



Regional Sewerage Program Policy Committee Meeting

**Thursday, March 4, 2021
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: 552 973 583#

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

Call to Order/Flag Salute

Roll Call

Public Comment

Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Comments will be limited to three minutes per speaker.

Additions 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)

2. Action Item

- A. Meeting Minutes for February 4, 2021

3. Informational Items

- A. Regional Contract Negotiations Update (Oral)
- B. RP-5 Expansion Quarterly Project Update
- C. Operations Division Quarterly Update

4. Receive and File

- A. Property Taxes Inland Empire Utilities Agency Received from its Contracting Member Agencies
- B. Building Activity Report
- C. Recycled Water Distribution – Operations Summary
- D. Regional Contract Negotiations Meeting Notes

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 – April 1, 2021

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 at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, by Thursday, February 25, 2021.



Sally H. Lee

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF FEBRUARY 4, 2021 MEETING

CALL TO ORDER

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held via teleconference on Thursday, February 4, 2021. Chair Bill Velto/City of Upland, called the meeting to order at 3:33 p.m.

PLEDGE OF ALLEGIANCE

Committee Member Jesse Sandoval/City of Fontana led those present via teleconference in the Pledge of Allegiance. Recording Secretary Sally Lee took roll call and established a quorum was present.

ATTENDANCE via Teleconference

Committee Members:

Jesse Sandoval	City of Fontana
Debra Dorst-Porada	City of Ontario
John Dutrey	City of Montclair
Randall Reed	CVWD
Peter Rogers	City of Chino Hills
Eunice Ulloa	City of Chino
Bill Velto	City of Upland
Jasmin A. Hall	IEUA

Others Present:

Dave Crosley	City of Chino
Amanda Coker	City of Chino
Keith Kramer	City of Fontana
Noel Castillo	City of Montclair
Scott Burton	City of Ontario
Courtney Jones	City of Ontario
Christopher Quach	City of Ontario
Nicole deMoet	City of Upland
Steve Nix	City of Upland
John Bosler	CVWD
Luis Cetina	CVWD
Eduardo Espinoza	CVWD

Others Present (continued):

Michael Harty	Kearns & West
Scott Connor	Unknown
Kathy Besser	IEUA
Christiana Daisy	IEUA
Shivaji Deshmukh	IEUA
Randy Lee	IEUA
Christina Valencia	IEUA
Joshua Aguilar	IEUA
Jerry Burke	IEUA
Javier Chagoyen-Lazaro	IEUA
Robert Delgado	IEUA
Denise Garzaro	IEUA
Elizabeth Hurst	IEUA
Sally H. Lee	IEUA
Sylvie Lee	IEUA
Eddie Lin	IEUA
Jason Marseilles	IEUA
Liza Munoz	IEUA
Scott Oakden	IEUA
Cathleen Pieroni	IEUA
Craig Proctor	IEUA
Jeanina Romero	IEUA
Steve Smith	IEUA
Ken Tam	IEUA
Teresa Velarde	IEUA

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

1. TECHNICAL COMMITTEE REPORT

Nicole deMoet/City of Upland stated that at the last Technical Committee meeting there was one action item: the approval of the December 7, 2020 Special Technical Committee meeting minutes. IEUA presented the following four information items: Engineering & Construction Quarterly Project update, Debt Overview update, Return to Sewer Study update, and Operations and Compliance update. She shared that Michael Harty/Kearns & West will be presenting the Regional Contract Negotiations Update.

Chair Velto stated that he will need to leave the meeting at approximately 4:25 p.m. and co-Chair Randall Reed will chair the meeting from that point forward.

2. ACTION ITEMS**A. APPROVAL OF THE JANUARY 7, 2021 POLICY COMMITTEE MEETING MINUTES**

Motion: By Randall Reed/CVWD and seconded by Debra Dorst-Porada/City of Ontario to approve the meeting minutes of the January 7, 2021 Regional Policy Committee meeting.

Motion carried by roll call vote: Ayes: 5; Abstain: 2; Absent: 0; Noes: 0

With the following roll call vote:

Ayes: Reed, Dorst-Porada, Rogers, Ulloa, Velto
Noes: None
Absent: None
Abstain: Dutrey, Sandoval

3. INFORMATIONAL ITEMS**A. REGIONAL CONTRACT NEGOTIATIONS UPDATE**

Michael Harty/Kearns & West gave an update on the Regional Contract Negotiations. He stated that the contract agencies and IEUA met on January 13. A detailed schedule of the negotiation sessions has been prepared through the first part of the 2021 calendar year. Mr. Harty stated that the meetings scheduled for January 27 and 28 did not take place due to his personal technical difficulties. The group is scheduled to meet again on February 10 and 11, where they will work to provide direction for the next contract and discuss governance. Debra Dorst-Porada/City of Ontario asked if the meeting summaries for the Regional Contract Negotiation meetings can be made available. Mr. Harty confirmed that they could be made available to the Policy Committee. John Dutrey/City of Montclair asked when the negotiation period is scheduled to end and when the contract will go into effect. Mr. Harty stated that the Policy Committee has provided direction to make all efforts to complete negotiations by June 2021.

B. 2021 RECYCLED WATER PROGRAM

General Manager Shivaji Deshmukh/IEUA gave a presentation on the 2021 Recycled Water (RW) Program. He provided an overview of the 2020 activities regarding the RW Program. He described the program's history, current conditions and discussed the focus of the program in the future. He gave an overview of the of the RW system's history, challenges the program faces, program considerations, and timeline of the program working schedule.

Ms. Dorst-Porada noted that the Agency has not been losing money due to agencies declining to purchase recharge due to storage limitations. Discussion ensued regarding storage limitations. Randall Reed/CVWD asked for more information on the RP-5 plant's tertiary output and regulatory output as compared to recycled water and asked if the total dissolved solid (TDS) levels are the same. General Manager Deshmukh stated that the Agency is not changing anything related to the salinity of the water at RP-5 but will replace the tertiary treatment with a new membrane bioreactor technology and will produce similar quality of water. Mr. Reed asked if any steps should be taken now during the construction of RP-5 to address salinity issues. General Manager Deshmukh stated that there has been coordination with the State Water Regional Control Board to potentially modify the permit conditions to provide the Agency flexibility with compliance. If needed, salinity treatment can be added on after construction to all treatment plants. Mr. Velto asked if the Agency is anticipating an increase of higher salinity

water and what happens currently with the excess that cannot be discharged. General Manager Deshmukh stated that IEUA is the only agency that has access to untreated State Water Project supplies. This provides a further challenge of the lack of flexibility as other agencies have access to Colorado River water. However, the State Water Project supplies have a lower salinity level than the Colorado River supplies. They discussed when and how potential salinity issues will be addressed and MWD supplies.

Ms. Dorst-Porada asked who will ultimately approve the RW goals and urged for the member agencies to be involved in the process. General Manager Deshmukh stated that this will be a collective effort with the contracting agencies. He stated that the aim of updating of the RW goals is to answer the questions such as groundwater recharge interest and to consider innovative approaches to the program. He also communicated that the Agency would continue to provide updates to the Policy Committee.

Ms. Dorst-Porada asked for further explanation of why the existing rate structure is not sustainable. General Manager Deshmukh stated that staff will provide further information and gave a brief explanation of the Agency's fixed costs. Mr. Reed stated that these goals need to be incorporated into the Regional Contract. Mr. Dutrey asked if the RW rates do increase, how this will affect residents' sewage or water bills. General Manager Deshmukh stated that the Agency sells this water as wholesale only, so the RW goes to businesses, agriculture, golf courses, etc. If the Agency needs to look to advanced water treatment, the compliance and water supply aspects need to be considered. Mr. Dutrey asked who will be involved in the Recycled Water Rate Workshop in April. General Manager Deshmukh stated that the Agency will be working with contracting agencies as well as water retailers. Mr. Dutrey asked for the timeline of the water rates. General Manager Deshmukh stated that staff's goal is to have a recommendation to the IEUA Board of Directors in April/May 2022. Staff will bring this item to the Policy Committee in early 2022. Ms. Dorst-Porada stated that contracting agencies need to avoid increased costs as they have been asking residents to conserve and asked that they be part of the process.

Chair Velto left the meeting at 4:25 p.m.

3. RECEIVE AND FILE

A. BUILDING ACTIVITY REPORT

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

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

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

C. ENGINEERING AND CONSTRUCTION MANAGEMENT QUARTERLY PROJECT UPDATE

The Engineering and Construction Management Quarterly Project Update was received and filed by the Committee.

D. RP-5 DIGESTER GAS AND NATURAL GAS USAGE IN RENEWABLE ENERGY AND EFFICIENCY PROJECT (REEP) ENGINES

The RP-5 Digester Gas and Natural Gas Usage in Renewable Energy and Efficiency Project (REEP) Engines item was received and filed by the Committee.

4. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Deshmukh/IEUA thanked the City of Chino's Public Works department for replacing streetlight bulbs in front of the Agency's headquarters and RP-5 plant on Kimball Ave. He mentioned that an RFP was issued for the 2021-2022 Rate Study related to Recycled Water and Non-Reclaimable Wastewater program. He stated that the Agency's Executive Manager of Finance & Administration/AGM Christina Valencia holds quarterly meetings with the finance directors of member agencies, and information regarding the Rate Study has been shared with them. At a meeting on February 3, they were updated on the Agency's budget, rates, and financing opportunities. He then gave an update on the second quarter capital call that was shared with the Finance Directors at their November 4, 2020 meeting.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

General Manager Deshmukh stated that staff will bring a further explanation of why the existing rate structure is not sustainable. Mr. Reed asked that the Policy Committee members be provided a property tax breakout.

C. COMMITTEE MEMBER COMMENTS

Ms. Dorst-Porada encouraged involvement in the Inland Empire League of Cities. Mr. Dutrey stated he looks forward to working with everyone. Mr. Reed noted that he was surprised to hear about a presentation on the Water Storage Investment Program (WSIP) program at the February 3 IEUA Board of Directors meeting. He stated his concerns regarding the similarity of this program to the Chino Basin Program, which the Committee had expressed disapproval of. He stated that the WSIP program still includes the water exchange portion, which has been asked to be broken down by costs for this portion of the contract. He stated that it was previously made clear that there was disapproval of water leaving the basin in a 25-year contract. He stated that he heard that the Agency is coordinating with MWD and California Water Commission regarding water owned by agency members. He asked what the cost is for the water exchanged component of the program. He asked that the Agency consider the input of member agencies. Ms. Dorst-Porada agreed with Mr. Reed's comments and urged for better communication with member agencies.

D. NEXT MEETING – MARCH 4, 2021

5. ADJOURNMENT

Co-Chair Reed adjourned the meeting at 4:35 p.m.

Transcribed by:

Sally H. Lee, Executive Assistant

**INFORMATION
ITEM**

3B

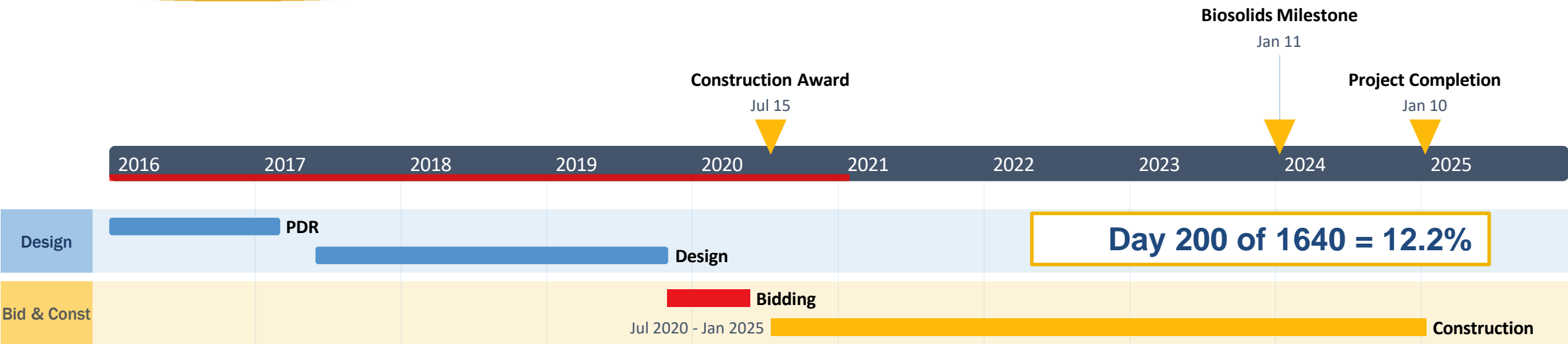
RP-5 Expansion

Quarterly Project Update

Project Nos. EN19001 and EN19006



RP5: Project Status



Role	Firm	Contract	This Month's Payment	Total Paid	% Complete
Contractor	WM Lyles	\$ 329,982,900	\$2,910,911	\$9,347,881	2.83%
Designer	Parsons	\$ 31,685,239	\$297,399	\$22,966,288	72.5%
Construction Management	Arcadis	\$ 21,125,523	\$230,908	\$2,489,293	12%

RP-5: Major Activities Since Start of Construction

- **July to December 2020**
 - Potholing
 - Schedule
 - Submittals
- **January 2021: Construction Starts**
 - Site Clearing
 - Mass Excavation



RP-5: Trailer Grading



RP-5: WM Lyles Construction Trailers

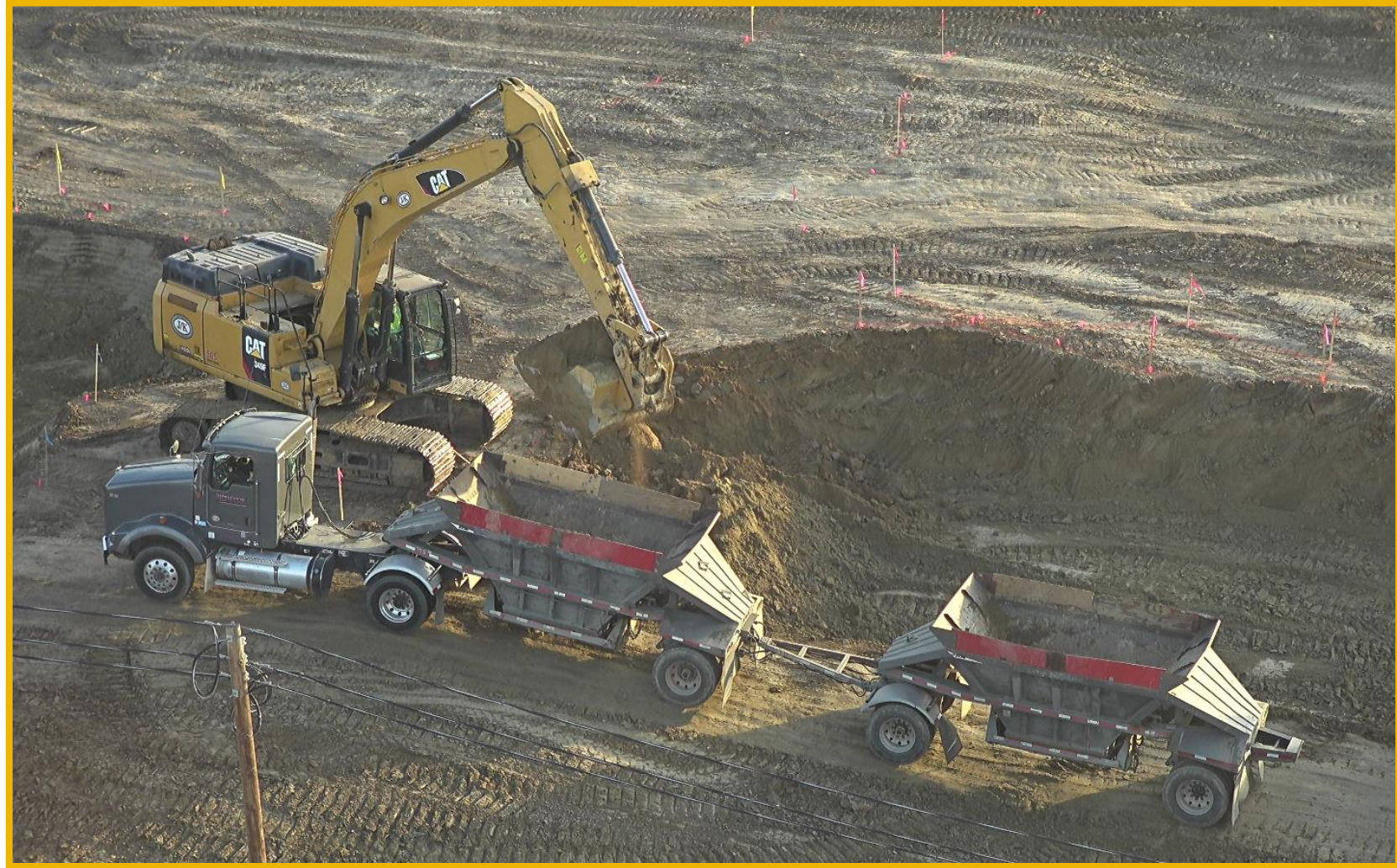


RP-5: Major Activities – Solids Sep. to Jan. Time Lapse



RP-5: Major Activities – Excavation 1st Week

- Week of 1/4/21
- Scoop: 3.5 cyd
- 4 Scoops per truck: 14 cyd
- 4 Days of hauling
- Truck trips: 648
- Cubic Yards: 9,072
- ½ Ton Truck = 1 cyd



RP-5: Major Activities - Excavation

January Total

- Truck trips: 2,042
- Cubic Yards: 28,588



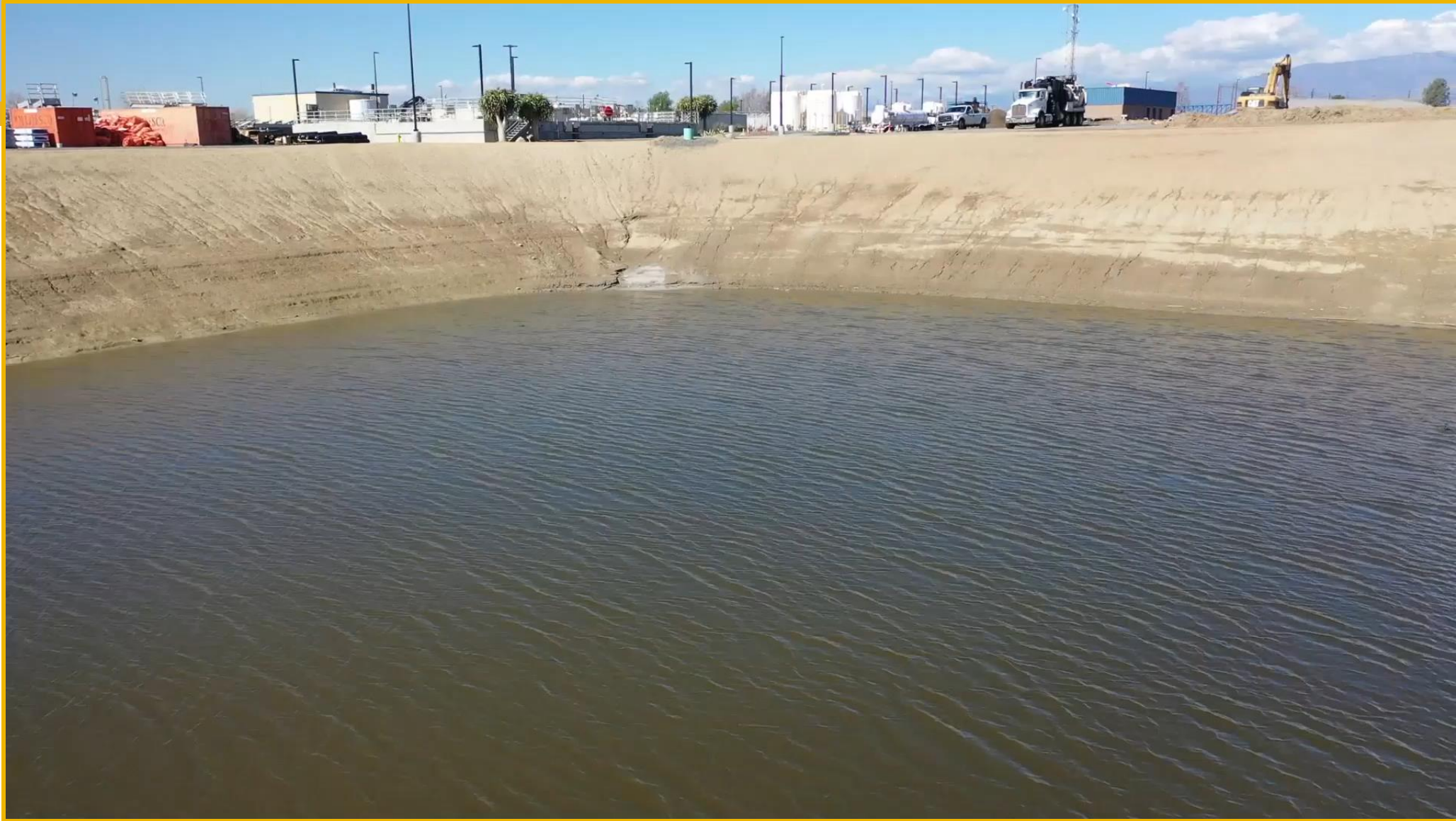
RP-5: Major Activities - Excavation



RP-5: January Flyover



RP-5: January Flyover Solids



Questions?

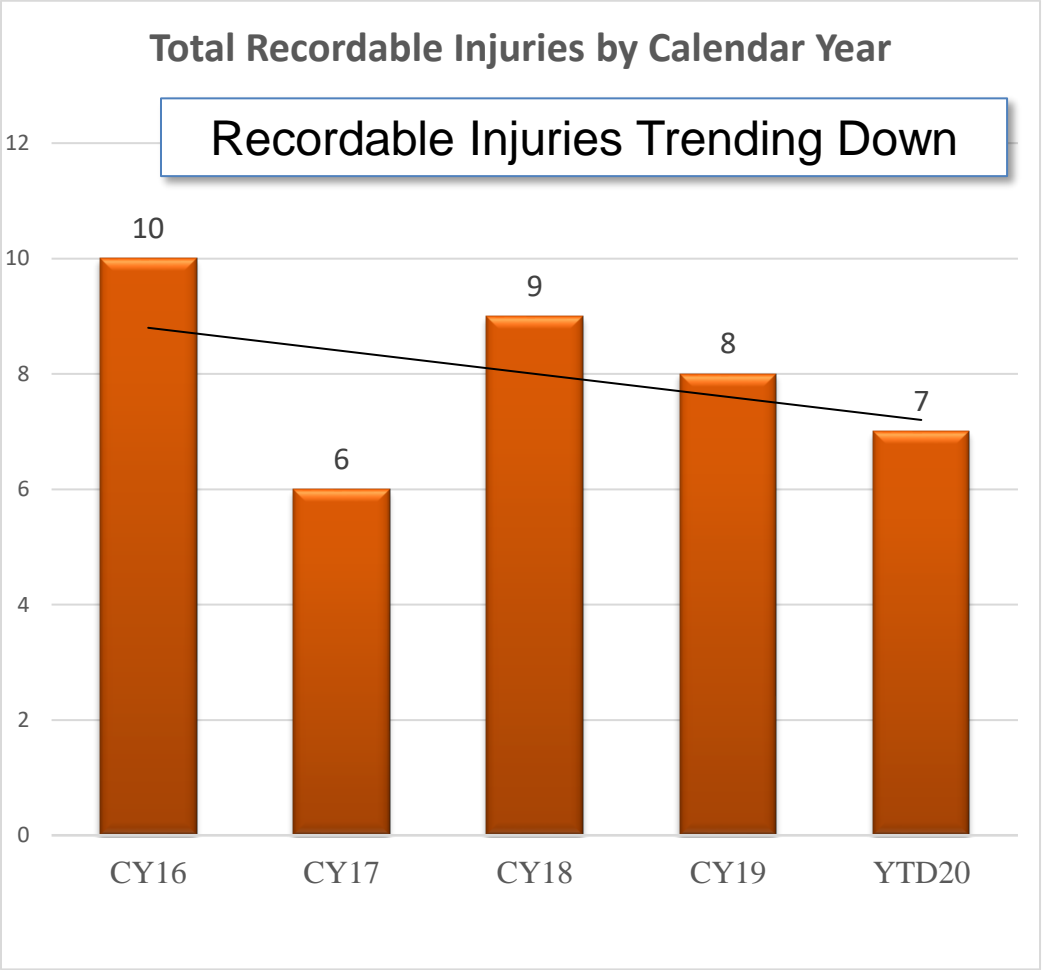
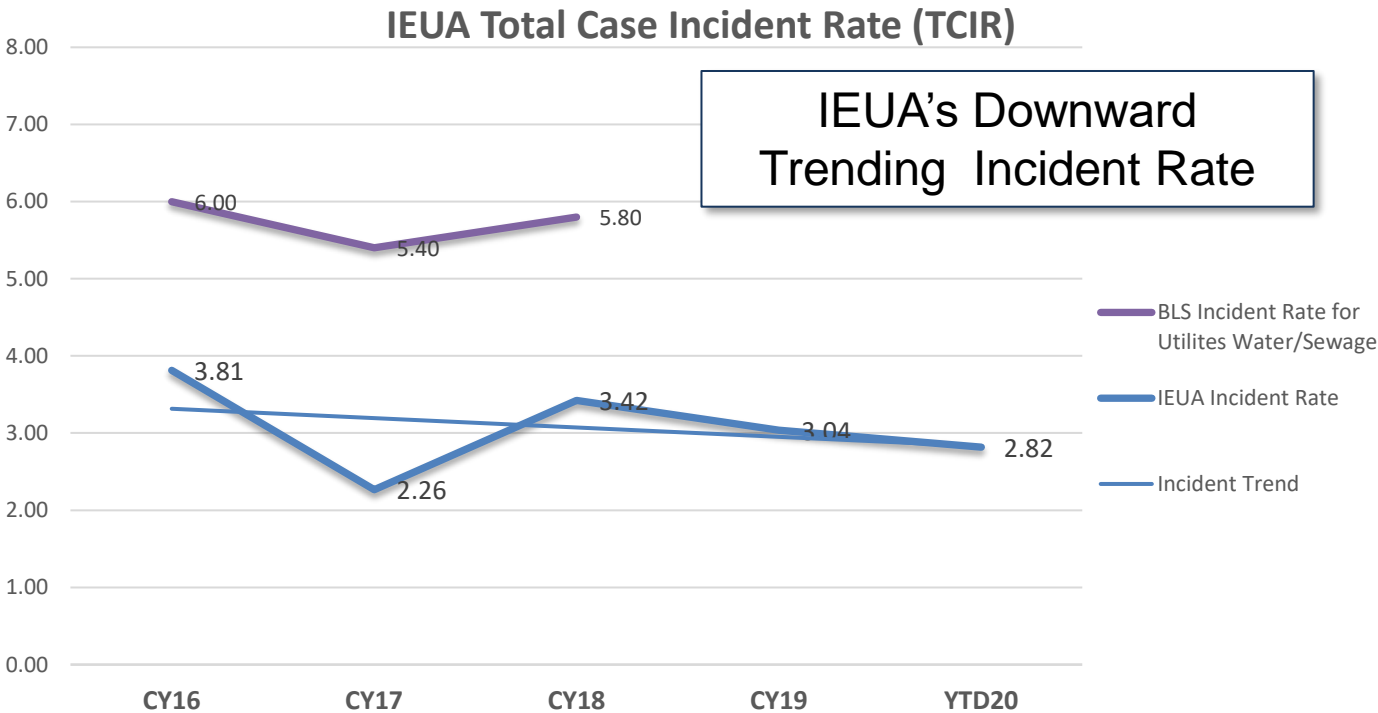
**INFORMATION
ITEM**

3C

Operations Division Quarterly Update



IEUA Incident Rates vs. Industry & Total Recordable Injuries



COVID-19

- Staff and community safety are priority
 - Completing all essential work
 - Facilities fully operational
- COVID Impact
 - Reduced staffing levels
 - Supply chain impact for parts/material delivery
 - Project execution delays

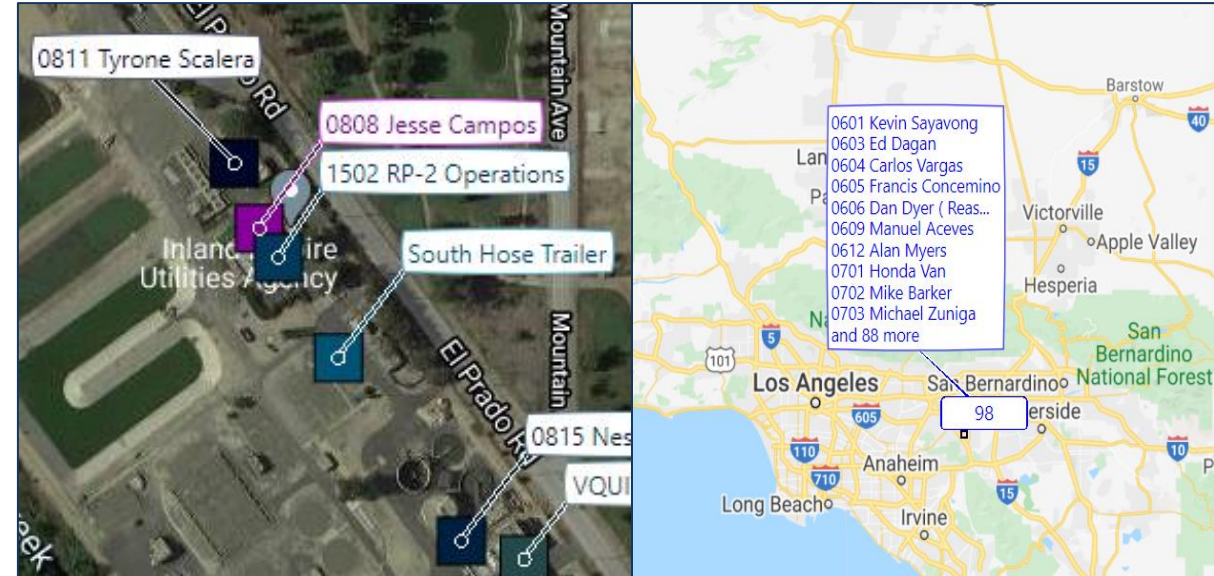
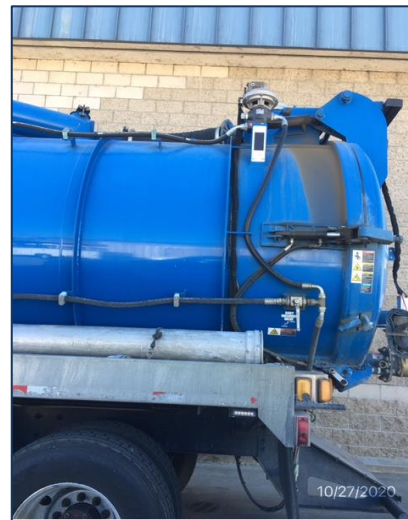


THANK YOU
IEUA EMPLOYEES!
YOU ARE ESSENTIAL!

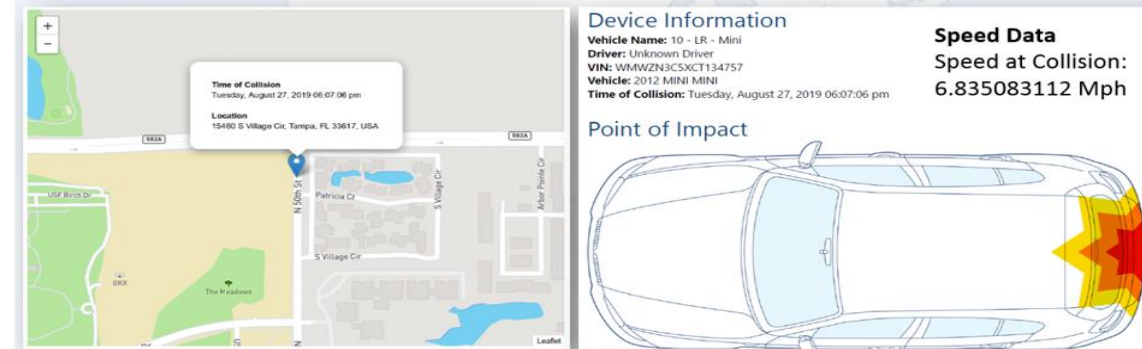


Fleet: On-Board Diagnostic System (OBDS)

- Maintenance Diagnostics
 - Overall vehicle health report
 - Maintenance schedule
 - Alerts
- Safety Score Card
 - Seatbelt use
 - Hard Acceleration
 - Hard turning, etc.
- Smog Checks
 - Eliminate smog test on installed vehicles



Accident Reconstruction



Collections: New Combo Hydro-Jet Vacuum Truck

- Beneficial Use
 - Jetting and vacuuming of the sewer system
 - Cleaning of lift stations and wet wells
 - 50+ feet of vacuum lift capacity
- Increased Reliability
 - Older unit did not meet emission standards
 - Increased maintenance cost
 - Unreliable equipment = reduced productivity
- Mutual Aid and Community Outreach
 - Mutual Aid support
 - Touch-A-Truck event



RP-5: Expansion Project Preparation

- Operations Impact
 - Initial stages of construction will eliminate redundancy in treatment and equipment
- Preparation
 - Worst case scenario planning using process control modeling
 - Increased focus on reliability and equipment uptime
 - Operations and Maintenance Resources Study



Cybersecurity

- SolarWinds Breach
 - Affects at least 18,000 organizations
 - IEUA Unaffected
- Countermeasures
 - Intelligence
 - Network Monitoring
 - Critical Controls
- Improvements
 - Updated Security Awareness training
 - Improved Endpoint Protection
 - Partners:
 - California Cybersecurity Integration Center (CalCSIC)
 - Cybersecurity & Infrastructure Security Agency (CISA)
 - Multi-State Information Sharing & Analysis Center (MS-ISAC)
 - Water Information Sharing and Analysis Center (WaterISAC)

30 Day Stats

- 37 Malware attachments Blocked
- 7710 Phish E-mail Blocked
- 16465 Web requests dropped



**CYBERSECURITY
& INFRASTRUCTURE
SECURITY AGENCY**



**RECEIVE AND
FILE**

4A



Date: February 25, 2021/March 4, 2021

To: Regional Committees

From: Inland Empire Utilities Agency *SSD*

Subject: Property Taxes Inland Empire Utilities Agency Received from its Contracting Member Agencies

REQUESTED INFORMATION

At the February 4, 2021 Regional Policy Committee meeting, Committee member Reed requested a report on the amount of property taxes Inland Empire Utilities Agency (Agency) received from its contracting member agencies.

The Agency's share of ad valorem property taxes includes: proportionate share of the 1% general tax (Proposition 13 enacted in 1978 limited the property tax rate to 1% of assessed property values) and incremental taxes from redevelopment project areas based on formal negotiated pass-through agreements with redevelopment agencies prior to their dissolution in 2012. An Extra-Territorial Sewer Service Charge, or property tax "in-lieu", is also collected for system users outside of the Agency's service boundaries, as summarized below:

Total Property Tax Receipts for Fiscal Year Ended 6/30/2020 (\$Millions)

Description	Amount
1% general property tax	\$37.59
Incremental (RDA) tax	16.58
Extra-territorial, in lieu tax*	1.54
Total	\$55.71

*Extra-territorial in lieu tax collected from cities of Fontana and Pomona.

The San Bernardino County's (County) allocation of the 1% general tax is based on the change in assessed property values (property tax growth) within a tax rate area (TRA). A TRA is a geographic area composed of a unique combination of taxing entities, as defined by the County, and include agencies such as: County General Fund, City, Fire District, Library, School Districts, Water District, Wastewater District, etc. Some TRA's in the Agency's service area overlap boundaries between contracting member agencies. The Agency's proportionate share of the 1% general tax varies amongst the TRA's throughout its service area and is generally approximately 0.045%. As a result, determining the Agency's proportionate share of the 1% general property taxes received by contracting member agency is not a straight-forward process.

One approach to allocate the 1% general property tax by contracting member agency is to use the San Bernardino County's Fiscal Year 2019-2020 assessed values, as summarized below:

San Bernardino County 2020 Assessment Roll

(\$Millions)

Description	2020 Amount	
Chino	\$15,060	12.2%
Chino Hills	13,503	11.0%
Fontana	22,355	18.2%
Montclair	3,669	3.0%
Ontario	29,484	23.8%
Rancho Cucamonga	28,757	23.4%
Upland	10,307	8.4%
Total	\$123,135	100.0%

Source: San Bernardino County Assessment Roll (attached)

Incremental taxes from redevelopment project areas based on formal negotiated pass-through agreements with the contracting member agencies are summarized below:

Incremental (RDA) Tax Receipts for Fiscal Year Ended 6/30/2020

(\$Millions)

Description	2020 Amount
Chino	\$1.59
Chino Hills	0.00
Fontana	5.31
Montclair	0.78
Ontario	2.65
Rancho Cucamonga	5.47
Upland	0.78
Total	\$16.58

SAN BERNARDINO COUNTY

BOB DUTTON

OFFICE OF ASSESSOR

**2020 ASSESSMENT ROLL
RE-CAP TOTALS**

Includes State Reimbursed (Homeowner's) Exemptions
Excludes Non-reimbursible Exemptions and State Assessed Utility Roll Values
Computed Prior to Redevelopment Agency Adjustments

		2019	2020	DIFFERENCE	PCT	CHANGE
ADELANTO (14000)	SEC	\$2,183,397,576	\$2,356,125,845	\$172,728,269	7.9%	
	UNS	\$114,935,956	\$134,655,096	\$19,719,140	17.2%	
	TOT	\$2,298,333,532	\$2,490,780,941	\$192,447,409	8.4%	8.4%
APPLE VALLEY (21000)	SEC	\$6,054,915,230	\$6,389,353,188	\$334,437,958	5.5%	
	UNS	\$171,794,601	\$205,501,055	\$33,706,454	19.6%	
	TOT	\$6,226,709,831	\$6,594,854,243	\$368,144,412	5.9%	5.9%
BARSTOW (9000)	SEC	\$1,347,367,174	\$1,390,267,100	\$42,899,926	3.2%	
	UNS	\$96,231,522	\$99,619,193	\$3,387,671	3.5%	
	TOT	\$1,443,598,696	\$1,489,886,293	\$46,287,597	3.2%	3.2%
BIG BEAR (17000)	SEC	\$3,622,329,733	\$3,764,705,860	\$142,376,127	3.9%	
	UNS	\$53,248,529	\$53,121,689	(\$126,840)	-0.2%	
	TOT	\$3,675,578,262	\$3,817,827,549	\$142,249,287	3.9%	3.9%
CHINO (1000)	SEC	\$13,301,869,421	\$14,099,837,911	\$797,968,490	6.0%	
	UNS	\$967,893,367	\$960,750,881	(\$7,142,486)	-0.7%	
	TOT	\$14,269,762,788	\$15,060,588,792	\$790,826,004	5.5%	5.5%
COLTON (2000)	SEC	\$3,463,954,819	\$3,701,573,011	\$237,618,192	6.9%	
	UNS	\$271,275,881	\$283,538,295	\$12,262,414	4.5%	
	TOT	\$3,735,230,700	\$3,985,111,306	\$249,880,606	6.7%	6.7%

FONTANA (10000)	SEC	\$20,115,417,005	\$21,400,108,307	\$1,284,691,302	6.4%	
	UNS	\$893,910,903	\$954,475,194	\$60,564,291	6.8%	
	TOT	\$21,009,327,908	\$22,354,583,501	\$1,345,255,593	6.4%	6.4%
GRAND TERRACE (16000)	SEC	\$1,124,132,172	\$1,179,915,030	\$55,782,858	5.0%	
	UNS	\$20,413,842	\$13,625,984	(\$6,787,858)	-33.3%	
	TOT	\$1,144,546,014	\$1,193,541,014	\$48,995,000	4.3%	4.3%
HESPERIA (20000)	SEC	\$6,237,677,045	\$6,609,353,834	\$371,676,789	6.0%	
	UNS	\$150,035,344	\$199,293,747	\$49,258,403	32.8%	
	TOT	\$6,387,712,389	\$6,808,647,581	\$420,935,192	6.6%	6.6%
HIGHLAND (18000)	SEC	\$3,732,484,807	\$3,883,640,570	\$151,155,763	4.0%	
	UNS	\$67,418,921	\$73,643,948	\$6,225,027	9.2%	
	TOT	\$3,799,903,728	\$3,957,284,518	\$157,380,790	4.1%	4.1%

		2019	2020	DIFFERENCE	PCT	CHANGE
LOMA LINDA (13000)	SEC	\$2,261,937,157	\$2,350,466,794	\$88,529,637	3.9%	
	UNS	\$63,319,722	\$62,085,555	(\$1,234,167)	-1.9%	
	TOT	\$2,325,256,879	\$2,412,552,349	\$87,295,470	3.8%	3.8%
MONTCLAIR (11000)	SEC	\$3,382,452,339	\$3,554,501,346	\$172,049,007	5.1%	
	UNS	\$118,657,851	\$113,827,655	(\$4,830,196)	-4.1%	
	TOT	\$3,501,110,190	\$3,668,329,001	\$167,218,811	4.8%	4.8%
NEEDLES (3000)	SEC	\$338,542,877	\$380,177,757	\$41,634,880	12.3%	
	UNS	\$17,080,941	\$17,480,040	\$399,099	2.3%	
	TOT	\$355,623,818	\$397,657,797	\$42,033,979	11.8%	11.8%
ONTARIO (4000)	SEC	\$24,494,847,991	\$26,305,144,330	\$1,810,296,339	7.4%	
	UNS	\$2,950,581,691	\$3,178,163,656	\$227,581,965	7.7%	
	TOT	\$27,445,429,682	\$29,483,307,986	\$2,037,878,304	7.4%	7.4%

RANCHO CUCAMONGA (15000)	SEC	\$26,294,220,237	\$27,554,640,831	\$1,260,420,594	4.8%	
	UNS	\$1,186,787,285	\$1,202,802,356	\$16,015,071	1.3%	
	TOT	\$27,481,007,522	\$28,757,443,187	\$1,276,435,665	4.6%	4.6%
REDLANDS (5000)	SEC	\$9,352,874,106	\$9,866,868,912	\$513,994,806	5.5%	
	UNS	\$361,652,812	\$358,629,741	(\$3,023,071)	-0.8%	
	TOT	\$9,714,526,918	\$10,225,498,653	\$510,971,735	5.3%	5.3%
RIALTO (6000)	SEC	\$9,038,669,651	\$9,520,084,370	\$481,414,719	5.3%	
	UNS	\$912,396,270	\$1,240,843,552	\$328,447,282	36.0%	
	TOT	\$9,951,065,921	\$10,760,927,922	\$809,862,001	8.1%	8.1%
SAN BERNARDINO (7000)	SEC	\$14,309,247,648	\$15,137,088,864	\$827,841,216	5.8%	
	UNS	\$1,128,076,342	\$1,158,967,864	\$30,891,522	2.7%	
	TOT	\$15,437,323,990	\$16,296,056,728	\$858,732,738	5.6%	5.6%
UPLAND (8000)	SEC	\$9,509,122,686	\$10,067,942,517	\$558,819,831	5.9%	
	UNS	\$251,132,821	\$239,443,495	(\$11,689,326)	-4.7%	
	TOT	\$9,760,255,507	\$10,307,386,012	\$547,130,505	5.6%	5.6%
VICTORVILLE (12000)	SEC	\$8,612,128,432	\$9,128,478,832	\$516,350,400	6.0%	
	UNS	\$549,306,339	\$608,604,365	\$59,298,026	10.8%	
	TOT	\$9,161,434,771	\$9,737,083,197	\$575,648,426	6.3%	6.3%
YUCAIPA (22000)	SEC	\$4,594,094,080	\$4,803,780,732	\$209,686,652	4.6%	
	UNS	\$74,568,629	\$74,728,619	\$159,990	0.2%	
	TOT	\$4,668,662,709	\$4,878,509,351	\$209,846,642	4.5%	4.5%
29 PALMS (19000)	SEC	\$896,285,222	\$936,967,119	\$40,681,897	4.5%	
	UNS	\$18,715,010	\$18,295,839	(\$419,171)	-2.2%	
	TOT	\$915,000,232	\$955,262,958	\$40,262,726	4.4%	4.4%

		2019	2020	DIFFERENCE	PCT	CHANGE
YUCCA VALLEY	SEC	\$1,730,022,624	\$1,821,758,952	\$91,736,328	5.3%	
(23000)	UNS	\$45,824,501	\$44,686,533	(\$1,137,968)	-2.5%	
	TOT	\$1,775,847,125	\$1,866,445,485	\$90,598,360	5.1%	5.1%
CHINO HILLS	SEC	\$12,758,367,087	\$13,370,095,110	\$611,728,023	4.8%	
(24000)	UNS	\$138,739,792	\$132,933,624	(\$5,806,168)	-4.2%	
	TOT	\$12,897,106,879	\$13,503,028,734	\$605,921,855	4.7%	4.7%
INCORPORATED	SEC	\$188,756,357,119	\$199,572,877,122	\$10,816,520,003	5.7%	
CITIES	UNS	\$10,623,998,872	\$11,429,717,976	\$805,719,104	7.6%	
TOTAL	TOT	\$199,380,355,991	\$211,002,595,098	\$11,622,239,107	5.8%	5.8%
UNINCORPORATED	SEC	\$34,026,781,349	\$35,714,248,776	\$1,687,467,427	5%	
AREA	UNS	\$1,286,453,940	\$1,246,725,714	(\$39,728,226)	-3.1%	
TOTAL	TOT	\$35,313,235,289	\$36,960,974,490	\$1,647,739,201	4.7%	4.7%
COUNTY SEC TOTAL	SEC	\$222,783,138,468	\$235,287,125,898	\$12,503,987,430	5.6%	5.6%
COUNTY UNSEC TOTAL	UNS	\$11,910,452,812	\$12,676,443,690	\$765,990,878	6.4%	6.4%
COUNTY GRAND TOTAL	TOT	\$234,693,591,280	\$247,963,569,588	\$13,269,978,308	5.7%	5.7%

2020Roll

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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

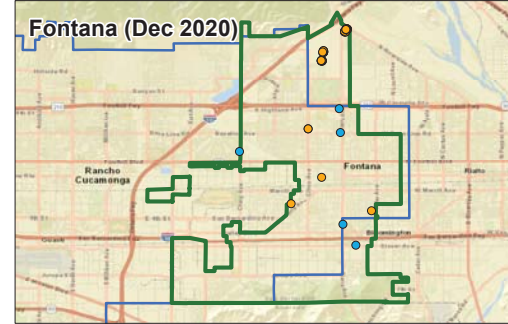
HALF MILE GRID: TOTAL EDU's (YTD)



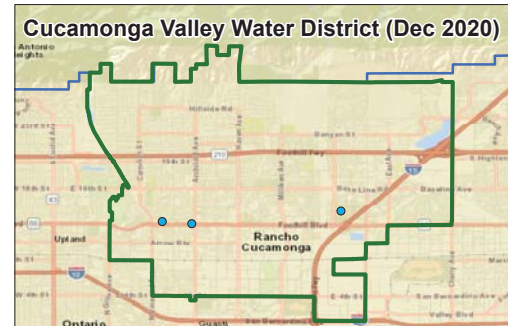
TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)		
Chino	13	0	211	224	430
Chino Hills	15	0	27	42	182
CVWD	19	27	13	58	1650
Fontana	46	7	571	625	2406
Montclair	7	0	0	7	407
Ontario	72	-17	542	597	3865
Upland	18	0	21	39	381
Total	190	17	1385	1592	9321

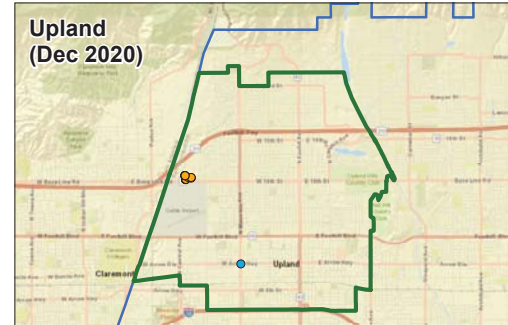
Fontana (Dec 2020)



Cucamonga Valley Water District (Dec 2020)



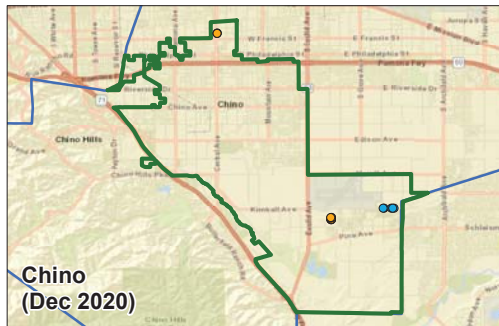
Upland (Dec 2020)



Chino Hills (Dec 2020)



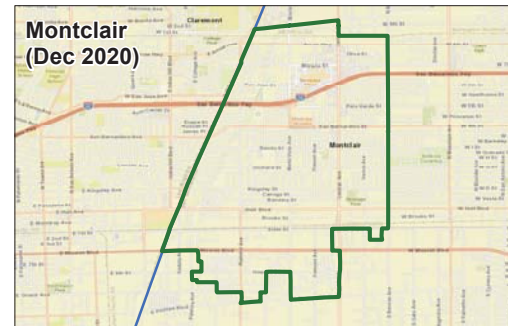
Chino (Dec 2020)



Ontario (Dec 2020)



Montclair (Dec 2020)



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IEUA RECYCLED WATER DISTRIBUTION – JANUARY 2021

TOTAL ALL PLANTS

Influent: 49.9 MGD

Delivered: 16.1 MGD

Percent Delivered: 32%

Preliminary Deliveries

RW GWR: 9.4 MGD

RW Direct Use: 6.7 MGD

RP-4

Delivered: 7.0 MGD

RP-1

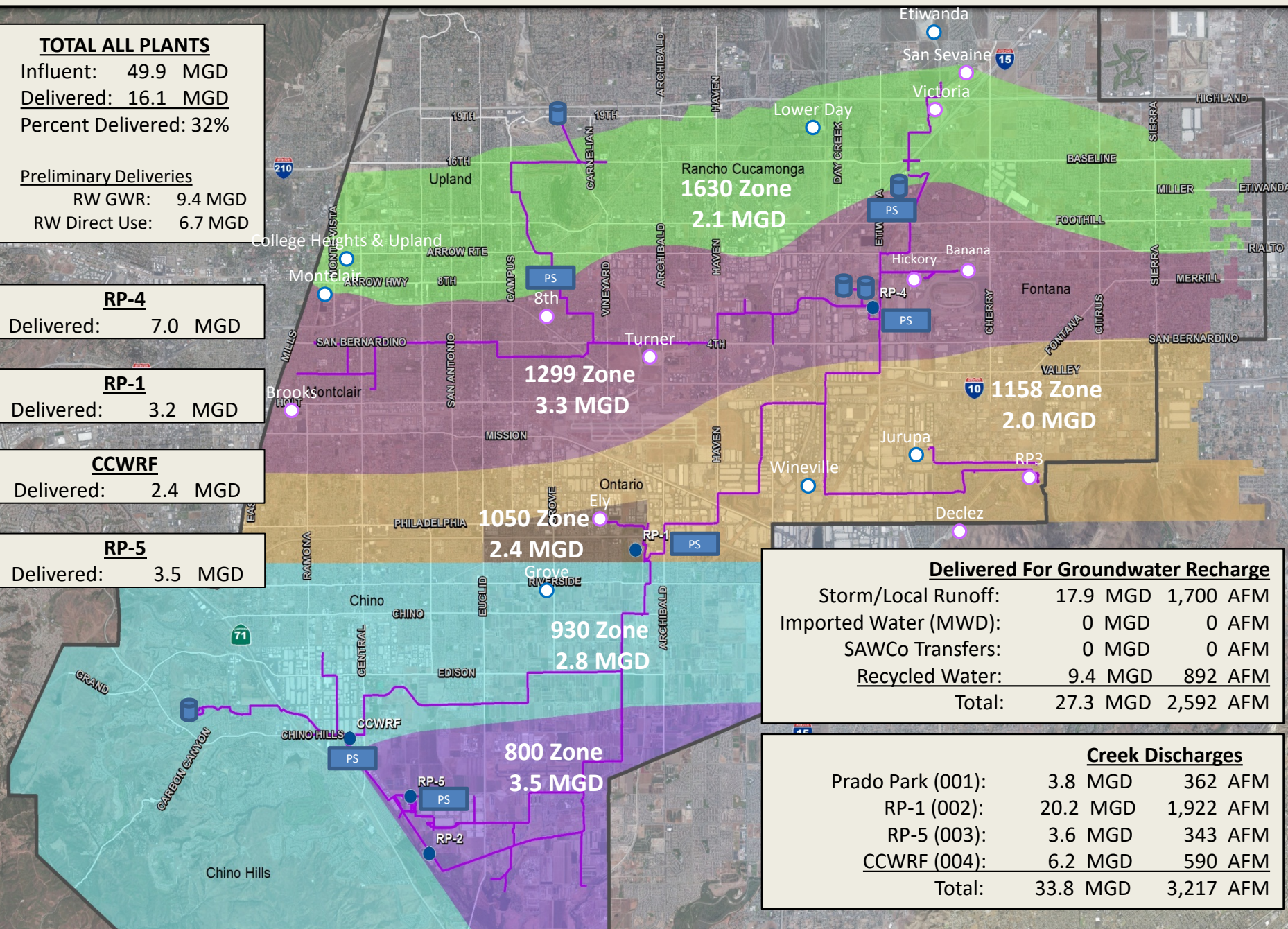
Delivered: 3.2 MGD

CCWRF

Delivered: 2.4 MGD

RP-5

Delivered: 3.5 MGD



Delivered For Groundwater Recharge

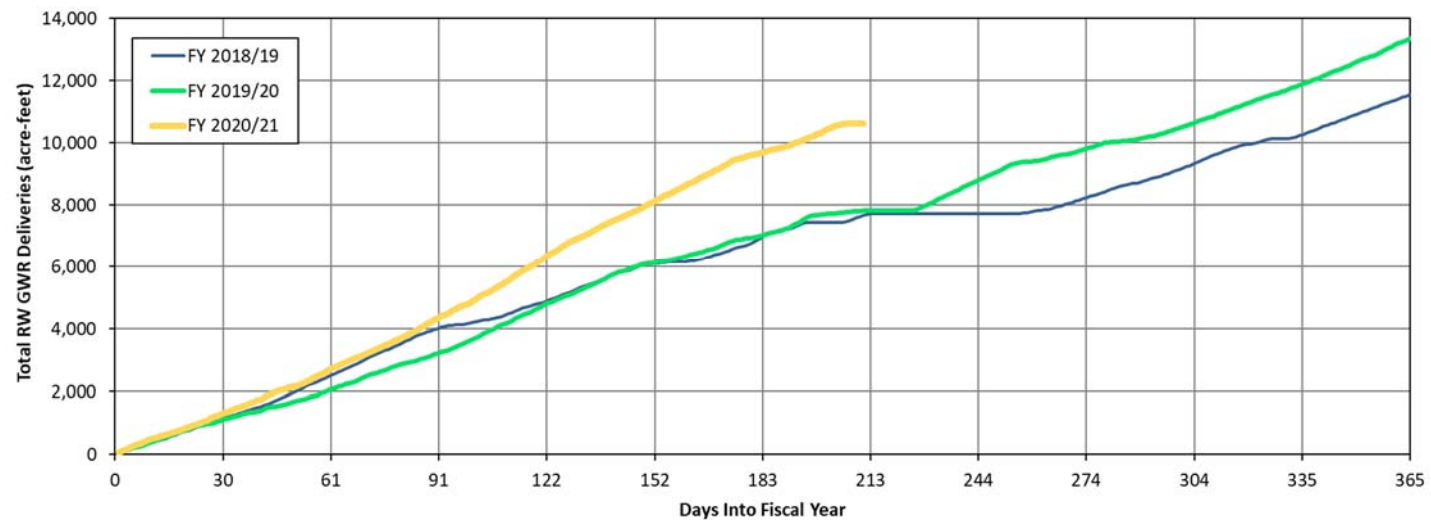
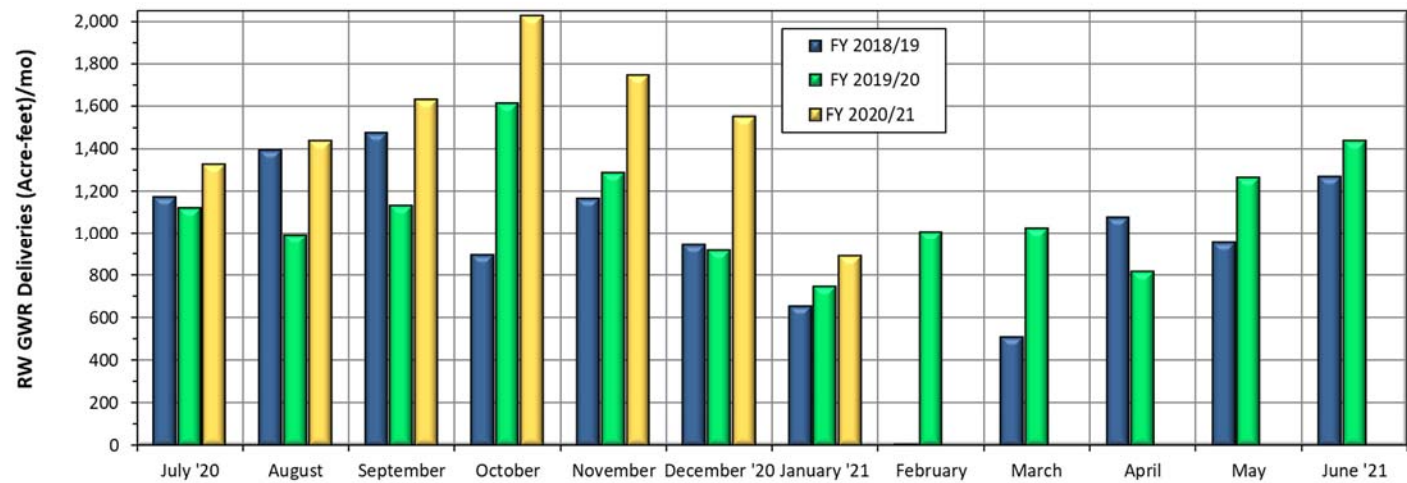
Storm/Local Runoff:	17.9 MGD	1,700 AFM
Imported Water (MWD):	0 MGD	0 AFM
SAWCo Transfers:	0 MGD	0 AFM
Recycled Water:	9.4 MGD	892 AFM
Total:	27.3 MGD	2,592 AFM

Creek Discharges

Prado Park (001):	3.8 MGD	362 AFM
RP-1 (002):	20.2 MGD	1,922 AFM
RP-5 (003):	3.6 MGD	343 AFM
CCWRF (004):	6.2 MGD	590 AFM
Total:	33.8 MGD	3,217 AFM

Recycled Water Recharge Deliveries - January 2021 (Acre-Feet)

Basin	1/1-1/9	1/10-1/16	1/17-1/23	1/24-1/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final and do not included evaporative losses.	
Ely	0.0	24.2	20.3	0.0	44.5	687		
Banana	25.5	23.9	9.8	0.0	59.2	509		
Hickory	0.0	0.0	0.0	0.0	0.0	245		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	351		
Turner 3 & 4	7.7	18.7	18.8	0.0	45.2			
8th Street	0.0	0.0	0.0	0.0	0.0	651		
Brooks	16.7	34.2	32.0	0.0	82.9	586		
RP3	211.5	161.8	107.2	0.0	480.5	4647		
Declez	0.0	8.2	3.2	0.0	11.4	630		
Victoria	0.0	24.1	8.2	0.0	32.3	924		
San Sevaine	36.6	56.1	42.6	0.0	135.3	1404		
Total	298.0	351.2	242.1	0.0	891.3	10,632	7,822	AF previous FY to day actual



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Sewage Contract Negotiations

February 10 and 11

Session 40 and 41

Key Topics: governance

Objectives

- Review proposed 2021 (Jan-June) negotiation schedule and the assumptions underpinning it
- Explore potential approaches to drafting contract and agree on preferred approach along with next steps

Attendees

Chino:

Dave Crosley

Chino Hills:

Ron Craig

Cucamonga:

Eduardo Espinoza

Fontana:

Armando Martinez

Montclair:

Noel Castillo

Ontario:

Courtney Jones

Albert Gastelum

Chris Quach

Upland:

Nicole de Moet

Braden Yu

IEUA:

Shivaji Deshmukh

Craig Proctor

Ken Tam

Christiana Daisy

Christina Valencia

Sylvie Lee

Kearns & West Team:

Terra Alpaugh

Action Items

- Christina Valencia to determine whether standby charges would require a Prop 218-like approval process given that it would be a charge against a property owner.
- KW to begin to pull CA/IEUA tentative governance agreements into a term sheet.

Perspectives & Key Outcomes

The notes below are organized by agenda topic. Contract Agency (CA)/IEUA representatives are not identified individually, but instead by their city/organizational name (e.g. Chino, IEUA). *Tentative or potential agreements among Contract Agencies that emerged from the discussions are italicized.*

Action Items

KW reviewed action items from the January meetings and follow-up that has occurred since that time.

- Action Item 1: IEUA to develop list of all topics that currently run through the two Committees and to begin drafting protocol for increased transparency.
 - IEUA provided the list of reports compiled as part of the SCN process in 2018; this list includes almost everything that officially moves through the Technical and Policy

Committees; there may be other special projects that are not reflected there, but the reports list appears inclusive.

- Action Item 2: CAs and IEUA to report back to KW regarding their GM-level conversation about engaging legal representation to draft the contract and the proposed timeline.
 - Chino Hills reported that the CAs and IEUA have discussed bringing on BB&K legal counsel to work on drafting in partnership with IEUA's legal counsel. They are currently discussing budget and scope; from there, they will explore what the cost sharing between the agencies would look like.
 - CVWD and Chino indicated that this report tracked with what they were aware of. IEUA confirmed that they support this approach to drafting the contract.
- Action Item 3: KW to agendize a conversation about the table-of-contents and where term sheets would drive new content in the contract.
 - KW has scheduled a longer meeting on March 10th for this purpose.
- Action Item 4: Policy Committee requested to receive notes from SCN meetings.
 - KW tested whether there were any concerns about those notes being shared. None of the CAs or IEUA was opposed.
 - Chino requested that, for benefit of the Policy Committee (PC), it should be clearly identifiable that these are not approved meeting minutes; they are KW's interpretation of the discussions. However, KW also requested that participants actively review the notes for inaccuracies or mischaracterizations prior to KW "finalizing" them for sharing with the Policy Committee.

High-level governance interests

KW assembled a list of high-level governance interests articulated by IEUA and the CAs in past meetings. They asked each group to revise or refine those lists, so that the group could start the governance discussions with a shared understanding of the other parties' high-level interests with respect to a governance framework.

The interests are listed below; those in blue were added in response to comments.

- Shared interest in using the existing contract as a starting point
- **Governance high-level interests articulated by CAs:**
 - Want to be informed and have opportunities for input earlier in the decision-making process
 - Increased transparency
 - Want more responsiveness to CA requests and comments
 - Want the ability to more directly control costs to rate payers
- **Governance high-level interests articulated from IEUA:**
 - Want to maintain the Board's authority and ability to run a fiscally-responsible organization
 - Not creating burdensome additional steps for all decision-making and unduly slowing down the decision-making process

- Transparency
- Hear CA interests/comments and demonstrate responsiveness to requests

CA and IEUA feedback on these interests is summarized below:

- Ontario stated that this list reflects what the CAs have articulated. Ontario asked about the status of the request to IEUA for a list of all items they need control over in order to maintain compliance with their permit.
 - IEUA reminded Ontario of the discussion at the prior meeting in which IEUA acknowledged the challenge of pulling apart what they needed control over from a compliance standpoint versus from a financial perspective. Ultimately, the Board makes the final determination on all those issues. With that in mind, they instead proposed providing the list of items that come through the TC and PC for input, which was circulated in the form of the list of contract-required reports.
 - Ontario acknowledged that conversation and the IEUA follow-up.
- IEUA volunteered that they want to start with the existing regional contract as a starting point for discussions about governance. They think the TC and PC is a great structure and have considered whether to implement something similar on the water side. They observed that most of the CA concerns appear to revolve around transparency, which IEUA has verbally committed to and is trying to put into practice. IEUA acknowledged that there continues to be the sense – whether real or perception – that IEUA is not being transparent, so they need to continue to work to that end. They described their decision to postpone the five-year rate increase as an example of this effort; they recognized that the proposed rate structure was untenable from both their and their customers' perspectives, so they proceeded with a two year increase to allow them to assemble a better approach. Similarly, the Chino Basin Program has now been rethought and rebranded as the Water Storage Investment Program in response to CA comments and the Board's subsequent direction. IEUA asked the group to differentiate between governance items, including the advisory responsibilities of the TC, PC, and Board, and communication improvements IEUA and the CAs can make at a staff level. Not all changes need to be addressed in the contract. For instance, IEUA has considered how to best include the details of TC and PC concerns and/or the level of committee endorsement in Board memos, so that it is explicit what CA perspectives are.
 - KW encouraged the group to raise process improvements that could improve communication but possibly do not belong in the contract but to differentiate them. The group could consider compiling that list in a separate communication protocol that could reside outside the contract but might complement it.
 - IEUA requested adding IEUA transparency and responsiveness to requests to the list of IEUA-interests.
- CVWD acknowledged that they have been vocal about rates and described their pain point as being subject to Prop 218 for rates that they do not have control over. The governance framework needs to allow the CAs to pass ratepayer concerns regarding rates on to IEUA. CVWD acknowledged that IEUA needs to be nimble in order to recoup cost-of-service, and suggested that the contract should at least memorialize transparency and clear input regarding rates – along the lines of last year's rate process, which allowed dialogue, feedback, and adequate time to engage with a complicated rate structure.
 - IEUA stated that they are very sensitive to the challenge of rates that are not under direct CA control. IEUA suggested they consider more coordinated outreach efforts around future rate increases. The CAs understand their communities much better than IEUA does, but if IEUA stays in the background too much, they cannot establish the trust

needed to be an effective ambassador. They would like to brainstorm and be flexible in the kind of support they provide.

- Chino stated that the CAs have discussed incorporating a process that would identify an appropriate threshold of agreement needed for an initiative to move without additional discussion through Board approval; for instance, if the committees express a desire that is not consistent with what IEUA staff or the Board wants, there would be a mechanism to circle back to the committees for further discussion. Chino noted that IEUA has indicated that further discussion is something they want to embrace but are reluctant to hardwire a threshold or a burdensome process that may create time delays into the contract. Chino observed that there is mutual acknowledgement of a need for further discussion but still some disagreement on how to achieve it.
 - IEUA acknowledged that the idea arose during the smaller group discussion on property taxes and they are supportive of changing the process to encourage more discussion when there is disagreement. IEUA's concern with the proposed approach in the property tax document was that an item could be shuttled between the Committees and the Board neverendingly. They do not want to create a burden for the Board, staff, or the Policy Committee; for instance, if there is disagreement, does the PC Chair have to be the representative to communicate the issue to the Board? That process could create significant extra work for the elected officials. IEUA wants to find a productive solution that is not unduly burdensome.

Governance in the Current Contract

The CAs and IEUA have articulated their desire to build on the current contract as a starting point for governance in the new contract. With that in mind, KW suggested reviewing the [document that identifies all the governance provisions in the current contract](#) and evaluating those provisions for relevance and effectiveness; i.e., what should be retained in the contract, what needs to be revised, and what can be removed? KW reminded the group that this list was previously reviewed by the group in 2020 to identify what provisions have been followed and what have not.

The discussion reviewed each item in the table as follows:

Note: KW has made edits to the table itself to reflect tentative agreements; the notes below are intended to reflect the perspectives shared during the discussion.

- **CA acquisition of WWTP**
 - Chino Hills suggested retaining the provisions but expanding its scope from solely WWTPs to DPR plants, skimmer plants, or other WW infrastructure. They will want a mechanism to implement a partnership between a CA and IEUA, but also the means for other CAs to object (e.g., a hearing). While the hearing has never been used by an CA in memory, it is good to have that option.
 - Chino asked whether the provision implied that the acquisition of the asset is a regional system asset, or whether it is a privately owned asset that is being acquired by a CA because it could have some impact on the system.
 - KW stated they believe it was the latter but would confirm.
 - Chino concurred with Chino Hills that the process should remain but questioned why there are different processes for CA acquisition of an asset versus IEUA acquisition of an asset. Since they both could have impact on the regional system, the process should probably be the same.

- **IEUA acquisition of a WWTP as part of the RSS**
 - KW noted that this is the only part of the contract that requires the written consent of all CAs, though it is not clear whether that protocol was followed in the cases that were recalled (i.e., acquisition of a WWTP by IEUA from Upland and Regional Plant #2 from Chino).
 - Chino proposed the principle that all the parties are acting for mutual benefit as defined by efficient and low-cost operations. Whether IEUA or the CAs want to acquire infrastructure to achieve that goal, it is in everyone's interest to ensure there are not adverse impacts from an acquisition.
 - Chino Hills agreed that IEUA and the CAs would want any acquisitions to be net positive and that there should probably be a common approach for how they are addressed in the contract.
 - Chino provided an example of the potential acquisition of pre-treatment systems: it may be better for the regional system if a CA took over the operation of a pre-treatment system rather than rely on the industry itself to operate it.
 - IEUA noted that this provision is reflective of 50 years ago when cities owned their own treatment plants, though the topic is still relevant for infrastructure like pump stations. The provision may be too specific.
 - Chino agreed and proposed using the processes discussed here to apply to a broader category of acquisitions (e.g. WWTP, pump station, pipeline), either by IEUA to be part of the regional system or by a CA, that could impact operation of the regional system. There should be a well thought out process for considering how that acquisition will impact the system.
 - IEUA concurred and advocated keeping the hearing as an option for dissenting parties.
 - *KW recorded a tentative agreement that there should be a single process for IEUA or CA acquisition of WW infrastructure in which that acquisition is evaluated by the Technical Committee for its overall impact on the regional system; the option of a hearing for dissenting parties would also be retained.*
- **IEUA service charges within service area of a CA:**
 - Initially, there was some confusion over whether this provision (Section 4, p. 13) referred to the rate-setting process or the collection of sewage charges from customers.
 - Chino asked whether this covers the broader question of jurisdiction, i.e. IEUA is not allowed to provide sewer service within a CA's jurisdiction without their agreement.
 - Chino Hills remembered that the CAs had addressed that topic with proposed protocol as part of the Third Party Agreements term sheets in order to prevent another Fontana/Speedway-type arrangement without prior agreement.
 - KW reminded the group that the Third Party Agreement term sheet was never finalized but confirmed that it did contain language related to that topic.
 - CVWD interpreted Section 4, p. 13 as stating that IEUA cannot collect sewer charges within a CA's jurisdiction without their authority; this maps with the current

arrangements in which CAs collect sewage charges from their residents to pay IEUA for services. KW confirmed that mapped with their understanding of the provision.

- Chino emphasized the last part of the Sewer User Charge definition – “for providing him with the services” – as providing the link between the service and charge, i.e., IEUA needs to seek the permission of the Contract Agency in order to provide service and charge for that service within a CAs jurisdiction.
- *The CAs and IEUA agreed this language should be retained.*
- IEUA noted that the distinction between Sewer User Charges (Section 4) and Service Charge Rates (Section 18) is not totally clear. Sewer user charges are defined in the definitions sections as “any charge, fee, rental, or rate excluding property taxes and capital capacity reimbursement fees which is imposed on and collected from the owner, lessee, or occupant of the property for providing him with the services and facilities of any community sewer system or regional sewerage system or both.” Service charges are not included as an established definition but are described in Section 18 as “expressed in dollars and cents for each Equivalent Dwelling Unit (EDU) of sewage...” which describes the monthly sewer charge currently imposed. IEUA concluded that sewer user charges definition (Section 4) encompasses the service (monthly sewer) charge in Section 18.
 - *CVWD suggested that the attorneys look at the definitions in Section 4 and 18 to make sure they line up for consistency and clarity. The other parties indicated agreement.*
- KW asked whether IEUA currently issues any charges directly within a CA’s jurisdiction.
 - On the water side, IEUA collects water connection fees directly.
 - IEUA reminded the group that in 2019, some of the CAs indicated interest in having IEUA take over collection of sewer connection fees. If they took on that responsibility, they would be interfacing directly with the customers rather than only with the CAs.
 - CVWD mentioned that some agencies might have been thinking about capacity fees, which are excluded from sewer user charges and therefore, the Section 4 provision, according to the definition in the contract. CVWD shared their understanding that the connection/capacity fee is also imposed on recycled water meters, which is part of this contract (unlike water meters).
- KW asked what charges the contract needs to define.
 - IEUA identified the monthly sewer fee, which is the service rate in Section 18, and the sewer connection fees, which are outlined in Section 9.
- **Acquisition of Regional Interceptors**
 - IEUA staff conferred on the last time they acquired a regional interceptor: CVWD turned over a portion of their system along Etiwanda Ave. to IEUA several years ago, and Chino Hills turned over a portion along Riverside Drive. It was not clear who initiated the process, but it worked as written in the contract and was mutually agreeable.
 - KW asked whether the contract acknowledged that this might be something IEUA would initiate.
 - Chino said it should. There was an instance in which IEUA acquired a pipeline previously owned by the County of San Bernardino.
 - IEUA asked whether the provision would apply only to CA-owned pipelines or all pipelines that became regional interceptors.

- It is not entirely clear from the language and should be investigated further.
- Chino reiterated that a number of the items in the table describe acquisitions by IEUA or CAs and in all those cases, the parties need to evaluate whether the acquisition is for the greater good of the regional system.
 - KW noted Chino's proposal that any kind of infrastructure acquisition by CAs or IEUA should be assessed for its impacts on the regional sewage system and that should be the basis for evaluation.
 - CVWD observed that if IEUA was taking on an interceptor, they would be assuming the additional maintenance, which would make its way into the service charges, so all the CAs would want the ability to weigh in. CVWD likes the inclusion of a hearing option if someone disagrees.
 - IEUA agreed with that a sale or acquisition should have a justification but suggested keeping it broad, since the exact analysis may vary depending on the situation. IEUA is open to adding specificity but it could get complicated.
 - CVWD noted that WWTPs and interceptors are very distinct and could have different considerations for why they are taken on. Section 5 also contains criteria for why an interceptor would not be taken on.
 - Upland noted that the criteria laid out in the contract for considering the acquisition of an interceptor are clear; what other information would the Technical Committee be looking for? Without clearly defined criteria, it creates a broad opportunity for others to protest acquisitions. Upland advocated including clear criteria for what is considered important and retaining the hearing option.
 - Chino observed that the 300,000 gallon per day criteria currently in the contract may no longer be appropriate but agreed that there should be criteria to consider. The current criteria also says that an eligible interceptor must service two or more CAs; however, there could be cases in which an asset is servicing only one agency but would be better operated as part of the regional system (e.g., to reduce downstream effects) – in that case, including it as part of the system should be an option. The overarching process should be: if in the judgement of the TC, which consists of the CAs and IEUA, the pros outweigh the cons for an acquisition or vice versa, then that analysis will be written up in a report regarding whether to proceed with an action. It gives the TC a lot of responsibility, and Chino feels that is appropriate.
- KW asked if there was agreement around the idea that (a) for different categories of infrastructure there should be criteria for consideration and (b) for any acquisition there should be a collective assessment of its impact on the regional system. KW suggested the possibility of closely reading the existing provisions throughout the contract (e.g., re: regional interceptors or WWTPs) to see if they could be combined or streamlined into a larger section on acquisition of infrastructure.
 - CVWD voiced support for streamlining if it makes sense, but also reiterated that the current contract works well, so the existing sections can also be left intact if they are working, assuming the relevant criteria are updated.

- IEUA voiced agreement: for sections that have not created challenges and are protecting all the parties, keep them as is.
- **Sewage Service Standby Charges**
 - IEUA noted that they have never levied a standby charge, but it represents another source of revenue that could be leveraged if needed in the future. *They recommend retaining the provision, and the CAs agreed.* IEUA committed to determining whether it would require a Prop 218-like approval process given that it would be a charge against a property owner.
 - The language would need to be adjusted to reflect the changes under Prop 13.
- **Ten Year Forecast – TYCIP**
 - Initially there was some confusion over whether this section referred to the wastewater forecasting process or the ten-year capital improvement planning process because of the way it is labeled in the contract. It refers to the TYCIP; wastewater forecasting has already been addressed in a separate term sheet.
 - The current process identifies an annual PC prioritization of projects for recommendation to IEUA, which CAs acknowledged they have never seen done.
 - Chino voiced approval for the steps identified here. To date, the PC may never have felt that the priorities presented by IEUA needed revision, but if they did, this would be an appropriate process to determine whether their revisions are accepted or not.
 - Chino Hills noted that this kind of process would have allowed the CAs to have influence over the inclusion of the Chino Basin Program (CBP) into the TYCIP. If the CAs had concerns over that program being incorporated into the CIP, this mechanism would allow them to voice their input and influence the Board.
 - *KW suggested revising the language to make it clear that IEUA is providing a prioritization; the process outlined here can be applied if they disagree with the priorities.*
 - *IEUA agreed with retaining the process and clarifying it.* They also noted that the CBP was more a part of rate study discussions, not the CIP.
 - *The CAs also agreed to retain the provision.*
- **Mid-Year Report on Financial Requirements**
 - IEUA observed that they do not do mid-year reports as written in the contract, but they do complete a “mid-year budget to actual cost of service” report out that is shared with the TC and PC in February and March with results from the prior July through December. It is intended as a checkpoint with respect to budget, expenditures, and tracking cost of service to rates. *IEUA suggested changing the language to reflect the actual practice.*
 - Chino noted that the process for these mid-year reports is analogous to the one for the TYCIP. This process should be applied to any report that calls for an action that would authorize significant expenditures.
 - *KW asked if all those reports currently come through the TC and PC and whether they are included in the contract-required reports list.*
 - *The group agreed that needed to be confirmed.*

- **CAPITAL CAPACITY REIMBURSEMENT AMOUNT**
 - The process in the contract has not been followed. The first study to reassess the basis for the CCRA occurred in 2015 and required long term planning documents to establish a new base; since then, it has been an IEUA-led initiative to adjust those rates on an annual basis.
 - Chino observed that a process similar to the TYCIP and Mid-year Annual Reports would be appropriate for CCRA adjustments, in which IEUA proposes any CCRA adjustments and the RPC may recommend revisions for consideration by the Board.
 - Chino Hills noted that the TYCIP essentially establishes the need, and this is the follow-up step to tie the necessary charges with that capital need. Therefore, it seems appropriate to apply a similar process.
 - IEUA noted that proposal is in line with their current rate setting process, in which IEUA does a rate study and brings recommended fees and rates to the TC and PC before going to the Board. They emphasized that a rate study needs to be the starting point for any rates conversation.
 - KW asked whether IEUA and the CAs want to provide detail on the rate setting process in the new contract since the process is not described in the existing contract, and if so, whether a similar process would be appropriate.
 - IEUA was open to discussion on that topic as long as any rates discussion started from a rates study, not a group decision to increase or decrease rates.
 - Chino Hills stated they would need to think about it more. The CAs would likely want to better understand and provide input on the questions that are asked as part of the rate study (i.e., scope). To that extent, it might make sense to acknowledge it in the contract.