



Regional Sewerage Program Technical Committee Meeting

AGENDA Thursday, May 27, 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.

(Continued)

Regional Sewerage Program Technical Committee Meeting Agenda

May 27, 2021

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1. Action Items

- A. Meeting Minutes for April 29, 2021
- B. Review of Proposed Biennial Budget for Fiscal Years 2021/22 and 2022/23 for Regional Wastewater and Recycled Water Programs and Fiscal Years 2022-2031 Ten-Year Forecast

2. Informational Items

- A. Microplastics Update
- B. 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 – June 24, 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, on Monday, May 24, 2021.



Sally H. Lee

**ACTION
ITEM**

1A



Regional Sewerage Program Technical Committee Meeting MINUTES OF APRIL 29, 2021

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held via teleconference on Thursday, April 29, 2021. Committee Chair Nicole deMoet/City of Upland called the meeting to order at 2:02 p.m. Recording Secretary Sally Lee took a roll call and established a quorum was present. There were no public comments.

ATTENDANCE via Teleconference

Committee Members PRESENT:

Dave Crosley	City of Chino
Eduardo Espinoza	Cucamonga Valley Water District (CVWD)
Mark Wiley	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 Members PRESENT:

Noel Castillo	City of Montclair
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OTHERS PRESENT:

Amanda Coker	City of Chino
Abigail Gomez	City of Fontana
Steve Nix	City of Fontana
Christopher T. Quach	City of Ontario
Braden Yu	City of Upland
Scott Connor	Unknown
Chris Tull	Data Collaborative
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

Lisa Dye	Inland Empire Utilities Agency
Don Hamlett	Inland Empire Utilities Agency
Elizabeth Hurst	Inland Empire Utilities Agency
Jennifer Hy-Luk	Inland Empire Utilities Agency
Sally Lee	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Eddie Lin	Inland Empire Utilities Agency
Liza Muñoz	Inland Empire Utilities Agency
Matt Poeske	Inland Empire Utilities Agency
Jeanina Romero	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency
Teresa Velarde	Inland Empire Utilities Agency
Jeff Ziegenbein	Inland Empire Regional Composting Authority (IERCA)

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were no additions/changes to the agenda.

1. ACTION ITEM**A. APPROVAL OF THE MEETING MINUTES OF MARCH 25, 2021**

Motion: By Eduardo Espinoza/CVWD and seconded by Nicole deMoet/City of Upland to approve the meeting minutes of the March 25, 2021 Technical Committee meeting.

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

With the following roll call vote:

Ayes: Espinoza, deMoet, Crosley, Deshmukh, Martinez, Jones, Wiley

Noes: None

Absent: Castillo

Abstain: None

B. REQUEST BY THE CITY OF CHINO FOR A REGIONAL CONNECTION POINT TO THE MONTCLAIR INTERCEPTOR SEWER (CHINO REGIONAL SEWER CONNECTION C-43)

Motion: By Shivaji Deshmukh/IEUA and seconded by Eduardo Espinoza/CVWD to approve the request by the City of Chino for one new connection point to the Montclair Interceptor Sewer (Chino Regional Sewer Connection C-43).

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

With the following roll call vote:

Ayes: Deshmukh, Espinoza, Martinez, Crosley, Jones, deMoet, Wiley
Noes: None
Absent: Castillo
Abstain: None

C. REQUEST BY THE CITY OF ONTARIO FOR A REGIONAL CONNECTION POINT TO THE CUCAMONGA TRUNK SEWER (ONTARIO REGIONAL SEWER CONNECTION O-104) AND REQUEST BY THE CITY OF CHINO FOR A REGIONAL CONNECTION POINT TO THE KIMBALL INTERCEPTOR SEWER (CHINO REGIONAL SEWER CONNECTION C-42)

Motion: By Eduardo Espinoza/CVWD and seconded by Mark Wiley/City of Chino Hills to approve the request by the City of Ontario for one new connection point to the Cucamonga Trunk Sewer (Ontario Regional Sewer Connection O-104) and the request by the City of Chino for one new connection point to the Kimball Interceptor Sewer (Chino Regional Sewer Connection C-42).

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

With the following roll call vote:

Ayes: Espinoza, Wiley, Crosley, deMoet, Deshmukh, Jones, Martinez
Noes: None
Absent: Castillo
Abstain: None

D. EXPANDED RETURN TO SEWER STUDY

Ken Tam/IEUA provided an overview of the Expanded Return to Sewer Study's background, budget, and timeline for the project and concurrent initiatives related to the equivalent dwelling unit (EDU) equation update. Discussion ensued regarding the timeline, scope, process of the study, potential other studies, and concerns regarding cost control.

Motion: By Dave Crosley/City of Chino and seconded by Courtney Jones/City of Ontario to approve for IEUA to initiate the expanded Return to Sewer Study (RTSS) with California Data Collaborative.

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

With the following roll call vote:

Ayes: Crosley, Jones, Deshmukh, deMoet, Espinoza, Martinez, Wiley
Noes: None
Absent: Castillo
Abstain: None

2. INFORMATIONAL ITEMS**A. OPERATION DIVISION QUARTERLY UPDATE**

Jeff Ziegenbein/IERCA provided an update on the Operations division, he presented a comparison of IEUA incident rates versus industry rates and total recordable injuries, IERCA risk and safety updates, compost sales, facility operations, maintenance scheduling software, and enhanced scheduling views.

B. REVIEW OF PROPOSED BIENNIAL BUDGET FOR FISCAL YEARS 2021/22 AND 2022/23 FOR THE REGIONAL WASTEWATER AND RECYCLED WATER PROGRAMS

Javier Chagoyen-Lazaro/IEUA and Lisa Dye/IEUA provided an overview of the proposed biennial budget for fiscal years 2021/22 and 2022/23. Discussion ensued regarding property tax allocation, Ten-Year Forecast, Ten-Year Capital Improvement Plan and the timeline for review and comment on the budget process.

C. EXTERNAL SUPPLY SOURCES

Sylvie Lee/IEUA provided an overview of the two external supply source options and stated that this is an opportunity to continue to discuss how to proceed. At the last meeting, some member agencies expressed support to further develop the project and continue the discussion. While the remaining agencies expressed support for continued discussions, they asked for additional details about the opportunity. Ms. Lee provided information regarding potential supplies from the Western Riverside County Regional Wastewater Authority (WRCRWA). She stated that staff is proposing to execute the grant funding application from the Department of Water Resources (DWR) through the Santa Ana Watershed Project Authority (SAWPA) in May 2021 to secure a \$2.6 million funding opportunity. This action does not result in a commitment from the interested agencies to execute the project or approve of the conceptual terms. She added that details including interested agencies, regional infrastructure, and payment from participating agencies are still under discussion. Ms. Lee stated that the general concepts of this opportunity will be presented at the May 6 Policy Committee meeting. Discussion ensued regarding the potential repercussions of deciding not to move forward with the project or what could cause disqualification during the grant process, and the impact on future funding opportunities.

Ms. Lee stated that staff plans to take this item to the IEUA Board in May or June. Chair deMoet expressed support for holding special Technical Committee meeting to further address the topic.

D. OPERATIONS & COMPLIANCE UPDATES

Mr. Tam stated the northern service area has returned to regularly monthly monitoring for toxicity at RP-1. There were no compliance issues in the southern service area and no reported Sewer Sanitary Overflows or process disruptions at the treatment plants in the past month. Mr. Tam asked what information Committee members would like to hear during this update. Currently, staff provides information regarding compliance violations, collection system issues, and any process treatment plant disruptions. Chair deMoet and Mr. Espinoza noted support for the current report structure.

General Manager Shivaji Deshmukh left the meeting at 3:28 p.m.

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

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

B. BUILDING ACTIVITY REPORT

The Building Activity Report for February 2021 was received and filed by the Committee.

C. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

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

4. TECHNICAL COMMITTEE ITEMS DISTRIBUTED**A. CLEAN WATER STATE REVOLVING FUND PROGRAM PRINCIPAL FORGIVENESS****5. OTHER BUSINESS****A. IEUA GENERAL MANAGER'S UPDATE**

Deputy General Manager Christiana Daisy/IEUA provided information regarding a settlement with Kimberly-Clark, one defendant among many major manufacturers, in a class action lawsuit regarding flushable wipes. She commented on the possible positive implications for flushable wipes advocacy efforts as a result of the settlement.

Deputy GM Daisy also mentioned that a meeting of the member agencies Finance Directors will be held on May 5. These quarterly meetings provide an opportunity to update the Finance Directors on key initiatives.

COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

There were no Committee member requests for future agenda items.

B. COMMITTEE MEMBER COMMENTS

There were no Committee member comments.

C. NEXT MEETING – MAY 27, 2021

ADJOURNMENT – Chair deMoet adjourned the meeting at 3:34 p.m.

Prepared by:

Sally H. Lee, Executive Assistant

**ACTION
ITEM**

1B

Date: May 27, 2021 and June 3, 2021

To: Regional Committees

From: Inland Empire Utilities Agency *SSD*

Subject: Review of Proposed Biennial Budget for Fiscal Years 2021/22 and 2022/23 for Regional Wastewater and Recycled Water Programs and Fiscal Years 2022-2031 Ten-Year Forecast

RECOMMENDATION

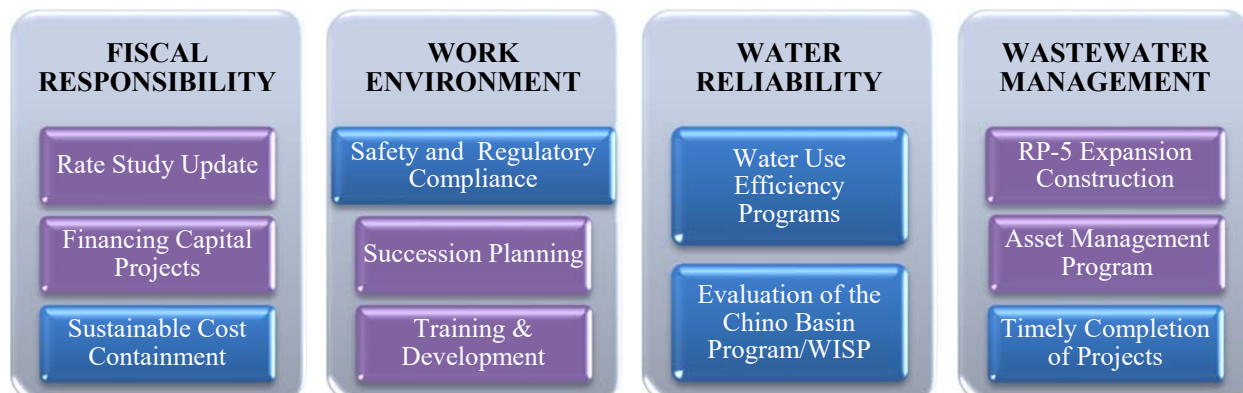
It is requested that the Regional Committees recommend approval to the IEUA Board of Directors (Board) for the proposed Fiscal Years (FYs) 2021/22 and 2022/23 Biennial Budget (Biennial Budget) for the Agency's Regional Wastewater Capital Improvement fund, Regional Wastewater Operations and Maintenance fund, and Recycled Water fund and the FYs 2022-2031 Ten-Year Forecast (TYF).

BACKGROUND

A review of the capital projects planned over the next ten fiscal years for the Regional Wastewater and Recycled Water programs were presented to the Regional Technical on March 25, 2021 and to the Regional Policy Committee on April 1, 2021. The proposed budgets for the Regional Wastewater and Recycled Water programs were presented to the Regional Technical Committee on April 29, 2021 and to the Regional Policy Committee on May 6, 2021, pursuant to the Regional Sewerage Service Contract (Regional Contract).

As of May 17, 2021, no recommendations to the proposed Biennial Budget or Ten-Year Forecast had been received from the Regional Technical or Regional Policy Committees.

The proposed Biennial Budget for FYs 2021/22 and 2022/23 and the TYF for FYs 2022-2031 are consistent with the Agency's long-term planning documents, and the Board-adopted 2016 Business Goals of fiscal responsibility, work environment, water reliability, and wastewater management. Some of the key objectives of the proposed Biennial Budget include:



FYs 2021/22 and 2022/23 Key Budget Assumptions

The proposed Biennial Budget for Fiscal Years (FYs) 2021/22 and 2022/23 and the TYF for FYs 2021/22 – 2030/31 are based on a plan to return to “normal conditions”. Other key assumptions include:

- ***Succession planning*** –An increase in staffing from 308 positions (290 authorized full time and 18 limited term employees) to 312 (302 full time and 10 limited term employees) to allow for early recruitment of certain critical positions to preserve institutional knowledge and ensure the sustainable operation of Agency facilities and service to our communities.
- ***Property tax allocation*** –Reallocation of property taxes amongst the Agency funds as presented to the Board of Directors on April 7, 2021, the Regional Technical Committee on April 29, 2021, and the Regional Policy Committee on May 6, 2021. The re-allocation will enhance support to the Regional Wastewater and Recycled Water programs for planned capital investment and timely upkeep of the Agency facilities and infrastructure.
- ***Cost of service*** – Establish and maintain rates that fully recover the cost of providing the Agency services.
- ***Upkeep of Agency assets*** – Continue the transition from “corrective” to “predictive and preventative” maintenance of Agency assets to ensure regulatory compliance, avoid costly corrective maintenance, and effectively meet the Agency’s commitment to delivering a high-quality level of service.
- ***Optimize low interest debt*** – Continue to secure low-cost financing to finance capital expansion and improvement of Agency’s facilities to meet anticipated growth and increased service demands.
- ***Cost containment*** – Continued commitment to sustainable cost containment.
- ***Transparency*** – Continue to provide a platform for transparent communication and timely reporting.

FYs 2022 – 2031 Ten-Year Forecast (TYF)

The FYs 2022-2031 TYF of \$763.7 million supports the Agency’s long-term planning documents, amongst them the Facilities Master Plan, Recycled Water Program Strategy, Energy Management Plan, and Asset Management Plan.

Timely execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements remain one of the primary drivers. Another key driver is improvement and expansion of existing facilities and infrastructure to meet the future growth forecasted by member agencies. Major projects include the RP-5 Liquid and Solid Capacity Expansion (RP-5 Expansion), RP-1 Thickening Building and Acid Phase Digester, RP-1 Capacity Recovery Advanced Water Purification Facility, and Asset Management Projects. The TYF is funded by a combination of pay-go, low interest SRF loans, grants, and contributions.

Table 1: Proposed TYF and Funding Sources

Program	Proposed TYF (\$ Millions)
Regional Wastewater Capital Improvement Fund*	\$610.5
Regional Wastewater Operations & Maintenance Fund	92.40
Recycled Water Fund	60.80
Ten Year Forecast	\$763.7

*Excludes \$8.5 million capital investment to the Inland Regional Composting Authority



Regional Wastewater Program

In accordance with the Regional Contract, the Regional Wastewater Program is comprised of two funds; the Regional Wastewater Capital Improvement (Wastewater Capital) fund and the Regional Wastewater Operations and Maintenance (Wastewater Operations) fund, components of each fund are shown below in Table 2.

Table 2: Regional Wastewater Program Components

Description	Wastewater Capital	Wastewater Operations
Accounts for the Agency's regional wastewater systems	Acquisitions, construction, improvement, and expansion.	Collection, treatment, and disposal of domestic sewage treatment for the contracting agencies, capital replacement and rehabilitation costs, and organics management.
Primary Revenues & Other Funding Sources	New EDU* connection fees, property taxes, debt proceeds, and grant receipts.	Monthly EDU* sewer rate, property taxes, and contract reimbursements.
Primary Expenses and Other Uses of Funds	Capital project costs, debt service, and program support.	O&M costs including employment, chemicals, utilities, materials & supplies, etc.

*EDU = Equivalent dwelling unit is the estimated volumetric impact of a single residence.

Regional Wastewater Capital Improvement Fund (Wastewater Capital)

Total revenues and other funding sources in the Wastewater Capital fund are estimated at \$77.3 million and \$124.9 million for FYs 2021/22 and 2022/23, respectively. State Revolving Fund (SRF) and WIFIA loan proceeds of \$0.7 million in FY 2021/22, and \$44.7 million in FY 2022/23 are projected. The proceeds are to support construction of the RP-5 Expansion and other Regional Capital projects. Table 3 below summarizes the major funding sources for the Regional Wastewater Capital Improvement Fund.

Wastewater Connection Fee

New equivalent dwelling unit (EDU) connections are projected to be 4,000 each year. This projection is lower than the member agencies forecast of 8,992 and 8,563 units for FY 2021/22 and FY 2022/23, respectively. Projected connections and rates are shown in Appendix Table A3. While the Agency applies member agencies growth forecasts to plan expansion of its facilities, a lower growth forecast is applied to revenue forecasts. This conservative approach ensures facilities are ready to meet the increased service demands from future growth and provides flexibility in financing options. Revenues from wastewater connection fees are estimated at \$29.5 million in FY 2021/22, and \$30.4 million in FY 2022/23.

Wastewater Property Tax Receipts

Property tax receipts allocated to the Wastewater Capital fund first support annual debt service costs, then capital project expenditures. An increase of two percent in assessed valuations is assumed for property tax receipts projected for each of the next two fiscal years. FYs 2021/22 and 2022/23 projected property tax receipts are \$37.4 million and \$38.0 million, respectively.

Table 3: Wastewater Capital Fund Major Funding Sources

Major Funding Sources (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Wastewater Connection Fees	\$29.5	\$30.4	4,000 new EDU connections at an adopted fee of \$7,379 per EDU in FY 2021/22 and 4,000 new EDU connections at a projected connection fee of \$7,600 for FY 2022/23.
Property Tax	37.4	38.0	Annual allocation of total property taxes to the Wastewater Capital fund will continue at 65% of total property tax receipts.
Debt and Grant Proceeds	0.8	44.7	SRF and WIFIA loan proceeds for the RP-5 Liquid and Solid Treatment capacity expansion and various other projects.
Inter-Fund Transfers and Other	9.6	11.8	Interfund transfer from Wastewater Operations fund to support the RP-5 Solids Treatment expansion and the CCWRF* Asset Management Improvement project, inter-fund loan reimbursement and interest revenues.
Total	\$77.3	\$124.9	

*CCWRF- Carbon Canyon Water Recycling Facility

As reported in Table 4, a major expenditure in the Wastewater Capital fund is the capital investment plan (CIP) which accounts for approximately 88 percent of proposed budget. A total of \$201.3 million in capital project costs is budgeted in FY 2021/22 and \$153.9 million in FY 2022/23. The main driver of the proposed CIP budget is construction of the RP-5 Expansion project. Other major projects are summarized in Table 5.

Table 4: Wastewater Capital Fund Major Expenses and Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Program Support	\$6.8	\$6.9	Includes employment, professional services, etc. in support of CIP.
Capital Improvement Plan (CIP)	201.3	153.9	Major capital projects and the Agency's share of capital investment in IERCA as summarized in Table 5.
Debt Service	7.2	7.0	Includes principal and interest for the 2017A, and 2020A bonds, 2020B Revenue Notes and various SRF loans.
Investment in IERCA	1.0	0.8	Includes the Agency's share of capital investment in the Inland Empire Regional Composting Authority (IERCA).
Other	13.3	8.1	Inter-fund transfers for capital and debt service support to other funds.
Total	\$229.6	\$176.7	

Table 5: Wastewater Capital Fund Major Capital Projects

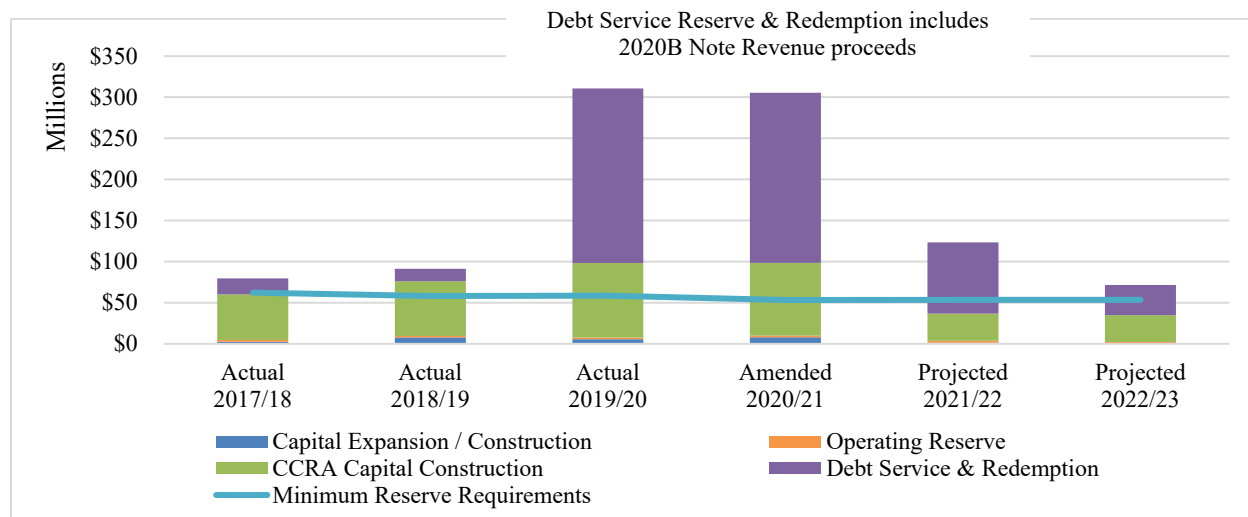
Major Projects (\$Millions)	FY 2021/22	FY 2022/23	FY 2023/24 to FY 2030/31	TYCIP Total
RP-5 Expansion Construction	\$177.0	\$113.0	\$60.2	\$350.2
RP-1 Thickening Bldg. & Acid Phase Digester	12.0	13.0	75.0	100.0
Asset Management Improvements	0.2	0.3	50.6	51.1
CCWRF* Asset Management Improvements	3.0	13.0	0.7	16.7
RP-1 Solids & Liquid Treatment Expansion			55.0	55.0
All Other Capital Projects	9.1	14.6	13.8	37.5
Investment in IERCA**	1.0	0.8	6.7	8.5
Total Capital Projects	\$202.3	\$154.7	\$262.0	\$619.0

*CCWRF- Carbon Canyon Water Recycling Facility

**IERCA – Inland Empire Regional Composting Authority

The Wastewater Capital ending fund balance for FY 2021/22 is estimated at \$123.4 million, and \$71.5 million for FY 2022/23 as shown in Figure 1. The estimated decrease for both fiscal years is related to the use of bond proceeds, included in Debt Service & Redemption reserves, to support construction of the RP-5 Expansion project.

Figure 1: Wastewater Capital Fund Reserve by Type



Regional Wastewater Operations & Maintenance Fund (Wastewater Operations)

Total revenues and other funding sources in the Wastewater Operations fund are estimated at \$102.6 million and \$98.3 million for FYs 2021/22 and 2022/23, respectively. This includes \$5.8 million of grant receipts in FY 2021/22 for the South Archibald Trichloroethylene (TCE) Plume Clean-Up project. Table 6 summarizes the Wastewater Operations fund proposed major revenues and other funding sources for FYs 2021/22 and 2022/23. Starting in FY 2021/22 the proposed amount of property taxes allocated to the Wastewater Operations & Maintenance Fund increased from a fixed annual amount of \$9.5 million to 23 percent of total property taxes collected by the Agency. The additional property taxes will support the implementation of additional R&R projects that are not covered with the current rates.

Table 6: Wastewater Operations Fund Major Revenues and Other Funding Sources

Major Funding Sources (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Monthly EDU	\$73.0	\$76.2	Includes EDU rate of \$21.22 in FY 2021/22 and projected 4% increase in FY 2022/23.
Grants	5.8	0.3	Grant proceeds for the South Archibald TCE Plume Clean-Up project.
Property Tax	13.2	13.4	Annual allocation of property taxes increased from a fixed annual amount of \$9.5 million to 23% of total property tax receipts starting in FY 2021/22.
Cost Reimbursement from IERCA*	4.5	4.6	Reimbursement of the IERCA labor costs.

Other	6.1	3.8	Includes interfund-transfers from water connection fees to support capital projects; interest revenue, contract cost reimbursement, and lease revenue.
Total	\$102.6	\$98.3	

**Inland Empire Regional Composting Authority*

Total expenses and other uses of funds are \$103.2 million in FY 2021/22 and \$96.7 million in FY 2022/23. Proposed expenses and other uses of funds for FYs 2021/22 and 2022/23 are shown in Table 7.

Major expenses in the Wastewater Operations fund include operating and maintenance (O&M) expenses for collection, treatment and disposal of wastewater, capital R&R project costs, and debt service costs. Included in O&M expenses are employment costs which include the proposed staffing plan to support early recruitment of critical positions and anticipated increases in electricity rates from Southern California Edison.

Table 7: Wastewater Operations Fund Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Operations & Maintenance (O&M)	\$68.5	\$71.7	Includes employment, chemicals utilities, professional and contract labor costs, and other O&M costs.
O&M project costs	6.9	4.2	Includes the Aeration Panel and Agency Wide coatings & paving.
Capital Rehabilitation & Replacement (R&R) project costs	16.3	9.6	Major R&R projects summarize in Table 8.
Debt Service	1.4	1.4	Includes principal and interest for the 2017A bonds and SRF loan for the Water Quality Laboratory.
Other	10.1	9.8	Inter-fund transfers for capital project support to the Administrative. Services and share of the RP-5 Expansion project and CCWRF Asset Management Improvement project.
Total	\$103.2	\$96.7	

A total of \$16.3 million in capital project costs is budgeted in FY 2021/22 and \$9.6 million is projected for FY 2022/23. Major capital projects are listed in Table 8.

Table 8: Wastewater Operations Fund Major Capital Projects

Major Projects (\$Millions)	FY 2021/22	FY 2022/23	FY 2023/24 to FY 2030/31	TYCIP Total
RP-4 Process Improvements	\$5.0			\$5.0
RP-4 Primary Clarifier Rehabilitation	3.5			3.5
Digester 6 and 7 Roof Repairs	2.5	0.3		2.8
SCADA Enterprise System	1.3	5.3	3.4	10.0
North Major Facilities Repair	0.6	0.6	4.8	6.0
RP-1 Effluent Structure Rehabilitation	0.4	1.0		1.4
Advanced Water Purification Facility			21.3	21.3
RP-4 Process Improvement Phase II			8.3	8.3
All Other Capital Projects	3.0	2.4	28.7	34.1
Total	\$16.3	\$9.6	\$66.5	\$92.4

Monthly EDU Sewer Rate

At the request of member agencies, and as unanimously recommended by the Regional Committees, the Board adopted the monthly Wastewater Equivalent Dwelling Unit (EDU) Rate of \$20.60 and \$21.22 for Fiscal Years 2020/21 and 2021/22, respectively on November 20, 2019.

On May 6, 2020, the Board approved the deferral of the increase to the monthly EDU sewer rate, from \$20.60 to \$20.00, for FY 2020/21 to mitigate the fiscal impact of the COVID-19 pandemic to our ratepayers, and address concerns raised by some of our member agencies.

Shown on Table 9 is the adopted rate for FYs 2020/21 and projected rates for FYs 2022/23. Given the recently announced increase in electricity rates by Southern California Edison (SCE) and the proposed increase in staffing to support early recruitment of critical positions, an adjustment to the monthly EDU rate may be needed for FY 2022/23. Based on current assumptions, an adjustment of four percent may be needed to support higher operating costs as shown in Table 9. Should an adjustment to the EDU rate be needed for FY 2022/23, a recommendation for approval will be provided to the IEUA Board and the Regional Committees.

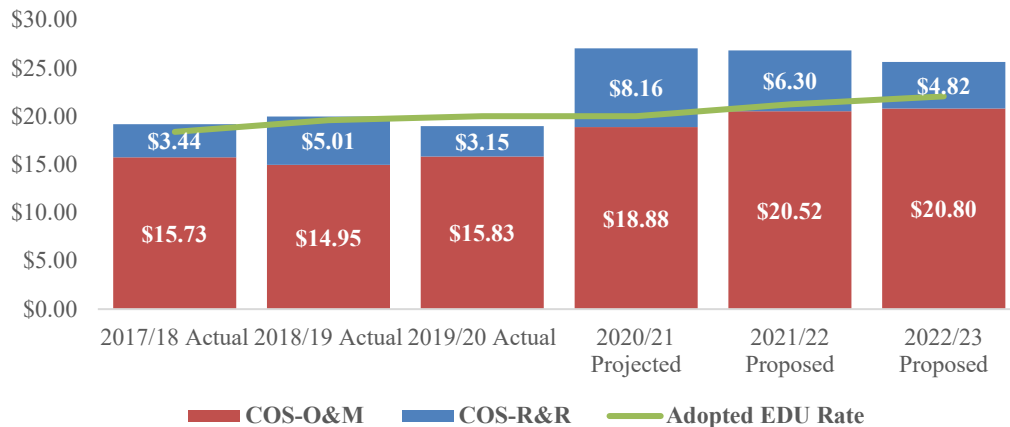
Table 9: Adopted Monthly EDU Sewage Rates

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected
EDU Volumetric Rate	\$20.00	\$21.22	\$22.07
Effective Date	7/01/20	7/01/21	To be reviewed based on sewer use evaluation

Future rates will be based the Return to Sewer Rate Study and development of a new EDU methodology which is the basis for the monthly sewer rates and wastewater connection fees. Based on the current timeline, the development of the new EDU methodology is not anticipated to be completed until April 2023.

A key Board objective is to establish rates that fully recover the cost of providing the service. Pursuant to the Regional Contract, the monthly EDU rate supports O&M costs, repair and replacement of assets, and fund reserves. Figure 2 shows actual cost of service for the Wastewater Operations fund and projections when the FY 2020/21 budget was adopted. The proposed rates for FY 2021/22 at \$21.22 will support a portion of capital R&R costs and operating expenses. Property taxes will be used to subsidize costs not fully recovered from the rates.

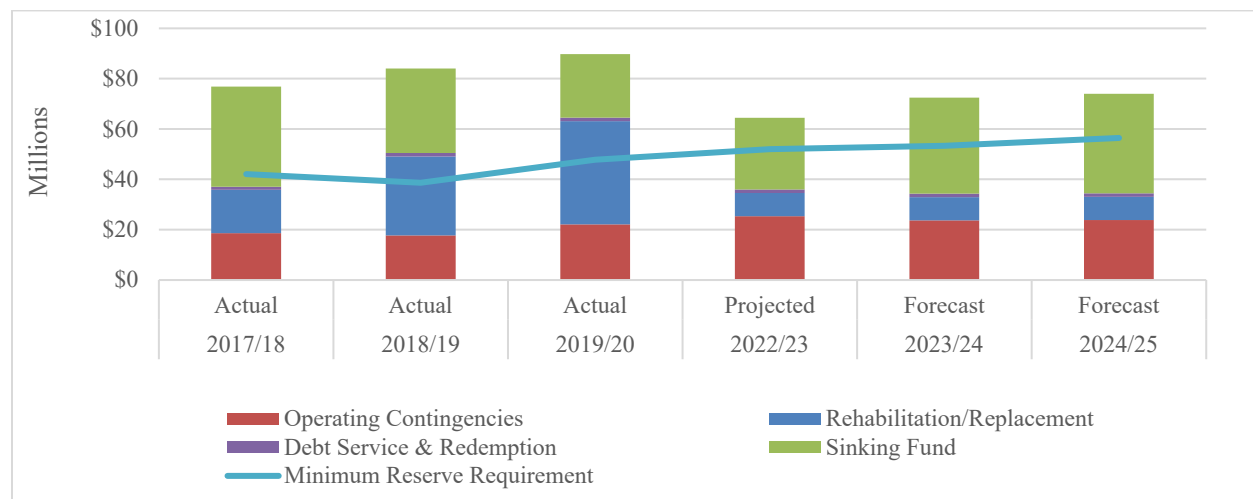
Figure 2: Monthly EDU Sewage Cost of Service



Wastewater Operations Fund Balance

The projected Wastewater Operations fund ending fund balance is estimated at \$72.5 million and \$74.0 million for FYs 2021/22 and 2022/23, respectively. The projected change in fund balance is due to the re-allocation of property tax receipts and contributions (inter-fund transfers) to the Wastewater Capital fund to support the Wastewater Operations fund share of the RP-5 Expansion and planned R&R projects, such as the CCWRF Asset Management and Improvements project costs.

Figure 3: Wastewater Operations Fund Reserves by Type



Recycled Water Fund

Total revenues and other funding sources in the Recycled Water fund are estimated at \$31.1 million and \$31.8 million for FYs 2021/22 and 2022/23, respectively. The Recycled Water fund receives a portion of Agency property tax receipts. The proposed re-allocation of property taxes to the Recycled Water fund from a fixed annual amount to 4 percent of total property tax receipts is projected to increase annual allocations going forward. Other sources of funds include interest earnings, miscellaneous reimbursements, and inter-fund debt service support for the 2017A Revenue bonds. Revenues and other funding sources of the Recycled Water fund are summarized in Table 10.

Recycled Water Rates

A conservative projection of 32,000-acre feet (AF) of regional recycled water deliveries are projected for each budget year. Recycled Water sales is estimated to generate revenues of \$17.3 million and \$17.6 million, respectively. A rate study is currently underway to evaluate recycled water program requirements, alternate rate structures, and long-term program sustainability. The rate study is projected to be complete by April 2022. Budgeted acre-feet and rates are summarized in Appendix Table A4.

One Water Connection Fee

Water connection fee revenues, collected to support capital investments in the Agency's regional water distribution system for FY 2021/22, are projected to be \$8.4 million and \$8.7 million for FY 2022/23. Water connection fee rates are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8" and 3/4" meter size (standard residential meter size). One Water Connection Fee rates are reported in Appendix Table A5.

Table 10: Recycled Water Fund Major Revenues & Other Funding Sources

Major Funding Sources (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Recycled Water Sales	\$17.3	\$17.6	FY 2021/22 adopted direct use rate of \$520/AF and Groundwater Recharge (GWR) rate of \$580/AF. FY 2022/23 projected rates are \$530/AF \$590/AF for direct use and GWR, respectively.
Water Connection Fees	8.4	8.7	4,700 new MEU connections are projected for FY 2021/22 and FY 2022/23. The adopted rate is \$1,787/MEU and \$1,841/MEU for FY 2021/22 and 2022/23 respectively.
Property Tax	2.3	2.3	Projected property tax receipts increased from a fixed annual amount of \$2.2 million to 4% of total property tax receipts starting in FY 2021/22.
Other	3.1	3.2	Includes interest, miscellaneous reimbursements, and inter-fund debt service support for the 2017A Revenue bonds.

Major Funding Sources (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Total	\$31.1	\$31.8	

Total expense in FY 2021/22 and FY 2022/23 are projected to be \$31.7 and \$37.0 million, respectively. Major expenses for the Recycled Water fund include debt service, operating costs, and capital project expense. Operating costs include employment, pumping costs, O&M projects, and a portion of the groundwater recharge O&M costs not reimbursed by Chino Basin Watermaster (CBWM). The projected biennial expense and other uses of funds for the Recycled Water fund are summarized in Table 11.

Table 11: Recycled Water Fund Major Expenses & Other Uses of Funds

Major Uses of Funds (\$Millions)	FY 2021/22	FY 2022/23	Key Assumptions
Operating Expenses	\$13.7	\$14.0	Includes employment, professional fees, materials and supplies, pumping costs, a portion of the groundwater recharge operations expense, and O&M project costs.
Capital Improvement Plan (CIP)	2.5	5.6	See Table 11 for a summary of major capital projects.
Debt Service	12.2	14.3	Includes principal and interest costs for outstanding bonds and SRF loans and repayment of inter-fund loan to the Non-Reclaimable Wastewater and Regional Wastewater Capital Improvement funds.
Other	3.3	3.1	Inter-fund transfers of water connection fees in support of the Regional Recycled Water Distribution System, and capital and operating support to the Administrative Services and Recharge Water funds.
Total	\$31.7	\$37.0	

Annual debt service costs include principal, interest, and financial fees for SRF loans, 2017A and 2020A Revenue Bonds, and interfund loan repayment to the Non-Reclaimable Wastewater (NRW) fund and Regional Wastewater Capital Improvement funds. Debt service is estimated to be \$12.2 million in FY 2021/22 and \$14.3 million in FY 2022/23. The annual interfund loan repayments, which began in FY 2018/19, were first applied to the \$6 million due to the Non-Reclaimable Wastewater fund. Payments towards the \$13.5 million due to the Regional Wastewater Capital Improvement fund are budgeted to begin in FY 2022/23. The final re-payment of inter-fund loans is scheduled for FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in Appendix Table A6.

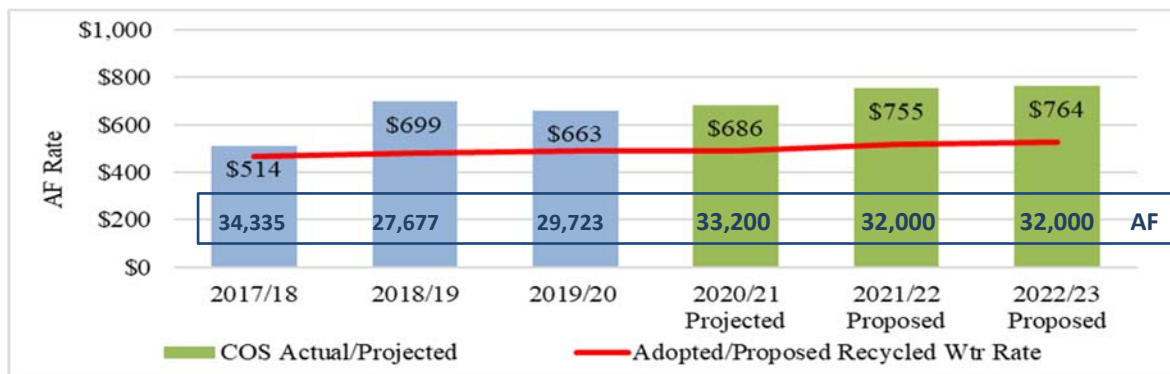
Table 12: Recycled Water Fund Major Capital Projects

Major Projects (\$Millions)	FY 2021/22	FY 2022/23	FY 2023/24 to FY 2030/31	TYCIP Total
Asset Management Projects	\$0.5	\$1.0	\$52.6	\$54.1
RP-4 Contact Basin Cover & Wet Well Pass	0.7	3.5	-	4.2
8 th Street Recycled Water Turnout Connection	0.6	0.9	-	1.5
All Other Capital Projects	0.7	0.2	0.1	1.0
Total	\$2.5	\$5.6	\$52.7	\$60.8

Cost of Service Review

A key objective of the Board is to establish rates that fully recover the cost of providing the service. The 2022 Rate Study currently underway includes a comprehensive analysis of the Recycled Water program requirements to evaluate funding strategies that will provide long-term fiscal sustainability, including modification of the current rate structure.

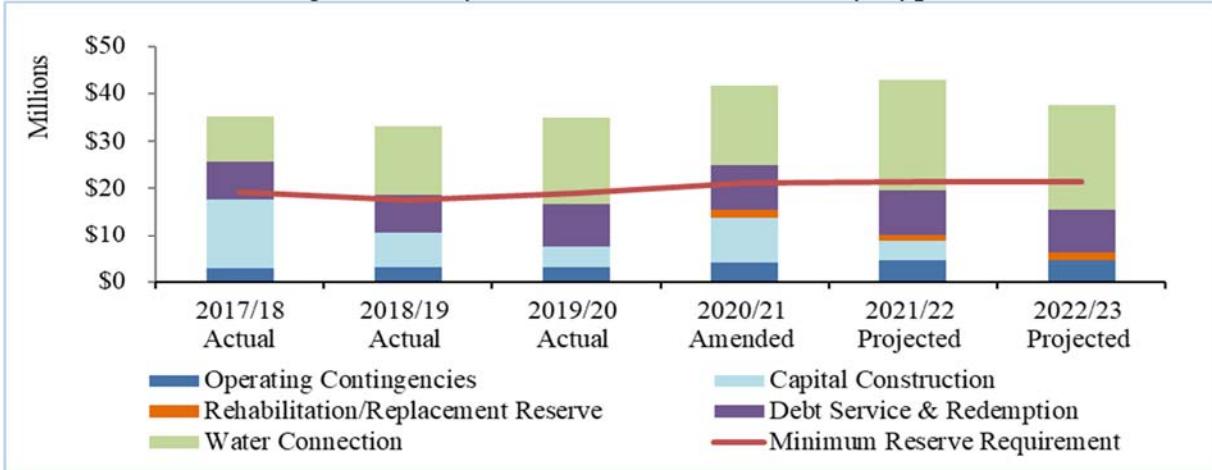
As shown in Figure 4 the estimated cost of service of \$755/AF in FY 2021/22 is projected to exceed the adopted rate of \$520/AF. A key driver for the higher projected AF cost of service rate are the projected lower recycled water deliveries. Projections and underlying assumptions are reviewed and updated each year as part of the budget process.

Figure 4: Recycled Water Cost of Service

The Recycled Water fund projected ending fund balances for FY 2021/22 and FY 2022/23 is \$42.8 million and \$37.6 million, respectively. The projected reserve balance decrease is largely due to increasing debt service costs, primarily repayment of the inter-fund loans to the Regional Wastewater Capital Improvement and Non-Reclaimable Wastewater funds. Projected ending fund balances are reported below in Figure 5.

Recycled Water Fund Reserves

Figure 5: Recycled Water Fund Reserve by Type



Conclusion

The FYs 2021/22 & 2022/23 Biennial Budget and the FYs 2022-2031 TYF is based on a plan return to “normal conditions”. One of the main drivers of the Biennial Budget is the implementation of the capital program with the execution of critical projects, like the RP-5 Expansion, supported with low interest federal and state loans as the main financing strategy. During this period, the Agency will work to complete the evaluation of the Recycled Water rate structure to support a sustainable program and the Return to Sewer Study that will set up the parameters to adjust EDU monthly rate and the wastewater connection fee. The Biennial Budget also supports the early recruitment of critical positions to allow for the preservation of institutional knowledge and ensure the sustainable operation of Agency facilities and service to our communities. Achieving these objectives will maintain the Agency’s financial health to ensure it is positioned to continue its commitment to delivering essential high-quality services in a cost-effective manner, implementing a strategic resource plan that will maintain a reliable and resilient water supply, and ensure public health and safety to support economic development in the region.

The proposed budget for these programs is consistent with the IEUA Business Goals of *Fiscal Responsibility*, *Water Reliability*, *Wastewater Management*, *Environmental Stewardship*, and *Business Practices*.

Additional Background Information:

Appendix A – Program Fund Budget (Regional Wastewater Capital Improvement, Regional Wastewater Operations and Maintenance, and Recycled Water Program Funds)

Appendix Table A1 – Key assumptions for FYs 2021/22 and 2022/23 budget

Appendix Table A2 – Wastewater connection fees

Appendix Table A3 – EDU volumetric rates

Appendix Table A4 – Recycled water rates

Appendix Table A5 – Water connection fees

Appendix Table A6 – Inter-fund loan repayment schedule

Appendix Table A7 – Ten-Year Forecast capital and non-capital projects

Appendix A: Regional Wastewater Capital Improvement Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 & 2022/23 BIENNIAL BUDGET
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Interest Revenue	\$838	\$836	\$826	\$592	\$700	\$838	\$721	\$436
TOTAL REVENUES	\$838	\$836	\$826	\$592	\$700	\$838	\$721	\$436
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$34,476	\$36,148	\$35,058	\$37,366	\$37,991	\$38,628	\$39,275	\$39,935
Regional System Connection Fees	22,435	24,259	27,820	29,514	30,400	31,312	32,251	33,219
Debt Proceeds	0	196,436	0	761	13,807	33,046	31,000	198,508
State Loans	0	0	65,293	0	30,906	108,988	23,750	4,776
Grants	0	123	0	0	0	0	0	0
Other Revenues	23	1,052	1	1	1	1	1	1
Inter Fund Loan	0	0	0	0	2,000	6,000	5,500	0
TOTAL OTHER FINANCING SOURCES	\$56,938	\$258,018	\$128,172	\$67,643	\$115,105	\$217,974	\$131,777	\$276,439
EXPENSES								
Employment Expenses	\$3,899	\$3,452	\$3,743	\$4,016	\$4,183	\$4,330	\$4,476	\$4,624
Contract Work/Special Projects	134	253	0	0	0	0	0	0
Operating Fees	263	267	275	281	289	298	307	316
Professional Fees and Services	295	821	420	654	546	605	615	624
Other Expenses	969	879	1,535	1,869	1,889	2,127	2,094	2,191
TOTAL EXPENSES	\$5,560	\$5,672	\$5,973	\$6,820	\$6,907	\$7,360	\$7,491	\$7,755
CAPITAL PROGRAM								
Work In Progress	\$24,845	\$13,813	\$98,645	\$201,296	\$153,927	\$96,608	\$49,583	\$21,850
IERCA investment	0	0	500	1,000	750	750	750	750
TOTAL CAPITAL PROGRAM	\$24,845	\$13,813	\$99,145	\$202,296	\$154,677	\$97,358	\$50,333	\$22,600
DEBT SERVICE								
Financial Expenses	\$211	\$316	\$256	\$9	\$8	\$9	\$14	\$10
Interest	2,786	3,360	2,656	2,669	2,350	1,965	3,076	7,552
Principal	8,922	9,370	9,630	4,540	4,672	4,988	5,566	204,762
TOTAL DEBT SERVICE	\$11,919	\$13,046	\$12,543	\$7,219	\$7,030	\$6,962	\$8,656	\$212,324
TRANSFERS IN (OUT)								
Capital Contribution	\$4,426	(\$1,062)	(\$737)	\$7,601	\$8,385	\$6,847	\$8,114	\$2,295
Debt Service	(3,174)	(3,119)	(3,192)	(3,138)	(3,136)	(3,268)	(2,886)	(2,886)
Capital - Connection Fees Allocation	(5,008)	(2,938)	(12,501)	(8,679)	(4,295)	(2,740)	(1,835)	(1,680)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$3,755)	(\$7,119)	(\$16,430)	(\$4,217)	\$954	\$839	\$3,392	(\$2,271)
FUND BALANCE								
Net Income (Loss)	\$11,697	\$219,204	(\$5,093)	(\$152,318)	(\$51,856)	\$107,971	\$69,411	\$31,925
Beginning Fund Balance July 01	79,611	91,308	106,523	275,709	123,392	71,536	179,507	248,918
ENDING FUND BALANCE AT JUNE 30*	\$91,308	\$310,512	\$101,429	\$123,392	\$71,536	\$179,507	\$248,918	\$280,843
RESERVE BALANCE SUMMARY								
Capital Construction	\$9,539	\$7,608	\$13,018	\$3,722	\$1,403	\$117,807	\$157,734	\$161,899
CCRA Capital Construction	66,474	90,733	73,114	33,067	33,467	49,778	72,029	93,248
Debt Service & Redemption	15,295	212,171	15,298	86,603	36,666	11,922	19,154	25,696
ENDING BALANCE AT JUNE 30	\$91,308	\$310,512	\$101,429	\$123,392	\$71,536	\$179,507	\$248,918	\$280,843

*Numbers may not tie due to rounding

Appendix A: Regional Wastewater Operations & Maintenance Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2021/22 & 2022/23 BIENNIAL BUDGET
REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$66,499	\$68,506	\$68,327	\$72,924	\$76,203	\$79,618	\$83,203	\$86,927
Cost Reimbursement JPA	4,024	4,269	4,227	4,461	4,595	4,733	4,875	5,021
Contract Cost Reimbursement	111	92	66	75	75	75	75	75
Interest Revenue	1,667	1,791	1,300	1,200	1,200	1,100	1,300	1,400
TOTAL REVENUES	\$72,301	\$74,658	\$73,920	\$78,660	\$82,073	\$85,526	\$89,453	\$93,423
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital	\$9,549	\$9,549	\$9,549	\$13,222	\$13,443	\$13,668	\$13,897	\$14,131
State Loans	2,519	217	0	0	0	0	0	0
Grants	712	3,597	3,794	5,793	283	0	0	0
Other Revenues	385	281	909	80	80	80	80	80
TOTAL OTHER FINANCING SOURCES	\$13,164	\$13,643	\$14,252	\$19,095	\$13,806	\$13,748	\$13,977	\$14,211
EXPENSES								
Employment Expenses	\$28,726	\$33,497	\$35,261	\$35,662	\$37,142	\$38,455	\$39,759	\$41,072
Contract Work/Special Projects	4,744	13,075	14,483	6,942	4,220	4,385	3,600	5,289
Utilities	5,318	5,224	6,616	8,283	9,288	9,567	9,854	10,149
Operating Fees	1,613	1,499	2,114	2,404	2,497	2,597	2,674	2,776
Chemicals	4,572	5,074	5,284	6,004	6,184	6,369	6,560	6,757
Professional Fees and Services	2,971	2,698	5,612	4,233	4,463	4,784	4,903	5,043
Biosolids Recycling	4,305	4,604	4,723	4,733	4,875	5,022	5,172	5,327
Materials & Supplies	2,074	2,185	2,188	2,010	2,048	2,110	2,173	2,238
Other Expenses	2,728	2,532	3,962	5,170	5,233	5,876	5,792	6,058
TOTAL EXPENSES	\$57,052	\$70,400	\$80,246	\$75,446	\$75,954	\$79,168	\$80,490	\$84,712
CAPITAL PROGRAM								
Capital Construction & Expansion (W)	\$20,629	\$13,352	\$40,689	\$16,292	\$9,610	\$13,847	\$8,364	\$6,426
TOTAL CAPITAL PROGRAM	\$20,629	\$13,352	\$40,689	\$16,292	\$9,610	\$13,847	\$8,364	\$6,426
DEBT SERVICE								
Financial Expenses	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$1
Interest	819	593	627	614	591	568	543	517
Principal	728	755	754	784	806	849	874	900
TOTAL DEBT SERVICE	\$1,548	\$1,349	\$1,381	\$1,398	\$1,398	\$1,417	\$1,417	\$1,417
TRANSFERS IN (OUT)								
Capital Contribution	(\$3,559)	\$132	(\$1,368)	(\$9,056)	(\$9,056)	(\$7,056)	(\$8,497)	(\$3,120)
Debt Service	306	250	110	114	114	114	(265)	(265)
Operation Support	(320)	(277)	(298)	(1,092)	(744)	(1,035)	(1,627)	(39)
Capital - Connection Fees Allocation	4,481	2,419	10,378	4,769	2,291	1,969	875	1,108
TOTAL INTERFUND TRANSFERS IN (OUT)	\$909	\$2,524	\$8,822	(\$5,264)	(\$7,394)	(\$6,007)	(\$9,515)	(\$2,316)
FUND BALANCE								
Net Income (Loss)	\$7,163	\$5,724	(\$25,322)	(\$645)	\$1,522	(\$1,166)	\$3,644	\$12,764
Beginning Fund Balance July 01	76,837	84,000	89,725	73,118	72,472	73,995	72,829	76,473
ENDING FUND BALANCE JUNE 30*	\$84,000	\$89,725	\$64,403	\$72,472	\$73,995	\$72,829	\$76,473	\$89,236
RESERVE BALANCE SUMMARY								
Operating Contingies	\$17,701	\$22,097	\$25,340	\$23,662	\$23,786	\$24,812	\$25,205	\$28,583
Rehabilitation/Replacement	27,331	41,004	9,236	9,236	9,236	9,236	9,236	9,236
Debt Service	1,412	1,398	1,398	1,398	1,417	1,417	1,417	1,417
Sinking Fund	37,557	25,226	28,429	38,176	39,555	37,364	40,614	50,000
ENDING BALANCE AT JUNE 30	\$84,000	\$89,725	\$64,403	\$72,472	\$73,995	\$72,829	\$76,473	\$89,236

* Numbers may not tie due to rounding

Appendix A: Recycled Water Fund Budget

INLAND EMPIRE UTILITIES AGENCY FISCAL YEARS 2021/22 & 2022/23 BIENNIAL BUDGET RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Interest Revenue	\$769	\$452	\$708	\$533	\$540	\$554	\$573	\$620
Water Sales	13,902	15,349	16,155	17,290	17,610	17,962	18,564	18,916
TOTAL REVENUES	\$14,670	\$15,800	\$16,863	\$17,823	\$18,150	\$18,516	\$19,137	\$19,536
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	\$2,170	\$2,170	\$2,170	\$2,299	\$2,338	\$2,377	\$2,417	\$2,458
Connection Fees	5,916	8,048	7,915	8,399	8,653	8,911	9,179	9,363
State Loans	2,373	10,954	5,554	0	0	0	0	0
Grants	753	156	3,120	0	0	0	0	0
Capital Contract Reimbursement	88	4,038	1,875	92	93	94	96	97
Other Revenues	24	10	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$ 11,324	\$ 25,377	\$ 20,633	\$ 10,790	\$ 11,084	\$ 11,383	\$ 11,692	\$ 11,918
EXPENSES								
Employment Expenses	\$4,451	\$5,060	\$5,370	\$6,034	\$6,284	\$6,506	\$6,727	\$6,949
Contract Work/Special Projects	1,333	621	1,990	1,215	710	840	1,050	820
Utilities	2,240	1,944	2,885	3,554	4,086	4,208	4,334	4,464
Operating Fees	3	2	10	10	10	11	11	11
Professional Fees and Services	641	814	632	1,322	1,348	1,502	1,531	1,562
Office and Administrative expenses	4	1	3	38	39	40	41	42
Materials & Supplies	141	209	174	109	113	116	120	123
Other Expenses	805	698	1,106	1,382	1,404	1,565	1,548	1,617
TOTAL EXPENSES	\$9,619	\$9,349	\$12,170	\$13,664	\$13,993	\$14,788	\$15,362	\$15,589
CAPITAL PROGRAM								
Work In Progress	\$6,636	\$19,298	\$3,570	\$2,480	\$5,550	\$2,150	\$3,000	\$5,000
TOTAL CAPITAL PROGRAM	\$6,636	\$19,298	\$3,570	\$2,480	\$5,550	\$2,150	\$3,000	\$5,000
DEBT SERVICE								
Financial Expenses	\$2	\$66	\$3	\$5	\$5	\$5	\$7	\$6
Interest	2,870	3,747	2,933	3,236	3,016	2,678	2,306	1,929
Principal	5,256	5,076	6,309	6,031	6,288	6,619	6,767	6,142
Short Term Inter-Fund Loan	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL DEBT SERVICE	\$11,129	\$10,890	\$12,245	\$12,273	\$14,309	\$15,302	\$14,581	\$8,077
TRANSFERS IN (OUT)								
Capital Contribution	(\$1,873)	(\$170)	(\$517)	(\$291)	(\$362)	(\$323)	(\$206)	(\$223)
Debt Service	2,394	2,392	2,547	2,546	2,546	2,675	2,673	2,673
Operation support	(526)	(1,471)	(533)	(1,213)	(1,137)	(1,261)	(1,320)	(1,303)
Water Connection Allocation	(454)	(703)	(1,473)	(1,802)	(1,655)	(484)	(430)	(392)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$459)	\$47	\$24	(\$760)	(\$608)	\$608	\$717	\$756
FUND BALANCE								
Net Income (Loss)	(\$1,848)	\$1,687	\$9,536	(\$564)	(\$5,226)	(\$1,733)	(\$1,397)	\$3,543
Beginning Fund Balance July 01	35,135	33,287	32,064	43,416	42,851	37,625	35,892	34,495
ENDING BALANCE AT JUNE 30	\$33,287	\$34,974	\$41,600	\$42,851	\$37,625	\$35,892	\$34,495	\$38,038
RESERVE BALANCE SUMMARY								
Operating Contingency	\$3,206	\$3,116	\$4,057	\$4,555	\$4,664	\$4,929	\$5,121	\$5,196
Capital Construction	7,439	4,303	9,853	4,203	22	48	18	19
Water Connection	14,615	18,311	16,548	23,285	22,137	20,334	19,779	22,742
Rehabilitation/Replacement (R&R)	0	0	1,500	1,500	1,500	1,500	1,500	2,000
Debt Service	8,027	9,245	9,643	9,309	9,302	9,081	8,077	8,081
ENDING BALANCE AT JUNE 30	\$33,287	\$34,974	\$41,600	\$42,851	\$37,625	\$35,892	\$34,495	\$38,038

* Numbers may not total due to rounding

Appendix Table A1 – Key assumptions for FYs 2021/22 and 2022/23 Budget

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
2% average growth in property tax receipts. The property tax allocated to Regional Capital fund remains at 65% of total property tax. Effective FY 2021/22, allocation from “fixed amount” to “fixed percentage” of the total property tax receipts will change for Regional O&M at 23%, Recycled Water at 4%, Water Fund at 3.5% and Administrative Service at 4.5%.	302 authorized FTE – assumes vacancy factor of 5% for FY 2021/22 and 3% for FY 2022/23 to support succession plan
4,000 new wastewater connections per year	Addition of several major construction projects within the next two-year period
4% increase in EDU rate and 3.4 million volumetric EDU @ 0.50% annual growth starting in FY 2022/23	3% average CPI for O&M expenses
32,000 AF recycled water deliveries for FYs 2021/22 and 2022/23	Leverage professional services to achieve effective maintenance approach
4,700 new water connections (MEU) for FYs 2021/22 and 2022/23	
Capital Improvement Plan (CIP) partially funded by low interest federal and state loans, interim financing, and grants	
Reimbursement from CDA and IERCA for labor and O&M expenses.	

**Appendix A2: Adopted Multi-Year Rates and Effective Dates
Regional Wastewater Connection Fees**

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected
Projected New Connections	4,000	4,000	4,000
Wastewater Connection Fee	\$6,955	\$7,379	\$7,600
Rate change	0%	3%	3%
Effective Date	7/01/20	7/01/21	7/01/22

**Appendix Table A3: Adopted Multi-Year Rates and Effective Dates
Regional Wastewater Volumetric EDU**

	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected
EDU Volumetric Rate	\$20.00	\$21.22	\$22.07
Rate Change	\$0	\$1.22	\$0.85
Effective Date	7/01/20	7/01/21	To be reviewed based on sewer use evaluation results

**Appendix Table A4: Adopted Multi-Year Rates and Effective Dates
Recycled Water Rates**

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected
Projected Acre Feet (AF)	33,200	32,000	32,000
Direct AF Rate	\$490	\$520	\$530
Groundwater Recharge AF Rate	\$550	\$580	\$580
Effective Date	7/01/20	7/01/21	To be reviewed based on sewer use evaluation results

**Appendix Table A5: Adopted Multi-Year Rates and Effective Dates
Water Connection Fees**

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Adopted
Projected Meter Equivalent Units (MEUs)	4,700	4,700	4,700
One Water Connection Fee (for 5/8" and 3/4" meter size)	\$1,684	\$1,787	\$1,841
Effective Date	7/01/20	7/01/21	7/01/22

Appendix Table A6: Inter-Fund Loan Repayment Schedule

Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule (\$ Millions)
FY 2007/08	Regional Wastewater Capital (RC) Fund	3.0	2022/23 \$1.0 2023/24 \$1.0 2024/25 \$1.0 Total \$3.0
FY 2009/10	Non-Reclaimable Wastewater (NRW) Fund	6.0	2021/22 \$3.0 2022/23 \$3.0 Total \$6.0
FY 2014/15	Regional Wastewater Capital Improvement (RC) Fund	10.5	2022/23 \$1.0 2023/24 \$5.0 2024/25 \$4.5 Total \$10.5
Total	Grand Total	\$19.5	\$19.5

Appendix Table A7: Ten Year Forecast Capital and Non-Capital Projects

Project Number	Project Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 2022-2031
Capital Projects												
Regional Wastewater Operations & Maintenance Fund												
EN13016	SCADA Enterprise System	1,300,000	5,250,000	3,350,000								9,900,000
EN17042	Digester 6 and 7 Roof Repairs	2,500,000	300,000									2,800,000
EN17043	RP4 Primary Clarifier Rehab	3,500,000										3,500,000
EN17110	RP-4 Process Improvements	5,000,000										5,000,000
EN18025	RP-1 Secondary System Rehabilitation			250,000	1,100,000	1,950,000	2,000,000	1,000,000	1,000,000	1,000,000		8,300,000
EN19009	RP-1 Energy Recovery	200,000										200,000
EN20041	RP-1 TP-1 Bleach Mixing Repairs	150,000										150,000
EN20044	RP-1 Plant 3 Primary Cover Replacement		200,000	400,000								600,000
EN20045	RP-1 TP-1 Level Sensor Replacement		500,000									500,000
EN20051	RP-1 MCB and Old Lab Building Rehab	506,000	110,000	1,905,000								2,521,000
EN20057	RP-4 Process Improvements Phase II		500,000	4,000,000	3,500,000							8,000,000
EN21042	RP-1 East Influent Gate Replacement	400,000										400,000
EN21044	RP-1 Dewatering Centrate and Drainage Va	320,000										320,000
EN21053	RP-1 Old Effluent Structure Rehabilitati	400,000	1,000,000									1,400,000
EN21056	RP-1 Evaporative Cooling for Aeration Bl	400,000	50,000									450,000
EN22005	RO Asset Management	50,000	50,000	50,000	300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,450,000
EN22021	RP-1 Digester Area Utility Water (UW) Li	100,000										100,000
EN22025	RP-1 Dump Station			64,000	95,400	1,855,600	106,100					2,121,100
EN22027	RP-1 Repurpose Lab			228,400	1,619,000							1,847,400
EN22031	RP-1 Influent Pump Station Electrical Im	200,000	400,000	1,400,000								2,000,000
EN23024	RP-1 TP-1 Stormwater Drainage Upgrades		250,000	1,000,000	50,000							1,300,000
EN24020	RP-1 Dewatering Centrate Pumps			200,000	500,000	120,000						820,000
EN25020	RP-1 Digester Cleaning Lagoon (DCL) Lini				200,000	-						200,000
EN26021	Regional Conveyance AMP					500,000						500,000
EN27001	RP-1 Equalization Basin #1 Access Ramp						35,000	106,500	300,000			441,500
ENXX005	RP-5 Emergency Generator Load Bank Install	120,000										120,000
ENXX008	Generator Retrofit RP-1	85,000										85,000
ENXX009	Generator Retrofit RP-4	50,000										50,000
ENXX013	RP-1 Centrate Pipeline Assessment	11,000										11,000
EP21002	North Major Facilities Repair/Replacemnt	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	6,000,000
EP21003	South Major Facilities Repair/Replacemen	400,000	400,000	400,000	400,000	400,000	600,000	600,000	600,000	600,000	600,000	5,000,000
PL26001	Advanced Water Purification Facility								5,000,000	5,000,000	11,276,500	21,276,500
Total Regional Wastewater O & M Fund		16,292,000	9,610,000	13,847,400	8,364,400	6,425,600	4,341,100	3,306,500	8,500,000	8,200,000	13,476,500	92,363,500
Regional Wastewater Capital Fund												
EN11039	RP-1 Disinfection Pump Improvements	2,400,000	4,660,000	350,000								7,410,000
EN17006	CCWRF Asset Management and Improvement	3,000,000	13,000,000	50,000	650,000							16,700,000
EN18006	RP-1 Flare Improvements	2,500,000	100,000									2,600,000
EN18036	CCWRF Asset Mgmt and Imprvrmt Pkg. III		200,000	500,000	300,000							1,000,000
EN19001	RP-5 Expansion to 30 mgd	72,000,000	50,000,000	37,600,000	7,803,147							167,403,147
EN19006	RP-5 Biosolids Facility	105,000,000	63,000,000	14,758,090								182,758,090
EN21015	Collection System Upgrades FY 20/21	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN21045	Montclair Force Main Improvements	800,000	5,500,000									6,300,000
EN22006	RC Asset Management	250,000	250,000	250,000	2,400,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	51,150,000
EN22022	RP-1 Air Compressor Upgrades	250,000	1,500,000									1,750,000
EN24001	RP-1 Liquid Treatment Capacity Recovery									15,000,000	20,000,000	35,000,000
EN24002	RP-1 Solids Treatment Expansion				4,000,000	8,000,000	8,000,000					20,000,000
ENXX006	Agency Power Monitor		250,000	280,000								530,000
ENXX010	RP4 SCADA Improvements	100,000	912,000									1,012,000
ENXX011	NFPA 70E required labels	105,000	105,000									210,000
ENXX012	RP-1 Aeration Basins UW System Improveme		141,000									141,000
ENXX019	RP-4 Ammonia Analyzers and Support System	500,000										500,000
ENXX020	Chemical Contrainment Area Rehab Phase 2	505,000										505,000
ENXX021	Chemical Contrainment Area Rehab Phase 3			870,000								870,000
ENXX022	TP-1 Wire Replacement T PLANT				80,000							80,000
ENXX026	RP-1 Thickening Building & Acid Phase Digest	12,000,000	13,000,000	40,000,000	30,000,000	5,000,000						100,000,000
ENXX027	New Regional Project PDR's	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
ENXX028	New NRW Project PDR's	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
ENXX029	New NRW Project PDR's	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
IS22006	SCADA Network Infrastructure Replacement	335,000	300,000									635,000
IS22007	RP-1 and RP-2 DCS Upgrade	420,000										420,000
IS22008	Operation Electronic Log Book	140,000										140,000
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2		300,000	1,100,000								1,400,000
PL19001	Purchase Existing Solar Installation				3,500,000							3,500,000
Total Regional Wastewater Capital		201,296,000	153,927,000	96,608,090	49,583,147	21,850,000	16,850,000	8,850,000	8,850,000	23,850,000	28,850,000	610,514,237
Recycled Water Fund												
EN14042	1158 RWPS Upgrades	20,000										20,000
EN15002	1158 Reservoir Site Cleanup	100,000										100,000
EN20022	1299 Reservoir Paint/Coating Repairs and	200,000										200,000
EN21041	RP-4 Contact Basin Cover & Wet Well Pass	700,000	3,500,000									4,200,000
EN21050	8th Street RW Turnout Connection to the	600,000	900,000									1,500,000
EN22009	WC Asset Management Project	500,000	1,000,000	2,000,000	3,000,000	5,000,000	7,000,000	8,900,000	8,900,000	8,900,000	8,900,000	54,100,000
EN22023	Prado Dechlor Sump Pump Replacement	360,000										360,000
EN24005	1630 West Reservoir Paint/Coating Repair		150,000									150,000
EN24006	930 Reservoir Paint/Coating Repairs and			150,000								150,000
Total Recycled Water Fund		2,480,000	5,550,000	2,150,000	3,000,000	5,000,000	7,000,000	8,900,000	8,900,000	8,900,000	8,900,000	60,780,000
Capital Projects Total		220,068,000	169,087,000	112,605,490	60,947,547	33,275,600	28,191,100	21,056,500	26,250,000	40,950,000	51,226,500	763,657,737

Project Number	Project Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 2022-2031
Non-Capital Projects												
Regional Wastewater Operations & Maintenance Fund												
EN16021	TCE Plume Cleanup	542,042										542,042
EN19023	Asset Management Planning Document	500,000	400,000									900,000
EN19024	Regional System Asset Management (Assess	100,000										100,000
EN20038	Agency Wide Pavement Management Study	75,000		75,000								150,000
EN21019	RO Emergency O&M Projects FY 20/21	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN21034	RO On-Call/Small Projects FY 20/21	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN21035	RO Safety On-Call/Small Projects FY 20-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN22024	RP-1 Digester Cleaning Service Contract	100,000	1,000,000	1,000,000	1,000,000	2,000,000	2,000,000	1,000,000	2,000,000	3,000,000	3,000,000	16,100,000
EN22032	RP-1 TP-1 Stormwater Drainage Upgrades	50,000										50,000
EN23021	Agency Wide Infiltration and Inflow Study		300,000	300,000								600,000
EN23023	RP-1 DAFT Pavement Improvements		20,000	510,000								530,000
EN26025	RP2-Preliminary Design Report for Decomm							600,000	1,100,000	1,500,000		3,200,000
EN26027	RP-1 & RP-4 Bird Deterent Systems					100,000						100,000
ENXX003	Prado De-Chlor	380,000										380,000
ENXX004	RP-2 Digester 3 4 Exterior Condition Assessn	35,000										35,000
PA17006	Agency-Wide Aeration	2,500,000										2,500,000
PA22002	Agency Wide Coatings	750,000	50,000	50,000	150,000	388,810	445,975	353,354	260,955	50,000	50,000	2,549,094
PA22003	Agency Wide Paving	260,000	800,000	800,000	800,000	1,150,000						3,810,000
PL22007	RO Planning Documents	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Total Regional Wastewater O&M		6,942,042	4,220,000	4,385,000	3,600,000	5,288,810	4,095,975	3,603,354	5,010,955	6,200,000	4,700,000	48,046,136
Recycled Water Fund												
EN19030	WC Asset Management	250,000										250,000
EN19051	RW Hydraulic Modeling	45,000	40,000	40,000								125,000
EN20050	Reservoir Maintenance		20,000			20,000			20,000			60,000
EN21017	WC Emergency O&M Projects FY 20/21	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
EN21036	WC On-Call/Small Projects FY 20/21	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
EN21051	Ely Monitoring Well	285,000	100,000									385,000
EN22028	Philly RW Gravity Line Abandonment			250,000	250,000							500,000
EN22037	WC Planning Documents	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
EN25031	Recycled Water Program Strategy 2025				250,000	250,000						500,000
WR20029	Upper SAR HCP & Int Model-Recy Wtr Benef	85,000										85,000
Total Recycled Water		1,215,000	710,000	840,000	1,050,000	820,000	550,000	550,000	570,000	550,000	550,000	7,405,000
Total Non-Capital Projects Total		8,157,042	4,930,000	5,225,000	4,650,000	6,108,810	4,645,975	4,153,354	5,580,955	6,750,000	5,250,000	55,451,136
Total All Projects		228,225,042	174,017,000	117,830,490	65,597,547	39,384,410	32,837,075	25,209,854	31,830,955	47,700,000	56,476,500	819,108,873



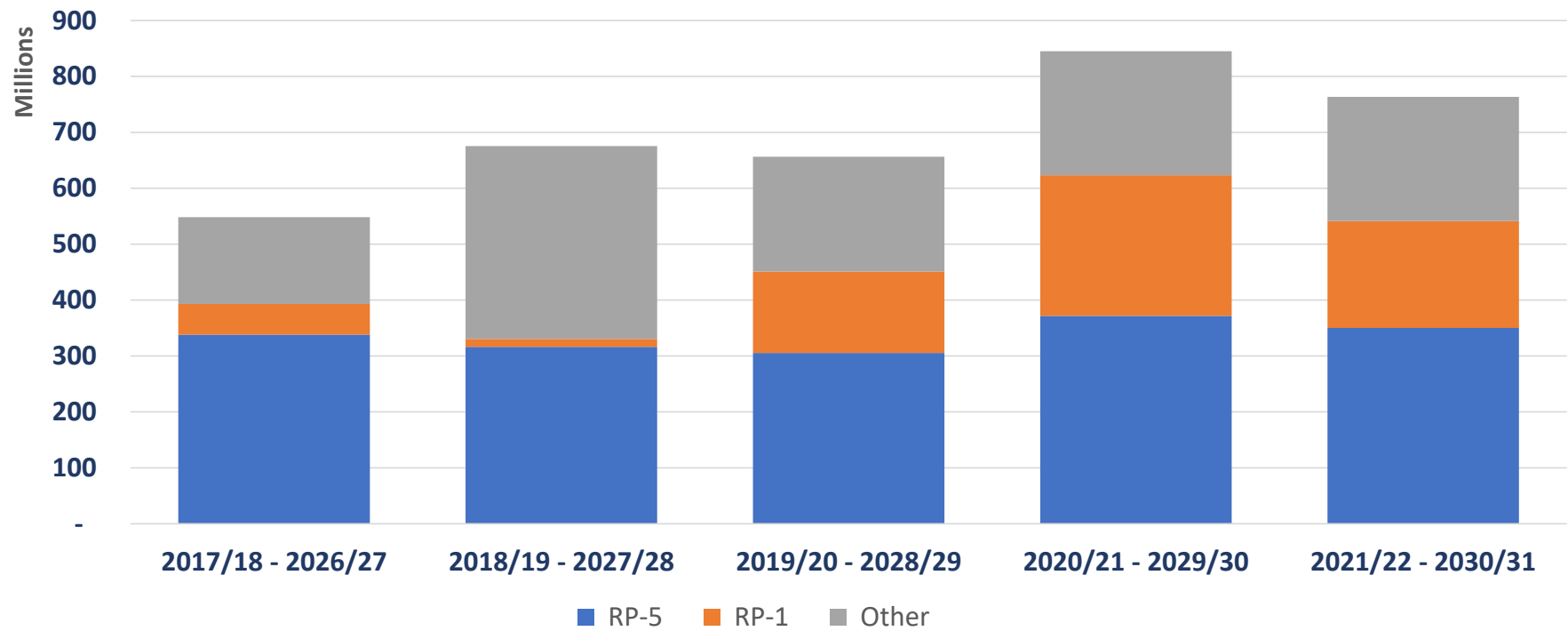
Fiscal Years 2021/22 and 2022/23 Regional Wastewater and Recycled Water Program Budget and FYs 2022-2031 Ten Year Forecast

Christina Valencia

Executive Manager of Finance & Administration/AGM

May 27, 2021 / June 3, 2021

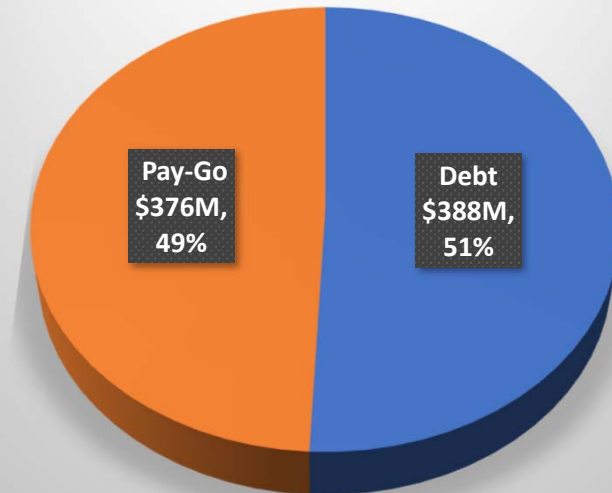
Proposed TYF \$764M Fiscal Years 2022 - 2031



Proposed TYF (FYs 2022-2031) By Program and Funding Source

Program	Proposed TYF (\$ Millions)
Regional Wastewater Capital Improvement Fund	\$610.5
Regional Wastewater Operations & Maintenance Fund	92.4
Recycled Water Fund	60.8
Ten-Year Forecast	\$763.7

Funding Sources (\$ Millions)



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%

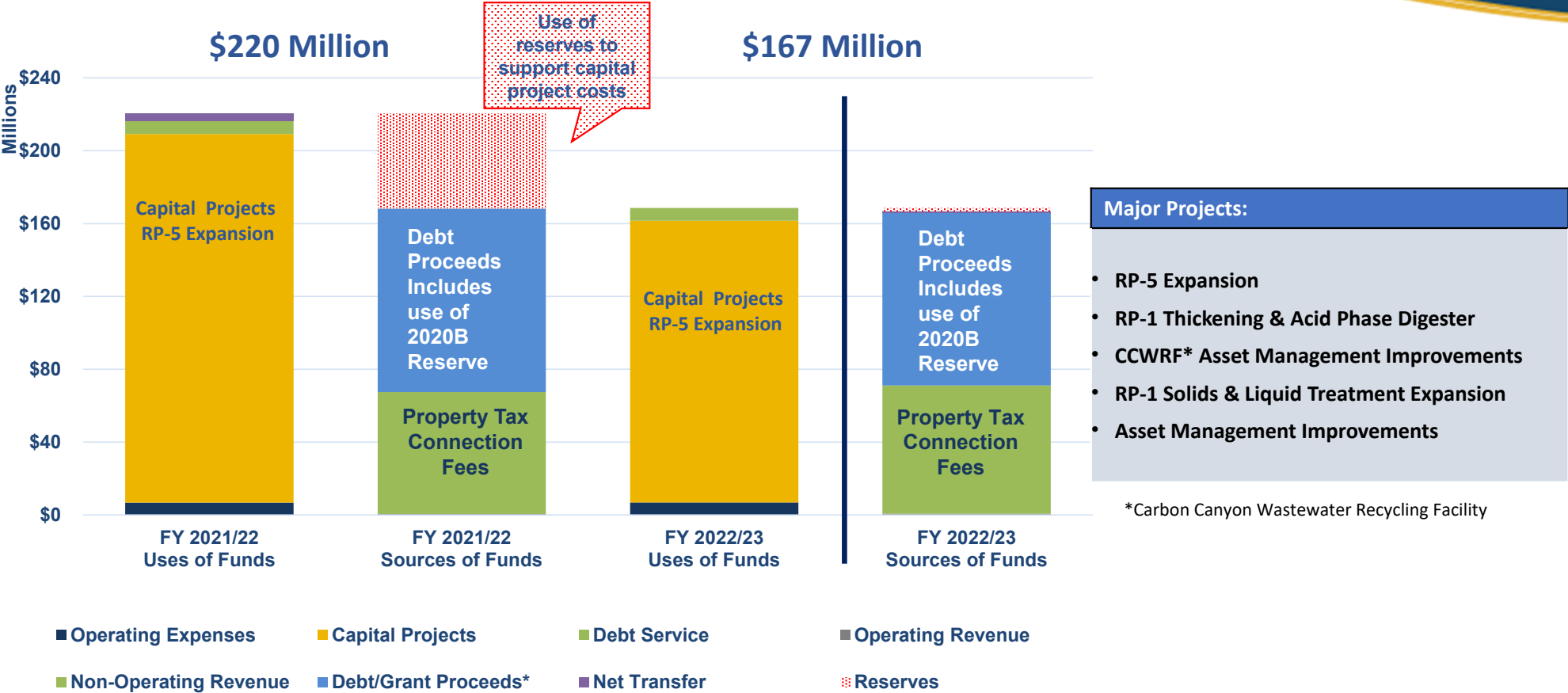
Adopted

Property Taxes Allocation

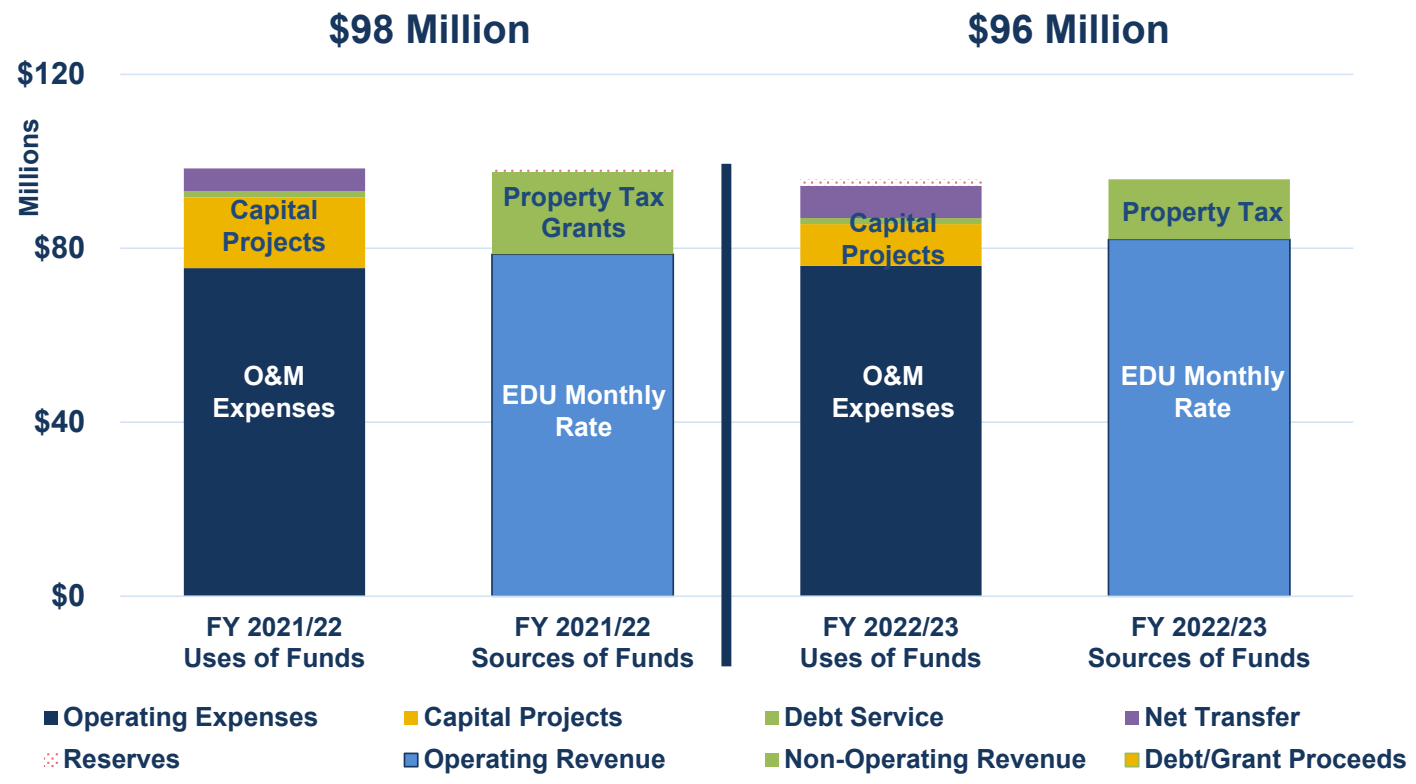
Fund	Prior to 2015 Fixed %	Since 2016 Fixed %, Fixed \$, Balance	FY 2020/21 Projected Allocation	Proposed for FY 2021/22 Fixed %	FY 2021/22 Projected Allocation
Regional Wastewater Capital	65%	65%	\$36.8M	65%	\$37.4M
Regional Wastewater Operations	22%	\$9.5M	\$9.5M	23%	\$13.2M
Recycled Water	5%	\$2.2M	\$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

Wastewater Capital Improvement Fund

Sources and Uses of Funds



Wastewater Operations & Maintenance Fund Sources and Uses of Funds



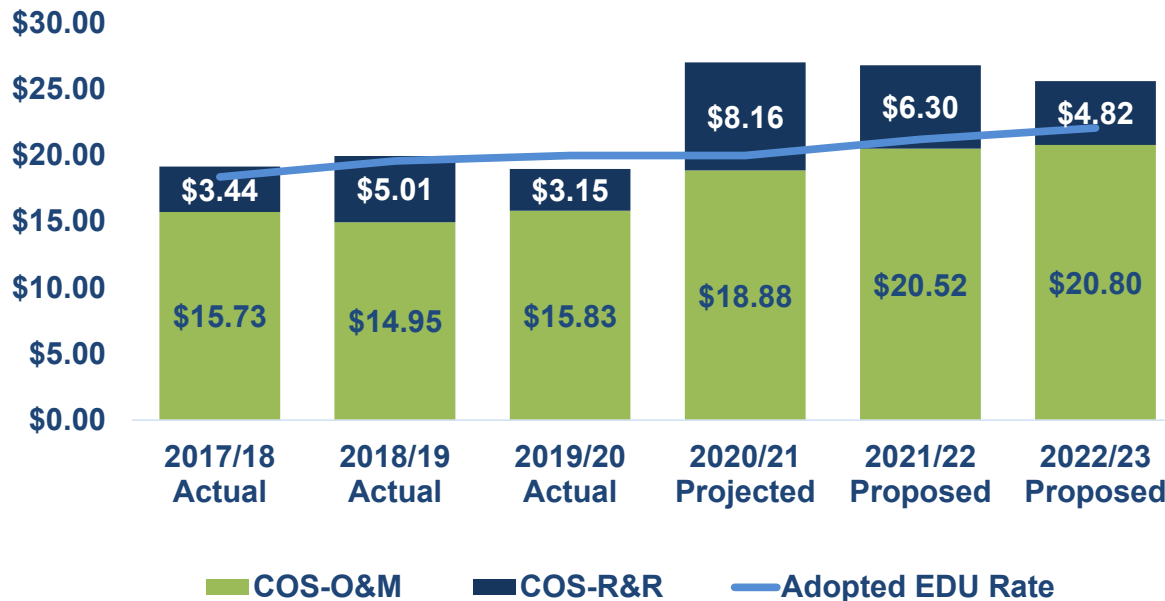
- Major Projects:**
- RP-4 Process Improvement
 - RP-4 Primary Clarifier Rehabilitation
 - Digesters 6 and 7 Roof Repairs
 - SCADA* System Enterprise
 - North Major Facilities Repair

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Wastewater Operations & Maintenance Fund

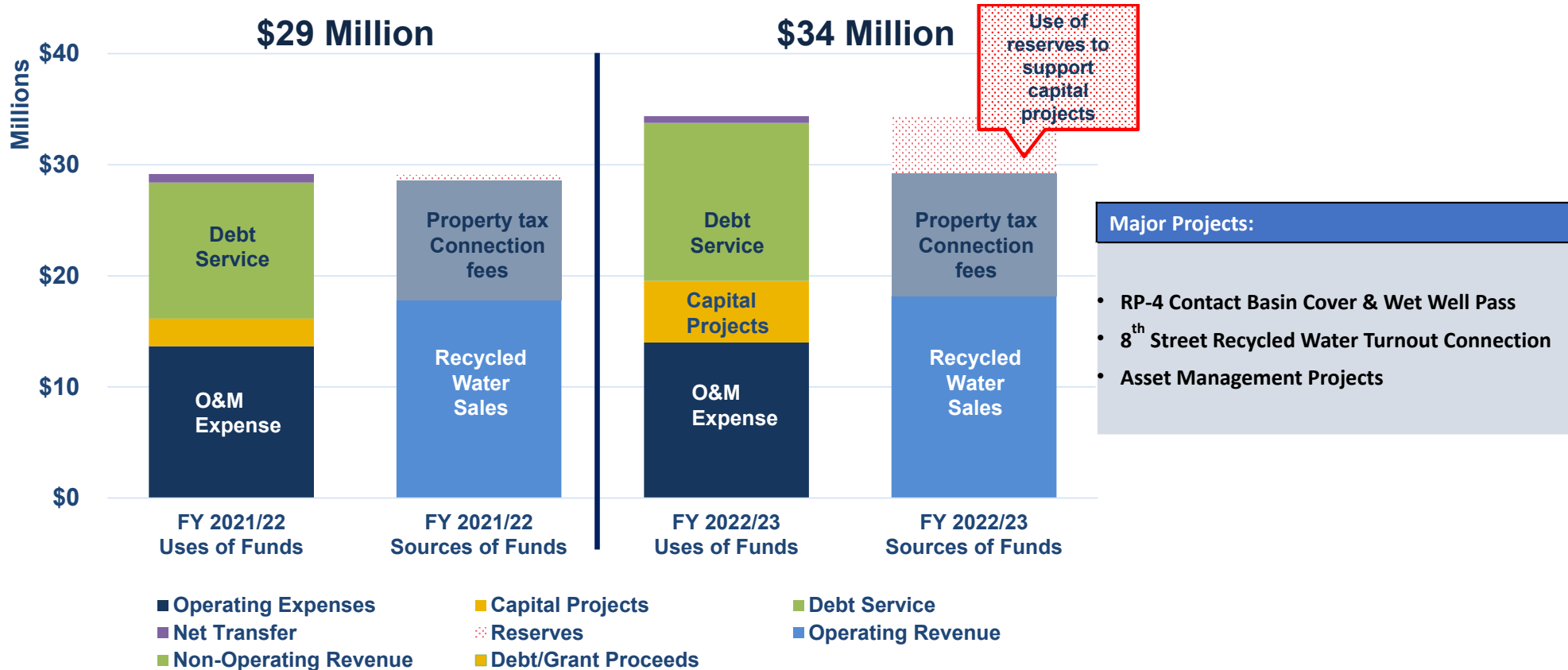
Cost of Service/EDU

	2020/21 Adopted	2021/22 Adopted	2022/23 Projected
Monthly EDU Rate	\$20.00	\$21.22	\$22.07



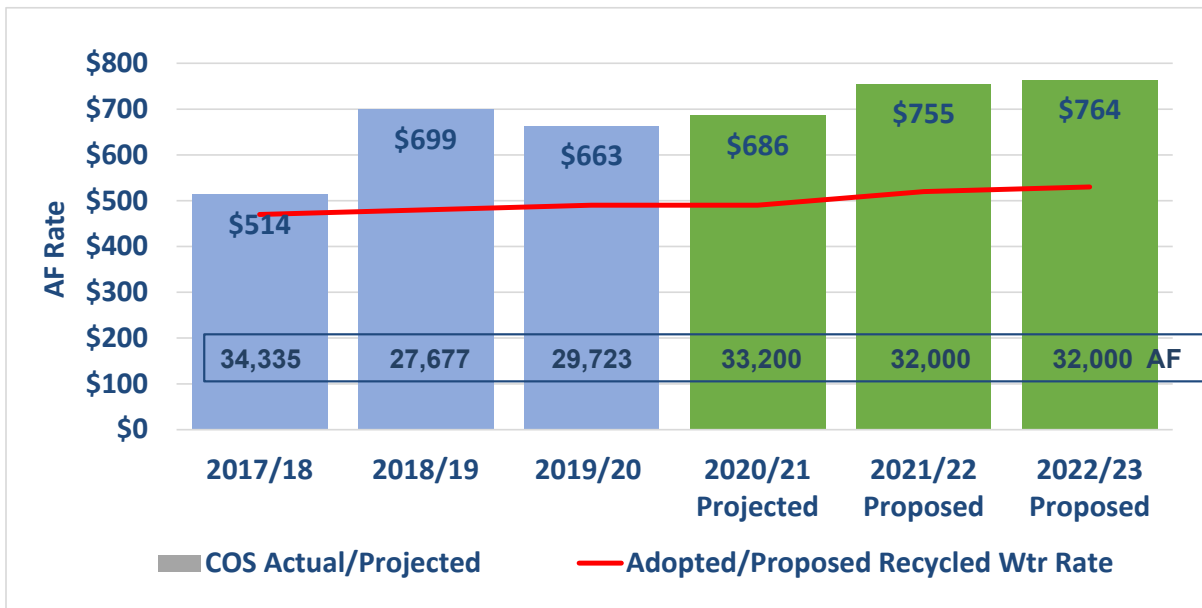
- COS components include O&M, R&R Projects, and Debt Service
- Sewer use study underway
- Replacement and rehabilitation (R&R) project costs not recovered by rates will be supported by property taxes and reserves

Recycled Water Fund Total Sources and Uses of Funds



Recycled Water Fund Cost of Service/Acre Foot (AF)

Recycled Water Acre Foot Rate	2020/21 Adopted	2021/22 Adopted	2022/23 Projected
Direct Delivery	\$490	\$520	\$530
Groundwater Recharge	\$550	\$580	\$590



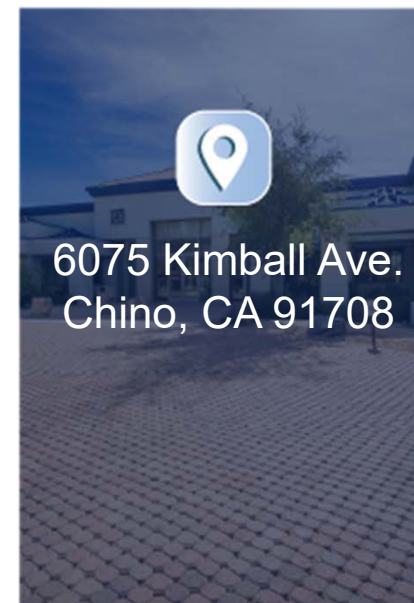
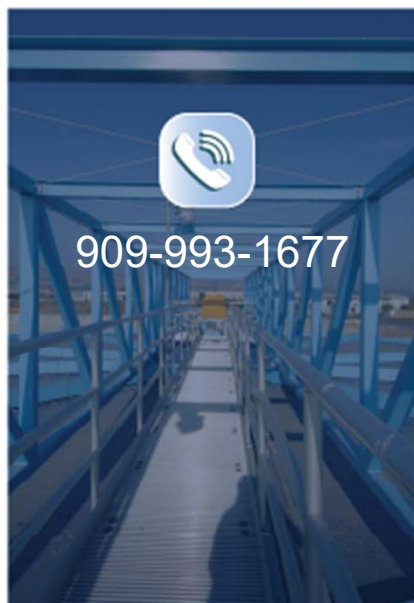
- COS components include O&M, R&R projects, and Debt Service
- 2022 Recycled Water Rate study underway to evaluate
 - Program requirements
 - Alternate rate structures
 - Long-term fiscal sustainability
- COS shortfall is supported by property taxes, grants, connection fees reserves

Recommendations

It is requested that the Regional Committees recommend approval to the IEUA Board of Directors to approve the proposed Biennial Budget for the Regional Wastewater Capital Improvement Fund, Regional Wastewater Operations & Maintenance Fund, and the Recycled Water Fund for Fiscal Years (FYs) 2021/22 and 2022/23 , and the Ten-Year Forecast for FYs 2022-2031.

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



**INFORMATION
ITEM**

2A

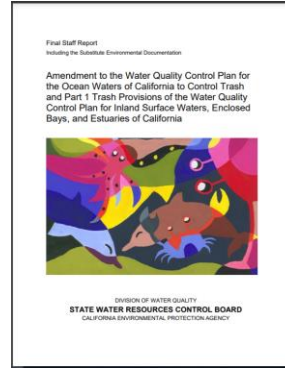
Regulatory Update: Microplastics



California Plastics Regulatory Programs

2008

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



2018

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



2015

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

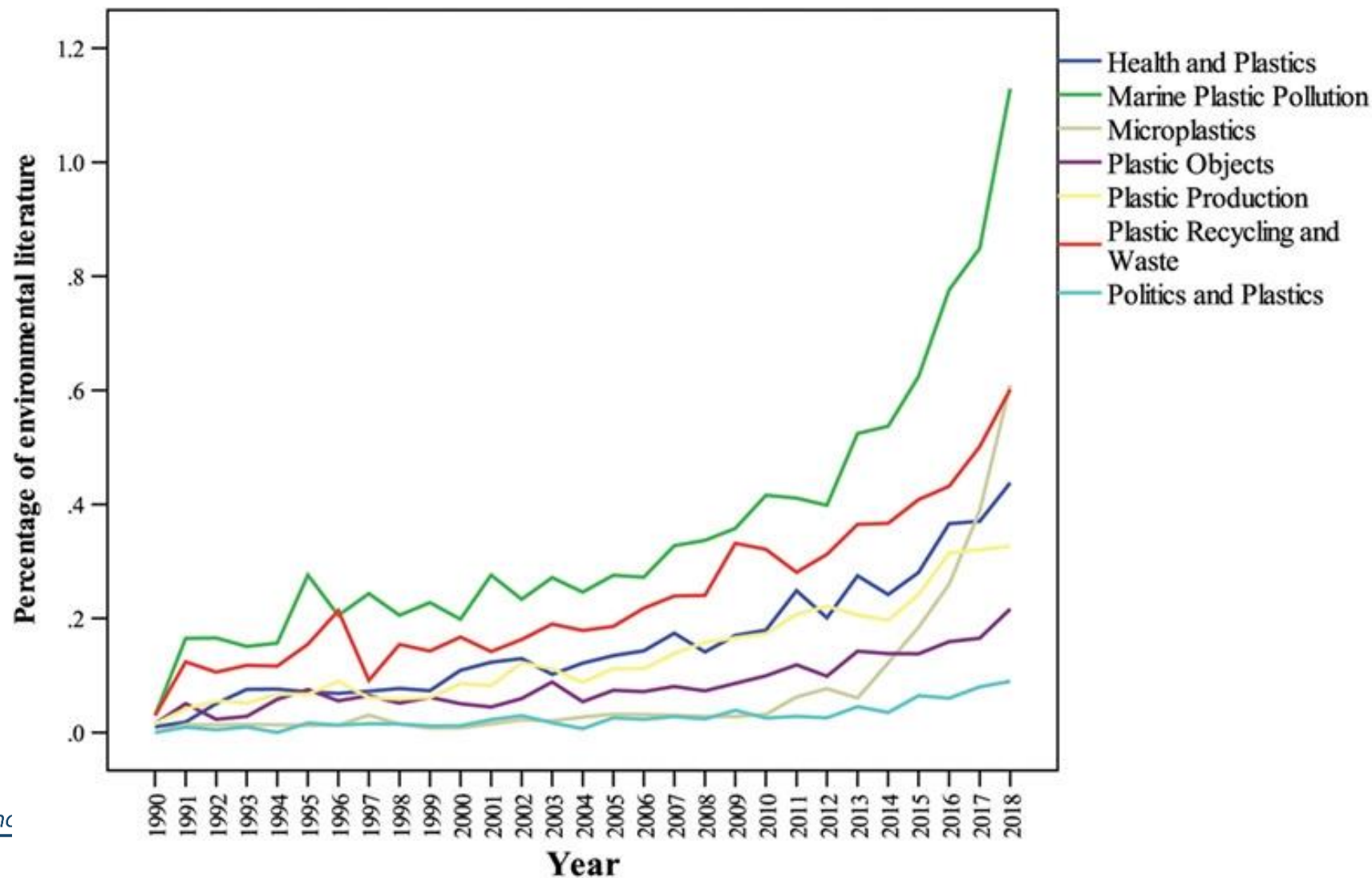


Efficacy of microplastic removal from wastewater treatment methods:
\$225,236 SCCWRP



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

Prevalence of Scientific Literature on Plastic

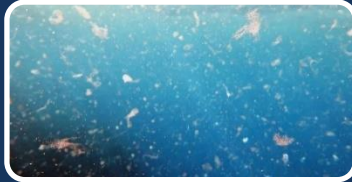


Source: Politics and the plastic crisis: A review throughout the plastic life cycle.
Tobias D. Nielsen Jacob Hasselbalch Karl Holmberg Johannes Strippel. August 2018.

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

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
 - Accredit 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

OPC Report: April 2021

- ✓ Recommends a qualitative, 5-year, microplastic risk assessment framework
- ✓ Advises a precautionary approach to assessing and managing microplastic pollution
 - Focus on concentration of microplastics in the aquatic environment
 - Learns more about toxicity impacts of plastics and associated pollutants
- ✓ Reducing the sources of microplastics may be the most effective and precautionary measure
 - Identify the top sources of micro- and macro-plastic emissions into the marine environment



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

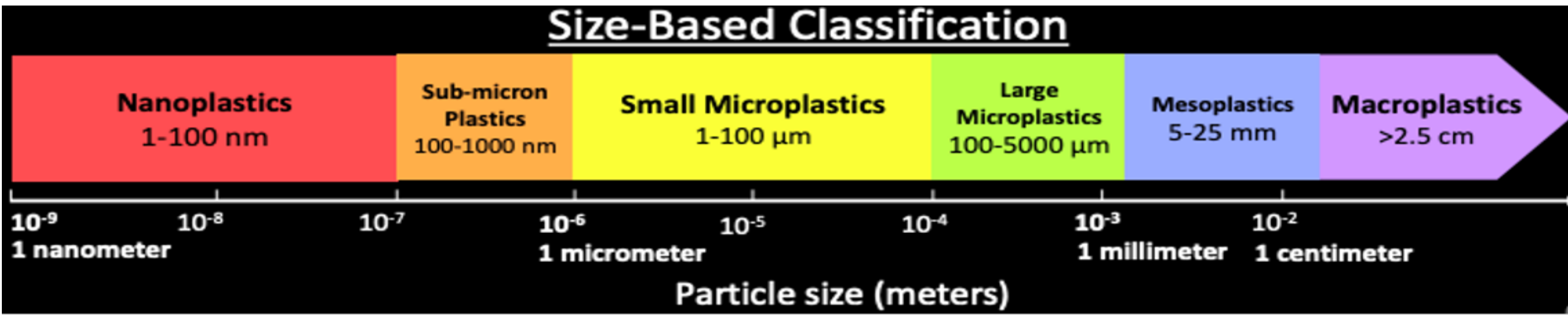
On or before July 1, 2021:

1. Adopt a standard methodology for testing of microplastics in drinking water
 - Accredit 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

SWRCB Adopted Definition of Microplastics

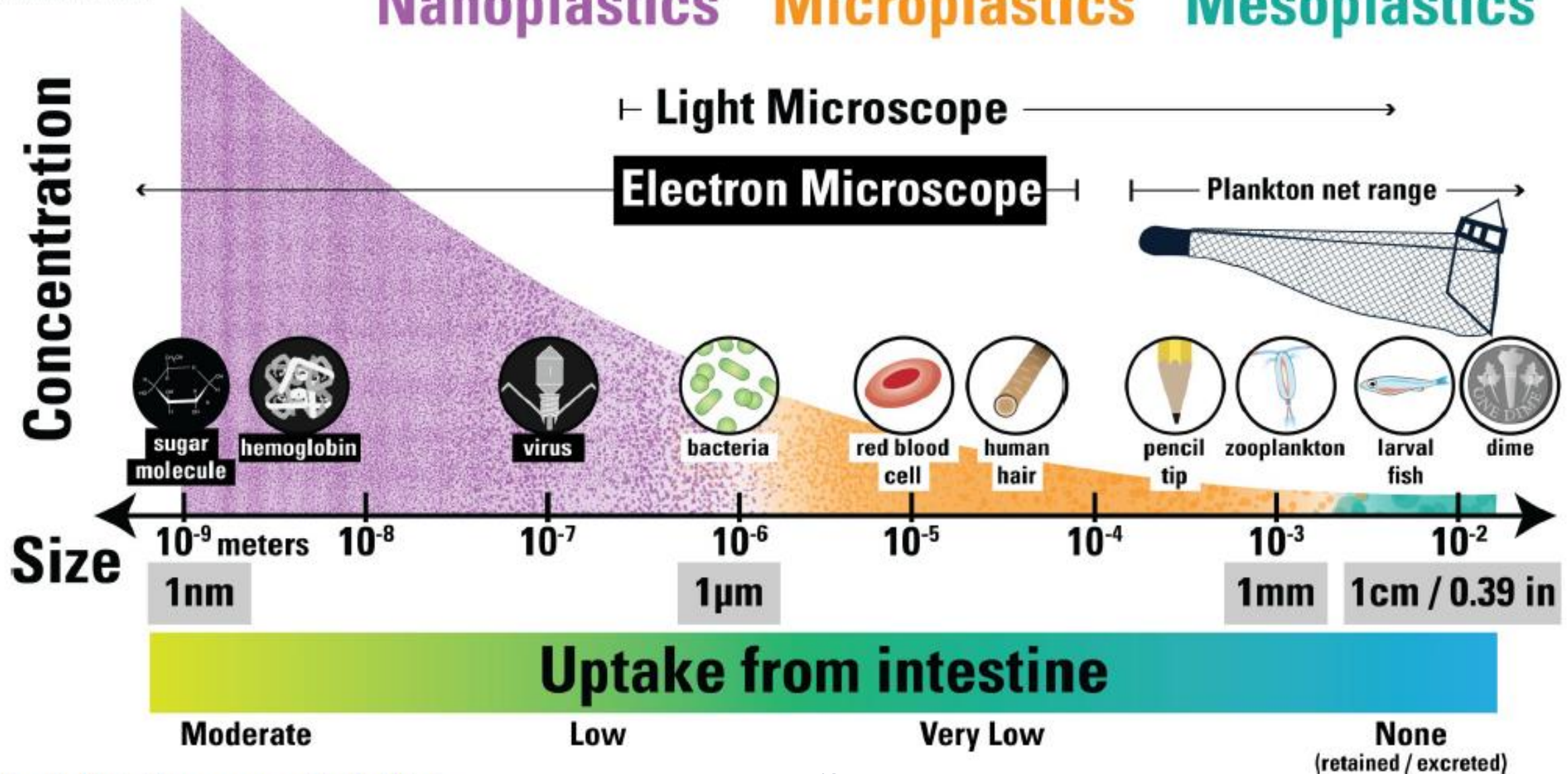
As of June 16, 2020

- 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



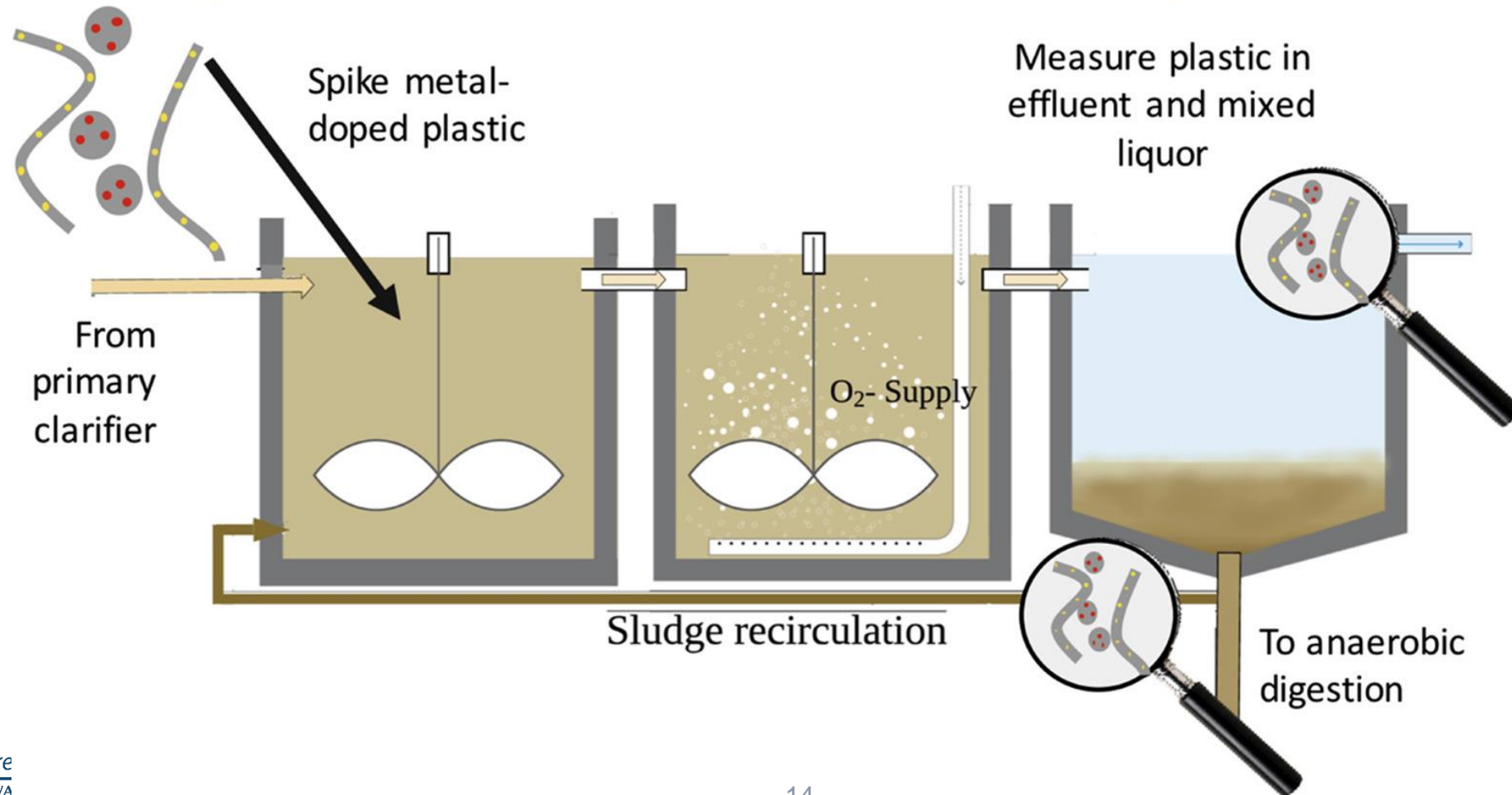
Conventional drinking water treatment can remove particles smaller than a micrometer through processes of coagulation, flocculation, sedimentation/flotation and filtration



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

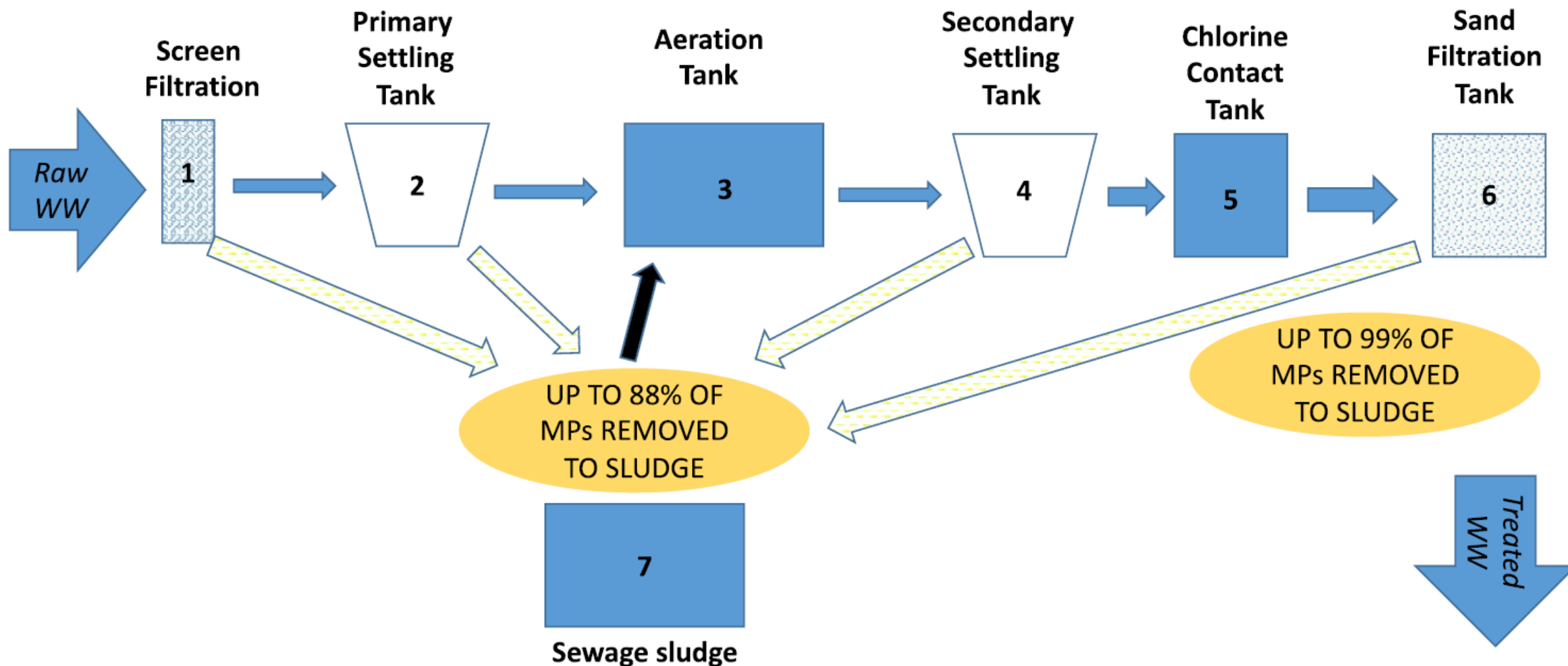
2020 Mass Balance Study shows Nanoplastic Removal was directly correlated with Total Suspended Solids Removal

Nanoplastic and MP fiber mass balance across pilot WWTP



Efficacy of WW Treatment in Removing Microplastics

Freeman et al (2020). Journal of Environmental Management



Take-Aways

Microplastics are a pervasive problem, especially for marine environment

Toxicological impacts of microplastics are not yet well understood

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

Contact Us



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Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, June 3, 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 May 6, 2021 and Special Meeting Minutes for May 11, 2021
- B. Review of Proposed Biennial Budget for Fiscal Years 2021/22 and 2022/23 for Regional Wastewater and Recycled Water Programs and Fiscal Years 2022-2031 Ten-Year Forecast

3. Informational Items

- A. Designation of Representative Entitled to Participate in Grants and Financial Assistance Negotiations
- B. Expanded Return to Sewer Study
- C. Regional Contract Negotiation Update (Oral)

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 – July 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, May 27, 2021.

Sally H. Lee

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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

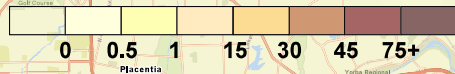
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

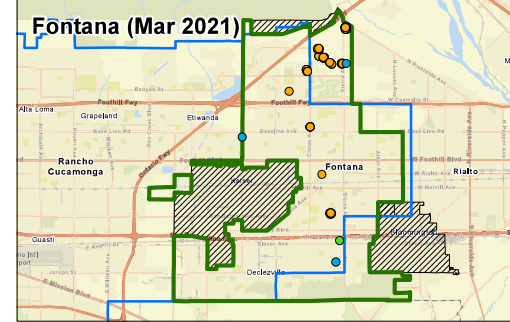
HALF MILE GRID: TOTAL EDU's (YTD)



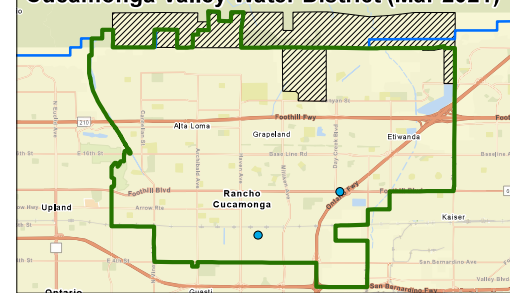
TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	
Chino	13	-1	367	439
Chino Hills	18	0	27	182
CVWD	26	27	14	1650
Fontana	61	7	915	2406
Montclair	10	0	0	407
Ontario	108	-3	822	3865
Upland	20	0	74	381
Total	255	31	2219	9321

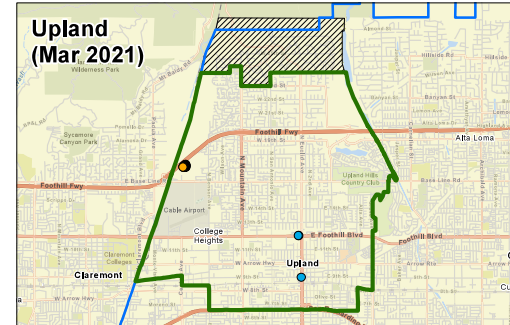
Fontana (Mar 2021)



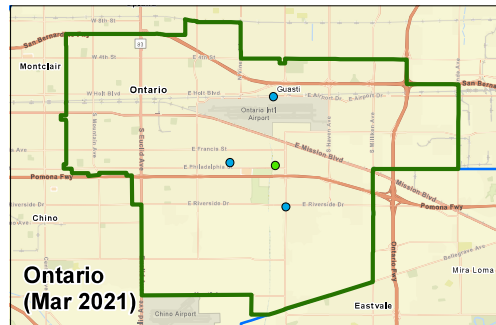
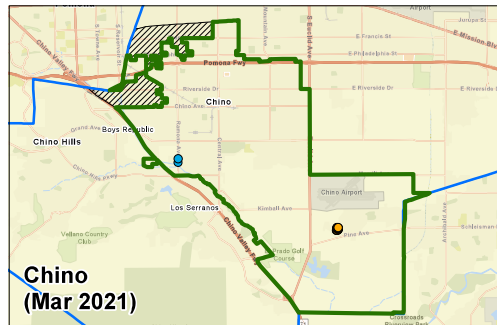
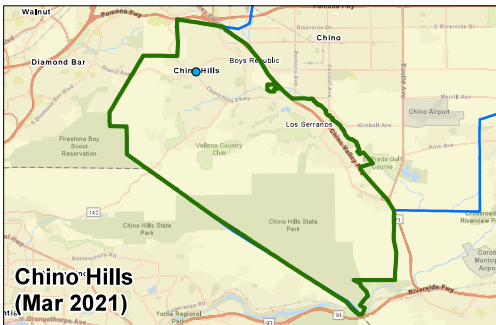
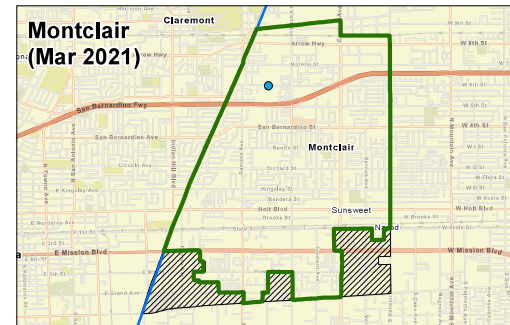
Cucamonga Valley Water District (Mar 2021)



Upland (Mar 2021)



Montclair (Mar 2021)



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IEUA RECYCLED WATER DISTRIBUTION – APRIL 2021

TOTAL ALL PLANTS

Influent: 49.1 MGD

Delivered: 32.1 MGD

Percent Delivered: 65%

Preliminary Deliveries

RW GWR: 14.2 MGD

RW Direct Use: 17.9 MGD

RP-4

Delivered: 8.0 MGD

RP-1

Delivered: 14.9 MGD

CCWRF

Delivered: 6.0 MGD

RP-5

Delivered: 3.2 MGD

Delivered For Groundwater Recharge

Storm/Local Runoff: 1.3 MGD 123 AFM

Imported Water (MWD): 0 MGD 0 AFM

Recycled Water: 14.2 MGD 1,350 AFM

Total: 15.5 MGD 1,473 AFM

Creek Discharges

Prado Park (001):	2.8 MGD	266 AFM
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RP-1 (002): 7.4 MGD 704 AFM

RP-5 (003): 5.1 MGD 485 AFM

CCWRF (004): 1.7 MGD 162 AFM

Total: 17.0 MGD 1,637 AFM

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

Basin	4/1-4/9	4/10-4/16	4/17-4/23	4/24-4/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final and do not included evaporative losses.	
Ely	38.1	0.0	11.8	61.8	111.7	904		
Banana	29.5	28.8	32.4	35.9	126.6	670		
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	523		
Turner 3 & 4	21.5	0.0	0.0	7.5	29.0			
8th Street	42.4	19.5	27.8	10.0	99.7	767		
Brooks	69.5	40.9	22.1	38.5	171.0	857		
RP3	166.5	137.0	103.7	84.9	492.1	5883		
Declez	0.0	0.0	8.8	23.7	32.5	655		
Victoria	0.0	0.0	0.0	0.0	0.0	1047		
San Sevaline	69.6	69.6	69.9	77.8	286.9	2120		
Total	437.1	295.8	276.5	340.1	1,349.5	13,671	10,675	AF previous FY to day actual

