



## **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](mailto: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.

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#### **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](http://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

**ACTION ITEM**

**2A**



## Regional Sewerage Program Policy Committee Meeting

### MINUTES OF MAY 6, 2021 MEETING

#### **CALL TO ORDER**

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held via teleconference on Thursday, May 6, 2021. Chair Bill Velto/City of Upland, called the meeting to order at 3:31 p.m.

#### **PLEDGE OF ALLEGIANCE**

Committee Member Dorst-Porada led the Pledge of Allegiance. Recording Secretary Sally Lee took roll call and established a quorum was present.

#### **ATTENDANCE via Teleconference**

##### **Committee Members:**

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

##### **Others Present:**

|                   |                   |
|-------------------|-------------------|
| Dave Crosley      | City of Chino     |
| Amanda Coker      | City of Chino     |
| Keith Kramer      | City of Fontana   |
| Noel Castillo     | City of Montclair |
| Scott Burton      | City of Ontario   |
| Courtney Jones    | City of Ontario   |
| Christopher Quach | City of Ontario   |
| Nicole deMoet     | City of Upland    |
| Luis Cetina       | CVWD              |
| Eduardo Espinoza  | CVWD              |
| Terra Alpaugh     | Kearns & West     |
| Michael Harty     | Kearns & West     |



**Others Present (continued):**

|                        |         |
|------------------------|---------|
| Scott Connor           | Unknown |
| Kathy Besser           | IEUA    |
| Christiana Daisy       | IEUA    |
| Shivaji Deshmukh       | IEUA    |
| Christina Valencia     | IEUA    |
| Jerry Burke            | IEUA    |
| Javier Chagoyen-Lazaro | IEUA    |
| Robert Delgado         | IEUA    |
| Denise Garzaro         | IEUA    |
| Don Hamlett            | IEUA    |
| Elizabeth Hurst        | IEUA    |
| Nolan King             | IEUA    |
| Sally Lee              | IEUA    |
| Jason Marseilles       | IEUA    |
| Cathleen Pieroni       | IEUA    |
| Jeanina Romero         | IEUA    |
| Ken Tam                | IEUA    |
| Teresa Velarde         | IEUA    |
| Jeff Ziegenbein        | IEUA    |

**PUBLIC COMMENTS**

There were no public comments.

**ADDITIONS/CHANGES TO THE AGENDA**

There were no additions or changes to the agenda.

**1. TECHNICAL COMMITTEE REPORT**

Nicole deMoet/City of Upland stated that at the April 29, 2021 Technical Committee meeting there were five action items: the approval of the March 25, 2021 Technical Committee meeting minutes, approval of the request by the City of Chino for a Regional Connection Point to the Montclair Interceptor Sewer, approval of the request by the City of Ontario for a Regional Connection Point to the Cucamonga Trunk Sewer, approval of the request by the City of Chino for a Regional Sewage Connection to the Kimball Interceptor Sewer, and the approval of the expanded Return to Sewer study. IEUA presented the following four information items: Operations Division Quarterly update, review of the proposed biennial budget for fiscal years (FYs) 2021/22 and 2022/2023 for the Regional Wastewater and Recycled Water programs, external supply sources, and Operations and Compliance update. She added that Michael Harty/Kearns & West will be presenting the Regional Contract Negotiations Update Workshop.

*Committee Member Jasmin Hall joined the meeting at 3:35 p.m.*

## 2. ACTION ITEMS

### A. APPROVAL OF THE APRIL 1, 2021 POLICY COMMITTEE MEETING MINUTES

**Motion:** By Randall Reed/CVWD and seconded by Jesse Sandoval/City of Fontana to approve the meeting minutes of the April 1, 2021 Regional Policy Committee meeting.

**Motion carried by roll call vote: Ayes: 7; Abstain: 0; Absent: 0; Noes: 0**

With the following roll call vote:

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

## 3. WORKSHOP

### A. REGIONAL CONTRACT NEGOTIATIONS UPDATE

Michael Harty/Kearns & West provided an update on the status of the sewage contract negotiations and topics of governance in the current contract. He noted that this governance arrangement is unique in that he is not aware of another entity that is governed by a Technical Committee, Policy Committee, and Board governance arrangement. He also noted that since it is contract based and negotiated, the current governance structure exists while the contract exists. He also noted the significant external changes since the contract was first negotiated such as IEUA's expanded level of service, regional growth, litigation, and the use and value of recycled water has changed. He expounded on other key points and challenges with the current contract, the Regional Policy and Technical Committee roles in the current contract, key governance interests, and asked for input from the Committee members.

Committee members expressed concerns and comments about the decision-making structure and processes, governance roles and structures of the Technical and Policy Committees and IEUA Board of Directors, communication, and consideration of Policy member input from the IEUA Board of Directors and staff, contract structure and verbiage, and education of new Policy members. Discussion ensued regarding proposed changes to the recycled water framework.

## 4. INFORMATIONAL ITEMS

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

Christina Valencia/IEUA gave an overview of the proposed biennial budget for fiscal years 2021/2022 and 2022/23 for the Regional Wastewater and Recycled Water Programs.

Discussion ensued regarding projects related to Water Resources, meter equivalent unit rate, participation in conservation programs, the budget in relation to the Water Structure Infrastructure Program (WSIP)/Chino Basin Program (CBP), budget approval process, water connection fee rate, rate studies, and property tax allocation.

**B. BENEFICIAL USE OF BIOGAS – COGENERATION UPDATE**

Pietro Cambiaso/IEUA gave an update on the beneficial use of biogas – cogeneration. Discussion ensued regarding total energy demand met through renewable energy resources, previous bio generators, solar power, and demand rates.

**C. EXTERNAL SUPPLY SOURCES**

Sylvie Lee/IEUA gave an overview of the external supply sources. Members of the Committee commented on the potential costs of external sources and questioned the relation to the WSIP/CBP project.

**D. EXPANDED RETURN TO SEWER STUDY**

Committee Member Reed requested the item be pulled and presented at a future Policy Committee meeting.

**3. RECEIVE AND FILE****A. OPERATION DIVISION QUARTERLY UPDATE**

The Operation Division Quarterly Update 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.

**D. REGIONAL CONTRACT NEGOTIATION MEETING NOTES**

The Regional Contract Negotiation meeting notes were received and filed by the Committee.

**4. OTHER BUSINESS****A. IEUA GENERAL MANAGER'S UPDATE**

General Manager Shivaji Deshmukh thanked Committee Member Dorst-Porada and Committee Member Dutrey for taking the time to join staff on tours of the RP-1 and RP-5 facilities. He gave an update on the MVWD's application to LAFCO to activate the district's latent power to provide wastewater collection services. He also gave an update on the Kimberly-Clark flushable wipes settlement agreement that took place on April 26 and the potential implications on advocacy efforts regarding flushable wipes.

**B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING**

There was no Committee member requested agenda items for the next meeting.

**C. COMMITTEE MEMBER COMMENTS**

Committee Member Dorst-Porada stressed the importance of working together to provide the best product at the best rate possible. She encouraged the Committee members to listen to the May 5 IEUA Board Workshop meeting.

**D. NEXT MEETING – JUNE 3, 2021**

Chair Velto stated that there will also be a Special Policy Committee meeting on Tuesday, May 11, 2021 at 11:00 a.m. at the De Anza Community Center in Ontario.

**5. ADJOURNMENT**

Chair Velto/Co-Chair Reed adjourned the meeting at 5:29 p.m.

Prepared by:

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Sally H. Lee, Executive Assistant

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# Special Regional Sewerage Program Policy Committee Meeting

## MINUTES OF MAY 11, 2021 MEETING

### **CALL TO ORDER**

A special meeting of the Regional Sewerage Program Policy Committee was held at De Anza Community Center, Gymnasium at 1405 S. Fern Avenue, Ontario, CA 91762 on Tuesday, May 11, 2021. Chair Bill Velto/City of Upland, called the meeting to order at 11:09 a.m.

### **PLEDGE OF ALLEGIANCE**

CVWD Policy Committee Alternate Luis Cetina led the Pledge of Allegiance. Recording Secretary Nicole deMoet took roll call and established a quorum was present.

### **ATTENDANCE**

#### **Committee Members:**

|                          |                   |
|--------------------------|-------------------|
| Jesse Sandoval           | City of Fontana   |
| Debra Dorst-Porada       | City of Ontario   |
| John Dutrey              | City of Montclair |
| Randall Reed             | CVWD              |
| Eunice Ulloa (11:31 a.m) | City of Chino     |
| Bill Velto               | City of Upland    |

#### **Committee Members Absent:**

|                |                     |
|----------------|---------------------|
| Jasmin A. Hall | IEUA                |
| Peter Rogers   | City of Chino Hills |

#### **Others Present:**

|                  |                     |
|------------------|---------------------|
| Nicole deMoet    | City of Upland      |
| Ron Craig        | City of Chino Hills |
| Steve Nix        | City of Fontana     |
| Ben Montgomery   | City of Chino Hills |
| John Bosler      | CVWD                |
| Luis Cetina      | CVWD                |
| Daniel Bobadilla | City of Chino Hills |
| Keith Kramer     | City of Fontana     |
| Braden Yu        | City of Upland      |
| Dave Crosley     | City of Chino       |
| Matt Ballantyne  | City of Chino       |
| Scott Ochoa      | City of Ontario     |
| Cindy Cisneros   | CVWD                |
| Courtney Jones   | City of Ontario     |

**Others Present (continued):**

|                  |                 |
|------------------|-----------------|
| Scott Burton     | City of Ontario |
| Vanessa Campos   | City of Ontario |
| Aracely Martinez | City of Ontario |

**PUBLIC COMMENTS**

There were no public comments.

**ADDITIONS/CHANGES TO THE AGENDA**

There were no additions or changes to the agenda.

**1. WORKSHOP****A. REGIONAL CONTRACT NEGOTIATIONS UPDATE**

Scott Burton provided a presentation on the current status of the regional contract draft being prepared by BB&K and next steps. Further discussion was facilitated regarding Policy Committee positions shared during the May 6, 2021 Policy Committee Meeting on two questions posed by Michael Harty (Kearns and West) on what aspects work well, and what concerns do Policy Committee members have with the current governance structure. Discussion ensued amongst the Policy Committee Members. The need to provide guidance for new Policy Committee Members on the roles of the Technical and Policy Committees as described in the contract were discussed. Plans for the circulation and review of contract language on governance as proposed by BBK were discussed.

**3. OTHER BUSINESS****A. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING**

Committee Members Dorst-Porada and Chair Velto suggested exploring the existing contract provision for the Policy Committee to designate one representative to participate in grant negotiations.

**B. COMMITTEE MEMBER COMMENTS**

Committee Member Reed thanked Scott Burton for his presentation.

**C. NEXT MEETING – JUNE 3, 2021****4. ADJOURNMENT**

Chair Velto adjourned the meeting at 12:08 p.m.

Transcribed by:

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Nicole deMoet, City of Upland Environmental Quality Administrator

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**ACTION ITEM**

**2B**



Date: May 27, 2021 and June 3, 2021

To: Regional Committees

From: Inland Empire Utilities Agency *ASD*

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**

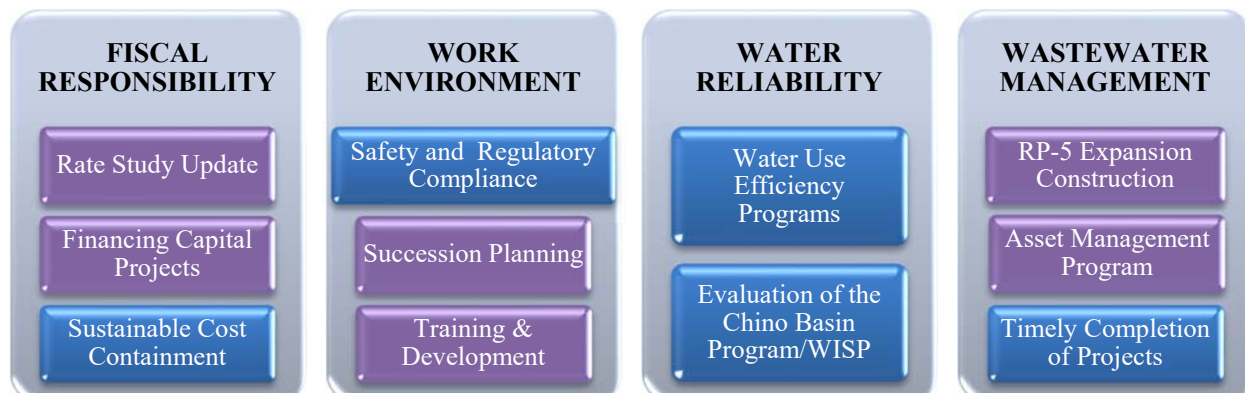
It is requested that the Regional Committees recommend approval to the IEUA Board of Directors (Board) for the proposed Fiscal Years (FYs) 2021/22 and 2022/23 Biennial Budget (Biennial Budget) for the Agency's Regional Wastewater Capital Improvement fund, Regional Wastewater Operations and Maintenance 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<br>(\$ Millions) |
|---|-------------------------------|
| Regional Wastewater Capital Improvement Fund*     | \$610.5                       |
| Regional Wastewater Operations & Maintenance Fund | 92.40                         |
| Recycled Water Fund                               | 60.80                         |
| <b>Ten Year Forecast</b>                          | <b>\$763.7</b>                |

\*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. |
| <b>Total</b>                       | <b>\$77.3</b> | <b>\$124.9</b> |   |

\*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.                                     |
| <b>Total</b>                     | <b>\$229.6</b> | <b>\$176.7</b> |   |

**Table 5: Wastewater Capital Fund Major Capital Projects**

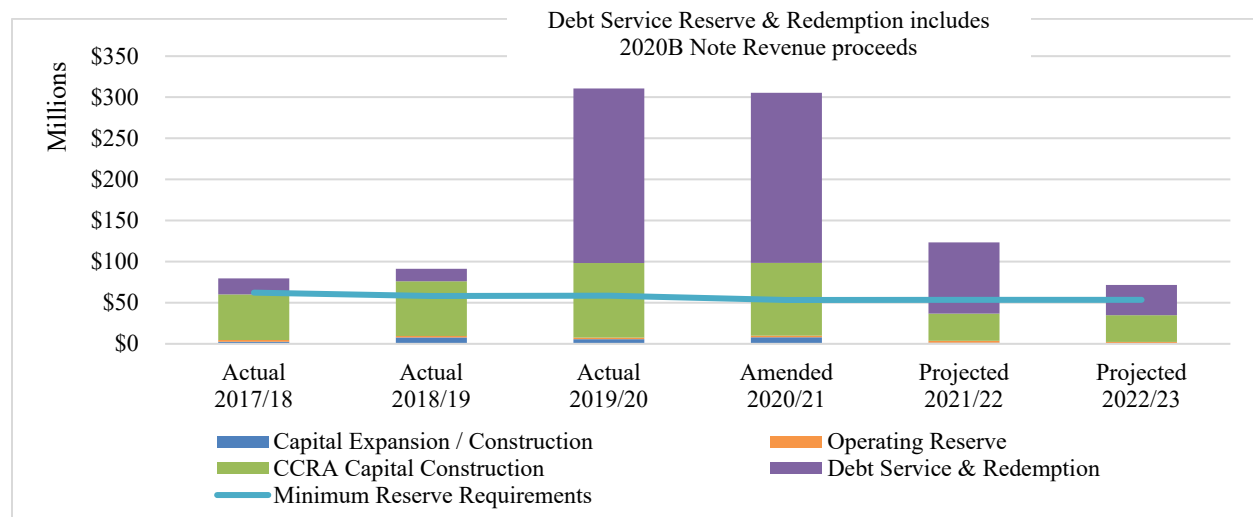
| Major Projects (\$Millions)                 | FY 2021/22     | FY 2022/23     | FY 2023/24 to FY 2030/31 | TYCIP Total    |
|---|----------------|----------------|--------------------------|----------------|
| RP-5 Expansion Construction                 | \$177.0        | \$113.0        | \$60.2                   | \$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            |
| <b>Total Capital Projects</b>               | <b>\$202.3</b> | <b>\$154.7</b> | <b>\$262.0</b>           | <b>\$619.0</b> |

\*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. |
| <b>Total</b> | <b>\$102.6</b> | <b>\$98.3</b> |  |

*\*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<br>(\$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. |
| <b>Total</b>   | <b>\$103.2</b> | <b>\$96.7</b> |  |

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<br>to FY<br>2030/31 | TYCIP<br>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           |
| <b>Total</b>                           | <b>\$16.3</b> | <b>\$9.6</b> | <b>\$66.5</b>                  | <b>\$92.4</b>  |

### 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**

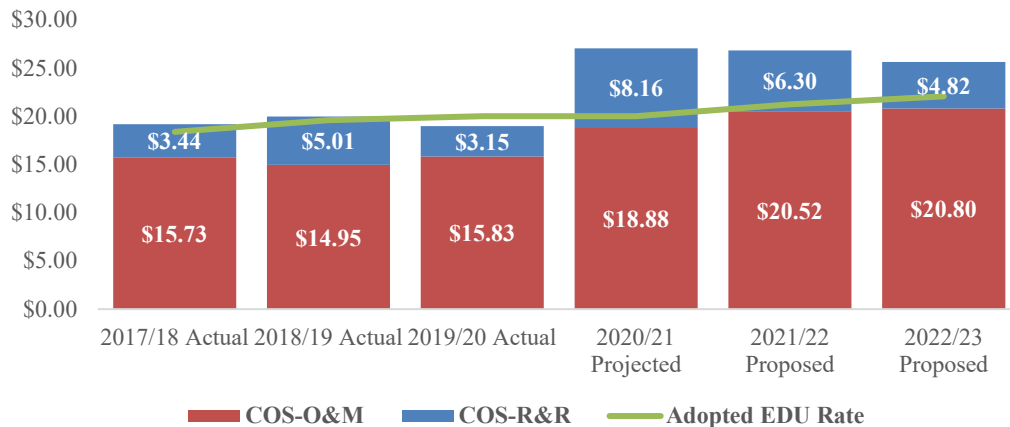
| Rate Description    | FY 2020/21<br>Adopted | FY 2021/22<br>Adopted | FY 2022/23<br>Projected                         |
|---------------------|-----------------------|-----------------------|---|
| EDU Volumetric Rate | \$20.00               | \$21.22               | \$22.07   |
| Effective Date      | 7/01/20               | 7/01/21               | To be reviewed based on<br>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.

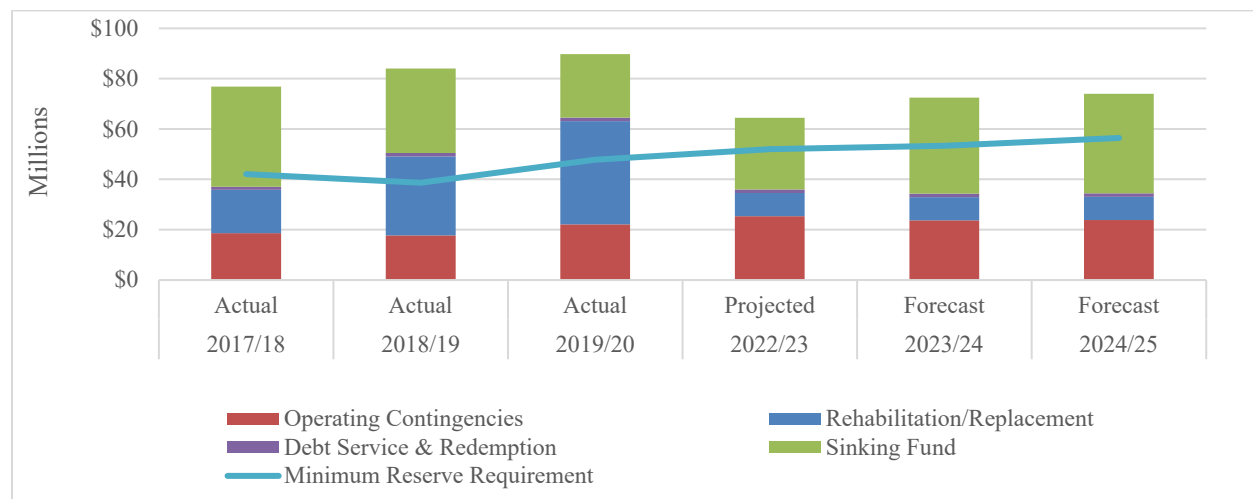
**Figure 2: Monthly EDU Sewage Cost of Service**



### 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.

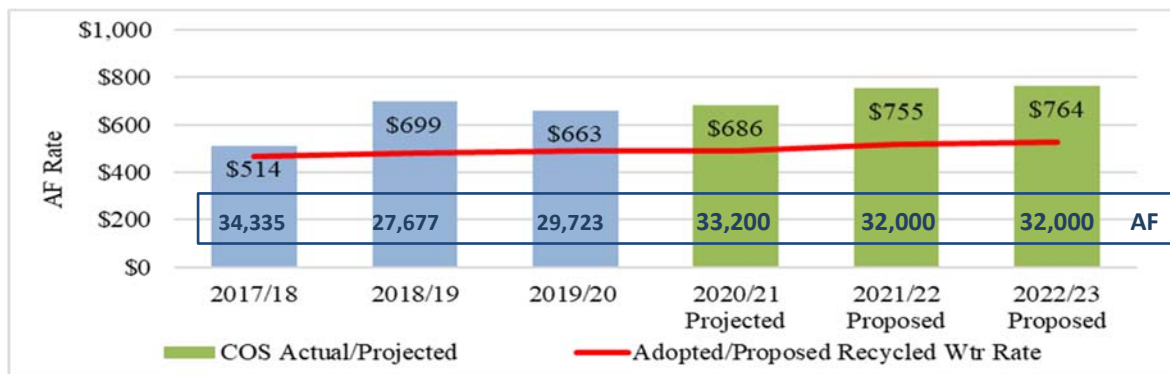
**Table 12: Recycled Water Fund Major Capital Projects**

| 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 <sup>th</sup> Street Recycled Water Turnout Connection | 0.6          | 0.9          | -                        | 1.5           |
| All Other Capital Projects                               | 0.7          | 0.2          | 0.1                      | 1.0           |
| <b>Total</b>   | <b>\$2.5</b> | <b>\$5.6</b> | <b>\$52.7</b>            | <b>\$60.8</b> |

### 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.

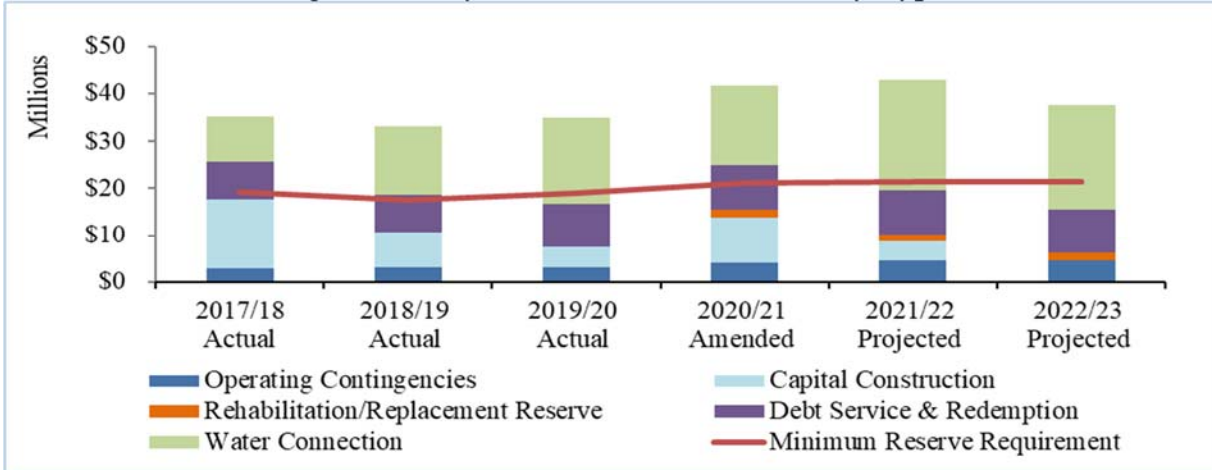
As shown in Figure 4 the estimated cost of service of \$755/AF in FY 2021/22 is projected to exceed the adopted rate of \$520/AF. A key driver for the higher projected AF cost of service rate are the projected lower recycled water deliveries. Projections and underlying assumptions are reviewed and updated 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<br>BUDGET | PROPOSED<br>BUDGET | PROPOSED<br>BUDGET | FORECAST         |                  |                  |
| <b>REVENUES</b>                           |                  |                  |                   |                    |                    |                  |                  |                  |
| Interest Revenue                          | \$838            | \$836            | \$826             | \$592              | \$700              | \$838            | \$721            | \$436            |
| <b>TOTAL REVENUES</b>                     | <b>\$838</b>     | <b>\$836</b>     | <b>\$826</b>      | <b>\$592</b>       | <b>\$700</b>       | <b>\$838</b>     | <b>\$721</b>     | <b>\$436</b>     |
| <b>OTHER FINANCING SOURCES</b>            |                  |                  |                   |                    |                    |                  |                  |                  |
| 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                |
| <b>TOTAL OTHER FINANCING SOURCES</b>      | <b>\$56,938</b>  | <b>\$258,018</b> | <b>\$128,172</b>  | <b>\$67,643</b>    | <b>\$115,105</b>   | <b>\$217,974</b> | <b>\$131,777</b> | <b>\$276,439</b> |
| <b>EXPENSES</b>                           |                  |                  |                   |                    |                    |                  |                  |                  |
| 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            |
| <b>TOTAL EXPENSES</b>                     | <b>\$5,560</b>   | <b>\$5,672</b>   | <b>\$5,973</b>    | <b>\$6,820</b>     | <b>\$6,907</b>     | <b>\$7,360</b>   | <b>\$7,491</b>   | <b>\$7,755</b>   |
| <b>CAPITAL PROGRAM</b>                    |                  |                  |                   |                    |                    |                  |                  |                  |
| 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              |
| <b>TOTAL CAPITAL PROGRAM</b>              | <b>\$24,845</b>  | <b>\$13,813</b>  | <b>\$99,145</b>   | <b>\$202,296</b>   | <b>\$154,677</b>   | <b>\$97,358</b>  | <b>\$50,333</b>  | <b>\$22,600</b>  |
| <b>DEBT SERVICE</b>                       |                  |                  |                   |                    |                    |                  |                  |                  |
| 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          |
| <b>TOTAL DEBT SERVICE</b>                 | <b>\$11,919</b>  | <b>\$13,046</b>  | <b>\$12,543</b>   | <b>\$7,219</b>     | <b>\$7,030</b>     | <b>\$6,962</b>   | <b>\$8,656</b>   | <b>\$212,324</b> |
| <b>TRANSFERS IN (OUT)</b>                 |                  |                  |                   |                    |                    |                  |                  |                  |
| 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)          |
| <b>TOTAL INTERFUND TRANSFERS IN (OUT)</b> | <b>(\$3,755)</b> | <b>(\$7,119)</b> | <b>(\$16,430)</b> | <b>(\$4,217)</b>   | <b>\$954</b>       | <b>\$839</b>     | <b>\$3,392</b>   | <b>(\$2,271)</b> |
| <b>FUND BALANCE</b>                       |                  |                  |                   |                    |                    |                  |                  |                  |
| 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          |
| <b>ENDING FUND BALANCE AT JUNE 30*</b>    | <b>\$91,308</b>  | <b>\$310,512</b> | <b>\$101,429</b>  | <b>\$123,392</b>   | <b>\$71,536</b>    | <b>\$179,507</b> | <b>\$248,918</b> | <b>\$280,843</b> |
| <b>RESERVE BALANCE SUMMARY</b>            |                  |                  |                   |                    |                    |                  |                  |                  |
| 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           |
| <b>ENDING BALANCE AT JUNE 30</b>          | <b>\$91,308</b>  | <b>\$310,512</b> | <b>\$101,429</b>  | <b>\$123,392</b>   | <b>\$71,536</b>    | <b>\$179,507</b> | <b>\$248,918</b> | <b>\$280,843</b> |

\*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         |                  |                  |
| <b>REVENUES</b>                           |                 |                 |                 |                  |                  |                  |                  |                  |
| 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            |
| <b>TOTAL REVENUES</b>                     | <b>\$72,301</b> | <b>\$74,658</b> | <b>\$73,920</b> | <b>\$78,660</b>  | <b>\$82,073</b>  | <b>\$85,526</b>  | <b>\$89,453</b>  | <b>\$93,423</b>  |
| <b>OTHER FINANCING SOURCES</b>            |                 |                 |                 |                  |                  |                  |                  |                  |
| 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               |
| <b>TOTAL OTHER FINANCING SOURCES</b>      | <b>\$13,164</b> | <b>\$13,643</b> | <b>\$14,252</b> | <b>\$19,095</b>  | <b>\$13,806</b>  | <b>\$13,748</b>  | <b>\$13,977</b>  | <b>\$14,211</b>  |
| <b>EXPENSES</b>                           |                 |                 |                 |                  |                  |                  |                  |                  |
| 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            |
| <b>TOTAL EXPENSES</b>                     | <b>\$57,052</b> | <b>\$70,400</b> | <b>\$80,246</b> | <b>\$75,446</b>  | <b>\$75,954</b>  | <b>\$79,168</b>  | <b>\$80,490</b>  | <b>\$84,712</b>  |
| <b>CAPITAL PROGRAM</b>                    |                 |                 |                 |                  |                  |                  |                  |                  |
| Capital Construction & Expansion (W)      | \$20,629        | \$13,352        | \$40,689        | \$16,292         | \$9,610          | \$13,847         | \$8,364          | \$6,426          |
| <b>TOTAL CAPITAL PROGRAM</b>              | <b>\$20,629</b> | <b>\$13,352</b> | <b>\$40,689</b> | <b>\$16,292</b>  | <b>\$9,610</b>   | <b>\$13,847</b>  | <b>\$8,364</b>   | <b>\$6,426</b>   |
| <b>DEBT SERVICE</b>                       |                 |                 |                 |                  |                  |                  |                  |                  |
| 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              |
| <b>TOTAL DEBT SERVICE</b>                 | <b>\$1,548</b>  | <b>\$1,349</b>  | <b>\$1,381</b>  | <b>\$1,398</b>   | <b>\$1,398</b>   | <b>\$1,417</b>   | <b>\$1,417</b>   | <b>\$1,417</b>   |
| <b>TRANSFERS IN (OUT)</b>                 |                 |                 |                 |                  |                  |                  |                  |                  |
| 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            |
| <b>TOTAL INTERFUND TRANSFERS IN (OUT)</b> | <b>\$909</b>    | <b>\$2,524</b>  | <b>\$8,822</b>  | <b>(\$5,264)</b> | <b>(\$7,394)</b> | <b>(\$6,007)</b> | <b>(\$9,515)</b> | <b>(\$2,316)</b> |
| <b>FUND BALANCE</b>                       |                 |                 |                 |                  |                  |                  |                  |                  |
| 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           |
| <b>ENDING FUND BALANCE JUNE 30*</b>       | <b>\$84,000</b> | <b>\$89,725</b> | <b>\$64,403</b> | <b>\$72,472</b>  | <b>\$73,995</b>  | <b>\$72,829</b>  | <b>\$76,473</b>  | <b>\$89,236</b>  |
| <b>RESERVE BALANCE SUMMARY</b>            |                 |                 |                 |                  |                  |                  |                  |                  |
| 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           |
| <b>ENDING BALANCE AT JUNE 30</b>          | <b>\$84,000</b> | <b>\$89,725</b> | <b>\$64,403</b> | <b>\$72,472</b>  | <b>\$73,995</b>  | <b>\$72,829</b>  | <b>\$76,473</b>  | <b>\$89,236</b>  |

\* 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         |                  |                  |
| <b>REVENUES</b>                           |                  |                  |                  |                  |                  |                  |                  |                  |
| 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           |
| <b>TOTAL REVENUES</b>                     | <b>\$14,670</b>  | <b>\$15,800</b>  | <b>\$16,863</b>  | <b>\$17,823</b>  | <b>\$18,150</b>  | <b>\$18,516</b>  | <b>\$19,137</b>  | <b>\$19,536</b>  |
| <b>OTHER FINANCING SOURCES</b>            |                  |                  |                  |                  |                  |                  |                  |                  |
| 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                |
| <b>TOTAL OTHER FINANCING SOURCES</b>      | <b>\$ 11,324</b> | <b>\$ 25,377</b> | <b>\$ 20,633</b> | <b>\$ 10,790</b> | <b>\$ 11,084</b> | <b>\$ 11,383</b> | <b>\$ 11,692</b> | <b>\$ 11,918</b> |
| <b>EXPENSES</b>                           |                  |                  |                  |                  |                  |                  |                  |                  |
| 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            |
| <b>TOTAL EXPENSES</b>                     | <b>\$9,619</b>   | <b>\$9,349</b>   | <b>\$12,170</b>  | <b>\$13,664</b>  | <b>\$13,993</b>  | <b>\$14,788</b>  | <b>\$15,362</b>  | <b>\$15,589</b>  |
| <b>CAPITAL PROGRAM</b>                    |                  |                  |                  |                  |                  |                  |                  |                  |
| Work In Progress                          | \$6,636          | \$19,298         | \$3,570          | \$2,480          | \$5,550          | \$2,150          | \$3,000          | \$5,000          |
| <b>TOTAL CAPITAL PROGRAM</b>              | <b>\$6,636</b>   | <b>\$19,298</b>  | <b>\$3,570</b>   | <b>\$2,480</b>   | <b>\$5,550</b>   | <b>\$2,150</b>   | <b>\$3,000</b>   | <b>\$5,000</b>   |
| <b>DEBT SERVICE</b>                       |                  |                  |                  |                  |                  |                  |                  |                  |
| 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                |
| <b>TOTAL DEBT SERVICE</b>                 | <b>\$11,129</b>  | <b>\$10,890</b>  | <b>\$12,245</b>  | <b>\$12,273</b>  | <b>\$14,309</b>  | <b>\$15,302</b>  | <b>\$14,581</b>  | <b>\$8,077</b>   |
| <b>TRANSFERS IN (OUT)</b>                 |                  |                  |                  |                  |                  |                  |                  |                  |
| 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)            |
| <b>TOTAL INTERFUND TRANSFERS IN (OUT)</b> | <b>(\$459)</b>   | <b>\$47</b>      | <b>\$24</b>      | <b>(\$760)</b>   | <b>(\$608)</b>   | <b>\$608</b>     | <b>\$717</b>     | <b>\$756</b>     |
| <b>FUND BALANCE</b>                       |                  |                  |                  |                  |                  |                  |                  |                  |
| 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           |
| <b>ENDING BALANCE AT JUNE 30</b>          | <b>\$33,287</b>  | <b>\$34,974</b>  | <b>\$41,600</b>  | <b>\$42,851</b>  | <b>\$37,625</b>  | <b>\$35,892</b>  | <b>\$34,495</b>  | <b>\$38,038</b>  |
| <b>RESERVE BALANCE SUMMARY</b>            |                  |                  |                  |                  |                  |                  |                  |                  |
| 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            |
| <b>ENDING BALANCE AT JUNE 30</b>          | <b>\$33,287</b>  | <b>\$34,974</b>  | <b>\$41,600</b>  | <b>\$42,851</b>  | <b>\$37,625</b>  | <b>\$35,892</b>  | <b>\$34,495</b>  | <b>\$38,038</b>  |

\* 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<br>Adopted | FY 2021/22<br>Adopted | FY 2022/23<br>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<br>Adopted | FY 2021/22<br>Adopted | FY 2022/23<br>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<br>sewer use evaluation results |

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

| Rate Description             | FY 2020/21<br>Adopted | FY 2021/22<br>Adopted | FY 2022/23<br>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<br>use evaluation results |

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

| Rate Description  | FY 2020/21<br>Adopted | FY 2021/22<br>Adopted | FY 2022/23<br>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<br>2023/24 \$1.0<br>2024/25 \$1.0<br>Total \$3.0  |
| FY 2009/10              | Non-Reclaimable Wastewater (NRW) Fund             | 6.0                      | 2021/22 \$3.0<br>2022/23 \$3.0<br>Total \$6.0                   |
| FY 2014/15              | Regional Wastewater Capital Improvement (RC) Fund | 10.5                     | 2022/23 \$1.0<br>2023/24 \$5.0<br>2024/25 \$4.5<br>Total \$10.5 |
| <b>Total</b>            | <b>Grand Total</b>                                | <b>\$19.5</b>            | <b>\$19.5</b>   |

## 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    |
|--|--|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>Capital Projects</b>                                      |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| <b>Regional Wastewater Operations &amp; Maintenance Fund</b> |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| 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         |
| <b>Total Regional Wastewater O &amp; M Fund</b>              |  | <b>16,292,000</b>  | <b>9,610,000</b>   | <b>13,847,400</b>  | <b>8,364,400</b>  | <b>6,425,600</b>  | <b>4,341,100</b>  | <b>3,306,500</b>  | <b>8,500,000</b>  | <b>8,200,000</b>  | <b>13,476,500</b> | <b>92,363,500</b>  |
| <b>Regional Wastewater Capital Fund</b>                      |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| 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          |
| <b>Total Regional Wastewater Capital</b>                     |  | <b>201,296,000</b> | <b>153,927,000</b> | <b>96,608,090</b>  | <b>49,583,147</b> | <b>21,850,000</b> | <b>16,850,000</b> | <b>8,850,000</b>  | <b>8,850,000</b>  | <b>23,850,000</b> | <b>28,850,000</b> | <b>610,514,237</b> |
| <b>Recycled Water Fund</b>                                   |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| 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            |
| <b>Total Recycled Water Fund</b>                             |  | <b>2,480,000</b>   | <b>5,550,000</b>   | <b>2,150,000</b>   | <b>3,000,000</b>  | <b>5,000,000</b>  | <b>7,000,000</b>  | <b>8,900,000</b>  | <b>8,900,000</b>  | <b>8,900,000</b>  | <b>8,900,000</b>  | <b>60,780,000</b>  |
| <b>Capital Projects Total</b>                                |  | <b>220,068,000</b> | <b>169,087,000</b> | <b>112,605,490</b> | <b>60,947,547</b> | <b>33,275,600</b> | <b>28,191,100</b> | <b>21,056,500</b> | <b>26,250,000</b> | <b>40,950,000</b> | <b>51,226,500</b> | <b>763,657,737</b> |

| 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    |
|--|--|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b>Non-Capital Projects</b>                                  |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| <b>Regional Wastewater Operations &amp; Maintenance Fund</b> |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| 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 Assessm | 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          |
| <b>Total Regional Wastewater O&amp;M</b>                     |  | <b>6,942,042</b>   | <b>4,220,000</b>   | <b>4,385,000</b>   | <b>3,600,000</b>  | <b>5,288,810</b>  | <b>4,095,975</b>  | <b>3,603,354</b>  | <b>5,010,955</b>  | <b>6,200,000</b>  | <b>4,700,000</b>  | <b>48,046,136</b>  |
| <b>Recycled Water Fund</b>                                   |  |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                    |
| 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             |
| <b>Total Recycled Water</b>                                  |  | <b>1,215,000</b>   | <b>710,000</b>     | <b>840,000</b>     | <b>1,050,000</b>  | <b>820,000</b>    | <b>550,000</b>    | <b>550,000</b>    | <b>570,000</b>    | <b>550,000</b>    | <b>550,000</b>    | <b>7,405,000</b>   |
| <b>Total Non-Capital Projects Total</b>                      |  | <b>8,157,042</b>   | <b>4,930,000</b>   | <b>5,225,000</b>   | <b>4,650,000</b>  | <b>6,108,810</b>  | <b>4,645,975</b>  | <b>4,153,354</b>  | <b>5,580,955</b>  | <b>6,750,000</b>  | <b>5,250,000</b>  | <b>55,451,136</b>  |
| <b>Total All Projects</b>                                    |  | <b>228,225,042</b> | <b>174,017,000</b> | <b>117,830,490</b> | <b>65,597,547</b> | <b>39,384,410</b> | <b>32,837,075</b> | <b>25,209,854</b> | <b>31,830,955</b> | <b>47,700,000</b> | <b>56,476,500</b> | <b>819,108,873</b> |





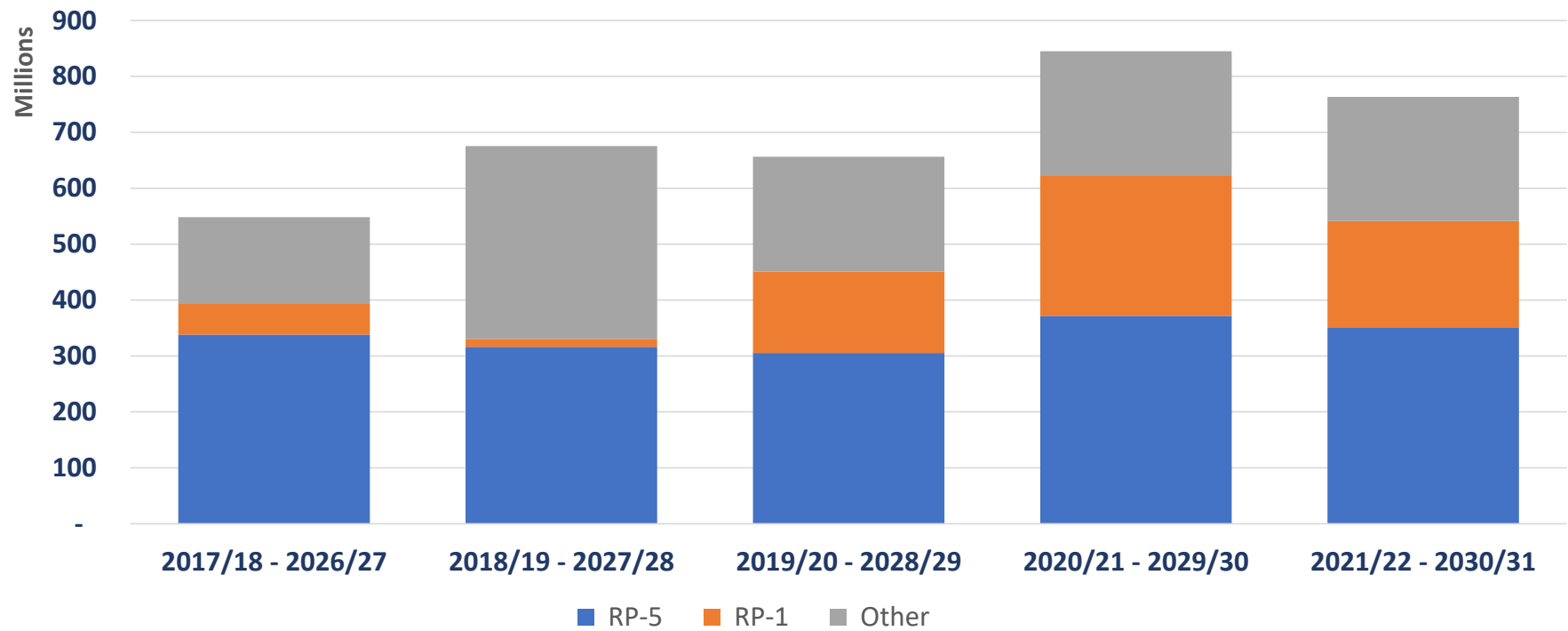
# **Fiscal Years 2021/22 and 2022/23 Regional Wastewater and Recycled Water Program Budget and FYs 2022-2031 Ten Year Forecast**

Christina Valencia

Executive Manager of Finance & Administration/AGM

May 27, 2021 / June 3, 2021

# Proposed TYF \$764M Fiscal Years 2022 - 2031

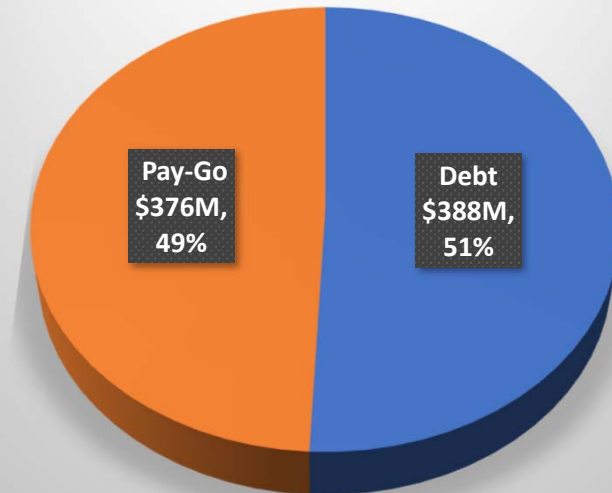




# Proposed TYF (FYs 2022-2031) By Program and Funding Source

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

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   | <b>\$20.00</b>   | <b>\$6,955</b>                  | <b>\$490</b>  | <b>\$550</b>                 | <b>\$1,684</b>                 | <b>\$1.04</b>                | <b>75%</b>           |
| FY 2021/22   | <b>\$21.22</b>   | <b>\$7,379</b>                  | <b>\$520</b>  | <b>\$580</b>                 | <b>\$1,787</b>                 | <b>\$1.08</b>                | <b>90%</b>           |
| 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 |                              | <b>\$1,841</b>                 | <b>\$1.10</b>                | <b>100%</b>          |
| FY 2023/24   |  |                                 |   |                              | <b>\$1,896</b>                 | <b>\$1.12</b>                | <b>100%</b>          |
| FY 2024/25   |  |                                 |   |                              | <b>\$1,953</b>                 | <b>\$1.14</b>                | <b>100%</b>          |

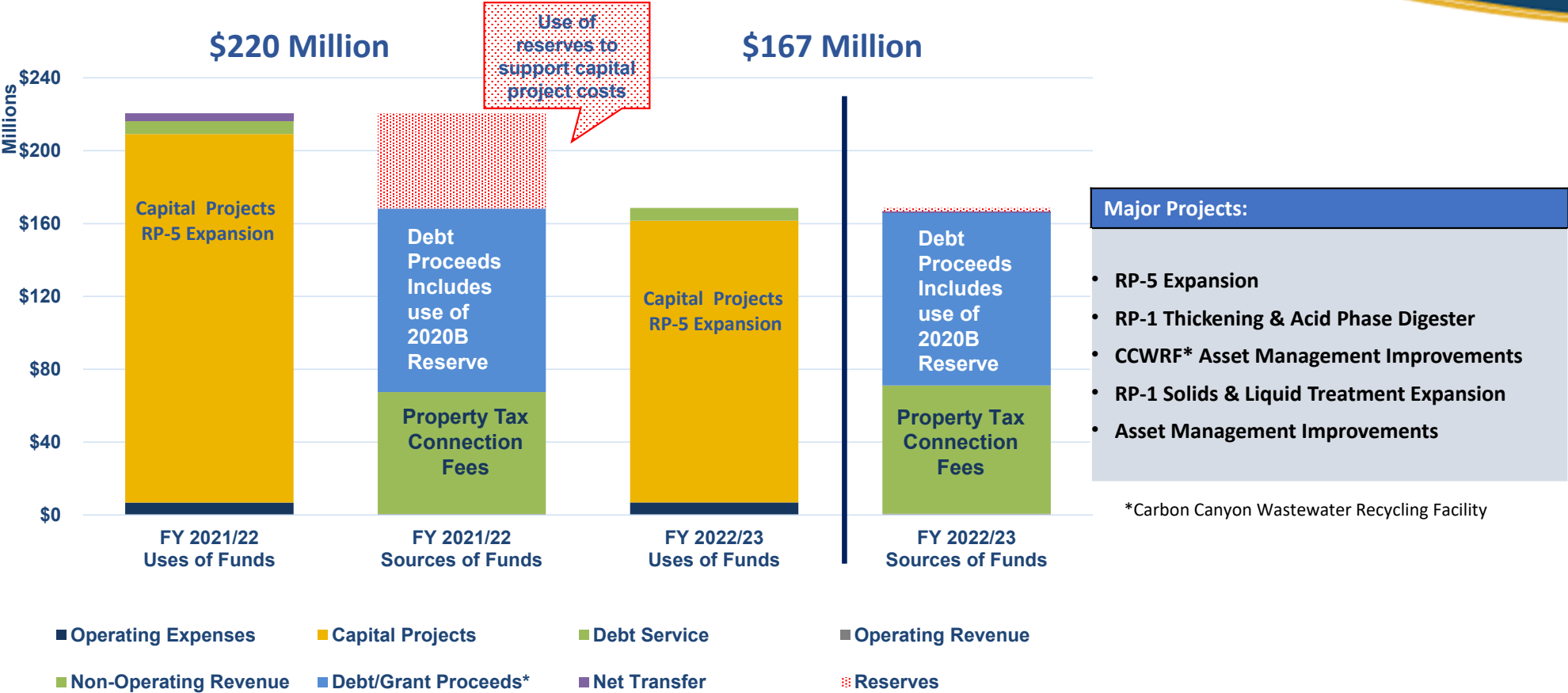
Adopted

# Property Taxes Allocation

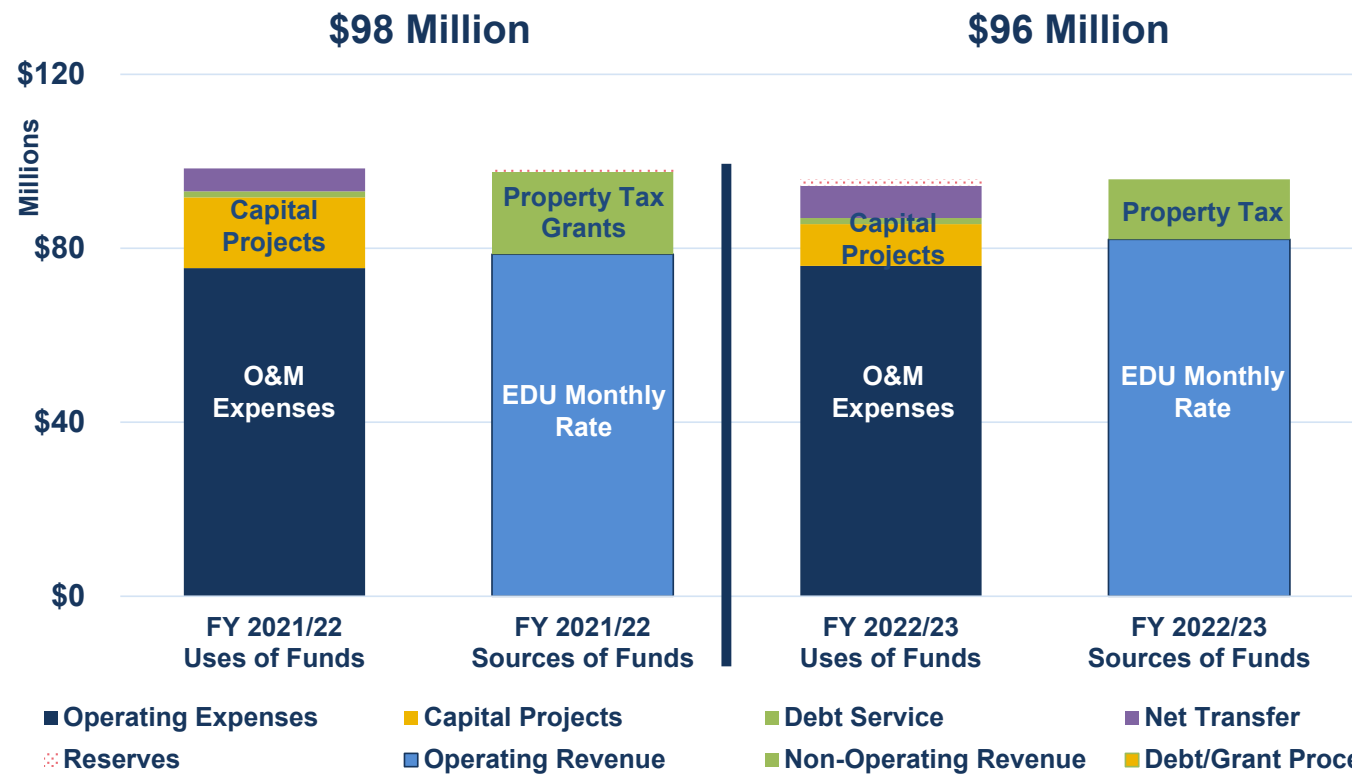
| Fund                              | Prior to 2015<br>Fixed % | Since 2016<br>Fixed %,<br>Fixed \$,<br>Balance | FY 2020/21<br>Projected<br>Allocation | Proposed for<br>FY 2021/22<br>Fixed % | FY 2021/22<br>Projected<br>Allocation |
|-----------------------------------|--------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Regional Wastewater Capital       | 65%                      | 65%  | \$36.8M                               | 65%                                   | \$37.4M                               |
| Regional Wastewater<br>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                                |
| <b>Total</b>                      |                          |  | <b>\$56.6M</b>                        |                                       | <b>\$57.5M</b>                        |

# Wastewater Capital Improvement Fund

## Sources and Uses of Funds



# Wastewater Operations & Maintenance Fund Sources and Uses of Funds



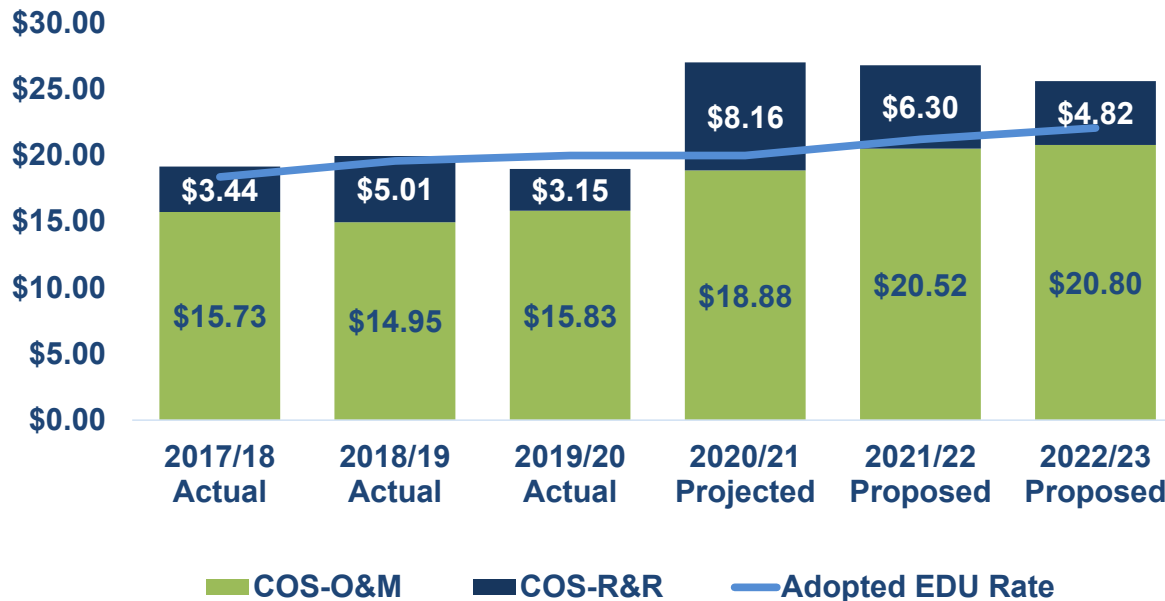
- Major Projects:**
- RP-4 Process Improvement
  - RP-4 Primary Clarifier Rehabilitation
  - Digesters 6 and 7 Roof Repairs
  - SCADA\* System Enterprise
  - North Major Facilities Repair

\*Wytivzmsv)Ssrxsprh\$ex\$guywtxsr

# Wastewater Operations & Maintenance Fund

## Cost of Service/EDU

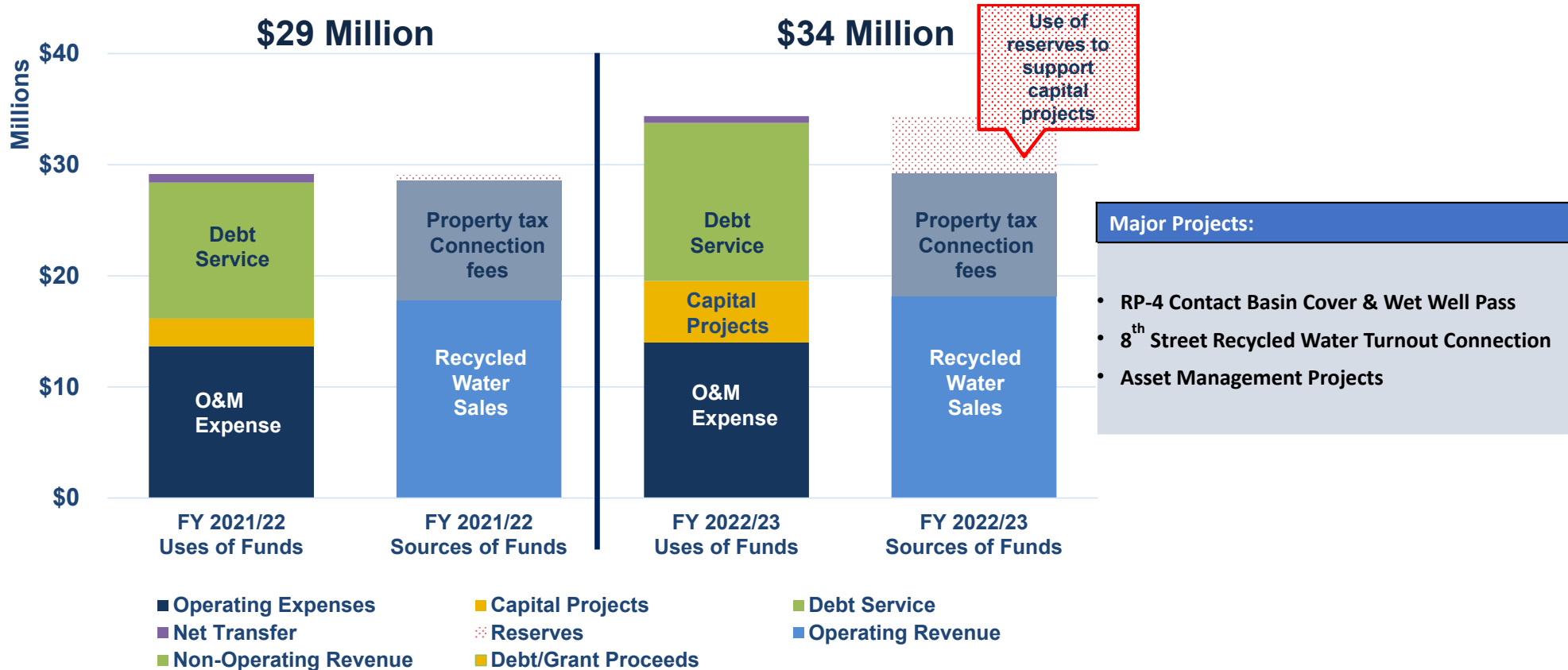
|                  | 2020/21 Adopted | 2021/22 Adopted | 2022/23 Projected |
|------------------|-----------------|-----------------|-------------------|
| Monthly EDU Rate | \$20.00         | \$21.22         | \$22.07           |



- 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

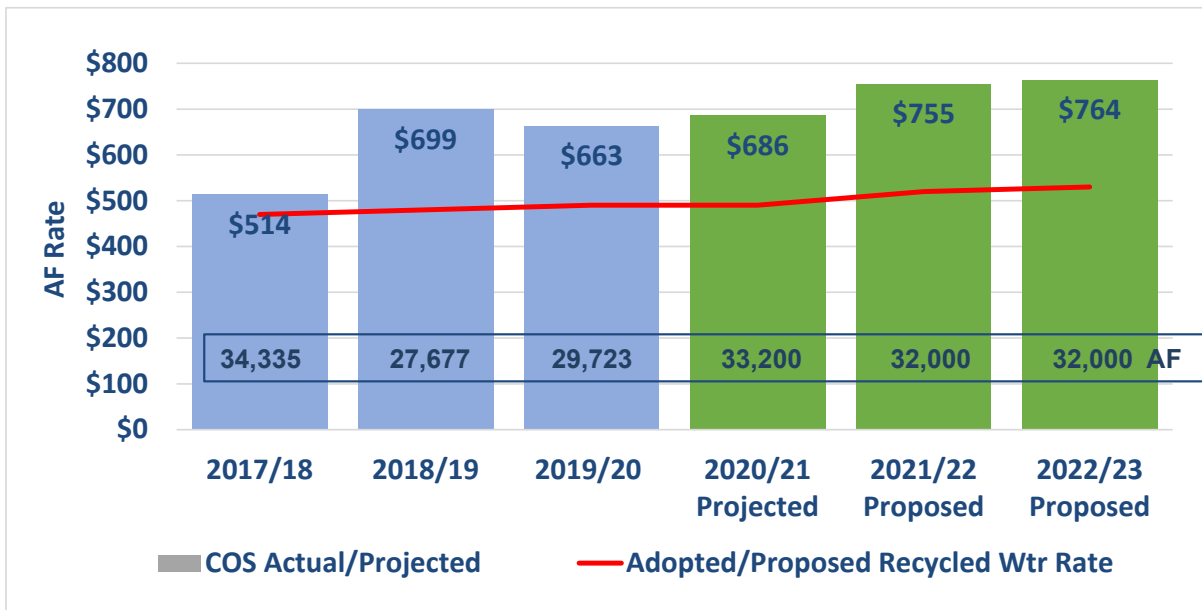
# Recycled Water Fund

## Total Sources and Uses of Funds



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

| Recycled Water Acre Foot Rate | 2020/21<br>Adopted | 2021/22<br>Adopted | 2022/23<br>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

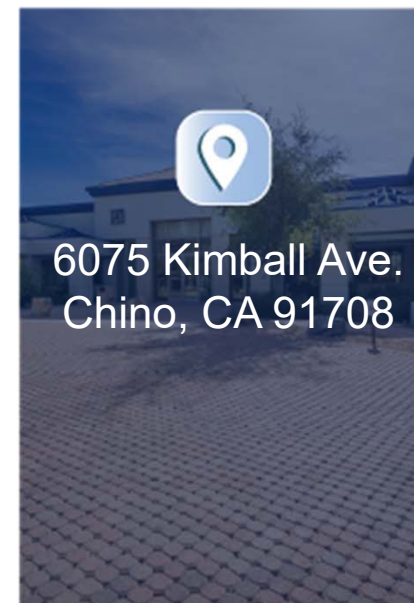
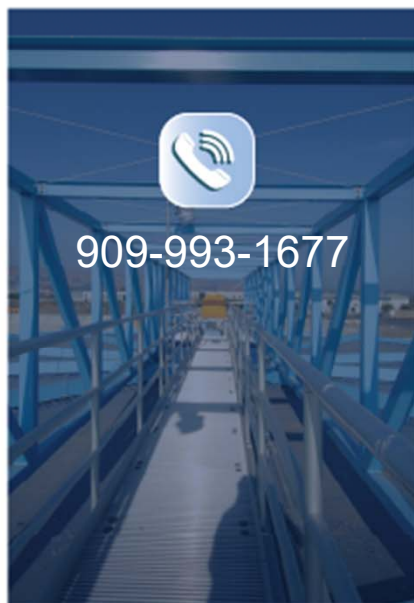


# Recommendations

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<br>TYF Presentation  |                | 3/03/21    | 3/25/21            |                 |
| Apr 2021 | TYF Presentation<br>Budget Workshop   |                | 4/7/21     |                    | 4/01/21         |
|          | Regional Program Budgets<br>(Wastewater and Recycled Water)   | 4/14/21        | 4/21/21    | 4/29/21            |                 |
| May 2021 | Regional Programs<br>Non-Reclaimable Wastewater, Groundwater<br>Recharge, Water Resources, and Administrative<br>services Budgets | 5/12/21        | 5/19/21    |                    | 5/6/21          |
|          | Regional Programs   |                |            | 05/27/21           |                 |
| Jun 2021 | Regional Programs<br>Biennial Budget, Rate Resolutions,<br>and TYCIP  | 6/9/21         | 6/16/21    |                    | 6/3/21          |



@IEUAWater

**INFORMATION  
ITEM**

**3A**



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Date: June 3, 2021

To: Regional Policy Committee

From: City of Upland

Subject: Designation of Representative Entitled to Participate in Grants and Financial Assistance Negotiations

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### **RECOMMENDATION**

This is an informational item.

### **BACKGROUND**

At the May 11, 2021 Special Policy Committee meeting, Committee Member Debra Dorst-Porada and Chair Bill Velto suggested exploring the existing contract provisions for the Policy Committee to designate one representative to participate in grants and financial assistance negotiations.

Section 23 of the Regional Sewer Contract allows for the Regional Policy Committee to designate one representative who shall be entitled to participate with IEUA in all such negotiations of grants or financial assistance that may affect the Regional Sewer System. The language specifies that the representative shall be skilled in the design, construction, maintenance, and operation of sewage facilities and may be a member of the Regional Technical Committee. The purpose of this representative is to keep the Regional Policy Committee and the Regional Technical Committee informed on the status of the negotiations and the nature and content of any proposed final application or agreement for grant or other financial assistance.

Chair Velto and Committee Member Debra Dorst-Porada believed that this contract provision should be discussed further with all members of the Policy Committee and IEUA to explore all considerations regarding the process of selecting a representative. Additionally, the process to integrate that individual into ongoing grants and financial assistance negotiations should be determined.

**INFORMATION  
ITEM**

**3B**



# Expanded Return to Sewer Study

Ken Tam, P.E.

Deputy Manager of Strategic Planning & Resources

June 2021

# Exhibit J & EDU Equation

- Regional Sewage Service Contract – Exhibit J
  - EDU equation established in 1984
  - 1 EDU - Flow and strength from one single family residence
  - Multi-family and single family residence – 1 EDU
  - Commercial EDUs - fixture counting
  - Industrial EDUs - direct measurement
- Challenges
  - Plumbing code updates (New Construction v. Existing Construction)
  - Water consumption changes (Conservation)
  - Wastewater flow and strength change
  - Outdated commercial sewage factors
  - Technically defensible equation (Rates)
  - Growth forecasting

## Equivalent Dwelling Unit (EDU) Equation

$$\frac{Flow}{270} \left( 0.37 + 0.31 \left( \frac{BOD}{230} \right) + 0.32 \left( \frac{TSS}{220} \right) \right)$$



# Background of EDU Evaluation

- Sewer Use Fee Evaluation (Carollo Study) (2016 – 2018)
  - Scope - Evaluation of Exhibit J and EDU Equation
  - Water consumption data gathering challenges
  - Provisional EDU Equation established
  - Specific commercial categories were not evaluated
  - Potential shift from residential to commercial
  - Potential establishment of multi-family subcategory in residential
  - Study paused on recommendation from Regional Technical Committee
    - California Association of Sanitation Agencies (CASA) Flow & Loading Study
    - Regional Contract Negotiation

## **Provisional Equivalent Dwelling Unit (EDU) Equation**

$$\frac{Flow}{180} \left( 0.44 + 0.34 \left( \frac{BOD}{370} \right) + 0.22 \left( \frac{TSS}{355} \right) \right)$$

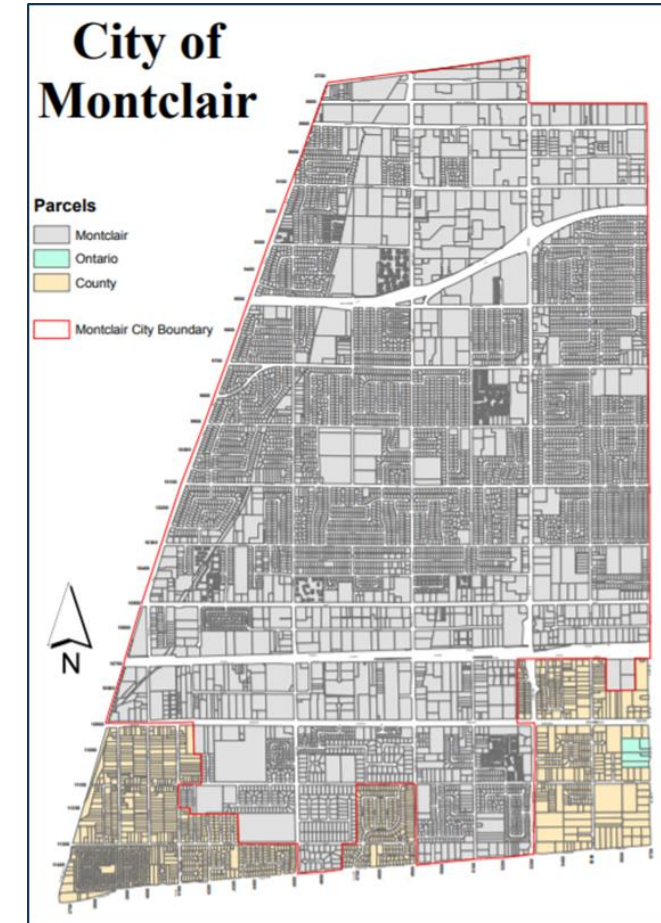
# Background of EDU Evaluation

- CASA Flow/Loading Study (CASA Study) (2016 – Present)
  - Scope – Site Specific Wastewater Flow/Loading Study
  - 13 agencies participating statewide
  - Attorney Client Privilege
  - Residential Site Monitoring - Complete
    - Chino Hills, Ontario, Montclair, and Upland
  - Non-Residential Site Monitoring – Pending
    - Cucamonga Valley Water District, Ontario, and Fontana
    - On hold – March 2020
    - Projected restart – September 2021
  - Residential/Non-Residential Technical Memo Release



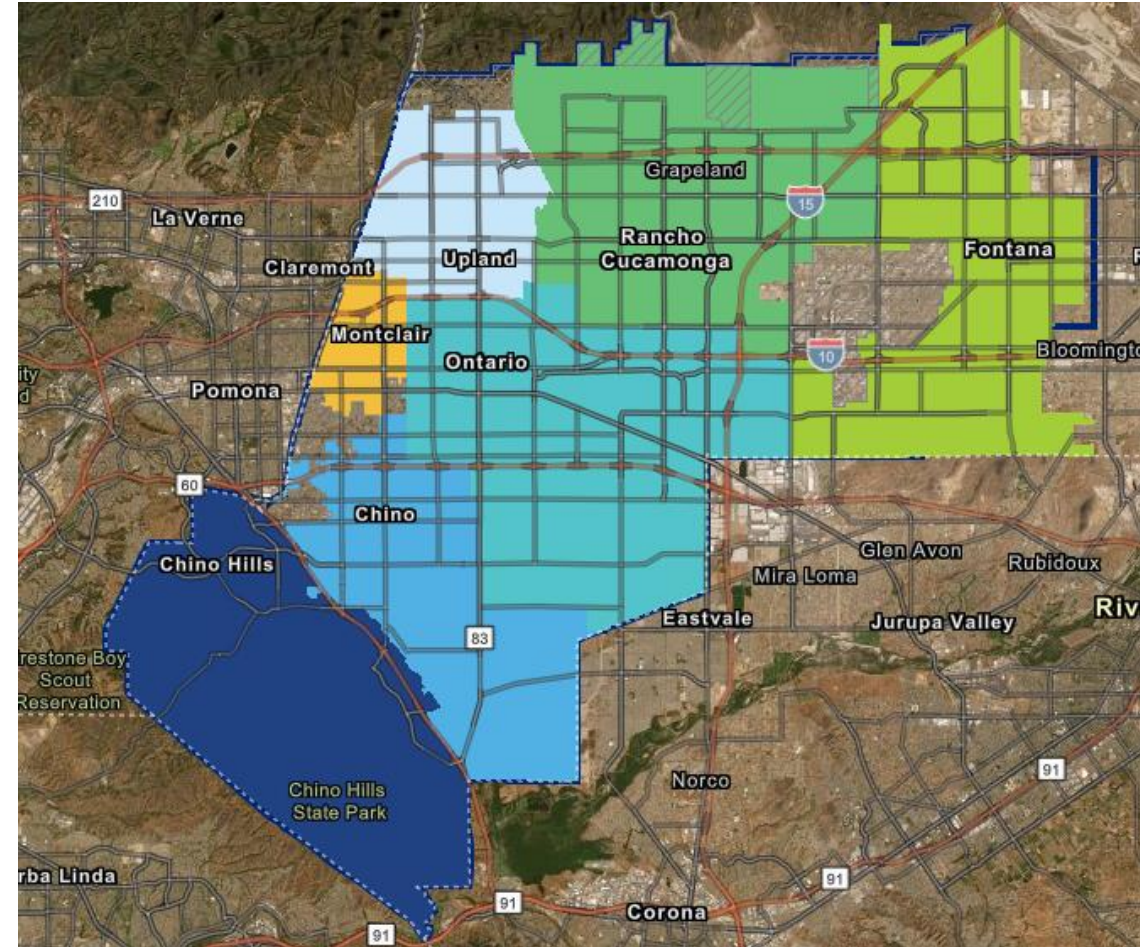
# Return to Sewer Study

- Regional Contract Negotiation (RCN) Growth Forecast Discussions (Feb. – Nov. 2019)
  - Regional Wastewater Demand Forecast Model (WDFM)
  - Development of Regional Wastewater Flow\Strength Factors (Pilot Return to Sewer Study)
  - RCN Subcommittee recommended moving forward
- Pilot Return to Sewer Study - Montclair/Monte Vista Water District (Apr. – Nov. 2020)
  - Scope - Develop IEUA Regional Specific Return to Sewer Model
  - Consultant ARGO/CaDC – Data availability from Monte Vista Water District
  - Water consumption and subtracting estimated outdoor demands
  - Residential & Specific Commercial Category Analysis
- Advantages to Regional Specific Model
  - Representative of contracting agencies service areas
  - Tied to land use - Regional Growth Forecasting
  - Allows for more periodic check-in of EDU Equation



# Return to Sewer Study

- Pilot study completed for the Montclair/Monte Vista Water District Service Area (April – Nov. 2020)
  - Confirmed MFR & SFR distinction
  - Residential building age impact
  - Trends in commercial category flows
  - Expanded Study – additional contracting agency representation
- Expanded Return to Sewer Study (Jan. – Apr. 2021)
  - City of Chino, City of Ontario, and Cucamonga Valley Water District service areas
  - Technical Committee approved unanimously (Apr 2021)
- Goals of EDU Evaluation
  - Fair and equitable distribution of costs to rate payers
  - Technically defensible data set
  - Periodic check-in on EDU Equation





# EDU Evaluation Timeline

|                |  | 2020 |   |   |   |   |   |   |   |   |   |   |   | 2021 |   |   |   |   |   |   |   |   |   |   |   | 2022 |   |   |   |   |   |   |   |   |   |   |   | 2023 |   |   |   |   |   |   |   |   |   |   |   |
|----------------|--|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|
|                |  | J    | F | M | A | M | J | J | A | S | O | N | D | J    | F | M | A | M | J | J | A | S | O | N | D | J    | F | M | A | M | J | J | A | S | O | N | D | J    | F | M | A | M | J | J | A | S | O | N | D |
| CASA Study     | Residential Handbook                           |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Non-Residential Monitoring                     |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Non-Residential Handbook                       |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
| IEUA EDU Study | Return to Sewer Pilot Study                    |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Pilot Study - MVWD/Montclair                   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Consideration of field verification/Exp. study |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | IEUA Service Area Return to Sewer Study        |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Expanded Return to Sewer Study                 |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Consider monitoring sites                      |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Field verification                             |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Data analysis & Conclusions                    |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | EDU Methodology and Rate Structure             |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Retain services for Tech. Evaluation           |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Methodology & Impact to existing users         |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |
|                | Propose Methodology & Rate Structure           |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |

**RECEIVE AND  
FILE**

**4A**

# Building Activity Report - YTD Fiscal Year 2020/21



## Legend

- Service Area
- Unincorporated

## EDU (YTD)

### Residential

- <=1.0
- 1.0 - 10.0
- >10.0

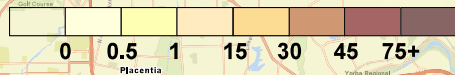
### Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

### Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

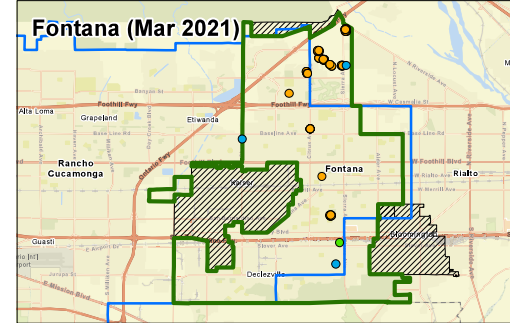
## HALF MILE GRID: TOTAL EDU's (YTD)



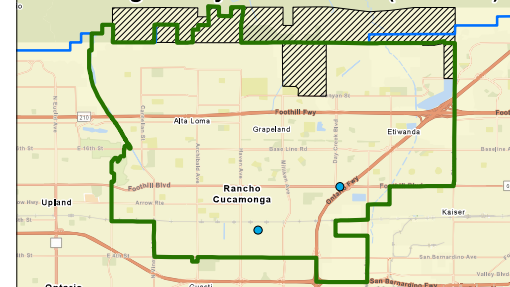
## TOTAL EDU BY WASTEWATER CONNECTION-TYPE (YTD)

| 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      |

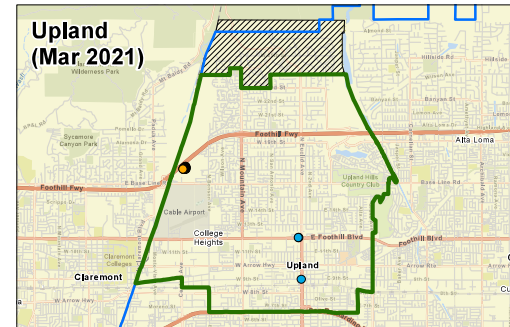
## Fontana (Mar 2021)



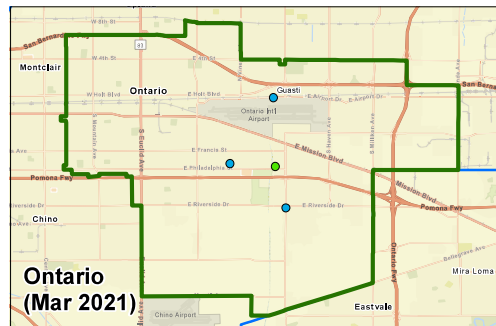
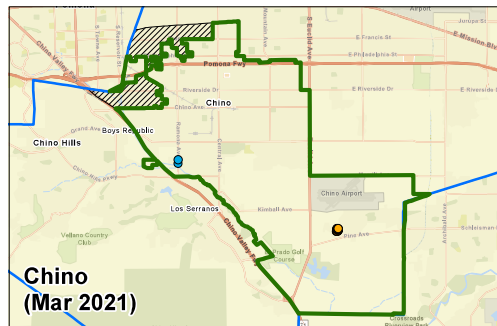
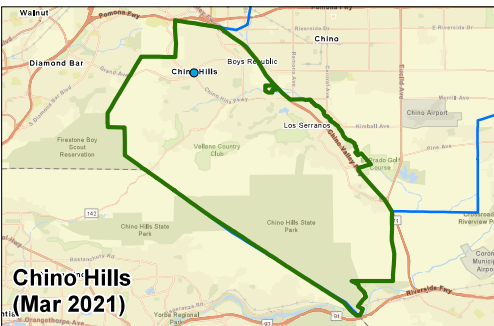
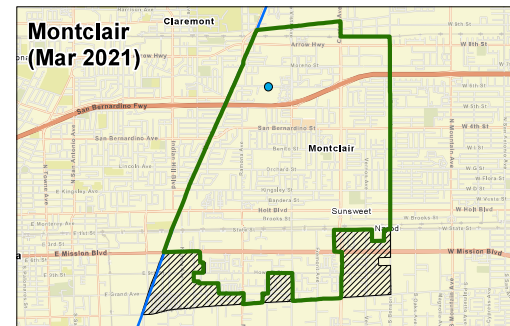
## Cucamonga Valley Water District (Mar 2021)



## Upland (Mar 2021)



## Montclair (Mar 2021)



RECEIVE AND  
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**4B**



# 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

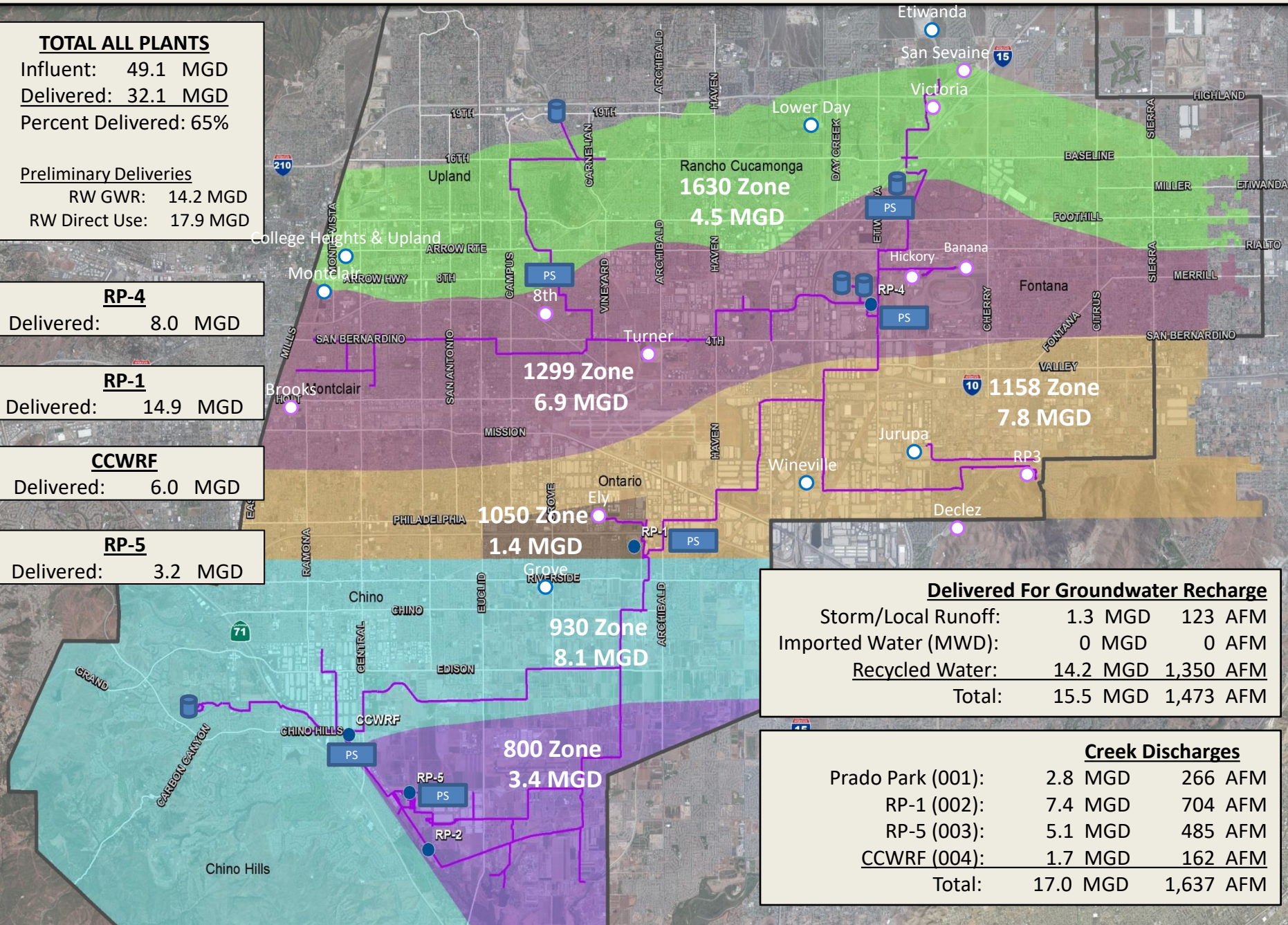
Delivered: 3.2 MGD

## 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 |

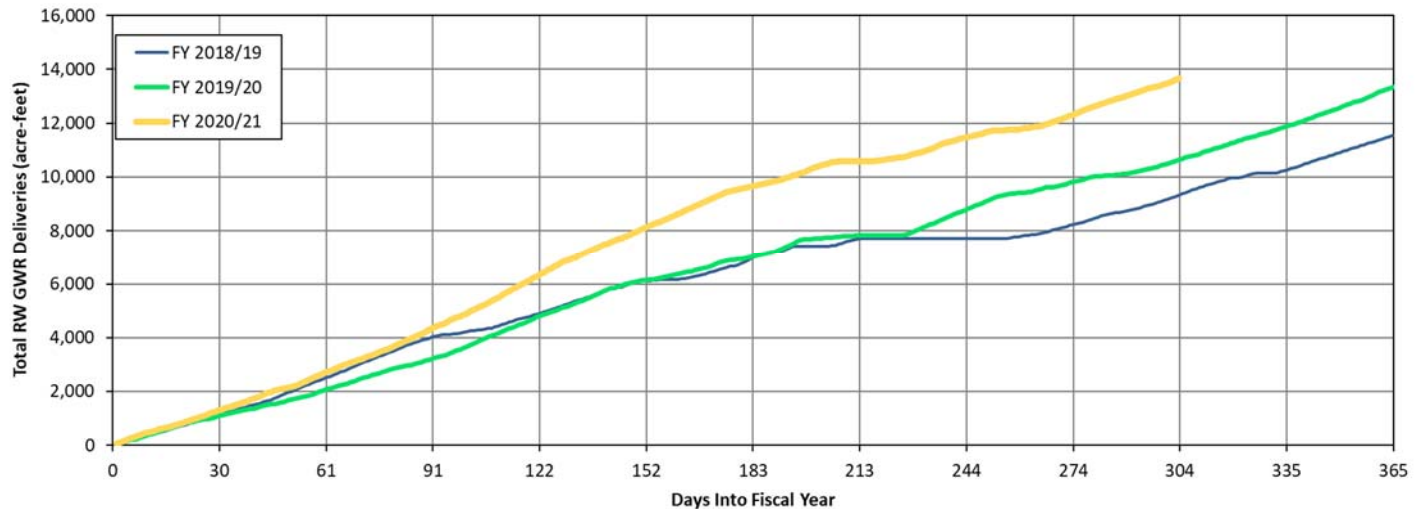
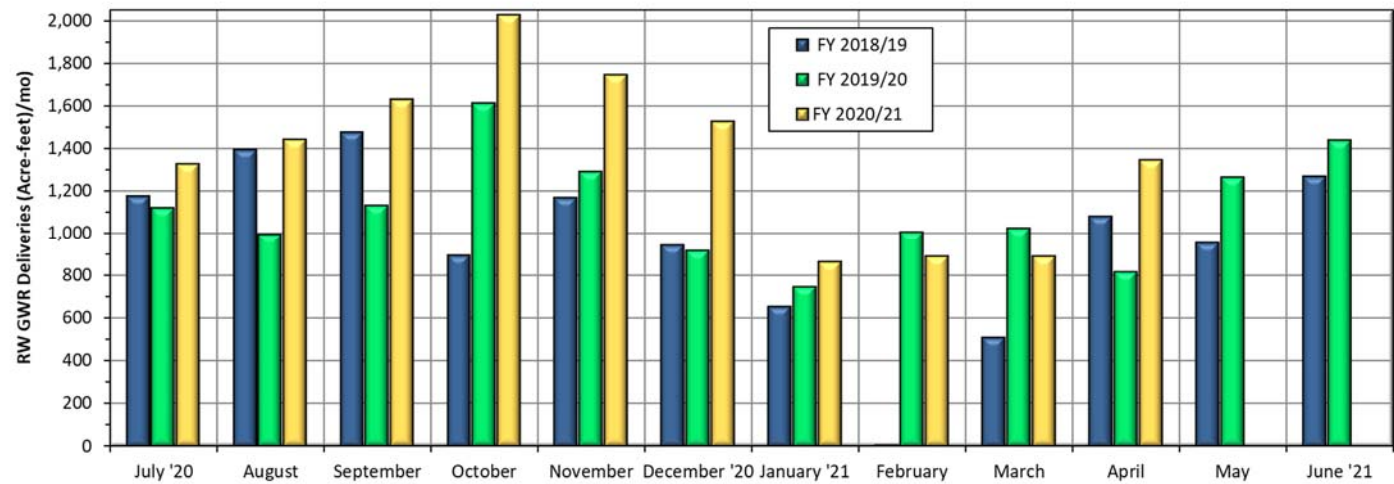
## Creek Discharges

|                   |          |           |
|-------------------|----------|-----------|
| Prado Park (001): | 2.8 MGD  | 266 AFM   |
| 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 |



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**4C**

## Sewage Contract Negotiations

April 28 & 29

Session 48 & 49

Key Topics: preparation for governance

### Objectives

- Confirm objectives for 5/6 Policy Committee Workshop
- Share draft presentation for 5/6 Policy Committee Workshop

### Attendees

**Chino:**

Dave Crosley  
Amanda Coker

**Chino Hills:**

Ron Craig

**Cucamonga:**

Eduardo Espinoza

**Fontana:**

Armando Martinez  
Steve Nix

**Montclair:**

**Ontario:**

Chris Quach  
Courtney Jones

**Upland:**

Nicole de Moet  
Braden Yu

**IEUA:**

Shivaji Deshmukh  
Ken Tam  
Christina Valencia  
Christiana Daisy  
Eddie Lin  
Sylvie Lee<sup>2</sup>

**Legal Counsel:**

Jeff Ferre

**Kearns & West Team:**

Terra Alpaugh  
Mike Harty<sup>1</sup>

<sup>1</sup>Only attended 4/28

<sup>2</sup>Only attended 4/29

### Action Items

- KW will update slides to include in-meeting edits and add slides detailing PC and TC contract-detail responsibilities.
- KW will email PC members with questions from the last slide for their advance consideration.

### Perspectives & Key Outcomes

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

#### Preparing for the Policy Committee Governance Workshop

KW shared draft slides for the Governance Workshop focused on the role of the Policy and Technical Committees as outlined in the current contract and the high-level governance interests voiced by the CAs and IEUA.



Suggestions from the CAs and IEUA included:

- Add slides detailing all the activities PC members and TC members would be involved in based on the current contract language.
- Highlight KW's observation that the current contract has been a success in terms of setting up a system that successfully plans for and delivers sewage services.
- Highlight that, at the staff level, IEUA wants to continue the current governance structure and is looking for opportunities where they can improve the process. The CAs have also voiced their interest in building on the current contract.
- Acknowledge that some of the past disagreements between IEUA and the CAs have been because of lack of clarity in the contract, and some have been because of disagreements over topics not covered by the current contract.
- BB&K noted that a new contract could contain recitals that describe the intent of the parties, i.e., an articulation of why the parties want to enter into a new agreement and that they intend to fortify and improve upon the level of input provided by all parties. These would not be legally binding but would provide guidance into the future of the intent of the contract writers.
- KW to facilitate this workshop and direct questions to the appropriate representatives (e.g. Shivaji for IEUA staff perspective; Nicole for general CA questions; or specific TC members as relevant for each PC member). Not all questions may be answered on the spot. This is an opportunity for the group to hear the questions, record them, and report back (at a future PC meeting?).
- It would be useful for IEUA to hear what all 7 PC members think is working and what is not. Call on them one at a time to share their views with respect to the questions on the last page if they want to.
- Also offer the opportunity for the PC to send written questions or comments directly to facilitators via email.

## Sewage Contract Negotiations

May 13

Session 50

Key Topics: Next Steps & Schedule

### Objectives

- Discuss next steps for drafting.

### Attendees

**Chino:**

Dave Crosley  
Amanda Coker

**Chino Hills:**

*none*

**Cucamonga:**

Eduardo Espinoza

**Fontana:**

Armando Martinez  
Steve Nix

**Montclair:**

*none*

**Ontario:**

Courtney Jones

**Upland:**

Nicole de Moet  
Braden Yu

**IEUA:**

Shivaji Deshmukh  
Sylvie Lee  
Ken Tam  
Christiana Daisy  
Eddie Lin

**Legal Counsel:**

*None*

**Kearns & West Team:**

Terra Alpaugh  
Mike Harty  
Sharon Hu<sup>2</sup>

<sup>1</sup>Only attended 5/13

### Action Items

- Once the CAs have determined that the draft contract is ready for IEUA review, they will reconvene meetings with IEUA and at that point, legal counsel from IEUA and the Contract Agencies can also meet to review the proposed language.

### Perspectives & Key Outcomes

The notes below are organized by agenda topic. Contract Agency (CA)/IEUA representatives are not identified individually, but instead by their city/organizational name (e.g. Chino, IEUA).

#### Discuss next steps for contract drafting and discussions of recycled water

IEUA and the Contract Agencies discussed next steps for reviewing draft contract language and for re-initiating discussions related to recycled water (RW). Once the draft contract is ready for IEUA review, legal counsel from IEUA and the Contract Agencies will convene to review the draft language.

Feedback included:

- Upland reported back that BBK, the CA's legal counsel, has drafted a modification to the existing contract, and it is currently undergoing review by all the CAs before they submit it to IEUA.

- IEUA suggested that IEUA and CA legal counsel meet to review draft language together.
  - Ontario suggested that the CAs should develop agreement on the draft contract before the attorneys convene.
- IEUA looks forward to receiving input from the Contract Agencies on recycled water, including ideas for addressing challenges around:
  - Declining direct use sales and fixed costs/cost of service.
  - Permit requirements for advance treatment (salinity, constituents of emerging concern, etc.)
  - External supply sources (e.g., Western Municipal Water District through the WRCRWA JPA and the City of Rialto)
  - Aligning the recycled water program with the new contract.
  - Some of these conversations will occur as soon as the next Technical Committee meeting; others (e.g., RW rates and rate structure) are targeted for the end of FY 2021/22 with the new rate planned to be in effect by 7/1/2022.
- IEUA noted that language related to RW in the contract is limited to defining the base entitlement. IEUA asked whether the CAs were ready to discuss how much detail about the RW system should be included in the new contract (e.g., whether the base entitlement should continue to be included, while other elements are handled outside the contract).
- The Contract Agencies intend to prepare a proposal regarding the recycled water program for IEUA's consideration.