

Regional Sewerage Program Technical Committee Meeting

AGENDA Thursday, March 25, 2021 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: 715 477 121#

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

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. Action Items

A. Meeting Minutes for February 25, 2021

2. Informational Items

- A. Return to Sewer Study (Oral)
- B. Grants Department Semi-Annual Update
- C. FY 2021/22 2030/31 Ten Year Forecast (TYF)
- D. External Supply Sources (Oral)
- E. Operations & Compliance Updates (Oral)

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 April 29, 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 in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, March 18, 2021.

Sally H. Lee

ACTION ITEM

1A



Regional Sewerage ProgramTechnical Committee Meeting MINUTES OF FEBRUARY 25, 2021

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held via teleconference on Thursday, February 25, 2021. Committee Chair Nicole deMoet/City of Upland called the meeting to order at 2:04 p.m. Recording Secretary Sally Lee took a roll call and established a quorum was present.

ATTENDANCE via Teleconference

Committee Members PRESENT:

Dave Crosley	City of Chino
Eduardo Espinoza	Cucamonga Valley Water District (CVWD)
Ron Craig	City of Chino Hills
Armando Martinez	City of Fontana
Courtney Jones	City of Ontario
Nicole deMoet	City of Upland
Shivaji Deshmukh	Inland Empire Utilities Agency (IEUA)

Committee Member ABSENT:

Noel Castillo	City of Montclair

OTHERS PRESENT:

Amanda Coker	City of Chino
Abigail Gomez	City of Fontana
Christopher T. Quach	City of Ontario
Braden Yu	City of Upland
Scott Connor	Unknown
Kathy Besser	Inland Empire Utilities Agency
Christiana Daisy	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Jerry Burke	Inland Empire Utilities Agency
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Robert Delgado	Inland Empire Utilities Agency
Don Hamlett	Inland Empire Utilities Agency
Elizabeth Hurst	Inland Empire Utilities Agency
Sally Lee	Inland Empire Utilities Agency

Sylvie Lee	Inland Empire Utilities Agency
Jason Marseilles	Inland Empire Utilities Agency
Liza Munoz	Inland Empire Utilities Agency
Cathleen Pieroni	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Jeanina Romero	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency
Jeff Ziegenbein	Inland Empire Utilities Agency

ADDITIONS/CHANGES TO THE AGENDA

There were no additions/changes to the agenda.

1. ACTION ITEM

A. APPROVAL OF THE MEETING MINUTES OF JANUARY 28, 2021

<u>Motion</u>: By Ron Craig/City of Chino Hills and seconded by Eduardo Espinoza/CVWD to approve the meeting minutes of the January 28, 2021 Special Technical Committee meeting.

Motion carried: Ayes: 7; Noes: 0; Absent: 1; Abstained: 0

With the following roll call vote:

Ayes: Craig, Espinoza, Armando, Crosley, Deshmukh, Jones, deMoet

Noes: None Absent: Castillo Abstain: None

2. INFORMATIONAL ITEMS

A. RETURN TO SEWER STUDY UPDATE

Ken Tam/IEUA provided an update on the Return to Sewer Study. He stated that since last month's Technical Committee meeting there have been discussions with several contract agencies interested in the expanded Return to Sewer Study. He shared that Chris Tull from ARGO is still preparing the expanded project scope and costs for the study. Feedback was received from City of Ontario to potentially focus on three specific residential developments in their service area for the study and these suggestions are being implemented into the cost estimate. The updated scope and cost estimates should be completed by early next week. Mr. Tam stated that he will provide the estimated project costs to the interested contracting agencies. He stated that the Technical subgroup will reconvene to review and provide feedback on the updated project scope and cost estimates once completed. Mr. Tam stated that he expects to have an action item for this project for the Technical Committee's consideration at the next meeting.

B. RP-5 EXPANSION QUARTERLY PROJECT UPDATE

Jason Marseilles/IEUA provided the quarterly update of the RP-5 Expansion Project. He shared information on the project status, major activities since the start of construction, and presented a fly over video of the project.

Mr. Craig asked if there was any pre-purchasing on the project. Mr. Marseilles stated that there was a pre-selection process for major equipment included in the construction contract. Mr. Craig requested a breakdown of cash flows, schedule of values, true comparison of percent complete as it relates to actual physical progress versus percent complete in the amount paid to the contractor. Mr. Marseilles stated that this is tracked in the monthly pay estimates and staff can bring that information back to the Committee. Shivaji Deshmukh/IEUA confirmed that staff would include that information in the next quarterly update.

Mr. Espinoza asked if the time lapse footage will be streaming live on the Agency's website. Mr. Marseilles stated that a website for the project is being developed and these videos will be available to the public.

C. OPERATIONS DIVISION QUARTERLY UPDATE

Robert Delgado/IEUA provided the quarterly update of the Operations Division. He shared the Agency's incident rates versus industry rates, total recordable injuries, COVID-19 priorities and impacts to the Agency, the On-Board Diagnostic System for the Agency's fleet vehicles, the new combo hydro-jet vacuum truck, and staff's preparation for the RP-5 Expansion Project. Don Hamlett/IEUA gave an update on cybersecurity at the Agency.

D. OPERATIONS & COMPLIANCE UPDATES

Craig Proctor/IEUA stated that during the first week of February, RP-1 failed the bioassay test at the OO-2 effluent which flows to Cucamonga Creek. The Agency has increased sampling to bi-weekly until two consecutive tests are passed. The Agency has not determined the root cause of this toxicity. On February 19, the recycled water turn-out for Brooks Basin malfunctioned and opened to five times its setpoint. This caused the basin to fill to capacity and lose diversion of approximately 14.7 acre-feet of chlorinated recycled water flows from the San Antonio Creek. To prevent future loss, the groundwater recharge group has incorporated additional alarms in the automated control strategy and interlock that will shut down recycled water turnout flow if a targeted basin water level is exceeded.

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. PROPERTY TAXES RECEIVED BY INLAND EMPIRE UTILITIES AGENCY BY CONTRACTING MEMBER AGENCIES

The Property Taxes received by the Inland Empire Utilities Agency by Contracting Member Agencies item was received and filed by the Committee.

Eduardo Espinoza/CVWD noted that CVWD's service area also includes part of the city of Fontana, a small portion of the city of Ontario, a very small portion of the city of Upland, and unincorporated portions of San Bernardino County so there may be other property tax revenue that is not reflected in this report, as this report is broken up by cities.

C. BUILDING ACTIVITY REPORT

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

D. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

The Recycled Water Distribution – Operations Summary for January 2021 was received and filed by the Committee.

4. TECHNICAL COMMITTEE ITEMS DISTRIBUTED

A. NONE

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Shivaji Deshmukh/IEUA stated that the Agency's preparation of the biennial budget for fiscal years 2021/22 and 2022/23 is underway. The first Board workshop is scheduled for March 3, where staff will provide an overview of the proposed Ten-Year Capital Improvement Plan (TYCIP). The proposed capital projects for the Regional Wastewater and Recycled Water programs will be presented at the March 25 Regional Technical Committee meeting as part of the Ten-Year Forecast required under the Regional Sewage Service Contract. He shared highlights of projects planned over the next decade.

On January 12, staff released a request for proposal for the Agency's Recycled Water and Non-Reclaimable Wastewater System Cost of Service studies. The goal of the Recycled Water study is to develop a comprehensive rates and revenues evaluation and develop a rate structure to recover costs and to ensure short and long-term financial stability for the Agency and its customers. Proposals were due on February 11. Christina Valencia/IEUA continues to work with the respective Finance Directors and is in the process of scheduling a meeting to share the results and seek input.

He stated that he wanted to introduce a concept that has been discussed over the past few years to look to the upper watershed for opportunities for additional recycled water supplies. Some contract agencies have expressed interest to augment the current recycled water system and to potentially provide flexibility to meet future demands. Along with Western Municipal Water District and the city of Rialto, staff has developed a high-level draft principles agreement with terms for the recycled water purchase. These draft principles will be forwarded to the regional contract agencies by early next week and focused meetings will be scheduled to discuss the concept, proposal, receive input and consider next steps on the interest from the agencies. The Agency will place this item on the Regional Committees agendas for consideration in the coming months.

Lastly, he gave an update on the Water Storage Investment Program (WSIP) (Chino Basin Program). At the request of the IEUA Board, there will be another workshop on this subject on March 3. Staff will send notice for this meeting to the Regional Committees as well as member agencies' General Managers. There were additional questions about funds spent to date, what funds are available depending on which direction is pursued, status of the program, and ways to reach a decision on the program. On August 3, the chair of the Chino Basin Program (CBP) Ad-Hoc Committee requested an information discussion with the Board to discuss comments and concerns that have been expressed by the Agency's stakeholders and internally regarding the CBP. While there was no action taken at

that Board meeting, the Board directed staff to incorporate those comments into their analysis. With these changes in mind and the potential restructuring of the program, the Agency determined it was appropriate to refer to the program as a funding program and not specifically the CBP. He stated that transparency is a priority for the Agency and the program will now be referred to as the WSIP (CBP). He stated that the California Water Commission is the funding agency that administers the WSIP program and the CBP was the original application name. He encouraged everyone to listen to/watch the March 3 IEUA Board Workshop/Meeting, as a large component of how the Agency reaches a decision point is to engage stakeholders and their input. The Agency has looked into forming focus groups to discuss various components of the program as well as to address concerns expressed in the past.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

There were no Committee member requests for future agenda items.

C. COMMITTEE MEMBER COMMENTS

There were no Committee member comments.

D. NEXT MEETING – MARCH 25, 2021

ADJOURNMENT	_ – Chair deMoet adjourned the meeting at 2:56 p.m.
Transcribed by:	
	Sally H. Lee, Executive Assistant

INFORMATION ITEM

2B

Grants Department Semi-Annual Update

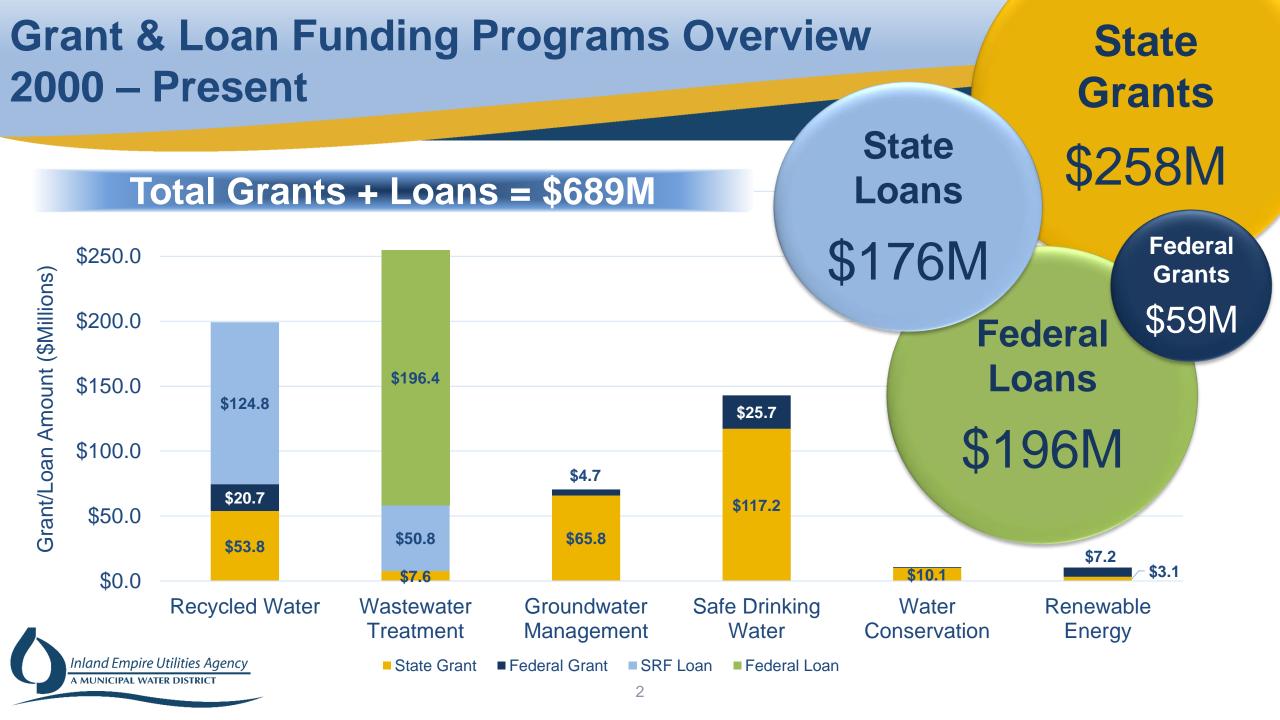






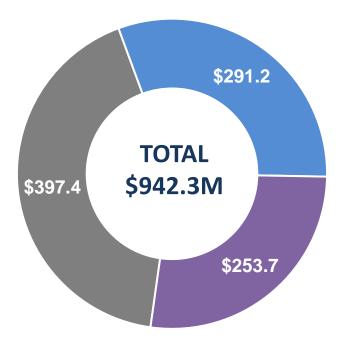
Jesse Pompa, P.E., BCEE Manager of Grants March/April 2021

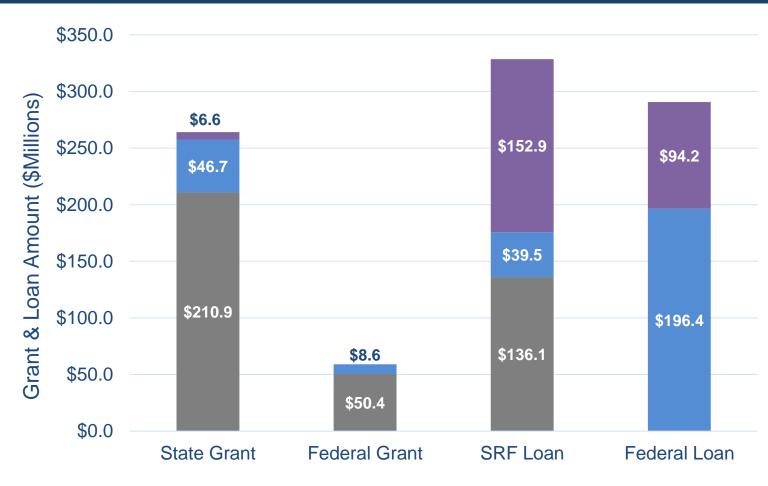




Grants and Loan Status









■ Completed Funding Agreements

■ Open Funding Agreements

■ Awarded, In Negotiation

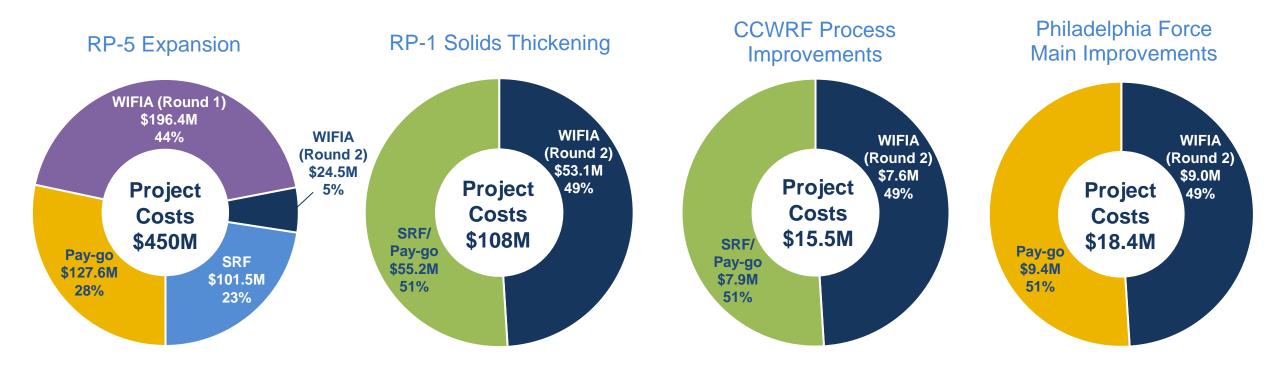
WIFIA Funding

Water Infrastructure Finance and Innovation Act



- Low-interest loan program can fund up to 49% of project costs
- 30-year repayment term, can be deferred up to 5 years after substantial completion
- Minimum project cost of \$20 million
- Round 1 IEUA executed \$196.4 million agreement with 1.36% interest rate in May 2020
- Round 2 EPA selected IEUA's Letter of Interest (LOI) for Regional Wastewater System Improvements Program – \$94.2 million
 - One of 55 projects in 20 states selected to apply

Regional Wastewater System Improvements Program



Total project costs = \$592M

WIFIA Funding

Round 1 = \$196M Round 2 = \$94M Total = \$290M

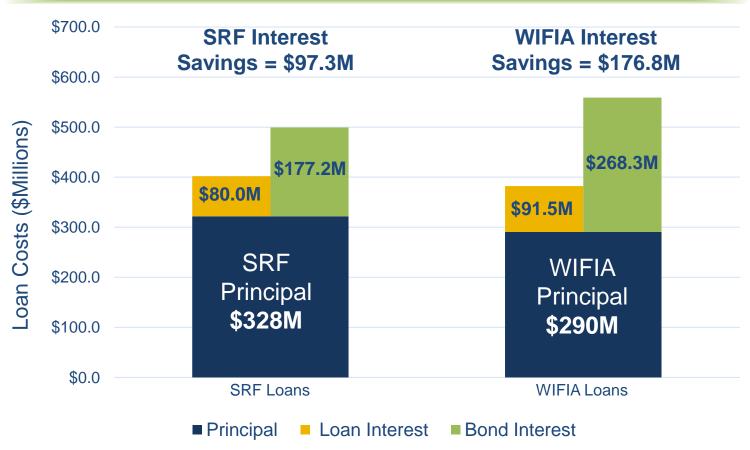


Low-Interest Loan Savings

SRF Loan Terms

- 50% of the State general obligation bond rate
- Bond interest calculated at double the SRF rate
- EPA WIFIA Loan Terms
 - Round 1 1.36%
 - Round 2 estimated at 2.1%
 - Bond interest estimates
 based on market conditions

Total Interest Savings = \$274M





INFORMATION ITEM

2C

FY 2021/22-2030/31 Ten Year Forecast (TYF)



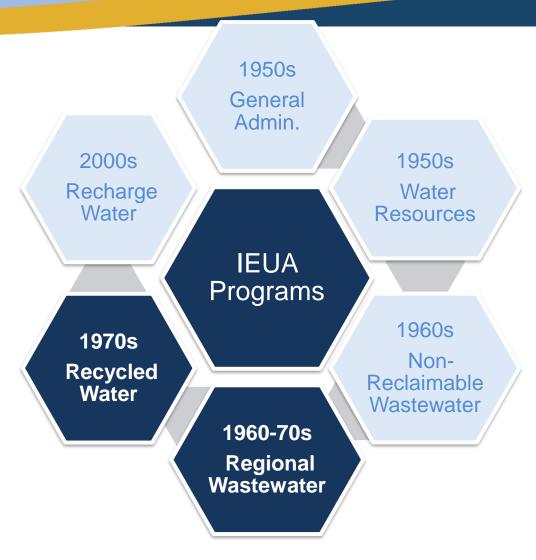






Jerry Burke, Manager of Engineering
Javier Chagoyen-Lazaro, Manager Finance & Accounting
March 25, 2021

IEUA Programs

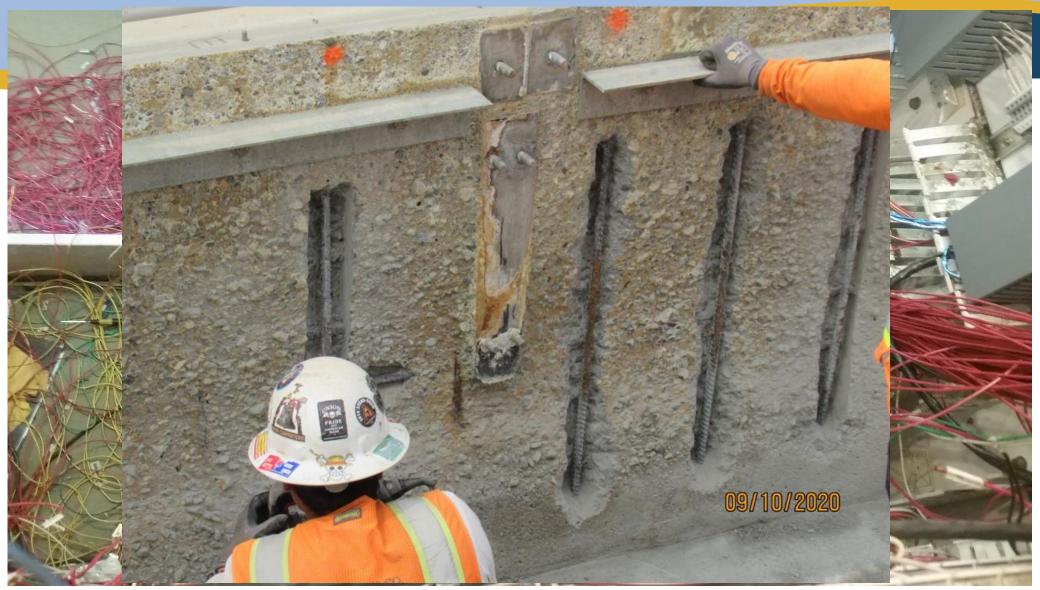




Capital Improvement Projects Needed to Support

- Asset Management
 - Replacement & Rehabilitation
 - Increase Efficiency / Safety improvements
- Regulatory Compliance
 - Potential recycled water permit non-compliance for salinity limits
 - Pending new groundwater recharge water quality requirements
- Member Agency growth projections
 - Wastewater Treatment Plant Expansion
 - Facilities Improvement

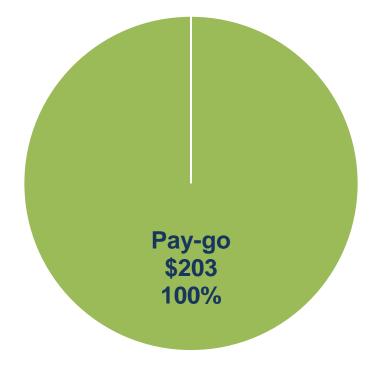
Asset Management



Asset Management Capital Projects

Asset Management Projects (\$ Millions)	FYs 2022 – 2031 Proposed TYCIP
Asset Management Recycled Water	\$54
Asset Management Wastewater	\$51
SCADA Enterprise System	\$10
RP-1 Secondary System Rehabilitation	\$8
RP-4 Process Improvements Phase II	\$8
All other projects (54)	\$72
Total	\$203

Funding Sources (\$ Million)

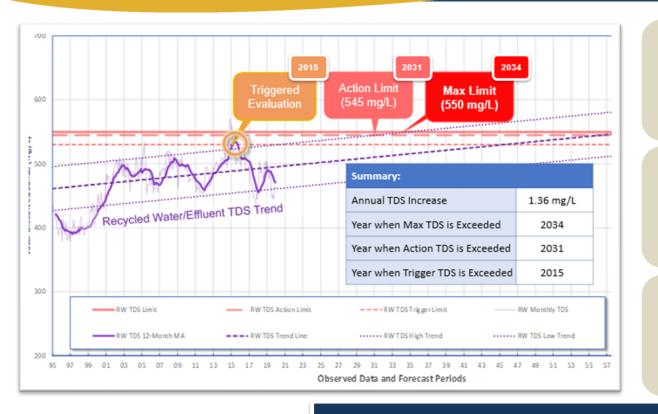


Pay-go: Rates, connection fees and property taxes



+/- Totals may not add due to rounding

Regulatory Compliance





Recycled water NPDES salinity permit limit projected to be exceeded by 2030



Drought and climate change may expedite salinity exceedance



Recycled water recharge regulatory limit exceeded for 1,2,3-TCP and PFAS

Take Away

- 1. AWPF can be delayed **if** Basin Plan | NPDES Permit is modified
- 2. Increased potential to violate permit & Max Benefit requirements prior to treatment
- 3. System online 2022-2030 to minimize risks & meet recharge regulations



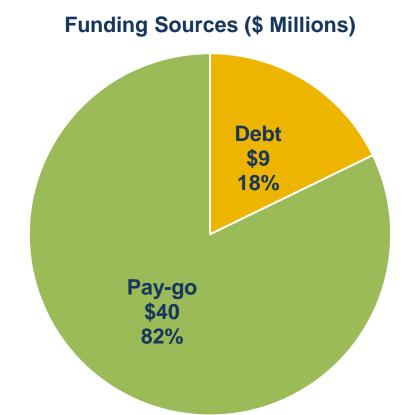
Regulatory Compliance Projects





Regulatory Compliance Capital Projects

Fund (\$ Millions)	FYs 2022 – 2031 Proposed TYCIP
Advanced Water Purification Facility	\$21
CCWRF Asset Management and Improvements	\$18
RP-1 Disinfection Pump Improvements	\$7
RP-1 Flare Improvements	\$3
Total	\$49

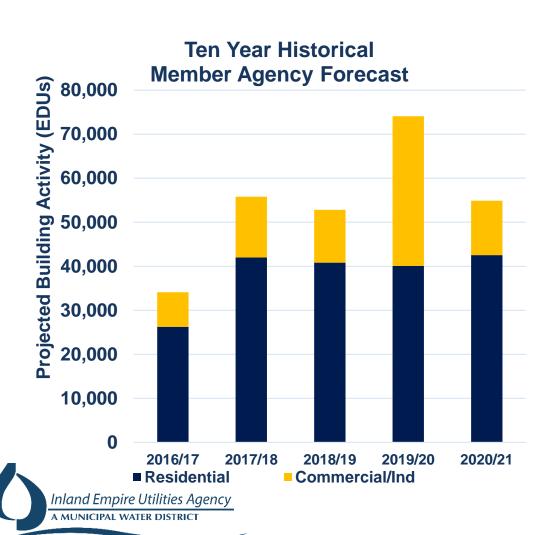


Pay-go: Rates, connection fees and property taxes

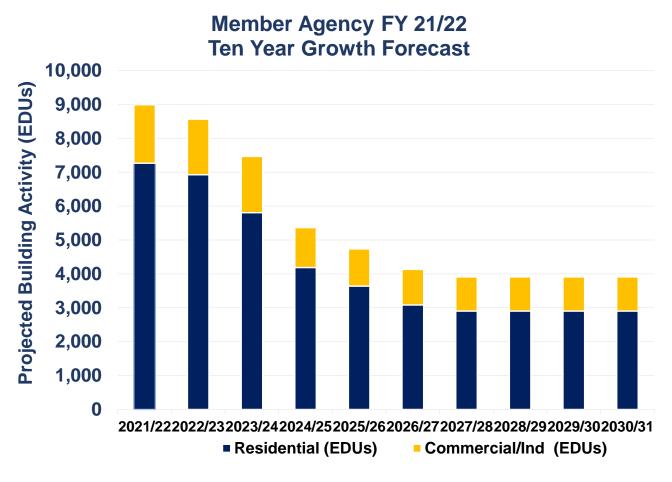
Debt: WIFIA loan applications for \$9M



Member Agency Growth Projection



Member Agencies Projections 54,887 new EDUs



EDU: Equivalent Dwelling Unit

2021-2031 Wastewater Flow Projections



Regional Water Recycling Plant Capacities

	Hydraulic Capacity		Liquid Treatment Capacity		Solids Treatment Capacity	
	Existing TYF		Existing	TYF	Existing	TYF
RP-4	14 mgd	14 mgd	14 mgd	14 mgd	20 m ad	CO
RP-1	44 mgd	44 mgd	32 mgd	40 mgd	38 mgd	60 mgd
CCWRF	12 mgd	12 mgd	12 mgd	12 mgd	40	20
RP-5	15 mgd	22.5 mgd	15 mgd	22.5 mgd	18 mgd	30 mgd



Growth

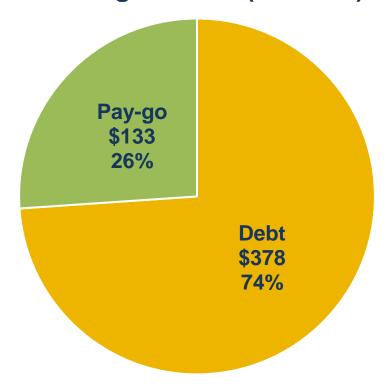




Growth Capital Projects

Growth Related Projects (\$ Millions)	FYs 2022 – 2031 Proposed TYCIP
RP-5 Biosolids Facility	\$183
RP-5 Expansion to 30 mgd	\$167
RP-1 Thickening Building & Acid Phase Digester	\$100
RP-1 Liquid Treatment Capacity Recovery	\$35
RP-1 Solids Treatment Expansion	\$20
Montclair Force Main Improvements	\$6
Total	\$511

Funding Sources (\$ Million)

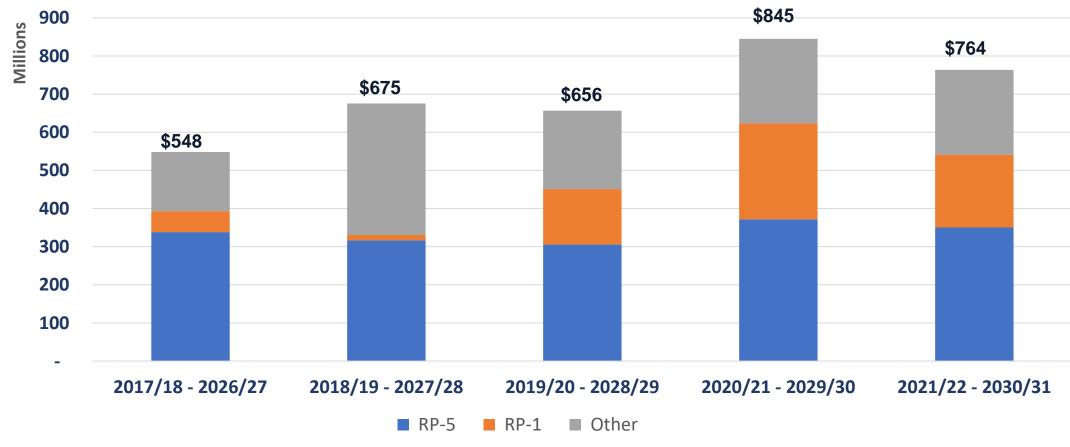


Pay-go: Connection fees and property taxes

Debt: WIFIA loan (RP-5 secured, applications for \$60M), SRF loans (RP-5, RP-1)



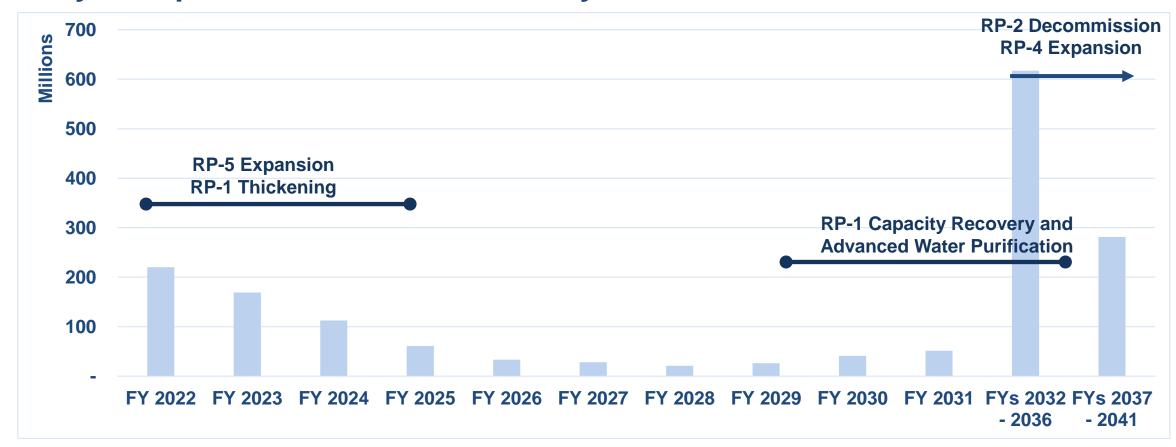
Proposed TYF \$764M FYs 2022- 2031





Proposed TYF \$764M FYs 2022- 2031

Nearly 73% planned over the first four years



TYF Proposed Capital Projects by Program and Funding Sources

Fund (\$ Millions)	FYs 2022 - 2031 Proposed TYCIP
Regional Wastewater Capital	\$611
Regional Wastewater Operations & Maintenance	\$92
Recycled Water	\$61
Total	\$764

Funding Sources (\$ Million)



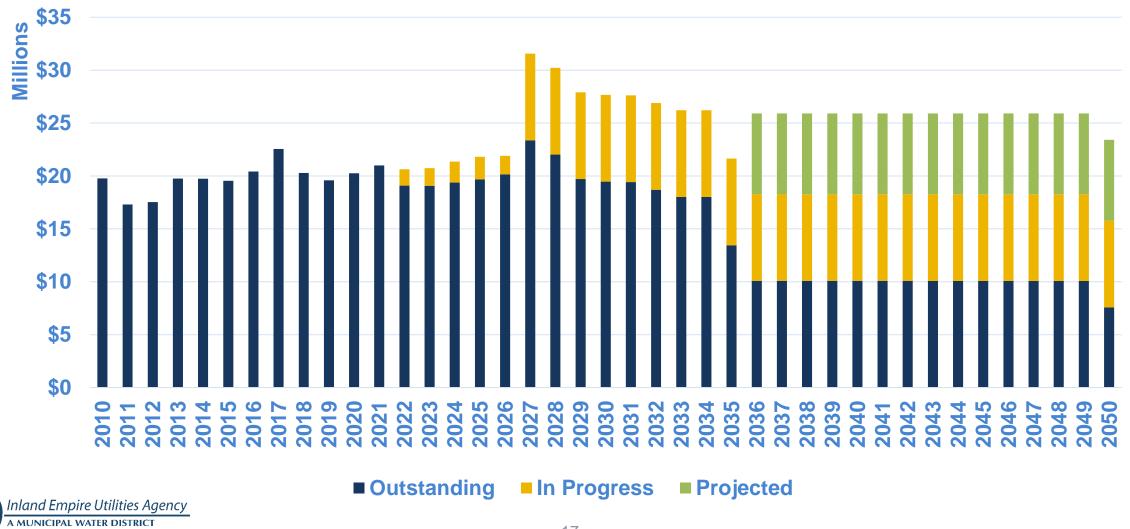
e to rounding

Pay-go: Rates, connection fees, property taxes

Debt: WIFIA loan (RP-5 secured, applications for \$100M), SRF loans (RP-5, RP-1)



Projected Debt Service



Review and Approval Timeline

Month	IEUA Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
March		03/03	03/25	
April	04/14	04/07 04/21	04/29	04/01
May	05/12	05/19	05/27	05/06
June	06/09	06/16		06/03



Questions









RECEIVE AND FILE

3A



Regional Sewerage Program Policy Committee Meeting

Thursday, April 1, 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.

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Regional Sewerage Program Policy Committee Meeting Agenda April 1, 2021 Page 2 of 2

1. Technical Committee Report (Oral)

2. Action Item

A. Meeting Minutes for March 4, 2021

3. Informational Items

- A. Regional Contract Negotiations Update (Oral)
- B. Grants Department Semi-Annual Update
- C. FY 2021/22 2030/31 Ten Year Forecast (TYF)

4. Receive and File

- A. Building Activity Report
- B. Recycled Water Distribution Operations Summary
- C. 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 May 6, 2021

Adjournment

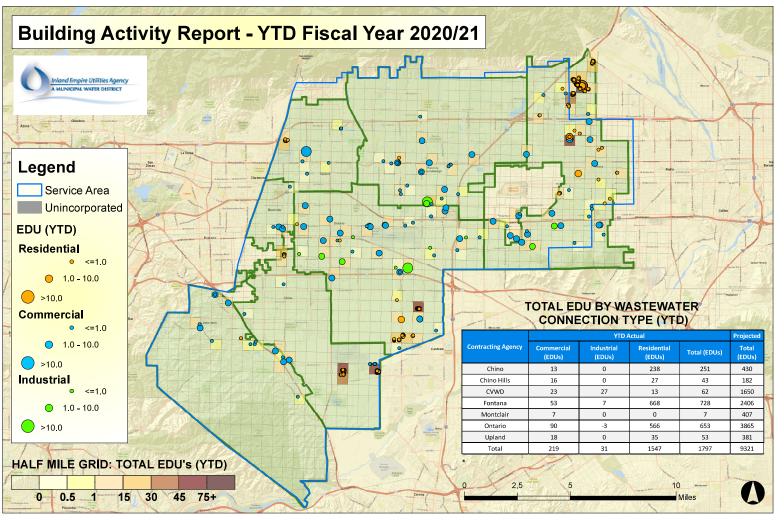
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DECLARATION OF POSTING

I, Sally H. Lee, Exe	ecutive Assistant of th	e Inland Empire	Utilities Agency,	A Municipal Water	District, hereby	certify that
a copy of this agei	nda has been posted	to the IEUA We	bsite at www.ieu	a.org and posted	at the Agency's r	main office
at 6075 Kimball Av	enue, Building A, Ch	ino, CA, by Thur	sday, March 25,	2021.		

Sally H. Lee

RECEIVE AND FILE **3B**











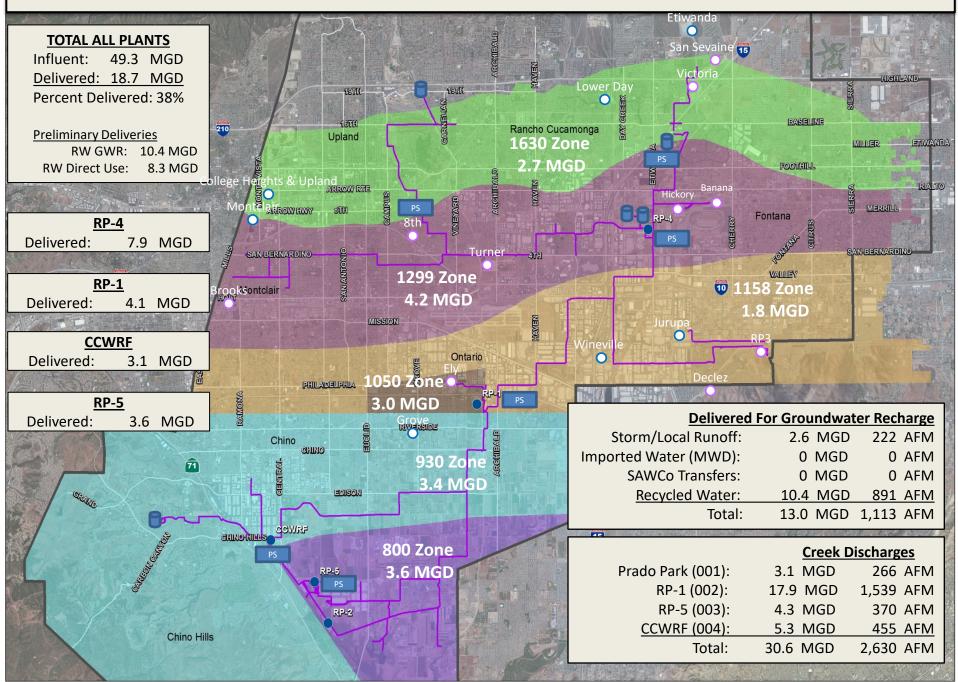






RECEIVE AND FILE 3C

IEUA RECYCLED WATER DISTRIBUTION – FEBRUARY 2021



Basin	2/1-2/6	2/7-2/13	2/14-2/20	2/21-2/28	Month Actual	FY To Date Actual		are draft until reported as final and do t included evaporative losses.
Ely	0.0	0.0	0.0	0.0	0.0	687		
Banana	0.0	0.0	15.2	22.7	37.9	505		
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	439		
Turner 3 & 4	0.0	25.6	40.6	21.8	88.0	439		
8th Street	0.0	0.0	0.0	0.0	0.0	642		
Brooks	0.0	0.0	46.8	29.1	75.9	662		
RP3	57.6	76.5	108.0	137.9	380.0	5034		
Declez	0.0	0.0	0.0	16.3	16.3	636		
Victoria	0.0	16.5	33.6	34.4	84.5	1008		
San Sevaine	27.2	55.6	64.5	77.0	224.3	1628		
Total	84.8	174.2	308.7	339.2	906.9	11,486	8,830	AF previous FY to day actual

