 31, 2020 (CM#2020.42)

Presenter: Karen Williams

G. FINANCIAL REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2020

- Inland Empire Brine Line
- SAWPA

Presenter: Karen Williams

H. THIRD QUARTER FYE 2020 EXPENSE REPORTS

- General Manager
- Staff

Presenter: Karen Williams

I. GENERAL MANAGER REPORT

J. STATE LEGISLATIVE REPORT

Presenter: Rich Haller

K. CHAIR'S COMMENTS/REPORT

L. COMMISSIONERS' COMMENTS

M. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS

8. CLOSED SESSION

There were no Closed Session items anticipated at the time of the posting of this agenda.

9. ADJOURNMENT

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4220 or email kberry@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on June 9, 2020, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2020 SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at **9:30 a.m.** and are held at SAWPA.)

January		February	
1/7/20	Commission Workshop [cancelled]	2/4/20	Commission Workshop
1/21/20	Regular Commission Meeting	2/18/20	Regular Commission Meeting
March		April	
3/3/20	Commission Workshop	4/7/20	Commission Workshop
3/17/20	Regular Commission Meeting	4/21/20	Regular Commission Meeting
May		June	
5/5/20	Commission Workshop	6/2/20	Commission Workshop [cancelled]
5/19/20	Regular Commission Meeting	6/16/20	Regular Commission Meeting
July		August	
7/7/20	Commission Workshop	8/4/20	Commission Workshop
7/21/20	Regular Commission Meeting	8/18/20	Regular Commission Meeting
7/28 – 7/31/20 ACWA Spring Conference, Monterey			
September		October	
9/1/20	Commission Workshop	10/6/20	Commission Workshop
9/15/20	Regular Commission Meeting	10/20/20	Regular Commission Meeting
November		December	
11/3/20	Commission Workshop	12/1/20	Commission Workshop
11/17/20	Regular Commission Meeting	12/1 – 12/4/20 ACWA Fall Conference, Indian Wells	
		12/15/20	Regular Commission Meeting

**AGENCY
REPRESENTATIVES'
REPORTS**

4B



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Board Meeting - STREAMING PAGE

June 9, 2020

12:00 p.m.

Streaming Page materials are available 72 hours prior to meeting please see our official Meeting Materials here: [Official Agendas, presentations, and attachments may be found here](#)

1. Call to Order

- (a) Invocation: Benita Horn, Principal Public Affairs Rep, External Affairs Group
- (b) Pledge of Allegiance: Director Linda Ackerman, Municipal Water District of Orange County

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Government Code Section 54954.3(a))

5. OTHER MATTERS

- A. Approval of the Minutes of the Meeting for May 12, 2020 (Copies have been submitted to each Director) Any additions, corrections, or omissions

5A Draft Minutes - May 12, 2020

- B. Report on Directors' events attended at Metropolitan expense for month of May 2020

5B Report

- C. Presentation of 5-year Service Pin to Director Stephen J. Faessel, representing the City of Anaheim

- D. Presentation of 5-year Service Pin to Director Donald D. Galleano, representing

Western Municipal Water District

- E. Induction of new Director Ardashes “Ardy” Kassakhian from the City of Glendale
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath
- F. Approve committee assignments
- G. Chairwoman’s Monthly Activity Report

6. DEPARTMENT HEADS’ REPORTS

- A. General Manager’s summary of activities for the month of May 2020
6A Report
- B. General Counsel’s summary of activities for the month of May 2020
6B Report
- C. General Auditor’s summary of activities for the month of May 2020
6C Report
- D. Ethics Officer’s summary of activities for the month of May 2020
6D Report

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Approve Commendatory Resolution for Director Vartan Gharpetian representing the City of Glendale
- 7-2 Approve Metropolitan’s Statement of Investment Policy for fiscal year 2020/21, and delegate authority to the Treasurer to invest Metropolitan’s funds for fiscal year 2020/21; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (F&I)

7-2 Board Letter

7-2 Presentation

- 7-3 Adopt resolution authorizing the reimbursement of capital expenditures from bond proceeds for fiscal years 2020/21 and 2021/22 relating to Metropolitan's water delivery system; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)

7-3 Board Letter

- 7-4 Approve up to \$1.363 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)

7-4 Board Letter7-4 Presentation

- 7-5 Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2016 Final Program EIR and related CEQA documents; and award a \$429,295 contract to Pride Construction Engineering Services to construct erosion-control improvements for six sites in the Orange County region. (E&O)

7-5 Board Letter7-5 Presentation

- 7-6 Authorize a professional services agreement with Flairsoft Limited not-to-exceed \$825,000 for a cloud-based solution to manage Real Property business transactions; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (OP&T)

7-6 Board Letter

- 7-7 Authorize the General Manager to execute a funding agreement extension, and, by a two-thirds vote, authorize payment of \$736,000 for support of the Colorado River Board and Six Agency Committee for fiscal year 2020/21; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (WP&S) [Two-thirds vote required at Board]

7-7 Board Letter7-7 Presentation

- 7-8 Authorize the General Manager to waive, at his discretion, Section 2121(c) of Metropolitan's Administrative Code to allow matters involving amounts greater than \$2 million or requiring a roll call vote to be placed on the consent calendar, for the duration of the State of Emergency declared by Governor Newsom's March 4, 2020 Executive Order; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)

7-8 Board Letter

- 7-9 Express support and seek amendments to AB 3256 (E. Garcia, D-Coachella) Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L)

7-9 Board Letter7-9 Presentation

- 7-10 Watch and engage as needed to protect Metropolitan's interests on SB 625 (Bradford, D-Gardena); Central Basin Municipal Water District: receivership; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L)

7-10 Board Letter7-10 Presentation**8. OTHER BOARD ITEMS — ACTION**

- 8-1 Authorize an increase of \$4,000,000 in change order authority for urgent prestressed concrete cylinder pipe relining on the Second Lower Feeder; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (E&O)

8-1 Board Letter8-1 Presentation

- 8-2 Authorize an increase of \$3 million, to an amount not-to-exceed \$41.1 million, for an existing 5-year agreement with Securitas to provide security guard services through December 31, 2020; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)

8-2 Board Letter8-2 Presentation**9. BOARD INFORMATION ITEMS**

- 9-1 Update on Conservation Program

9-1 Report

- 9-2 Review of Greenhouse Gas Reduction Target for Metropolitan's Proposed Climate Action Plan. (E&O)

9-2 Board Letter

9-2 Presentation

9-3 District Housing Improvement Project Update

9-3 Board Letter

9-3 Presentation

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

**AGENCY
REPRESENTATIVES'
REPORTS**

4C



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

**AGENCY
REPRESENTATIVES'
REPORTS**

4D

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – May 28, 2020

Mr. Jeff Pierson – Chair

Mr. Jim Curatalo – Vice-Chair

Meeting Available by Remote Access Only*

Click on this [link](#) to access by PC/Smart Device

OR

Conference Call: (646) 749-3122

Code: 120-984-485

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

Approve as presented:

1. Minutes of the Watermaster Board Meeting held April 23, 2020

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of March 2020
2. Watermaster VISA Check Detail for the month of March 2020
3. Combining Schedule for the Period July 1, 2019 through March 31, 2020
4. Treasurer's Report of Financial Affairs for the Period March 1, 2020 through March 31, 2020
5. Budget vs. Actual Report for the Period July 1, 2019 through March 31, 2020
6. Cash Disbursements for April 2020 (Information Only)

C. APPLICATION: WATER TRANSACTION

Approve the proposed transaction:

The transfer of 7,500.0 acre-feet of water from Cucamonga Valley Water District to Fontana Water Company. This transfer is made from Cucamonga Valley Water District's Annual Production Right. Date of application: February 25, 2020.

D. APPLICATION: WATER TRANSACTION

Approve the proposed transaction:

The transfer of 1,000.0 acre-feet of water from Santa Ana River Water Company to Fontana Water Company. This transfer is made from Santa Ana River Water Company's Annual Production Right. Date of application: February 21, 2020.

E. FIRST AMENDMENT TO TASK ORDER NO. 2 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS (TECHNICAL SUPPORT FOR THE UPPER SANTA ANA RIVER GROUNDWATER INTEGRATED MODEL)

Approve the First Amendment to Task Order No. 2 (Technical Support for Analysis of the Upper Santa Ana River Groundwater Integrated Model) and authorize the General Manager to execute the agreement on behalf of Watermaster.

II. BUSINESS ITEMS

A. WATERMASTER FISCAL YEAR 2020/21 PROPOSED BUDGET

Adopt the approved FY 2020/21 budget as presented.

B. FIXED RATE REFUNDING OF SERIES 2008B VARIABLE RATE DEMAND BONDS

Adopt Resolution 2020-04 as presented, and authorize and direct the General Manager or Chief Financial Officer to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Preliminary Official Statement, the final Official Statement, and this resolution.

C. 2020 STORAGE MANAGEMENT PLAN

- Approve the 2020 Storage Management Final Report Sections 2.1-2.6 as the Storage Management Plan providing direction as an incremental step towards the preparation of the required documentation for storage management in a manner that is consistent with Watermaster's responsibilities under the Judgment.
- Direct staff and Counsel to support the Parties' efforts to develop an update to the OBMP Implementation Plan and Peace Agreement Amendment for Program Elements 8 and 9 (Storage and Storage & Recovery Programs) in a manner that is consistent with Watermaster's responsibilities to manage storage under the Judgment; with the objective to complete the update effort by July 30, 2020; and report progress to the Board monthly.
- Direct staff to concurrently complete a plan, with advice and assistance of the Pools and the Advisory Committee, to address the risk of potential quantities of stored water exceeding the cumulative amount authorized by the Peace Agreement and accounts for orderly use and distribution of excess quantities in a manner that comports with the directives of the Judgment.
- Direct staff to bring the entire 2020 OBMP for Board approval in September, after seeking advice and assistance from the Pool and Advisory Committee.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. San Bernardino County Superior Court Emergency Order
2. June 26, 2020 Hearing
3. County of Maui v. Hawaii Wildlife Fund et al

B. ENGINEER REPORT

1. Annual Report for the PBHSC
2. IEUA GWR 2019 Annual Report
3. SB88 Compliance
4. Potential Assistance to CDA with 97-005 Study Requirement

C. CFO REPORT

None

D. GM REPORT

1. OBMP Implementation Plan Update
2. OAP Contest Status
3. First Amendment to Task Order No. 4 Under Master Agreement for Collaborative Projects (Chino Basin Project Support)
4. Work From Home Update
5. Other

IV. INFORMATION

None

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

1. General Manager Performance Evaluation

VIII. FUTURE MEETINGS AT WATERMASTER*

5/28/20	Thu	11:00 a.m.	Watermaster Board
6/11/20	Thu	9:00 a.m.	Appropriative Pool
6/11/20	Thu	11:00 a.m.	Non-Agricultural Pool
6/11/20	Thu	1:30 p.m.	Agricultural Pool
6/18/20	Thu	9:00 a.m.	Advisory Committee
6/25/20	Thu	11:00 a.m.	Watermaster Board

*NOTE: Due to the uncertainty related to COVID-19, and for the safeguarding of all, Watermaster meetings will continue to be held remotely through the end of May 2020 and will be reevaluated in early June. Remote access to the open portions of the meetings will be provided with each meeting notice. Confidential session numbers will be provided directly to Board Members/Alternates separately.

ADJOURNMENT

**AGENCY
REPRESENTATIVES'
REPORTS**

4E

SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS CHINO BASIN DESALTER AUTHORITY

June 4, 2020
2:00 p.m.

NOTICE AND AGENDA

According to the directives from the California Department of Public Health and Executive Order issued by Governor Gavin Newsom, members of the public are invited to participate via video or teleconference:

To join teleconference: Dial-in #: [\(669\) 900 6833](tel:(669)9006833) Zoom Meeting ID: 833 0116 3503
To join video conference: Click on link: [Join Zoom Meeting](https://us02web.zoom.us/j/83301163503)
Or copy and paste: <https://us02web.zoom.us/j/83301163503>
Or go to <https://zoom.us/> and join using Meeting ID: 833 0116 3503

CALL TO ORDER

ROLL CALL

MOMENT OF SILENCE

In Memory of Director Robert Stockton, Western Municipal Water District

PUBLIC COMMENT

*Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Chino Basin Desalter Authority; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board of Directors on any matter, whether or not it appears on the agenda, are requested to **submit their request to comment to the Board Secretary no less than one hour prior to the start of the meeting at (909) 218-3230 or ccosta@chinodesalter.org***

Under the provisions of the Brown Act, the CDA Board is prohibited from taking action on non-agendized matters. However, Board Members may respond briefly or refer the communication to staff. The CDA Board may also request the Secretary to calendar an item related to your communication at a future CDA Board meeting.

ACTION ITEMS

*Prior to action of the CDA Board, any member of the public will have the opportunity to address the CDA Board on any item listed on the agenda by submitting written comments **at least one hour prior to the start of the meeting at (909) 218-3230 or ccosta@chinodesalter.org**. Please note the agenda item number in your email.* Comments will be read aloud during the meeting by the Board Secretary.

1. MINUTES OF MAY 7, 2020 SPECIAL BOARD MEETING

2. CONSIDERATION AND POSSIBLE ACTION REGARDING SHORT-TERM FINANCING OF THE CHINO I DESALTER GRANULAR ACTIVATED CARBON (GAC) CAPITAL PROJECT

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

1. Staff recommends that the Board consider the option of short-term financing of the Chino I Desalter Granular Activated Carbon (GAC) Capital Project;
2. Authorize the CFO/Treasurer to initial borrowing of \$2.1 Million from the CDA's current reserve.

3. ADOPTION OF FISCAL YEAR 2020/21 CAPITAL AND O&M BUDGET

Report By: Jose Garcia, CDA Principal Accountant

Staff Recommendation:

1. Approve the adoption of the proposed Fiscal Year 2020/21 Capital and O&M Budget in accordance with the Authority's Joint Powers Authority Agreement

4. ACCEPT QUITCLAIM OF 30-INCH WATER PIPELINE OWNED AND MAINTAINED BY WESTERN MUNICIPAL WATER DISTRICT TO THE CHINO BASIN DESALTER AUTHORITY

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

1. Authorize the General Manager/CEO to accept on behalf of CDA the Quitclaim Deed from Western Municipal Water District for a segment of 30-inch water pipeline in Old Hamner Road.

5. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: CLOSE-OUT CHANGE ORDERS TO GWINCO CONSTRUCTION CONTRACT CDASAP-19-07 FOR PLUME RAW WATER PIPELINE PROJECT PHASE 1 (SPECIFICATION NO. CDASAP-19-07)

Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Approve Close-out Change Orders #8 through #13 to the construction contract CDASAP-19-07 for Gwinco Construction & Engineering, Inc. for construction of the Raw Water Pipeline Project Phase 1 (Specification No. CDASAP-19-07) for a total revised contract amount of \$1,644,465.26.
2. Authorize the General Manager/CEO to close out the contract with Gwinco and file a Notice of Completion.

6. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: PURCHASE AND SALE AGREEMENT WITH TARPON PROPERTY OWNERSHIP 2 LLC FOR EASEMENT FOR PHASE 2 PIPELINE

Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Authorize the General Manager to execute a Purchase and Sale Agreement at the Purchase Price of \$104,255.84, with additional landscaping restoration budget not-to-exceed \$130,000.00, with Tarpon Property Ownership 2 LLC for an easement for construction of a portion of the Phase 2 Raw Water Pipeline along Bellegrave Avenue west of the Interstate-15 crossing, subject to non-substantive changes agreed to by the General Manager/CEO and General Counsel.
2. Authorize General Manager/CEO to execute all documents necessary to close escrow.

7. SOUTH ARCHIBALD PLUME PROJECT: AMENDMENT 6 TO WEBB'S AGREEMENT FOR DESIGN OF CHINO II WELL FIELDS SYSTEM EXPANSION PIPELINES

Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Approve an amendment to the professional services agreement with Albert A. Webb Associates for engineering design services in the not-to-exceed amount of \$133,230; and
2. Authorize the General Manager/CEO to finalize and execute the amendment, with subsequent authorizations up to a not-to-exceed total of \$1,148,000.

8. CDA EMPLOYEE HANDBOOK

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

1. Approve the Chino Basin Desalter Authority Employee Handbook.

9. CONSIDERATION AND POSSIBLE ACTION ON RESCHEDULING THE REGULAR JULY 2020 BOARD MEETING

INFORMATION ITEMS

10. ENGAGEMENT LETTER OF THE EXTERNAL AUDITOR

Report by: Michael Chung, CDA CFO/Treasurer

STAFF COMMENTS

- i. Deputy CDA General Counsel, Allison Burns
- ii. CDA CFO/Treasurer, Michael Chung
- iii. CDA General Manager/CEO, Thomas O'Neill

CLOSED SESSION

The Authority may adjourn to a Closed Session to consider litigation matters, personnel matters, or other matters as provided for in the Ralph M. Brown Act (Section 54950 et seq., of the Government Code).

11. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT
CODE SECTION 54956.9(D)(4)
(TWO POTENTIAL CASES)**
12. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE
SECTION 54956.9(D)(2)
(ONE POTENTIAL CASES)**

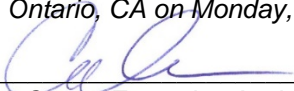
DIRECTOR COMMENTS

ADJOURN

Any person with a disability who requires accommodations in order to participate in this meeting or for package materials in an alternative format should telephone Executive Assistant Casey Costa at (909) 218-3730, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. All accommodation requests will be handled swiftly and resolving all doubts in favor of access. Copies of records provided to Board Members which relate to any agenda item to be discussed in open session may be obtained from Chino Basin Desalter Authority at 3550 Philadelphia Street, Suite 170., Ontario, CA 91761.

Declaration of Posting

I, Casey Costa, Executive Assistant to the Chino Basin Desalter Authority, hereby certify that a copy of this agenda has been posted by 2:00 p.m. at the Chino Basin Desalter Authority's main office, 3550 Philadelphia Street, Suite 170., Ontario, CA on Monday, June 1, 2020.



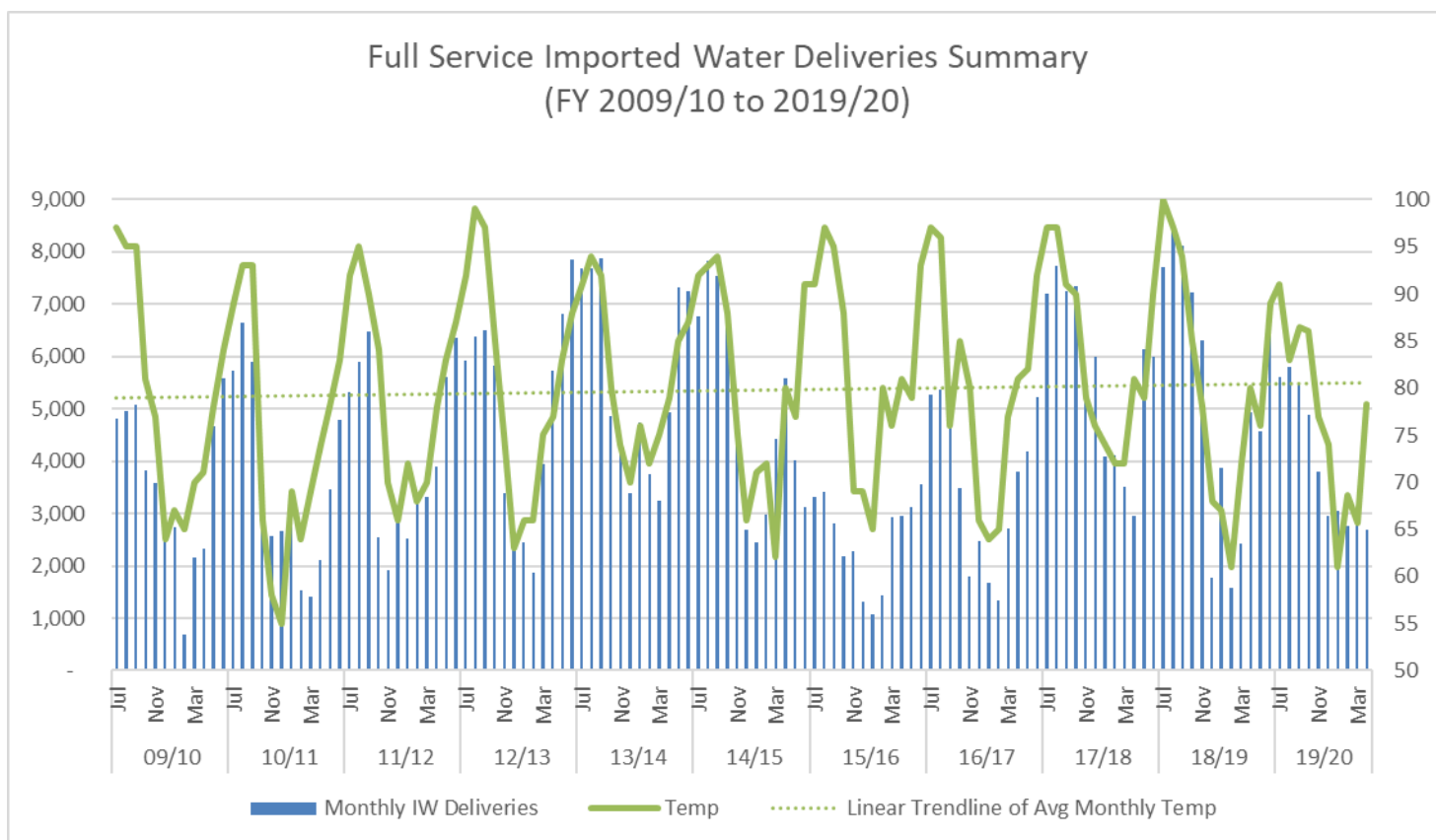
Casey Costa, Executive Assistant

**GENERAL
MANAGER'S
REPORT**



Planning & Environmental Resources

A. Imported Water



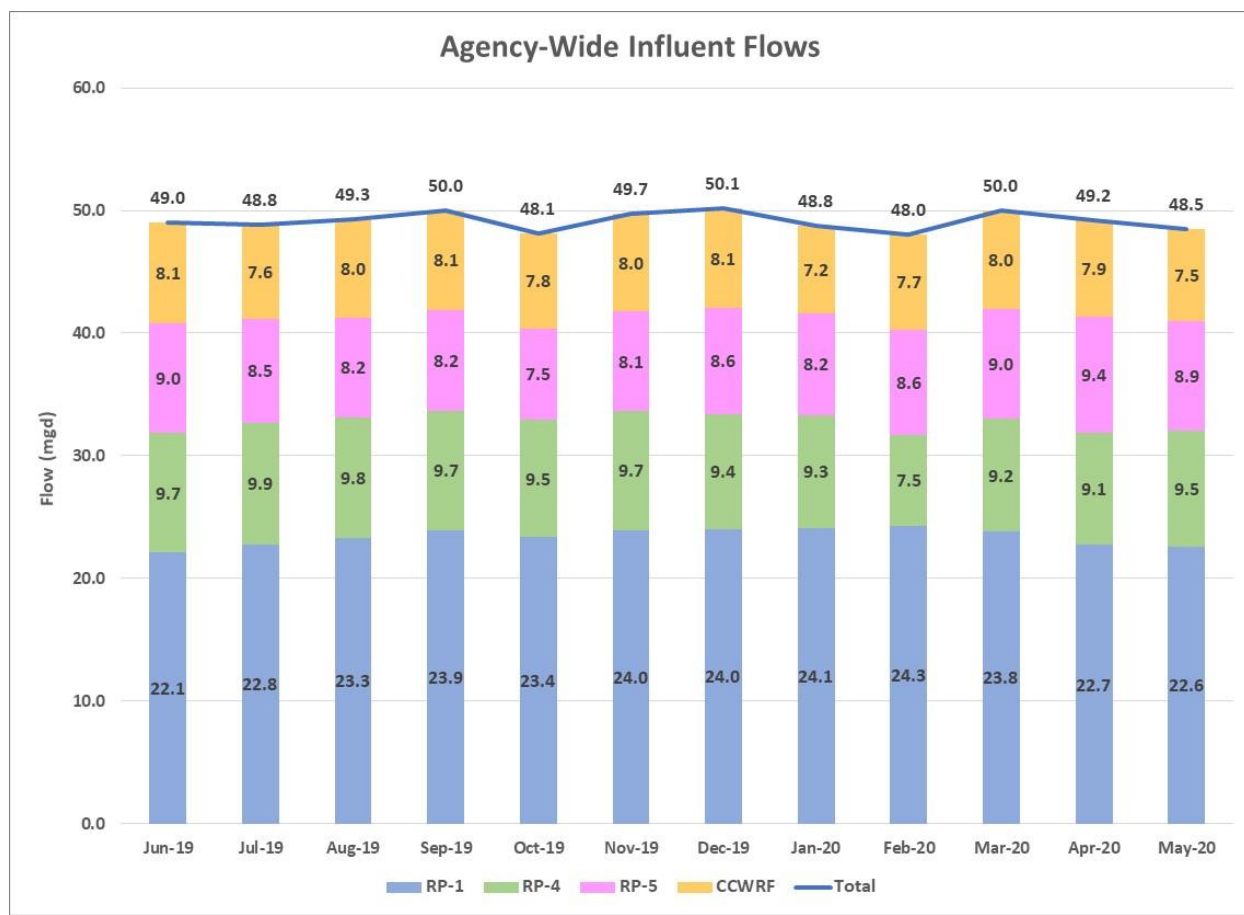
B. Reclamation System

Regional Plants 1, 4, 5 and Carbon Canyon Water Recycling Facility met all the NPDES requirements and effluent/recycled water limitations.



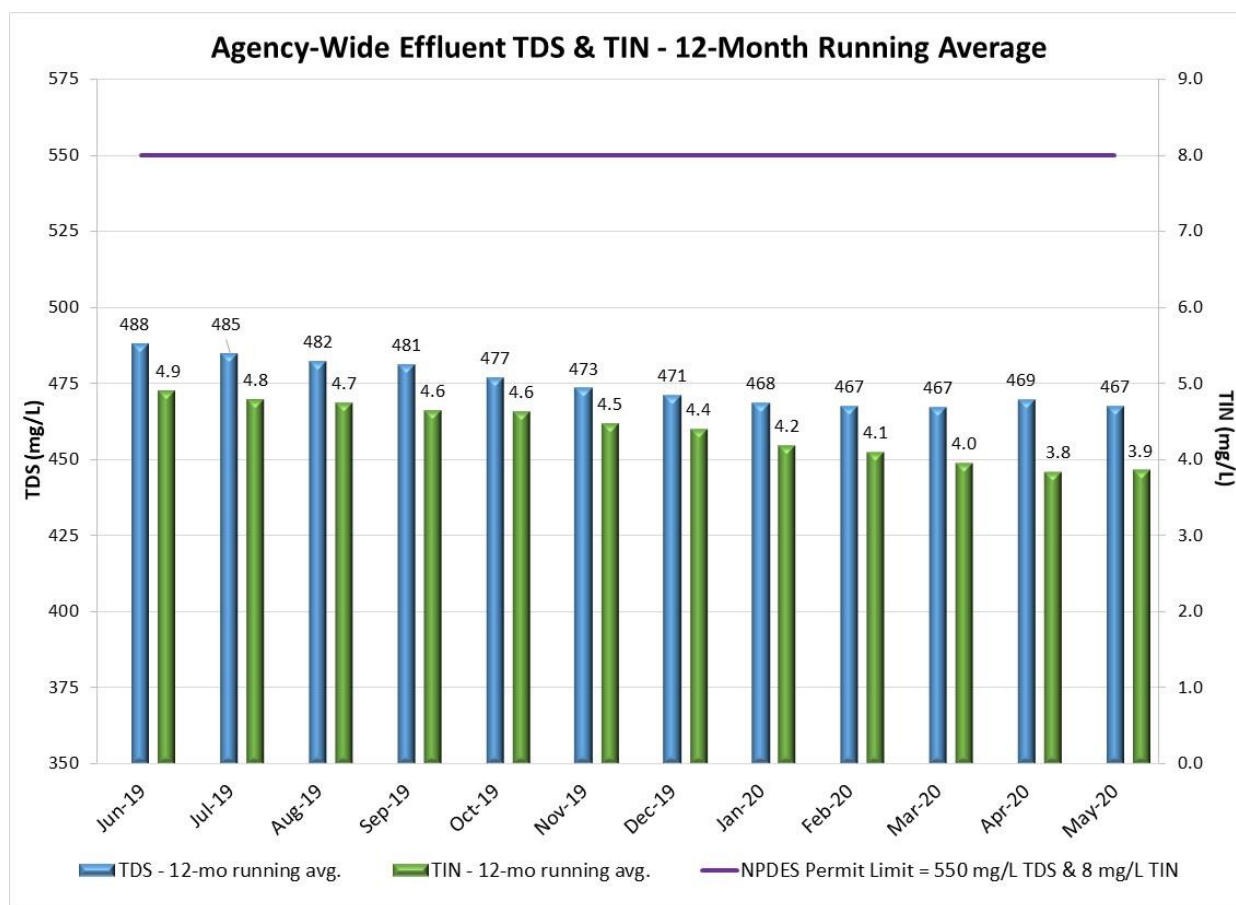
Planning & Environmental Resources (cont.)

IEUA Regional Influent Flows





Planning & Environmental Resources (cont.)



C. Air Quality

1. There were no reportable incidents relating to air quality compliance during the month of May 2020.



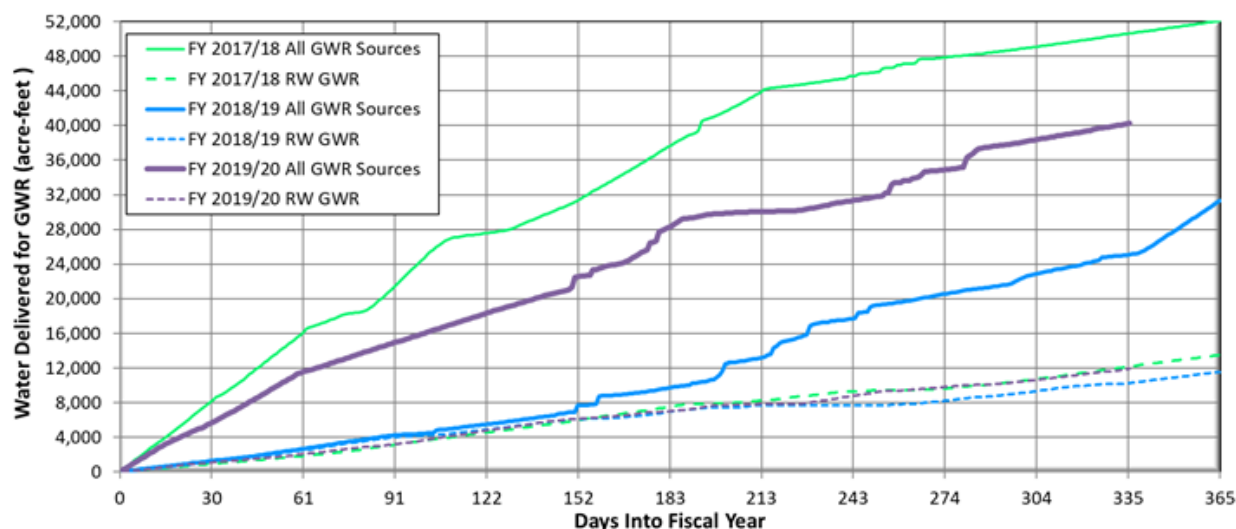
Operations & Regional Composting Facility

D. Recycled Water

1. Groundwater Recharge

During May 2020, recycled water delivery for recharge totaled 1,265 acre-feet. There was one day of light rain in the month. Stormwater and dry weather flow capture is preliminarily estimated at 121 acre-feet. There was no recharge of imported water from MWD during the month. There was 473 acre-feet of imported water recharge from SAWCo. For supplemental water deliveries (imported and recycled), Chino Basin Watermaster will remove 4.2% for evaporation losses during the month of May. Considering evaporation losses, total recharge for the month is preliminarily estimated at 1,786 acre-feet.

Total Groundwater Recharge & Recycled Water Delivered to Groundwater Recharge – through May 2020

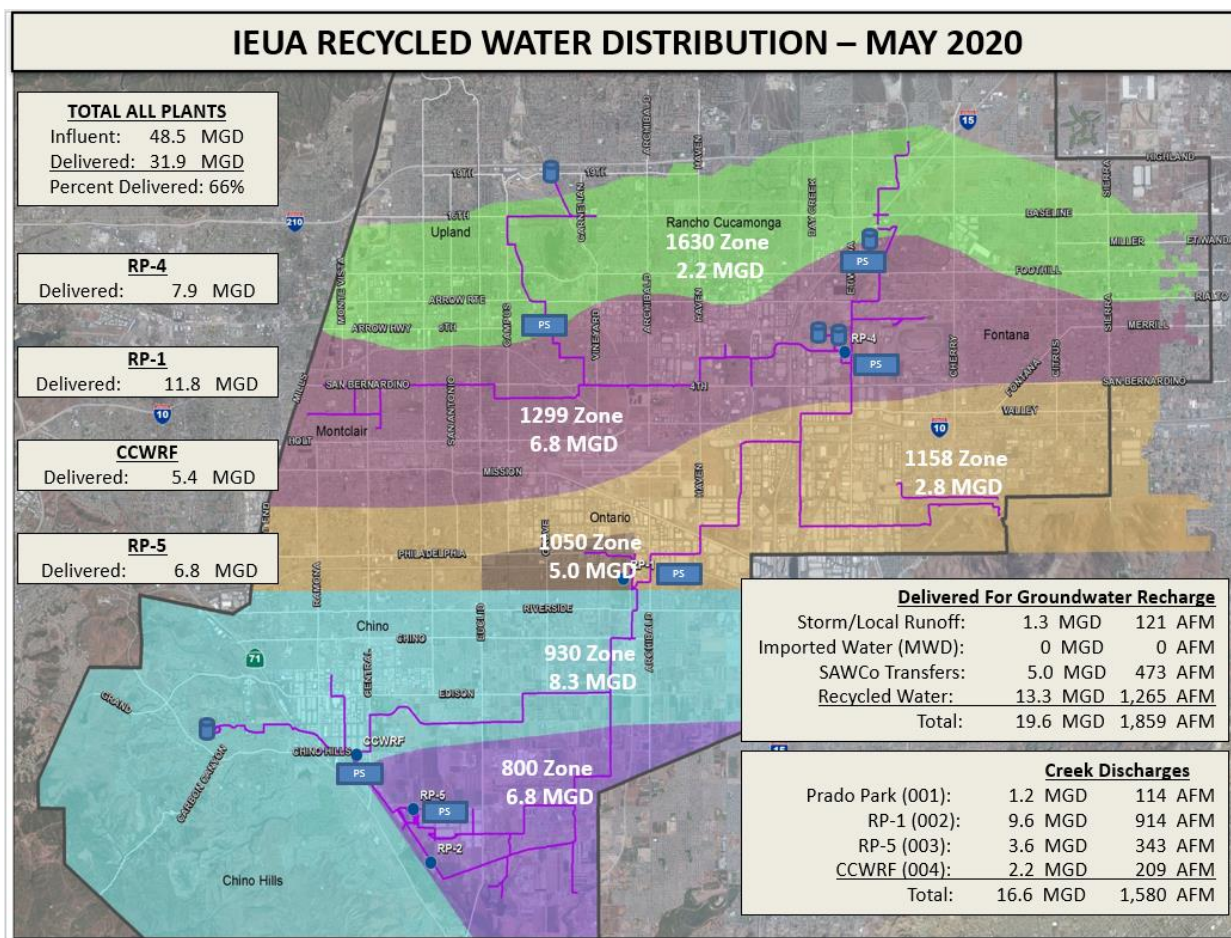




Operations & Regional Composting Facility (cont.)

E. Recycled Water Distribution

During May 2020, 66% (31.9 MGD) of IEUA recycled water supply (48.5 MGD) was delivered into the distribution system for direct use customers (18.6 MGD) and groundwater recharge (13.3 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 16.6 MGD.





Operations & Regional Composting Facility (cont.)

F. Operational Comments

Facility throughput for May averaged approximately 83% of permitted capacity at an average of 383 tons per day of biosolids and 92 tons per day of amendments (based on the 31-day month-to-date). Biosolids volumes are on target for the fiscal year. The facility is operating well with no violations, environmental compliance issues, or lost-time incidents.

G. Biosolids Summary

SOURCE	WET TONS MONTH	WET TONS FISCAL YEAR-TO- DATE	REVENUE MONTH	REVENUE FISCAL YEAR-TO-DATE
Los Angeles County Sanitation District	5,690.39	29,485.74	\$318,661.84	\$1,651,201.44
Inland Empire Utilities Agency	5,887.88	30,495.69	\$329,721.28	\$1,707,758.64
Orange County Sanitation District	299.34	1,900.77	\$17,361.72	\$110,244.66
TOTAL	11,877.61	61,882.20	\$665,744.84	\$3,469,204.74

H. Compost Summary

May sales volume has increased over the same period last year due to the beginning of Spring and the pandemic has not impacted volumes. Inventory is currently at 900 yards and is expected to maintain a minimal amount through Spring and Summer. Sales are projected to match production through the Spring to meet demands.

Compost Monthly Sales

CUBIC YARD	\$/CUBIC YARD	TOTAL REVENUE
22,655.74	\$1.66	\$37,626.06



Operations & Regional Composting Facility (cont.)

I. Operational Comments

Fiscal Year-To-Date Sales Summary

MONTH	TOTAL YARDS 2019/2020	TOTAL YARDS 2018/2019	TOTAL REVENUE 2019/2020	TOTAL REVENUE 2018/2019
July	15,197.96	14,910.11	\$26,993.99	\$24,972.01
August	18,235.92	15,194.50	\$47,097.00	\$28,866.84
September	11,554.41	17,728.97	\$18,735.36	\$24,979.50
October	24,986.59	19,523.68	\$37,115.24	\$28,489.44
November	25,873.18	22,037.03	\$26,834.01	\$28,310.45
December	25,748.13	17,885.11	\$17,219.37	\$21,300.70
January	19,719.66	18,469.01	\$27,315.97	\$16,332.32
February	16,005.15	14,605.08	\$28,364.01	\$16,386.55
March	15,851.95	15,100.65	\$25,664.06	\$28,272.72
April	15,476.33	15,100.65	\$33,831.44	\$28,272.72
May	22,655.74	15,485.75	\$37,626.06	\$33,345.01
TOTAL	211,305.02	186,040.54	\$326,796.51	\$279,528.26
AVERAGE	19,209.55	16,912.78	\$29,708.77	\$25,411.66



Grants Department

J. Grant/Loan Applications Submitted

IEUA submitted a grant application to the California Office of Emergency Services (Cal OES) for emergency funding to supplement costs incurred in response to the COVID-19 pandemic. IEUA's request for reimbursement included costs for personal protective equipment, facility disinfection, hardware and software needed to transition to telework status, and applicable training time. The application has requested reimbursement of 75 percent of the eligible costs, which totaled approximately \$487,000. The Grants staff has already begun working with Cal OES staff on the application review process.

K. Grant/Loan Applications in Process

The Grants Department is preparing an application for the U.S. Bureau of Reclamation's (USBR) WaterSMART Drought Response Program: Drought Resiliency Projects for FY 2021 grant opportunity. IEUA will request a grant in the amount of \$750,000 to supplement costs for the Montclair Basin Improvements project. Applications are due in early July and awards are expected to be announced in late 2020.

L. Grant/Loan Agreement Negotiation

1. On May 27, IEUA and the U.S. Environmental Protection Agency (EPA) completed execution of the Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement, which will provide a low-interest loan in the amount of \$196 million for the RP-5 Expansion Project. The loan carries a 1.36 percent interest rate and must be paid back over a 35-year period. The low interest rate is expected to provide the Agency and its ratepayers a gross savings of \$152.8 million versus the cost of issuing bonds.
2. IEUA received an amendment for the USBR WaterSMART Water Marketing Strategy grant agreement for the Chino Basin Water Bank Project. This amendment will allow Grants staff to begin requesting reimbursement for costs incurred on the project. The agreement will provide IEUA and other project partners \$400,000 in grant funding.



Grants Department (cont.)

M. Grant Reimbursements Processed and Reporting Activities

Grant reimbursements were processed for:

- SWRCB - Chino Basin Improvement & Groundwater Clean-Up Invoice #5 for **\$664,332.77**
- SWRCB - Wineville, Jurupa, and RP-3 Basin Improvements Invoice #7 for **\$99,120.18**
- USBR - Update of Chino Basin Drought Contingency Plan Invoice #5 for **\$9,381.48**

N. Other Department Activities

1. Grants staff prepared and submitted all information needed to successfully comply with external auditors' requests as part of the annual Single Audit process. Grants staff met virtually with the external auditor to review its invoicing processes and received approval of the items reviewed.

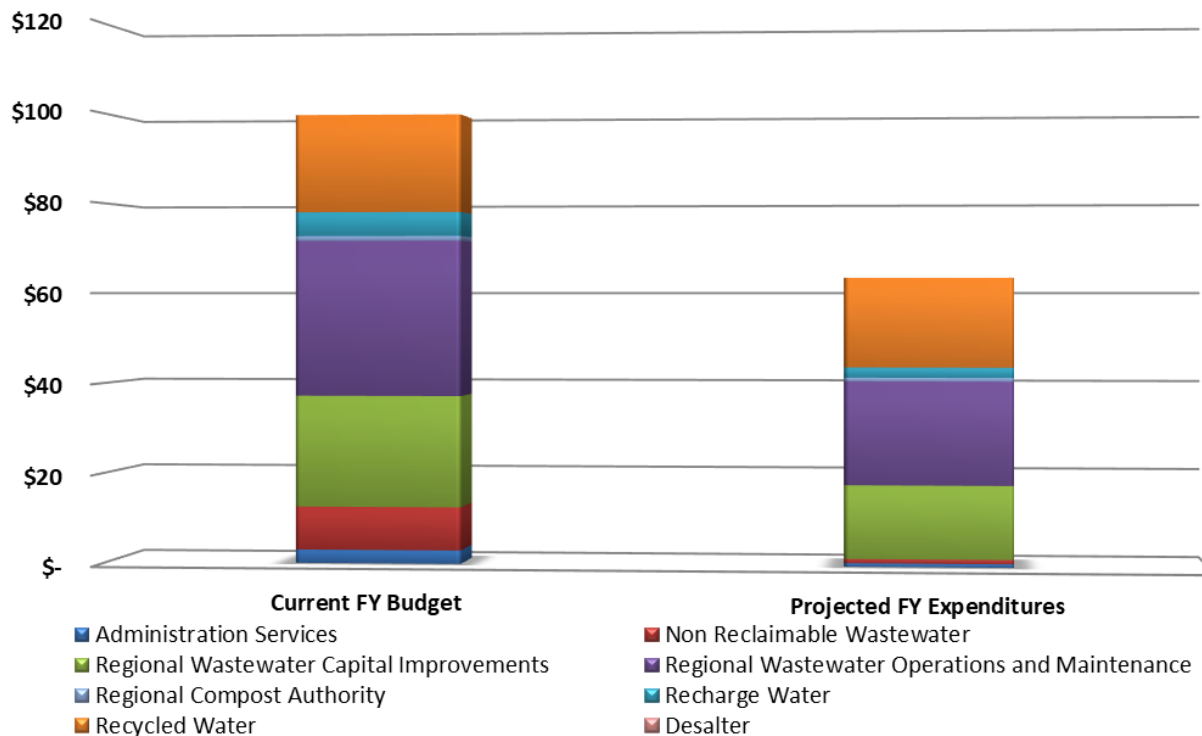


Engineering & Construction Management Department

O. Engineering & Construction Management Department Update

Engineering and Construction Management's current FY 2019/20 budget is \$99,526,002. As of May 31st, staff has projected to spend \$61,500,135 (~62%).

Engineering and Construction Management FY 19/20 Budget Status Update



The accompanying attachments have detailed information for IEUA's capital improvement program.

- Attachment A: Bid and Award Look Ahead Schedule
- Attachment B: Active Capital Improvement Project Status
- Attachment C: Emergency Projects

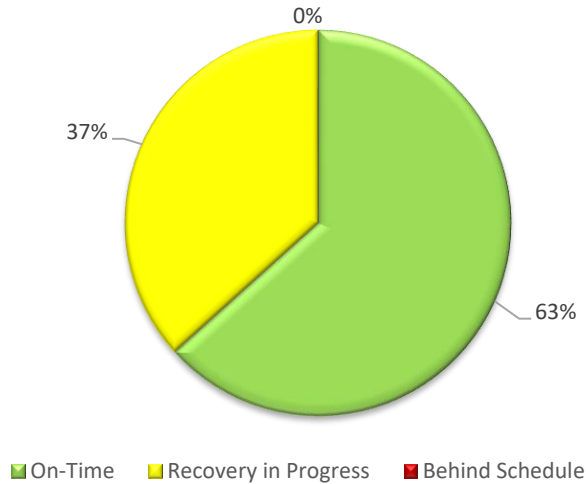
Attachment A
Bid and Award Look Ahead Schedule

Bid and Award Look Ahead Schedule			
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	Jul-20		
1	EN17110.03 RP-4 Aeration Basin Wall Repair	4-Jun-20	15-Jul-20
2	EN19001.00/EN19006.00 RP-5 Expansion to 30 mgd/RP-5 Biosolids Facility	21-May-20	15-Jul-20
	Aug-20		
3	EN20041.00 RP-1 TP-1 Bleach Mixing Repairs	7-Jul-20	19-Aug-20
4	EN20058.00 RP-1 TP-1 Waste Wash Water Basin Pumps Replacement	23-Jun-20	19-Aug-20
5	EN20008.00 HQ Parking Lot FY19/20	8-Jul-20	19-Aug-20
6	EN20040.00 HQ Driveway Improvements	8-Jul-20	19-Aug-20
7	RW15003.06 Wineville/Jurupa/Force Main Improvements	8-Jul-20	19-Aug-20
8	RW15003.03 Montclair Basin Improvements	8-Jul-20	19-Aug-20
	Sep-20		
9	EN17041.00 Orchard Recycled Water Turnout Improvements	1-Jul-20	16-Sep-20
	Oct-20		
10	EN19027.00 NRW Pipeline Relining Along Cucamonga Creek	28-Aug-20	21-Oct-20
	Nov-20		
11	EN20065.00 RP-1 Solids Hot Water Loop Valves	20-Sep-20	18-Nov-20
	Jan-21		
12	EN20056.00 RSS Haven Avenue Repairs	8-Dec-20	20-Jan-21
13	EN20064.00 NSNT Odor Complaints Mitigation	9-Dec-20	20-Jan-21
	Mar-21		
14	EN20051.00 RP-1 MCB and Old Lab Building Rehab	11-Feb-21	17-Mar-21
	May-21		
15	PA20003.00 Agency-Wide Paving	11-Feb-21	21-Apr-21
16	EN23002.00 Philadelphia Lift Station Force Main Improvements	29-Mar-21	19-May-21

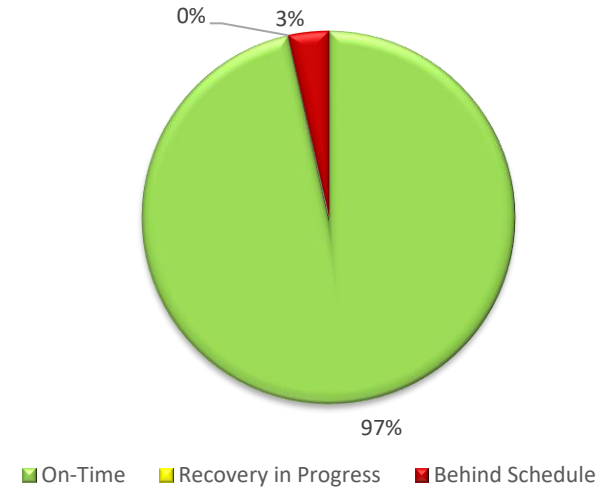
Attachment B

Active Capital Improvement Project Status

Design Schedule Performance



Construction Schedule Performance



Agency-Wide

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	EN20034.03	Solids Handling Facility Evaluation (Budget in EN20034)	20,361	-	On-Time	Consultant Contract	
2	EN19024	Collection System Asset Management (Assessment Only)	219,568	1,250,000	On-Time	Consultant Contract	
3	EN19023	Asset Management Planning Document	279,728	750,000	On-Time	Pre-Design	
4	EN20038	Agency Wide Pavement Management Study	108,111	300,000	On-Time	Design	
5	EN20037	Agency Wide Chemical Containment Coating Rehabilitation	17,980	350,000	On-Time	Bid and Award	
6	FM20002	Agency Wide Roofing	134,284	1,800,000	On-Time	Construction	The staff is in the process of getting a COVID-19 letter on delay. Once this is processed, the schedule will be adjusted. The new baseline schedule is awaiting approval.
7	EN20036.02	RP-5 RW Piping Leak Repairs (Budget in EN20036)	13,536	-	On-Time	Construction	
8	EN17080	System Cathodic Protection Improvements	1,074,774	3,540,851	On-Time	Project Acceptance	
9	EN13016	SCADA Enterprise System	16,061,102	22,045,000	On-Time	Closed	
10	EN17020	WC On-Call Operations and Maintenance Support	-	230,500	N/A	N/A	

Agency-Wide (Cont.)

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
11	EN20034	RO On-Call/Small Projects FY 19/20	-	500,000	N/A	N/A	
12	EN20035	RO Safety Operations and Maintenance Projects FY1920	-	400,000	N/A	N/A	
13	EN20036	WC On-Call/Small Projects FY 19/20	-	320,000	N/A	N/A	
Totals			17,929,444	31,486,351			

Carbon Canyon

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
Totals							

Chino Desalter Authority (CDA)

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
14	EN16021	TCE Plume Cleanup	21,460,888	21,290,000	On-Time	Construction	
Totals			21,460,888	21,290,000			

Collections

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
15	EN20064	NSNT Odor Complaints Mitigation	2,363	500,000	On-Time	Pre-Design	
16	EN23002	Philadelphia Lift Station Force Main Improvements	515,189	18,348,000	Recovery in Progress	Consultant Contract	The project will be re-baselined at construction contract award, after the new alignment is approved by the City of Ontario.
17	EN20056	RSS Haven Avenue Repair & Replacement	95,471	6,000,000	Recovery in Progress	Design	The project will be re-baselined at construction contract award once the most viable alternative is finalized. IEUA staff will try to mitigate some of the delay during the design phase.
18	EN19027	NRW Pipeline Relining Along Cucamonga Creek	133,439	2,395,000	Recovery in Progress	Design	Staff is coordinating the permit with San Bernardino County Flood Control District (SBCFCD) which has taken more time than anticipated. The project will be re-baselined after the construction contract award.
19	EN22002	NRW East End Flowmeter Replacement	394,697	1,986,985	On-Time	Construction	
20	EN19025	Regional Force Main Improvements	265,608	4,173,000	On-Time	Bid and Award	
21	EN19028	NRW Manhole and Pipeline Condition Assessment	72,296	915,000	On-Time	Construction	
22	EN20014	NRWS Manhole Upgrades - 19/20	119,369	200,000	On-Time	Construction	
23	EN20015	Collection System Upgrades 19/20	275,945	500,000	On-Time	Construction	
24	EN19041	San Bernardino Lift Station Facility Improvements	185,938	500,000	On-Time	Project Acceptance	
Totals			2,060,316	35,517,985			

Groundwater Recharge

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
25	RW15003.03	Montclair Basin Improvements (Budget is in RW15003)	248,401	-	On-Time	Design	
26	RW15003.06	Wineville/Jurupa/Force Main Improvements (Budget is in RW15003)	1,265,568	-	Recovery in Progress	Design	Permit approval from the Regional Control Board and Army Corps of Engineers has taken longer than initially planned. The project will be re-baselined after the construction contract award.
27	RW15004	Lower Day Basin Improvements	616,514	4,008,000	On-Time	Construction	
29	RW15003.05	RP-3 Basin Improvements (Budget is in RW15003)	1,032,051	-	On-Time	Project Acceptance	
29	RW15003	Recharge Master Plan Update	-	16,417,000	N/A	N/A	
Totals			3,162,533	20,425,000			

Headquarters

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
30	FM20001	HQ Interior Replacements	61,996	320,000	On-Time	Consultant Contract	
31	EN20040	HQ Driveway Improvements	69,076	400,000	On-Time	Design	
32	EN20008	HQ Parking Lot FY19/20	38,944	440,000	On-Time	Design	
Totals			170,016	1,160,000			

IERCF

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
33	RA17007.01	IERCF Design Build Wash Pad Cover (Budget is in RA17007)	165,819	-	On-Time	Construction	
34	RA17007	IERCF Building Improvements	-	550,000	N/A	N/A	
Totals			165,819	550,000			

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

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
35	EN20051	RP-1 MCB and Old Lab Building Rehab	62,869	1,600,000	Recovery in Progress	Consultant Contract	Staff is preparing alternatives to reduce project cost for Management approval. When a decision is made, the schedule will be re-baselined at construction contract award
36	EN20045	RP-1 TP-1 Level Sensor Replacement	8,359	200,000	On-Time	Consultant Contract	
37	EN13016.05	SCADA Enterprise System - (Regional Water Recycling Plant No. 1) (Budget is in EN13016)	1,123,816	-	On-Time	Pre-design	
38	EN19043	RP-1 Centrifuge Foul Air Line	30,826	120,000	Recovery in Progress	Design	Staff is in the process of taking this project from the project evaluation phase to final design phase utilizing a new contract with the consultant. The current project schedule will be re-baselined after consultant contract award.
39	EN20041	RP-1 TP-1 Bleach Mixing Repairs	42,842	680,000	Recovery in Progress	Design	The consultant will be submitting the final design for staff review. An intermediate design phase was not required, thus the project will make-up time and get back on schedule. The project will be re-baselined after the construction contract award.
40	EN20058	RP-1 TP-1 Waste Wash Water Basin Pumps Replacement	72,911	650,000	Recovery in Progress	Design	The design took longer than anticipated which has delayed the bid date. The project will be re-baselined once the construction contract is awarded.

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

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
41	EN20065	RP-1 Solids Hot Water Loop Valves	509	50,000	On-Time	Design	
42	EN18006	RP-1 Flare Improvements	974,307	5,682,000	Recovery in Progress	Bid and Award	The project was delayed due to changing Air Quality Management District (AQMD) regulations and limited availability of flare manufacturers. The project is currently out to bid and will be re-baselined after construction contract award.
43	EN20060	RP-1 Plant 2 Sludge Piping Repair	49,065	140,000	On-Time	Construction	
44	EN17044	RP-1 12 kV Switchgear and Generator Control Upgrades	3,601,729	5,870,248	On-Time	Construction	
45	EN17082	Mechanical Restoration and Upgrades	1,923,371	10,646,000	On-Time	Construction	
46	EN14042	1158 RWPS Upgrades	5,741,715	7,720,000	On-Time	Construction	
47	EN15012.01	RP-1 Plant No. 2 Effluent Conveyance Improvements (Budget is in EN15012)	950,537	-	On-Time	Construction	
48	EN17042	Digester 6 and 7 Roof Repairs	4,046,229	7,056,000	Behind Schedule	Construction	The project is behind schedule, and recovery is not possible. Non-compensable time extension change order is being prepared and the project will be re-baselined once approved..
49	EN14019	RP-1 Headworks Primary and Secondary Upgrades	9,745,137	10,215,000	On-Time	Project Acceptance	
50	EN15012	RP-1 Primary Effluent Conveyance Improvements	-	8,724,000	On-Time	Completed	
		Totals	28,374,223	59,353,248			
Regional Water Recycling Plant No. 2 (RP-2)							
No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
		Totals	-	-			
Regional Water Recycling Plant No. 4 (RP-4)							
No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
51	EN19010	RP-4 Influent Screen Replacement	314,476	3,040,000	On-Time	Design	
52	EN17043	RP4 Primary Clarifier Rehab	719,919	7,681,542	On-Time	Construction	
53	EN17110	RP-4 Process Improvements	6,740,865	20,962,396	On-Time	Construction	
54	EN13016.03	SCADA Enterprise System - (Regional Water Recycling Plant No. 4) (Budget is in EN13016)	4,779,337	-	On-Time	Project Acceptance	
		Totals	12,554,598	31,683,938			
Regional Water Recycling Plant No. 5 (RP-5)							
No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
55	EN19001	RP-5 Expansion to 30 mgd	14,894,186	175,000,000	On-Time	Bid and Award	
56	EN19006	RP-5 Biosolids Facility	13,481,775	165,400,000	On-Time	Bid and Award	
57	EN20034.02	RP-5 IPS Guide Rail (Budget in EN20034)	49,387	-	On-Time	Project Acceptance	
58	EN14043	RP-5 RW Pipeline Bottleneck	2,942,201	3,137,169	On-Time	Project Acceptance	

Regional Water Recycling Plant No. 5 (RP-5) (Cont.)

No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
59	EN13016.04	SCADA Enterprise System - (Regional Water Recycling Plant No. 5) (Budget is in EN13016)	4,773,933	-	On-Time	Project Acceptance	
		Totals	36,141,483	343,537,169			
Recycled Water							
No.	Project ID	Project Title	Total Expenditures thru 5/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
60	EN15002	1158 Reservoir Site Cleanup	69,790	1,215,000	Recovery in Progress	Project Evaluation	The project is currently in the evaluation phase. Southern California Edison (SCE) and their environmental consultant (EnvApps) are taking the lead in coordinating with Department of Toxic Substances Control (DTSC). IEUA is supporting EnvApps and SCE in the report creation and will take the lead upon completion. A project schedule will be created upon finalization of the site evaluation.
61	EN17041	Orchard Recycled Water Turnout Improvements	145,256	477,000	Recovery in Progress	Design	A permit from Army Corps of Engineers (USACE) took longer to obtain than originally anticipated. The project schedule will be re-baselined once the construction contract is awarded and the contractor's schedule is received.
62	EN20063	930 Zone Valve Replacement	2,982	100,000	On-Time	Construction	
63	EN22004	1158 East Reservoir Re-coating/painting and Upgrades	547,178	1,750,000	On-Time	Construction	
64	EN21004	1158 West Reservoir Re-coating/painting and Upgrades	1,006,876	1,811,000	On-Time	Construction	
65	EN17049	Baseline RWPL Extension	6,631,635	6,921,000	On-Time	Project Acceptance	
66	WR15021	Napa Lateral	6,469,324	6,632,717	On-Time	Project Acceptance	
		Totals	14,873,042	18,906,717			
		Overall Totals	136,892,362	563,910,408			

Attachment C Emergency Projects

FY19/20 Emergency Projects									
	Project ID	Contractor	Task Order Description (Details of Circumstance and Cause of the Emergency)	Location	TO #	Original Not-to-Exceed /Estimate	Actual Cost thru 5/31/2020	Date of Award	Status
Agencywide									
1	EN20019.02	W.A. Rasic Construction	Cleanout on El Prado Road	Agencywide	TO-022	62,750	17,898	3/8/2020	Completed
2	EN20019.03	W.A. Rasic Construction	8" Centrate Line Whispering Lakes Golf Course	Agencywide	TO-0024	28,500	19,897	4/2/2020	Completed
3	EN20017.02	W.A. Rasic Construction	Utility Water Leak - at 4th Street East of Hellman	Agencywide	TO-0020	10,000	18,037	12/3/2019	Completed
IERCF									
4	RA20005.00	Mike Bubalo Construction	IERCF Column Repair	IERCF	TO-0002	49,000	193,534	3/24/2020	Completed
RP-1									
5	EN20019.01	Ferreira Construction	Hot Water Leak at RP-1	RP-1	TO-007	100,000	147,904	12/29/2019	Completed
RP-4									
6	EN20017.03	W.A. Rasic Contracting	RP-4 RW Leak	RP-4	TO-021	10,750	10,932	1/20/2019	Completed
RP-5									
7	EN19001.01	Mike Bubalo Construction	RP-5 Expansion to 30 mgd	RP-5	TO-0001	56,000	56,937	1/30/2020	Active
8	EN19006.01	Mike Bubalo Construction	RP-5 Biosolids Facility	RP-5	TO-0001	0	516	1/30/2020	Active
CCWRF									
9	EN20017.01	W.A. Rasic Construction	CCWRF 3" RW Line Break	CCWRF	TO-0019	22,500	15,537	10/1/2019	Completed
10	EN20017.04	W.A. Rasic Construction	CCWRF RW Leak	CCWRF	TO-023	18,975	12,864	3/27/2020	Completed
HQ									
11	EN20062.00	W.A. Rasic Construction	Chino Creek Wetlands Park Potable Water Line Leak Repair	HQ	TO-0018	10,000	5,694	9/30/2019	Completed
Totals						\$68,475	\$99,750		

May Emergency						
Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Call Out	Not-to-Exceed /Estimate
N/A						
				Totals		0.0