



Regional Sewerage Program Policy Committee Meeting

AGENDA Thursday, July 2, 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 Sally H. Lee at shlee@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

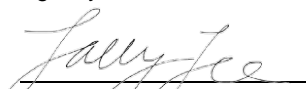
In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the 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**
 - A. Meeting Minutes for June 4, 2020
 - B. IEUA FY 2020/21 Adoption of Regional Wastewater, Recycled Water, Recharge Water, Water Resources, and NRW Budget Amendments
 - C. RP-4 Aeration Basin Wall Repair Construction Contract Award
 - D. RP-5 Expansion Project Construction Contract Award
- 3. Informational Items**
 - A. Return to Sewer Pilot Study Update
- 4. Receive and File**
 - A. Building Activity Report
 - B. Recycled Water Distribution – Operations Summary
- 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 – August 6, 2020 (to be chaired by City of Upland)
- 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, Sally H. Lee, 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, June 25, 2020.


Sally H. Lee

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF JUNE 4, 2020 MEETING

CALL TO ORDER

A meeting of the IEUA/Regional Sewerage Program Policy Committee was held via teleconference on Thursday, June 4, 2020, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Chairwoman Tenice Johnson, City of Montclair, called the meeting to order at 3:32 p.m.

PLEDGE OF ALLEGIANCE

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

ATTENDANCE via Teleconference

Committee Members:

Randall Reed	Cucamonga Valley Water District
Eunice Ulloa	City of Chino
Peter Rogers	City of Chino Hills
Kati Parker	Inland Empire Utilities Agency
Tenice Johnson	City of Montclair
Jim Bowman	City of Ontario
Debbie Stone	City of Upland

Absent:

Jesse Armendarez	City of Fontana
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Others Present:

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

Others Present (continued):

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

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

1. TECHNICAL COMMITTEE REPORT

Noel Castillo/City of Montclair stated that at the May 28 Technical Committee meeting the Committee approved the following action items: The Technical Committee Meeting Minutes of April 30, 2020; recommendation to adopt Fiscal Year (FY) 2020/21 – 2029/2030 Ten Year Forecast; recommendation to adopt FY 2020/21 Proposed Budget Amendment for the Regional Wastewater and Recycled Water Programs; request by City of Chino for a new regional connection point to the Montclair interceptor; recommendation to award a construction contract for the Regional Sewage Force Main Improvements; and recommendation to award a construction contract for the RP-1 Flare System Improvements.

2. ACTION ITEMS**A. APPROVAL OF THE MAY 7, 2020 POLICY COMMITTEE MEETING MINUTES**

Motion: By Peter Rogers/City of Chino Hills and seconded by Jim Bowman/City of Ontario to approve the meeting minutes of the May 7, 2020 Regional Policy Committee meeting.

Motion carried by roll call vote: (5:0)

With the following roll call vote:

Ayes: Stone, Reed, Rogers, Bowman, Johnson
Noes: None
Absent: Armendarez, Ulloa
Abstain: None

B. IEUA TEN YEAR FORECAST

Elizabeth Hurst/IEUA gave a presentation on the 2020/21 – 2029/30 Ten Year Forecast (TYF). Ms. Hurst stated the TYF identifies projects within the next ten years and is prepared in accordance with the Regional Contract. She explained that the projects included are primarily driven by growth, wastewater flow trends, safety and regulatory requirements, and repair and replacement to maintain the system. She further stated that each fall the member agencies provide a forecast of new wastewater connection equivalent dwelling units (EDUs). Ms. Hurst reported that by 2030, EDUs are estimated to reach an additional 74,000 and wastewater flow projections are expected to be 62.3 MGD. Ms. Hurst then reviewed the costs of the TYF and explained that the costs are primarily for the RP-5 Expansion, RP-1 capacity improvements, operations and maintenance, and repair and replacement.

Randall Reed/CVWD asked what part of the Chino Basin Program (CBP) is included in the TYF. Ms. Hurst stated that the planning portion and the preliminary design report (PDR) is currently included. Ms. Hurst stated that the PDR includes facilities that are part of IEUA's long range capital program. Mr. Reed asked if a business plan or financial analysis has been completed for the CBP. Ms. Hurst replied that the business plan is under development and a decision has not been made whether to move forward. General Manager Deshmukh added that the financial analysis will be completed in the summer and will be presented to the Regional Committees. Discussion ensued regarding the process of the TYF, changes to the TYF, rates, and the budget.

Motion: By Jim Bowman/City of Ontario and seconded by Peter Rogers/City of Chino Hills to recommend the IEUA Board of Directors adopt the Fiscal Year 2020/21-2029/30 Ten-Year Forecast.

Motion carried by roll call vote: (5:0)

With the following roll call vote:

Ayes: Stone, Reed, Rogers, Bowman, Johnson
Noes: None
Absent: Armendarez, Ulloa
Abstain: None

C. FY 2020/21 BUDGET REVIEW OF BUDGET AMENDMENTS AND RATES ON REGIONAL WASTEWATER AND RECYCLED WATER FUNDS

Christina Valencia/IEUA stated that the IEUA Board approved the biennial budget for Fiscal Years (FY) 2019/20 and 2020/21 on June 19, 2019. As part of the biennial budget process a review of the second budget year is done to determine if any adjustments are needed. Ms. Valencia stated today's presentation is a follow-up to the presentation that was presented on

May 7. Ms. Valencia noted that a significant change was made to the sources and uses of funds, which is the deferral of the adopted monthly EDU rate for the Regional Wastewater Program that the Board approved on May 6. As a result, staff has amended the proposed amendment to include the deferral of the monthly EDU rate, along with the rates that affect the Regional Wastewater and Recycled Water Programs, which are the wastewater connection fee and the recycled water rates. All other assumptions and amendments remain consistent.

Ms. Valencia reported a decrease in total sources of funds of \$17 million due to the deferral of the rates for FY 2020/21 and the proposed amendment for total uses of funds is slightly under \$3 million. Since the Board's action on May 6, staff and management continue to evaluate the budget to identify projects and items that can be deferred to offset the project revenue loss of \$4.4 million from the proposed deferral of rates increases for FY 2020/21. The overall net position decrease is \$19.8 million, which is \$4.4 million higher than what was reported on May 7. Ms. Valencia then reviewed the various programs and the rate/fee that supports the programs by FY and highlighted that the rates are proposed to remain unchanged for FY 2020/21 and increases proposed for future FYs.

Mr. Reed asked when will the Return to Sewer Pilot Study be completed and what will the long-term rate be for EDUs in the future. Sylvie Lee/IEUA stated the current pilot study will take approximately six months and the sequential process will take about two years to complete. General Manager Deshmukh added that the return to sewer study is one component of a six-month process and the flow and load study will be completed in about two years. He further stated that at the end of that period IEUA will have enough information to provide a better recommendation on the rates moving forward. Discussion ensued on how the current rate was determined and the Carollo rate study workshops.

Ms. Valencia stated that staff is recommending that the Policy Committee approve the recommendation to the IEUA Board to approve the proposed amendment for the Regional Wastewater and Recycled Water Programs for FY 2020/21 and the proposed rates.

Motion: By Debbie Stone/City of Upland and seconded by Peter Rogers/City of Chino Hills to recommend that the IEUA Board of Directors adopt the Fiscal Year 2020/21 Proposed Budget Amendment for the Regional Wastewater and Recycled Water Programs.

Motion carried by roll call vote: (5:0)

With the following roll call vote:

Ayes: Stone, Reed, Rogers, Bowman, Johnson
Noes: None
Absent: Armendarez, Ulloa
Abstain: None

D. REGIONAL FORCE MAIN CONSTRUCTION CONTRACT AWARD

Jerry Burke/IEUA gave a presentation on the Regional Force Main Construction project. He stated that the project is on the San Bernardino Lift Station in the vicinities of Fontana and Rancho Cucamonga. Mr. Burke stated that the work will be on the dual force mains which

consists of constructing 15 clean-out vaults along the force main discharging flow from the San Bernardino Avenue Lift Station to RP-4. The vaults will be utilized to access the force main to conduct cleaning and a condition assessment and provide periodic maintenance. IEUA received four bids and Ferreira Construction Company, Inc. was the lowest responsive bidder for a bid price of \$3,786,070. Mr. Burke explained why the four contractors' bids were higher than the engineer's estimate and stated that the project is complex. He noted that the total project cost is \$4,789,307 and current project budget is \$4,173,000. Therefore, staff is requesting a budget amendment in the amount of \$627,000, which will revise the budget to \$4,800,000. Discussion ensued regarding the type of maintenance to be performed due to sediment buildup.

Eunice Ulloa joined the remote meeting at 4:14 p.m.

Motion: By Randall Reed/CVWD and seconded by Eunice Ulloa/City of Chino to recommend the Inland Empire Utilities Agency (IEUA) Board of Directors award the construction contract for the Regional Sewage Force Main Improvements, Project No. EN19025, to the lowest, responsive bidder for the not-to-exceed amount of \$3,786,070.

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

With the following roll call vote:

Ayes: Stone, Reed, Rogers, Bowman, Ulloa, Johnson
Noes: None
Absent: Armendarez
Abstain: None

E. RP-1 FLARE IMPROVEMENTS CONSTRUCTION CONTRACT AWARD AND CONSULTANT CONTRACT AMENDMENT

Jerry Burke/IEUA presented the RP-1 Flare Improvement Construction project recommendation. He stated that the existing candlestick flare is more than 40 years old and has limited permit capacity. As South Coast Air Quality Management District (SCAQMD) increases the regulations, a more robust flare system is needed to increase efficiency, safety, and comply with SCAQMD regulations. The Agency received five bids from pre-qualified contractors. W.M. Lyles Co. was the lowest, responsive bidder for a bid price of \$5,540,000. The construction cost is \$6,094,000, which brings the total project cost to \$7,626,350. The total project budget was \$5,682,000. Staff is requesting a budget amendment of \$1,968,000 for a revised budget of \$7,650,000.

Motion: By Debbie Stone/City of Upland and seconded by Peter Rogers/City of Chino Hills to recommend the IEUA Board of Directors award the construction contract for the RP-1 Flare System Improvements, Project No. EN18006, to the lowest, responsive bidder for the not-to-exceed amount of \$5,540,000.

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

With the following roll call vote:

Ayes: Stone, Reed, Rogers, Bowman, Ulloa, Johnson
Noes: None
Absent: Armendarez
Abstain: None

3. INFORMATIONAL ITEMS

None.

4. RECEIVE AND FILE

A. BUILDING ACTIVITY REPORT

The Building Activity Report for March 2020 was received and filed by the Committee.

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

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

C. LEGISLATIVE REPORT AND BILL MATRIX

The Legislative Bill Matrix for April 2020 was received and filed by the Committee.

D. ENGINEERING QUARTERLY PROJECT UPDATES

The Engineering and Construction Management Project Updates presentation was received and filed by the Committee.

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Deshmukh gave the following updates:

- On May 27, IEUA signed the loan agreement with EPA for \$196 million and will fund approximately 44 percent of the RP-5 Expansion project. The overall estimate of the program budget is \$450 million. On May 21, IEUA had a bid opening and staff is currently reviewing. General Manager Deshmukh stated that the Water Infrastructure Finance and Innovation Act (WIFIA) loan locked at a fixed rate of 1.36 percent and is payable over 35 years from the project construction completion date.
- IEUA's Internal Audit department completed a review of the Recycled Water revenues. The report will be distributed to the member agencies as an information item on June 8.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

There were no requested agenda items from the Committee members.

C. COMMITTEE MEMBER COMMENTS

Eunice Ulloa/City of Chino complimented IEUA for obtaining grants and loans at good rates and thanked IEUA staff for their efforts.

D. NEXT MEETING – JULY 2, 2020

6. ADJOURNMENT

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

Transcribed by:

Laura Mantilla, Executive Assistant

DRAFT

ACTION ITEM

2B

Date: June 25/July 2, 2020

To: Regional Committees

From: Inland Empire Utilities Agency *ADD*

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

RECOMMENDATION

It is recommended that the Regional Technical and Policy Committees (Regional Committees) review and make a recommendation to the IEUA Board of Directors to approve the proposed:

1. Fees and Rates for the Agency's Regional Wastewater and Recycled Water Programs as follows:
 - A. Regional Wastewater connection fee for Fiscal Years (FYs) 2020/21 and 2021/22
 - B. One Water connection fee for FYs 2020/21 through 2024/25
 - C. Recycled Water rates for direct use and groundwater recharge for FYs 2020/21 and 2021/22, and
2. Approval of the updated FY 2020/21 Budget Amendment for the Regional Wastewater and Recycled Water Programs.

BACKGROUND

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

The FYs 2021-2030 TYF and FY 2020/21 Budget Amendment for the Regional Wastewater and Recycled Water programs were first presented to the Regional Technical Committee on April 29 and the Regional Policy Committee on May 7, 2020. Not included in the proposed FY 2020/21 Budget Amendment was the May 6 approval by the IEUA Board to defer the increase on the monthly equivalent dwelling unit (EDU) for FY 2020/21 adopted in November 2019 in response to the outbreak of the COVID-19 pandemic.

The proposed FY 2020/21 Budget Amendment presented to the Regional Technical Committee on May 28 and the Regional Policy Committee on June 4 was updated to reflect the May 6 rate deferral for the monthly EDU sewer approved by the IEUA Board. Additionally, the presentation to Regional Committees also included a 12-month deferral of the proposed rate increases for the Regional Wastewater connection fee, One Water connection fee and Recycled Water rates, subject

to IEUA Board approval on June 17, 2020. The Regional Committees unanimously recommended the IEUA Board approve the proposed FY 2021-2030 TYF and FY 2020/21 Budget Amendment.

The staff report provided to the Regional Committees for the proposed FY 2020/21 Budget Amendment included the proposed rates and fees summarized in Table 1.

Table 1: Adopted and Proposed Fees and Rates
(Proposed Rates and Fees are Subject to Board Approval)

Fund	Wastewater Operation	Wastewater Capital	Recycled Water		
As of July 1	Monthly Sewer (EDU)	Wastewater Connection Fee (EDU)	Recycled Water Direct Use (AF)	Recycled Water Recharge (AF)	One Water Connection Fee (MEU)
FY 2019/20	\$20.00	\$6,955	\$490	\$550	\$1,684
	ADOPTED	PROPOSED			
FY 2020/21*	\$20.00	\$6,955	\$490	\$550	\$1,684
FY 2021/22	\$21.22	\$7,379	\$520	\$580	\$1,787
FY 2022/23	To be reviewed based on the sewer use evaluation results		To be determined after additional evaluation to ensure long-term program sustainability		\$1,841
FY 2023/24					\$1,896
FY 2024/25					\$1,953

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

The projected revenue shortfall of the proposed 12-month deferral in rates and fees was included in the reduction of \$17.2million to Total Sources of Funds reported in Table 2.

Table 2: FY 2020/21 Proposed Budget Amendment (\$Millions)
Regional Wastewater and Recycled Water Programs
(Reported on May 28/June 4, 2020)

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

However, staff's request for approval by the Regional Committees did not explicitly include a recommendation for approval of the proposed rates and fees for the Regional Wastewater and Recycled programs as summarized in Table 1.

To ensure full transparency, IEUA Board approval of the proposed rates and fees and FY 2020/21 Budget Amendment summarized in Tables 1 and 2, has been deferred to July 15, 2020 in order to return to the Regional Committees and request a recommendation to approve the proposed Regional Wastewater connection fee and Recycled Water rates for FYs 2020/21 and 2021/22, and the One Water connection fee for FYs 2020/21 – 2024/25 based on the 2020 Rate Study.

As reported at the May 28 and June 4 Regional Committee meetings, in order to offset the projected revenue shortfall from the proposed 12-month deferral of rate increases, staff was evaluating budgeted projects and activities to identify costs that could be deferred. This evaluation was still underway when the staff report for the proposed FY 2020/21 Budget Amendment was submitted to the Regional Committees. Since then, staff completed their evaluation and identified approximately \$3.5 million in costs budgeted in the Regional Wastewater and Recycled Water programs that will be deferred in FY 2020/21 and summarized in Table 3.

**Table 3: FY 2020/21 Proposed Deferral (\$Millions)
Regional Wastewater and Recycled Water Programs**

Category	Adjustment	Description
Capital Projects	\$0.3	After TYF review, reclassification of non-capital project to capital
Operating expenses	(\$1.8)	Professional fees and non-capital projects
Inter-fund transfers	(\$2.00)	Capital projects, professional fees support to Administrative services fund.
Total Deferral	(\$3.5)	

The proposed change in net position after applying these adjustments is a decrease of \$13.7 million as shown in Table 4.

**Table 4: Updated FY 2020/21 Proposed Budget Amendment (\$Millions)
Regional Wastewater and Recycled Water Programs**

Consolidated FY 2020/21	Presented at May/June Regional Committees	Proposed Amended Budget	Proposed vs Presented May/June
Total Sources of Funds	\$ 254.7	\$ 254.7	\$0.0
Total Uses of Funds	(\$271.9)	(\$268.4)	(\$3.5)
Increase (Decrease) in Net Position	(\$17.2)	(\$13.7)	

Conclusion

If revenues and expenses occur as planned with the Board approved 12-month deferral of rate increases for FY 2020/21, the proposed amendments to total Sources and Uses of Funds will reduce the net position of the Regional Wastewater and Recycled Water programs by \$13.7 million compared to the increase in net position of \$2.6 million projected in the FY 2020/21 Adopted Budget, as summarized in Table 4 above.

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

Proposed Rates and Fees and FY 2020/21 Budget Amendment Regional Wastewater and Recycled Water Programs



Prior Review and Approval

FY 2020/21 Budget Amendment, Rates and Fees

Date	Committee/ Board	Reviewed	Approved
October 31 / November 7	Regional Technical Advisory/Regional Policy	2020 Rate Study Update	Approved early adoption of the monthly EDU rate for Fiscal Years 2020/21 and 2021/22
April 29	Regional Technical Advisory	FY 2020/21 Budget Amendment for Regional Wastewater and Recycled Water Program, and Ten Year Forecast FYS 2021-2030	
May 6	IEUA Board		Deferred adopted increase to the monthly EDU rate for FY 2020/21
May 7	Regional Policy	FY 2020/21 Budget Amendment for Regional Wastewater and Recycled Water Program, and Ten Year Forecast FYS 2021-2030	
May 28 /June 4	Regional Technical Advisory/Regional Policy		FY 2020/21 Budget Amendment for Regional Wastewater and Recycled Water Program, and Ten Year Forecast FYS 2021-2030
June 10	IEUA Finance Committee		FY 2020/21 Budget Amendment, Rates and Fees for All Agency Programs, and Ten Year Forecast FYS 2021-2030

Proposed Rates

Fund	Wastewater Operation	Wastewater Capital	Recycled Water		
As of July 1	Monthly Sewer (EDU)	Wastewater Connection Fee (EDU)	Recycled Water Direct Use (AF)	Recycled Water Recharge (AF)	One Water Connection Fee (MEU)
FY 2019/20	\$20.00	\$6,955	\$490	\$550	\$1,684
	ADOPTED	PROPOSED			
FY 2020/21	\$20.00	\$6,955	\$490	\$550	\$1,684
FY 2021/22	\$21.22	\$7,379	\$520	\$580	\$1,787
FY 2022/23	To be reviewed based on the sewer use evaluation results		To be determined after additional evaluation to ensure long-term program sustainability		\$1,841
FY 2023/24					\$1,896
FY 2024/25					\$1,953

Proposed Rates (Including Water Resources)

Fund	Wastewater Operation	Wastewater Capital	Recycled Water			Water Resources	
As of July 1	Monthly Sewer (EDU)	Wastewater Connection Fee (EDU)	Recycled Water Direct Use (AF)	Recycled Water Recharge (AF)	One Water Connection Fee (MEU)	Meter Equivalent Units (MEU)	RTS Recovery
FY 2019/20	\$20.00	\$6,955	\$490	\$550	\$1,684	\$1.04	60%
	ADOPTED	PROPOSED					
FY 2020/21*	\$20.00	\$6,955	\$490	\$550	\$1,684	\$1.04	75%
FY 2021/22	\$21.22	\$7,379	\$520	\$580	\$1,787	\$1.08	90%
FY 2022/23	To be reviewed based on the sewer use evaluation results		To be determined after additional evaluation to ensure long-term program sustainability		\$1,841	\$1.10	100%
FY 2023/24					\$1,896	\$1.12	100%
FY 2024/25					\$1,953	\$1.14	100%

FY 2020/21 Proposed Budget Amendment

Regional Wastewater and Recycled Water

Proposed FY 2020/21 Budget Amendment updated to include \$3.5M in deferred projects and costs to offset projected revenue shortfall from the proposed 12-month deferral of rate increases in FY 2020/21

\$ Millions	FY 2020/21 Presented May/June	FY 2020/21 Proposed	Proposed vs Presented May/June
Total Sources of Funds*	\$254.7	\$254.7	\$0.0
Total Uses of Funds	<u>\$271.9</u>	<u>\$268.4</u>	<u>(\$3.5)</u>
Increase (decrease) net position	(\$17.2)	(\$13.7)	

*12-month deferral of rate increases proposed for FY 2020/21 is subject to Board approval on July 15, 2020.

Review and Approval Timeline

Month	Regional Technical Committee	Regional Policy Committee	IEUA Finance Committee	IEUA Board
June	06/25		06/10	Defer to 7/15
July		07/02	07/08	07/15

Recommendations

1. Recommendation to the IEUA Board of Directors to adopt the proposed fees and rates for the Regional Wastewater and Recycled Water Programs effective July 1 of each fiscal year;
 - Regional Wastewater connection fee for FYs 2020/21 and 2021/22,
 - One Water connection fee for FYs 2020/21 through FY 2024/25,
 - Recycled Water rates for FYs 2020/21 and 2021/22
2. Approval of the updated FY 2020/21 Budget Amendment for the Regional Wastewater and Recycled Water Programs.

Questions



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

ACTION ITEM

2C

Date: June 2020/July 2020

To: Regional Committees

From: Inland Empire Utilities Agency *SSD*

Subject: RP-4 Aeration Basin Diffuser Replacement and Wall Reinforcement
Construction Contract Award

RECOMMENDATION

It is requested that the Regional Committees recommend the Inland Empire Utilities Agency (IEUA) Board of Directors award the construction contract for the Regional Water Recycling Plant No. 4 (RP-4) Aeration Basin Diffuser Replacement and Wall Reinforcement, Project No. EN17110.03, to the lowest, responsive bidder in the amount of \$4,102,444.

BACKGROUND

During the 2005 expansion of the (RP-4), the three oxidation ditches were modified into six aeration basins by extending the center dividing walls of each of the basins in the north and south directions. During the recent RP-4 Rehabilitation Project design (EN17110), staff discovered the added walls could not support the differential pressure created by only having one side of the basin online during a seismic event. Due to the structurally deficient center basin walls, operations are only able to operate four basins resulting in less efficient treatment. The most efficient way to operate the plant is with five out of the six basins online.

This project will construct concrete counterforts on the center walls of all three basin to strengthen these walls and give operations staff the ability to operate an odd number of aeration basins. In addition, the existing aeration panel diffusers are nearing the end of their useful life, and the current panel diffuser manufacturer is no longer supporting the existing system or providing replacement parts; therefore, as part of this project the current panel diffuser will be replaced with new SSI Aeration disc style diffusers. In May 2020, the Board of Directors authorized the sole source procurement of these diffusers with a future price guarantee to the general contractor. This guaranteed price is included in the contractor's bid below. Furthermore, the existing recycled water piping on the aeration basins is inadequate and will be removed and replaced as part of this project. Finally, there is currently no efficient way to drain the basins for cleaning, so this project will add drainage sumps to facilitate this operation.

On May 5, 2020, a request for bids was advertised on *PlanetBids* to eleven prequalified contractors. On June 9, 2020, IEUA received eight (8) construction bids. Genesis Construction, was the lowest responsive, responsible bidder with a bid price of \$4,102,444; Engineer's estimate was \$4,620,000.

The following table presents the anticipated project cost:

Description	Estimated Cost
Design Services	<i>\$110,941</i>
Design Consultant Contract	\$78,063
IEUA Design Services (actuals)	\$32,878
Construction Services	<i>\$401,156</i>
Engineering Services During Construction	\$176,156
IEUA Construction Services (~5%)	\$225,000
Construction	<i>\$4,512,694</i>
Construction (This Action)	\$4,102,444
Contingency (~10%)	\$410,250
Total Project Cost (This Project):	<i>\$5,024,791</i>
Total Project Cost (Trident Filter):	<i>\$5,000,000</i>
Total Project Cost (Process Improvements):	<i>\$16,015,162</i>
Total Project Cost:	<i>\$26,039,953</i>
Total Project Budget:	<i>\$28,643,938</i>

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	July 2020
Construction Completion	September 2021

The RP-4 Aeration Basin Diffuser Replacement and Wall Reinforcement 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.

RP-4 Aeration Basin Diffuser Replacement and Wall Reinforcement

Construction Contract Award

Project No. EN17110.03



Project Location



The Project

- Replace panel diffusers with SSI disc diffusers
- Install new sprayers and RW piping
- Coat the ductile iron piping
- Install counterforts to strengthen aeration basin's center walls
- Install drainage sumps



Existing Panel Diffusers



Proposed Disc Diffuser System

Contractor Selection

Eight bids were received on June 9, 2020, from prequalified contractors:

Bidder's Name	Final Bid Amount
Genesis Construction	\$4,102,444
Innovative Construction Solutions	\$4,380,400
Stanek Constructors	\$4,427,000
J.R. Filanc Construction Co., Inc.	\$4,455,982
Kiewit Infrastructure West Co.	\$4,667,000
J.F. Shea Construction, Inc.	\$4,860,000
PCL Construction, Inc.	\$5,190,000
W.A. Rasic Construction Company	\$5,588,855
Engineer's Estimate	\$4,620,000

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$110,941
Design Consultant Contract	\$78,063
IEUA Design Services (actuals)	\$32,878
Construction Services	\$401,156
Engineering Services During Construction	\$176,156
IEUA Construction Services (~5%)	\$225,000
Construction	\$4,512,694
Construction Contract (this action)	\$4,102,444
Contingency (~10%)	\$410,250
Total Project Cost (This project):	\$5,024,791
Total Project Cost (Process Improvements):	\$16,015,162
Total Project Cost (Trident Filter):	\$5,000,000
Total Project Costs (All)	\$26,039,953
Total Project Budget:	\$28,643,938

Project Milestone	Date
Construction	
Construction Contract Award	July 2020
Construction Completion	September 2021

Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the RP-4 Aeration Basin Diffuser Replacement and Wall Reinforcement, Project No. EN17110.03, to the lowest, responsive bidder in the amount of \$4,102,444.

The RP-4 Aeration Basin Diffuser Replacement and Wall Reinforcement Project is consistent with **IEUA's business goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainability managed, and can accommodate changes in regional water use.

ACTION ITEM

2D



Date: June/July 2020

To: Regional Committees

From: Inland Empire Utilities Agency *ADD*

Subject: RP-5 Expansion Construction Contract Award

RECOMMENDATION

It is requested that the Regional Committees recommend the Inland Empire Utilities Agency (IEUA) Board of Directors award the construction contract for the Regional Water Recycling Plant No. 5 (RP-5) Expansion, Project Nos. EN19001 and EN19006, to the lowest, responsive bidder in the amount of \$329,982,900.

BACKGROUND

As part of IEUA's Wastewater Facilities Master Plan (WFMP), an analysis was conducted of the influent wastewater flow and quality data for IEUA's Regional Water Recycling Plants (RWRPs), including RP-5, to establish current average and peak influent flows, concentrations, and loads for the purpose of developing flow and load projections for the 2035 planning year. This analysis confirmed the following treatment needs:

1. Expand the RP-5 Liquids Treatment System to meet service area growth.
2. Relocate RP-2 Solids Treatment to RP-5 and build a new solids treatment plant at RP-5 to meet the solids handling requirements for future growth that is being projected for IEUA's service area.

The RP-5 Expansion will increase the liquid treatment capacity from 15 to 22.5 million gallons per day (MGD) and increase solids treatment to 30 MGD. RP-2 currently treats solids received from RP-5 and Carbon Canyon Water Reclamation Facility (CCWRF). The relocation of the RP-2 Solids Treatment Facility to RP-5 is required due to the facility being located on United States Army Corps of Engineers (USACE) property, which is located in a future flood plain upon completion of USACE project to raise the Prado Dam Spillway. The proposed RP-5 Solids Treatment Facility will be able to treat all solids generated from RP-5 and CCWRF.

The RP-5 Liquids Treatment Expansion and the RP-5 Solids Treatment Facility (RP-5 Expansion), Project Nos. EN19001 and EN19006, consists of the following major components:

- Expansion of Influent Pump Station enlarging the wet well
- Headworks improvements: coarse screens, grit chamber, fine screens, screenings/grit removal
- Two new primary clarifiers and four new primary clarifier covers

- Improvements to the existing aeration basin including new diffusers, mixed liquor pumps, and aeration blowers
- A 22.5 MGD Membrane Bioreactor (MBR) system
- Re-rating of the Chlorine Contact Basin
- New centralized odor control system for solids and liquids
- Emergency overflow and storm water system
- New Mountain Avenue Lift Station and Modifications to Butterfield Ranch Pump Station, including new pipelines for connection to IEUA's sewer system (Separate Project)
- Rotary drum thickening building for primary and secondary solids thickening
- Phased digestion including acid phase digesters, and methane digesters
- Digested sludge storage
- Centrifuge dewatering building, biosolids cake storage, and centrate equalization
- Digester gas treatment, digester gas flaring, and emissions control systems for the existing engines
- Food waste receiving station

On October 31, 2019, a request for bids was advertised on *PlanetBids* to four prequalified contractors. On May 21, 2020, IEUA received four construction bids. W.M. Lyles Co. was the lowest responsive, responsible bidder with a bid price of \$329,982,900. The Engineer's estimate was \$309,000,000. Due to the low bid being above the Consultant Engineer's estimate, IEUA and the Consultant Engineer conducted a cost evaluation and determined that changed site conditions discovered during the bid phase along with additional scope incorporated into the project resulted in a price increase of \$31,128,000 revising the estimate to \$340,128,000. Therefore, the W.M. Lyles Co. bid of \$329,982,900 is competitive and reasonable for the scope of the RP-5 Expansion project.

The following table presents the anticipated project cost:

Description	Estimated Cost
Design Services	\$26,406,753
Design Contract (actuals)	\$21,311,890
IEUA Design Services (actuals)	\$2,158,507
Other Design Services (actuals)	\$2,936,356
Construction Services	\$43,361,716
Construction Management Services	\$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
Construction Contract (This Action)	\$329,982,900
Offsite Facilities Construction (Separate package estimate)	\$12,000,000
Contingency (~10%)	\$34,198,290
Total Project Cost:	\$445,949,659
Total Project Budget:	\$450,000,000

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	July 2020
RP-5 Solids Facility Completion	January 2024
RP-5 Liquids Treatment Expansion Completion	January 2025

The RP-5 Expansion Project is consistent with *IEUA's Business Goal of Wastewater Management*, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

RP-5 Expansion Construction Contract Award

Project Nos. EN19001 and EN19006



Project Location – RP-5 Expansion

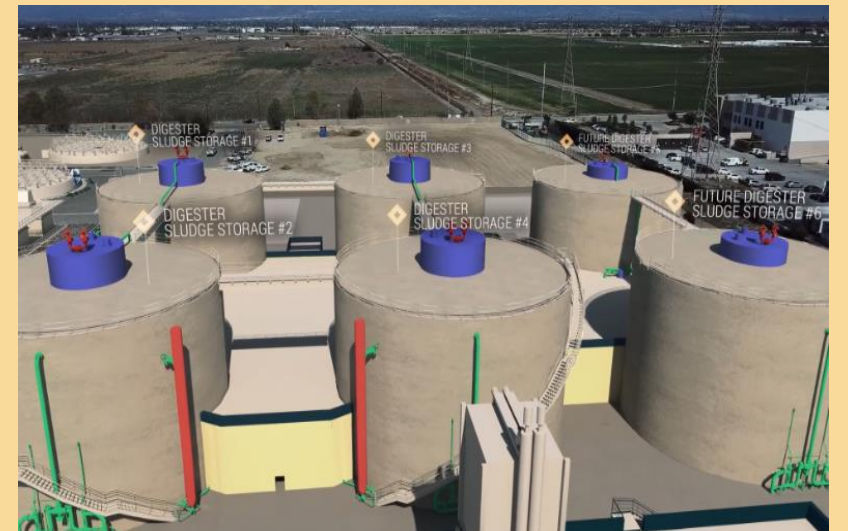


RP-5 Facility

Liquid Expansion



Biosolids Facility



The Project

- **Expand RP-5 Liquids Treatment to 22.5 MGD (mechanical systems) and 30 MGD (structural systems)**
- **Relocate RP-2 to RP-5**
- **Construct RP-5 Solids Treatment Facility to treat 30 MGD of solids from both CCWRF and RP-5**

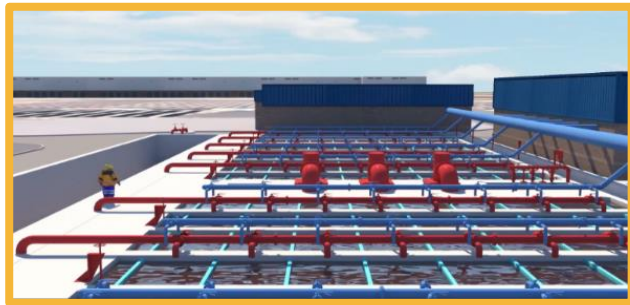


RP-5 Expansion New Facilities

The Project - Continued

RP-5 Liquid Expansion

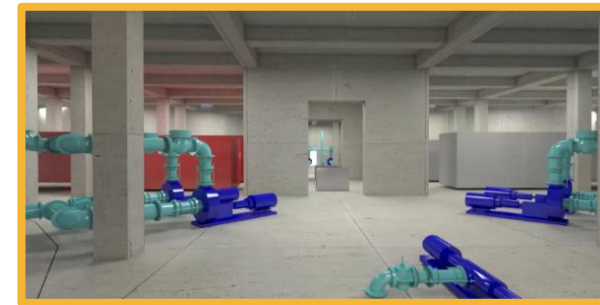
- Influent pump station expansion
- Headworks improvements
- Two new primary clarifiers
- Existing aeration basin improvements
- New Membrane Bioreactor (MBR) system
- Rerating of the chlorine contact basin



New MBR Basin Model

RP-5 Biosolids Facility

- Rotary drum thickening building
- Digester facilities
- Centrifuge dewatering building
- Boiler building
- Digester gas treatment and flaring
- REEP Energy Improvements



Digester Facilities Model

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

- Explanation bid is above Engineer's Estimate:
 - Changed Site Conditions
 - Additional Scope Added through Addendum
 - COVID 19 Impacts

Project Budget and Schedule

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 (This Action)	\$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
Construction	
IEUA Board Construction Contract Award	July 15, 2020
Solids Facility Completion	January 2024
Liquids Construction Completion	January 2025

Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors award the construction contract for the RP-5 Expansion Project, Project Nos. EN19001 and EN19006, to the lowest, responsive bidder in the amount of \$329,982,900.

The RP-5 Expansion 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.

**INFORMATION
ITEM**

3A

Pilot Return to Sewer Flow Study Update

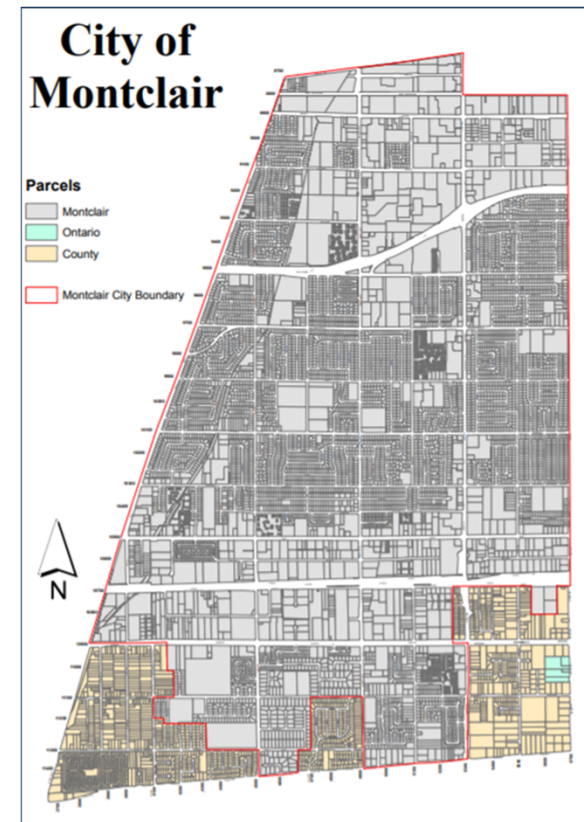


Background

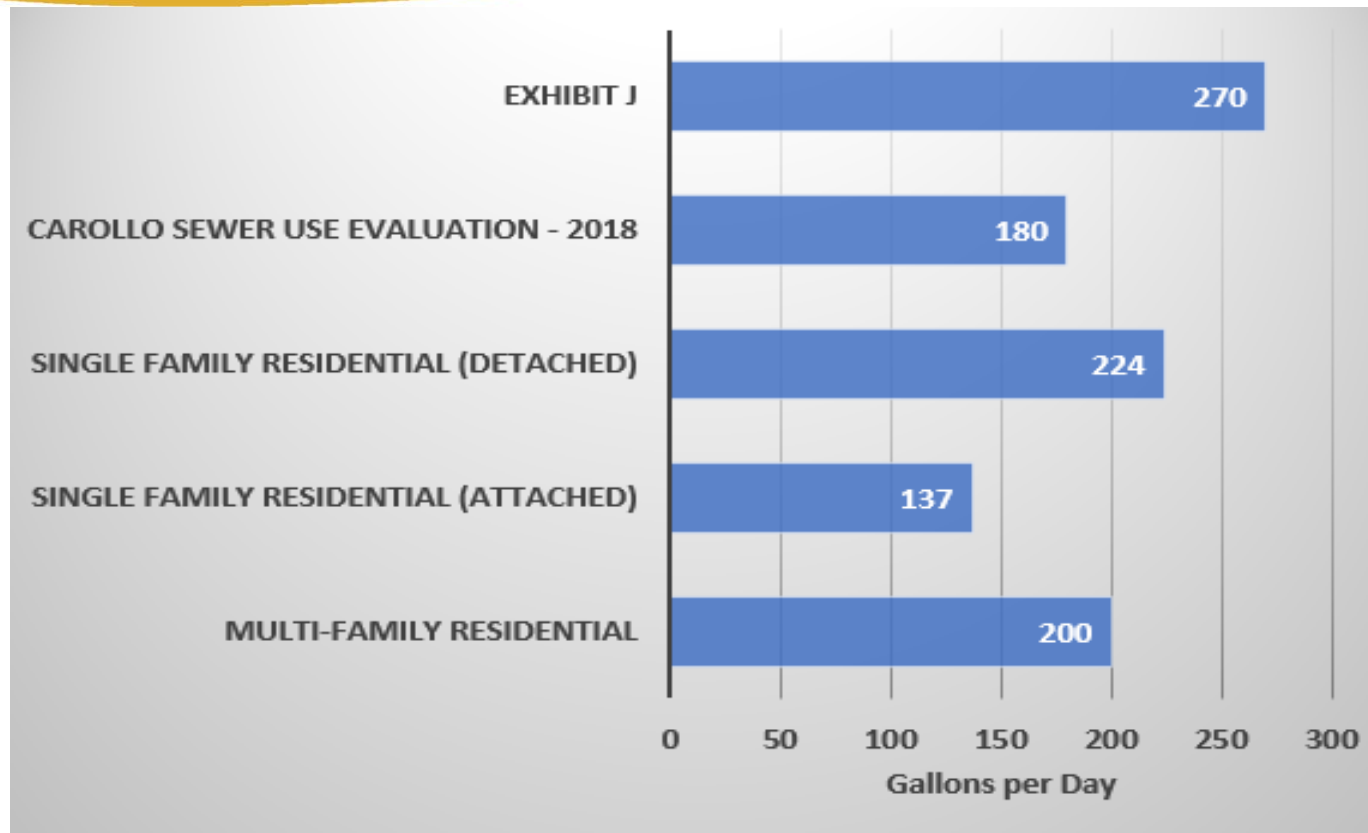
- June 2016 to April 2018 – Sewer Use Fee Evaluation (Carollo Study)
 - Evaluation of Exhibit J and EDU Equation
 - Study paused on recommendation from Regional Technical Committee
 - Consideration of California Association of Sanitation Agencies (CASA) Flow & Loading Study
 - Consideration of Regional Contract Negotiations (RCN)
 - Pilot Return to Sewer Flow Study (Pilot Study) presented to Regional Technical Committee
- February to July 2019 – RCN Growth Forecast Discussions
 - Land Use Demand Model (LUDM)
 - Development of Wastewater Strength & Return to Sewer Factors
 - Subcommittee established to review LUDM and Pilot Study
- November 2019 – RCN Group
 - Recommendation to move forward pending approval by Regional Technical Committee
- January 2020 – Approval of Pilot Study by Regional Technical Committee
- April 2020 – Kick-Off Meeting

Pilot Study Scope

- Pilot Study for the Montclair/Monte Vista Water District Service Area
- Calculation of Return to Sewer Factor (Residential/Commercial)
 - Water demands and subtracting estimated outdoor demands
 - Minimum-month water consumption data
 - Regression model
- Regional Contract Negotiation Subcommittee Involvement
 - Monthly data review with Technical Group
- Timeline for project – April to October 2020



Pilot Study Preliminary Findings



- Preliminary Results are based on Winter Month Demands
- Next Steps – Commercial Category Evaluation

Timeline/Schedule

CASA Study

- Statewide Flow & Wastewater Monitoring Study

Residential Handbook

Non-Residential Monitoring on Hold

Jan – Jun 2020

Residential Handbook

Non-Residential Monitoring on Hold

July – Dec 2020

Residential Handbook

Non-Residential Monitoring (Jan – May)

Non-Residential Handbook

Jan – Jun 2021

Completion of CASA Study (December 2021)

Issuance of Residential & Non-Residential Handbooks (December 2021)

Jul 2021 – Mar 2023

IEUA EDU Study

- Pilot Return to Sewer Flow Study
- IEUA Service Area Return to Sewer Study
- EDU methodology & Rate Structure

Approval of Pilot Return to Sewer Flow Study (Jan)

Kick-off Pilot Return to Sewer Flow Study (April)

Completion of Pilot Return to Sewer Flow Study (Oct)

Evaluation & Field Verification of MVWD/Montclair Service area (Nov – Dec)

Evaluation/Field Verification of Pilot Study Service Area (Jan – Feb)

Initiation of IEUA Service Area Return to Sewer Study (Mar – Jun)

IEUA Service Area Return to Sewer Study (Jul 2021 – May 2022)

EDU Methodology & Rate Structure (Mar 2022 – Mar 2023)

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2019/20



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

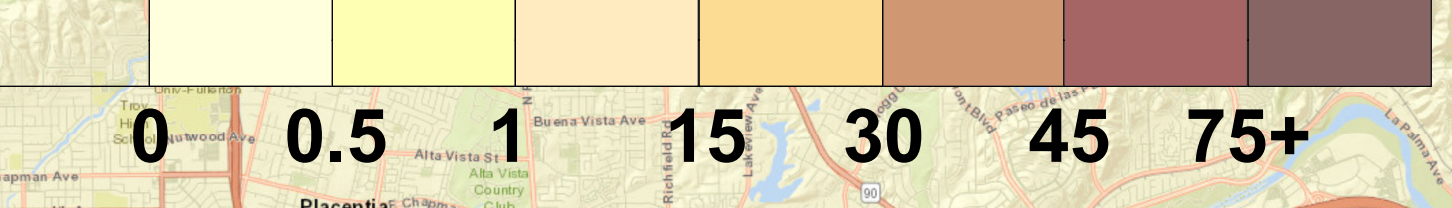
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

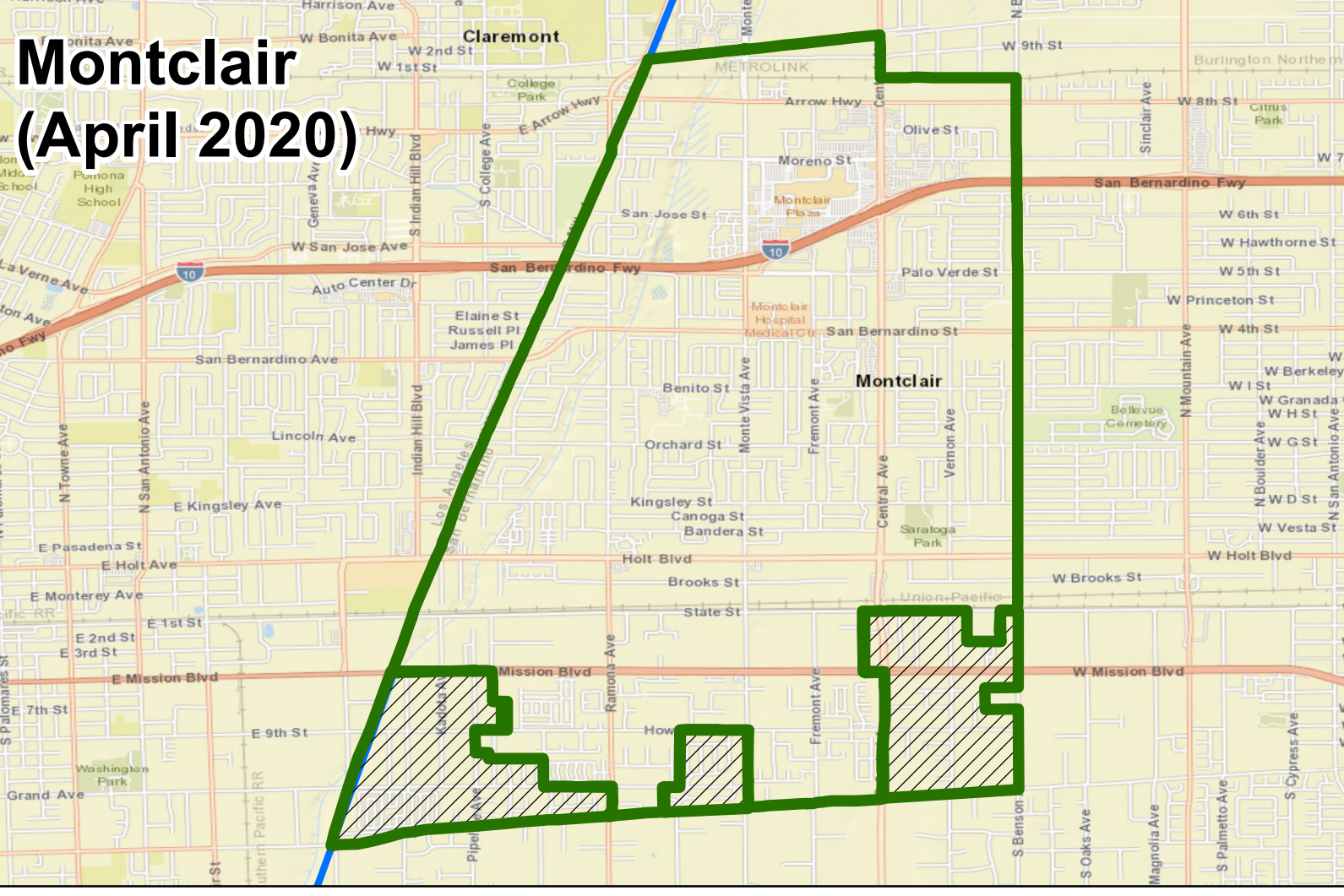
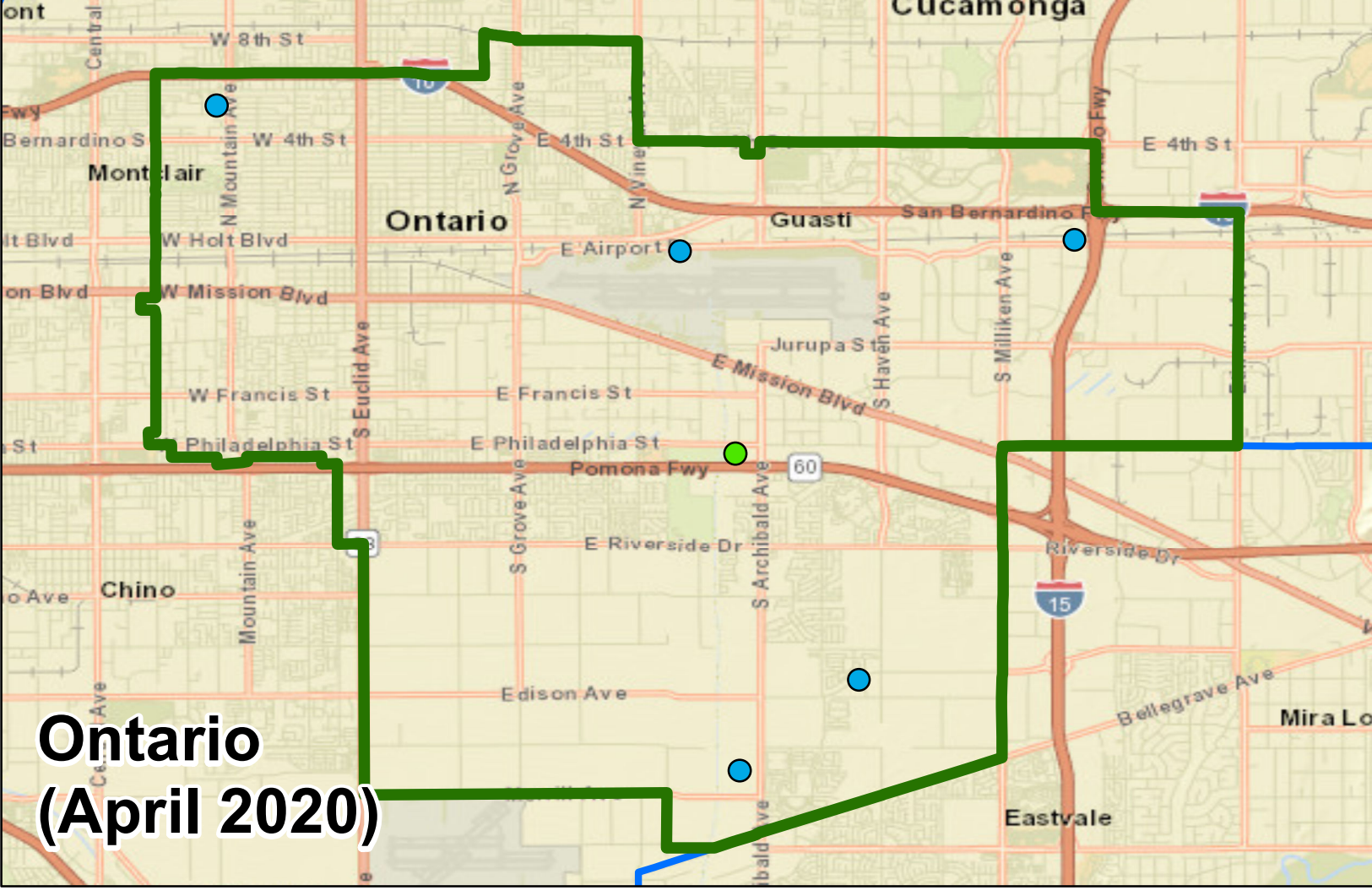
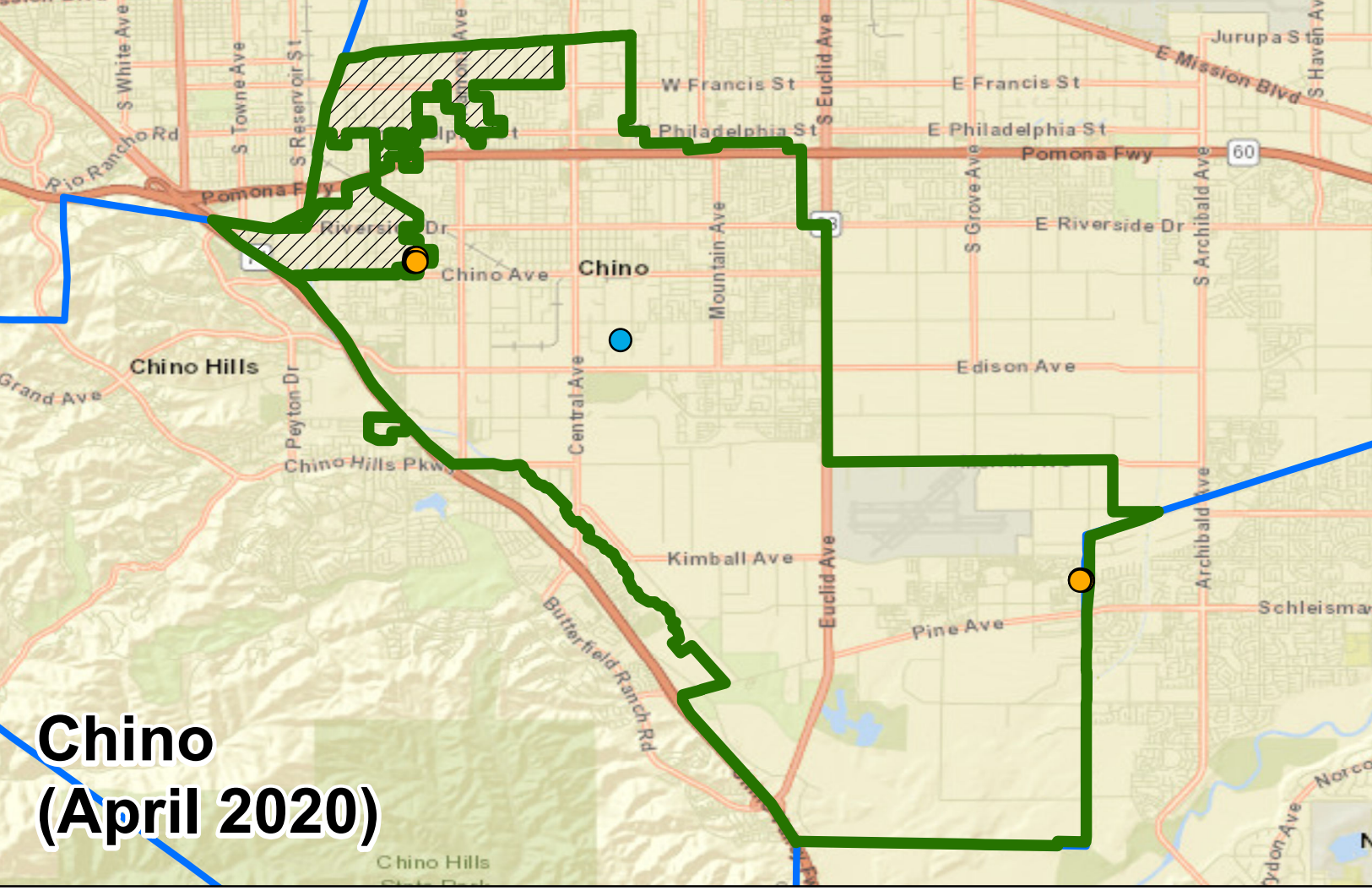
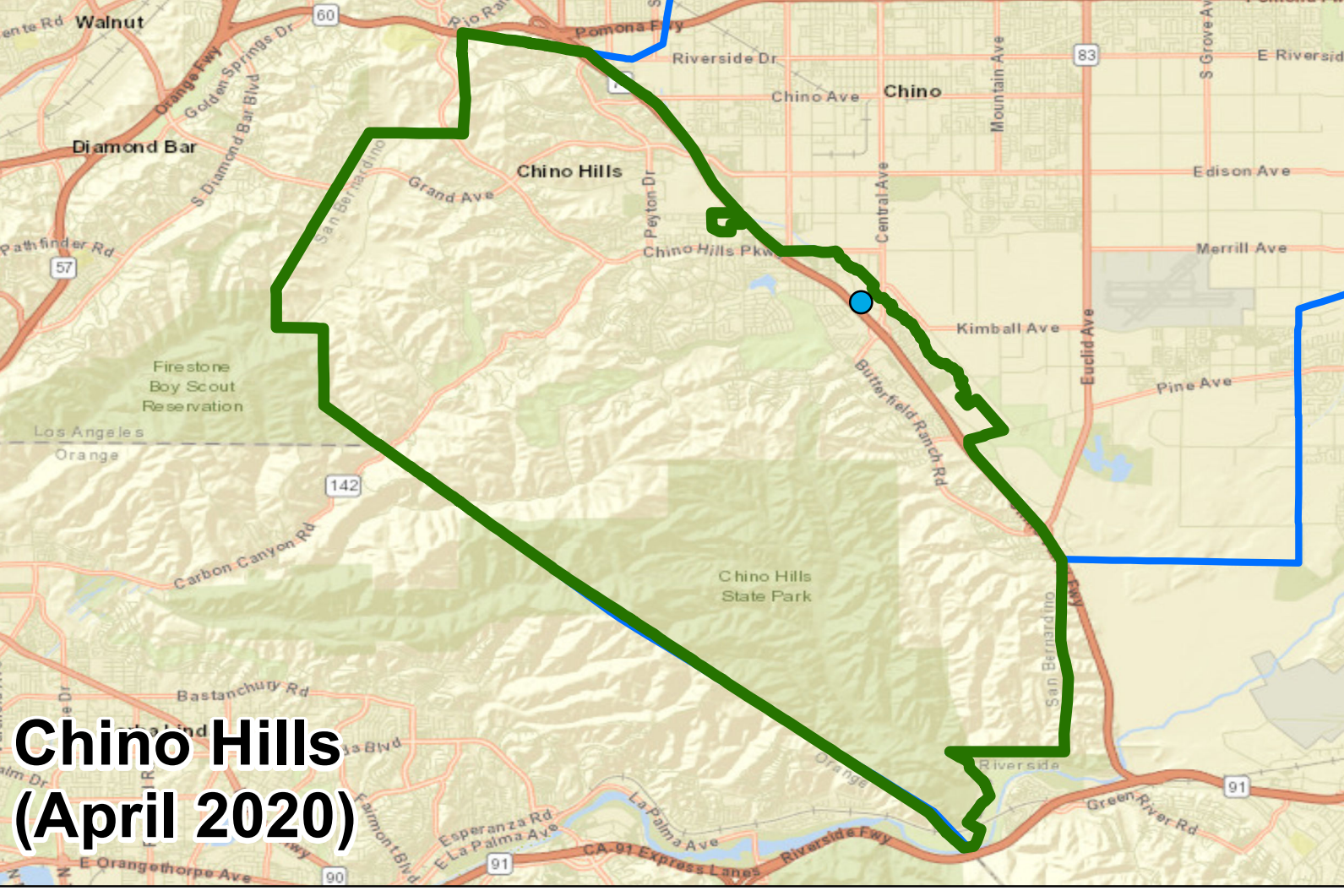
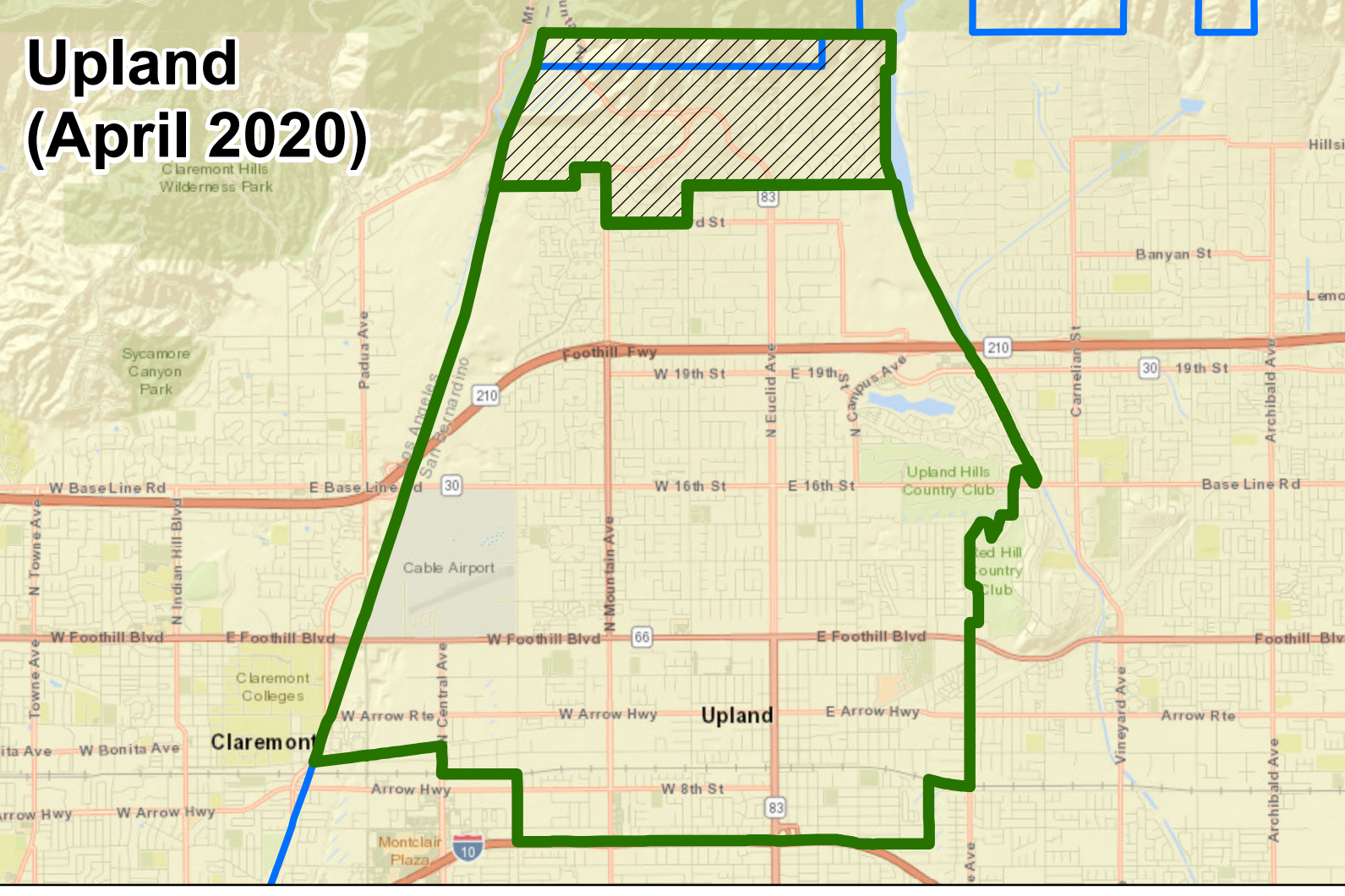
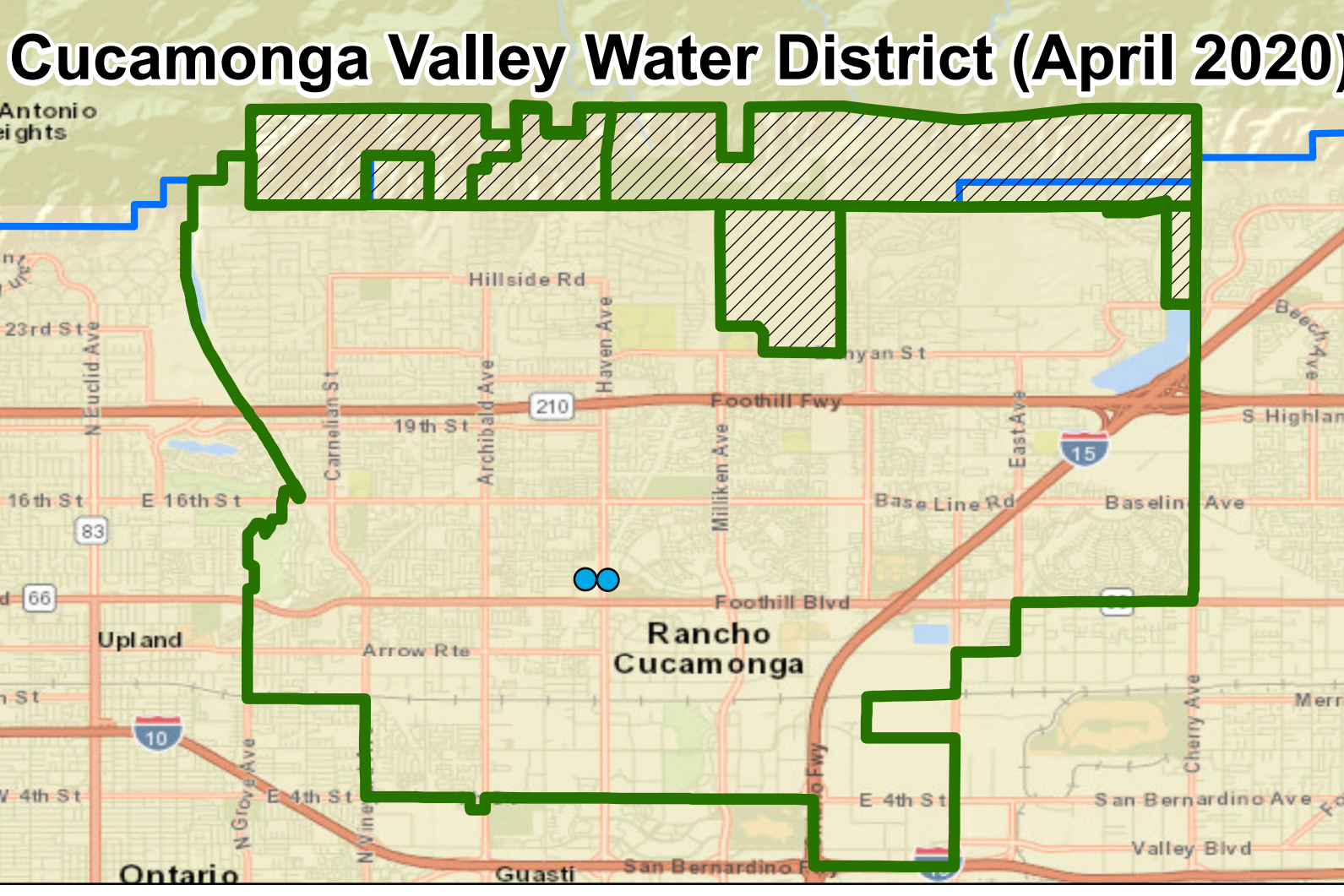
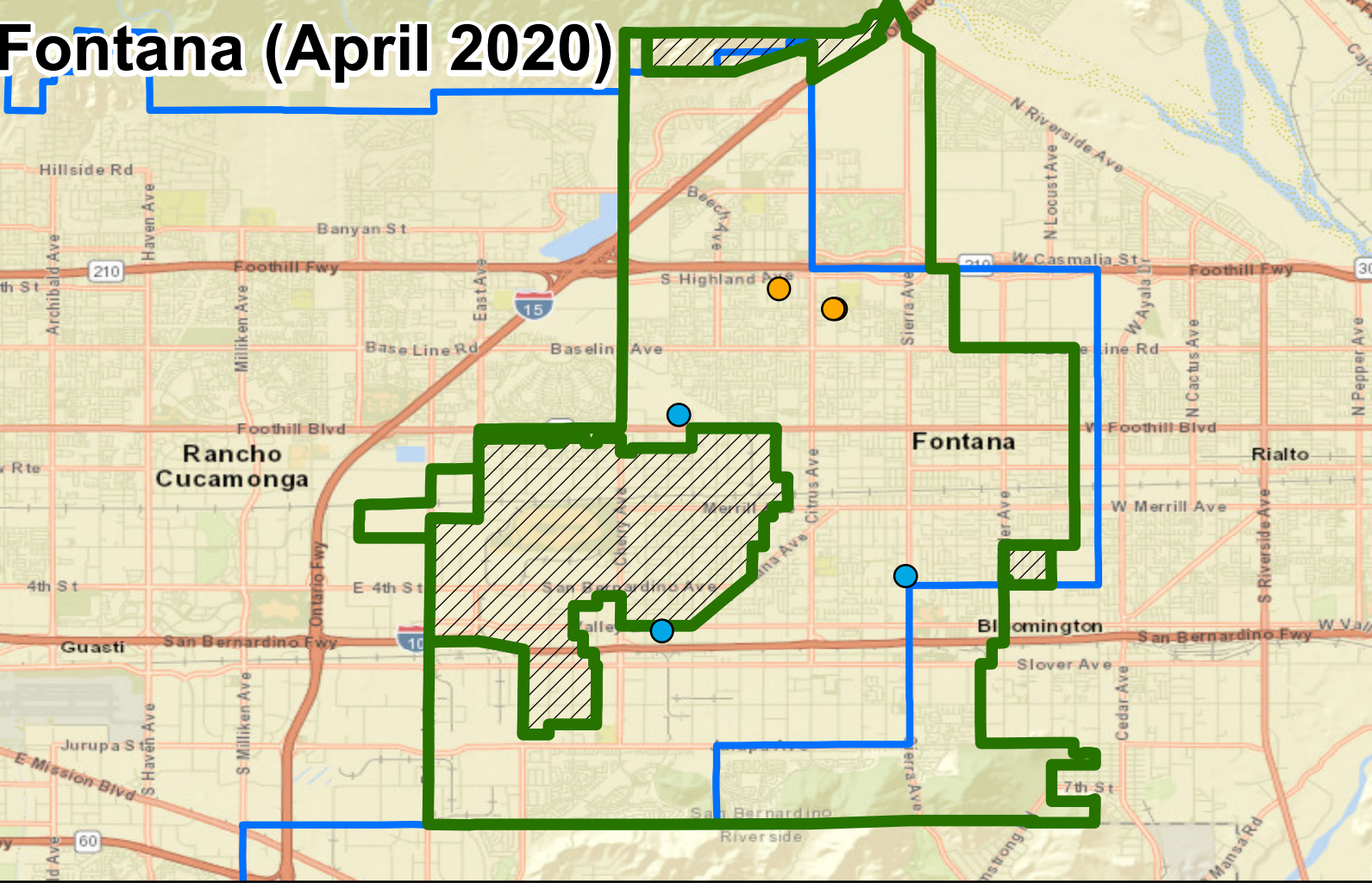
- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	50	38	333	421	470
Chino Hills	43	0	17	60	272
CVWD	78	1	134	213	1240
Fontana	57	3	521	581	595
Montclair	17	0	90	107	407
Ontario	142	93	1154	1389	2960
Upland	15	0	315	330	446
Total	403	135	2564	3102	6390



RECEIVE AND
FILE

4B

IEUA RECYCLED WATER DISTRIBUTION – MAY 2020

TOTAL ALL PLANTS

Influent: 48.5 MGD

Delivered: 31.9 MGD

Percent Delivered: 66%

RP-4

Delivered: 7.9 MGD

RP-1

Delivered: 11.8 MGD

CCWRF

Delivered: 5.4 MGD

RP-5

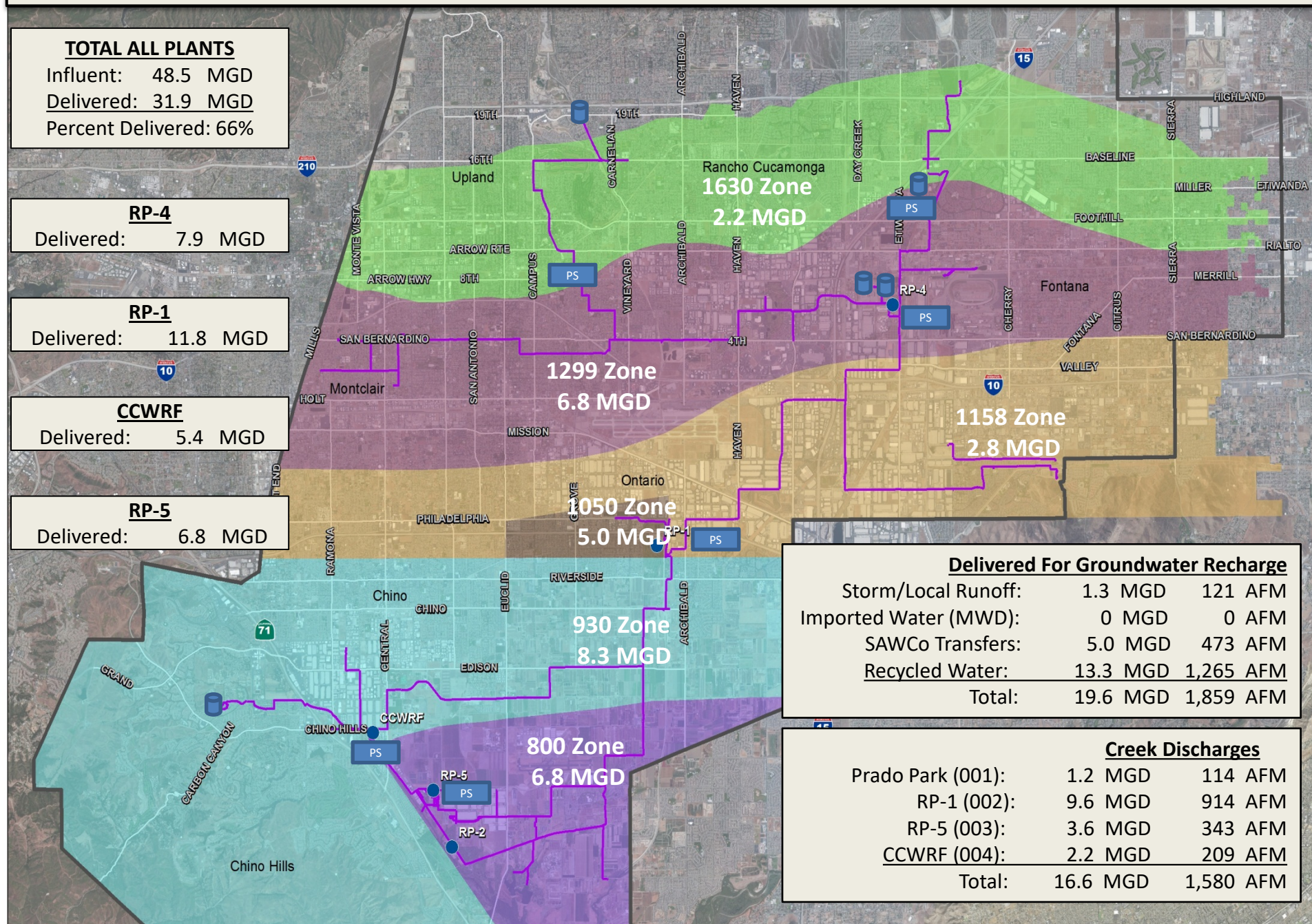
Delivered: 6.8 MGD

Delivered For Groundwater Recharge

Storm/Local Runoff:	1.3 MGD	121 AFM
Imported Water (MWD):	0 MGD	0 AFM
SAWCo Transfers:	5.0 MGD	473 AFM
Recycled Water:	13.3 MGD	1,265 AFM
Total:	19.6 MGD	1,859 AFM

Creek Discharges

Prado Park (001):	1.2 MGD	114 AFM
RP-1 (002):	9.6 MGD	914 AFM
RP-5 (003):	3.6 MGD	343 AFM
CCWRF (004):	2.2 MGD	209 AFM
Total:	16.6 MGD	1,580 AFM



Recycled Water Recharge Deliveries - May 2020 (Acre-Feet)

Basin	5/1-5/9	5/10-5/17	5/18-5/25	5/26-5/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.	
Ely	138.3	113.3	90.2	147.2	489.0	1700		
Banana	0.0	0.0	23.4	13.3	36.7	910		
Hickory	17.2	18.6	24.2	15.1	75.1	372		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	199		
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0			
8th Street	36.1	22.0	11.8	17.7	87.5	847		
Brooks	9.3	44.7	21.6	43.3	118.9	825		
RP3	159.4	87.9	64.6	78.0	389.9	5471		
Declez	0.0	0.0	0.0	0.0	0.0	672		
Victoria	7.5	10.0	29.3	22.1	68.9	947		
San Sevaine	0.0	0.0	0.0	0.0	0.0	0		
Total	367.8	296.5	265.0	336.7	1265.9	11,940	10,272	AF previous FY to day actual

