



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

**WEDNESDAY, APRIL 7, 2021
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
VIEW THE MEETING LIVE ONLINE AT IEUA.ORG
TELEPHONE ACCESS: (415) 856-9169 / Conf Code: 932 945 127#**

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 AND IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19, THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING IN PERSON.

The public may participate and provide public comment during the meeting by dialing into the number provided above. Alternatively, the public may email public comments to the Board Secretary/Office Manager Denise Garzaro at dgarzaro@ieua.org no later than 24 hours prior to the scheduled meeting time. Comments will then be read into the record during the meeting.

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

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

ADDITIONS TO THE AGENDA

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

1. **WORKSHOP**
 - A. **REGULATORY UPDATE: MICROPLASTICS (POWERPOINT)**
 - B. **FY 2021/22 AND 2022/23 BIENNIAL BUDGET (POWERPOINT)**
2. **GENERAL MANAGER'S COMMENTS**
3. **BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**
4. **DIRECTORS' COMMENTS**
5. **CLOSED SESSION**
 - A. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)(e)1**
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
One Case

ADJOURN

*A Municipal Water District

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

Declaration of Posting

I, Denise Garzaro, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. on the Agency's website at www.ieua.org and at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, April 1, 2021.



Denise Garzaro, CMC

**WORKSHOP
ITEM**

1A

Regulatory Update: Microplastics



Studies find Microplastics Everywhere



Eleven billion metric tons of plastics are projected to accumulate in the environment by 2025



Microfibers are the most abundant type of microplastics found in water globally



Stormwater flows into SF Bay were found to carry 300 times more microplastic particles than were discharged by wastewater treatment plants

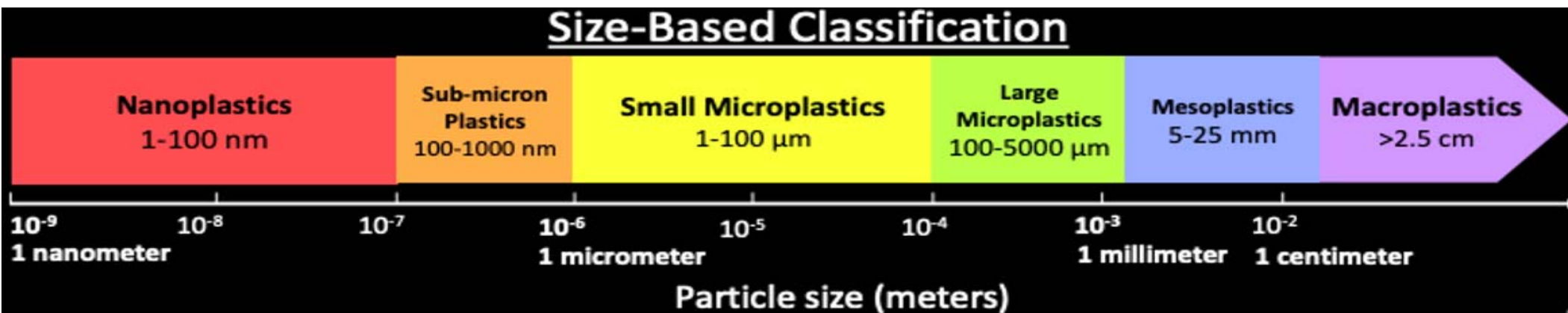


Microplastics have been detected in indoor and outdoor air. Aerial deposition in remote areas

SWRCB Adopted Definition of Microplastics

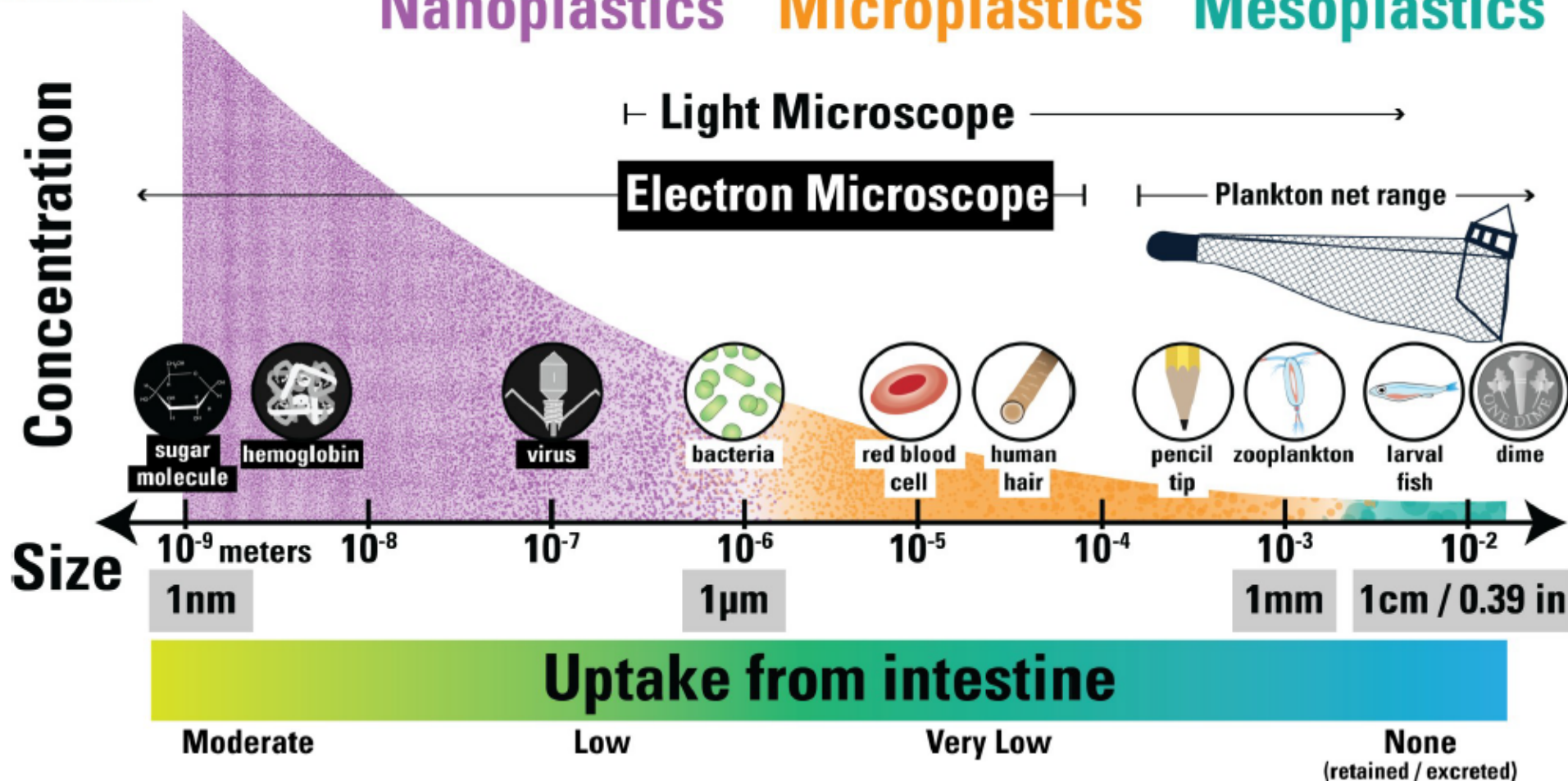
As of June 16, 2020

- Solid polymeric materials to which chemical additives or other substances may have been added
- Particles which have at least three dimensions
- that are greater than 1 nanometer and less than 5 millimeters



Nano-sized particles are more **toxic** & harder to **detect**

Nanoplastics **Microplastics** **Mesoplastics**



World Health Organization Study (2019)



Tertiary wastewater treatment can effectively remove more than 90% of microplastics from wastewater



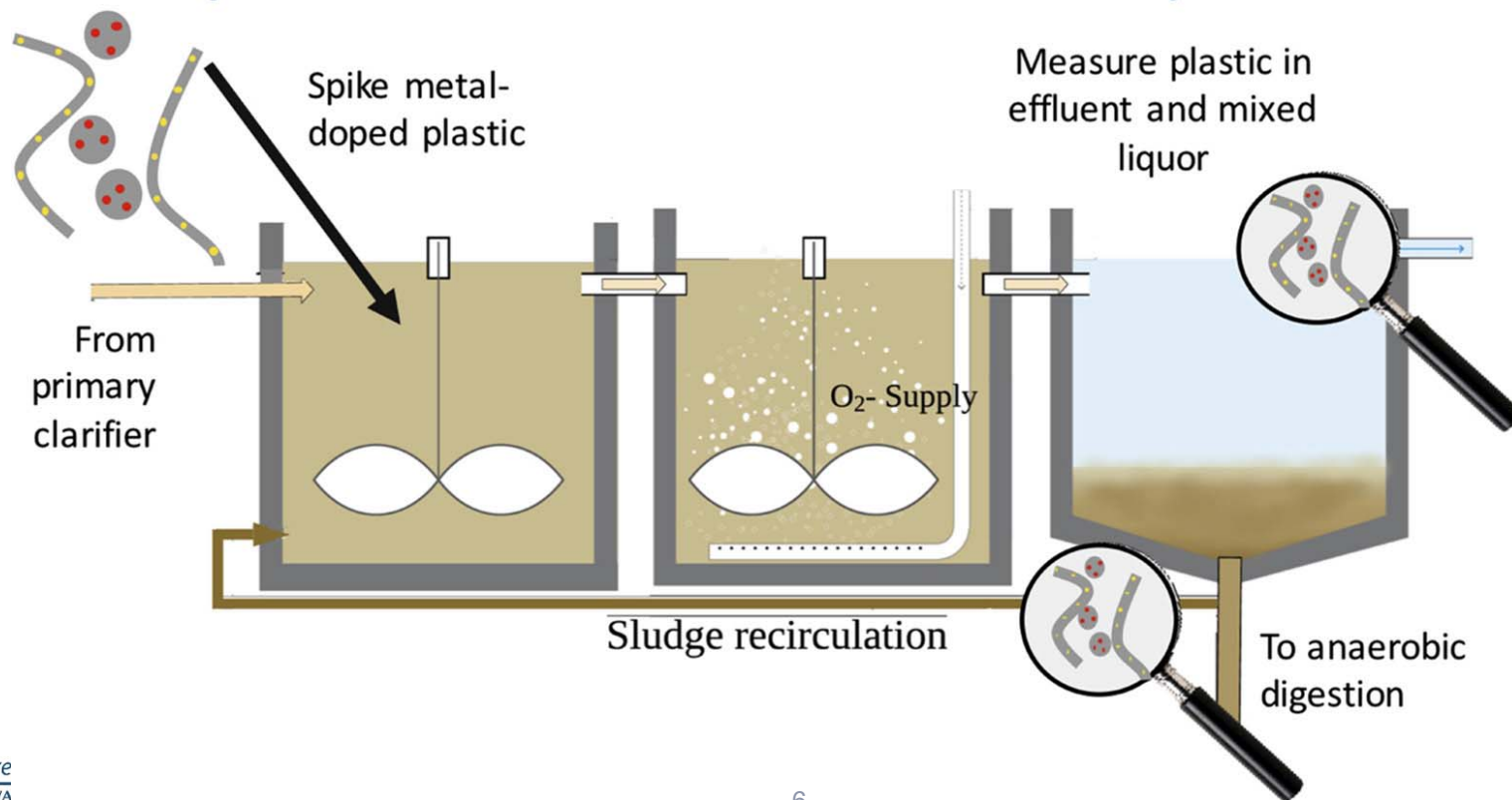
Conventional drinking water treatment can remove particles smaller than a micrometer through processes of coagulation, flocculation, sedimentation/flotation and filtration



Advanced treatment can remove smaller particles. For example, ultrafiltration can remove particles >0.1 micrometer and nanofiltration can remove particles >0.001 micrometer

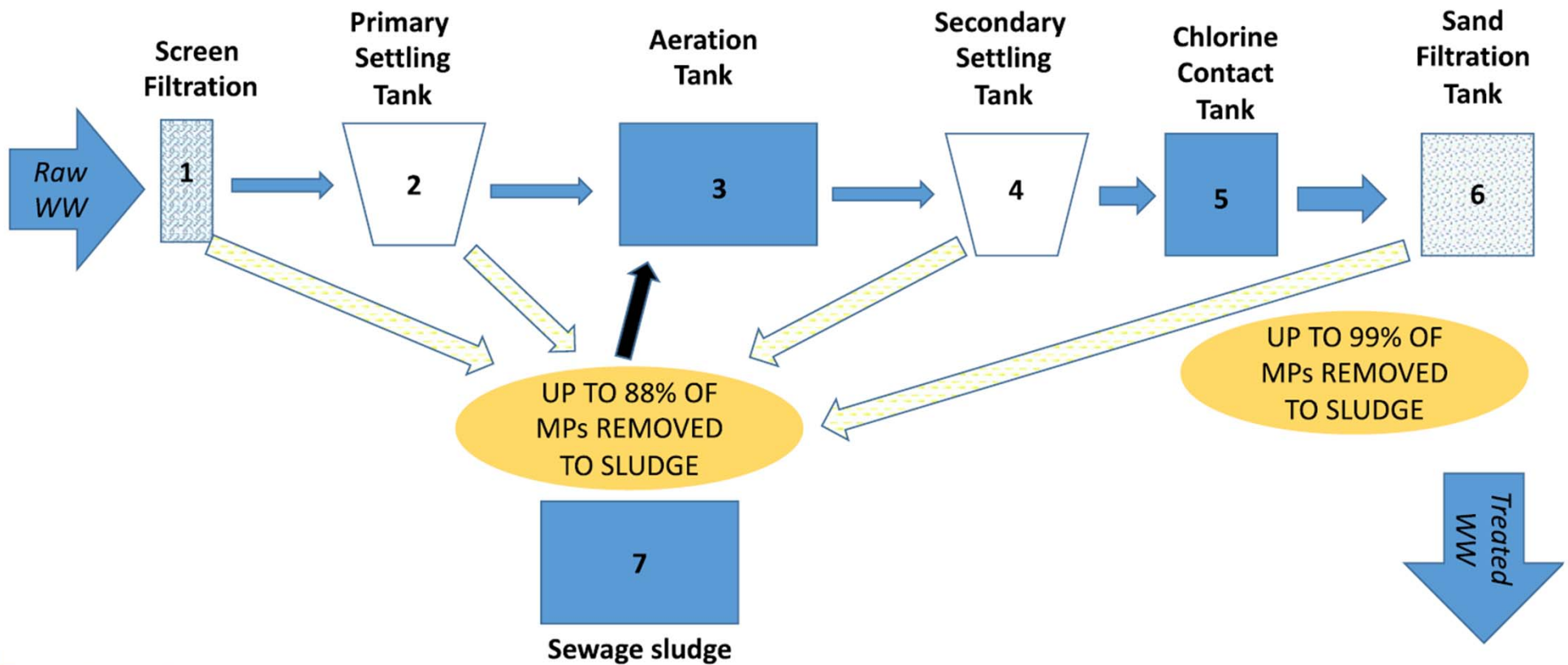
2020 Mass Balance Study shows Nanoplastic Removal was directly correlated with Total Suspended Solids Removal

Nanoplastic and MP fiber mass balance across pilot WWTP



Efficacy of WW Treatment in Removing Microplastics

Freeman et al (2020). Journal of Environmental Management



California Plastics Regulatory Programs

1967 | 1969

- SWRCB formed
- Porter-Cologne Water Quality Control Act enacted



2004 | 2014

- Creation of CA Ocean Protection Council
- CA's Dept. of Public Health's Division of Drinking Water (DDW) moves to SWRCB



2018

- CA legislation enacted directing dual approach to addressing microplastics in 1) marine environment and 2) drinking water



2008

- Pre-Production Plastic Debris Program (nurdle pollution enforcement)
- Stormwater Runoff to marine impacts



OCEAN PROTECTION COUNCIL

2015

- Plastic greater than 5 mm regulated
- Trash Amendments to the Ocean Plan and Inland Waters and Enclosed Bays and Estuaries Plan



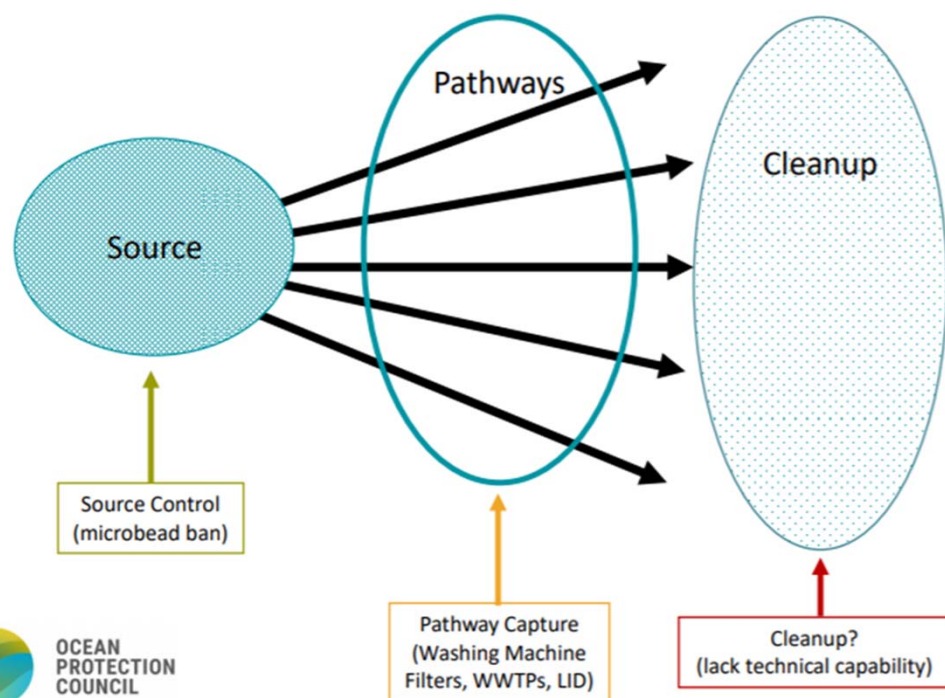
Efficacy of microplastic removal from wastewater treatment methods: \$225,236 SCCWRP



Identify potential sources and pathways of microplastics in stormwater: \$120,233 SFEI.



Policy Options: Where Intervention Can Occur



- Banning Microbeads:
 - **CA-AB 888 (2015).** Bans personal care products containing microbeads
 - **Microbead-Free Waters Act 2015** prohibits the manufacturing, packaging, and distribution of rinse-off cosmetics containing plastic microbeads

2018 Legislative Direction to Regulatory Agencies

SB 1263 (Portantino, 2018)

Requires the California **Ocean Protection Council** to adopt and implement *by the end of 2024* a statewide strategy for lessening the ecological risks of microplastics to coastal marine ecosystems



SB 1422 (Portantino, 2018)

✓ *On or before July 1, 2020:* **SWRCB** adopt a definition of microplastics in drinking water

On or before July 1, 2021:

1. Adopt a standard methodology for testing of microplastics in drinking water
 - Accredited qualified laboratories in California to analyze microplastics in drinking water
2. Adopt requirements for four years of testing and reporting of microplastics in drinking water, including public disclosure of those results
3. Consider issuing quantitative guidelines (e.g., notification level) to aid consumer interpretations of the testing results, if appropriate

Ocean Protection Council Strategic Plan (2020-2025)



Target 3.4.3 (Partners: SWRCB, RWQCBs)

- Develop a baseline of plastic pollution monitoring data for coastal and marine waters and track progress in reducing plastic pollution by 2023

Target 3.4.4 (Partners: SWRCB, RWQCBs, OEHHA)

- Develop a statewide microplastics reduction strategy by 2021
- Implement identified strategies by 2022

Action 1: Fund scientific research

- Identify sources and pathways for microplastics in stormwater
- Determine efficacy of microplastic removal from various wastewater treatment methods

Action 2:

- Adopt a CA Resolution on microplastics by 2021

Action 3:

- Implement solutions consistent with the CA Resolution

Current Studies Underway: Ocean Protection Council



**Efficacy of microplastic removal from
wastewater treatment methods:
\$225,236 SCCWRP**



**Identify potential sources and pathways
of microplastics in stormwater:
\$120,233 SFEI.**

OPC Recommendations Adopted Feb. 16, 2021



Partial List of Adopted Recommendations:

- Study feasibility of widespread implementation of reuse, and refill systems in California by Summer 2021 and recommend regulations to promote reuse by Summer 2022
 - Require dishwashing facilities for establishments over a certain capacity or require all new buildings be built with water refill stations
- Encourage a statewide prohibition of cigarette filters
- Study feasibility of Extended Producer Responsibility (EPR) for recycling, composting or disposal of plastic packaging and food service ware by Summer 2021. Advance best approach to implement EPR by Spring 2022

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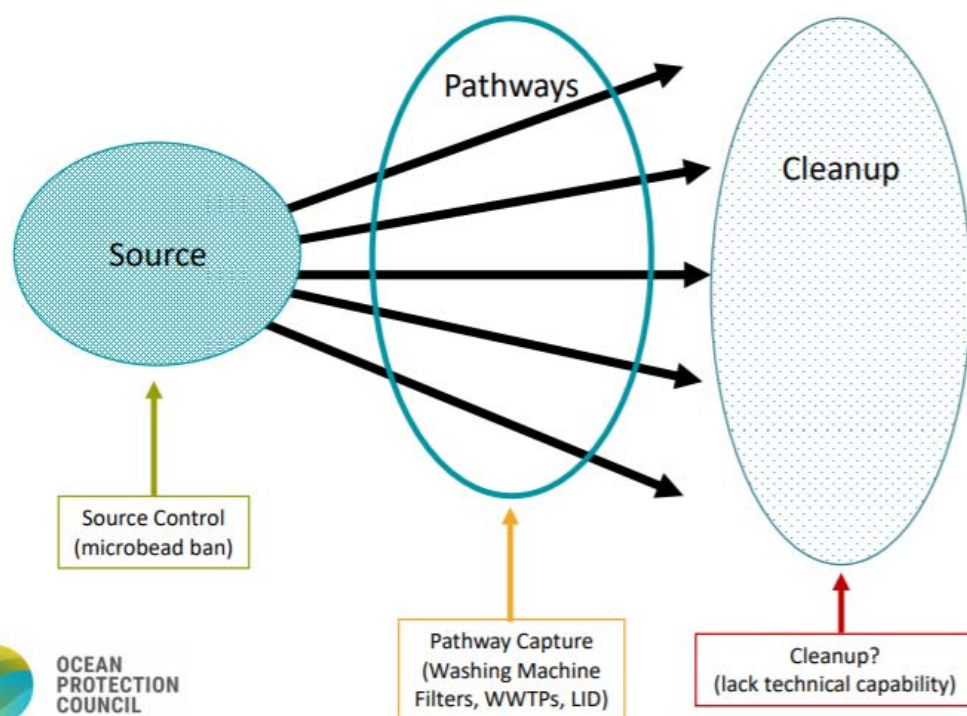
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Current Legislation



- Break Free From Plastic Pollution Act of 2020 (federal legislation)
- AB 622 (Friedman) Washing machines: microfiber filtration
- AB 802 (Bloom) Microfiber pollution
- AB 842 (C. Garcia) California Circular Economy and Plastic Pollution Reduction Act
 - *would establish a comprehensive regulatory scheme for producers, retailers, and wholesalers of single-use packaging and single-use products made partially or entirely of plastic to source reduce, recover, and recycle single-use packaging and single-use products*

Take-Aways

Microplastics are a pervasive problem, especially for marine environment

Toxicological impacts of microplastics are not yet well understood

Public policies likely to address plastic source control – potentially impacting consumer options

New regulatory frameworks may impact drinking water, recycled water, wastewater operations, including biosolids

Contact Us



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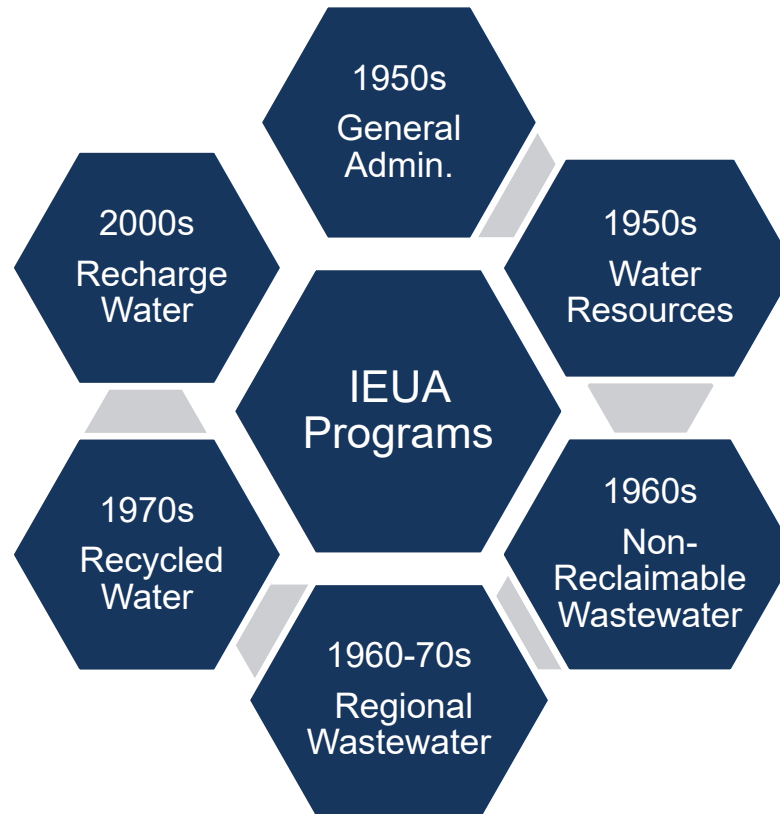
**WORKSHOP
ITEM**

1B

FY 2021/22 and 2022/23 Biennial Budget Board Workshop



IEUA Programs



Key Budget Components

Expenses and Other Uses of Funds

Capital Improvement Plan
(Board Workshop March 2021)

Staffing
(Board Workshop Dec 2020)

Operations & Maintenance

Revenues & Other Funding Sources

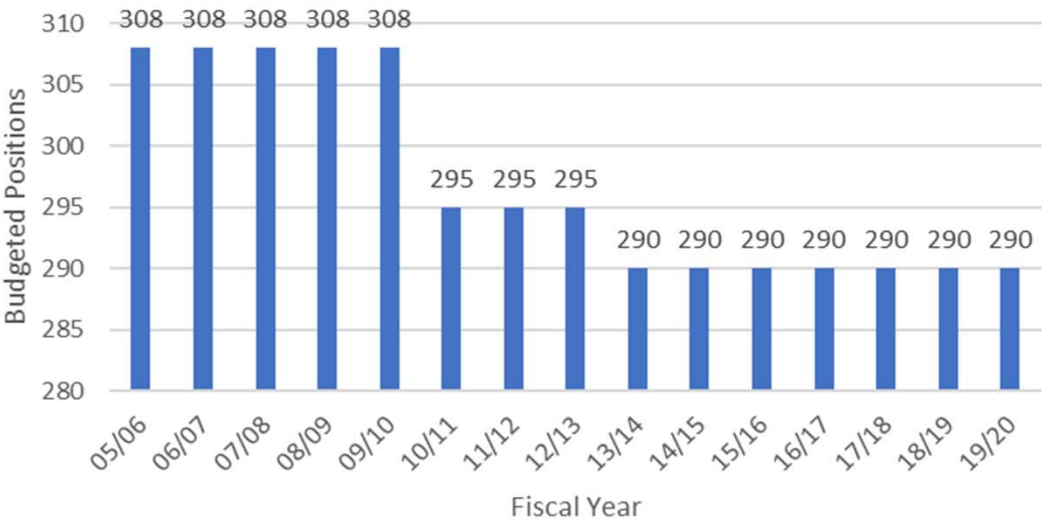
Rates and Fees

Grants and Loans
(Semi Annual Update)

Property Taxes

Staffing: Current State

Authorized Full Time Positions History



290 Full-Time Employees (FTEs)

- 27 Vacancies
 - 22 Positions in Recruitment
 - 5 Positions Pending Recruitment

11 Limited-Term Employees

10 Contracted Workers

22 Interns

It takes 311 individuals and 22 interns to operate the Agency in the current state.



Proposed Positions FY 2021/22 and FY 2022/23

Type	Current Approved Level	Proposed Level
FTEs	290	302
LTEs	18	10
Total	308	312

- Continuity of Agency Operations
- Aging Assets and Infrastructure
- Planned Projects
- Regulatory Compliance
- Preservation of Critical Skills and Knowledge
- Impending Retirements
- Employee Engagement
- Long-Term Departmental Planning



Staffing: Risks and Challenges

Agility



Unique skillset of critical positions



Reliance on Limited Term employees impedes long-term departmental planning



7% of current workforce is comprised of non-FTEs

Regional Needs

Continuity of Agency Operations

- RP-5 Expansion
- Regulatory compliance
- Staff turnover

Aging Assets & Infrastructure

- Maintenance Technician turnover
- Predictive Maintenance strategy

Projects

- Nearly \$900 million projects planned over the next 10 years

Staffing: Risks and Challenges

Succession Planning



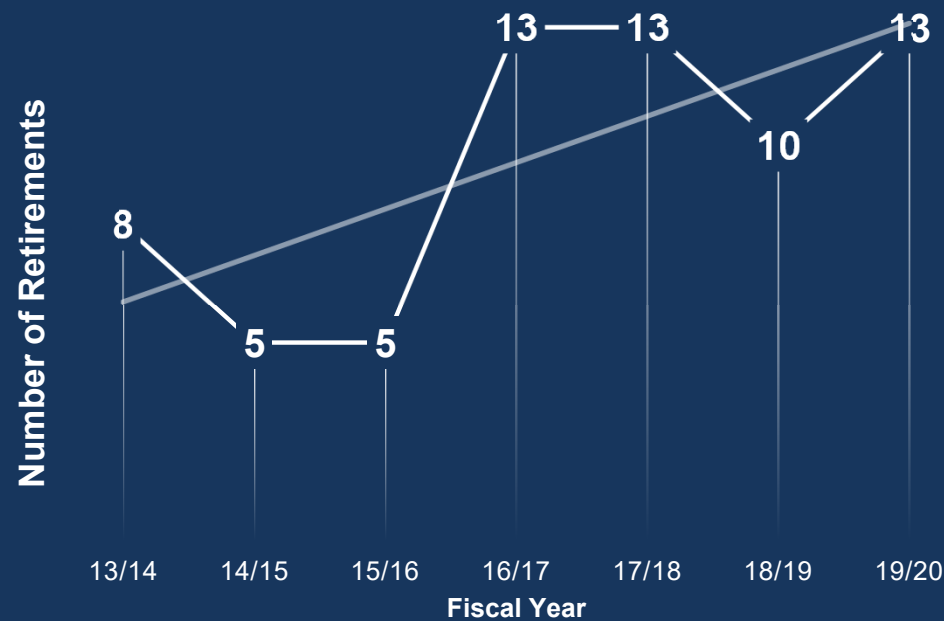
25% of FTEs are currently eligible to retire

41% of FTEs will be eligible to retire in 2025

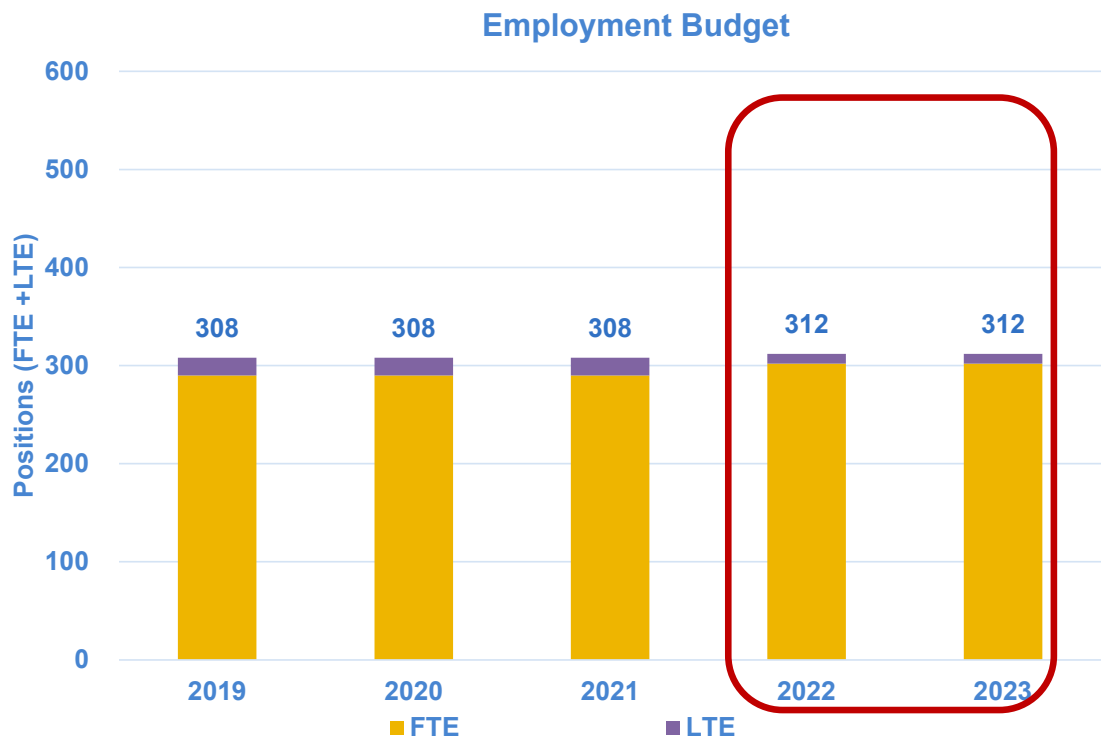


Yearly retirements have increased by 62%

RETIREMENTS PER FISCAL YEAR



Staffing: Future State



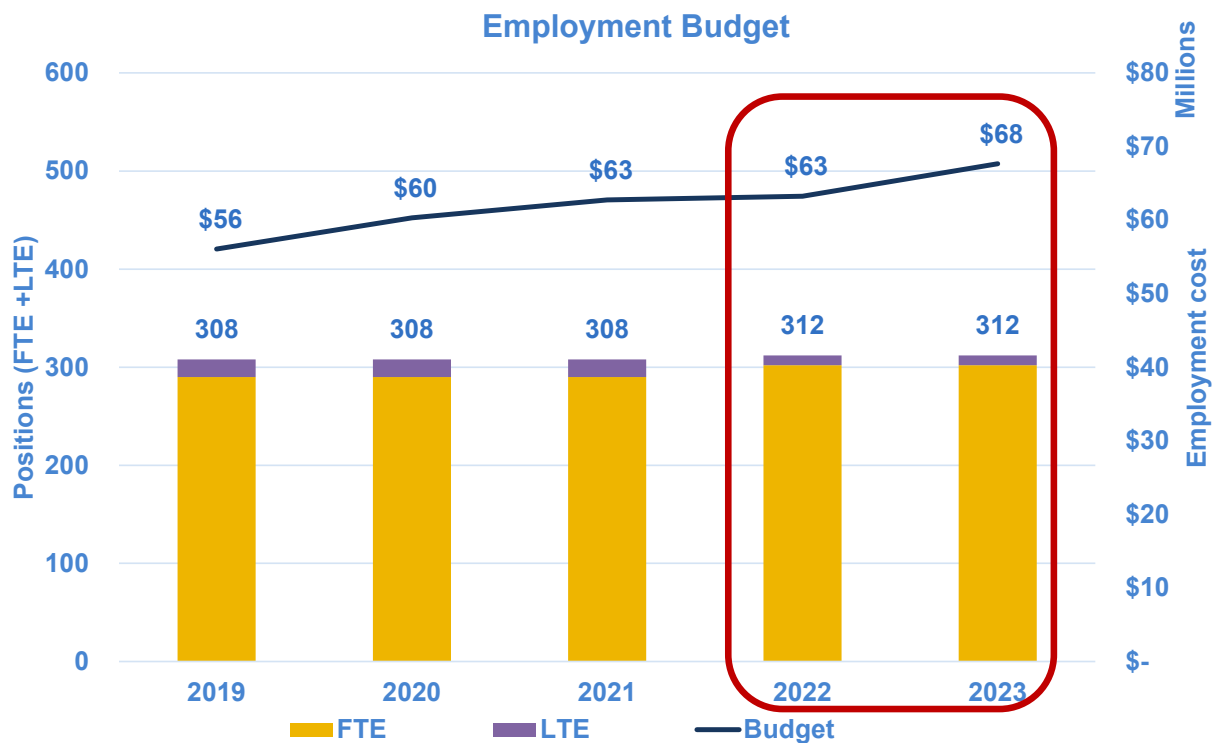
Minimal Fiscal Impact

Vacancy factor =
$$\frac{\text{Vacant positions}}{\text{Total positions}}$$

Hiring at lower salary
step

Utilizing lower
classification, where
appropriate

Staffing: Future State



Minimal Fiscal Impact

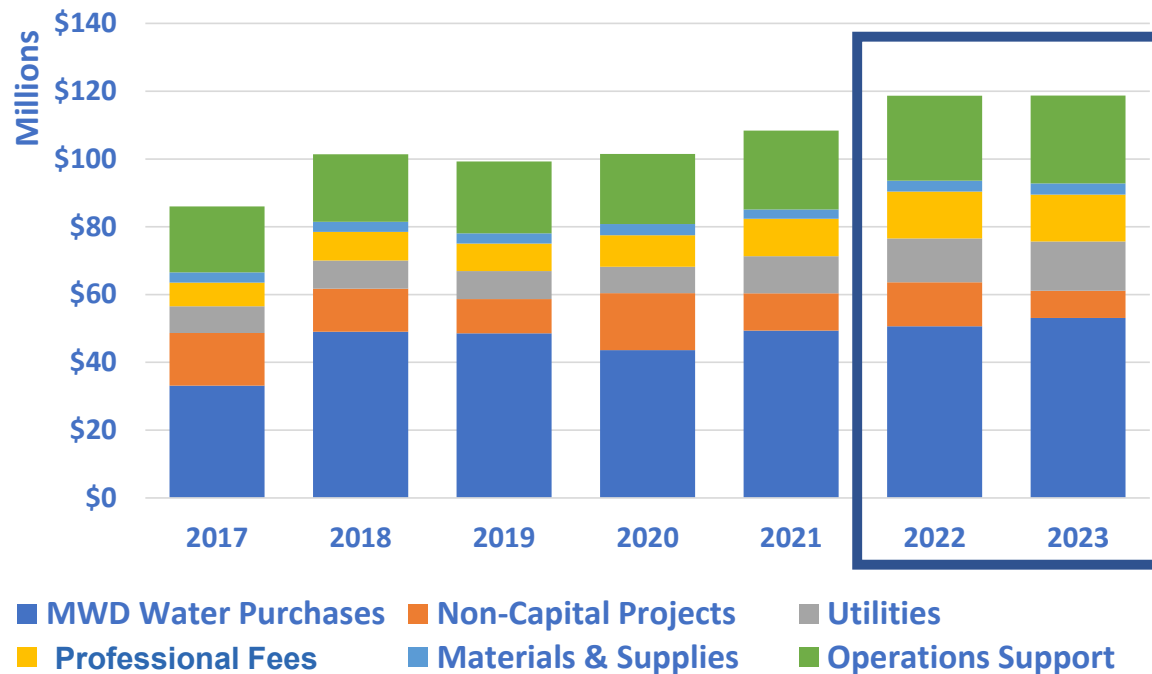
Prudent Vacancy factor
FY 2022 5%
FY 2023 3%

Hiring at lower salary
step

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appropriate

Operations & Maintenance Expenses

O&M Expenses



Major changes

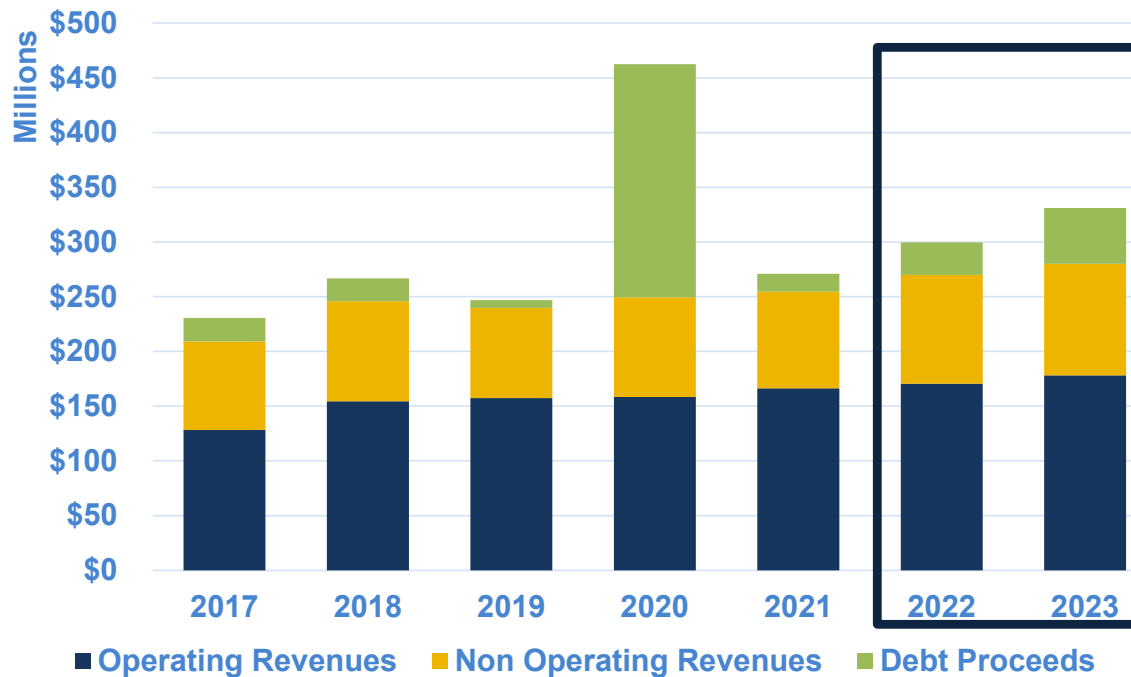
- Professional Fees & Services
- Utilities –SCE Rate increase
- Operations support
- Return to “new normal” conditions

Proposed non-capital projects

- TCE Plume Cleanup
- Asset Management: Agency-wide aeration, roofing, coating, and major repairs

Revenues and Other Funding Sources

Revenues and Other Funding Sources



Operating Revenues

- User Fees: Rate adjustments between 2% and 4% for FY 2022/23
- Water Sales: Increase 2.9% and 5.1%, respectively

Non-operating Revenues

- Property Tax: Increase 2% per year
- Connection Fees:
 - 4,000/yr. EDU Connections
 - 4,700/yr. MEU Connections

Debt Proceeds

- FY 2022 \$30M
- FY 2023 \$51M

Adopted Rates and Fees

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

■ Adopted

■ Estimated Projections

Adopted Rates and Fees

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FY 2021/22	\$21.22	\$7,379	\$520	\$580	\$1,787	\$1.08	90%
FY 2022/23	4%	3%	2%	2%	\$1,841	\$1.10	100%
FY 2023/24	4%	3%	2%	2%	\$1,896	\$1.12	100%
FY 2024/25	4%	3%	2%	2%	\$1,953	\$1.14	100%

■ Adopted

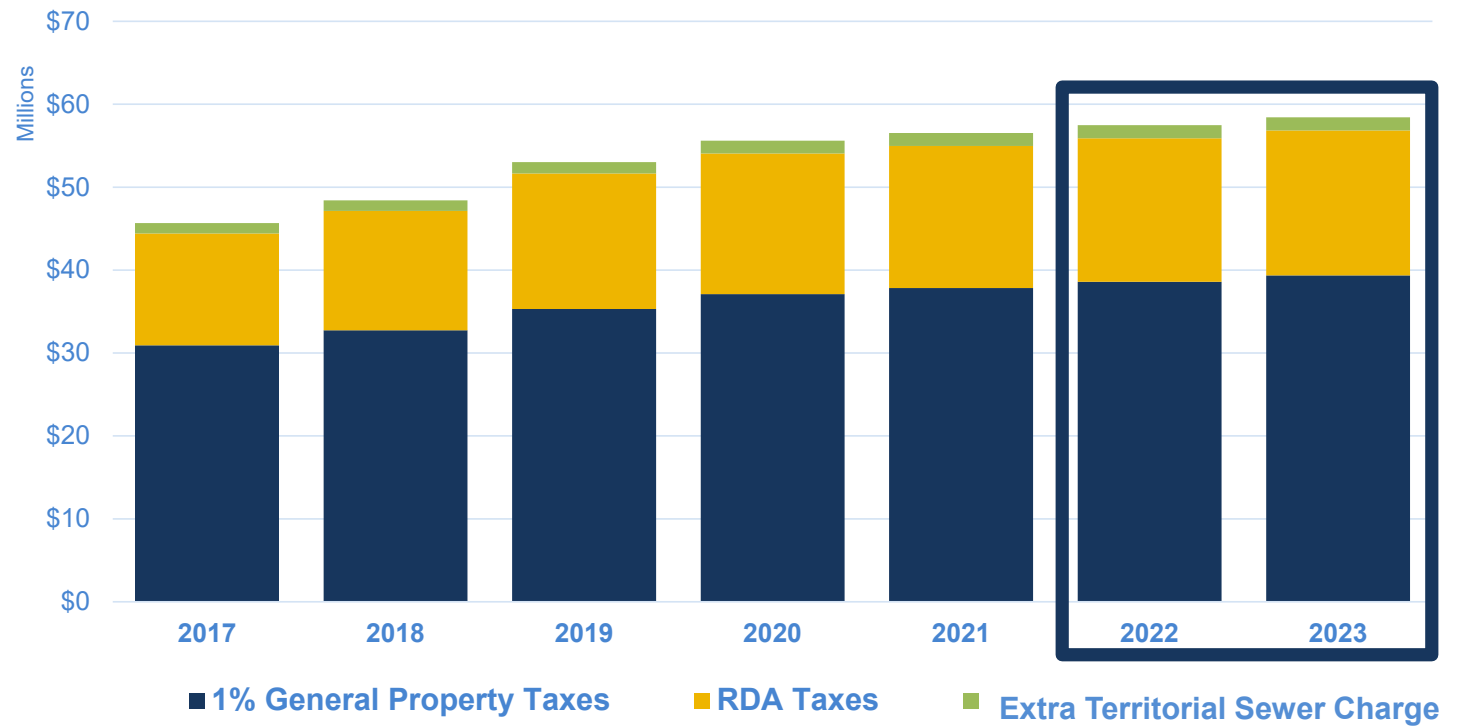
□ Estimated Projections

Property Taxes

Agency's proportionate share of the 1% general tax

Incremental tax from RDA project areas negotiated pass-through agreements

Extra-territorial sewer charge "in-lieu" of property taxes for system users outside the Agency's service boundaries



Property Tax Allocation by Agency Fund

Fund	Prior to 2016 Fixed %	
Regional Wastewater Capital	65%	
Regional Wastewater Operations	22%	
Recycled Water	5%	
Administrative Services	8%	
Water Resources	0%	
Total		

Property Tax Allocation by Agency Fund

- Approved by the Board in 2016 to support regional water initiatives

Fund	Prior to 2016 Fixed %	Since 2016 Fixed %, Fixed \$, Balance	<ul style="list-style-type: none"> Consistent with the Board-approved 2015 Integrated Water Resources Plan (IRP) developed in collaboration with member agencies for: <ul style="list-style-type: none"> Continual investment in a diversified water supply portfolio for long-term regional water resiliency: <ul style="list-style-type: none"> Groundwater Imported water Supplemental water Support the 7-year phase-in recovery of the MWD RTS pass-through
Regional Wastewater Capital	65%	65%	
Regional Wastewater Operations	22%	\$9.5M	
Recycled Water	5%	\$2.2M	
Administrative Services	8%	\$2.0M	
Water Resources	0%	Balance	
Total			

Proposed Re-Allocation of Property Taxes

- Re-allocation needed to support capital investment in regional facilities

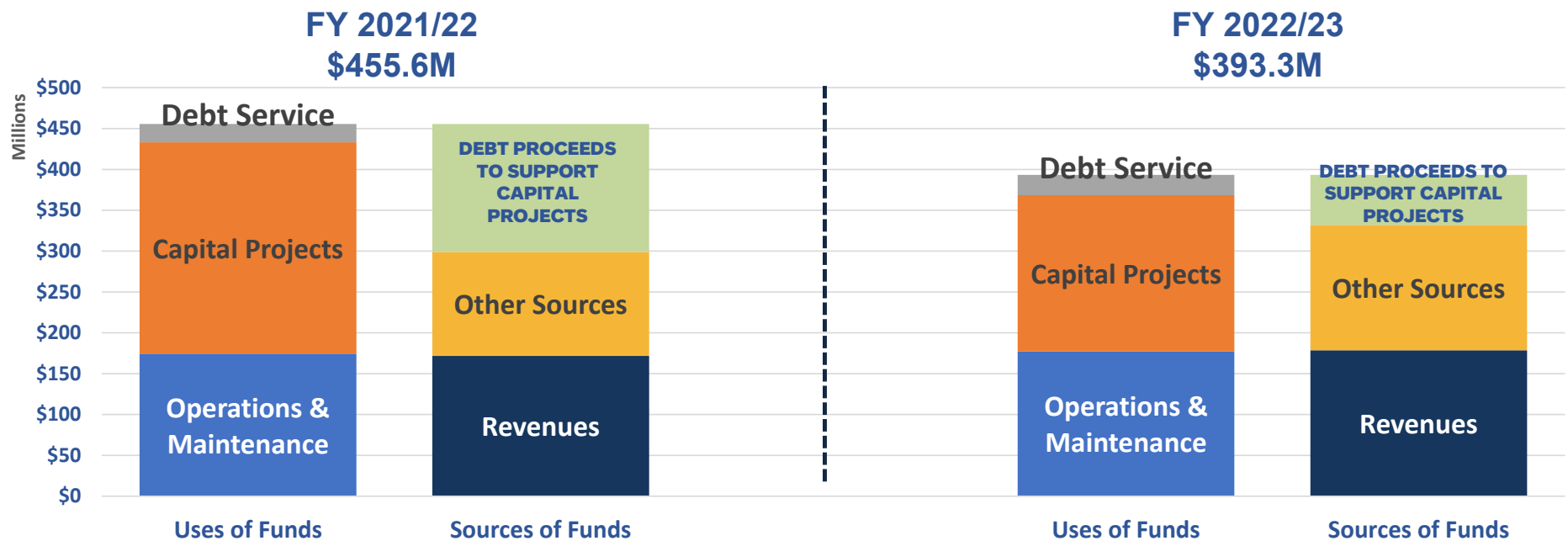
Fund	Prior to 2016 Fixed %	Since 2016 Fixed %, Fixed \$, Balance	Proposed for 2022 Fixed %
Regional Wastewater Capital	65%	65%	65%
Regional Wastewater Operations	22%	\$9.5M	23%
Recycled Water	5%	\$2.2M	4%
Administrative Services	8%	\$2.0M	4.5%
Water Resources	0%	Balance	3.5%
Total			

- Timely expansion, improvement and upkeep of regional facilities to meet customer needs:
 - RP-1 Thickening**
 - RP-5 Expansion**
 - Asset Management**
 - Advance Water Purification Facility**
- Increasing debt service costs to support capital investment
- Completion of Chino Basin Program evaluation
- Completion of 7-year phase-in recovery of MWD RTS pass-through
- Sustainability of Recycled Water program
- Maintain fund reserve levels as required by the with Board-adopted Reserve Policy

Proposed Re-Allocation of Property Taxes

Fund	Prior to 2015 Fixed %	Since 2016 Fixed %, Fixed \$, Balance	FY 2020/21 Projected Allocation	Proposed for 2022 Fixed %	FY 2021/22 Projected Allocation
Regional Wastewater Capital	65%	65%	\$36.8M	65%	\$37.4M
Regional Wastewater Operations	22%	\$9.5M	\$9.5M	23%	\$13.2M
Recycled Water	5%	\$2.2M	\$2.2M	4%	\$2.3M
Administrative Services	8%	\$2.0M	\$2.0M	4.5%	\$2.6M
Water Resources	0%	Balance	\$6.1M	3.5%	\$2.0M
Total			\$56.6M		\$57.5M

Consolidated Fund Report



Biennial Budget Review and Approval Timeline

Month	Budget Item	IEUA Committee	IEUA Board	Regional Technical	Regional Policy
Dec 2020	Staffing workshop		12/02/20		
Mar 2021	TYCIP Workshop TYF Presentation		3/03/21	3/25/21	
Apr 2021	TYF Presentation Budget Workshop		4/7/21		4/01/21
	Regional Program Budgets (Wastewater and Recycled Water)	4/14/21	4/21/21	4/29/21	
May 2021	Regional Programs Non-Reclaimable Wastewater, Groundwater Recharge, Water Resources, and Administrative services Budgets Regional Programs	5/12/21	5/19/21	05/27/21	5/6/21
Jun 2021	Regional Programs Biennial Budget, Rate Resolutions, and TYCIP	6/9/21	6/16/21		6/3/21



Questions

