



Regional Sewerage Program Technical Committee Meeting

AGENDA

Thursday, September 24, 2020

2:00 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: (415) 856-9169/Conference ID: 747 889 453#

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

Additions/Changes to the Agenda

1. Action Items

- A. Meeting Minutes for August 27, 2020

2. Informational Items

- A. Operations Quarterly Update
- B. Engineering Projects Updates
- C. Groundwater Recharge Basin Capital Projects Update
- D. FY 2019/20 Fourth Quarter Budget Variance Report
- E. Federal Legislative Update (*Oral*)
- F. Return to Sewer Pilot Study Updates (*Oral*)
- G. Operations & Compliance Updates (*Oral*)

(Continued)

Regional Sewerage Program Technical Committee Meeting Agenda

September 24, 2020

Page 2 of 2

3. Receive and File

- A. Draft Regional Sewerage Program Policy Committee Meeting Agenda
- B. Building Activity Report
- C. Recycled Water Distribution - Operations Summary

4. Technical Committee Items Distributed

- A. None

5. Other Business

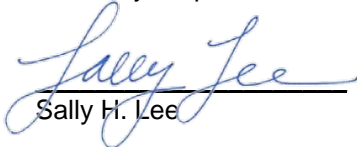
- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Regular Meeting – October 29, 2020

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, 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, September 17, 2020.



Sally H. Lee

**ACTION
ITEM**

1A



Regional Sewerage Program Technical Committee Meeting MINUTES OF AUGUST 27, 2020

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held via teleconference on Thursday, August 27, 2020. Committee Chair Nicole deMoet called the meeting to order at 2:05 p.m.

ATTENDANCE via Teleconference

Committee Members:

Amanda Coker (Alternate)	City of Chino
Eduardo Espinoza (Alternate)	Cucamonga Valley Water District (CVWD)
Ron Craig	City of Chino Hills
Chuck Hays	City of Fontana
Noel Castillo	City of Montclair
Courtney Jones (Alternate)	City of Ontario
Nicole deMoet	City of Upland
Shivaji Deshmukh	Inland Empire Utilities Agency (IEUA)

OTHERS PRESENT via Teleconference

Marissa Pereyda	City of Montclair
Christopher Quach	City of Ontario
Praseetha Krishnan	CVWD
Kathy Besser	IEUA
Christiana Daisy	IEUA
Christina Valencia	IEUA
Jerry Burke	IEUA
Javier Chagoyen-Lazaro	IEUA
Elizabeth Hurst	IEUA
Sally Lee	IEUA
Jason Marseilles	IEUA
Scott Oakden	IEUA
Cathleen Pieroni	IEUA
Jesse Pompa	IEUA
Craig Proctor	IEUA
Ken Tam	IEUA
Teresa Velarde	IEUA
Jeff Ziegenbein	IEUA

ADDITIONS/CHANGES TO THE AGENDA

There were none.

1. ACTION ITEMS**A. APPROVAL OF THE MEETING MINUTES OF JUNE 25, 2020**

Motion: By Amanda Coker/City of Chino and seconded by Ron Craig/City of Chino Hills to approve the meeting minutes of the June 25, 2020 Technical Committee meeting.

Motion carried: Ayes: 7, Abstain: 1, Noes: 0

With the following roll call vote:

Ayes: Coker, Craig, Espinoza, Hays, Deshmukh, Castillo, Jones, deMoet
Noes: None
Absent: None
Abstain: Castillo

2. INFORMATIONAL ITEMS**A. CHINO BASIN PROGRAM UPDATE**

Christiana Daisy/IEUA stated that on August 5, the IEUA Board of Directors held a Board Workshop covering the Chino Basin Program (CBP) at the request of Director Elie based on customer feedback and concerns. At that meeting, the Board of Directors directed staff to look at every component of the CBP project, such as exploring any possibilities of any outside funding, shorter commitment than the 25 years, and developing different performance criteria. As a result, the Agency has spoken to the California Water Commission (CWC) and Metropolitan Water District of Southern California (MWD) to see if there is any flexibility with the CBP project components. Staff will provide an update on the project to the Board of Directors in September/October.

Courtney Jones/City of Ontario asked if the program changes, would any commitments be made prior to bringing the item back to the retail agencies for discussion. Ms. Daisy stated that no commitments will be made without meeting with the Agency's customer agencies.

Eduardo Espinoza/CVWD asked if there have been any indications made to the CWC about the uncertainty of proceeding with CBP. If so, has the Agency received any feedback from CWC. Ms. Daisy stated that staff has communicated to CWC that the CBP as it is currently constructed, does not work. She asked that if there are certain flexibilities in various components such as a reduction in obligation in performance, increasing funding, reducing the obligation to the State to a shorter time period rather than 25 years. She stated that the Agency is contemplating a formal letter to CWC regarding the CBP. She stated that staff is also simultaneously communicating with MWD regarding meeting performance requirements and if there are other alternatives, such as the spectrum of the 100 percent pump back to the Rialto pipeline to 100 percent in lieu. Staff is analyzing the bookends of that spectrum to see what other alternatives there are within that range that the Agency can collaborate with MWD. MWD has been relatively open to some creative approaches that have been suggested.

IEUA General Manager Shivaji Deshmukh reiterated that there was an IEUA Board of Directors Workshop regarding the CBP, where direction was given to explore different paths. Within four business days, the Agency met with the CWC where staff and consultant, Mark Cowin, addressed customer concerns. He stated that the CWC and the State's Natural Resources Agency has a significant amount invested in WSIP funding from Prop 1. The response from the State has been "what can we do?" The State is limited on what they can do as they are abiding by certain legislation, however, the Agency received the impression that the CWC wanted to make the project work. The Agency is waiting to hear back from CWC and there is a meeting set in a couple weeks to follow up.

B. RP-5 EXPANSION PROJECT COST MANAGEMENT OVERVIEW

Jerry Burke/IEUA stated that the following presentation is to provide additional information regarding the RP-5 Expansion Project in response to the request made at the June 25 Technical Committee meeting regarding the review of the bids and project cost control and reduction during the design phase. He gave an overview of the RP-5 Expansion Project purpose, components and improvements resulted from the project, and project schedule.

Jason Marseilles/IEUA introduced himself as the Deputy Manager of Engineering. He stated that for the past five years, he has been the project manager for the RP-5 Expansion Project. At the onset of the project, a cost management philosophy was developed to provide the direction for the design of the project. He explained that the main principle of the philosophy was to reduce risk during the design phase by building a knowledgeable and skilled team to tackle the complex issues of such a large project. He expounded on the cost management philosophy of the project. He stated that through every step of the project, costs were evaluated, and cost reductions were explored. During the preliminary design report, business case evaluations were completed for every system to pinpoint the most cost-effective solution and during every design review, value engineering was performed for efficiency or to reduce the scope of the project. Design reviews were done with three key components in mind: will the expansion be operable, maintainable, and constructible. He expounded on the specifics of the various design reviews. He mentioned that the project team has made a concerted effort to keep policy makers informed as to the status of the project. Between the IEUA Board of Directors and the Regional Technical/Policy Committee meetings, the RP-5 Expansion Project has been presented on 30 separate occasions. He gave an overview of how prequalification and selection of construction managers and major equipment methods were used for risk reduction and cost containment. He also expanded on various project scope reductions.

Javier Chagoyen-Lazaro/IEUA stated that the finance department had their own timeline on their plans to finance this project. When the project is in the planning phase and is not well defined, assumptions need to be made. As the project becomes more defined, staff is able to explore various concrete financing options. The default option is to issue public bonds. As part of the Agency's due diligence, staff looked for other funding sources that can be more cost efficient to support all projects. Staff explored State Revolving Funds (SRF) loans and the Environmental Protection Agency (EPA)'s Water Infrastructure Finance and Innovation Act (WIFIA) loans. The Agency was able to close the WIFIA loan before the end of the last fiscal year. He shared that this financing is fiscally advantageous as it is a lower interest rate and the amortization period of a WIFIA loan is much longer than a regular bond which allows for smaller annual payments. In addition to the WIFIA loan, the Agency has secured interim financing for the the project in an amount equivalent to the WIFIA loan. The interim financing

will generate lower interest cost than the WIFIA loan during the construction phase of the project. He provided a projected timeline for closing the SRF loan. Mr. Chagoyen-Lazaro gave an overview of the various funding sources and financing for the project. He also gave a detailed report on cost reductions derived from the current financing compared to financing with public bonds and how that correlates to a decreased annual amount of debt service. He stated that the annual debt service is approximately 12 million, which is approximately five million less than it would have been with public bond financing. He continued that approximately 50 percent is supported by Equivalent Dwelling Unit (EDU) monthly sewer rates at an estimated impact of \$1.80 per EDU. The other 50 percent will be supported by wastewater connections fees and property taxes. These preliminary numbers are based on projections that may need to be adjusted.

Noel Castillo/City of Montclair asked if the combination of the WIFIA loan's longer payback period and lower interest rate equal less interest paid overall. Mr. Chagoyen-Lazaro stated that yes, there is a cost reduction of approximately \$75 million.

Ron Craig/City of Chino Hills stated that there was a significant cost to relocate RP-2 due to the Prado Dam flood level being raised. He asked if there were any opportunities to recover money from the Army Corps of Engineers program. Javier stated that he will check, but the chances appear slim. Mr. Marseilles stated that there is new FEMA funding that will be released shortly and IEUA will be looking at the funding opportunity closely. Mr. Craig stated that it would be great for the Agency to take advantage of any federal funding to offset some of these costs. Mr. Craig stated that the removal of the ultraviolet treatment was mentioned in the presentation and asked if there will be a need for it in the future. Mr. Marseilles stated that the Agency will rerate the chlorine contact basins. When that happens, the capacity of that system will increase to the ultimate need of 30 million gallons/day (MGD). For the purpose of disinfection, the Agency will not need to add anything to the facility for wastewater treatment. However, if we would like to use the water for advanced water treatment, there is a benefit for the installation of the ultraviolet treatment and the Agency will need to invest money at that time. General Manager Deshmukh added that if the Agency were to provide an advanced water treatment or potable reuse water, the ultraviolet treatment will be required. Mr. Craig asked if there were any incentives built into the contracts to find additional opportunities for cost savings. Mr. Marseilles stated that the Agency is currently working on value engineering specifications with W.M. Lyles that will be added to the project management and give incentives to W.M. Lyles to find opportunities to construct the facility at less cost. The Agency currently has approximately eight items on a value engineering list that the team is reviewing for feasibility. Value engineering will continue through construction.

Amanda Coker/City of Chino stated that the Brine Line collection station is being deferred to 2025 and she wanted to ensure that the current RP-2 station will be available until 2025. Mr. Marseilles stated that RP-2 will still be operating and will be available to the member agencies. Ms. Coker stated that there is an assumption that collection and property tax will be supporting 50 percent of the debt service. She stated that the pandemic may cause a downturn in development and asked if the Agency had taken that possibility into account in its projections. Mr. Chagoyen-Lazaro stated that in the next few months, the Agency will reach out to their member agencies for an update on the projections for connection fees. At that time, the Agency will examine the projections and determine how it will affect the connection fee projections. He stated that he is anticipating assumptions to be impacted

at least in the short term. He also stated that the Agency will continue to look for additional PAY-Go options and funding sources. Christina Valencia/IEUA stated that as part of the response to the pandemic, connection fee rates did not change for 2021 and are only increasing by 3 percent in 2022. Ken Tam/IEUA stated that the request for the annual forecast to contracting agencies was sent out a couple weeks prior and the Agency will be getting that information shortly.

C. GRANTS DEPARTMENT SEMI-ANNUAL UPDATE

Jesse Pompa/IEUA gave a presentation on the Grants Department Semi-Annual Update. He gave an overview of the grant and loan funding programs that the Agency has entered into in the last twenty years, totaling \$677 million. He shared the Agency's active grant and loan agreements, current funding applications and status. He stated that the State Water Resources Control Board (SWRCB) is experiencing a backlog with their agreements. Out of the seven projects listed in the agreement in the negotiation phase, three of the projects were placed on the 2018 fundable list and four were placed on the 2019 fundable list. The Agency has waited on some agreements for approximately two years. The Agency is anticipating more agreements to be awarded in the next six months. He highlighted the benefits and cost savings from the SRF and EPA WIFIA loan agreements. He highlighted the WIFIA RP-5 Expansion Loan, as it was a large loan agreement completed over approximately two years, with a very low interest rate of 1.36 percent. He also highlighted the Drought Contingency Plan (DCP), a collaborative effort between the Agency's planning department and the member agencies. The finalized plan was submitted to U.S. Bureau of Reclamation (USBR) in early 2020 and it was approved in April 2020. The Agency has heard from USBR that having an approved DCP gives the Agency and the member agencies an advantage for any future USBR grant opportunities. USBR confirmed that the city of Chino being a part of an approved DCP helped in the award process of another \$750,000 grant that was awarded in early 2020. Mr. Pompa recommended that if any member agency is applying for USBR grants, to ensure to mention they are part of USBR approved DCP for any projects that tie into the goal and objectives of that plan.

Ms. Coker thanked IEUA staff for helping the city of Chino in their first pursuit of an SRF loan. She also thanked staff for their help with the DCP effort and helping the city secure the USBR grant.

D. RETURN TO SEWER PILOT STUDY UPDATE

Ken Tam/IEUA stated that the study has been progressing on schedule. Since the last meeting, the technical subgroup has been continuing to meet. Argo has been providing the subgroup with updates and results for the single family, residential, and multi-family residential return to sewer flows for the city of Montclair and Monte Vista Water District (MVWD) service area. Argo will report back to the subgroup once they have completed their analysis. He stated that Argo is also continuing the analysis of the commercial category portion. Mr. Tam stated that they are using the water consumption data with a statistic model to estimate the return to sewer flow. Argo mentioned that it is proving challenging to isolate and analyze data trends for any of the master water meters that are in the Montclair or MVWD service area feeding strip malls or shopping centers. They will continue to analyze this data and report back to the subgroup on their process in the last week of September. This pilot study was projected to last six months, ending in October 2020. He stated there are two subgroup meetings to discuss the results of the study and to review the draft final report. He continued that he hoped to have some draft final study results by the next meeting.

E. OPERATIONS & COMPLIANCE UPDATES

Craig Proctor/IEUA stated that in June, 4 million gallons (MG) of recycled water was released to the San Antonio Channel adjacent to Brooks Basin. This was a result of the inlet gate at Brooks Basin being inadvertently left closed, which allowed the recycled water to pass over the drop inlet gate and continue downstream. The duration of the recycled water release was approximately 10 days. He stated that to prevent a recurrence, program interlocks are being developed which will not allow recycled water turnouts at channels to open unless the downstream basin inlet gates are confirmed open at least 50 percent. Also, if base inlet gates are closed during recycled water delivery, a signal will be sent to the recycled water turnout to close immediately. In July, there was a 42,000 gallon Category 2 Sanitary Sewer Overflow (SSO) from a siphon structure along Chino Hills Ave. The entire spill was contained by a lined retention basin. He stated that lastly, IEUA is experiencing a toxicity issue at Discharge Point 001 to Prado Lake. The Agency is currently working with a consultant and an outside lab to determine the cause of the toxicity.

F. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

Nicole deMoet/City of Upland asked for this item to be pulled. She asked for clarification on what the percent delivered represents. She asked if this percent delivered was the total recycled water available to contract agencies and if so, she would like to know where the loss of 50,000 AF comes from. Ms. Daisy stated that the 88 percent delivered is the recycled water that has gone through the distribution system. Andy Campbell/IEUA stated that yes, it includes all the pumping from all recycled water plants, including all direct use customers and ground water recharge. Chair deMoet stated that she would like to see data for direct use included along with the groundwater recharge and creek discharge information. Mr. Campbell stated that this information can be added but it will be an estimate as the figure is prepared a few days after the end of the month. The Agency is able to put together the influent, delivered, and recharge data fairly accurately from its meters through automation at the treatment facilities, however, direct use is not typically reported to the Agency from member agencies until a few weeks later. General Manager Deshmukh asked Chair deMoet for some time for staff to consider various options as providing estimates may not be the best option. Chair deMoet thanked staff for their consideration and stated that she understood the hinderance of delayed data. General Manager Deshmukh thanked Chair deMoet for her suggestion and stated that staff will consider this suggestion.

Chair deMoet stated that Mr. Proctor gave an update regarding the 4 MG of recycled water released to the San Antonio Channel. She asked if this release was accounted for in the top left table. General Manager Deshmukh stated that with incidents like these, it gets accounted for in the delta between the influent and delivered. The release is going out into the river. Mr. Campbell stated that the Agency's Santa Ana River obligation, as part of the Santa Ana River judgment, is to release 15 MG per day and this release is counted toward that obligation. In the winter season, when recycled water cannot be put into the basins, more than 15 MG per day is released. He stated that the release balances out the Agency's obligation in the end.

3. RECEIVE AND FILE**A. DRAFT REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE MEETING AGENDA**

The draft Regional Sewerage Program Policy Committee Meeting agenda was received and filed by the Committee.

B. BUILDING ACTIVITY REPORT

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

C. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

This item was pulled for discussion.

4. TECHNICAL COMMITTEE ITEMS DISTRIBUTED**A. IEUA DRAFT REGIONAL WASTEWATER ORDINANCE NO. 109****B. DRAFT ORDINANCE NO. 109 REVISION SUMMARY LETTER TO RWQCB****5. OTHER BUSINESS****A. IEUA GENERAL MANAGER'S UPDATE**

IEUA General Manager Shivaji Deshmukh had no updates.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

Chair deMoet asked if there were any Committee member requested agenda items in addition to the reevaluation of the Recycled Water Distribution – Operations Summary.

Mr. Espinoza asked for an update on the status of recharge basins that are currently in construction or rehabilitated. He stated that CVWD has a couple applications of recharge at CBWM, but there are limitations currently for some basins.

Mr. Craig asked for a follow up on the status of the possible FEMA funding or broader federal infrastructure programs as the time draws closer. General Manager Deshmukh stated that as the Agency finds out more information, the Committee members will be updated.

C. COMMITTEE MEMBER COMMENTS

Courtney Jones/City of Ontario introduced Chris Quoch, a new senior associate civil engineer at City of Ontario. She stated that he has joined the water resources group and he will be helping with the Technical Committees and other areas.

D. NEXT MEETING – SEPTEMBER 24, 2020**6. ADJOURNMENT – Chair deMoet adjourned the meeting at 3:23 p.m.**

Transcribed
by:

Sally H. Lee

**INFORMATION
ITEM**

2A

Operations Division Quarterly Update

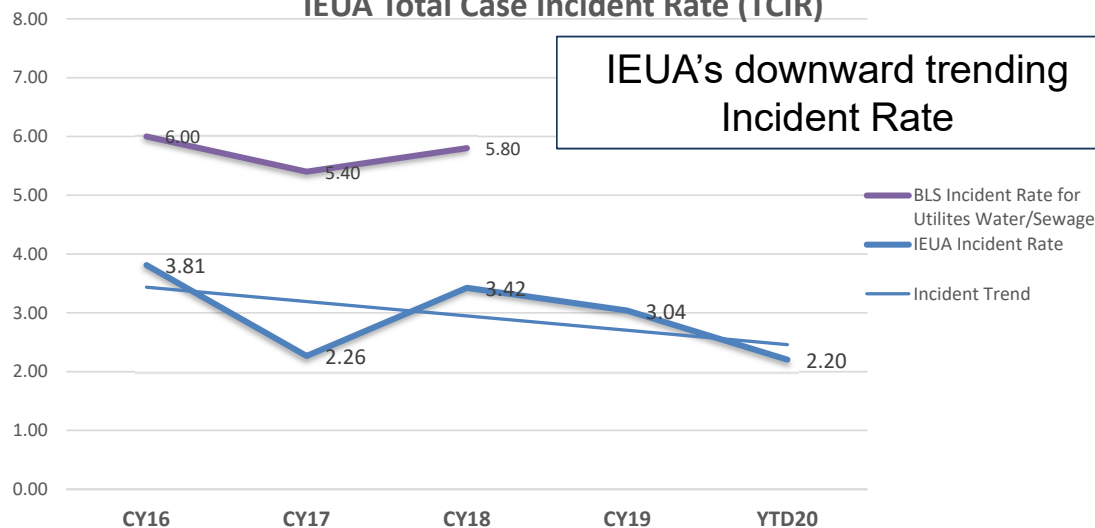


COVID-19

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

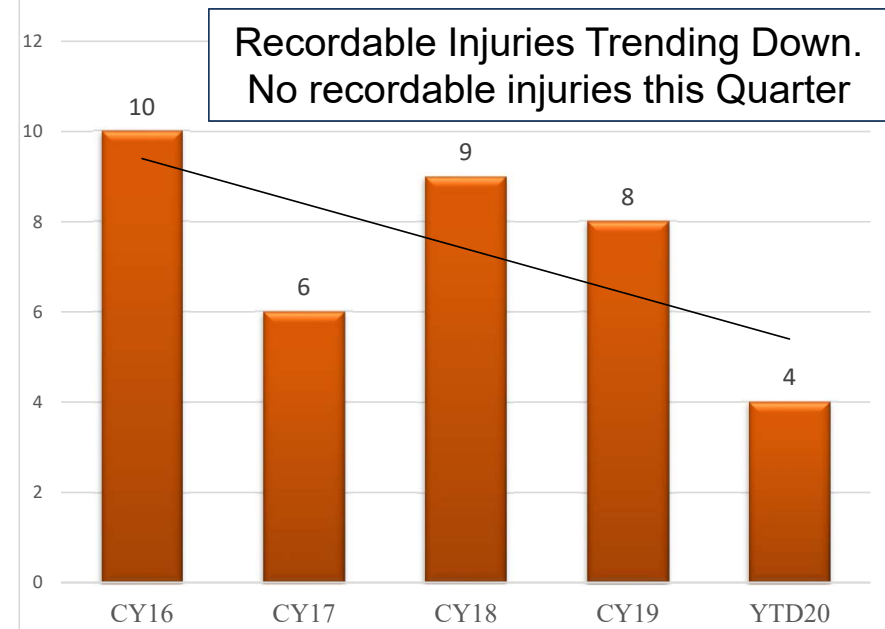
IEUA Incident Rates vs Industry & Total Recordable Injuries

IEUA Total Case Incident Rate (TCIR)



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

Total Recordable Injuries by Calendar Year



Cybersecurity

Information Security

Identify

Information Security Policy, Asset Inventory, and blocking of Malicious Domains

Protect

Improved Phishing Training, Password Filtering. Improved Antivirus.

Detect

Zero Security Breaches, Improved Intrusion Detection and New Virus Detection

Respond

Quarterly Cybersecurity Incident Response exercise, Malware Outbreak

Recover

Offline Backup of Critical Systems and Semi-Annual Disaster Recovery Drill

Integrated Systems Services

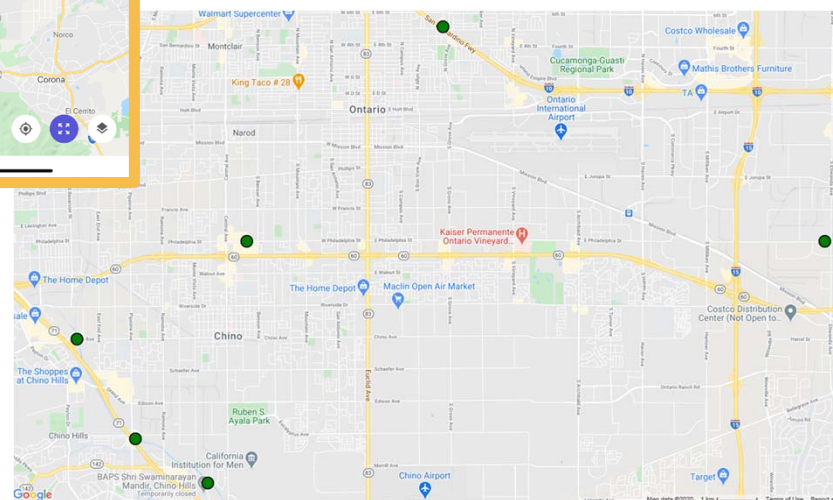
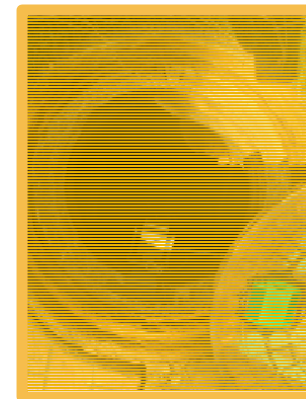
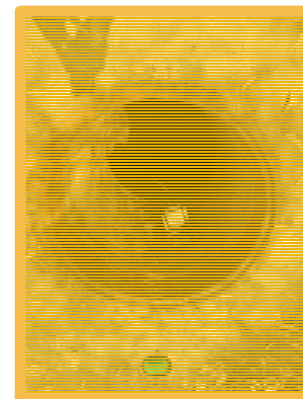
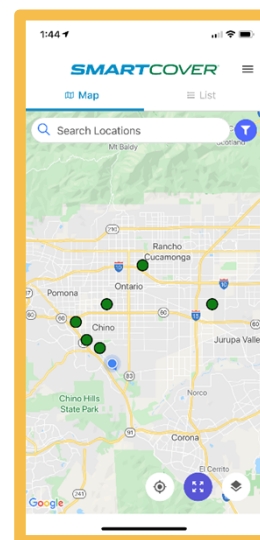
- Working From Home (last 90 days)
 - 6,200 Teams Meetings
 - 47K Chat Messages
 - 373 Teams Users
 - 57K Teams Activates
 - 1.3M emails sent or received
 - 47K DUO Authentications
 - DUO Success Rate 92%
- Chino Preserve Lift Station Improvements
 - Automated cleaning cycle based on Agency standard process
 - Automatic cleaning schedule
 - Independent pump de-ragging
 - Cleaning and de-ragging controllable from RP-5 SCADA



Collections: Operating on the Cutting Edge

- Smart Covers

- Measures level at critical points in collection system
- Provides proactive predictions and notifications to help prevent sewer overflows
- Identify areas in need of cleaning



Regional Compost Facility: Operating on the Cutting Edge

- Smart Bearing Sensors

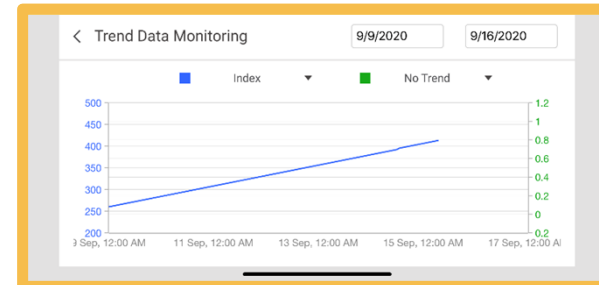
- Trial of new technology at Regional Compost Facility
- Proactive monitoring of bearing health and condition.
- Condition based maintenance
- Alert staff on change in bearing condition.



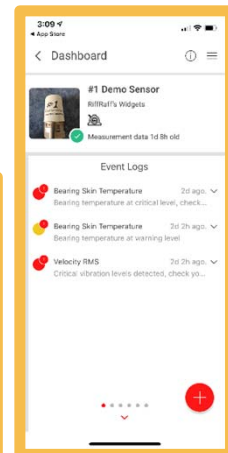
Sensor Installed at IERCF



Smart Bearing Sensor



Smart Phone App



**INFORMATION
ITEM**

2B

Engineering and Construction Management Project Updates



Jerry Burke, P.E.
September 2020

RP-1 12 kV Switchgear and Generator Control Upgrades

Project Goal: Increase Reliability

Total Project Budget: \$5.8 M

Project Completion: September 2020

Construction Percent Complete: 90%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Black & Veatch	\$350 K	422%
Design/Build Construction	Big Sky Electric	\$4.6 M	5%



Non-Reclaimable Wastewater System Manhole Upgrades

Project Goal: Extend Asset Life



Total Project Budget: \$810 K
Project Completion: August 2020
Construction Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	In-house	\$0	0%
Construction (Current)	Ferreira Construction	\$558 K	33%

RP5 Pump Gallery Wire Replacement

Project Goal: Restore All Electrical Functionality

Total Project Budget: \$186K

Project Completion: July 2020

Construction Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	N/A	N/A	N/A
Construction	Big Sky Electric	\$113K	26%



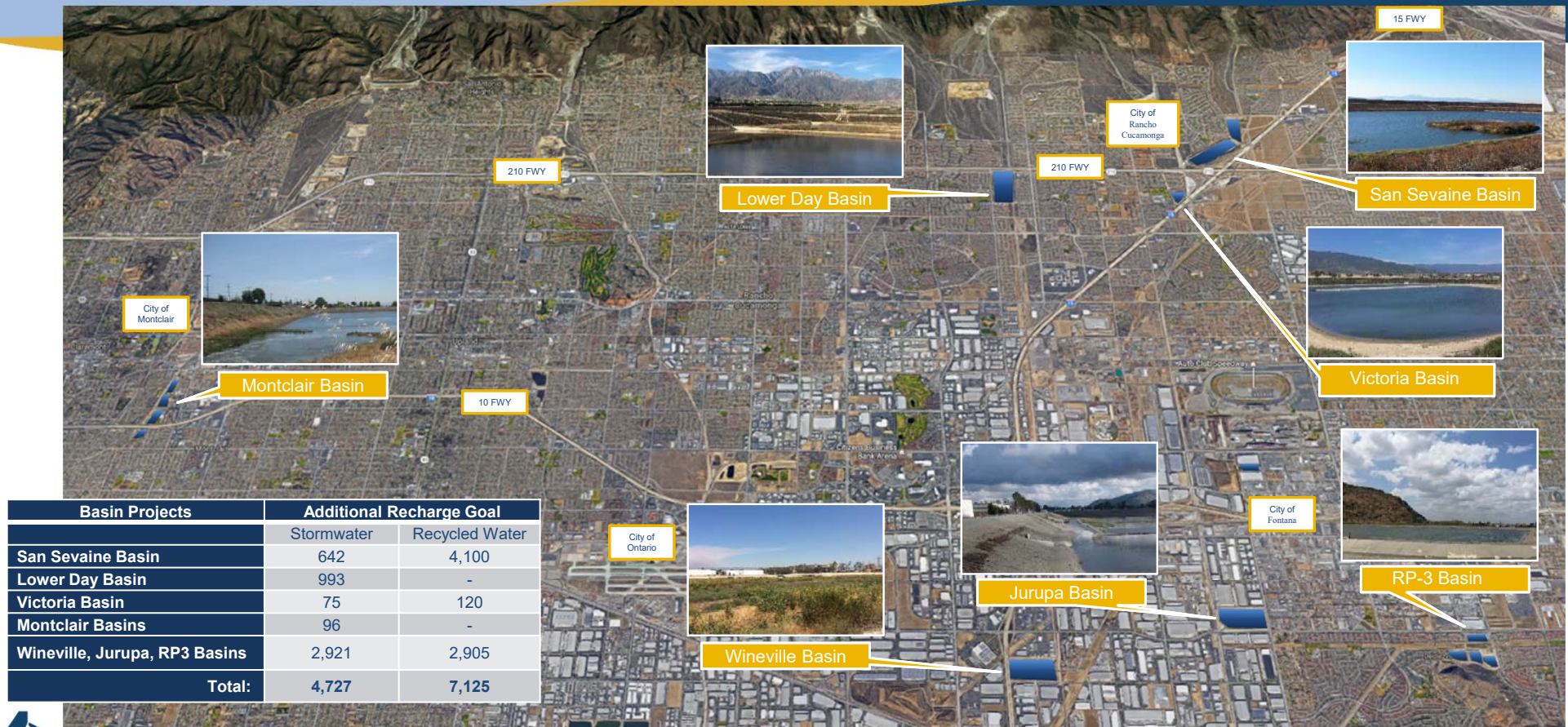
**INFORMATION
ITEM**

2C

Groundwater Recharge (GWR) Basin Capital Projects Update



Recharge Master Plan Update (RMPU) – Projects/Goal



Lower Day Basin Improvements



Lower Day Basin Improvements

Completed Down Drain Installation



Lower Day Basin Improvements

Completed Restoration of Access Road



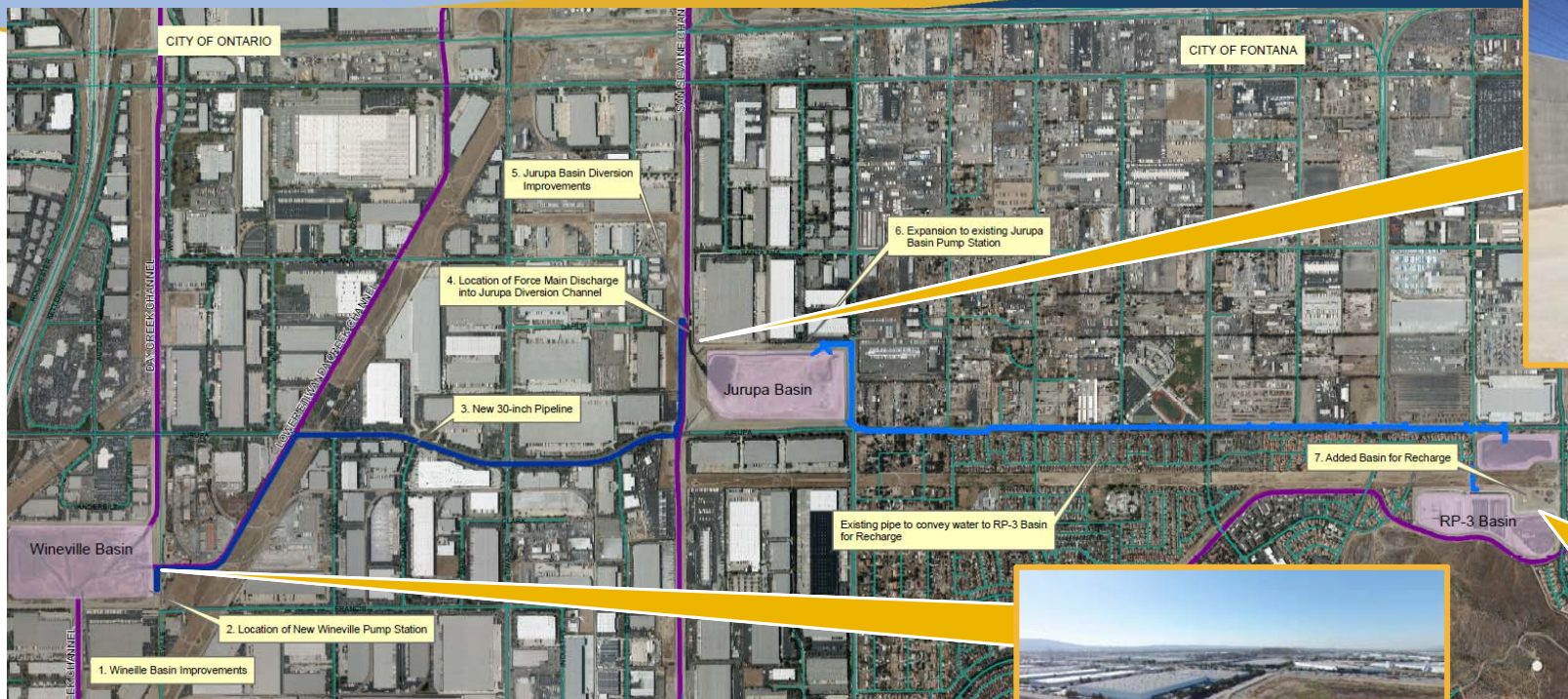
Before



After



Wineville/Jurupa/RP3 Basins Improvements



Adding Diversion Structure/Added Pump



Added Basin/Stormwater Structure



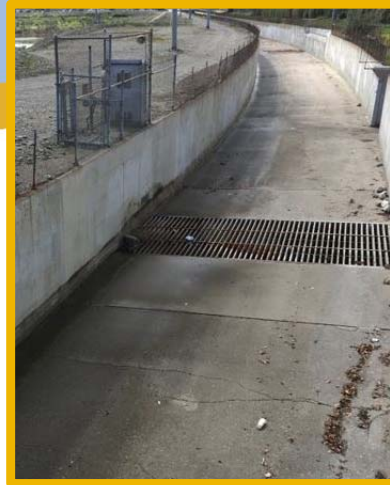
6 Wineville Basin – Inflatable Dam System & Pump Station with Conveyance Piping

Project Benefit:

- Increase stormwater recharge to 2,921 acre-feet per year
- Increased recycled water 2,905 acre-feet per year (with RP-3)

Montclair Basin Improvements

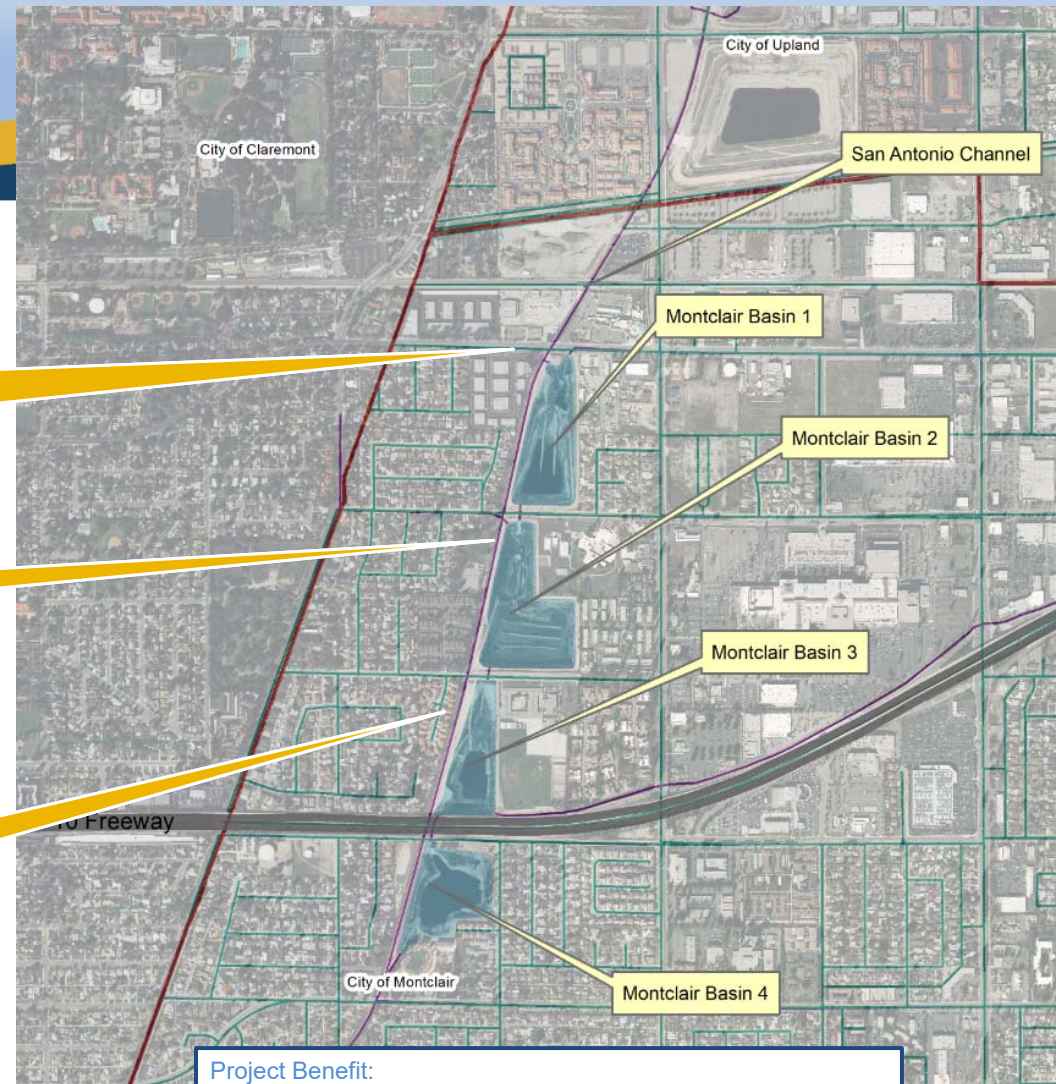
Existing Diversion (Montclair 1)



Location of New Diversion Channel (Montclair 2)



Location of New Diversion Channel (Montclair 3)



Project Benefit:

- Increase stormwater recharge to 96 acre-feet per year

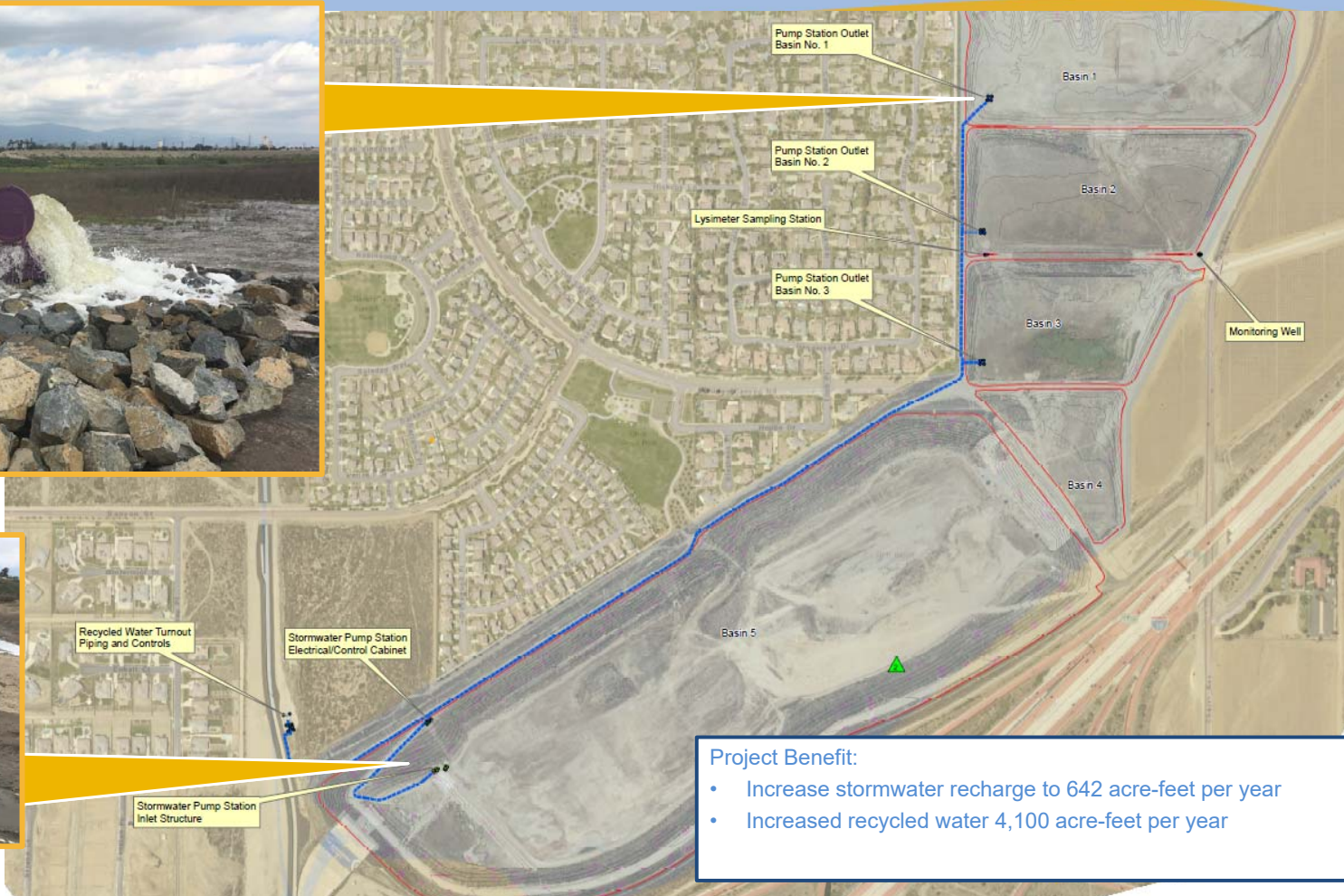
San Sevaine Basin Improvements(Completed)



Operation of Conveyance System to Basin



Alluvial deposits near new inlet structure



Project Benefit:

- Increase stormwater recharge to 642 acre-feet per year
- Increased recycled water 4,100 acre-feet per year

San Sevaine 2 Recycled Water Delivery



Victoria Basin Improvements(Completed)



Victoria Basin

- Project Benefit:
- Increase stormwater recharge to 75 acre-feet per year
 - Recycled water recharge to 120 acre-feet per year



Original Mid-Level Out



Improved Mid-Level Outlet

Received Grant & CWSRF Funding

PROJECT	PROJECT COST	GRANT FUNDING PROGRAMS	GRANT AMOUNT	GRANT TOTAL
<i>San Sevaine Basin</i>	\$6,460,000	Grant Prop. 84 DWR/SAWPA	\$750,000	\$3,625,000
		USBR - Grant	\$375,000	
		SRF Grant (Principal forgiveness)	\$2,500,000	
<i>Lower Day Basin</i>	\$4,008,000	Grant Prop. 84 DWR/SAWPA	\$750,000	\$1,125,000
		USBR - Grant	\$375,000	
<i>RP-3 Basin</i>	\$1,486,700	SWRCB - Stormwater Grant	\$743,350	\$1,043,350
		USBR - Grant	\$300,000	
<i>Wineville/Jurupa/Force Main</i>	\$14,996,200	SWRCB - Stormwater Grant	\$7,498,100	\$8,239,100
		2018 Water Smart Drought	\$750,000	
<i>Montclair Basin</i>	\$1,788,100	-	\$0	\$0
<i>Victoria Basin</i>	\$176,072	-	\$0	\$0
Total	\$28,915,072		Total	\$14,041,450

Nearly 50% funded by grants

Remaining cost to be financed through Clean Water State Revolving Fund
(a Federal-State program which provides low-cost financing towards water projects)

RMPU Cost Share/SW Unit Cost

	2013 RMPU Projects	SW Yield (AF)	RW Yield (AF)	Approved Project Budget	Awarded Grants	Cost Share		IEUA's Project Cost	CBWM's Project Cost
						IEUA	CBWM		
Ongoing Projects	San Sevaine Basin (EN13001.00)	642	4,100	\$ 6,460,000	\$ 3,625,000	50%	50%	\$ 1,417,500	\$ 1,417,500
	Lower Day Basin (RW15004.00)	993	-	\$ 4,008,000	\$ 1,125,000	0%	100%	\$ -	\$ 2,883,000
	Victoria Basin (RW15003.02)	75	120	\$ 176,072	\$ -	50%	50%	\$ 88,036	\$ 88,036
	Montclair Basins (RW15003.03)	96	-	\$ 1,788,100	\$ -	0%	100%	\$ -	\$ 1,788,100
	RP-3 Basin (RW15003.05)	(RW15003.06)	2,921	\$ 1,486,700	\$ 712,070	50%	50%	\$ 387,315	\$ 387,315
	Wineville Basin			\$ -	\$ 1,895,530	0%	100%	\$ -	\$ 6,416,820
	Jurupa Basin			\$ 14,996,200	\$ 741,730				
	Wineville/Jurupa Force Main			\$ -	\$ 5,942,120				
		4,727	7,125	\$ 28,915,072	\$ 14,041,450			\$ 1,892,851	\$ 12,980,771

Cost Share

	2013 RMPU Projects	SW Yield (AF)	RW Yield (AF)	Approved Project Budget	CBWM's SW Unit Cost (\$ per		
					without Grants	with Grants	
Ongoing Projects	San Sevaine Basin (EN13001.00)	642	4,100	\$ 6,460,000	\$ 399	\$ 215	
	Lower Day Basin (RW15004.00)	993	-	\$ 4,008,000	\$ 300	\$ 226	
	Victoria Basin (RW15003.02)	75	120	\$ 176,072	\$ 113	\$ 113	
	Montclair Basins (RW15003.03)	96	-	\$ 1,788,100	\$ 1,249	\$ 1,249	
	RP-3 Basin (RW15003.05)	(RW15003.06)	2,921	2,905	\$ 1,486,700	\$ 406	\$ 207
	Wineville Basin						
	Jurupa Basin						
	Wineville/Jurupa Force Main						
		4,727	7,125	\$ 28,915,072	Melded SW Unit Cost		
					\$ 395	\$ 375	

Stormwater Unit Cost (Acre-ft per year)

Historical Metropolitan Water Rates

\$593/Ac-ft (Untreated Tier 1 Service 2017)

\$735/Ac-ft (Untreated Tier 2 Service 2017)

Projected Metropolitan Water Rates

\$812/Ac-ft (Untreated Tier 1 Service 2022)

\$1,188/Ac-ft (untreated Tier 2 Service 2022)

GRW Basin Maintenance Update



San Sevaine 1 Infiltration Restoration



← Before

After →



San Sevaine 2 Infiltration Restoration



← Before

After →



San Sevaine 5 Berm Repair



← Before



After →

Lower Day Erosion Repairs (Pending)



Questions?

**INFORMATION
ITEM**

2D



Date: September 24, 2020/October 1, 2020

To: Regional Sewerage Committees

From: Inland Empire Utilities Agency

Subject: FY 2019/20 Fourth Quarter Budget Variance Report

RECOMMENDATION

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

BACKGROUND

The item was presented as an informational item at the IEUA Board of Directors meeting on September 16, 2020.

Date: September 16, 2020

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager



Committee: Finance & Administration

09/09/20

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

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

Executive Summary:

The budget variance report presents the Agency's financial performance through the fourth quarter ended June 30, 2020. The various related attachments provide analyses on intra-fund budget transfers and the status on the goals and objectives.

The Agency's total revenues and other funding sources were \$494.8 million, or 172.7 percent of the fiscal year to date amended budget of \$287 million. The significant variance is primarily due to \$232 million in debt proceeds (principal and premium) from the issuance of the 2020B Revenue Notes to support construction costs for the RP-5 Expansion project.

The Agency's total expenses and other uses of funds were \$227 million, or 75.7 percent of the fiscal year to date budget of \$299.2 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 the quarter ended June 30, 2020 is an estimated increase of \$268.1 million.

Staff's Recommendation:

The Fiscal Year (FY) 2019/20 fourth 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 \$268.1 million for the quarter ended June 30, 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 - Q4 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 Fourth Quarter

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

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

Attachment 2 - Power Point

Background

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

The FY 2019/20 Fourth Quarter Budget Variance report reflects the effects of the Coronavirus (COVID-19) global pandemic declared by the World Health Organization in March 2020. The rapid evolving COVID-19 pandemic has created an unprecedented worldwide health and economic emergency. The extent of fiscal reverberations is uncertain and decline in revenues impacted by the constant change in economic circumstances is foreseeable. Through these unprecedented times, the Agency remained focused on keeping employees safe and providing reliable services essential to safeguarding public health.

In response to the Governor's Executive Order to shelter in place, the Agency had to mobilize quickly to enable a large number of employees to work from home. This transition provided management an opportunity to expand use of online services and adjust business processes to minimize any potential impact to Agency operations. Travel, conferences and associated costs were suspended, along with other non-essential professional/contract services and contract materials, office and supplies purchases and non-critical maintenance. Some capital projects and related activities were also deferred resulting in lower than anticipated associated grants and loan reimbursement proceeds. Additionally, recruitment activities were re-directed to focus on critical positions.

Even with these challenges, the Agency successfully refinanced the 2008B Variable Bonds and 2010A Revenue Bonds and numerous State Revolving Fund (SRF) loans to take advantage of the current low interest rate environment (below 2%). Staff also secured a Water Infrastructure Finance and Innovation Act (WIFIA) loan for \$196.4 million at a fixed rate of 1.36% to support approximately 43 percent of the RP-5 Expansion project. Even at the low rate of 1.36% payable over 35 years after substantial completion of the project, the Agency issued short-term interim debt (2020B Revenue Notes) to further reduce the all-in-cost of the WIFIA loan. These financial transactions resulted in a substantial increase to loan proceeds and higher financing expenses at the end of the fiscal year. These higher financial expenses are more than outweighed by the substantial estimated gross savings of \$186 million in future costs over the life of the WIFIA loan, 2020A Refunding Bonds and 2020B Revenue Notes.

The Budget Variance report presents the Agency's financial performance through the fourth quarter ended June 30, 2020 and includes the following highlights.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency's total revenue and other funding sources were \$494.8 million, or 172.7 percent of the year to date amended budget of \$286.6 million for the quarter ended June 30, 2020 (Exhibit A). The following section highlights key variances:

- **Grants & Loans** – Grant and loan receipts were \$248.9 million, or 769.5 percent of the fiscal year to date amended budget. Significant increase was due to the \$232 million debt proceeds from the 2020B Revenue Notes to support the construction costs for the RP-5 Expansion project. Grant receipts from federal, state and local grantors included reimbursement for the Archibald Plume Cleanup project and the Agency regional water conservation program. Some grant receipts include pass-through funding to other agencies, such as the Chino Basin Desalter Authority for the Archibald Plume Cleanup project.
- **Property Taxes** – Tax receipts at the end of the fiscal year were \$55.6 million or 106.2 percent of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$38.7 million and “pass-through” incremental taxes (former redevelopment or RDA taxes) were \$16.9 million. Property tax receipts are budgeted based on the San Bernardino County projections of assessed valuation which consider 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 sales for direct use were \$7.9 million for 17,114-acre feet (AF) and \$7.4 million for 13,381-acre feet (AF) in groundwater recharge deliveries, for a total of \$15.3 million or 30,495 AF. Total deliveries of 35,800 AF (22,000 AF Direct and 13,800 AF Recharge) were 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.
- **Connection Fees** – Total connection fee receipts of \$31.9 million or 89.4 percent of the year to date amended budget. Receipts include \$23.9 million for new regional wastewater system connections and \$8.0 million for new One Water connections. The number of new wastewater connections reported through the fourth quarter were 3,435 equivalent dwellings units (EDUs) compared to the annual budget of 4,000 and the member agency forecast of 6,294 EDUs. The total number of new water connections were 4,694 meters equivalent dwelling units (MEUs) compared to the budgeted 4,700. Some agencies reported no activities on certain months, an indicator of possible slowdown in building activities due to the COVID-19 pandemic.

TOTAL EXPENSES AND USES OF FUND

The Agency's total fourth quarter expenses and uses of funds were \$226.7 million, or 75.7 percent of the \$299.2 million year to date amended budget. Key expense variances include:

Administrative and Operating Expenses

- ***O&M (Non-Capital) and Reimbursable Projects*** – The combined O&M and reimbursable project costs were \$16.5 million or 62.0 percent of the combined year to date amended budget. The favorable balance is mainly due to lower spending on various planning documents and the Agency's regional water use efficiency programs which were suspended in response to the Governor's Executive Order to shelter in place following the outbreak of COVID-19 in mid-March.
- ***Professional Fees & Services*** – Total expenses were \$8.5 million, or 56.9 percent of the year to date amended budget. The favorable variance is attributed to the timing of contract services scheduled including rehabilitation of clarifiers and aeration basins; repairs and calibration of critical compliance equipment and treatment process; and contractor and consultant support for project management and administrative services. In addition, due to the shelter in place and social distancing requirements from COVID-19, only critical maintenance was performed during the fourth quarter. Preventive maintenance that could be deferred was temporarily put on hold.
- ***Utilities*** – Total utilities expenses were \$6.7 million or 76.5 percent of the year to date amended budget. This category includes the purchase of electricity from Southern California Edison (SCE), natural gas, and energy generated on site from renewable sources. The favorable variance is mainly attributed to a slightly lower utility rate. Through the fourth 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 \$52.4 million or 53.0 percent of the year to date amended budget. The favorable variance can be attributed to contractor delays, design recommendation reviews, and extended request for proposals and related contract award delays due to the COVID-19 pandemic. Capital project costs related to the Regional Wastewater program through the fourth quarter were \$25.1 million, or 49 percent of the \$48.9 million of the annual amended budget. Recycled Water program capital projects accounted for \$19.3 million, or 81.0 percent of the \$23.8 million annual amended budget.
- ***Debt*** - The defeasance of the 2010A Revenue Bond resulted in an increase in financial expenses due to the early \$4.5 million principal payment and \$500 thousand cost of financing associated with the refunding of the 2008B Variable Rate Demand Bonds, 2010A Refunding Revenue Bonds and numerous SRF loans. These higher financial expenses are more than outweighed by the substantial estimated gross savings of \$186 million in future costs over the life of the WIFIA loan, 2020A Refunding Bonds and 2020B Revenue Notes

A detailed explanation of significant revenues and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

The estimated net change of the total revenues and other funding sources over the total expenses and other uses of funds for the fourth quarter is an increase of \$268.1 million, primarily due to the issuance of 2020B Revenue Notes for \$232 million which included par amount of \$196.4 million and premium of \$35.5 million.

Table 1 provides an overview of the fiscal year to date budget variance for revenues, expenses, and net change to overall fund balance.

Table 1: Fiscal Year and Year to Date (YTD) Revenues, Expenses, and Fund Balance (\$ Millions) Quarter Ended June 30, 2020

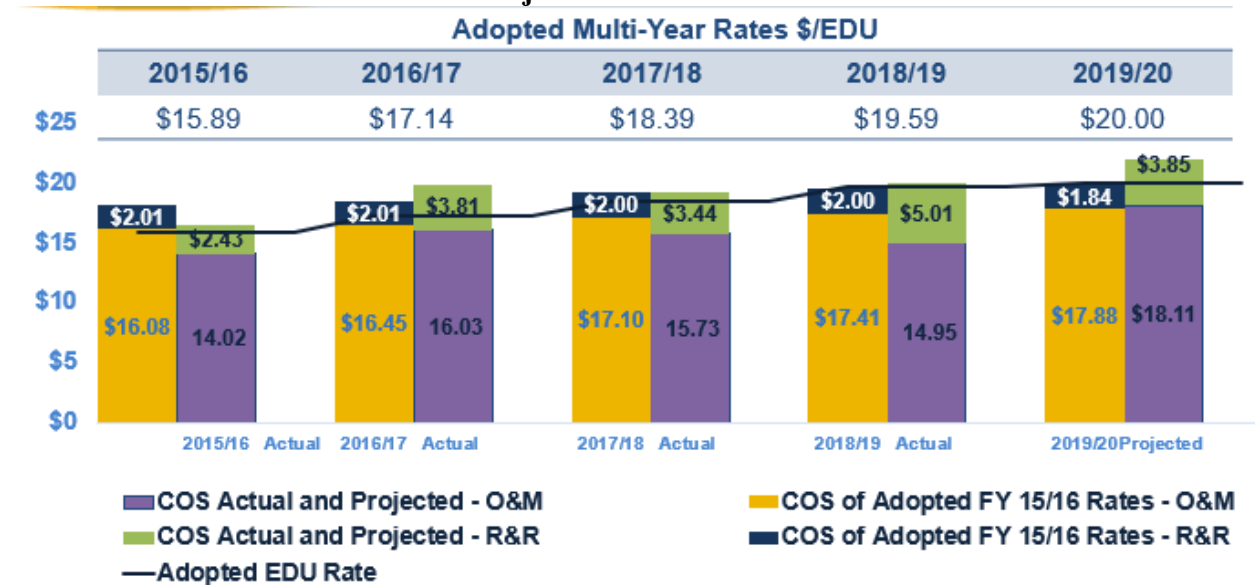
Operating	FY 2019/20 Amended Budget	Actual	% Amended Budget Used
Operating Revenue	\$161.5	\$155.6	96.4%
Operating Expense	(\$176.2)	(\$146.8)	83.3%
Net Operating Increase/(Decrease)	(\$14.7)	\$8.8	

Non- Operating			
Non-Operating Revenue	\$125.1	\$339.2	271.2%
Non-Operating Expense	(\$123.1)	(\$79.8)	64.9%
Net Non-Operating Incr./(Decrease)	\$2.0	\$259.4	
Total Sources of Funds	\$286.6	\$494.8	172.7%
Total Uses of Funds	(\$299.2)	(\$226.7)	75.7%
Total Net Increase/(Decrease)	(\$12.7)	\$268.1	

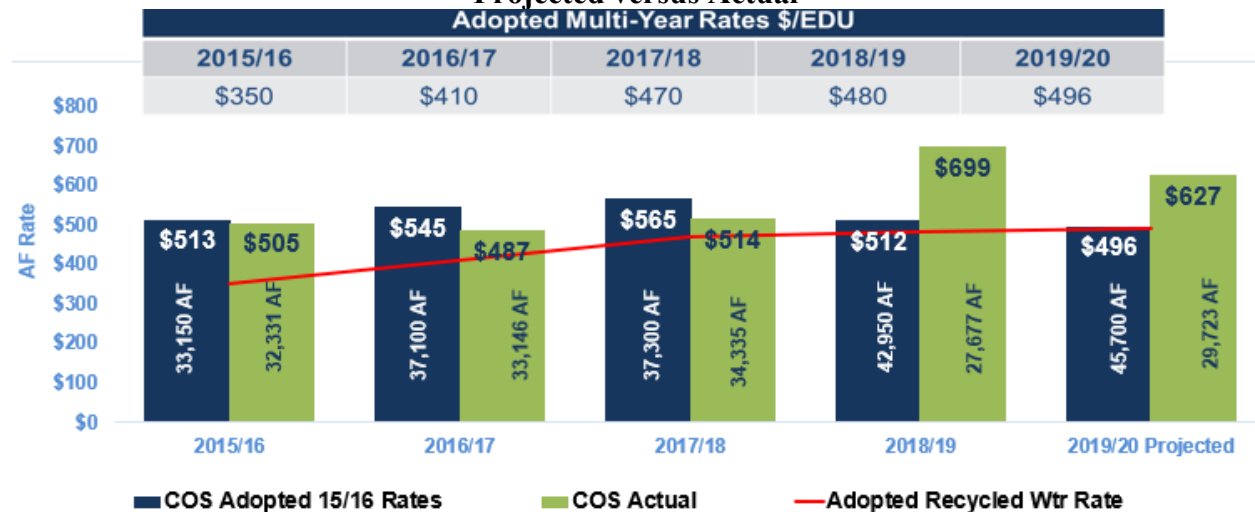
COST OF SERVICE

The Agency's Board of Directors adopted five-year rates and fees in 2015 intended to achieve the full cost of providing the service. FY 2019/20 is the last year of the multi-year rates adopted in 2015. The charts below compare the multi-year rates adopted in 2015 to the actual annual cost of service for each program.

**Chart 1: Regional Wastewater Operations Fund
Cost of Service per Equivalent Dwelling Unit (EDU)
Projected versus Actual**



**Chart 2: Recycled Water Fund
Cost of Service per Acre-Feet (AF)
Projected versus Actual**



In an effort to mitigate the fiscal impact of the pandemic to our ratepayers, the Board approved to maintain the rates and fees unchanged for all Agency programs for FY 2020/21.

GOALS AND OBJECTIVES

Exhibit B provides information on division and related department goals and objectives and the status through the end of the fourth quarter. The key performance indicators (KPIs) are used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff use KPIs 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 fourth quarter accounted for \$0.9 million as detailed in Exhibit C-1.

The *General Manager (GM) Contingency Account* adopted budget of \$300,000 in the Administrative Services Fund and \$150,000 was utilized as detailed in Exhibit C-2.

Intra-fund Capital and O&M project annual and total budget transfers accounted for \$0.9 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 estimated net change of the total revenues and other funding sources over the total and other uses of funds for this fiscal year is an increase of \$268.2 million, primarily due to the issuance of 2020B Revenue Notes for \$232 million which included par amount of \$196.4 million and premium of \$35.5 million.

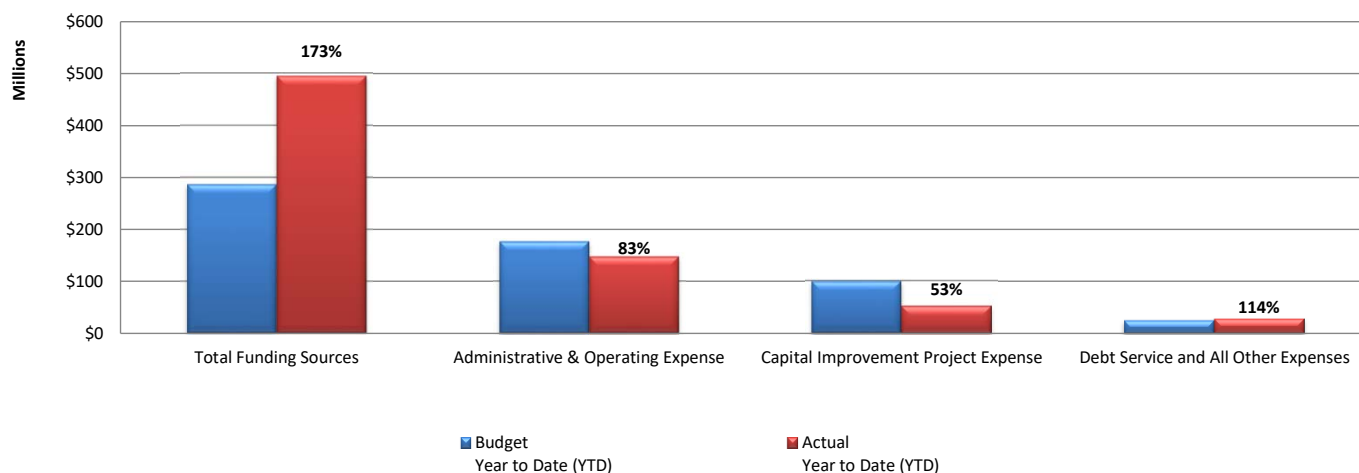


I. Actual vs. Budget Summary:

Quarter Ended June 30, 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	\$161,505,455	\$155,647,872	(\$5,857,583)	96.4%
Non-Operating (Other Sources of Fund)	125,064,900	125,064,900	339,151,356	214,086,456	271.2%
TOTAL FUNDING SOURCES	286,570,355	286,570,355	494,799,228	208,228,873	172.7%
Administrative & Operating Expense	(176,167,300)	(176,167,300)	(146,807,602)	29,359,698	83.3%
Capital Improvement Project Expense	(98,888,091)	(98,888,091)	(52,377,539)	46,510,552	53.0%
Debt Service and All Other Expenses	(24,175,105)	(24,175,105)	(27,469,632)	(3,294,527)	113.6%
TOTAL USES OF FUNDS	(299,230,496)	(299,230,496)	(226,654,773)	72,575,723	75.7%
Surplus/(Deficit)	(\$12,660,141)	(\$12,660,141)	\$268,144,455	\$280,804,596	

**Actual vs. Budget YTD
For the Quarter
Ended June 30, 2020**



2. Actual Revenue vs. Budget:

Quarter Ended June 30, 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	\$87,284,597	\$87,762,966	\$478,369	100.5%
Recycled Water Sales	18,120,000	18,120,000	15,348,685	(\$2,771,315)	84.7%
MWD Water Sales	44,724,000	44,724,000	42,272,671	(\$2,451,329)	94.5%
Cost Reimbursement	6,683,675	6,683,675	6,658,037	(\$25,638)	99.6%
Interest	4,693,183	4,693,183	3,605,513	(\$1,087,670)	76.8%
OPERATING REVENUES	161,505,455	161,505,455	155,647,872	(5,857,583)	96.4%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$52,364,000	\$52,364,000	\$55,613,070	\$3,249,070	106.2%
Connection Fees	35,734,799	35,734,799	31,931,232	(\$3,803,567)	89.4%
Grants & Loans	32,346,086	32,346,086	248,917,238	\$216,571,152	769.5%
Other Revenue	4,620,015	4,620,015	2,689,816	(\$1,930,199)	58.2%
NON-OPERATING REVENUES	125,064,900	125,064,900	339,151,356	214,086,456	271.2%
Total Revenues	\$286,570,355	\$286,570,355	\$494,799,228	\$208,228,873	172.7%

User Charges, 100.5%	User charges were \$87.7 million, or 100.5 percent of the year to date budget. The category includes \$68.3 million monthly sewer charges based on equivalent dwelling units (EDU), \$11.9 million non-reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system and sale of initial capacity charge and rights for disposal of non-reclaimable and industrial wastewater; and \$7.5 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, 106.2%	Tax receipts at the end of the fiscal year were \$55.6 million or 106.2% of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$38.7 million and "pass through" incremental Redevelopment Agencies (RDA) taxes were \$16.9 million. 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, 84.7%	Recycled water direct sales were \$7.9 million for 17,114 acre feet (AF) and groundwater recharge sales were \$7.4 million for 13,381 acre feet (AF), for a combined total of \$15.3 million or 30,495 AF. Total deliveries of 35,800 AF (22,000 AF Direct and 13,800 AF Recharge) were 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, 76.8%	Interest Income was \$3.6 million or 76.8 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 June 2020 was 1.73%. The budgeted interest rate assumption for FY 2019/20 is 2.5% based on the Agency's overall fund balance which is higher than the agency's portfolio.
MWD Water Sales, 94.5%	Total Metropolitan Water District of Southern California (MWD) pass-through imported water revenue was \$42.3 million or 94.5 percent of the year to date budget. Imported water deliveries were 64,358 AF compared to the annual budgeted quantity of 60,000 AF.
Connection Fees, 89.4%	Total connection fee receipts of \$31.9 million or 89.4 percent of the year to date budget. Receipts include \$23.9 million for new regional wastewater system connections and \$8.0 million for new water connections. The number of new wastewater connections reported through the fourth quarter were 3,435 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 4,694 meter equivalent dwelling units (MEU) compared to the budgeted 4,700. Some member agencies reported no activities on certain months which indicates of a possible slowdown in building activities as an economic repercussion of the COVID-19.
Grants and Loans, 769.5%	Grant and loan receipts were \$248.9 million, or 769.5 percent of the fiscal year to date budget. Significant increase was due to the \$232 million proceeds from the 2020B Revenue Notes to support the construction costs for the RP-5 Expansion project. Actual grants received of \$5.7 million include \$3.6 million for Plume Cleanup project in the Regional Wastewater Operations fund, \$1.3 million for water conservation program, \$0.5 million for Recharge Master Plan Update (RMPU) projects in the Recharge Water fund.
Cost Reimbursements JPA, 99.6%	Total cost reimbursements were \$6.7 million or 99.6 percent of the year to date budget. Actuals include reimbursements of \$4.3 million from the Inland Empire Regional Composting Authority (IERCA) and \$1.4 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, 58.2%	Total other revenues and project reimbursements were \$2.7 million, or 58.2 percent of the year to date budget. Actual receipts include \$0.8 million from Chino Basin Water Master (CBWM) for their share of the 2008B Rate Variable bond debt service and fixed project costs and \$1.9 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 June 30, 2020

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Expenses:					
Employment	\$51,290,894	\$51,290,894	\$47,520,094	\$3,770,800	92.6%
Admin & Operating	80,152,406	80,152,406	57,014,838	\$23,137,568	71.1%
MWD Water Purchases	44,724,000	44,724,000	42,272,671	\$2,451,329	94.5%
OPERATING EXPENSES	\$176,167,300	\$176,167,300	\$146,807,603	\$29,359,697	83.3%

Non-Operating Expenses:

Capital	98,888,091	98,888,091	52,377,539	\$46,510,551	53.0%
Debt Service and All Other Expenses	24,175,105	24,175,105	27,469,630	(\$3,294,525)	113.6%
NON-OPERATING EXPENSES	\$123,063,196	\$123,063,196	\$79,847,169	\$43,216,026	64.9%
Total Expenses	\$299,230,496	\$299,230,496	\$226,654,772	\$72,575,723	75.7%

Employment Expenses
net of allocation to
projects

Employment, 92.6%
Employment expenses were \$49.0 million or 95.6 percent of the year to date budget. At the end of the fourth quarter, total filled regular positions were 266 compared to the 286 budgeted (290 authorized) and 11 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. Due to COVID-19, departments have been directed to fill only the most essential vacant positions. The budget and actual expenses include \$7.5 million payment toward the retirement unfunded liabilities.

Administrative &
Operating Expenses

Office and Administrative, 51.6%
Total expenses through the fourth quarter were \$1.2 million or 51.64 percent. The favorable variance was due in part to the inclusion of \$150 thousand for the GM contingency budget which represents six percent of the overall category budget. The GM contingency supports unexpected costs that may arise during the fiscal year. Due to COVID-19 and staff stay-at-home order, scheduled travel and training were postponed or cancelled and usual amount of office supply were not purchased.

Professional Fees & Services, 56.9%
Total expenses were \$6.4 million, or 56.9 percent of the year to date budget. Due to COVID-19, only critical contracted labor and materials materialized. Some services are anticipated to extend beyond the current fiscal year related to rehabilitation of clarifiers and aeration basins; repairs and calibration of critical compliance equipment and treatment process; and contractor and consultant support for project management and administrative services. In addition, due to COVID-19 situation and staff shortages only critical maintenance were performed and preventive maintenance were temporarily put on hold.

Materials & Supplies/Leases/Contribution, 84.3%
Expenses through the end of the fourth quarter were \$3.2 million or 84.3 percent of year to date budget. The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies, replacement parts, and consumables used by treatment plants. As a result of the COVID-19, operations-related repairs performed fewer preventive corrective and maintenance tasks therefore supplies were not utilized.

Biosolids Recycling, 97.1%
Biosolids expenses through the end of the fourth quarter were \$4.8 million or 97.1 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 71,551 tons with a hauling rate of \$56.00 per ton.

Chemicals, 93.1%
Chemical expenses were \$5.2 million, or 93.1 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 97% of budget and Polymer consumption was approximately 102% at the end of the fourth quarter.

MWD Water Purchases, 94.5%
Total Metropolitan Water District of Southern California (MWD) pass-through imported water revenue was \$42.3 million or 94.5 percent of the year to date budget. Imported water deliveries were 64,358 AF compared to the annual budgeted quantity of 60,000 AF.

Operating Fees, 83.8%
Total expenses were \$10.2 million or 83.82 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 \$2.8 million of MWD readiness-to-serve (RTS) obligation pass-through fees, budgeted at \$3.1 million.

Utilities, 76.5%
Total utilities expenses were \$6.7 million or 76.5 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 fourth 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, 63.2% and 37.1%
The combined O&M and reimbursable project costs were \$16.5 million or 50.2 percent of the combined year to date budget. The favorable balance is mainly due to delays in project spending on various fund planning documents and drought related project delays.

Financial Expenses	Financial Expense, 113.6% Total financial expenses were \$27.1 million or 113.6 percent through the end of the fourth quarter. Actual costs included \$21.3 million paid towards the defeasance of the 2008B Variable Bond and 2010A Revenue Bond, 2017A Revenue Bonds, and State Revolving Fund (SRF) notes. Total interest and financial administration fees were \$5.8 million.
Other Expenses	Other Expenses, 114.5% Total other expenses were \$0.4 million or 134 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, 53% Total capital project expenditures year to date were \$52.4 million or 53.0 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 due to the COVID-19 situation. Capital project costs related to the Regional Wastewater program through the fourth quarter were \$25.1 million, or 49 percent of the \$51.4 million of the annual program budget. Recycled Water program capital projects accounted for \$19.3 million, or 81.0 percent of the \$23.8 million annual program budget.

Summary of major capital and non-capital project expenses and status as of June 30, 2020

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	5,805,318	96.3%
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.	8,355,000	1,651,819	19.8%
EN19010	RP-4 Influent Screen There have been delays with the contractor placing the purchase order for the major equipment. This is due to necessary design changes from items that were not included in the IEUA prepared design/build bid package. Therefore, the design and contractor mobilization were delayed.	2,850,000	372,160	13.1%
EN23002	Philadelphia Lift Station The project design is taking longer than anticipated due to conflicts with the City of Ontario future utilities. Once alignment is finalized, forecasts will be updated. FY 19/20 budget initialed forecasted with the thought that construction would commence mid-year thus the reason for the variance.	4,410,000	187,296	4.2%
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.	5,065,496	5,017,742	99.1%
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.	1,800,000	142,812	7.9%
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).	915,744	399,939	43.7%
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.	795,342	351,389	44.2%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2019/20
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended June 30, 2020

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget YTD Used	% Annual Budget Used
<u>OPERATING REVENUES</u>						
User Charges	\$87,284,597	\$87,284,597	\$87,762,966	\$478,369	100.5%	100.5%
Recycled Water	18,120,000	18,120,000	15,348,685	(2,771,315)	84.7%	84.7%
MWD Water Sales	44,724,000	44,724,000	42,272,671	(2,451,329)	94.5%	94.5%
Cost Reimbursement from JPA	6,683,675	6,683,675	6,658,037	(25,638)	99.6%	99.6%
Interest Revenue	4,693,183	4,693,183	3,605,513	(1,087,670)	76.8%	76.8%
TOTAL OPERATING REVENUES	\$161,505,455	\$161,505,455	\$155,647,872	(\$5,857,583)	96.4%	96.4%
<u>NON-OPERATING REVENUES</u>						
Property Tax	\$52,364,000	\$52,364,000	\$55,613,070	\$3,249,070	106.2%	106.2%
Connection Fees	35,734,799	35,734,799	31,931,232	(3,803,568)	89.4%	89.4%
Grants	13,137,244	13,137,244	5,718,738	(7,418,506)	43.5%	43.5%
SRF Loan Proceeds	19,208,842	19,208,842	243,198,500	223,989,658	1266.1%	1266.1%
Project Reimbursements	3,421,915	3,421,915	899,707	(2,522,208)	26.3%	26.3%
Other Revenue	1,198,100	1,198,100	1,790,109	592,009	149.4%	149.4%
TOTAL NON OPERATING REVENUES	\$125,064,900	\$125,064,900	\$339,151,356	\$214,086,455	271.2%	271.2%
TOTAL REVENUES	\$286,570,355	\$286,570,355	\$494,799,228	\$208,228,872	172.7%	172.7%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>						
EMPLOYMENT EXPENSES						
Wages	\$28,124,131	\$28,124,131	\$28,879,202	(\$755,071)	102.7%	102.7%
Benefits	23,166,763	23,166,763	18,640,891	4,525,872	80.5%	80.5%
TOTAL EMPLOYMENT EXPENSES	\$51,290,894	\$51,290,894	\$47,520,094	\$3,770,801	92.6%	92.6%
ADMINISTRATIVE EXPENSES						
Office & Administrative	\$2,466,023	\$2,466,023	\$1,272,643	\$1,193,381	51.6%	51.6%
Insurance Expenses	1,019,801	1,019,801	770,958	248,842	75.6%	75.6%
Professional Fees & Services	14,877,607	14,877,607	8,467,449	6,410,158	56.9%	56.9%
O&M Projects	25,353,222	25,353,222	\$16,019,228	9,333,995	63.2%	63.2%
Reimbursable Projects	1,254,905	1,254,905	\$466,166	788,739	37.1%	37.1%
TOTAL ADMINISTRATIVE EXPENSES	\$44,971,558	\$44,971,558	\$26,996,444	\$17,975,115	60.0%	60.0%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2019/20
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended June 30, 2020

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget YTD Used	% Annual Budget Used
OPERATING EXPENSES						
Material & Supplies/Leases	\$3,853,911	\$3,853,911	\$3,248,634	\$605,278	84.3%	84.3%
Biosolids Recycling	4,768,537	4,768,537	4,630,347	138,190	97.1%	97.1%
Chemicals	5,582,844	5,582,844	5,195,265	387,578	93.1%	93.1%
MWD Water Purchases	44,724,000	44,724,000	42,272,671	2,451,329	94.5%	94.5%
Operating Fees/RTS Fees/Exp. Alloc.	12,223,533	12,223,533	10,248,389	1,975,144	83.8%	83.8%
Utilities	8,752,023	8,752,023	6,695,760	2,056,263	76.5%	76.5%
TOTAL OPERATING EXPENSES	\$79,904,848	\$79,904,848	\$72,291,065	\$7,613,782	90.5%	90.5%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$176,167,300	\$176,167,300	\$146,807,602	\$29,359,698	83.3%	83.3%
<u>NON-OPERATING EXPENSES</u>						
CAPITAL OUTLAY	\$98,888,091	\$98,888,091	\$52,377,539	\$46,510,552	53.0%	53.0%
FINANCIAL EXPENSES						
Principal, Interest and Financial Expenditures	23,835,185	23,835,185	27,080,512	(3,245,327)	113.6%	113.6%
OTHER NON-OPERATING EXPENSES	339,920	339,920	389,119	(49,200)	114.5%	114.5%
TOTAL NON-OPERATING EXPENSES	\$123,063,196	\$123,063,196	\$79,847,171	\$43,216,025	64.9%	64.9%
TOTAL EXPENSES	\$299,230,496	\$299,230,496	\$226,654,773	\$72,575,723	75.7%	75.7%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$12,660,141)	(\$12,660,141)	\$268,144,454	\$280,804,595		

Totals may not add up due to rounding

Business Goals Status Updates – FY 2019/20 4th 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/ webinars and cross train within the department. Staff member has received a master's degree in Public Administration in this past quarter.		We are working with Accounting/Finance to get all Policy Committee members on ACH payments in lieu of processing paper checks.

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
EXTERNAL AFFAIRS AND POLICY DEVELOPMENT	Staff attended a high-level overview of the <u>5 Whys and the How of Asset Management at the Agency.</u>	<p>The Grants Department continues to pursue Federal and State funding to support the Agency's capital projects.</p> <p>RP-5 Expansion Project Total Costs \$450 Million</p> <p>Awarded an EPA/Water Infrastructure Finance and Innovation Act – (WIFIA) low interest loan of \$196.4 Million (M). The loan was negotiated@ 1.36% to be paid back over 35 years.</p> <p>Submitted a State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) loan for \$101M. The SRF loan is on the SWRCB FY 19/20 Fundable list.</p> <p>The Grants Department received three SRF loan</p>	<p>The Records Management (RM) Supervisor completed classes from Feith University for the semester and received a certificate of completion. Records Specialist continues to pursue Laserfiche System Administration III Certification. RM Specialist completed the Agency's Career Management Program.</p> <p>RM staff continues to train new IEUA employees on RM procedures as well as training staff on how to use the Laserfiche software.</p> <p>RM staff participates in training both COVID related and records management related through on-line training while the COVID-19 Stay at Home order is in place.</p> <p>The second round of the Career Management Program continued, with three learning groups participating in meetings and trainings focused on defining the participants' career</p>		

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
		<p>Agreements totaling \$16.5M:</p> <p>Baseline Extension for \$6.7M.</p> <p>RP-1 1158 Pump Station Upgrades for \$6.7M; and</p> <p>RP-5 RW Bottleneck for \$3.1M.</p> <p>The Grants Department was awarded grants of \$3.4M in collaboration with partner agencies:</p> <p>IEUA/JCSD Raw Water Intertie Project SAWPA/DWR \$2.6M</p> <p>CDA (Desalter 1) Granular Activated Carbon Treatment Facility Project USBR funding of \$0.8M</p>	<p>development path. In June, the participants took part in a workshop titled, “The DNA of Messaging,” which provided tips on effective communication.</p> <p>EA staff attended multiple webinars focused on messaging, education and outreach trends.</p> <p>EA staff has implemented team training/coordination/innovation for virtual platforms: tours, education programming, etc.</p>		

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
ENGINEERING, PLANNING & SCIENCE	<p>Asset Management progress this quarter include the following:</p> <ul style="list-style-type: none"> Initiated plans to improve maintenance Planning & Scheduling (P&S). This will be started as a pilot program at IERCF. It will enhance our P&S processes, implement new P&S software (PaSTA), as well as develop CMMS and Warehouse processes. Condition Assessments: <ul style="list-style-type: none"> Started the creation of a comprehensive strategic Agency Condition Assessment plan. This will feed our TYCIP. Updated the scope for the Collection's Condition Assessment and Optimization Project. Going to 	<p>Ten Year Forecast: PL Staff coordinated, oversaw, and completed the development of the Ten-Year Forecast (formerly the Ten-Year Capital Improvement Plan) with Engineering, Ops, and finance. The Ten-Year Forecast was approved by the Technical Advisory Committee, Policy Committee, and IEUA Board in spring 2020.</p> <p>Chino Basin Program: PL Staff continues to work closely with its partner agencies to address key questions and to complete the analysis needed to advance the planning and design of the CBP. The CBP includes long-range capital projects including Advanced Water Purification Facility which is required for IEUA's wastewater and recycled water compliance, injection wells, wellhead</p>	<p>PL Staff joined the Career Management program with participants and learning facilitators, attend seminars and webinars hosted by the Agency, and Regulatory Agencies, and cross train within the department. Staff regularly interact with and develop information for Agency management, IEUA Board, contracting agency policy members. PL Staff also actively participate in industry-wide discussions about water resource management, development, and trends (PPIC, ACWA, SCAP, CASA, Water Reuse Association, Pacific Institute, etc.) PL Staff attended the P3S Conference and various trainings to keep updated on rules and</p>	<p>PL Staff participates in monthly safety training videos. PL Staff has regularly been sending emails to IS before opening any suspicious links to verify if they are phishing attempts</p>	<p>PL Staff participated in end of the year SAP training for purchase order rollovers and carry-forwards for non-encumbered projects. PL Staff worked with BIS to coordinate water meter connection fees in SAP input process.</p>

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
	<p>the Board in September 2020.</p> <ul style="list-style-type: none"> Started coordinating with IEUA stakeholders to develop/enhance Agency processes in preparation for the RP-5 Expansion. This will include new equipment/PM documentation into SAP, records management coordination (e.g. O&M Manuals, SOPs, etc.), and training on new equipment. <p>PL Staff coordinated, oversaw, and completed the development of the Ten-Year Forecast (formerly the Ten-Year Capital Improvement Plan) with Engineering, Ops, and finance. As part of the TYF, staff actively promoted discussions about Asset Management. The Ten-Year Forecast was approved by the Technical Advisory Committee, Policy Committee, and IEUA</p>	<p>treatment, pipelines, interties, and opportunities to bring in additional water sources to the region.</p>	<p>regulations for Source Control and certifications.</p>		

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
	Board in spring 2020. PL Staff assisted Operation and Maintenance with the implementation of energy costs, improve reliability, optimize operation, and ensure compliance.				

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
FINANCE & ADMINISTRATION		Two major funding sources for the RP-5 Expansion Project (Project) were secured at the of May and June. On May 27, 2020 the Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement with the US Environmental Protection Agency was closed for a principal amount of \$196.4 million at a fixed rate of 1.36%. The WIFIA loan is payable over 35 years following substantial completion of the Project estimated to be 2026 resulting in estimated gross savings of \$152.8 million over the life of the loan compared to traditional bond issues. Even at this low rate, at the end of June, the Agency issued short-term notes to further reduce the borrowing costs for the Project. The 2020B Revenue Notes for \$196.4 million at a fixed rate of 0.41% will provide	<p>Finance Department staff participated in a New Form 1099-NEC Training webinar. Training provided accounts payable with plain English explanations breaking down the toughest 1099 due diligence situations for 2020 - featuring a comprehensive box-by-box review of both the new 2020 Form 1099-MISC and 1099-NEC.</p> <p>Finance Department staff participated in a GFOA Managing Cash Flow in a Crisis webinar. The interactive internet training demonstrated how to develop your own simplified cash flow analysis and included access to an Excel model where you can input your own data.</p>	Key staff members including CAP met to develop a pandemic plan. The team will meet regularly to create a comprehensive plan to prepare for future possible outbreaks. The plan will be added to the Agency's current Emergency Manual. Topics discussed include pandemic action levels, critical operations/positions, disaster supplies and supply chain.	<p>CAP collaborated with Home Depot to integrate the vendor's online catalog into the Agency's SAP procurement process.</p> <p>BIS worked with IERCA to develop an IERCA dashboard providing an overview of the process, business and energy performance indicators for the compost production facility.</p> <p>Finance Department worked with BIS and CAP to host year-end training for closing FY 2019/20 which is intended to make the closing process simpler, focus on key dates and processes necessary to roll over PRs and POs from the current FY into the next and to back-post relevant goods/services receipts in SAP.</p>

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

		<p>an additional savings of \$6.1 million resulting in total gross savings of \$158.9 million over the life of the loan.</p> <p>The low interest rates also provided Finance the opportunity to modify the 2008B Variable Rate Demands Bonds from a variable rate to a fixed rate and refinance existing debt for additional cost savings. In June, the Agency issued the 2020A Refunding Bonds for a par amount of \$56.225 million and a true in cost of 0.997% resulting in estimated gross savings of \$10.5 million over the life of the bonds. Included in the 2020A Refunding Bonds were the 2008B Variable Bonds, 2020A Revenue Bonds and eight (8) State Revolving Fund (SRF) Loans.</p>			
--	--	---	--	--	--

Business Goals Status Updates – FY 2019/20 4th Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
OPERATIONS	(O/M) Staff worked closely with other departments and consulting firm to finalize the RP-5 Asset Register and Asset Management Standard Operating Procedure in preparation for RP-5 Expansion Project asset upload to SAP.	(O/M) Staff assisted engineering in the vendor selection process to identify consulting firm to assist with O&M Resource Study to support the operability and maintainability of RP-5 during and after the expansion project.	<p>(O/M) Career Development Program continues with members from the Operations Division.</p> <p>(O/M) staff have attended multiple virtual training classes in support of our continuous learning process which supports professional and personal development. This includes numerous webinars and workshops focused on COVID-19, it's effects, risk and best management practices.</p>	(ISS) No security incidents during the FY. Completed offline backups for SCADA and Business networks to defend against ransom ware. Completed review of security information for SCADA and Business networks.	<p>(O/M) Staff developed a job aid package and delivered SAP training to staff on "How to Create the Perfect Notification".</p> <p>(O/M) Staff continues to evaluate and has made recommendations for SAP enhancements necessary to support the use of future planning and scheduling software.</p>

Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2019/20
Budget Transfer

			TRANSFER FROM				TRANSFER TO					
Fund	Fund Name	Date	Cost Center	GL Account	Category	Amt Transfer Out	Cost Center	GL Account	Category	Amount Transfer In	Description	QTR
10200	Administrative Services	4/13/2020	114100	521080	Professional Fees & Services	\$24,083	118100	521410	Professional Fees & Services	\$24,083	Budget transfer required to fund the purchase of 20 additional licenses of DocuSign electronic signature software. This purchase will allow for additional users to create and request electronic signatures on forms during the work from home initiative related to the COVID19 crisis.	4
		4/23/2020	127100	521010	Professional Fees & Services	\$4,500	131140	512160	Materials & Supplies	\$20,000	The budget transfer is needed to purchase of Lab supplies through June 2020.	4
				520920		\$15,500						
		4/28/2020	119100	511120	Office & Administration	\$1,500	119100	512210	Office & Administration	\$1,500	Due to the COVID 19, the training events we had planned or anticipated have not occurred and those funds are needed for Printing/Copying.	4
		4/28/2020	119100	513010	Office & Administration	\$1,000	119100	512010	Office & Administration	\$1,000	Due to the COVID 19, meetings are not occurring as we had planned or anticipated and those funds are needed for Office Supplies.	4
		4/28/2020	119100	513020	Office & Administration	\$5,000	119100	520980	Professional Fees & Services	\$9,418	The transfer of funds to professional services is due to critical HR Initiatives that are part of the GM's overall goals including the Updating of all Agency Policies which will require assistance from a consultant.	4
				514110		\$4,418						
10300	Recharge Water	5/21/2020	161101	512420	Materials & Supplies	\$12,000	161101	545110	Utilities	\$12,000	Budget transfer to Electricity needed to cover additional charges due to the new pump station at San Sevaine. Additionally, we had imported water due to dry year yield so more water was pumped at the Jurupa Station.	4
		6/18/2020	161101	512420	Materials & Supplies	\$6,000	161101	545110	Utilities	\$6,000		
10600	Recycled Water	6/23/2020	151100	545110	Utilities	\$65,000	131100	521220	Professional Fees & Services	\$65,000	The budget transfer is needed to remit payment for contract lab testing services through June 2020. The additional fund requirement is due to costs associated with delayed lab certification from the state and also more frequent testing mandated by either updated or new regulations.	4
		6/30/2020	151100	545110	Utilities	\$90,000	131140	520980	Professional Fees & Services	\$90,000	The Laboratory has consultant staff augmentation estimated for the next year that will be charging their hourly time to different funds/processes they are working on. The Laboratory did not budget for this for FY 20/21, so staff is requesting this budget transfer to cover costs related for the work performed by the consultant staff augmentation on the NRW System.	4
10800	Regional Wastewater Operations & Maintenance	4/5/2020	151100	545110	Utilities	\$285,000	151100	526310	Biosolids Recycling	\$270,000	The current FY19-20 budget for the Biosolids Operating Fee and Biosolids Transportation Fee assumed that 4.4 loads per day were to be removed from RP-1 and sent to IERCF.	4
								526520		\$15,000		
		4/16/2020	144155	521010	Professional Fees & Services	\$60,000	154100	526310	Biosolids Recycling	\$60,000	After review of the current FY2019/20 budget for the Biosolids Operating Fee, it was assumed that 2.7 loads per day were to be removed from RP-2 and sent to IERCF. The actual loads removed per day and projecting forward through the end of the fiscal year is 2.9 loads per day, which includes an increase in biosolids removal from the RP-2 solar pad. The increase in loads removed and transported to IERCF will result in expenditures exceeding the current budgeted amount of \$1,420,000 for the Biosolids Operating Fee. A budget transfer of \$60,000 for the Biosolids Operating Fee, which includes a 30% contingency, is being requested to cover the expected deficit for the current fiscal year FY2019/20.	4

**Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2019/20
Budget Transfer**

Exhibit C-1

			TRANSFER FROM				TRANSFER TO					
Fund	Fund Name	Date	Cost Center	GL Account	Category	Amt Transfer Out	Cost Center	GL Account	Category	Amount Transfer In	Description	QTR
10800	Regional Wastewater Operations & Maintenance	4/27/2020	144155	521010	Professional Fees & Services	\$75,000	116100	512110	Office & Administration	\$30,000	Current fiscal year's budget 2019/20 was impacted due to unexpected cost for vehicle preventive and corrective maintenance. This has caused 10800 (RWW) fund budget to cause budget blocks within department budget in South Operations and Maintenance.	4
							144155	512110		\$45,000		
		4/29/2020	144155	521010	Professional Fees & Services	\$100,000	154100	530024	Chemicals	\$100,000	The 2019/2020 budget for South Operations for the fiscal year did not plan for Montclair Lift Station bypassing flows from RP-1 to CCWRF due to construction activities which resulted in unplanned consumption. Also, the formula for calculating the ferric demand was not updated with the new pricing for the new contract which provided incorrect estimates for the fiscal year. Transfer will be split between CCWRF and RP-2.	4
		6/9/2020	151100	545110	Utilities	\$100,000	144151	521010	Professional Fees & Services	\$50,000	In 2018, Maintenance and Operations embarked on a pilot project to install multiple Ammonia Analyzer systems for RP-1 Aeration process. The purpose of this project was to have the capability to detect instantaneous ammonia levels in the aeration basin. This provided Operations with the ability for a more accurate process control and save costs in the Energy and Chemical budgets. It also provided better process reliability in terms of treatment process. This budget transfer will be used to fund vendor labor service and technical support. This transfer will also fund the necessary chemicals and supplies need for the analyzers.	4
								512170	Materials & Supplies	\$50,000		
		6/17/2020	144155	521010	Professional Fees & Services	\$100,000	180152	530028	Chemicals	\$25,000	Currently the FY2019/20 budget for Chemicals shows a shortfall for the remaining fiscal year. The budget will cover for the final delivers and invoices through June 30, 2020.	4
							152156	530012		\$5,000		
								530016		\$50,000		
								530024		\$20,000		
							Total O&M Transfers Out	\$949,001			Total O&M Transfers In	\$949,001

**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		Transfer requested to cover litigation investigation costs associated with Ely Basin.
Balance, March 31, 2020								\$100,000	\$200,000
6/4/2020	GM Contingency	\$50,000	Administrative Services	ISS	512520	Computer Software/Licenses	\$4,000		The equipment and software was needed for the transition to work from home in response to the COVID-19 pandemic.
			Administrative Services	ISS	512620	Computer Equipment	\$14,000		
			Administrative Services	ISS	520960	Software Support Services	\$12,000		
			Administrative Services	ISS	521410	Computer Systems Maintenance	\$20,000		
Balance, June 30, 2020								\$50,000	\$150,000

GM Contingency Transfers Summary by Fund	
Administrative Services program	\$50,000
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	150,000

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	6/8/2020	EN20040	HQ Driveway Improvement	\$400,000		(\$100,000)	\$300,000	\$290,000	(\$100,000)	\$190,000	FM21005	The Agency-Wide Roofing Project was set-up as OM and should have been set-up as Capital. The project has begun in FY 19/20 under project FM20002. Finance requested that we set-up a new Capital Project to utilize going forward. To capture the costs for this FY, staff is requesting a budget transfer of \$100k. Going forward, Finance has allocated the FY budgets to the new project number, FM21005.
		FM21005	Agency Wide Roofing	\$4,985,000	\$0	\$100,000	\$5,085,000	\$0	\$100,000	\$100,000	(EN20040)	
	6/23/20	IS20002	BIZ Cybersecurity	\$30,000	\$0	(\$10,000)	\$20,000	\$30,000	(\$10,000)	\$20,000	IS20003	Transfer is to cover the second purchase of servers. The original order was received with out the software that was required in the bid. Upon returning the original order to the vendor which was incomplete, the Agency will be receiving a credit memo from the supplier and will be returned to IS20003. IS20003 is over budget due to purchase of laptop computers for work at home. To ensure that funds are available to repurchase the servers, a transfer is needed.
		IS20003	BIZ Infrastructure	\$410,000	(\$9,500)	\$10,000	\$410,500	\$290,500	\$10,000	\$300,500	(IS20002)	
Subtotal Administration (GG):				\$5,825,000			\$5,815,500	\$610,500		\$610,500		
10500	6/8/20	EN23002	Philadelphia Lift Station Force Main Improvements	\$6,000,000	\$12,348,000	(\$90,000)	\$18,258,000	\$4,500,000	(\$90,000)	\$4,410,000	EN20014	The NRWS Manhole Upgrades Project has additional manholes identified that need new barrel and cone to bring the new manhole frames/covers up to grade.
		EN20014	NRWS Manhole Upgrade	\$200,000	\$0	\$90,000	\$290,000	\$200,000	\$90,000	\$290,000	(EN23002)	
Subtotal Non-Reclaimable Wastewater (NC):				\$6,200,000			\$18,548,000	\$4,700,000		\$4,700,000		
10600	6/30/20	WR15021	Napa Lateral	\$6,967,717	(\$335,000)	(\$5,000)	\$6,627,717	\$5,060,496	\$5,000	\$5,065,496	(EN19029)	The RP-4 Outfall Project requires a budget transfer to cover the cost of invoices received during project close-out. Additional funds are needed to pay final invoices received from the material testing company, RMA, and the Certified Payroll Consultant, Solis Group.
		EN19029	RP-4 Outfall Pipeline Air Relief	\$945,000	\$35,000	\$5,000	\$985,000	\$640,000	\$5,000	\$645,000	WR15021	
Subtotal Recycled Water (WC):				\$7,912,717			\$7,612,717	\$5,700,496		\$5,710,496		
10800	6/25/20	EN18042	RP-1 Civil Restoration	\$810,000	\$156,000	(\$50,000)	\$916,000	\$129,000	(\$50,000)	\$79,000	EN20065	RP-1 Solids Hot Water Loop Valves Project is currently in the FY 20/21 TYCIP set to be approved by the Board of Directors in May 2020. A budget transfer is being requested to start the project in FY 19/20 due to an immediate need to start the project. A section of the subject pipeline was inspected and assessed by V&A, and it was determined that pipeline is in immediate need for replacement. The section assessed was replaced under a level one emergency in April 2020. V&A pointed out the high possibility of various sections of this operation-critical pipeline to fail very soon.
		EN20065	RP-1 Solids Hot Water	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	(EN18042)	
	6/25/20	EN17082	RP-1 Solids Hot Water	\$7,945,844	\$2,700,156	(\$500,000)	\$10,146,000	\$7,855,000	\$500,000	\$8,355,000	EN20065	On the RP-1 Solids Hot Water Loop Project, a section of the subject pipeline was inspected and assessed by V&A and it was determined that the pipeline is in immediate need for replacement. The section assessed was replaced under a Level I Emergency in April 2020. V&A pointed out the high possibility of various sections of this operational critical pipeline to fail very soon. As a result of the above, staff feel that it is IEUA's best interest to move forward with the project. Currently, the RP-1 Solids Hot Water Loop Valves Project has a budget of \$50k, which was established to start the project.
		EN20065	RP-1 Solids Hot Water	\$0	\$50,000	\$500,000	\$550,000	\$50,000	\$500,000	\$550,000	(EN17082)	

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	
10800	4/23/20	EN18042	RP-1 Civil Restoration	\$810,000	\$106,000	(\$75,000)	\$841,000	\$229,000	(\$75,000)	\$154,000	EN19043	The RP-1 Centrifuge Foul Air Line project project aims to design and construct a reconfiguration for the existing foul air connections in the RP-1 centrifuge system. O&M provided an initial budget of \$50,000 to complete to produce design alternatives. Additional budget is now requested by Engineering & CM to complete the design and construction of the selected alternative from the feasibility study.	
		EN19043	RP-1 Centrifuge Foul Air Line	\$45,000	\$0	\$75,000	\$120,000	\$0	\$75,000	\$75,000	(EN18042)		
	5/26/20	EN19009	RP-1 Energy Recovery	\$4,710,000	(\$15,000)	(\$170,000)	\$4,525,000	\$250,000	(\$170,000)	\$80,000	IS21009	The budget transfer is required to procure the maintenance scheduling software to assist with assigning work orders to field technicians.	
		IS21009	Maintenance Scheduling Software	\$0	\$0	\$170,000	\$170,000	\$0	\$170,000	\$170,000	(EN19009)		
Subtotal Regional Wastewater Operations & Maintenance				\$14,320,844			\$17,318,000	\$8,513,000		\$9,513,000			
10900	6/8/20	EN18037	CCWRF Asset Management	\$1,079,672	\$0	(\$30,000)	\$1,049,672	\$770,000	(\$30,000)	\$740,000	EN20015	The budget transfer is required for additional costs to to install a compatible epoxy coating on the manholes, and not the PVC liner currently on the manhole frames and covers.	
		EN20015	Collection System Upgrades	\$500,000	\$0	\$30,000	\$530,000	\$500,000	\$30,000	\$530,000	(EN18037)		
Subtotal Regional Capital (RC):				\$1,579,672			\$1,579,672	\$1,270,000		\$1,270,000			
				Capital Total Project Budget				Total Annual Capital Budget					
				Adopted		Amended		Adopted		Amended			
				\$35,838,233		\$50,873,889		\$20,793,996		\$21,803,996			

O&M Projects												
10200	6/2/20	FM20003	Agency Wide Facilities Rehab	\$50,000	\$0	\$0	\$50,000	\$49,700	(\$25,000)	\$24,700	(O&M: 116100-512110)	Funds to be transferred will support additional material purchases for the Agency headquarters for COVID-19 that were not anticipated for the fiscal year. In addition the funds will be used to support the remaining year balance for material expenses for fund 10200 for the department level.
Subtotal Administration (GG):				\$50,000			\$50,000	\$49,700		\$24,700		
10500	6/30/20	EN20016	NRWS O&M Projects	\$200,000	\$0	(\$65,000)	\$135,000	\$100,000	(\$65,000)	\$35,000	(O&M: 131140-520980)	The Laboratory has consultant staff augmentation estimated for the next year that will be charging their hourly time to different funds/processes they are working on. The Laboratory did not budget for this for FY 20/21, so staff is requesting this budget transfer to cover costs related for the work performed by the consultant staff augmentation on the NRW System.
		EN20016	NRWS O&M Projects	\$200,000	(\$65,000)	(\$35,000)	\$100,000	\$35,000	(\$35,000)	\$0	(O&M: 127100-520980)	
Subtotal Non-Reclaimable Wastewater (NC):				\$400,000			\$235,000	\$135,000		\$35,000		
10600	6/30/20	EN20017	WC Emergency O&M Projects	\$150,000	\$0	(\$85,000)	\$65,000	\$150,000	(\$85,000)	\$65,000	(O&M: 127100-520980)	The budget transfer will cover the costs related for the work performed by the consultant on the Recycled Water System Development Projects.
	5/5/20	EN19030	WC Asset Management	\$250,000	\$0	(\$120,000)	\$130,000	\$250,000	(\$120,000)	\$130,000	EN20036	There are currently two small projects occurring under EN20036, with an estimated cost of \$320,000. The two projects are Carpenter's Avenue 30-inch RW Line Restoration (estimated budget needed is \$220,000), and the RP-5 RW Piping Leak Repairs (estimated budget of \$100,000). The transfer is needed to fund the cost of these two projects.
		EN20036	WC On Call Small Projects	\$150,000	\$50,000	\$120,000	\$320,000	\$200,000	\$120,000	\$320,000	(EN19030)	
Subtotal Recycled Water (WC):				\$150,000			\$320,000	\$200,000		\$320,000		
10700	5/8/20	WR16025	WW Planning Documents	\$3,596,261	\$0	(\$30,000)	\$3,566,261	\$762,044	(\$30,000)	\$732,044	PL20003	A budget transfer for \$30,000 is required to fund the new project PL20003 - Integrated Water Resources Plan (IRP) 2020.
		PL20003	Integrated Water Resources Plan	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000	\$30,000	(WR16025)	
Subtotal Water Resources (WW):				\$3,596,261			\$3,596,261	\$762,044		\$762,044		

Inland Empire Utilities Agency

Changes in Total Project Budget: Inter-Departmental/Division Capital & O&M Transfers FY 2019/20

Exhibit D

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
10800	6/30/20	EN20035	RO Safety Operations & Maintenance	\$400,000	\$0	(\$125,000)	\$275,000	\$400,000	(\$125,000)	\$275,000	PA17006	Parkson, the manufacturer of the RP-1 aeration basin membrane panel diffusers, is discontinuing production of the membrane material for this system as of December 31st, 2020. Therefore, to delay a costly capital project to replace the aeration basin diffuser system, the budget transfer is needed since staff will be purchasing a complete set of membrane material to allow for one more change out of the existing system.
		PA17006	Agency Wide Aeration Panel Replacement	\$8,734,000	\$0	\$125,000	\$8,859,000	\$50	\$125,000	\$125,050	(EN20035)	
	6/17/20	PA17006	Agency Wide Aeration Panel Replacement	\$8,734,000	\$125,000	\$0	\$8,859,000	\$125,050	\$400,000	\$525,050	(O&M: 151100-545110)	Cover the costs of aeration panels that will be pre-purchased because they will be discontinued by the manufacturer.
	6/30/20	EN20019	RO Emergency O&M Projects	\$500,000	(\$40,000)	(\$125,000)	\$335,000	\$460,000	(\$125,000)	\$335,000	(O&M: 131140-520980)	The Laboratory has consultant staff augmentation estimated for the next year that will be charging their hourly time to different funds/processes they are working on. The Laboratory did not budget for this for FY 20/21, so staff is requesting this budget transfer to cover costs related for the work performed by the consultant staff augmentation on RO related functions.
Subtotal Regional Operations (RO):				\$18,368,000			\$18,328,000	\$985,100		\$1,260,100		
				O&M Total Project Budget				Total Annual O&M Project Budget				
				Adopted			Amended	Adopted			Amended	
				\$22,114,261			\$22,244,261	\$1,947,144			\$2,342,144	

Total TP Capital and O&M Project Transfers:	\$995,000
Total Project Budget Change - Capital:	\$15,035,656
Total Project Budget Change - O&M Proj:	\$130,000
Total Project Budget - Net Change:	\$15,165,656

FY 2019/20 Budget Variance Report

4th Quarter Ended June 30, 2020



FY 2019/20 Budget Variance Summary

Regional Wastewater and Recycled Water Programs

(\$ Millions)	Amended Budget	Actual	% Amended Budget Used
Total Sources of Funds	\$204.6	\$418.8	204.7%
Total Uses of Funds	187.7	152.3	81.2%
Net Increase/(Decrease)	\$17.0	\$266.5	
Beginning Fund Balance	\$214.0	\$214.0	
Ending Fund Balance	\$230.9	\$480.5	

Highlights

Total Sources of Funds:

- Financing transactions to fix-out the 2008B Variable Bonds, refinance 2010A Bonds and numerous SRF loans

Total Uses of Funds:

- Fourth quarter impacted by the global outbreak of the Coronavirus (COVID-19) pandemic in mid-March 2020

FY 2019/20 Budget Variance Summary

Regional Wastewater and Recycled Water Programs

Sources of Funds (\$Millions)	Amended Budget	Actual	% Amended Budget Used
User Charges	\$68.2	\$68.3	100.2%
Recycled Water Sales	18.1	15.3	84.7%
Property Taxes	45.8	47.9	104.6%
Connection Fees	35.7	31.9	89.4%
Grants and Loans	26.2	247.1	941.5%
Other Revenues*	10.6	8.3	102.9%
Total Sources of Funds	\$204.6	\$418.8	204.7%

* Other Revenues includes contract cost reimbursement, lease, and interest revenue. Total may vary from values due to rounding.

Highlights

User Charges

- Higher number of billable EDUs than budgeted

Recycled Water (AF)

	Budget	Actual
Direct Sales	22,000	13,800
Recharge	17,114	13,381

New Connections

	Budget	Actual
Wastewater (EDUs)	4,000	3,435
Water (MEUs)	4,700	4,694

Grants & Loans

- Includes debt proceeds of \$232M from the 2020B Revenue Notes to support RP-5 Expansion project

FY 2019/20 Budget Variance Summary

Regional Wastewater and Recycled Water Programs

Uses of Funds (\$ Millions)	Amended Budget	Actual	% Amended Budget Used
Employment Expense (net)	\$42.8	\$41.5	97.1%
Operating Expenses*	28.3	21.2	74.7%
Utilities	8.5	6.3	74.0%
Project Expenses**	86.1	57.8	67.1%
Financial Expenses	22.0	25.5	116.3%
Total Uses of Funds	\$187.7	\$152.3	81.2%

- *Operating expenses includes insurance, office & admin., professional fees, operating fees, chemicals, biosolids, and materials & supplies.
- **Project expenses includes capital and non-capital projects.

Highlights

COVID-19 response to ensure the safety of our employees, vendors and the public:

- Suspended all travel, conferences and related costs,
- Deferred non-critical preventive maintenance
- Temporarily suspended water use efficiency programs

- Higher financial expenses due to the early repayment of the 2010A Revenue Bonds, refinancing of existing debt, closing of the WIFIA loan, and issuance of 2020B Revenue Notes. Total gross savings over the life of the bonds/loans are estimated at \$186 million.

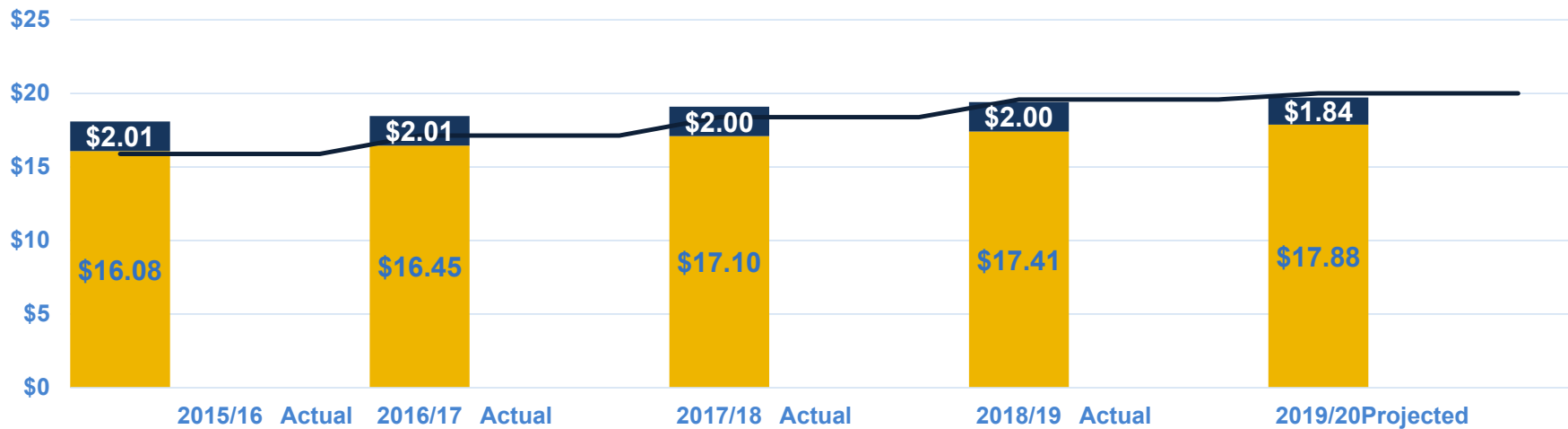
Regional Wastewater Operations Fund

Cost of Service per EDU

Projected v. Actual

Adopted Multi-Year Rates \$/EDU

2015/16	2016/17	2017/18	2018/19	2019/20
\$15.89	\$17.14	\$18.39	\$19.59	\$20.00



■ COS of Adopted FY 15/16 Rates - O&M

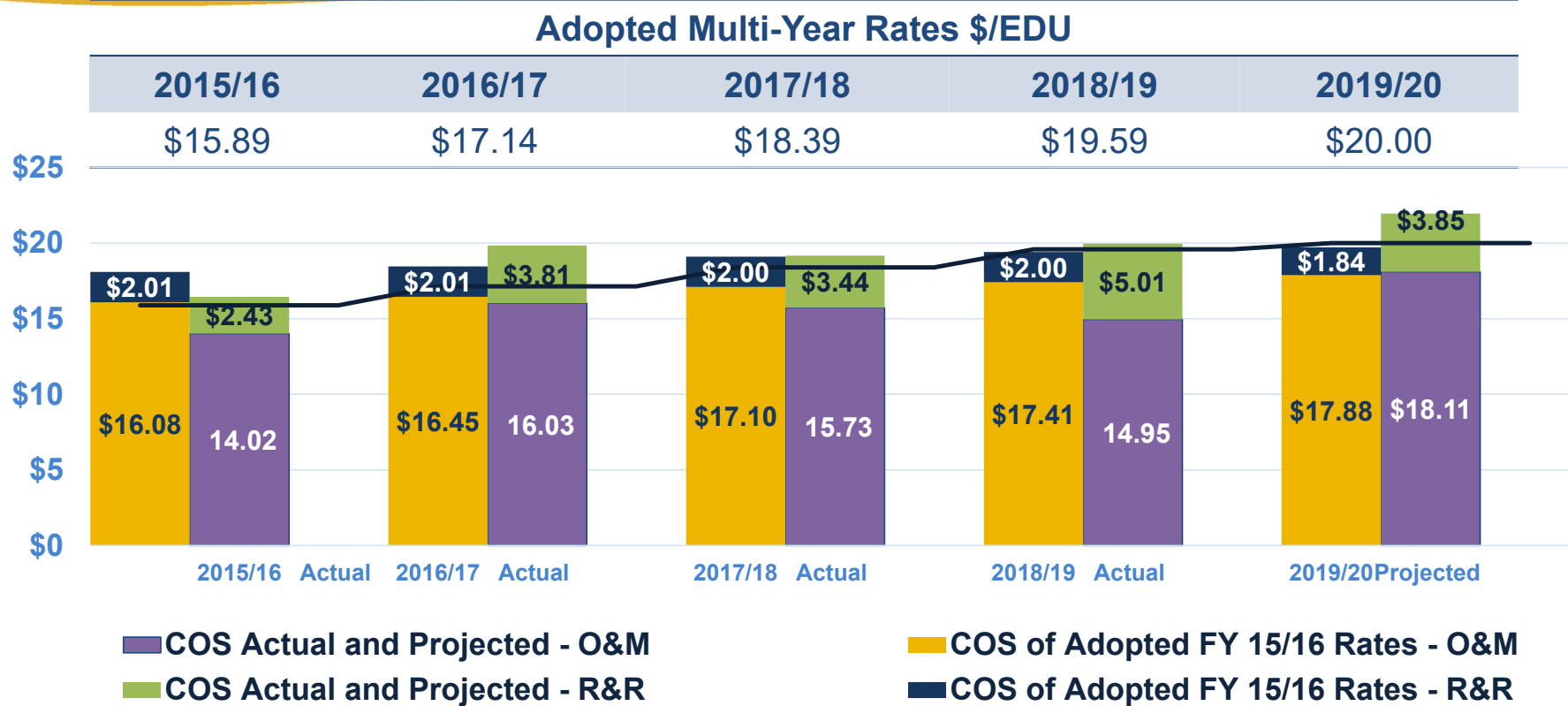
■ COS of Adopted FY 15/16 Rates - R&R

— Adopted EDU Rate

Regional Wastewater Operations Fund

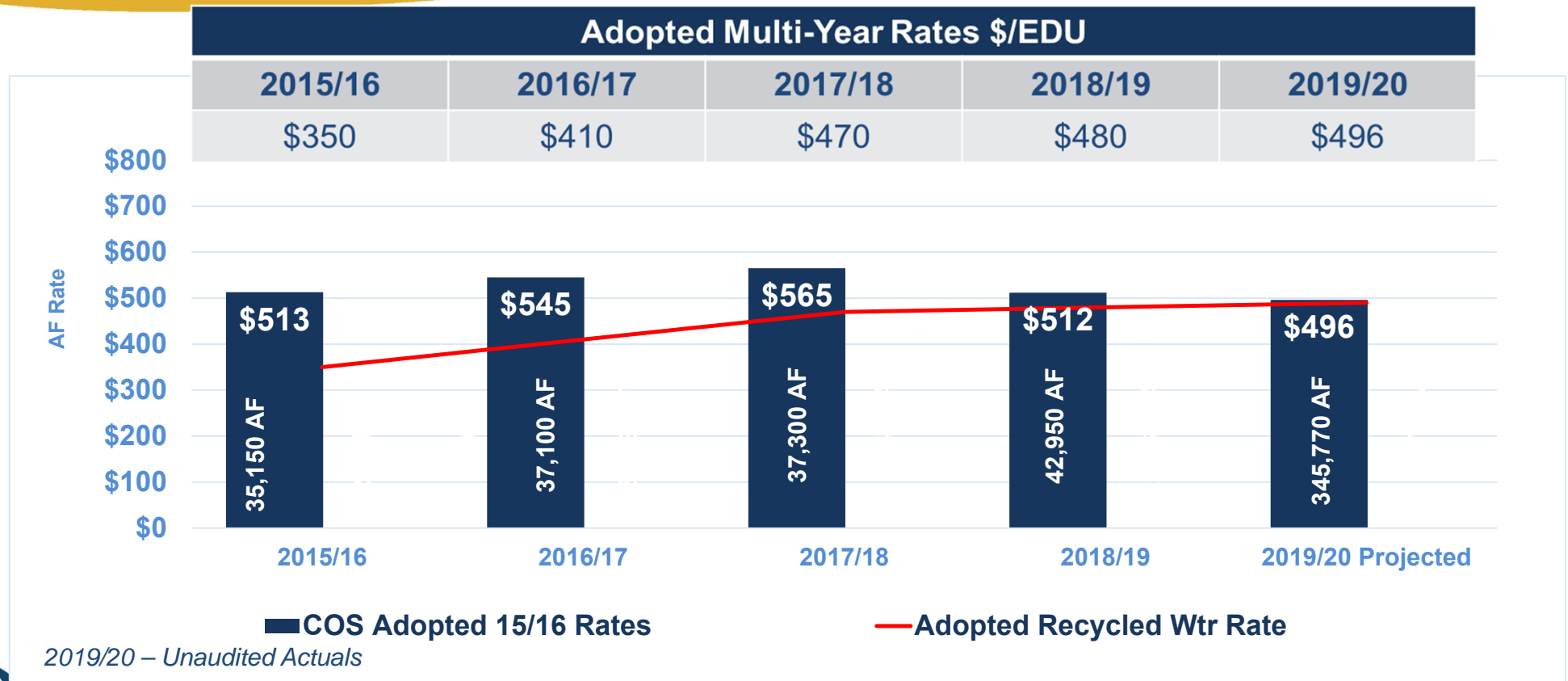
Cost of Service per EDU

Projected v. Actual



Recycled Water Program

Projected Cost of Service per AF

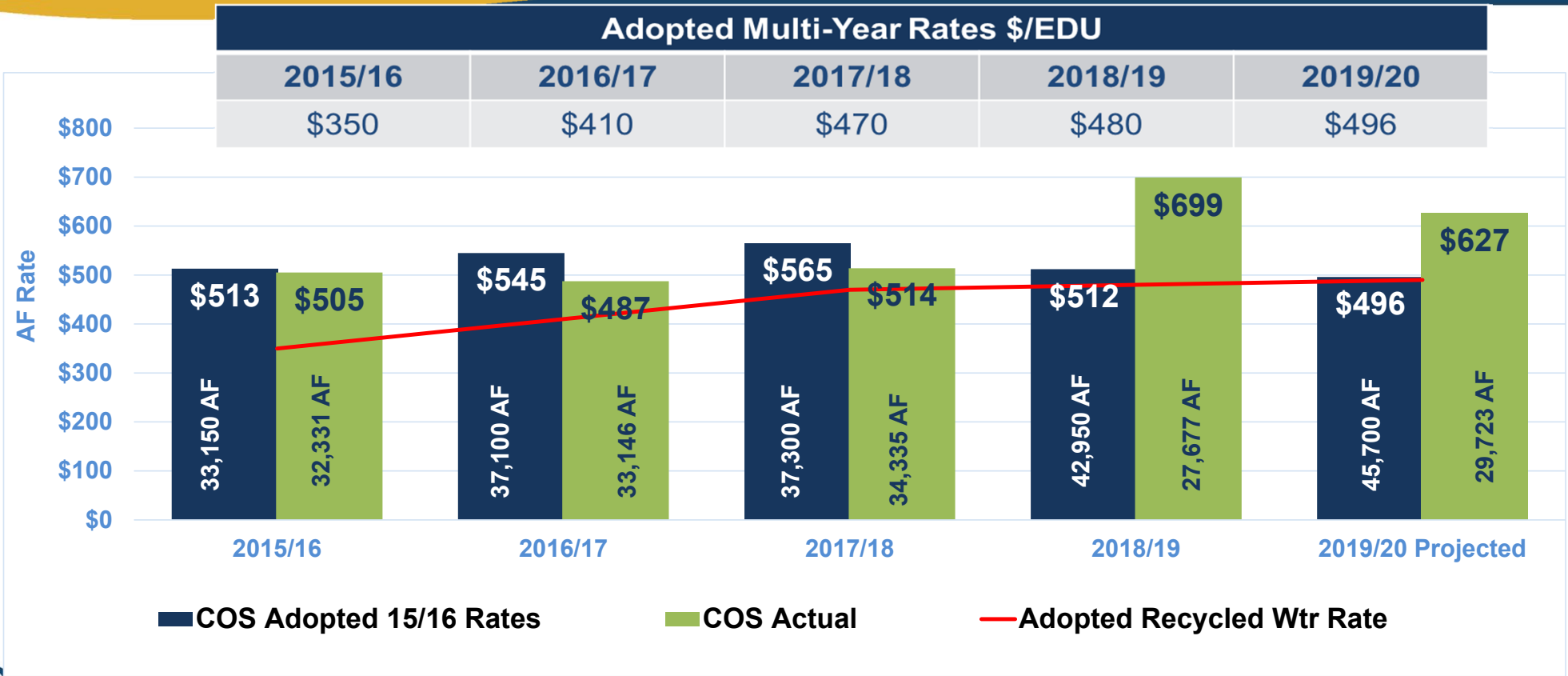


2019/20 – Unaudited Actuals

Recycled Water Fund

Cost of Service per AF

Projected v. Actual



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.

RECEIVE AND
FILE

3A



Regional Sewerage Program Policy Committee Meeting

AGENDA **Thursday, October 1, 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: 253 787 211#

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

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 September 3, 2020

3. Informational Items

- A. Operations Quarterly Update
- B. FY 2019/20 Fourth Quarter Budget Variance Report
- C. Federal Legislative Update (Oral)

4. Receive and File

- A. Engineering Projects Updates
- B. Building Activity Report
- C. 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 – November 5, 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) 993-1926, 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, September 24, 2020.

Sally H. Lee

RECEIVE AND
FILE

3B

Building Activity Report - YTD Fiscal Year 2020/21



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

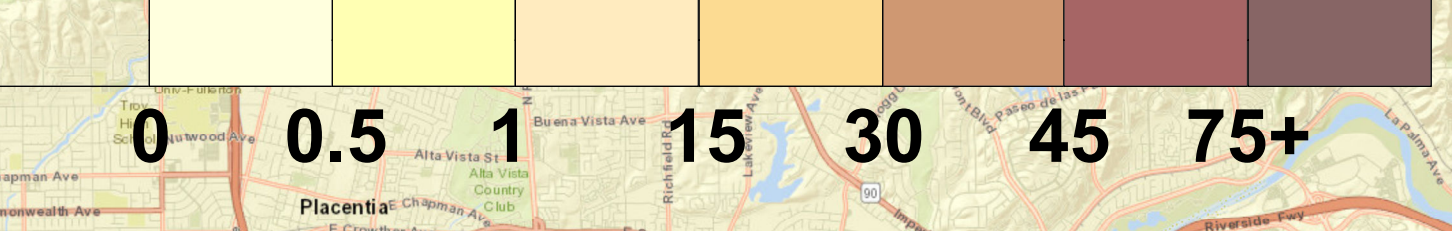
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

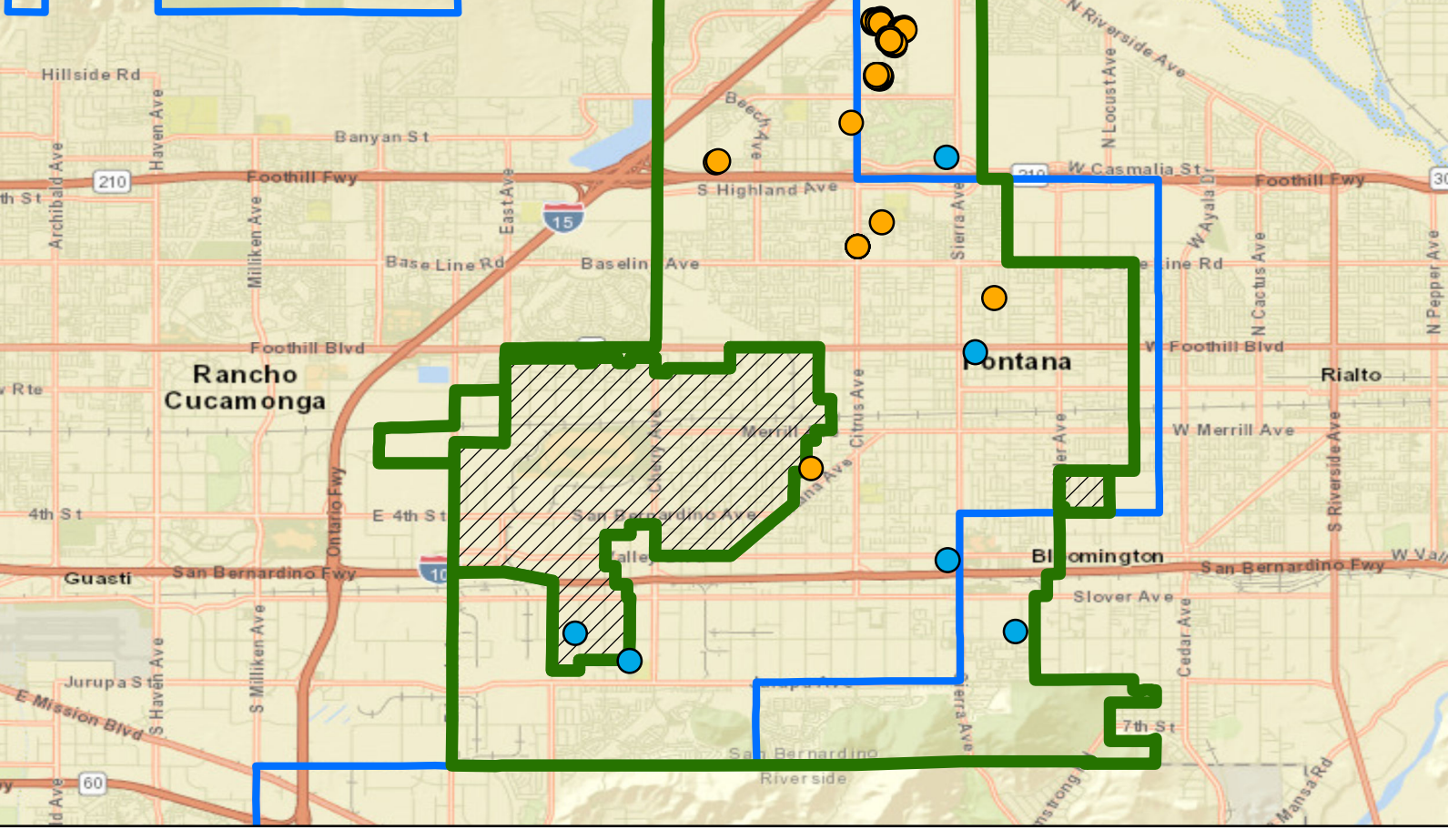
HALF MILE GRID: TOTAL EDU's (YTD)



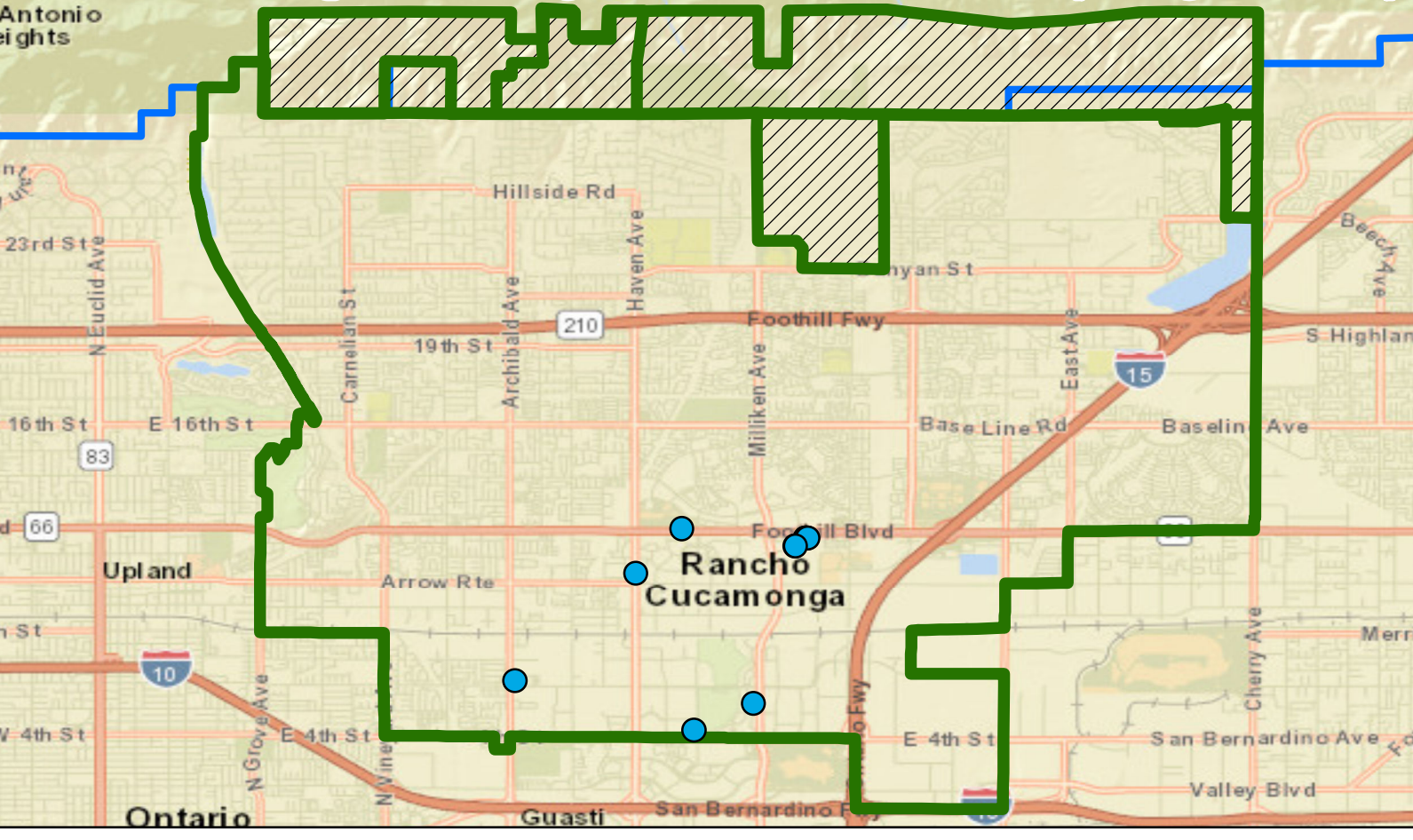
TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	0	0	33	33	430
Chino Hills	0	0	0	0	182
CVWD	9	0	0	9	1,650
Fontana	8	0	112	120	2,406
Montclair	0.31	0	0	0	407
Ontario	9	0	90	99	3,865
Upland	14	0	0	14	381
Total	41	0	235	276	9,321

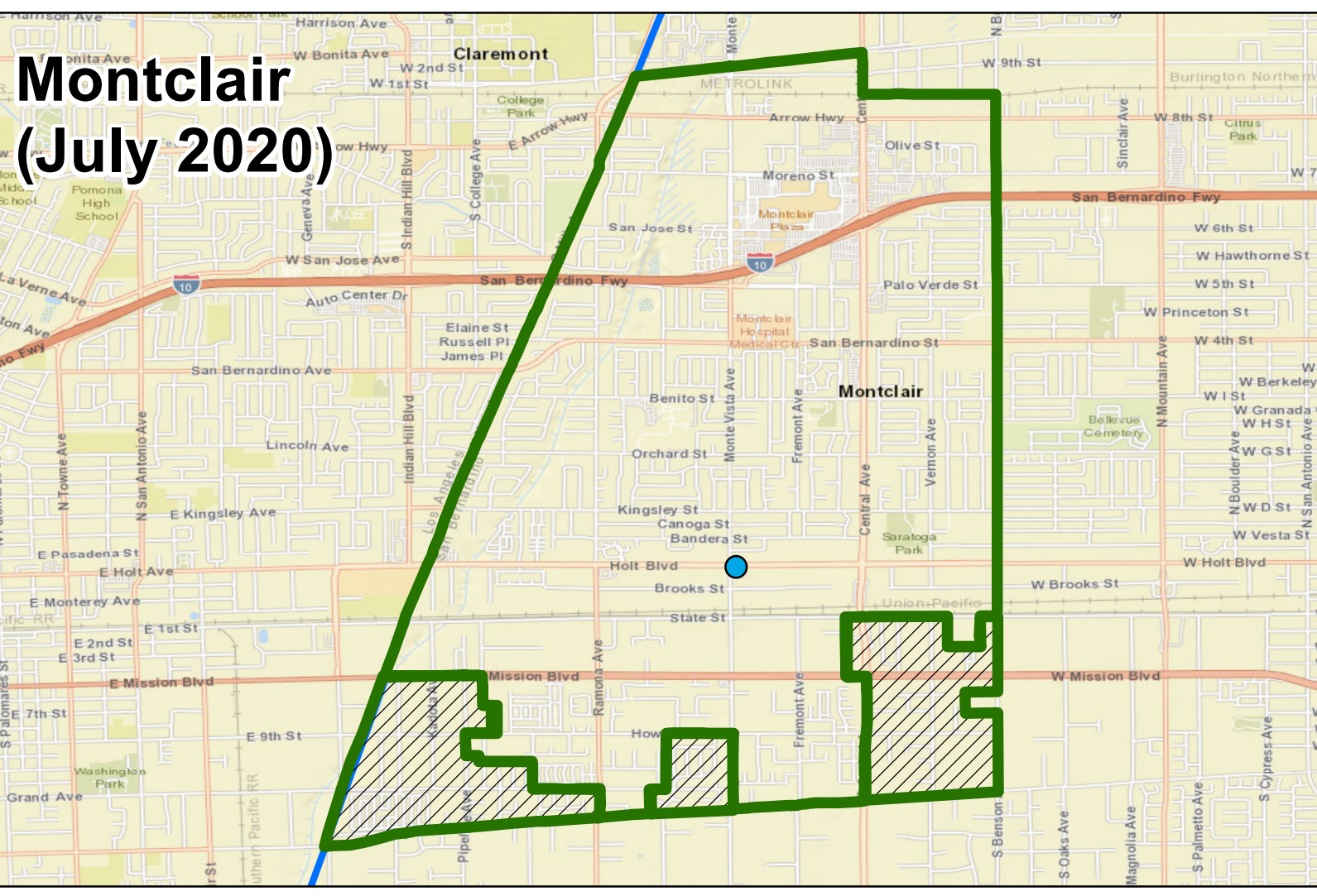
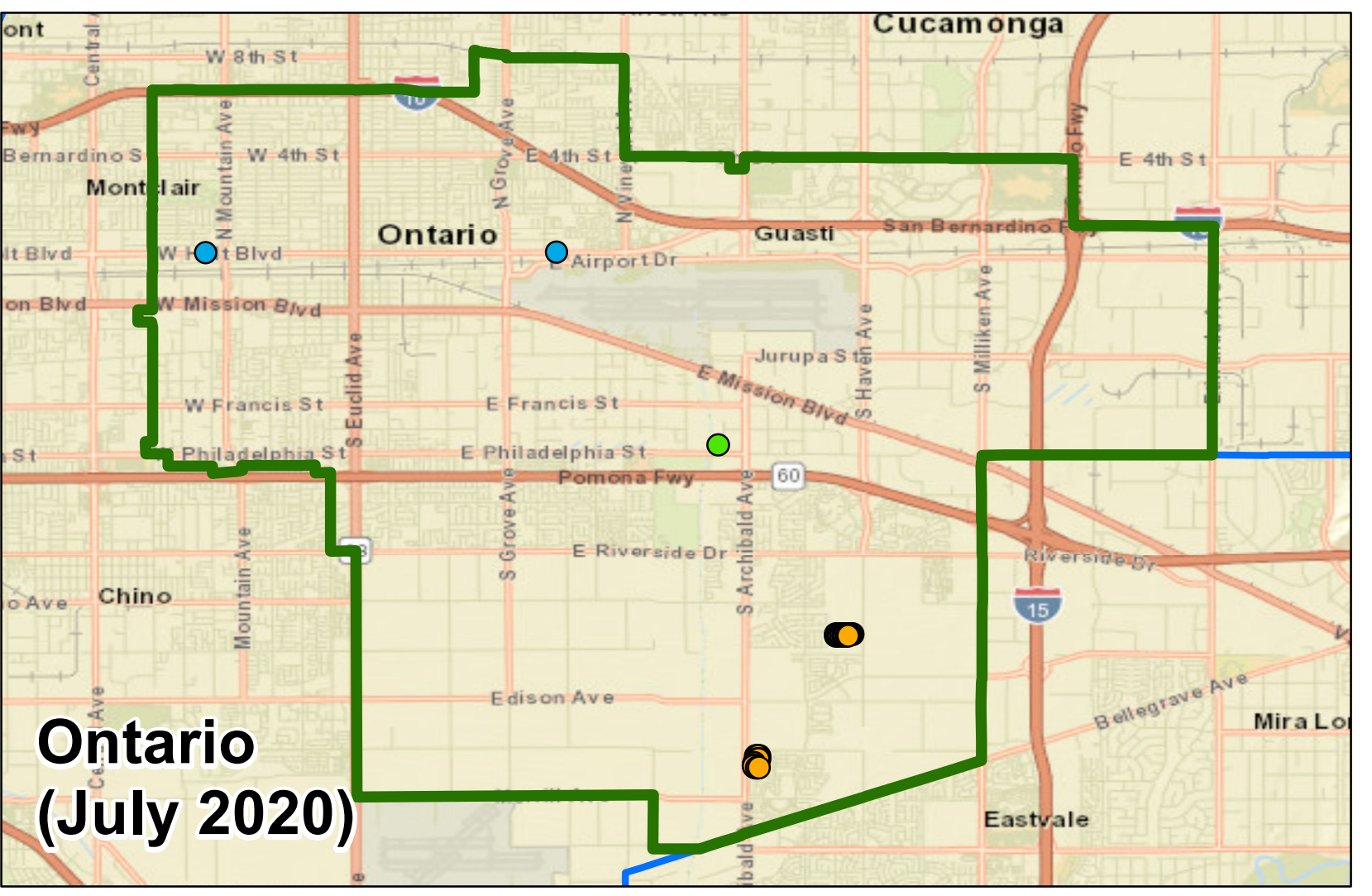
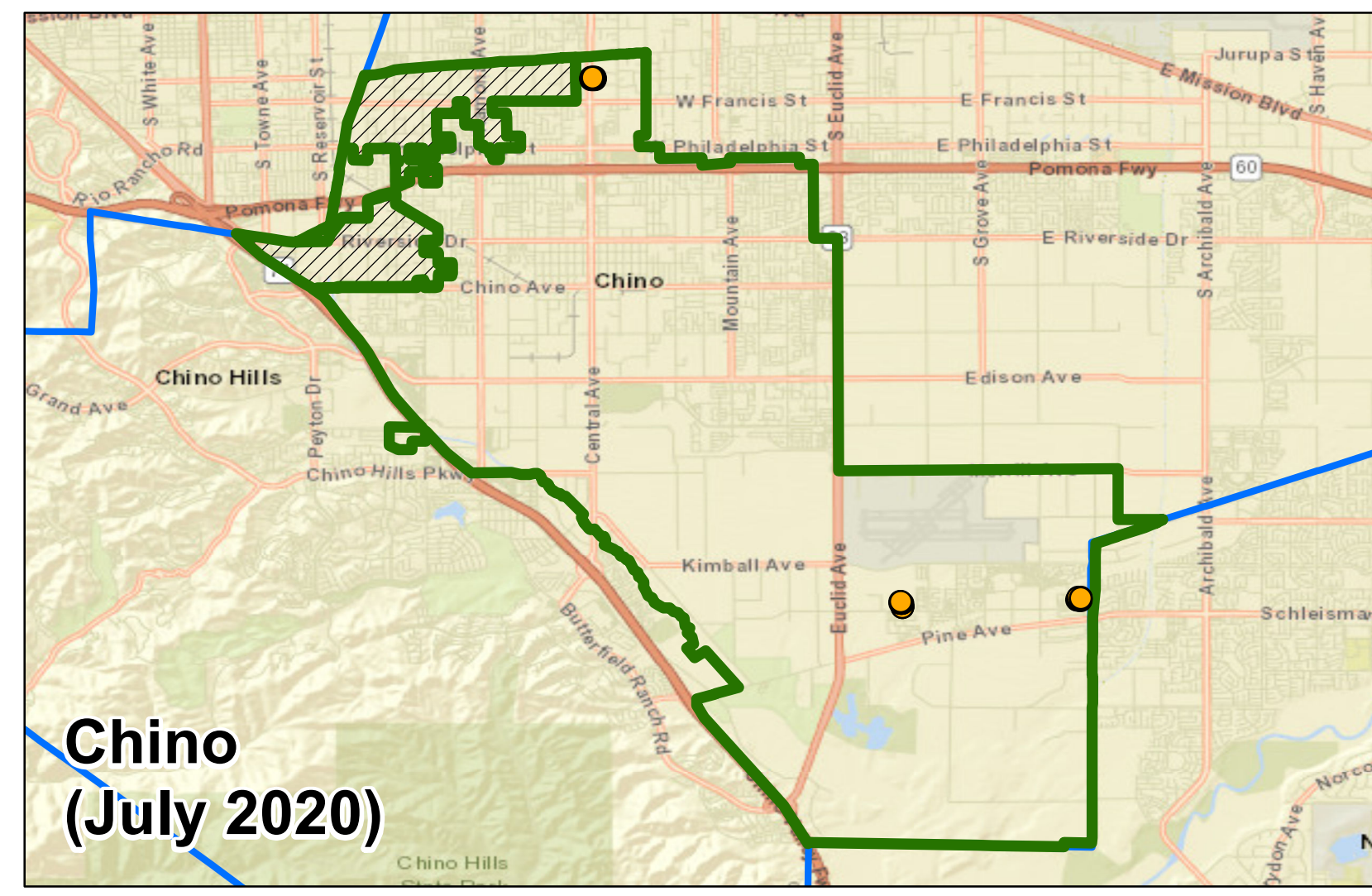
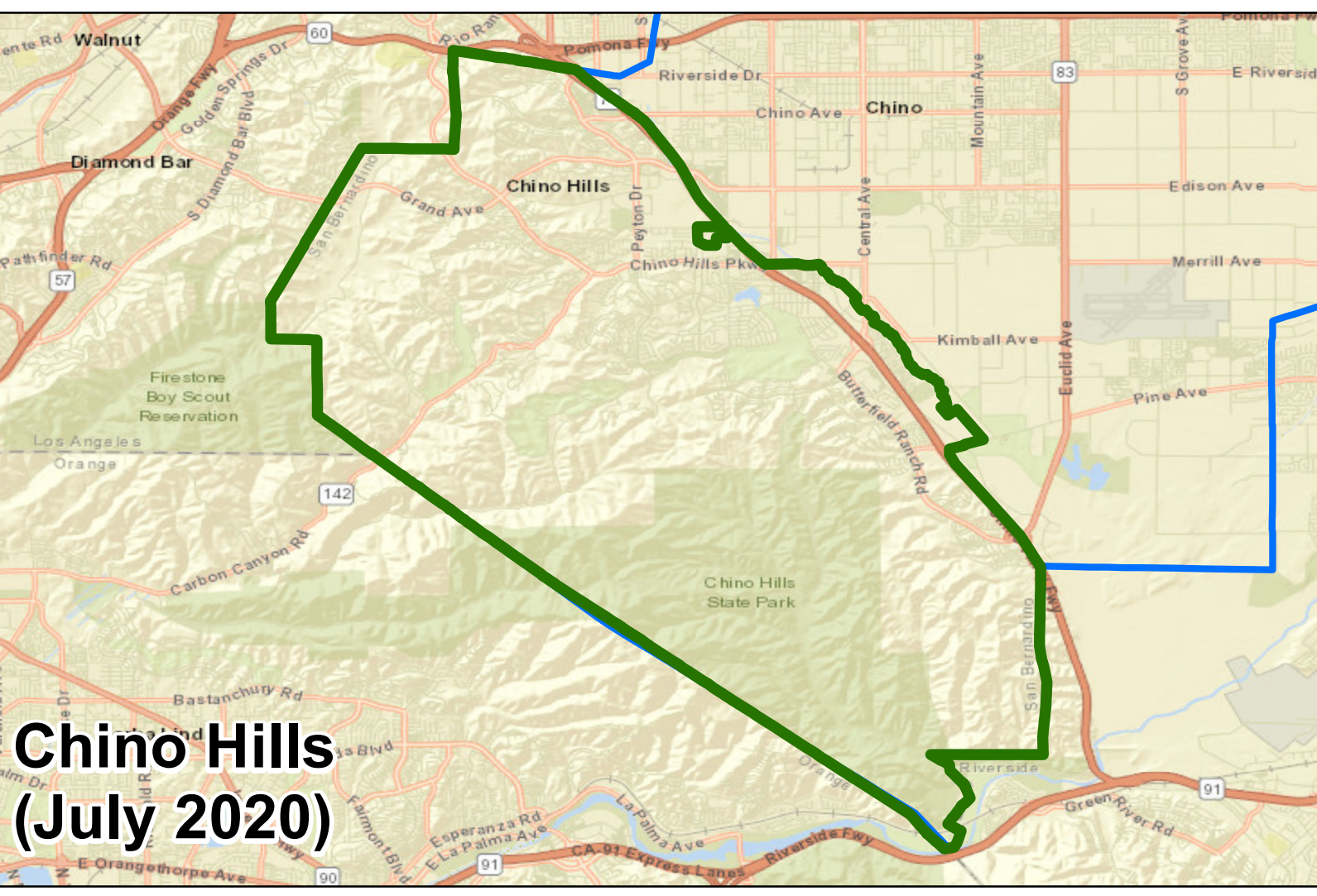
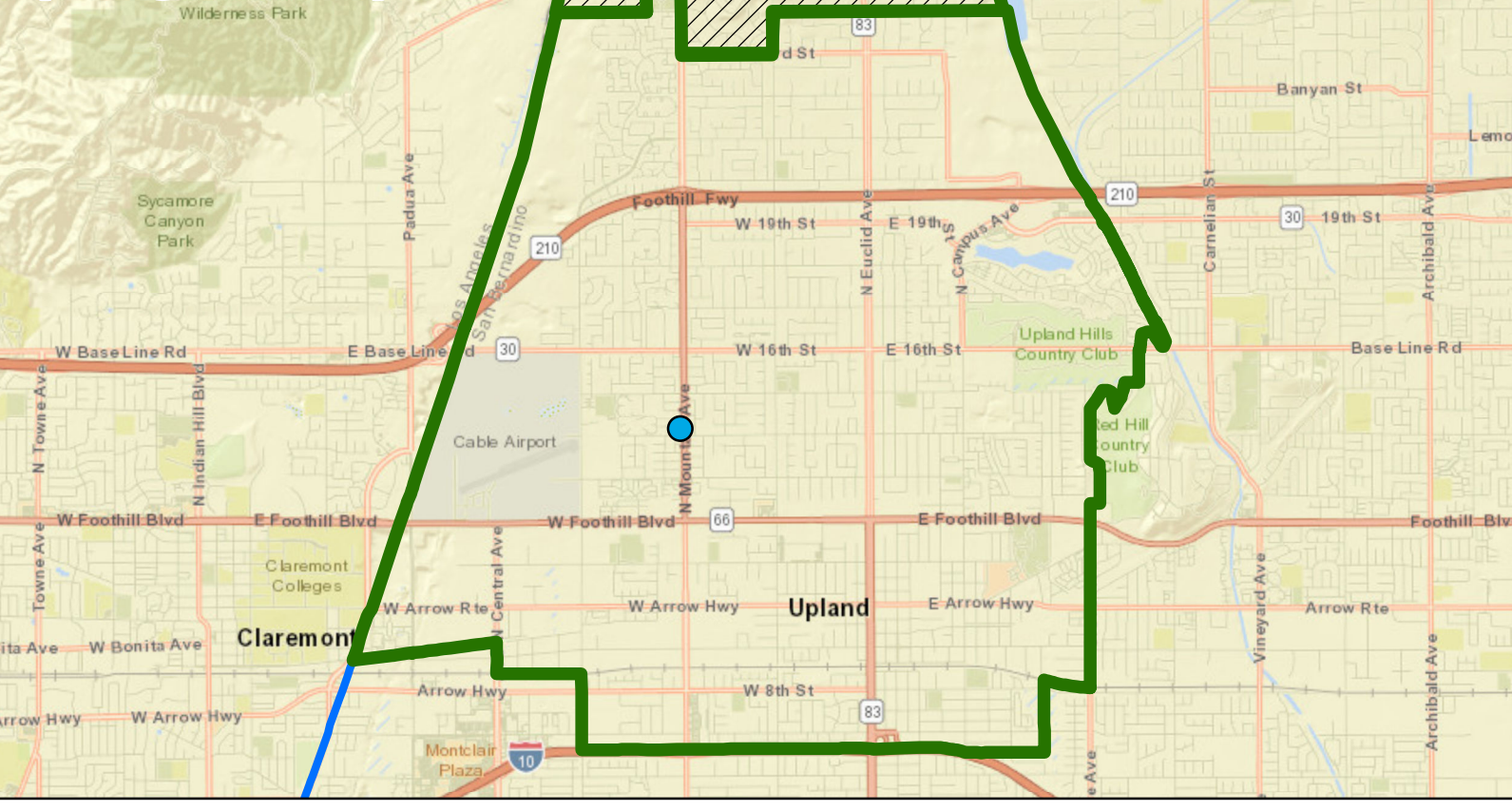
Fontana (July 2020)



Cucamonga Valley Water District (July 2020)



Upland (July 2020)



RECEIVE AND
FILE

3C

IEUA RECYCLED WATER DISTRIBUTION – AUGUST 2020

TOTAL ALL PLANTS

Influent: 50.7 MGD

Delivered: 43.5 MGD

Percent Delivered: 86%

RP-4

Delivered: 8.0 MGD

RP-1

Delivered: 20.4 MGD

CCWRF

Delivered: 7.3 MGD

RP-5

Delivered: 7.8 MGD

<u>Delivered For Groundwater Recharge</u>			
Storm/Local Runoff:	0.1	MGD	13 AFM
Imported Water (MWD):	0	MGD	0 AFM
SAWCo Transfers:	0	MGD	0 AFM
<u>Recycled Water:</u>	<u>15.2</u>	<u>MGD</u>	<u>1,448 AFM</u>
Total:	15.3	MGD	1,461 AFM

Creek Discharges

Prado Park (001):	3.5 MGD	333 AFM
RP-1 (002):	3.7 MGD	352 AFM
RP-5 (003):	0.0 MGD	0 AFM
<u>CCWRF (004):</u>	<u>0.0 MGD</u>	<u>0 AFM</u>
Total:	7.2 MGD	685 AFM

Recycled Water Recharge Actuals - August 2020 (Acre-Feet)

Basin	8/1-8/8	8/9-8/16	8/17-8/24	8/25-8/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.
Ely	23.7	0.0	0.0	0.0	23.7	261	
Banana	0.0	0.0	0.0	0.0	0.0	0	
Hickory	15.4	36.7	2.1	22.7	76.9	133	
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0	
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0		
8th Street	54.5	2.5	21.5	39.7	118.2	312	
Brooks	34.0	31.5	30.0	36.4	131.9	288	
RP3	151.0	160.4	104.0	226.9	642.3	922	
Declez	0.0	0.0	0.0	0.0	0.0	210	
Victoria	78.0	46.2	12.8	39.4	176.4	373	
San Sevaïne	40.8	64.6	76.1	96.8	278.3	278	
Total	397.4	341.9	246.5	461.9	1,447.7	2,777	2,118 AF previous FY to day actual

